Tuesday 5 April 2022

P9_TA(2022)0106

Guidelines for the 2023 budget — Section III

European Parliament resolution of 5 April 2022 on general guidelines for the preparation of the 2023 budget, Section III — Commission (2021/2226(BUI))

(2022/C 434/18)

The European Parliament,

— having regard to Article 314 of the Treaty on the Functioning of the European Union (TFEU),

— having regard to Article 106(a) of the Treaty establishing the European Atomic Energy Community,

— having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union ([1]) ('Financial Regulation'),

— 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 ([2]) ('MFF Regulation'),

— having regard to the Joint declaration by the European Parliament, Council and Commission on the reinforcement of specific programmes and adaptation of basic acts ([3]),

— having regard to the Joint declaration by the European Parliament, Council and Commission on the use of reflows from the ACP Investment Facility to the benefit of the Neighbourhood, Development and International Cooperation Instrument ([4]),

— having regard to the Joint declaration by the European Parliament, the Council and the Commission on the re-use of decommitted funds in relation to the research programme ([5]),

— having regard to the Joint declaration by the European Parliament, Council and Commission on the treatment of NGEU interest costs and repayments in the 2021-2027 MFF ([6]),

— having regard to the Joint declaration of the European Parliament, the Council and the Commission on budgetary scrutiny of new proposals based on Article 122 TFEU with potential appreciable implications for the Union budget ([7]),

— having regard to the Joint declaration of the European Parliament, the Council and the Commission on reassessing the external assigned revenue and borrowing and lending provisions in the Financial Regulation ([8]),

— 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 ([9]),

— having regard to the Commission proposal of 22 December 2021 for a Council Regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (COM(2021)0569),

([1]) OJ L 193, 30.7.2018, p. 1.
([2]) OJ L 433 I, 22.12.2020, p. 11.
([3]) OJ C 444 I, 22.12.2020, p. 1.
([4]) OJ C 444 I, 22.12.2020, p. 2.
([5]) OJ C 444 I, 22.12.2020, p. 3.
([6]) OJ C 444 I, 22.12.2020, p. 4.
([7]) OJ C 444 I, 22.12.2020, p. 5.
([8]) OJ C 444 I, 22.12.2020, p. 6.
([9]) OJ C 445, 29.10.2021, p. 240.

Tuesday 5 April 2022

— 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 ([10]),

— having regard to Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union ([11]),

— having regard to the Commission proposal of 22 December 2021 to amend that Decision (COM(2021)0570),

— 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 ([12]),

— 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 ([13]),

— having regard to the European Pillar of Social Rights (EPSR), proclaimed by the European Council, Parliament and the Commission in November 2017, the Commission action plan on the implementation of the European Pillar of Social Rights of 4 March 2021 and the Porto Declaration on social affairs adopted by the members of the European Council in May 2021,

— having regard to the UN 2030 Agenda for Sustainable Development and its Sustainable Development Goals,

— having regard to its resolution of 25 March 2021 on shaping digital education policy ([14]),

— having regard to the Commission communication of 9 March 2021 entitled '2030 Digital Compass: the European way for the Digital Decade' (COM(2021)0118),

— having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),

— having regard to its resolution of 15 January 2020 on the European Green Deal ([15]),

— having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality ([16]) (European Climate Law),

— having regard to the special reports of the Intergovernmental Panel on Climate Change (IPCC) on global warming of 1,5 °C, on climate change and land, and on the ocean and cryosphere in a changing climate,

— having regard to the agreement adopted at the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris on 12 December 2015 (the 'Paris Agreement'),

— having regard to its resolution of 1 March 2022 on the Russian aggression against Ukraine ([17]),

— having regard to the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES),

— having regard to the EU gender equality strategy 2020-2025,

---

([10]) OJ L 433 I, 22.12.2020, p. 28.
([11]) OJ L 424, 15.12.2020, p. 1.
([12]) OJ L 433 I, 22.12.2020, p. 23.
([13]) OJ L 433 I, 22.12.2020, p. 1.
([14]) OJ C 494, 8.12.2021, p. 2.
([15]) OJ C 270, 7.7.2021, p. 2.
([16]) OJ L 243, 9.7.2021, p. 1.
([17]) Texts adopted, P9_TA(2022)0052.

— having regard to special report 10/2021 of the European Court of Auditors (ECA) of 26 May 2021 entitled 'Gender mainstreaming in the EU budget: time to turn words into action',

— having regard to the general budget of the European Union for the financial year 2022 ([18]) and the joint statements agreed between Parliament, the Council and the Commission annexed hereto,

— having regard to the Council Conclusions of 15 March 2022 on the budget guidelines for 2023 (07218/2022),

— 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, the Committee on Culture and Education and the Committee on Women's Rights and Gender Equality,

— having regards 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 Budgetary Control, the Committee on the Environment, Public Health and Food Safety, the Committee on Regional Development,, the Committee on Fisheries and the Committee on Constitutional Affairs,

— having regard to the report of the Committee on Budgets (A9-0062/2022),

A. whereas in a series of resolutions, Parliament has recommended that all Member States allocate a minimum of 2 % of their Recovery and Resilience Facility (RRF) funding to the cultural and creative sectors and a minimum of 10 % to education, and that they allocate at least 5 % of their European Social Fund Plus (ESF+) resources under shared management to support activities under the European Child Guarantee;

Budget 2023: keeping the recovery on track for all

1. Notes that despite the encouraging signals giving rise to expectations of further growth in 2022, uncertainty in the economic outlook persists, in the light of factors such as supply chain disruption, high energy prices, rising inflation and the continuing COVID-19 pandemic, as well as the consequences of the invasion of Ukraine; recalls, therefore, that the 2023 Union budget will play an important role in strengthening the Union economy and its competitiveness, as well as in building our common resilience, contributing to the successful implementation of the European Green Deal and a just transition, so that no one is left behind, and fostering economic, social and territorial cohesion as one of the cornerstones of the recovery, in addition to responding to geopolitical challenges;

2. Commits therefore to working to adopt a future-oriented budget that matches the Union's political priorities of ensuring a stronger Health Union, making a success of the green and digital transitions, and fostering a fair, inclusive, sustainable and resilient recovery, including increased support for small and medium-sized enterprises (SMEs), promoting the rule of law, EU values, and fundamental rights and their application, contributing to greater opportunities for all, and notably young people throughout the Union, and ensuring a stronger Union for its people and in the world;

3. Underlines the pivotal role of EU cohesion policy as an essential Union investment policy 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; points out that 2023 will be the last year of the implementation of EU programmes from the 2014-2020 multiannual financial framework (MFF), notably those under shared management in cohesion, as well as being the year when the implementation of new programmes will start gaining speed; expects this to be reflected, therefore, in a substantial increase in payment appropriations in the 2023 budget;

4. Highlights the fact that the new common agricultural policy (CAP) will take effect from 2023; recalls the central importance of the CAP and the common fisheries policy to Europe's food system, delivering affordable, high-quality food and nutrition security for all Europeans; points also to the importance of the proper functioning of agricultural markets, the sustainable development of rural regions, stable and acceptable earnings for farmers and fishers, the sustainable

([18]) OJ L 45, 24.2.2022, p. 1.

management of natural resources and the preservation of biodiversity as well as the generational renewal of farmers; asks for particular attention to be paid to small-scale agriculture, young farmers and small fishing businesses by making the best use of all relevant EU programmes; points out that a number of agricultural sectors have been hit hard by the COVID-19 outbreak, rising energy prices and other crises;

5. Underlines the need for Member States to contract all the resources available in the RRF by the end of 2023 and calls on the Commission to support Member States and beneficiaries in this regard while involving Parliament in the supervision and transparent assessment of the process; recalls, moreover, the importance of involving the local and regional authorities, social partners and civil society in the implementation and monitoring of relevant EU programmes;

A stronger Health Union

6. Recalls that the COVID-19 crisis has put public health systems under unprecedented stress and has exacerbated existing challenges; welcomes the priority given to Union health policy and highlights the EU4Health programme and health cluster within Horizon Europe; notes that the budget for the Health Emergency Preparedness and Response Authority's (HERA) preparedness activities is drawn from those programmes and from the EU Civil Protection Mechanism, and expresses deep concern that this could compromise the attainment of other important health objectives agreed by the legislators; recalls therefore the need to provide fresh resources to HERA; underlines, moreover, that particular focus should be placed on Parliament's scrutiny of HERA; highlights the importance of building up the European Medical Corps under the EU Civil Protection Mechanism and invites all Member States to contribute to it with further resources; stresses the need to ensure adequate funding for the Beating Cancer Plan with a strong focus on actions delivering tangible results for citizens, for example the European Cancer Imaging Initiative or HPV vaccination programmes;

7. Recognises the importance of other Union programmes, including the RRF, in providing investment and support to prevent health crises and strengthen the resilience of healthcare systems and infrastructure; stresses the need for alignment between those activities and other EU funded programmes, including EU4Health, while reducing disparities in access to healthcare; underlines the need to reinforce information campaigns on vaccination in all Member States and beyond; recalls, furthermore, the importance of steady implementation and access to technical assistance for Member States with low administrative capacity; emphasises that decentralised health and safety related agencies and bodies should be adequately funded and staffed and, if necessary, reinforced;

Making a success of the green and digital transitions

8. Acknowledges that implementing the European Green Deal and achieving the Union's climate neutrality goal by 2050 and the zero pollution ambition will require significant public and private investments in order to bridge the green transition investment gap identified by the Commission and achieve the binding objectives of the Paris Agreement; stresses, nevertheless, that the cost of inaction would be much higher; emphasises that the Union budget is at the heart of efforts to make a just transition towards a greener, sustainable, socially inclusive, more resilient and competitive Union and that further financial efforts are needed; stresses in particular the need to provide adequate financial resources to enable the Union to deliver on its commitments while ensuring that no one is left behind; insists that the success of the European Green Deal will also depend on its financing and calls for the Union's funding instruments to be deployed with priority in the regions, sectors and areas which will be most affected by the green transition, taking into account the needs of Member States; stresses the need to enable SMEs to take full advantage of the opportunities arising from the European Green Deal and of their own business transition towards environmental sustainability and digitalisation;

9. Recalls the need to provide ambitious resources for programmes supporting climate and biodiversity action and environmental protection, such as LIFE, and the need to accelerate and fully implement the Just Transition Mechanism, including by providing further technical assistance to support the Member States in this task; recalls also the need to ensure that Union spending contributes to climate mitigation and climate adaptation, including by strengthening preparedness for

natural disasters, in particular through the European Civil Protection Mechanism, as well as towards halting biodiversity loss; expects the Commission to honour its commitment, made during conciliation for the 2022 budget, to reinforce the agency in that field, particularly in the light of its central role in the implementation of the 'Fit for 55' package and the related reporting; is deeply concerned, moreover, by the long-term human resources shortage in certain Commission services and therefore reiterates its call on the Commission to ensure adequate levels of resources and staffing; calls on the Commission and the Member States, furthermore, to respect the 'do no harm' principle in order to ensure the necessary coherence between policy objectives and maximum efficiency of spending during the transition and beyond;

10. Stresses the need for investment in research and innovation in green technologies, processes and skills, including with a view to giving the Union a competitive edge in the future net-zero economy, and highlights the importance of ensuring adequate resources for Horizon Europe in that context; considers that providing adequate support for SMEs is essential to upgrade their role in research and innovation; considers that the Union must make full use of the Connecting Europe Facility (CEF) to modernise and connect its transport and energy infrastructure and to increase the sustainability thereof, strengthening EU energy security and autonomy and developing further the Energy Union via interconnectivity between the Member States; considers therefore that sufficient resources for the CEF need to be ensured; further stresses the importance of the EU space programme;

11. Takes note of the legislative proposals submitted by the Commission for a Chips Act and a secure connectivity programme; recalls the principle that new programmes should not be created at the expense of existing ones and reiterates its longstanding position that new initiatives should be funded using fresh resources; intends to examine closely the budgetary implications of the proposals and their impact on the 2023 budgetary procedure;

12. Considers it essential to the Union's competitiveness to further digitalise the economy and the public sector; believes that a successful digital transition requires substantial research and innovation efforts under Horizon Europe, significant investment in digital infrastructure through CEF-Digital and support in areas such as artificial intelligence, cybersecurity and EU high-performance computing through the Digital Europe programme; points to the need to tackle the digital skills gap by promoting advanced digital skills and inclusive learning; stresses the need for professional reconversion tools; highlights the importance of ensuring sufficient funding and alignment between EU programmes to create conditions for 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 and competitiveness;

13. Recognises the contribution of Union funding programmes to the economic recovery, tackling unemployment and boosting investment, and in particular to supporting SMEs and start-ups; recalls that SMEs remain the backbone of the European economy and continue to play a vital role in job and growth creation; highlights InvestEU, its SME window and the possibility for SMEs negatively affected by the pandemic to receive capital support under the programme; highlights the need to promote a well-functioning single market through sufficient funding in order to guarantee consumer protection, boost the competitiveness of small businesses with the development of digital and entrepreneurial skills, improve access to markets, build on Erasmus for Young Entrepreneurs, and further expand opportunities to create and scale up start-ups;

14. Expresses solidarity with those working in sectors severely affected by the pandemic, notably in tourism, hospitality, and the cultural and creative sectors; highlights that those sectors represent an important pillar of the Union's economy and employ a significant share of its labour force, especially in SMEs; considers that those sectors should benefit from greater support from Member States and the Union, including through the RRF, and calls for additional measures for those sectors and sufficient funding for related EU programmes; insists that, should the New European Bauhaus (NEB) be turned into a longer-term initiative or programme, it would require fresh resources; reiterates its disappointment that Parliament's longstanding request for a dedicated EU programme on tourism has not been met;

Tuesday 5 April 2022

Promoting the rule of law, EU values and fundamental rights and their application

15. Considers it essential for the Union's credibility to ensure the proper use of Union funds and to take all steps to protect the Union's financial interests; emphasises the clear link between respect for the rule of law and efficient implementation of the Union budget in accordance with the principles of sound financial management; considers that Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget should be applied immediately and in full, as repeatedly requested by Parliament; regrets that the Commission has not yet implemented the Regulation, despite the fact that it entered into force on 1 January 2021, and underlines the Regulation's full compliance with the EU Treaties as confirmed by the judgments of the Court of Justice of the European Union of 16 February 2022 ([19]); expects the Commission to trigger Article 6(1) of the Regulation without delay for Member States where information letters have already been sent, as required by Article 6(4) of the Regulation; believes that adequate resources should be made available to agencies and bodies in this field and the European Public Prosecutor's Office (EPPO), particularly in view of their increasing workload, including in the monitoring and control of RRF expenditure;

16. Emphasises that the rule of law protects the other fundamental values on which the Union is founded and is intrinsically linked to respect for democracy and fundamental rights; expresses deep concern at the significant deterioration of the rule of law, democracy and fundamental rights, including independence of the judiciary, separation of powers, the fight against corruption and media independence and freedom in some Member States; highlights the importance of the Citizens, Equality, Rights and Values programme, notably in protecting and promoting rights and values as enshrined in the EU Treaties and the Charter of Fundamental Rights and in sustaining and further developing citizens' engagement and education, and open, rights-based, democratic, equal and inclusive societies; calls, therefore, for an ambitious level of resources to be allocated to this programme; recalls that judicial cooperation between national authorities is key to strengthening the rule of law in the Union; calls for adequate funding for the Justice Programme;

Greater opportunities for all and notably young people throughout the Union

17. Recognises that the COVID-19 crisis has had a severe negative impact on young people, their employment prospects, working conditions and mental health, which has led to lost opportunities and diminished prospects and the widening of the educational gap; points to the importance of vocational education and training in this context; believes strongly that the 2023 budget should include a focus on youth to build on the momentum of the 2022 European Year of Youth with concrete actions and policies to be continued in 2023; highlights the importance of Erasmus+ and underlines the high importance of ensuring sufficient financial resources for that programme, whose success in broadening education, training and job opportunities across the Union is indisputable and which has delivered tangible results; considers that it should become more inclusive and offer greater opportunities and equal access to all, notably to people from disadvantaged backgrounds and from rural and remote areas;

18. Stresses that sustainable and long-term solutions must be found to successfully fight structural demographic challenges and to mitigate brain drain in rural, remote and less developed areas of the EU; emphasises the need for financial resources to revitalise and create high-quality local job opportunities in areas suffering from population decline; highlights the crucial role of the EU budget in contributing to the implementation of the European Pillar of Social Rights and in strengthening local and regional social actions, reinforcing social dialogue and providing access for all to vital key services such as healthcare, mobility, adequate nutrition and decent housing;

19. Points to the need to bolster the European Solidarity Corps, which helps young people gain practical experience in another Member State, thereby increasing their employability and life chances; recalls the importance of adequately financing EU actions and activities for young people and children, notably under the ESF+, ReactEU and the RRF; recalls that the Commission should report on a regular basis on the implementation of the recommendation on establishing the a European Child Guarantee and a strengthened Youth Guarantee;

([19]) Judgments of 16 February 2022 in Cases C-156/21 *Hungary* v *Parliament and Council*, ECLI:EU:C:2022:97, and C-157/21 *Poland* v *Parliament and Council*, ECLI:EU:C:2022:98.

20. Recalls that the pandemic has also severely impacted older people; insists that the 2023 budget should provide sufficient support to the most vulnerable among them and protect their well-being, dignity and fundamental rights; notes that Erasmus+ offers opportunities for adults and seniors and calls on the Commission to ensure that they benefit more widely from it; points to the role of the EU budget in contributing to ensuring access for seniors to social and healthcare services, mobility and opportunities to volunteer; calls for the EU to streamline and step up its actions aimed at the elderly within a coherent framework associated with funding from EU programmes;

A stronger Union for its people and in the world

21. Condemns in the strongest possible terms the illegal, unprovoked and unjustified invasion of Ukraine by the Russian Federation and all the attempts to destabilise the EU's partners in the Eastern Neighbourhood, as well as the involvement of Belarus in this aggression; underlines the need for the Union to remain united and calls for enhanced cooperation and solidarity among Member States in this difficult context; urges the Union to guarantee significant funding to address the geopolitical consequences of the current crisis including support for the deployment of humanitarian and preparedness measures for welcoming refugees in the Member States and in the Eastern Neighbourhood; recalls that the stability of the Union depends also on the stability of its neighbourhood;

22. Recalls its resolution on the Russian aggression against Ukraine and calls on the Commission and the Member States to mobilise all available financial means to support Ukraine; reiterates its support, in this context, for the mobilisation of the European Peace Facility; calls on the Commission, the European External Action Service (EEAS) and the Member States to provide Parliament with early and transparent reports and information in this regard; calls on the Commission and the Member States to provide further emergency humanitarian assistance to Ukraine in cooperation with the UN humanitarian agencies and other international partner organisations; stresses the need to place special emphasis on vulnerable groups, minorities and women and children, since they are particularly affected in conflict situations and need special protection and support; calls on the Commission to consider all available means to ensure the provision of support under the relevant EU programmes, notably in relation to social and medical services and education;

23. Reiterates its unwavering support for the sovereignty and territorial integrity of all Eastern Partnership countries and calls on the Commission and the Member States to support them, in particular the Republic of Moldova, in providing temporary shelter to refugees from Ukraine; reiterates the need for solidarity between Member States in relocating the refugees from Ukraine who have arrived in Poland, Hungary, Romania and Slovakia to other Member States;

24. Recognises the importance of sanctions and the unity of the Union in imposing them and calls on the Commission to identify and facilitate means and ways to address their economic and social consequences for the EU;

25. Underlines the strategic importance of enlargement policy in the Western Balkan countries and stresses the need to provide adequate funding to the Western Balkan countries and the countries of the Eastern and Southern Neighbourhoods, particularly those implementing Association Agreements with the EU, to support comprehensive political and socio-economic reforms and strengthen civil society and the rule of law, as well as to help with the recovery from the COVID-19 crisis and its long-term economic consequences; highlights the importance of sufficient financial support for technical assistance in order to improve the absorption of EU funds in those regions;

26. Expects asylum and migration to remain high on the EU's agenda beyond the ongoing crisis; highlights the need for continuous financial support for the reception, registration, examination and integration of asylum applicants, and to secure adequate funding for the specific objectives of the Asylum, Migration and Integration Fund, with a view to ensuring proper implementation of the Common European Asylum System; stresses that this system must be based on solidarity and shared responsibility, i.e. not disproportionately overburdening some Member States, respect for human rights, the promotion of integration, the establishment of up a framework for legal migration, as requested by Parliament, the fight against trafficking in human beings and the improvement of the systems for the effective, safe and dignified return of persons and voluntary returns, in line with the EU's values and international commitments; calls, furthermore, for adequate funding for the Border Management and Visa Instrument in order to strengthen border management systems;

27. Highlights the need to ensure that there are no beneficiaries of EU funds (including contractors or subcontractors, participants in workshops or training sessions, or third parties) on the list of persons or entities subject to EU restrictive measures;

28. Stresses that the Union requires sufficient resources to respond to major crises as well as the long-term challenges in its neighbourhood and throughout the world, while recalling that the ceiling of Heading 6 of the MFF is already too low and that a revision of the current MFF is indispensable; calls for sufficient funding for the Neighbourhood, Development and International Cooperation Instrument and the Instrument for Pre-accession Assistance so that they are able to fulfil their crucial role in promoting sustainable and democratic development and political and economic reforms, protecting of the rule of law and human rights, supporting electoral processes and addressing social and climate challenges and the root causes of migration; points to the need to provide continued support for refugees, notably in Turkey and the wider region, and to respond to the developments in Afghanistan, while reiterating that the Union budget should not be the sole source of funding; calls for the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to receive an ambitious level of funding from the EU budget in 2023 to allow it to provide adequate support for regional stability and strengthen the resilience of Palestinian refugees; stresses the importance of the humanitarian aid programme and notes that resources are not increasing in line with record-high needs; calls, therefore, for it to be allocated more significant funding and for the Member States to increase their humanitarian aid;

29. Reiterates its view that the Union should have sufficient means to react to unexpected developments inside and outside the EU; calls on the Commission, therefore, to conduct an in-depth analysis of the different implications of the current ongoing challenges and their impact on the 2023 budget procedure as well as on the whole MFF 2021-2027, and to assess when an MFF revision would be appropriate;

30. Considers that the latest surge in COVID-19 infections is a further demonstration that more should be done to vaccinate the whole world; recalls the agreement between the three institutions as part of the 2022 budget to review the evolution of the pandemic response by the end of June 2022, notably with regard to international vaccinations, and to take any necessary action without further delay;

31. Emphasises the growing need for adequate financial support for Union security and defence, including through the European Defence Fund, which supports research and development in the defence sector; calls for increased efforts to enhance deployability and operational effectiveness and to improve military mobility, also with a view to contributing to strengthening stability in the EU's neighbourhood and beyond, and to deal with hybrid and cyber threats; considers that such efforts would increase the Union's strategic autonomy and strengthen the competitiveness of the European defence industry; calls furthermore for adequate funding for the Internal Security Fund;

32. Strongly supports EU efforts to tackle rising security threats such as the spread of disinformation, including online disinformation, fake news campaigns against the EU, terrorism, radicalisation and violent extremism within the EU and its neighbouring countries; considers that funding allocations should reflect the changing nature of threats and the need to tackle their root causes and ensure better coordination of Union efforts in this area;

33. Calls on the Council and the Member States to increase their efforts to complete the integration into Schengen of all Member States, notably of Romania, Bulgaria and Croatia, that meet all the technical requirements; considers that economic growth and prosperity, internal security, protection of the EU's external borders, fundamental rights, the proper functioning of the Schengen area and freedom of movement within the EU are inextricably linked and mutually beneficial; considers it necessary to ensure adequate funding, staffing and training of staff for all agencies operating in the fields of fundamental rights, asylum, security, justice and integrated border management; recalls that the Schengen area brings economic benefits to its participant states;

Cross-cutting issues

34. Recalls that the financing costs for the EU Recovery Instrument (EURI) are to be borne by the Union budget, including by sufficient proceeds from new own resources, and should be underpinned by necessary and timely appropriations; stresses that the financial envelopes of expenditure programmes should not be used to manage the unpredictability of EURI financing costs; considers that the budgetary authority has the full power to decide to reinforce any

EU programmes, including where EURI financing costs are lower than expected; recalls that the joint statement by Parliament, the Council and the Commission on the financial cost of the EURI in 2022, agreed on 15 November 2021 during the conciliation period, applies to the 2022 budget procedure and does not create a precedent; recalls that all future decisions may only be taken during the annual budgetary procedure;

35. Recalls that the Union institutions agreed in the Interinstitutional Agreement (IIA) on a legally-binding roadmap for the introduction of a basket of new own resources to ensure full repayment of the principal of the EU recovery plan and related interest, without reducing programme expenditure or investment instruments under the MFF, while respecting the principle of universality; welcomes the financial package proposed by the Commission on 22 December 2021, which contains an update of the Own Resources Decision ([20]), with three new own resources: a carbon border adjustment mechanism; emissions trading; and a share of the residual profits of the largest and most profitable multinational enterprises; considers that moving forward with this financial package is of the utmost importance; requests, therefore, that the Council respect the agreed timeline and make progress with the first basket of own resources before the 2023 budget procedure is finalised; urges the Commission, moreover, to make a proposal for the second basket of new own resources before December 2023 in order to ensure sufficient resources for NextGenerationEU repayments; recalls that 2023 will be the second year of application of the programme-specific adjustment under Article 5 of the MFF Regulation;

36. Notes that there has been an unexpectedly high number of research decommitments (over EUR 469 million), at a level that was not anticipated in, and thus is not covered by, the MFF agreement; considers that all research decommitments should be made available under Article 15(3) of the Financial Regulation; intends to focus the decommitments that are additional to the amounts to be included by the Commission in the draft budget on a few key areas;

37. Looks forward to the application of the revised climate tracking methodology to the 2023 draft budget in accordance with the IIA on budgetary discipline and to the reporting on the 'do no significant harm' principle in the performance report; expects the Commission to adopt an effective, transparent and comprehensive methodology for biodiversity tracking as soon as possible, bearing in mind the targets set for 2024, 2026 and 2027; calls on the Commission to duly consider all relevant findings and recommendations in order to render all future spending fully transparent and to establish a clearer link between climate and biodiversity expenditure and their actual impacts, including by applying output and results indicators; calls for the full involvement of Parliament in the development of the methodologies, as laid down in the IIA; expects the Commission to consult Parliament on the biodiversity methodology before the publication of the 2023 draft budget;

38. Calls on the Commission to develop a methodology for tracking social expenditure in the EU budget based on the principles of the European Pillar of Social Rights;

39. Reiterates that women have been disproportionately affected by the economic and social crisis stemming from the Covid-19 pandemic, including by an increase in gender based violence; therefore requests significant funding for the Daphne strand of the Citizens, Equality, Rights and Values programme; calls for further funding in the EU budget aimed at advancing gender equality and tackling discrimination, notably against women and LGBTI+ people, and for the Commission to foster greater synergies between EU programmes in these fields; calls also for significant resources to support the protection and promotion of and universal access to sexual and reproductive health and rights and to support women human rights defenders;

40. Recalls that the Commission must, no later than 1 January 2023, implement a methodology accompanied by the systematic collection, reporting and evaluation of gender-disaggregated data, to measure expenditure relevant to the promotion of gender equality as well as rights and equal opportunities for all; underlines the importance of the implementation and integration of gender mainstreaming as a horizontal principle in all EU activities, policies and

([20]) 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 (OJ L 424, 15.12.2020, p. 1).

programmes; underlines the important role played by agencies and bodies in this field and the need to ensure adequate funding and staff to deliver their tasks; calls for the swift implementation of the EU gender equality strategy 2020-2025;

41. Recalls the essential work carried out by decentralised agencies; considers that agencies must be properly staffed and adequately resourced so that they can perform their tasks; recalls that the tasks of agencies evolve in line with policy priorities and stresses that new responsibilities must be accompanied by corresponding levels of fresh resources;

42. Considers that the 2023 budget should contain a sufficient level of payment appropriations to cover both new programmes and the completion of ongoing ones, in part to ensure that the Union budget provides the necessary economic stimulus; emphasises, drawing lessons from previous multiannual financial frameworks, that it is necessary to accelerate programme implementation to avoid the backlog of payments in the second half of the MFF period;

43. Considers that, where recommendations from the Conference on the Future of Europe are implemented, the necessary appropriations should be made available;

44. Underlines the value of pilot projects and preparatory actions (PP-PAs) in trialling new policy initiatives and laying the foundations for future Union actions; intends, therefore, to propose a package of PP-PAs in line with its political priorities and the Commission's assessment; trusts the Commission to evaluate PP-PA proposals impartially on the basis of a legal and financial assessment and expects to receive precise and detailed explanations when a project is deemed 'covered' by EU programmes and policies, with concrete examples of the EU actions that are deemed to cover the proposals; calls on the Commission, moreover, 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;

o

o o

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