Guidelines for the 2023 Budget - Section III

2021/2226(BUI) - 24/03/2022 - Committee report tabled for plenary, single reading

The Committee on Budgets adopted the report by Nicolae TEFNU (Renew Europe, RO) on general guidelines for the preparation of the 2023 budget, Section III – Commission.

Budget 2023: keeping the recovery on track for all

Members noted 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. Therefore, they recalled 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, fostering economic, social and territorial cohesion as one of the cornerstones of the recovery, in addition to responding to geopolitical challenges.

While underlining the pivotal role of EU cohesion policy as an essential Union investment policy and one of the cornerstones of a sustainable and inclusive recovery, Members expect this to be reflected, therefore, in a substantial increase in payment appropriations in the 2023 budget.

The report also highlighted 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. It called 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 and supporting them in light of the negative impacts of the COVID-19 pandemic, rising energy prices and other crises.

A stronger Health Union

Recalling that the COVID-19 crisis has put public health systems under unprecedented stress and has exacerbated existing challenges, Members welcomed the priority given to Union health policy and highlights the EU4Health programme and health cluster within Horizon Europe.

The report noted 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. Members are concerned that this could compromise the attainment of other important health objectives agreed by the legislators. Therefore, they called for fresh resources to be allocated to HERA.

Green and digital transitions

According to Members, further financial efforts are needed to make a just transition towards a greener, sustainable, socially inclusive, more resilient and competitive. More investment in research and innovation in green technologies is needed. Members considered that the EU 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.

The report stressed 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.

Promoting the rule of law, EU values and fundamental rights

Members consider 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. They considered 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.

An ambitious level of resources should be allocated to the protection 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.

Greater opportunities for all, notably young people

Recalling the severe negative impacts of COVID-19 on young people, Members consider 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. They stressed the importance of **Erasmus+** and underlined the high importance of ensuring sufficient financial resources for that programme.

The report also pointed 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.

A stronger Union for its people and in the world

Members condemn in the strongest possible terms the illegal, unprovoked and unjustified invasion of Ukraine by Russia and all the attempts to destabilise the EU's partners in the Eastern Neighbourhood, as well as the involvement of Belarus in this aggression. While underlining the need for enhanced cooperation and solidarity among Member States in this difficult context, Members urged 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.

The report underlined the strategic importance of enlargement policy in the Western Balkan countries and stressed 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.

The report stressed that asylum and migration issue are set to remain high on the EU's agenda beyond the ongoing crisis. Therefore, there is a 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.

Given that the EU requires sufficient resources to respond to major crises as well as the long-term challenges in its neighbourhood and throughout the world, the report called for a **revision of the current MFF, with a possible increase of Heading 6 (Global Europe)**. Continued support is called for in Turkey regarding refugees and in response to the development in Afghanistan.

The report reiterated that the Union should have sufficient means to react to **unexpected developments** inside and outside the EU. Therefore, Members called on the Commission 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.

Regarding **security and defence**, the report emphasised the growing need for adequate financial support in this area, including through the European Defence Fund. It called 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.