Council of the European Union

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BUDGET 21

EXPLANATORY MEMORANDUM

Subject: Draft general budget of the European Union for the financial year 2026: Council position of 5 September 2025

- *Statements*

STATEMENTS FOR ENTRY IN THE COUNCIL MINUTES

1. Statement on payments

In order to ensure the proper implementation of Union's programmes and to avoid an excessive level of RAL in the final years of the current MFF, the Council invites the Commission to continue closely and actively monitoring, during the year 2026, the implementation of the programmes (particularly in sub-heading 2a and Rural Development).

To that end, taking into account the forecasts accuracy of the Member States where applicable and the payments margin in the draft budget 2026 - mainly driven by sub-heading 2a, it expects the Commission to present in a timely manner updated figures concerning the state of affairs and estimates regarding 2026 payment appropriations.

If the figures show that the appropriations entered in the budget 2026 are insufficient to cover the justified needs, the Council invites the Commission to present as soon as possible an appropriate solution, *inter alia* a draft amending budget, with a view to allow the budgetary authority to take any necessary decisions as soon as possible without undue delay for justified needs.

Where applicable, the Council will take into account the urgency of the matter, shortening the eight-week period for a decision if deemed necessary. The same applies *mutatis mutandis* if the figures show that the appropriations entered in the budget 2026 are higher than needed.

The Council will carefully examine the letter of amendment concerning agriculture (including information on assigned revenue) in order to appropriately assess the level of resources under heading 3 *(Natural resources and environment)* in the budget 2026.

2. Statement on heading 7 (*European Public Administration*)

The Council reiterates the clear signal from the Heads of State and Government at the February 2024 European Council meeting, which emphasised the need for restraint in administrative expenditure. Referring to paragraph 130 of the July 2020 European Council conclusions, all EU institutions, bodies, agencies, and their administrations were called on to optimise staff resources to the 2020 level and seek efficiency gains in non-salary related expenditures. Therefore, the Council strongly urges all institutions to further control and manage administrative spending and pursue for efficiencies.

The Council regrets that the Commission is proposing to use the Single Margin Instrument and the Flexibility Instrument to cover the needs despite the Council's conclusions on the budget guidelines for 2026[1] to ensure that the current ceilings of heading 7 of the MFF would not be exceeded and that the special instruments will not be mobilised for this heading.

The Council highlights recent information suggesting that the parameters used by the Commission to estimate the necessary amounts for the 2025 salary adjustment may be overestimated. If this is confirmed in the forthcoming amending letter to the draft budget for 2026, the Council expects that the surplus amounts in heading 7 will be fully reinstated into the special instruments to address unforeseen needs in 2026.

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[1] Doc. 5796/25.