



EU Policy Updates Note 8

08 / August – October 2025



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1. Introduction

This Note provides an overview of relevant EU policy developments in the four domains covered by the DignityFIRM project which took place between August and October 2025. Following the European Commission's [proposal for a new EU budget](#) presented in July, negotiations began between the European Parliament (EP) and member states, with initial reactions suggesting a complex process ahead. Meanwhile, discussions were delayed on two Omnibus packages aiming to simplify **sustainability reporting and due diligence requirements**, and the **Common Agricultural Policy (CAP)**. This Note also includes an update on the **second Action Plan to implement the European Pillar of Social Rights**. Developments not covered in this Note include Commission President von der Leyen's [State of the Union](#) address. In her speech, von der Leyen urged the Council and the EP to swiftly adopt the proposed [Return Regulation](#), which aims to harmonise [procedures for returning irregularly staying third-country nationals](#) (see [Note 6](#)). In response, [NGOs](#) called on co-legislators to reject the proposal, citing concerns over fundamental rights and its potential to further amplify vulnerabilities linked to irregularity. In September, the Council adopted a [Recommendation](#) on a [coordinated approach out of Temporary Protection](#) (see [Note 7](#)). The recommendation outlines possible pathways for those displaced by the war to return to Ukraine or transition to different residence permits for longer-term stay in the EU. It also encourages member states to take measures to prevent people from falling into irregularity.

2. EU Developments

The European Commission proposes the EU 2028-2034 budget, raising questions over the future of CAP, social spending, and migration priorities

In July, the Commission unveiled its €1.98-trillion [proposal for the next Multiannual Financial Framework](#) (MFF) for the period 2028-2034 (see [Note 7](#)). The proposal would have implications for the allocation of resources for agricultural, migration, and social policies. While the proposal reflects a nominal increase in total EU resources, adjusted for inflation, the budget's share compared to the [Bloc's total Gross National Income](#) (GNI) is only [slightly greater](#) than the 2021-2027 MFF. As anticipated prior to its release (see [Note 7](#)), the proposal marks a **major shift away from the current MFF structure** amid shifting priorities at the EU level. In line with the [Commission's simplification goals](#), the proposal consolidates the existing 52 funding programmes into four pillars. One of the most consequential changes is to merge funding for CAP, cohesion, regional development, fisheries, migration, and border management into a [single fund](#) divided between 27 national envelopes. The latter will be disbursed based on [National and Regional Partnership Plans](#) (NRPPs). This would give national administrations discretion to distribute EU funds across a broad range of policy areas. [Some commentators](#) welcomed the proposal, suggesting that this would provide **flexibility to respond to emerging challenges**. However, they also cautioned that differences in spending could lead to uneven implementation and outcomes across the Union. [Lawmakers](#) from different groups in the EP, including from von der Leyen's own European People's Party, have signalled their [readiness](#) to [oppose the proposal](#), warning that national envelopes risk deprioritising EU-wide goals and reducing funding for regions and agriculture. Against this backdrop, the proposed



budget for CAP and changes to funding relating to migration constitute some of the main points of debate, with the [future CAP](#) in particular raising uncertainty over the future negotiations. If the Commission's proposal was adopted as such, the **CAP would lose its standalone fund for the first time in the EU's history**. The Bloc's allocations for agriculture would also be [reduced by approximately 30%](#) compared to the current budget. In response, the EP adopted in September an [own-initiative report on the future of CAP](#), sending a strong signal that it will oppose any cuts to farm subsidies in the future budget negotiations. Likewise, [farmers' federations](#) voiced opposition to the proposal, raising concerns that the reduced budget would translate into lower incomes and insufficient support to meet sustainability targets, threaten food security and undermine [simplification efforts](#) (see section below). Uncertainty also remains regarding [social conditionality](#), which links farm subsidies to compliance with labour and social standards. While the [proposal](#) maintains its overall structure, it introduces an exemption for small farms, which would effectively exclude over [70% of holdings](#). [Trade unions](#) criticised this move and the Commission's limited ambition, calling for a [strengthened social conditionality mechanism](#) under the 2028-2034 CAP. Meanwhile, the resources envisioned to support the **EU's migration and security objectives** would [nearly triple](#) compared to the current budget. With nearly half of the home affairs funds earmarked for [border management](#), and Frontex's budget set to double, the proposal signals that migration management, curbing irregular arrivals, and the return system remain highest on the EU agenda. The increase follows the long-standing [calls by member states](#) to expand the budget available for curbing irregular migration. By contrast, the [absence of spending targets](#) for [asylum and integration](#) creates uncertainty over how much support will these policies receive. Likewise, questions remain about the [future of the previously standalone European Social Fund+](#). With that, the support for long-term inclusion of migrants as part of broader social, employment, education, and skills policies also faces uncertainty. While the NRPPs would have to respect an overall [14% social spending target](#), [civil society organisations](#)

(CSOs) have been calling for increased **funding for social inclusion measures and improved access to services** for disadvantaged populations, including irregularly staying migrants. Negotiations of the MFF are expected to be difficult, requiring a unanimous agreement between member states. While the EP cannot formally amend the budget proposal, the Parliament's approval is formally required for the MFF's adoption, giving it some leverage in the negotiations.

Simplification efforts on hold, following some progress in the EP and the Council

Discussions on simplification continued in recent months, although the reforms' negotiation faces uncertainty. As part of the EU's [competitiveness strategy](#), the Commission has so far introduced [six Omnibus simplification packages](#) to streamline rules for businesses. [Omnibus III](#), presented in May, aims to simplify the CAP (see [Note 7](#)). Among the [changes](#) proposed within the package is a new type of direct "crisis payments" for farmers affected by natural disasters. In the Commission's proposal, these would not be subject to [social conditionality](#) (see [Note 3](#) and [Note 7](#)). In September, the Council reached a [negotiating position](#) on the package, rejecting the Commission's proposal to exclude social conditionality for crisis payments. In October, the EP also approved its [position](#), similarly rejecting the exclusion of social conditionality from crisis payments. The co-legislators' decision on this aspect sparked mixed reactions. [Trade unions](#) welcomed it as a vital safeguard for farm workers' rights, following their criticism of the Commission's proposal, which they had accused of setting a [dangerous precedent](#) on agricultural workers. By contrast, [some farmers' associations](#) expressed criticism, arguing that social policy is a member states' competence and should remain outside the CAP. Despite such progress and the adoption of the co-legislators respective positions, the [Council decided to delay negotiations](#) with the EP. It cited the need for [further technical discussions](#) to resolve differences over the Parliament's additional amendments, which, according to the Council, [exceeded the simplification mandate](#). Meanwhile, **simplification efforts on corporate sustainability**

reporting and due diligence under Omnibus I also hit a roadblock (see [Note 6](#) and [Note 7](#)). In June, the Council reached an agreement on its [negotiating position](#). Conversely, the [EP plenary](#) did not support the position recommended by the responsible [Legal Affairs Committee](#). Despite a prior [compromise](#) between centrist political groups, its [rejection by secret ballot](#) signals disagreement over the scope of proposed changes. This will **delay the opening of negotiations** with the Council until at least November, when the next plenary vote is scheduled. In this context, [European leaders](#) urged the finalisation of the Sustainability Omnibus by the end of the year at the October EU Summit, with pressure also mounting to adopt the CAP Omnibus. The tight timeline is due to the simultaneous negotiations of the new MFF. The simplification would only apply to the CAP under the current EU budget, in place until 2027, after which a **[new policy for the 2028–2034 financial period will replace the existing framework](#)** (see above and [Note 5](#)).

The second EU's social rights action plan takes shape as work advances on labour policy initiatives

The [European Pillar of Social Rights](#) (EPSR), a framework launched in 2017 as the EU's "[social compass](#)", sets out 20 key principles in the areas of **equal opportunities, access to the labour market, fair working conditions, and social protection** to foster more inclusive labour markets and welfare systems across the Union. To advance these objectives, the Commission adopted the first EPSR [Action Plan](#) (AP) in 2021, setting headline targets for employment rates, training of workforce, and poverty reduction to be achieved by 2030. It also set concrete actions to be taken by 2025 for the implementation of each principle. With five years remaining until 2030, the [EU remains far from meeting its poverty reduction target](#) and realising the Pillar's goals. This is particularly true for [certain groups](#), including [migrant workers](#), who face a [heightened risk of exploitation, poverty, and social exclusion](#), also encountering [barriers to access the labour market, housing, and healthcare](#). In September, the Commission concluded a [public consultation](#) and a [call for evidence](#) on the implementation of the first AP, gathering input from

civil society organisations and stakeholders on the **progress achieved so far, and the priorities for the next phase**. Against this background, the [second AP](#) is expected toward the year's end. While **this presents an opportunity to renew the EU's commitment to its social objectives**, it remains to be seen if it will effectively address existing gaps and deliver on the Pillar's ambition. Some initiatives planned in this context could also **benefit migrant workers**. The [Quality Jobs Roadmap](#) and [Quality Jobs Act](#), expected by the end of this year and the next respectively, will seek to promote fair wages and better working conditions. Similarly, the [Fair Labour Mobility Package](#), planned for late 2026, will aim to improve the enforcement of EU posting and mobility rules. It will also seek to strengthen the oversight of subcontracting chains to prevent exploitation. In anticipation of these initiatives, [trade unions](#) and [CSOs](#) have called for equal treatment and decent employment standards, including for migrant workers, as well as stronger enforcement mechanisms to prevent exploitation and discrimination. They also advocated for enhanced intra-EU mobility for migrants with valid permits and for regularisation of undocumented workers.

This note is published on a quarterly basis.

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ABOUT DignityFIRM

Towards becoming sustainable and resilient societies we must address the structural contradictions between our societies' exclusion of migrant workers and their substantive role in producing our food.

www.dignityfirm.eu



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