



# EU Policy Updates Note 9

09 / November 2025 – January 2026



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## 1. Introduction

This Note provides an overview of relevant policy developments in the four domains covered by the DignityFIRM project which took place at the European Union (EU) level between November 2025 and January 2026. In December, the European Parliament (EP) and the Council adopted two ‘Omnibus’ packages, simplifying, first, **sustainability reporting and due diligence requirements**, and second, the **Common Agricultural Policy** (CAP). Meanwhile, **discussions on the proposal for the new EU budget** have progressed slowly. This Note also provides an update on the **negotiations of the Return Regulation**, and their potential implications for persons in an irregular situation. Developments not covered include the launch of the **first Annual Migration Management Cycle** in November. Marking an important step in the **implementation of reformed migration and asylum rules**, the Report included an assessment of the EU migratory situation. On its basis, the **Council** adopted a decision concerning **solidarity pledges** to the benefit of member states under migratory pressure. In December, the EP and the Council also adopted the **EU Talent Pool**. It will consist of a **platform** facilitating the recruitment of non-EU nationals – at all skill levels – into sectors facing labour shortages. This tool, however, does not foresee the opening of further **labour migration pathways**. It is only intended to complement existing channels. Ultimately, its **effectiveness** will depend on uptake, with states’ participation remaining voluntary.

## 1. EU Developments

*The EP and the Council adopt two Omnibus simplification proposals despite criticism*

After previous setbacks (see [Note 8](#)), discussions on the ‘**simplification proposals**’ regained momentum towards the end of 2025. In November, the EP adopted [on a second attempt](#) its [negotiating position](#) on the Commission’s **Omnibus I proposal on corporate sustainability reporting and due diligence requirements** (see [Note 6](#) and [Note 7](#)). The vote succeeded thanks to support from both the centre-right European People’s Party (EPP) and [far-right](#) groups. This raised questions among [some observers](#) about such alliances breaking the so-called [‘cordon sanitaire’](#) in the future. This could favour stricter approaches on other files, including migration. Following the vote and subsequent inter-institutional negotiations, the Council and EP reached a [provisional agreement](#) on the reform package. The [compromise text](#) has since been approved by the [Parliament](#) and is expected to receive the Council’s formal endorsement in early 2026, ahead of the legislation’s entry into force. As a result of the reforms, [due diligence requirements](#) will **only apply to the largest companies**, covering around one quarter of the [initially concerned businesses](#). In parallel, [sustainability reporting rules](#) will only apply to [20-40 companies](#) across the entire agriculture, forestry and fishing sectors. [Trade unions](#) criticised the outcome, warning that the reforms will undermine the EU’s commitment to protecting workers’ rights and responsible business conduct within global value chains. Meanwhile, the [European Ombudsman](#) launched an inquiry into the simplification process, finding that the Commission did not provide sufficient evidence to justify fast-tracking its proposal. While the Ombudsman’s findings are not binding, its inquiry could pave the way for [legal action](#) and further [challenges](#) to the [simplification agenda](#). In this context, Members of the EP ([MEPs](#)) from the centre-left Socialists and Democrats group



(S&D group, who oppose the legislation, signalled readiness to take such measures, if the Commission fails to respond adequately. In November 2025, the EP and the Council also reached a [political agreement](#) on the **simplification to the current CAP**. The co-legislators rejected the Commission's proposal to exempt 'crisis payments' from [social conditionality](#). These constitute a new type of complementary financial support for farmers affected by natural disasters (see [Note 3](#), [Note 7](#), and [Note 8](#)). The proposed exemption had drawn [criticism from trade unions](#). These argued that it would weaken the enforceability of workers' rights. As a result, beneficiaries of crisis payments will remain subject to existing working conditions requirements under the CAP. Following a formal approval of the [final text](#) by the Council and the EP, the amended CAP rules will apply until the end of 2027, when a [new CAP framework](#) will take effect (see [Note 5](#) and [Note 8](#)).

*Negotiations on the EU 2028-2034 budget continue amid political and sectoral tensions*

Discussions on the [next Multiannual Financial Framework](#) (MFF) for the period 2028-2034 intensified around the year's end. The EU budget negotiations are traditionally [long and challenging](#), with its adoption requiring unanimous support by member states. The budget also needs the Parliament's approval, although MEPs are not formally involved in the negotiations. On this occasion, the Commission's proposal received strong criticism from the outset, not only from the [EP](#), but also [farmers](#), [trade unions](#) and [civil society](#) (see [Note 7](#) and [Note 8](#)). Stakeholders' concerns focused on several elements of the Commission's original proposal, although the idea of **merging CAP, cohesion, migration, and social policy into a single fund** managed at national level under National and Regional Partnership Plans ([NRPPs](#)) received particular attention. Mainstream political groups in the EP threatened to veto the Commission's proposal unless [changes](#) were

made to the NRPP model. In response, the [Commission proposed several revisions](#). These include a "[rural target](#)" for the future CAP requiring member states to allocate a minimum of 10% of the NRPPs to improve the quality of life in rural regions. This would come on top of the direct payments foreseen by the original proposal. While these [concessions](#) eased tensions with the Parliament, [member states](#) raised questions about the EP's involvement. By contrast, the revisions did not satisfy [farmers' associations](#), leading to [fresh protests in December](#). Among others, farmers warned that the proposed MFF will weaken the European agricultural sector and called for a strong and well-funded CAP after 2027. Some [trade unions](#) echoed farmers' opposition to the CAP budget cuts and criticised attempts to weaken social conditionality. Other [social partners](#) voiced concerns about the lack of a specific budget line for social priorities, demanding the retention of a standalone European Social Fund. They further urged the inclusion of social conditionality across all MFF programmes to improve working conditions. Beyond the agricultural sector, [civil society organisations](#) (CSOs) also renewed their calls for a **dedicated fund to pursue EU social objectives** and **migrant inclusion** (see [Note 8](#)).

*Debate over the proposed Return Regulation intensifies ahead of EP and Council negotiations*

Following the Commission's March 2025 [proposal](#) for a **Regulation establishing a Common European System for Returns**, discussions continued both within the EP and the Council (see [Note 6](#)). In November, EP Rapporteur Malik Azmani (Renew) presented his [draft report](#). If the Parliament adopts it, it will constitute the basis for negotiations with the Council. While supporting mandatory mutual recognition, one of the key elements of the Commission's proposal, the Rapporteur proposed softening some [provisions](#) in the reform. Among others, the proposed report clearly establishes **detention** as a measure of last resort and under select



grounds. It also reduces the maximum duration of detention from 24 to 18 months. The report also places greater emphasis on **voluntary return**, easing **sanctions for non-compliance** with a return decision: while the possibility to reduce social benefits is kept, financial penalties and withdrawal of work permits are no longer contemplated. Following the presentation of the draft report, Parliament is expected to vote in early 2026. The outcome remains uncertain, given the position of the centre-right [EPP](#) group and the potential influence of [far-right](#) lawmakers (see above on the cordon sanitaire). Securing a majority may require concessions leading to stricter provisions. This possibility is also reflected in the speed of the legislative process: in December, **member states also agreed** on a [negotiating mandate](#). The Council favours **expanding the scope and flexibility for imposing detention**. It also endorses **more severe penalties for non-compliance** with a return decision. The Council's approach also clarifies the **treatment that non-returnable persons can be subjected to**. This includes restrictions on freedom of movement. Looking ahead, the final shape of the reform will largely depend on the EP's mandate and the extent to which it will align with, or diverge from, the Council's more restrictive approach. Meanwhile, prior to the year's end, the Council and the EP reached a provisional agreement to amend the [safe third country concept](#) and to establish an EU list of [safe countries of origin](#). These further changes are likely to increase the number of asylum rejections and return decisions. Against this background, [CSOs](#) expressed concerns about the restrictive direction of [EU return policy](#), issuing a [joint declaration](#) urging EU lawmakers to respect fundamental rights and prioritise voluntary return. [Other commentators](#) argued that the proposals fall short of a coherent EU-wide approach.

*Work advances on labour policy amid delays on the Social Rights Action Plan*

In December, the European Commission presented the [Quality Jobs Roadmap](#) (QJR), an initiative aimed at strengthening job quality and improving the **enforcement of labour rights**. To address risks of exploitation and undeclared work, it seeks, among other measures, **to enhance oversight of subcontracting chains and reinforce the role of inspections**. In parallel, the Commission launched a consultation that will feed into the forthcoming [Quality Jobs Act](#) (QJA). The QJA is expected to propose binding measures on subcontracting practices, algorithmic management, and **worker protections**, with particular implications for precarious workers. In the run-up to these initiatives, [trade unions](#) called for stronger safeguards and more effective enforcement to ensure decent working conditions. By contrast, the presentation of the [second Action Plan](#) to implement the [European Pillar of Social Rights](#) (see [Note 8](#)) was delayed. Initially expected in late 2025, it is now scheduled for early 2026.

*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](http://www.dignityfirm.eu)



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