



No tax hike to fund the EU, say MEPs

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EU budget funding must be reformed, but not by adding to the burden on taxpayers, urged Budgets Committee MEPs in Thursday's debate on the first report by the High Level Group on Own Resources (HLG). Headed by former Italian prime minister Mario Monti, the HLG is working on proposals for a simpler, fairer, more transparent and more democratically accountable system, which the European Parliament has been advocating since 2006.

The [current own resources system](#) suffers from various problems that together lead to an acute shortage of payment funds at the end of each budgetary year. The current arrangements are analysed in [the report](#) presented on Thursday, but the HLG will present its proposed solutions later.

The [HLG](#) is composed 3 representatives each from the Parliament, the European Commission and the Council of Ministers. Parliament's representatives are former Budgets Committee chair Alain Lamassoure (EPP, FR), MEP Guy Verhofstadt (ALDE, BE) and former MEP Ivailo Kalfin.

Quotes from the debate

Mr Mario Monti, HLG President

"A springboard for work in 2015 and 2016, this analysis describes the current financing system, which is based on what is perceived as 'national contributions': Around 83% of the resources in the 2014 budget took the form of direct contributions from national budgets. This setup has made member states even more acrimonious during budget negotiations, with a superficial focus on net balances."

Mr Alain Lamassoure (EPP, FR), HLG member

"The Council admits that there are problems with the financing: it is opaque. It is also anti-democratic because no parliaments are involved. It is ineffective, because there are payments shortages. It is unfair: the richer a country, the less it pays. It is also anti-European: at times it seems we have 28 Mrs Thatchers around the negotiating table."

Mr Guy Verhofstadt (ALDE, BE), HLG member

"The real work starts after the first assessment: we have to go back to the initial system of financing the Union with genuine own resources. In the second report we'll indicate which are our tools of choice for that."

Mr Gérard Deprez (ALDE, BE), own resources standing rapporteur

"The discussion on own resources must not rely on a presumption that we have a consensus on the required size of the own resources. We will have to have a debate on that too."

Mr Janusz Lewandowski (EPP, PL), own resources standing rapporteur

"The report reveals the true state of play and thus is not too enthusiastic. We are far from the 2011 [own resources reform] proposal, which would have meant a huge simplification."

Press release

Next steps

The HLG's work will be discussed with national parliaments in an inter-institutional conference. The group will then finalise its proposals on how the EU's funding arrangements should be reformed.

Note to editors

The own resources system determines how much each member state pays to finance the functioning of the EU and when. Own resources were originally meant to provide an EU with revenue that is not conditional on decisions by national authorities. But in practice, most EU revenue today comes from de facto national contributions.

Because the EU own resources system is approved by a unanimous vote in the Council and ratified by all member states, (Parliament has only a consultative role), the lack of support in Council for a series of reforms proposed by the Commission in 2011 resulted in a prolongation of the current system, which is plagued by conflicts between net payers and net beneficiaries.

For more information, please consult the listed websites.

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