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REPORT

on own resources: a new start for EU finances, a new start for Europe
(2022/2172(INI))

Committee on Budgets

Rapporteurs: José Manuel Fernandes, Valérie Hayer

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on own resources: a new start for EU finances, a new start for Europe (2022/2172(INI))

The European Parliament,

- having regard to Article 311 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to its resolution of 29 March 2007 on the future of the European Union's own resources¹,
- having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2019/1999 ('European Climate Law')²,
- having regard to the final report and recommendations of the High Level Group on Own Resources on the future financing of the EU, issued in December 2016,
- having regard to Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom³,
- having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources⁴ (IIA),
- having regard to its resolution of 15 December 2022 on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges⁵,
- having regard to the Commission proposal for a Council Decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union (COM(2021)0570),
- having regard to the Commission communication entitled 'The next generation of own resources for the EU Budget' (COM(2021)0566),
- having regard to its position of 16 September 2020 on the draft Council Decision on the

¹ OJ C 27 E, 31.1.2008, p. 214.

² OJ L 243, 9.7.2021, p. 1.

³ OJ L 424, 15.12.2020, p. 1.

⁴ OJ L 433 I, 22.12.2020, p. 28.

⁵ Texts adopted, P9_TA(2022)0450.

system of own resources of the European Union⁶,

- having regard to its resolution of 12 May 1965 on proposals from the European Commission relating to financing the common agricultural policy (CAP) and to the creation of own resources for the EEC⁷,
- having regard to the Council Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources⁸,
- having regard to the Treaty amending certain budgetary provisions of the Treaties establishing the European Communities and of the Treaty establishing a Single Council and a Single Commission of the European Communities of 22 April 1970⁹ (Treaty of Luxembourg),
- having regard to its amendments adopted on 22 June 2022 on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union, Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and Regulation (EU) 2015/757¹⁰,
- having regard to its amendments adopted on 22 June 2022 on the proposal for a regulation of the European Parliament and of the Council establishing a carbon border adjustment mechanism (CBAM)¹¹,
- having regard to its position of 16 December 2020 on the draft Council regulation laying down the multiannual financial framework for the years 2021 to 2027¹²,
- having regard to the conclusions of the European Council adopted on 21 July 2020,
- having regard to the pilot project entitled 'Feasibility Study for a social reuse of the assets frozen and confiscated as a result of EU sanctions adopted following Russia's military aggression against Ukraine'¹³,
- having regard to Rule 54 of its Rules of Procedure,
- having regard to the opinions of the Committee on Economic and Monetary Affairs and the Committee on Constitutional Affairs,
- having regard to the letter from the Committee on the Environment, Public Health and Food Safety,

⁶ OJ C 385, 22.9.2021, p. 256.

⁷ https://www.cvce.eu/en/obj/european_parliament_resolution_on_commission_proposals-en-9c67ed5c-af04-4eab-bf89-445996e987f1.html.

⁸ OJ L 94, 28.4.1970, p. 19.

⁹ OJ L 2, 2.1.1971, p. 1.

¹⁰ Texts adopted, P9_TA(2022)0246.

¹¹ Texts adopted, P9_TA(2022)0248.

¹² OJ C 445, 29.10.2021, p. 240.

¹³ PP 07 23 05.

- having regard to the report of the Committee on Budgets (A9-0155/2023),
- A. whereas, pursuant to Article 311 TFEU, the Union must provide itself with the means necessary to attain its objectives and carry through its policies, and its budget, without prejudice to other revenue, is to be financed wholly from own resources; whereas Article 311 TFEU also provides that Council must consult the European Parliament before adopting a decision on own resources;
- B. whereas a high level of gross national income (GNI)-based contributions makes budgetary decisions too dependent on the Member States; whereas the Union budget is also financed by genuine own resources through customs duties and value added tax (VAT), which the Member States tend to consider to be national contributions to the Union budget;
- C. whereas the Court of Justice of the European Union has ruled that ‘the exercise by Parliament of its budgetary powers in plenary sitting constitutes a fundamental event in the democratic life of the European Union’¹⁴;
- D. whereas the roadmap towards the introduction of new own resources in the legally binding IIA engages the institutions to keep the issue of the financing of the Union budget high on the political agenda with a view to ensuring a viable path to refinancing the debts incurred in the context of NextGenerationEU (NGEU) and stipulates that the Commission could include in the second basket of new own resources a financial transaction tax and a financial contribution linked to the corporate sector or a new common corporate tax base;
- E. whereas the need to repay NGEU, the economic and social shockwaves of Russia’s unprovoked and unjustified invasion of Ukraine, the heavy impact of inflation on the Union budget and the intensifying global race to shape the future of clean energy technology manufacturing, fed by massive public interventions from global powers such as the US Inflation Reduction Act, and other emerging challenges for the Union, underline the need to reassess the Union’s system of own resources, by exploiting the full potential of new genuine own resources in order to assure sustainable financing of the Union budget in the long term;
- F. whereas the COVID-19 pandemic has had major repercussions on the EU’s social fabric and economy, and is posing long-term challenges for our economic and social recovery; whereas the pandemic exposed the important funding needs inside Europe, which can best be addressed through common action on key policies;
- G. whereas the Report on the final outcome of the Conference on the Future of Europe of 9 May 2022 includes a plenary proposal that ‘the EU needs to take into account the social and economic impact of the war against Ukraine and the link between the EU economic governance with the new geopolitical context and by strengthening its own budget through new own resources’; whereas, in the Conference on the Future of Europe (CoFoE), EU citizens proposed both strengthening the Union budget through

¹⁴ Judgment of 2 October 2018, *French Republic v European Parliament*, C-73/17, EU:C:2018:787, paragraph 35.

new own resources¹⁵ and that Parliament should decide on the Union budget, as is the right of parliaments at national level¹⁶;

- H. whereas Parliament has already expressed its position in favour of the abolition of all rebates and corrections, the simplification of the VAT-based own resource, the unity of the EU budget and the use of fines and fees as extra revenue for the Union budget;
- I. whereas the Commission presented a legislative proposal in December 2021 that will introduce three new categories of own resources, based, respectively, on the emissions trading system (ETS), the carbon border adjustment mechanism (CBAM) and Pillar One of the Organisation for Economic Co-operation and Development (OECD) convention on international corporate taxation;
- J. whereas Parliament's position of 23 November 2022 on the proposal for a Council decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union¹⁷ broadly endorsed this proposal as an important, albeit insufficient step; whereas the Council is continuing to examine the proposal;
- K. whereas the sectoral legislation on the ETS and the CBAM is due to be adopted in the second quarter of 2023; whereas the multilateral convention on Pillar One of the OECD agreement and its harmonised implementation at Union level are still pending;
- L. whereas the first signs of the positive policy effect of the non-recycled plastic-based own resource are being noted;

The case for reforming the EU budget's revenue policy

- 1. Declares that EU finances are going through a critical period where a lack of reform would have highly detrimental effects on the future of the European Union, its policies, objectives and the trust of citizens and investors in the Union;
- 2. Stresses the crucial and growing importance of the Union budget in delivering on the Union's key policy objectives, its flagship programmes and its crisis responsiveness; underlines the multiple challenges the EU is facing such as building up its open strategic autonomy, notably in the fields of industrial policy, health, space, food, raw materials, chemicals, resilience, ending its reliance upon Russian fossil fuels, promoting the green and digital transitions, while leaving no one behind, combating climate change and the biodiversity crisis, delivering on the European Pillar of Social Rights, ensuring gender equality, completing the health union and the energy union, and financing important common projects such as defence cooperation, civil protection and space; recalls that the Commission has stated that the unforeseen needs created by war in Europe are well beyond the means available in the current multiannual financial framework (MFF); considers that all new Union policies and challenges must involve new financial means and additional fresh resources;
- 3. Reiterates, in this regard, that robust, reliable and resilient financing of the Union

¹⁵ CoFoE, proposal 16.

¹⁶ CoFoE, proposal 39.

¹⁷ Texts adopted, P9_TA(2022)0404.

budget requires a diversified and enlarged set of own resources; is convinced that there is huge potential in a well-designed reform of the Union own resources not only for strengthening the financing of its budgetary needs, but also for boosting its policy outputs, improving the fiscal equilibrium between the Union and its Member States and adding value to overall public finance;

4. Recalls that the Union is obliged to repay the principal and interest of the funds borrowed under the EU Recovery Plan; recalls, in this regard, that the Union institutions adopted a 'repayment plan' in the form of a legally binding interinstitutional agreement establishing a roadmap for the introduction of new own resources to cover the borrowing costs in full; recalls, in this context, that the triple-AAA rating of the Union as a quasi-sovereign borrower depends, inter alia, on the reliability and credibility of the institutions' following up on their political commitment to introduce new own resources; recalls that the European Union Recovery Instrument (EURI) repayment costs and their fluctuations are already having a negative impact on the Union budget and reiterates its call on the Commission to address the issue of the EURI in the mid-term revision of the MFF and to place the EURI budget line over and above the MFF ceilings;
5. Recalls its abovementioned position of 23 November 2022 on the proposal for an amendment of the Own Resources Decision; recalls that it has broadly endorsed the initiative to introduce three new sources of revenue based on the ETS, the CBAM and the proceeds of OECD Pillar One;
6. Expresses its high expectations that, with the ETS- and CBAM-based own resources, the long-standing demand for a better linkage of the revenue side of the Union budget with environmental policies and the rationale of climate mainstreaming across expenditure and revenue policies will finally become operational; notes that the sectoral negotiations on the CBAM and the ETS have led to an agreement; welcomes the fact that the resulting legal texts in the ETS Directive and the CBAM Regulation remain fully compatible with the own resources proposal; calls for the Union institutions to thoroughly assess the implications regarding the revenue estimations; insists on not using such analyses as a pretext for blocking decision-making and calls on the Council to move as swiftly as possible in adopting the relevant legal texts; acknowledges, furthermore, that in the very long run, as the process of decarbonisation continues as planned, the yields from the green own resources will diminish;
7. Notes that the current reference in the own resources proposal to own resources from the proceeds of the OECD/G20 Pillar One Agreement will have to be updated in line with the multilateral convention and the related Union directive to implement the provisions in the Member States in a harmonised manner; is, however, very concerned that the negotiations on the Pillar One reform are moving too slowly at global level;
8. Considers that these new own resources are necessary to avoid the next generation of Europeans paying the price for the repayment of the principal and the interest of the funds borrowed under NGEU, either through an increased burden on taxpayers or via cuts in regular Union programmes directly affecting beneficiaries and project-holders; strongly believes that the Union institutions and political actors should communicate the merits of the Union budget and its revenue side more clearly to citizens; notes the

legitimate demand by Europeans for more social and tax justice; warns against any attempt to reduce funding for ordinary Union policies to make space for the repayment of Union debt, as this would endanger long-term Union goals, such as economic, social and territorial convergence, research and innovation or the green and digital transitions;

9. Regrets that the current way in which the Union budget is financed makes it subject to national budgetary constraints, thus leading to downward pressure on its – already modest – overall volume and a ‘juste retour’ logic that does not reflect fully the solidarity principle at the core of Union integration; believes that this structure is one of the main reasons preventing the Union from fulfilling all its tasks and commitments effectively; is very concerned by the slow progress in the modernisation of the own resources system since the creation of the European Communities;
10. Regrets that the Council has yet to approve the first basket of new own resources; calls on the Member States in the Council to adopt the new own resources from the first package of 14 December 2021 without further delay, as a matter of urgency; is deeply worried, however, that the amounts generated by the new own resources will not be sufficient to cover all NGEU repayments and borrowing costs (estimated at at least EUR 15 billion per year on average until 2058); calls, therefore, on the Commission to come forward with the next batch of proposals as soon as possible and no later than the third quarter of 2023; insists that these proposals take into account the priorities of Parliament as outlined herein;

Diversifying the EU’s financing sources and finding a new revenue balance

11. Urges all actors to continue the efforts to identify fresh and new, preferably genuine, own resources and other revenue sources for the Union budget with the aim of fully covering the overall expected expenditure for the repayment of the principal and the interest of the funds borrowed under the NGEU and reinforcing the Union budget where the ‘1 % of EU GDP dogma’ is to be abandoned; believes that introducing new own resources beyond the legally binding IIA would achieve lasting benefits, not only in the delivery of Union policies, but also in ensuring the Union’s standing as a credible and smart debt issuer;
12. Underlines that the proceeds from additional Union own resources must be sufficient not only to cover the debt service of the Union bonds, including the incurring interest charges, but also to sustain and facilitate necessary European investments beyond 2026;
13. Believes that the revenue side of the Union budget should be used strategically to strengthen the Union’s competitiveness and sustainability, and to promote innovation in the EU, as well as social, fiscal and environmental justice; underlines that green own resources should be complemented by tax-based own resources from the corporate for reasons of sufficiency, fiscal equivalence (those who benefit from the Union and its open markets should also contribute their fair share to its financing) and overall distributional fairness among Member States and sectors;
14. Underlines that dealing with the climate and biodiversity crises creates a further need to mobilise more resources and re-evaluate the current incentivising policies in the Union; strongly believes that the revenue side of the Union budget can be used both to deter certain negative behaviours and to enable investments to achieve the green transition to

a carbon-neutral economy; stresses the importance of these policies in reaching the 2030 and 2050 targets, particularly in reducing greenhouse gas emissions and phasing out fossil fuels;

Corporate taxation (BEFIT)

15. Looks forward to the Commission's upcoming Business in Europe: Framework for Income Taxation (BEFIT) initiative in the third quarter of 2023; urges the Commission to propose a single corporate tax rulebook for the Union, based on the key features of a common tax base and the allocation of profits between Member States by using a formula or formulary apportionment of corporate income tax based on the BEFIT rules, as a new own resource in the spirit of the roadmap; expects the new approach to this corporate tax-based own resource to address issues of national differences in corporate taxation that have so far impeded an own resource in this realm and to allow for a broad scope capturing more companies active in the single market than only the few biggest and most profitable multinationals that are subject to the OECD Pillar One Agreement; warns that if the negotiations regarding the OECD Pillar One are not concluded in a reasonable time frame, the Commission should consider other sources of revenue from large corporations that operate in the single market;

EU 'fair border mechanism'

16. Deplores the fact that the production chains for certain products entering the Union single market involve workers from third countries who do not receive a decent wage and, in some cases, live in extreme poverty; points out that importing such commodities into the Union leads to unfair competition ('social dumping');
17. Calls, therefore, on the Commission to proceed with a stakeholder consultation and a thorough impact assessment pertaining to a possible legislative proposal on a 'fair border mechanism', requiring companies importing goods into the Union single market to pay workers employed in non-EU countries in their global supply chain a daily wage that is above the relevant poverty line and is sufficient to allow them to escape absolute poverty, as defined by the relevant international organisations; underlines that if a company imports products into the Union single market made by workers in non-EU countries whose wages are below a fixed threshold in breach of such legislation, it would have to pay a charge amounting to the difference between this threshold and the actual remuneration their workers receive; considers that the proceeds of charges incurred in the course of enforcing such a measure should accrue to the Union budget; expects the Commission to provide an estimate of the impact on working conditions in non-EU countries, as well as the compatibility of such a measure with the relevant WTO rules; considers that such a measure could enhance the competitiveness of companies producing in the Union that comply with certain labour standards, working conditions and wage levels; invites the Commission, in considering a 'fair border mechanism', to take into account lessons from existing comparable mechanisms in the Union and worldwide, such as the CBAM;

Financial Transaction Tax (FTT)

18. Reiterates its call on the Commission to cover , financial services, including financial transactions, in its second basket of own resources; calls on the Commission, therefore,

to consider a Union-wide FTT; urges, in this context, the Commission and the Member States involved in the negotiations on the enhanced cooperation to do their utmost to reach an agreement on the FTT before the end of June 2023; encourages the rest of the Member States to join them; considers that the FTT as an own resource has a high potential revenue, which would facilitate the repayment of the NextGenerationEU debt and would provide increased means to fund the Union's priorities; stresses that any proposal should be accompanied by a thorough impact assessment, contribute to the Union's policy objectives and follow the Union's subsidiarity principle;

19. Draws attention to the growing repurchase of corporate stock (share buyback) in the Union; calls on the Commission to assess the feasibility of an excise duty on the repurchase of shares by corporations, as this would allow the generation of new resources, while disincentivising this increasingly widespread practice that rewards foreign shareholders at the expense of investments; invites the Commission, in this regard, to assess the potential impact of such an excise duty on the single market ahead of any future proposal; calls on the Commission to evaluate, as a further option, a common and standardised withholding tax framework;

Tax on cryptocurrencies

20. Suggests the introduction of a European tax on crypto-assets, whose revenues would flow into the Union budget as a new own resource; points out that the global market in crypto-assets has been growing rapidly (albeit unstably) since the 2008 crisis, with capitalisation reaching up to EUR 2 trillion in May 2021; notes that crypto-assets are progressively considered as a genuine means of payment and part of investment strategies; underlines that regulating and taxing crypto-assets at Union level is more efficient than at national level given their high mobility and cross-border dimension; stresses, in this regard, that a European tax on crypto-assets would foster the emergence of a harmonised tax framework for crypto-assets, be more consistent with the cross-border nature of the crypto-assets market, and encourage the adoption of tax standards at global level;
21. Stresses that several taxation options are conceivable for crypto-assets, such as a tax on capital gains resulting from crypto-asset activities (based on a uniform levy rate for all Member States), a tax on crypto-asset transactions or a tax on the mining and trading of crypto-assets determined according to their electricity consumption and environmental impact; calls on the Commission to assess the impact of these options on the European crypto-asset market, to estimate potential revenues and to come forward with a concrete proposal;

Digital economy

22. Reiterates its call from its abovementioned position of 23 November 2022, when Parliament stated that in the event of a clear lack of progress at OECD level towards the Multilateral Convention by the end of 2023, a legislative proposal should be submitted for a digital levy or similar measure that can be enacted unilaterally and which can serve as a basis for an own resource of the Union in order to generate revenues by 2026; welcomes the fact that the debate over the contribution of large digital content providers to the network costs is still ongoing;

23. Observes, moreover, that the expansion of the data economy in Europe has led to a steep increase in data traffic, especially during the pandemic, and to substantial economic benefits for major internet companies and the telecom sector as a whole; is mindful of the environmental impact of data flows; calls on the Commission to identify and assess measures to optimise this data traffic and limit the carbon footprint thereof, including through financial incentives;

Statistics-based own resources

24. Sees high potential added value in own resources in the form of statistics-based national contributions which provide Member States with an incentive and a reward for vigorous implementation of Union-level policies; calls on the Commission to assess and simulate the impact of such national contributions calculated on the basis of statistics in the social or environmental areas where robust, reliable and common harmonised Eurostat data are available on an annual basis;
25. Considers that the exact scope and call rate of such statistics-based national contributions could be scaled and calibrated in such a way as to ensure the overall distributive fairness of the next basket of own resources; holds that such a comprehensive and well-calibrated basket of own resources could thus replace and render superfluous any artificial reductions, lump sum rebates or correction mechanisms on the revenue side, which compromise the consistency and incentivising force of the own resources policy;
26. Calls, specifically, for the establishment of a gender pay gap-based own resource; underlines that, under this mechanism, a share of contributions based on GNI would be replaced by a new distribution key requiring Member States with a higher gender pay gap to contribute more than Member States with smaller gender pay gap, in a proportionate way;
27. Calls for an examination of the possibility of introducing new own resources linked to types of waste beyond plastic packaging waste, which would, inter alia, incentivise Member States to increase the proportion of waste going to reuse and material recovery, and thus contribute to the objective of a circular economy;
28. Calls for the establishment of a biowaste-based own resource; underlines that, under this mechanism, a share of GNI-based contributions would be replaced by a new distribution key requiring Member States recycling less biowaste to contribute more than Member States that recycle more biowaste; asks the Commission to assess whether an incentivising mechanism to reduce the generation of hazardous waste and to support its decontamination in order to facilitate its recycling could be implemented as well;
29. Calls for the establishment of a food waste-based own resource; underlines that, under this mechanism, a share of GNI-based contributions would be replaced by a new distribution key requiring Member States to pay contributions based on the amount of food waste generated in a given year; considers that this own resource would incentivise Member States to implement policies for food waste reduction measures throughout the production chain and at the consumption phase;

Revenue sources other than own resources

30. Reiterates that any public revenue generated by the implementation of Union policies, the enforcement of Union regulations or the use of Union-funded infrastructure should, by default and in order to mutualise the benefits, accrue to the Union budget, as an own resource or as other revenue, in particular where the levying, collection and enforcement is organised centrally by a Union institution; calls on the Commission, when drafting proposals and for Parliament and the Council, as legislative authorities, to comply with this cross-cutting approach in their legislative work;
31. Insists that budget revenue in the form of levies, fees – such as those charged for visa waivers under the European Travel Information and Authorisation System (ETIAS) when it comes into operation – excess emission premiums, competition fines, infringement penalties or similar should form an integral part of the annual budget; acknowledges that for Treaty-related reasons, such other income must remain ancillary to own resources under Article 311 which must remain the Union budget’s primary source of financing;
32. Draws attention to the special case of proceeds generated in the context of criminal justice sentences and, specifically, the confiscation of assets in the event of non-compliance with Union sanctions; requests that the Commission assess in detail how such proceeds or penalties collected by Member State authorities could be made available to the Union budget as an own resource; supports the idea of making the proceeds of the confiscation and monetisation of assets resulting from criminal activities an own resource of the Union; supports the idea of making the proceeds of the confiscation and monetisation of Russian assets available for relief and reconstruction efforts in Ukraine; suggests channelling such proceeds through the general budget of the Union and ensuring a governance structure that involves the Ukrainian and European Parliaments;

Fiscal legitimacy must be ensured by elected representatives: constitutional, procedural and historical considerations

33. Recalls that the debate on the sources of financing European integration has a long and vivid history; recalls that Article 49 of the Treaty of Paris of 18 April 1951 establishing the European Coal and Steel Community provided that ‘the High Authority is empowered to procure the funds it requires to carry out its tasks by imposing levies on the production of coal and steel; [and] by contracting loans’;
34. Underlines that Article 201 of the Treaty of Rome of 25 March 1957 establishing the European Economic Community stipulated that ‘the Commission shall study the conditions under which the financial contributions of the Member States ... may be replaced by other resources of the Community itself, in particular, by revenue accruing from the common customs tariff when the latter has been definitely introduced’;
35. Recalls that the Heads of State or Government of the Six, in the Final communiqué of the Hague Summit of 2 December 1969, ‘agreed progressively to replace ... the contributions of member countries by their own resources [i.e. of the Communities], taking into account all the interests concerned with the object of achieving in due course the integral financing of the Communities’ budgets ... and of strengthening the budgetary powers of the European Parliament’;

36. Regrets the fact that despite these primary law obligations, only two new own resources have been introduced since the Treaty of Luxembourg in 1970, namely the GNI-based contribution in 1988 and the non-recycled plastic packaging waste-based own resource in 2021;
 37. Recognises the merits of the GNI-based own resource in view of its reliable balancing function; regrets the enduring predominance of the share of national contributions in the own resources system, now amounting to approximately 80 %; points out the modest share of traditional and genuine own resources, especially customs duties, which stands at around 13 % today;
 38. Concludes that the current financing of the Union budget is in breach of the intention of the founding fathers and the spirit of the Treaties;
 39. Recalls its consultative powers regarding the Own Resources Decision; is convinced that a more pronounced role of the European Parliament as the legislative and budgetary authority in the underlying legislation, as well as in the annual budgetary procedure concerning the revenue side and debt levels, should be granted; considers, furthermore, that the European Parliament should play an enhanced role in the decision-making process for own resources to ensure the visibility, legitimacy and democratic accountability of Union public finances;
 40. Recalls that the own resources arrangements should be guided by the overall objectives of simplicity, transparency and equity; reiterates its position that rebates and other correction mechanisms should be abolished;
 41. Underlines that progress on new own resources beyond the second basket included in the IIA is urgently needed; reminds Member States that post-2027 multilateral multiannual financial framework negotiations are fundamentally linked with own resources negotiations and the sufficient availability of own resources; stands ready to make use of all its budgetary powers to ensure that clear and effective progress is made in the area of own resources;
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- ◦
42. Instructs its President to forward this resolution to the Council, the Commission and national parliaments.

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Budgets

on own resources: a new start for EU finances, a new start for Europe
(2022/2172(INI))

Rapporteur for opinion (*): Rasmus Andresen

(*) Associated committee – Rule 57 of the Rules of Procedure

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas, according to Article 311 of the Treaty on the Functioning of the European Union, the Union must provide itself with the means necessary to attain its objectives and carry through its policies; whereas the same article requires the budget to be financed wholly from own resources, without prejudice to other revenue;
- B. whereas the new own resources proposed by the Commission in December 2021 are intended to cover part of the repayment of the Next Generation EU loans from 2028, and thus to limit the impact of the COVID-19 pandemic on national budgets so that future generations will not have to bear the financial burden of paying for the recovery plan; whereas new own resources will ensure the sustainability of the Next Generation EU repayment plan and strengthen the EU's credibility on the financial markets; whereas the need to repay Next Generation EU loans and the mounting long-term challenges facing the EU underline that it is necessary to reassess the EU system of own resources by exploiting the full potential of genuine own resources to guarantee sustainable financing of the EU budget in the long term;
- C. whereas Russia's invasion of Ukraine has led to a major humanitarian crisis and has triggered an enormous economic and social shock of uncertain duration worldwide;
- D. whereas the legally binding Interinstitutional Agreement of 16 December 2020 provides for the implementation of a roadmap of new own resources, including a second basket of own resources to be proposed by June 2024; whereas the institutions have committed to cooperating sincerely and transparently and working towards the implementation of the roadmap;
- E. whereas the first basket of new own resources is based on the recently agreed EU

Emissions Trading System, the Carbon Border Adjustment Mechanism and a share of the revenue collected under Pillar I of the Inclusive Framework on Base Erosion and Profit Shifting established by the Organisation for Economic Co-operation and Development (OECD) and the G20;

- F. whereas the Interinstitutional Agreement of 16 December 2020 provides that the Commission could include in the second basket of new own resources a financial transaction tax and a financial contribution linked to the corporate sector or a new common corporate tax base;
 - G. whereas the Commission announced a proposal entitled ‘Business in Europe: Framework for Income Taxation’ (BEFIT) and any initiatives must be considered with this in mind;
 - H. whereas the revenue side of the Union budget must be aligned with core EU objectives and policies; whereas the current system of own resources makes only a rather limited contribution to these objectives;
 - I. whereas at the Conference on the Future of Europe, European citizens proposed strengthening the Union budget through new own resources;
1. Notes that, according to the legally binding roadmap in the Interinstitutional Agreement of 16 December 2020, the Commission is required to put forward a proposal, based on impact assessments, for the second basket of new own resources by June 2024; welcomes the fact that the Commission has announced that it will finally present this second basket during the third quarter of 2023 and expects this commitment to be duly fulfilled;
 2. Is concerned that none of the new own resources from the first basket are yet in place, following the Commission’s delayed presentation of its proposal;
 3. Welcomes the provisional agreement of 18 December 2022 on the Emissions Trading System reform and the Carbon Border Adjustment Mechanism and notes that, according to the Commission, this provisional agreement is a solid basis for stepping up negotiations on new own resources; urges the Council, therefore, to move forward as quickly as possible on introducing these instruments as own resources for the EU budget; considers this to be particularly urgent given that Next Generation EU was designed on the basis of the premise that repayments would be made using new own resources; notes that the first basket is comprised of environment-related charges, which, by their very nature, should decrease over time if successful;
 4. Is concerned that the first basket of own resources will not generate the revenues expected (estimated at EUR 15 billion per year until 2058) for several reasons; observes further that beyond the funding needed for Next Generation EU, the Union needs additional resources to assist Ukraine financially and to further mitigate the impact on the Union of Russia’s unjustified and unprovoked war against Ukraine; recalls that the Commission has stated that the unforeseen needs created by war in Europe are well beyond the means available under the current multiannual financial framework;
 5. Emphasises that the collection of genuine new European own resources is not an end in

itself; underlines further that own resources are key for enabling the Union to implement its policy priorities;

6. Stresses that introducing new own resources would guarantee that the EU budget is financed sustainably in the long term, thus ensuring that financing for new EU priorities does not come at the detriment of valuable EU programmes and policies, and preventing future cuts to Union programmes that would undermine the very purpose of long-term planning; underlines, therefore, that the amount of additional EU own resources must be sufficient not only to cover the debt service of the EU bonds, including the interest, but also to sustain and facilitate the investments needed beyond 2026 to finance the transformation of the EU economy, including the provision of an adequate European response to the US Inflation Reduction Act;
7. Underlines, moreover, that the introduction of new own resources will strengthen the fiscal autonomy and independence of the EU and achieve lasting benefits, not only in delivering EU policies but also in ensuring the Union's standing as a credible and smart debt issuer for the Next Generation EU financing;
8. Calls on the Commission to review the first basket of own resources by the end of 2023, including by conducting an impact assessment, and to start working on alternative resources, in particular to guarantee the resources from the reform of OECD/G20 Pillar I;
9. Recalls its position of 23 November 2022 on the proposal for a Council decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union¹ and its strong call for a proposal for a digital levy or similar measure should there be no agreement at OECD/G20 level by the end of 2023;
10. Regrets the lack of flexibility in the current multiannual financial framework, which hampers the development of effective European solutions to new challenges such as the absence of a level playing field resulting from the US Inflation Reduction Act; stresses that own resources are crucial for addressing these new challenges, including in the next revision of the current multiannual financial framework;
11. Urges the Commission to present ambitious proposals for the second basket of new own resources, ensuring that these yield sufficient revenues to meet the Union's increasing needs, and calls on the Member States to cooperate; stresses that any new own resources must be proportionate, balanced and fair for all Member States, take into account their size and economic power, and be based on measures that require a coordinated European approach;
12. Calls on the Commission to cover, in its second basket of own resources, financial services, including financial transactions; calls on the Commission to therefore consider an EU-wide financial transaction tax;
13. Urges the Commission to reflect on the limits and blockades of its 2011 financial transaction tax model and to ensure the support of all Member States; stresses that any proposal should be accompanied by a thorough impact assessment, contribute to the

¹ Texts adopted, P9_TA(2022)0404.

EU's policy objectives and follow the EU's subsidiarity principle;

14. Calls on the Commission to evaluate, as further options, a common and standardised withholding tax framework or an excise duty on the repurchase of shares by corporations, as proposed in the US Inflation Reduction Act; invites the Commission, in this regard, to assess the potential impact of such an excise duty on the single market ahead of any future proposal;
15. Calls on the Commission, in connection with a financial contribution relating to the corporate sector or a new common corporate tax base, to present an assessment and consider an own resource linked either to a share of revenues determined by the upcoming BEFIT proposal contributing to a fairer distribution of taxation rights between Member States, or to a share of revenues determined by the adopted Minimum Tax Directive² implementing the OECD-led global tax deal; stresses that any such own resource must take account of the impact of the implementation of Pillars I and II of the global tax deal on the distribution of revenues in the Member States; warns that if the negotiations regarding BEFIT are not concluded within a reasonable timeframe, the Commission should consider securing other sources of revenue from large corporations; highlights, in this context, the competitiveness of companies and the state of play of global tax negotiations;
16. Invites the Commission and the Member States, in view of the recent economic challenges, to think ahead and accommodate the EU's increased need for financing, and to evaluate additional new and innovative own resources in line with the EU's green and digital objectives, with a view to ensuring the EU's competitiveness and fighting inequality in the Union so as to ensure socially fair and just green and digital transitions;
17. Calls on the Commission and the Council, in this regard, to accommodate the increased need for financing following an in-depth analysis of the implications of Russia's war against Ukraine for existing EU policies, and to take into account the shift to new emerging needs; suggests that the Commission and the Member States come up with new own resources similar to the non-recycled plastic contribution;
18. Acknowledges the important role of the existing VAT-based EU budget own resource; reiterates that tackling the VAT gap and tax fraud should be an urgent priority for the Union and the Member States in the post-COVID-19 economy; welcomes, in this regard, the European Public Prosecutor's Office's major success in uncovering organised crime groups responsible for VAT fraud estimated at EUR 2.2 billion; takes note of the legislative proposals of 8 December 2022 on improving the EU's VAT system;
19. Recalls that the arrangements for own resources should be guided by the overall objectives of simplicity, transparency and equity.

² Commission proposal for a Council directive on ensuring a global minimum level of taxation for multinational groups in the Union (COM(2021)0823).

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	31.1.2023
Result of final vote	+: 37 -: 12 0: 4
Members present for the final vote	Rasmus Andresen, Anna-Michelle Asimakopoulou, Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Markus Ferber, Jonás Fernández, Giuseppe Ferrandino, Frances Fitzgerald, Claude Gruffat, José Gusmão, Enikő Győri, Eero Heinäluoma, Michiel Hoogeveen, Danuta Maria Hübner, Stasys Jakeliūnas, France Jamet, Ondřej Kovařík, Georgios Kyrtos, Aušra Maldeikienė, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Luděk Niedermayer, Lefteris Nikolaou-Alavanos, Piernicola Pedicini, Kira Marie Peter-Hansen, Sirpa Pietikäinen, Eva Maria Poptcheva, Evelyn Regner, Antonio Maria Rinaldi, Dorien Rookmaker, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Inese Vaidere, Marco Zanni
Substitutes present for the final vote	Nicola Beer, Damien Carême, Margarida Marques, Eva Maydell, Andželika Anna Możdżanowska, Mikuláš Peksa, Jessica Polfjård, Erik Poulsen, Mick Wallace
Substitutes under Rule 209(7) present for the final vote	Andreas Glück, Camilla Laureti, Leopoldo López Gil

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

37	+
PPE	Anna-Michelle Asimakopoulou, Isabel Benjumea Benjumea, Stefan Berger, Markus Ferber, Danuta Maria Hübner, Leopoldo López Gil, Aušra Maldeikienė, Eva Maydell, Siegfried Mureşan, Luděk Niedermayer, Sirpa Pietikäinen, Ralf Seekatz, Inese Vaidere
Renew	Gilles Boyer, Giuseppe Ferrandino, Georgios Kyrtos, Eva Maria Poptcheva
S&D	Marek Belka, Jonás Fernández, Eero Heinäluoma, Camilla Laureti, Margarida Marques, Csaba Molnár, Evelyn Regner, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli
The Left	José Gusmão, Mick Wallace
Verts/ALE	Rasmus Andresen, Damien Carême, Claude Gruffat, Stasys Jakeliūnas, Piernicola Pedicini, Mikuláš Peksa, Kira Marie Peter-Hansen

12	-
ECR	Michiel Hoogeveen, Andżelika Anna Możdżanowska, Dorien Rookmaker
ID	Gunnar Beck, France Jamet
NI	Enikő Győri, Lefteris Nikolaou-Alavanos
PPE	Jessica Polfjärd
Renew	Nicola Beer, Andreas Glück, Caroline Nagtegaal, Erik Poulsen

4	0
ID	Antonio Maria Rinaldi, Marco Zanni
PPE	Frances Fitzgerald
Renew	Ondřej Kovařík

Key to symbols:

+ : in favour

- : against

0 : abstention

27.1.2023

OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

for the Committee on Budgets

on own Resources: A new start for EU finances. A new start for Europe
(2022/2172(INI))

Rapporteur for opinion: Helmut Scholz

SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas, according to Article 311 of the Treaty on the Functioning of the European Union (TFEU), the Union must provide itself with the means necessary to fulfil its objectives and carry out its policies; whereas, according to the same Article, the Union budget must be financed, without prejudice to other revenue, wholly from own resources;
- B. whereas gross national income (GNI)-based contributions represent roughly 75 % of the Union budget so that the Union's policies may depend on budgetary decisions by the Member States; whereas the Union budget is also financed by genuine own resources through custom duties and value-added tax, which the Member States tend to consider to be national contributions to the Union budget;
- C. whereas, in the Conference on the Future of Europe (CoFoE), European citizens proposed both strengthening the Union budget through new own resources¹ and that Parliament should decide on the Union budget, as is the right of parliaments at a national level²;
- D. whereas the Court of Justice has judged that 'the exercise by Parliament of its budgetary powers in plenary sitting constitutes a fundamental event in the democratic life of the

¹ CoFoE, proposal 16.

² CoFoE, proposal 39.

European Union'³;

- E. whereas the Union budget has a very strong credit rating and the link between Union financing and Union policies should be made more visible to European citizens;

More genuine own resources needed

1. Notes that the introduction of new genuine own resources is behind the schedule set out in the legally binding roadmap of Annex II to the Interinstitutional Agreement of 16 December 2020⁴; reiterates the need to move swiftly; urges the Council, therefore, to approve the first basket of new genuine own resources without any further delay;
2. Considers that genuine own resources should enable the Union to repay the common debt and interest under NextGenerationEU; is concerned that the first basket of genuine own resources will not generate sufficient revenues to repay NextGenerationEU borrowing; takes note of the Commission's commitment to put forward a proposal for the second basket of new own resources by the end of 2023; underlines therefore that the second basket of genuine own resources needs to be ambitious and yield sufficient revenues; reiterates its call for these new own resources to be genuine and innovative and include proposals, for example, for a financial transaction tax and a financial contribution linked to the corporate sector, as well as revenues aimed at supporting Union policies such as the green and digital transitions; reiterates that the Commission should submit a legislative proposal for a digital levy or a similar measure in the event of a lack of progress on the implementation of the Organisation for Economic Co-operation and Development/G20 Inclusive Framework Pillar 1 Agreement; considers that revenues generated by the implementation of the Union's policies should flow into the Union's budget as general revenues;
3. Underlines that new genuine own resources (also known as 'fresh income') are urgently needed in order to make the Union budget more resilient and autonomous so as to allow the Union to deliver on its policies and to ensure its standing as a credible and smart debt issuer with increased flexibility and as a truly sovereign entity;
4. Strongly believes that the relevance of EU genuine own resources and their impact on the daily life of citizens should be more clearly communicated and explained to them;
5. Insists that more new genuine own resources should be coupled with a progressive reduction in GNI-based contributions from the Member States; reiterates that national rebates should be cancelled;

³ [Judgment of the Court of Justice of 2 October 2018, *French Republic v European Parliament*, C-73/17, ECLI:EU:C:2018:787, paragraph 35.](#)

⁴ [OJ L 433 I, 22.12.2020, p. 28.](#)

6. Calls on the Commission to propose on an ongoing basis and in an inclusive and flexible process new stable and sustainable genuine own resources; awaits in this respect the Commission's proposals and supports enhanced interinstitutional cooperation regarding the establishment of a strategic autonomy fund for Europe as a response to crises and exogenous shocks; 7. Stresses that the practice of transferring resources allocated for the Cohesion Policy to other instruments, such as the Resilience and Recovery Facility, in order to finance emergency policies risks undermining the balance between the long-term and short-term policy objectives of the Union;

More transparency and democratic scrutiny in the adoption of own resources

8. Calls in this regard for Article 311(3) TFEU to be amended to allow Parliament to co-decide when adopting new own resources; underlines that the current special legislative procedure entailing unanimity voting in the Council and ratification by all Member States severely hampers the Union's ability to act as swiftly as needed;
9. Deplores the systematic creation and use of instruments, funds and common borrowing programmes, including NextGenerationEU, outside the scope of the Union budget and therefore with no scrutiny or control from the European Parliament; insists that Parliament be fully involved on an equal footing with the Council in all cases;
10. Calls furthermore for the application of the ordinary legislative procedure when adopting the implementing measures of the Own Resources Decision and for Parliament to be given full budgetary powers;

Possible other revenue sources

11. Calls for the creation of a permanent and sustainable mechanism in order to raise EU debt for the purpose of financing Union policies and programmes in areas with clear European added value, for example, the financing of a health union and/or a genuine energy union; suggests that the mechanism should ensure that the EU budget can better adapt and quickly react to specific crises and their consequences, while respecting the principle of subsidiarity;
12. Calls, correspondingly, for the Treaties to be amended and the own-resources ceiling permanently raised;

Fiscal capacity

13. Advocates increasing the Union's fiscal capacity towards a genuine fiscal union and strengthening its fight against tax avoidance.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	25.1.2023
Result of final vote	+: 14 -: 3 0: 7
Members present for the final vote	Gerolf Annemans, Gabriele Bischoff, Damian Boeselager, Gwendoline Delbos-Corfield, Salvatore De Meo, Daniel Freund, Charles Goerens, Esteban González Pons, Laura Huhtasaari, Victor Negrescu, Max Orville, Domènec Ruiz Devesa, Helmut Scholz, Pedro Silva Pereira, Sven Simon, Guy Verhofstadt, Loránt Vincze, Rainer Wieland
Substitutes present for the final vote	Nathalie Colin-Oesterlé, Pascal Durand, Seán Kelly, Jaak Madison, Maite Pagazaurtundúa
Substitutes under Rule 209(7) present for the final vote	Leszek Miller

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

14	+
RENEW	Charles Goerens, Max Orville, Maite Pagazaurtundúa, Guy Verhofstadt
S&D	Gabriele Bischoff, Pascal Durand, Leszek Miller, Victor Negrescu, Domènec Ruiz Devesa, Pedro Silva Pereira
THE LEFT	Helmut Scholz
VERTS/ALE	Damian Boeselager, Gwendoline Delbos Corfield, Daniel Freund

3	-
ID	Gerolf Annemans, Laura Huhtasaari, Jaak Madison

7	0
PPE	Nathalie Colin Oesterlé, Salvatore De Meo, Esteban González Pons, Seán Kelly, Sven Simon, Loránt Vincze, Rainer Wieland

Key to symbols:

+ : in favour

- : against

0 : abstention

LETTER OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on Own Resources: A new start for EU finances. A new start for Europe
(2022/2172(INI))

Dear Mr Chair,

Dear Mr Van Overtveldt,

The coordinators of the Committee on the Environment, Public Health and Food Safety (ENVI) decided on 12 September 2022 that ENVI would provide an opinion in form of a letter on the *Own Resources: A new start for EU finances. A new start for Europe (2022/2172(INI))*. Therefore, both as ENVI Chair and Rapporteur for this opinion, let me provide you with ENVI's contribution in the form of resolution paragraphs, which was adopted by ENVI at its meeting¹ of 9 February 2023 and which I kindly request will be taken into account by your committee:

1. Recalls the need to establish a system of genuine new EU own resources that complements the current system and helps to ensure adequate and increased EU funding for important programmes relating to, inter alia, environment, climate action, biodiversity, health and food safety, while at the same time generating adequate resources to repay Next Generation EU debt; regrets that the introduction of new EU own resources is behind schedule; is of the opinion that more resilient and independent funding can further boost the EU's transformation into a fair and prosperous society, with a modern, resource-efficient, sustainable and competitive economy where there are

¹ The following were present for the final vote: Pascal Canfin (Chair), Bas Eickhout (Vice-Chair), Anja Hazekamp (Vice-Chair), César Luena (Vice-Chair), Marian-Jean Marinescu (Vice-Chair), João Albuquerque, Eric Andrieu, Mathilde Androuët, Aurélia Beigneux, Hildegard Bentele, Alexander Bernhuber, Michael Bloss, Karolin Braunsberger-Reinhold, Delara Burkhardt, Traian Băsescu, Mohammed Chahim, Tudor Ciuhodaru, Nathalie Colin-Oesterlé, Clare Daly, Ilan De Basso, Jarosław Duda, Cyrus Engerer, Agnès Evren, Hélène Fritzon, Malte Gallée, Jens Geier, Helmut Geuking, Andreas Glück, Nicolás González Casares, Catherine Griset, Robert Hajšel, Teuvo Hakkarainen, Niclas Herbst, Martin Hojsík, Pär Holmgren, Jan Huitema, Billy Kelleher, Ska Keller, Beata Kempa, Petros Kokkalis, Ewa Kopacz, Joanna Kopcińska, Peter Liese, Karsten Lucke, Sara Matthieu, Liudas Mažylis, Tilly Metz, Silvia Modig, Dolors Montserrat, Johan Nissinen, Ljudmila Novak, Jutta Paulus, Sirpa Pietikäinen, Stanislav Polčák, Erik Poulsen, Frédérique Ries, Manuela Ripa, Maria Soraya Rodríguez Ramos, Robert Roos, Sándor Rónai, Massimiliano Salini, Christel Schaldemose, Christine Schneider, Ivan Vilibor Sinčić, Maria Spyraiki, Véronique Trillet-Lenoir, Achille Variati, Petar Vitanov, Alexandr Vondra, Jörgen Warborn, Pernille Weiss, Sarah Wiener, Emma Wiesner, Michal Wiezik, Jadwiga Wiśniewska, Tiemo Wölken, Anna Zalewska

no net emissions of greenhouse gases by 2050 at the latest and where economic growth is decoupled from resource use;

2. Considers that additional revenues from new EU own resources should correct certain structural deficits of the current financing system for the Multiannual Financial Framework (MFF) 2021-2027, especially in view of the financing of the Union's goals on environment, health and climate policies (including the implementation of Union legislation adopted as part of the Fit for 55 package) as well as the Union's goals to rapidly reduce its dependence on fossil fuels (as for instance provided for in the RePowerEU Plan) and eventually phase them out in all European policy areas;
3. Insists that a well-defined share of the auctioning revenue of the reformed and extended EU Emission Trading System (ETS) as well as a well-defined share of the revenues from the Carbon Border Adjustment Mechanism (CBAM) and Pillar One of the OECD/G20 Agreement should be used as own resources as soon as possible to accrue to the Union budget, to provide sufficient funding for the Social Climate Fund, to cover the borrowing costs as enshrined in [Council Decision (EU, Euratom) .../... amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union] and to prevent substantial decreases that would jeopardise Union programmes in the future MFF; underlines that ETS-, CBAM- and OECD Pillar One-based new own resources are unlikely to be sufficient to ensure a robust EU own resources system;
4. Highlights that the effective implementation of the above own resources are not guaranteed; underlines particularly that the implementation of Pillar One of the OECD/G20 Agreement requires the participation of third countries and is not a certainty; calls for the Commission to regularly assess progress on the implementation of all own resources and in particular of OECD Pillar One; in the event that it fails materialise, the Commission should come forward with a proposal for an EU digital levy;
5. Stresses therefore, that in the instance where own resources acquired do not meet expectations to fulfil the needs of the Union budget and recovery obligations, that action, in the form of proposals for enhanced, new, own resources or other means are taken to address these shortcomings;
6. Highlights that revenues derived from climate and environmental EU own resources will inevitably decrease as the Union and its trading partners cut emissions and achieve higher levels of circularity; in this respect, stresses that the Commission should anticipate this and provide for additional own resources to offset this decline in order to provide a stable, predictable, and enduring stream of EU own resources fit to provide for the Union's needs;
7. Calls, therefore, for a second basket of own resources to be introduced as soon as possible, which could include initiatives such as the Financial Transaction Tax, a resource linked to the upcoming 'Business in Europe: Framework for Income Taxation' proposal, a financial contribution linked to the corporate sector and a new common

corporate tax base, a tax on crypto-assets, an own resource based on the revision of the Energy Taxation Directive or the solidarity levy for the fossil fuel sector;

8. Recalls that the plastics own resource is in place since 1 January 2021; is of the opinion that a more streamlined implementation of the contribution and an extension of its scope would raise its efficiency and contribute more clearly to the objective of reducing plastic packaging in the EU; based on the first data for 2021, which Member States are to submit by July this year, the Commission should present a report with updated forecasts based on this data, taking into account the revised methodology for calculating plastic waste and its recycling; calls for an examination of the possibility of introducing new own resources linked to types of waste other than plastic packaging waste, which would, inter alia, incentivise Member States to increase the proportion of waste going to material recovery and thus contribute to the objective of a circular economy;
9. Recalls the Union's budgetary commitments for the fight against the climate change and the protection of biodiversity, recalls simulations from the 2022 UN adaptation gap report showing that average annual costs of adapting to new living conditions due to climate change have tripled in the past years; regrets that it is not possible to track how much of the Union budget is spent on adaptation due to the lack of a methodology and asks the Commission and the European Scientific Advisory Board on Climate Change to develop one; regrets that the EU budget of 1% contributions from the GNI of the Member States paradigm is exceeded, and that for an adequate response to the new challenges, GNI contributions of closer to 5% would be needed; given this financing gap, considers it necessary to introduce further own resources to support EU citizens to make a fair and socially just transition to climate neutrality, leaving no one behind;
10. Recalls that the Recovery and Resilience Facility (RRF) shall contribute to the mainstreaming of biodiversity and climate action in Union policies; notes that several National Recovery and Resilience Plans (NRRPs) contribute to biodiversity and climate action but insists that Member States use the RRF more to improve biodiversity and climate action; stresses the relevance of monitoring the implementation of the measures included in the NRRPs in light of the respect of the 'do no significant harm' principle defined in the Taxonomy regulation and enshrined in the RRF Regulation; is of the opinion that more ambitious climate and biodiversity mainstreaming is essential to meet the goals laid out in the European Climate Law, the 8th Environmental Action Programme, the EU 2030 Biodiversity Strategy and in the proposal for a Nature Restoration Law, and believes that tackling biodiversity decline and ecosystems restoration in particular, deserves and requires increased funding and more rigorous biodiversity mainstreaming across all EU programmes, in particular the Common Agricultural Policy;
11. Underlines the need to further improve transparency of the EU budget; is of the opinion that transparency is one of the keys to increasing public confidence in the adopted measures;

I have sent a similar letter to José Manuel FERNANDES and Valérie HAYER, BUDG co-rapporteurs for the “Own Resources: A new start for EU finances. A new start for Europe” own-initiative report.

Yours sincerely,

Pascal Canfin

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	17.4.2023
Result of final vote	+: 28 -: 5 0: 4
Members present for the final vote	Rasmus Andresen, Pietro Bartolo, Olivier Chastel, David Cormand, Andor Deli, Pascal Durand, José Manuel Fernandes, Eider Gardiazabal Rubial, Matteo Gazzini, Vlad Gheorghe, Valentino Grant, Valérie Hayer, Niclas Herbst, Monika Hohlmeier, Hervé Juvin, Joachim Kuhs, Zbigniew Kuźmiuk, Pierre Larrousurou, Camilla Laureti, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Andrey Novakov, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds
Substitutes present for the final vote	Anna-Michelle Asimakopoulou, Elisabetta Gualmini, Francisco Guerreiro, Fabienne Keller, Jan Olbrycht, Petri Sarvamaa
Substitutes under Rule 209(7) present for the final vote	Jérémy Decerle, Elena Kountoura, Angelika Winzig, Željana Zovko

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

28	+
PPE	Anna-Michelle Asimakopoulou, José Manuel Fernandes, Janusz Lewandowski, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Petri Sarvamaa, Angelika Winzig, Željana Zovko
Renew	Olivier Chastel, Jérémy Decerle, Vlad Gheorghe, Valérie Hayer, Fabienne Keller, Nils Torvalds
S&D	Pietro Bartolo, Pascal Durand, Eider Gardiazabal Rubial, Elisabetta Gualmini, Pierre Larrousurou, Camilla Laureti, Margarida Marques, Victor Negrescu
The Left	Elena Kountoura
Verts/ALE	Rasmus Andresen, David Cormand, Francisco Guerreiro, Nicolae Ştefănuţă

5	-
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca
ID	Joachim Kuhs
NI	Andor Deli, Hervé Juvin

4	0
ID	Matteo Gazzini, Valentino Grant
PPE	Niclas Herbst, Monika Hohlmeier

Key to symbols:

+ : in favour

- : against

0 : abstention