

# EUROPEAN PARLIAMENT

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*Committee on Constitutional Affairs*

**2006/2205(INI)**

23.1.2007

## **OPINION**

of the Committee on Constitutional Affairs

for the Committee on Budgets

on the future of the European Union's own resources  
(2006/2205(INI))

Draftsman: Carlos Carnero González

PA\_NonLeg

## SUGGESTIONS

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

1. Notes that the Union's current system of own resources is neither transparent and comprehensible for citizens nor meets the objectives laid down in the Treaties, in particular as regards guaranteeing the Union's financial autonomy;
2. Considers that the system of own resources needs to be adapted to the European Union's institutional reforms to strengthen both citizens' rights and the role they play in the Union;
3. Points out that, instead of providing the EU with sufficient own resources to implement its policies, the current system makes Community financing more and more incomprehensible for the public and leads to downward negotiations among Member States – both net contributors and beneficiaries – on the basis of the so-called 'fair return', which completely disregards the many different advantages which all the Community partners obtain from their membership of the Union and any logic of cohesion;
4. Supports, therefore, the in-depth review of the Union's financing system (both expenditure and revenue) that the Commission has undertaken to carry out in 2008/2009, in line with the agreements reached at the European Council of 15 and 16 December 2005 and in accordance with the declaration on the review of the financial framework annexed to the Interinstitutional Agreement, between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management of 17 May 2006;
5. Considers a new EU own resources system to be necessary which
  - is made up of genuine Community own resources and not of national contributions to the European budget;
  - serves genuinely to improve cohesion within the European Union;
  - guarantees the Union sufficient means to finance its policies adequately, especially in view of future enlargements, and to match more directly its spending with its political priorities;
  - is transparent and comprehensible;
  - is subject to fully democratic decision-making procedures and scrutiny;
  - is equitable;
  - links the citizen directly with the Union;
6. To this end, considers it appropriate gradually to introduce a genuine Union own resource of a fiscal nature which would free the Union from its dependence on transfers from the Member States, would establish a direct link between the public and Community finances, would be effective and equitable, and would not represent any increase in the overall

fiscal burden on taxpayers;

7. As regards decision-making mechanisms in relation to own resources,
  - reaffirms, as a first step, its agreement with the system envisaged in the European Constitution, i.e. basic provisions contained in a European law of the Council after consulting Parliament and approved by all the Member States in accordance with their respective constitutional rules, on the one hand, and implementing measures laid down by law of the Council adopted by a qualified majority after being approved by Parliament, on the other hand;
  - points out, however, that such provisions form an inseparable part of the overall agreement on the Union's finances enshrined in the Constitution and based on the following elements:
    - the final word on own resources remains with the Member States,
    - the current financial framework is included in the Treaty by virtue of a law on the multiannual financial framework which requires the agreement of the Council and Parliament,
    - the distinction between compulsory and non-compulsory expenditure in the annual budget is abolished,
    - Parliament is granted decision-making power over the whole of the annual budget;
8. Stresses that the further deepening of European political integration will necessarily entail simplifying the decision-making procedure for own resources in order to make it more effective, and granting Parliament the power to approve those resources, together with the national parliaments of the Member States, so that it is an altogether Community procedure;
9. Takes the view that the success of that review requires, at the same time as a reform of the own resources system, a recasting of the Union's expenditure objectives in order to strengthen all its policies, with account being taken of the way in which the process of European integration evolves and based on a joint reflection by Parliament, the Commission, the Council and national parliaments;
10. Considers that the mid-term review of the financial framework provides an opportunity to recast the objectives of Community policies; wishes, therefore, to see the relevant preparations begun without further delay, with the involvement of all committees responsible in this area, as was the case for the initial negotiations;
11. Welcomes, therefore, the methodology followed by the rapporteur with regard to the dialogue with national parliaments, as well as the fruitful debates on the future of Europe held in parliamentary fora to date.

## PROCEDURE

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| <b>Title</b>  | The future of the European Union's own resources   |
| <b>Procedure number</b>   | 2006/2205(INI)   |
| <b>Committee responsible</b>                                      | BUDG   |
| <b>Opinion by</b><br>Date announced in plenary                    | AFCO<br>7.9.2006   |
| <b>Enhanced cooperation – date announced in plenary</b>           |  |
| <b>Drafts(wo)man</b><br>Date appointed                            | Carlos Carnero González<br>23.11.2006  |
| <b>Previous drafts(wo)man</b>                                     |  |
| <b>Discussed in committee</b>                                     | 23.11.2006      22.1.2007  |
| <b>Date adopted</b>   | 23.1.2007  |
| <b>Result of final vote</b>                                       | +:                15<br>–:                2<br>0:                1   |
| <b>Members present for the final vote</b>                         | James Hugh Allister, Carlos Carnero González, Richard Corbett, Jean-Luc Dehaene, Panayiotis Demetriou, Andrew Duff, Ingo Friedrich, Bronisław Geremek, Genowefa Grabowska, Jo Leinen, Íñigo Méndez de Vigo, Marie-Line Reynaud, Adrian Severin, Alexander Stubb, Riccardo Ventre |
| <b>Substitute(s) present for the final vote</b>                   | Ashley Mote, Gérard Onesta, Jacek Protasiewicz   |
| <b>Substitute(s) under Rule 178(2) present for the final vote</b> |  |
| <b>Comments (available in one language only)</b>                  |  |