System of own resources of the EU

2011/0183(CNS) - 29/06/2011 - Document attached to the procedure

The Commission presents a staff working document on the system of own resources of the EU. This report presents an in-depth and systematic technical analysis of the issues and possible options for reform of the EU financing system identified in the Budget Review. This analysis underpins the concrete proposals made by the Commission in the draft own resources Decision and its accompanying implementing regulations.

The report on the operation of the own resources system demonstrates that the current financing system performs poorly with regard to most assessment criteria. The financing system opaque and complex. This limits democratic oversight of the system. Moreover, many Member States perceive the system to be unfair. Large contributors to the budget consider that their et contributions are too high, whereas a number of Member States benefiting from redistributive policies, such as cohesion, face increased contributions to the EU budget to finance correction mechanisms. More importantly perhaps, the way the EU budget is financed – with contributions from Member States to the EU being seen solely as expenditures by many national politicians inevitably creates a tension which poisons every debate about the EU Budget. For many years, EU financing has primarily been treated as an accounting mechanism with two main objectives: ensuring sufficient financing of EU expenditures and incorporating the increasing number of correcting mechanisms. The report considers that this approach has reached its limits.