EC own resources

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The object of this Commission report is to review the performance of the EU own resources system, including the search for new own resources and the possibility of applying a fixed rate of call for the VAT resource. It is also intended to examine the correction mechanism in favour of the United Kingdom and the issue of contributions to the EU budget raised by several Member States. The report concludes by confirming the view put forward in Agenda 2000, that neither the need for an increase in the financial resources of the Union, nor the limited shortcomings of the financing system provide grounds to modify the own resources decision at an early stage. The options presented in the report are interchangeable, can be completed and can be spread over time. However, none of these options provides an ideal solution. If a consensus were to emerge on the need to address the issue of budgetary imbalances of Germany, the Netherlands, Austria and Sweden it would be necessary to choose between the options presented in the report or to agree on a combination of them which would respect their logic. The three options are as follows: - the first, concerning the financing side of the budget would be to move towards an own resources system characterised by greater transparency and equity. This would encompass the reduction or even the phasing out of the present correction mechanism; - another possibility would be to introduce corrections on the expenditure side of the budget. Such an option would involve the partial (75%) reimbursement of CAP direct aid paid to farmers (possibility of sharing the amount of assistance in direct aids between the EU and the national treasuries); - finally, there is the option of a generalised correction mechanism for all Member States recording a negative budgetary balance. The timing of any change would depend on whether a modification of the own resources decision would be required; enlargement would appear to present a change of circumstances which could provide the opportunity for such a major structural change.