



EUROPEAN COMMISSION

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C(2022) 3239 final*

*Miloš Vystrčil
President of the Senate
Valdštejnské náměstí 17/4
Praha 1, 118 01*

Dear President,

The Commission would like to thank the Senát for its Opinion on the proposal for a Council Decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union {COM(2021) 570 final} and the proposal for a Council Regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 {COM(2021)569 final}.

On 22 December 2021, the Commission proposed a basket of three new own resources based on emissions trading, a carbon border adjustment mechanism, and a share of the reallocated profits of very large multinational enterprises. These three new own resources are aligned with EU priorities. They support the ‘Fit for 55’ package and the EU’s climate ambition, including by financing the Social Climate Fund, which will address the social impacts of the new Emission Trading System covering buildings and road transport.

The Commission presented these proposals following up on the Interinstitutional Agreement¹ of 16 December 2020, which includes an agreement by the Council, the European Parliament and the European Commission to introduce new own resources to contribute to the repayment of NextGenerationEU. The three institutions acknowledged that ‘expenditure from the Union budget related to the repayment of the European Union Recovery Instrument should not lead to an undue reduction in programme expenditure or investment instruments under the MFF’. The Interinstitutional Agreement also stated that ‘it is also desirable to mitigate the increases in the GNI-based own resource for the Member States’. To reach that goal, the three institutions agreed that the Commission would propose an own resource based on the EU Emissions Trading System.

The Commission carefully analysed the comments made by the Senát and wants to provide the following clarifications. The Emission Trading System is a pan-European instrument setting a single carbon price across the EU and generating revenues. It is consequently appropriate that a reasonable share of these revenues is transferred to the EU budget. As

¹ OJ L 433I , 22.12.2020, p. 28–46.

rightly mentioned by the Senát, the emission trading based own resource includes a solidarity mechanism to avoid a disproportionate contribution by eligible Member States as compared to their relative prosperity. In addition, the Commission proposed to establish a Social Climate Fund to support vulnerable households, transport users and micro-enterprises that may be affected by the extension of the Emission Trading System to buildings and road transport. Revenue from the own resource based on the Emission Trading System extension to buildings and road transports will contribute to financing the Social Climate Fund.

The Commission also fully shares the Senát's view on the need to conduct a detailed legislative discussion. However, these discussions should not impede the application of new own resources still in the course of the current multiannual financial framework. The relevant revenues would enable the repayment of NextGenerationEU during the current multiannual financial framework, thereby demonstrating the EU's ability to fulfil its financial obligation.

The Czech Presidency of the Council during the second half of 2022 will have an important role in the legislative debate on the proposed own resource package. The Commission looks forward to working with the Czech Presidency towards reaching a compromise.

The Commission hopes that these comments address the concerns raised by the Senát and looks forward to continuing our political dialogue.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Johannes Hahn
Member of the Commission*