



Luxembourg, 24 June 2022

Eurostat clarification

RECORDING OF THE EU OWN RESOURCE BASED ON NON-RECYCLED PLASTIC PACKAGING WASTE

1. AIM

1. The aim of this clarification is to discuss the recording of a new EU own resource, based on non-recycled plastic packaging waste, also known as the ‘plastics own resource’.

2. BACKGROUND

2. The new EU own resource decision foresees EU Member States making contributions based on non-recycled plastic packaging waste. It is designed to provide incentives for Member States to reduce plastic packaging waste.
3. The new EU own resource on plastics is established in Council Decision 2020/2053 Article 2, paragraph 1, point (c). A charge of EUR 0.80 per kilogram will be applied to the weight of non-recycled plastic packaging waste, with a mechanism that avoids excessive contributions from less wealthy Member States.^{1 2}
4. Directive 94/62/EC on packaging and packaging waste as amended defines plastic packaging waste and requires Member States to take measures to prevent the generation of packaging waste and to minimise its environmental impact. Member States undertake their own policies to reduce plastic waste, which may or may not be tied with nationally-imposed taxes on plastic packaging (waste). The payment from the Member States’ governments to the EU is solely between these institutional units and is independent from a potential leveraging of taxes within Member States.
5. The plastics own resource is part of the own resource decision that was adopted on 14 December 2020 (Council Decision 2020/2053 on the system of own resources of the European Union)³. Like all EU own resource decisions, it required national ratification. This ratification process was completed by the end of May 2021, with the Decision entering into force on 1 June 2021 with retroactive application from 1 January 2021.⁴ Member States thus made first payments to the EU during June 2021, including retroactive payments for the first five months’ national contributions of the EU own resource.
6. The Member States’ in-year payments are based on forecasts of non-recycled plastic packaging waste that are agreed together with the EU. Decision 2005/270/EC as amended by Decision (EU) 2019/665 sets out the rules for reporting plastic waste and recycling data that must be provided by EU countries to the European Commission. The exact data on the volume of waste are reported to Eurostat by Member States in July of the year t+2. Once final data are available, the European Commission will adapt the

¹ https://ec.europa.eu/info/strategy/eu-budget/long-term-eu-budget/2021-2027/revenue/own-resources/plastics-own-resource_en

² The reductions are established in Council Decision 2020/2053, Article 2(3), third subparagraph.

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32020D2053&from=EN>

⁴ [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2021\)690520](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2021)690520)

calculations of Member States' contributions accordingly and this will subsequently lead to a lump-sum settlement between the European Commission and Member States.^{5 6 7}

3. STATISTICAL RECORDING

3.1. CLASSIFICATION OF THE EU OWN RESOURCE TRANSACTION

7. The plastics own resource is part of Member States' governments' contributions to the EU budget. These contributions are similar to the VAT- and GNI-based (third and fourth) EU resources. The plastics own resource contributions are measured using environmental accounts statistical data similar to the way VAT- and GNI-based EU own resources are based on calculations using national accounts data. The plastics own resource has features of an *other current transfer* – it is recurrent, it is a redistribution of income from Member States' governments to the institutions of the EU and it is unrequited.
8. The payment from the Member States' governments to the EU (part of government - S.1315 - when looking from an EU accounts' perspective) cannot be seen as a tax of the EU on producers or consumers of goods related to plastic waste since the EU does not impose a tax on any possible tax base. Rather the payment is an obligation between government units, similar to current transfers within general government.
9. The VAT- and GNI-based resources are recorded in their own category of other current transfers, namely VAT- and GNI-based EU own resources (D.76), as defined in ESA 2010 paragraph 4.140. Besides specific sub-categories for VAT-based EU own resources (D.761) and GNI-based EU own resources (D.762), D.76 contains a third sub-category named miscellaneous non-tax contributions of the government to the institutions of the European Union (D.763). D.763 can thus be considered to be the appropriate sub-category for the plastics own resource due to its similarities with VAT- and GNI-based EU own resources and due to the existence of a third, miscellaneous sub-category within D.76.

3.2. TIME OF RECORDING OF THE EU OWN RESOURCE TRANSACTION

10. The EU Council Decision was adopted on 14 December 2020, completed the national ratification procedure on 31 May 2021 and came into effect retroactively from 1 January 2021.
11. Given that the exact data on non-recycled plastic waste are to be reported to Eurostat in July of the year t+2, the European Commission first calculates the monthly Member States' contributions based on forecasts of the volume of monthly plastic packaging waste per Member State. The European Commission adjusts the calculations of Member States' contributions once the final data are available, leading to settlements between the Member States and the EU. This process is similar to the settlements of VAT- and GNI-based own resources, which amend when revisions to data are made.
12. A schedule of monthly payments is agreed before the fiscal year, although 2021 is an exceptional year because of the payment of June also covers January to May 2021 monthly amounts⁸. All the monthly forecast payments operate similarly to the VAT- and GNI-based EU own resources whereby monthly payments are determined in advance with an agreed methodology.⁹
13. ESA 2010 paragraph 4.140 explains that the “VAT- and GNI-based third and fourth own resources are recorded when they are due to be paid”. This is to be interpreted as the moment the obligation arises and

⁵ https://ec.europa.eu/info/strategy/eu-budget/long-term-eu-budget/2021-2027/revenue/own-resources/plastics-own-resource_en

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32005D0270>

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32019D0665>

⁸ In 2021, expense should be recorded in the third and fourth quarters.

⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0609&from=EN>

the amounts are irrevocably fixed, according to the 2015 clarification on *the statistical recording of EU budgetary contributions*¹⁰. Based on this 2015 clarification, the Manual on Government Deficit and Debt, 2019 edition, in section “2.6.2 Contributions of EU Member States to the EU budget” paragraphs 69 and 70 further explains the time of recording for VAT- and GNI-based EU own resources.

“VAT-and GNI-based EU own resources (D.76) include payments for the current year of the VAT and GNI resources as well as balances for the previous years and the correction of budgetary imbalances paid by the other Member States to the countries concerned.”

“The payments for the current year of the VAT and GNI resources are settled through monthly payments to the EU budget, calculated as 1/12 of the annual amounts included in the original EU budget for the year. The annual amounts in the original EU budget might be increased or decreased (for example when incorporating the surplus of the EU budget of the previous year) in the course of the year through EU Amending Budgets causing a change in the monthly payments. When the EU Amending Budget is approved too late in the year to be reflected in monthly payments, it is the amount in the Amending Budget which should be accrued in the year and not the amounts of the twelve monthly payments.”

14. For the in-year monthly contributions to the budget, payments are recorded in a similar way as the VAT and GNI resources. In other words, D.76 is accrued according to the monthly contributions based on volume forecasts of monthly plastic packaging waste.
15. The adjusted final payments/refunds will be recorded on top of the regular forecast monthly payment in year t+2. If the settlement implies a refund to the Member State, the received amount is a net reduction of expense under non-tax contributions of the government from the institutions of the European Union (D.763). The settlement is recorded as D.763 in the period when final payment is determined based on actual data, because the obligation of the Member State or of the EU only arises at the time the actual data for earlier years becomes available for calculation. This is similar to the way that actual data (or revisions to actual data) on the VAT-base and on the GNI for own resources gives rise to settlements between Member States and the EU.

¹⁰ <https://ec.europa.eu/eurostat/documents/1015035/2041357/Statistical-recording-EU-budgetary-contributions-20150317.pdf/9fcc5d2b-1a4d-4d35-bc81-5ea072f37642>; the clarification deals with amending budgets and payment schedules in relation to these; “However, the recent revision to the Own Resources Regulation has introduced the potential for a greater delay between the determination of the adjustments and the date at which these are settled, whereby settlement may occur in the following calendar year. It has also introduced a choice for Member States – a Member State finding itself in the circumstances set out in the amended Regulation may choose to make a formal request for delayed payments, or may choose to settle on 1st December. In the view of Eurostat, it is necessary to apply the general principal of accrual recording to this situation, in respect of ESA 2010 and also to ensure a harmonised recording between Member States. The point of recording of the government expenditure/revenue impact of the adjustments to budgetary contributions should be made when those amounts are irrevocably fixed and therefore they are due to be paid/received.”