



**2020/2043(INI)**

22.10.2020

# DRAFT OPINION

of the Committee on Budgets

for the Committee on the Environment, Public Health and Food Safety

Towards a WTO-compatible EU carbon border adjustment mechanism  
(2020/2043(INI))

Rapporteur for opinion: Elisabetta Gualmini

PA\_NonLeg

## SUGGESTIONS

The Committee on Budgets calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls that a carbon border tax has long been a candidate for a genuine and green source of own revenue for the EU budget and was among the ‘basket’ of preferred options for new own resources taken up in Parliament’s legislative resolution of 16 September<sup>1</sup>;
2. Acknowledges that the primary purpose of the carbon border adjustment mechanism (CBAM) must be to enable internationally effective carbon pricing schemes, to mitigate the leakage dilemma in the context of the Emissions Trading Scheme (ETS) and to prevent distortions to competition and trade; stresses that the CBAM will help the EU to meet its climate targets while keeping a level playing field in international trade, with the aim of galvanising the rest of the world into taking climate action in line with Paris Agreement;
3. Stresses that dedicating the financial flows resulting from the CBAM to the EU budget would help to mitigate issues of fiscal equivalence and ensure a fairly distributed impact across Member States, as well as ensuring a lean structure with minimal administrative overheads; concludes, therefore, that defining the proceeds as an EU own resource, and decreasing GNI-based contributions accordingly, would help to mutualise the impact of the CBAM in a fair way across all Member States;
4. Welcomes the fact that the CBAM, if used as a basis for an own resource, would bring the revenue side of the EU budget into closer alignment with strategic policy objectives such as the European Green Deal, the fight against climate change and the circular economy, and that it would thereby help to generate co-benefits, incentives and EU added value;
5. Takes note of various prudent revenue estimates ranging from 5 to 14 billion EUR per year, depending on the scope and design of the new instrument; highlights the fact that the EU budget is in any event uniquely suited to absorbing fluctuations of revenue or even long-term regressive effects;
6. Is determined to ensure that the CBAM-based own resource constitute universal income and that it be deemed to cover a share of the repayment costs of the Next Generation EU instrument;
7. [Calls on the institutions to follow up actively in the spirit and to letter of the Roadmap for the introduction of New Own Resources under the Inter-institutional Agreement, which prescribes that this new own resource is to enter into force at the latest by 1 January 2023.]<sup>2</sup>

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<sup>1</sup> Texts adopted, P9\_TA-PROV(2020)0220.

<sup>2</sup> Pending final agreement on the IIA in the context of the MFF negotiations.