

Own Resources

EU long-term budget: Infosheet

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What are Own Resources?

Most European Union (EU) revenue (65%) still comes from “GNI-based national contributions”: payments made by EU Member States that are proportional to the size of their economy (GNI = Gross National Income, something very close to GDP = Gross Domestic Product).

The rest of the revenue is commonly called “Own Resources”. It consists of a proportion of every Member State’s Value Added Tax (16%), customs duties at the borders of the Single Market (14%), and a tax on non-recycled plastic waste (5%).

Why does it matter?

Of course, it matters a lot how large the EU budget is. But it is as important to decide where the money comes from. Own Resources decide who pays, and what the EU can actually afford to do. A budget that is mostly filled by national treasuries (i.e. Member State contributions), like it is now, is vulnerable to 27 domestic debates and tends to be kept as small as possible.

Own Resources that the EU raises itself would give it a steadier income. They could also tie its revenue to its own priorities like climate change, and become fairer.

EU context

In the next EU long-term budget, the EU must start repaying the debt it issued to fund Next Generation EU (the EU’s recovery funds that supported EU Member States during the COVID-19 pandemic), and as EU Member States don’t want to increase their contributions to pay off this debt, this is now leading to a need for new Own Resources.

The European Commission has proposed a set of five new Own Resources, which will be very hard politically to adopt, as the package needs unanimity in the Council of the EU. The proposal tries to link EU revenue more clearly to EU policy priorities such as climate, circular economy and fair taxation. Some Member States want the Commission to come up with another set of Own Resources, and many options are on the table. This may be the case for a while, because last time the EU long-term budget was negotiated, Own Resources were the last item to be agreed on.

So what is the European Commission proposing? Get ready, because we know how much the EU loves an acronym:

- **Emissions Trading System (ETS)** (€9.6 billion/year) – the EU would collect a part of the revenue raised by Member States through the Emissions Trading Scheme, a system that taxes polluting activities.
- **Carbon Border Adjustment Mechanism (CBAM)** (€1.4 billion/year) – An extension of the Emissions Trading Scheme system to products not made in the EU (i.e. a Carbon Tax at the borders of the Single Market)
- **Non-collected e-waste** (€15 billion/year) – a uniform rate for all Member States, applied to the weight of electronic waste that isn’t collected

- **Tobacco Excise Duty Own Resource (TEDOR)** (€11.2 billion/year) – a small share of national tobacco excise duties that would go to the EU budget
- **Corporate Resource for Europe (CORE)** (€6.8 billion/year) – a contribution from big companies with a turnover above €100 million a year

What does this mean for you?

The EU budget pays for many things that we rely on: Erasmus+, agriculture, regional investment and infrastructure, research and innovation, support for Ukraine, etc. Who carries the cost changes everything. Today, a bit more than two-thirds comes from national treasuries, which means that when it comes to making decisions on what to finance, it is in competition with national budgets (i.e. schools, hospitals, pensions...). In the end, this gives a reason for governments to keep the EU budget small.

Genuinely new Own Resources can change that logic: if the EU could raise its own money from activities that are so far not taxed much at national level (i.e. like pollution, wealth, and fossil fuel profits) it could do so much more, without squeezing national budgets. It could even shift the burden away from ordinary taxpayers towards those currently undertaxed.

What happens next?

The Commission tabled its proposal in July 2025. Now, it is Member States' turn, and this is where it gets difficult. The EU long-term budget as a whole needs unanimity in the Council of the EU plus the European Parliament's consent to be adopted. New Own Resources need even more: unanimity in the Council *and* ratification by every national Parliament across the EU! It is basically as hard as changing the EU treaties.

In April 2026 the European Parliament adopted its interim report, calling for a bigger budget and backing new Own Resources, including ideas that were not in the Commission's proposal: resources based on gambling, cryptocurrency, and big tech. Cyprus held the EU Presidency until the end of June and put forward the first set of figures for the overall amounts of the EU long-term budget (the "negotiation box").

Ireland now holds the EU Presidency for the second half of 2026. President of the European Council, Antonio Costa, has set leaders a political target: agreeing on the whole package by the end of 2026, so that the budget can start on time in 2028.

Own Resources will quite certainly be among the last pieces of the puzzle to fall into place.

Want to learn more?

- The European Commission has very accessible and extensive resources [on the MFF 2028-2034](#) (and also [here](#)) and [on Own Resources](#).
- For Civil Society positions, European Movement Ireland has a good website on the [state of play in negotiations](#), and the [MFF Hub](#) has excellent resources.
- The European Parliament's think tank provided [an analysis](#) of the Commission's proposal
- Official documentation can be found on the institutions' [websites](#).

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