



2026/0212(COD)

19.10.2026

DRAFT BUDGETARY ASSESSMENT

of the Committee on Budgets

for the Committee on the Environment, Climate and Food Safety

on the proposal for a directive of the European Parliament and of the Council
amending Directive 2003/87/EC and Decision (EU) 2015/1814 as regards
driving competitiveness and cost-effective decarbonisation
(COM(2026)0616 – C10-0188/2026 – 2026/0212(COD))

Rapporteur for budgetary assessment: Danuše Nerudová

PA_LegEvaluation

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The Committee on Budgets has carried out a budgetary assessment of the proposal under Rule 58 of the Rules of Procedure and has reached the following conclusions:

The Committee on Budgets,

- A. whereas the estimated financial impact of the proposal on the Union budget for the period 2028-2034 amounts to EUR 51.869 million, of which EUR 22.4 million in operational expenditure from the European Competitiveness Fund (ECF) under Heading 2 and EUR 29.469 million in administrative expenditure under Heading 4;
- B. whereas the implementation of the proposal would require the recruitment of 168 additional full-time equivalent (FTE) staff, of which 26 would be financed by the Union budget and 142 financed from fees;
- C. whereas the proposal would generate additional streams of external assigned revenue from EU ETS funds to finance permanent carbon removals into the EU ETS, a subsidy to the European Maritime Safety Agency (EMSA), and the Union Registry, which is currently financed from the EU budget;
- D. whereas the proposal for a new Own Resources Decision (ORD), which forms part of the 2028-2034 MFF package, introduces an ETS-based own resource corresponding to 30 % of Member States' auction revenues;
- E. whereas, in its fiche no. 54 of 3 September 2026, the Commission estimated that the revision of the EU ETS would increase the revenue of the proposed ETS-based own resource by EUR 728.3 million, or 7.6%;
- 1. Notes that the estimated financial impact of the proposal on the Union voted budget and on the MFF ceilings is limited, with most of the resource needs financed through external assigned revenue; recalls that the estimated impact on expenditure and staffing for post-2027 remains subject to the outcome of the negotiations on the next Multiannual Financial Framework (MFF) and thereafter of the annual budgetary procedure;
- 2. Insists on the adequacy between tasks and resources; stresses in this regard that the additional responsibilities foreseen for the European Climate, Infrastructure and Environment Agency (CINEA) and for the European Maritime Safety Agency (EMSA) must be matched by sufficient human and financial resources;
- 3. Welcomes the continuation of the Modernisation Fund and of the solidarity mechanism; notes with concern the relative decrease of the resources allocated for the Modernisation Fund for which the allocation of revenues from 2% of the Union-wide quantity of

allowances auctioned is proposed, since insufficient funding available for the Modernisation Fund will create additional strain on the limited resources available in the next MFF for the investments in the scope of the fund; regrets the proposed reduction after 18 months of the amount reserved for Member States with a GDP per capita below 75% of the Union average under the Investment Booster;

4. Welcomes the proposed minimum allocation of Member States' revenues generated from the auctioning of allowances for the decarbonisation of ETS sectors; calls on the co-legislators to consider further increasing this allocation;
5. Reaffirms Parliament's strong commitment to the introduction of new own resources, not only for NGEU debt repayment but also to finance the Union's enhanced policy ambitions; recalls the position of the European Parliament in its MFF interim report, which supports the broader basket approach; reiterates Parliament's position regarding the need to introduce a balanced basket of genuine, fair and sustainable new own resources of at least EUR 60 billion per year as an essential condition for an ambitious MFF for the years 2028 to 2034; highlights, in this context, that the Parliament proposed three new own resources in addition to the Commission's proposals: a digital levy, a levy on online gambling, and a levy on crypto assets; calls on the Council and the Commission to fully take into account Parliament's proposals in the ongoing discussions on the next MFF and on the future own resources system, with a view to ensuring predictable Union revenue commensurate with the Union's priorities;
6. Regrets that the Legislative Financial and Digital Statement (LFDS) accompanying the proposal does not quantify the impact of the proposal on the proposed ETS-based own resource; calls on the Commission to provide estimations of ETS 1 auction proceeds for the period 2028-2034;
7. Underlines that the net impact on Union revenue, should an ETS-based own resource be introduced, remains uncertain, as the proposal continues to reduce the number of allowances available for auctioning, while its effect on the carbon price depends on market developments and on the extension of the scope of the EU ETS to additional sectors such as waste incineration;
8. Recalls that the EU ETS is first and foremost a climate policy tool, whose primary objective is to reduce GHG emissions and not to generate revenue; considers, therefore, that it should not be assessed on that basis;
9. Considers that the proposal is compatible with the MFF, the system of own resources and the corresponding IIA; determines its overall compatibility with the budgetary principles established in the Financial Regulation¹.

¹ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

AMENDMENT

As part of its budgetary assessment, the Committee on Budgets also submits the following amendments to the proposal:

Amendment 1

Proposal for a directive

Recital 65

Present text

(65) The Modernisation Fund plays a critical role in ensuring fairness and solidarity by supporting lower-income Member States in their transition to a climate-neutral economy. To enhance its effectiveness and align it with the Union's 2040 framework targeted adjustments are necessary. Sized at **2,0%** of the overall ETS cap, it will ensure a balanced allocation of resources, optimising support where it is most needed while reflecting the evolving economic capacities of Member States. To accelerate industrial decarbonisation required to meet the 2040 climate target, an additional 0.5% of the ETS cap should be allocated to beneficiary Member States through the Industrial Decarbonisation Bank. Together with an expanded scope, this will provide financial support to a broader range of innovative, scalable solutions critical to reducing emissions in energy-intensive industries and power generation, including CCS and CCU and electrification, while ensuring efficient use of auction revenues. In addition, allowances available to the Modernisation Fund beneficiaries via 10% redistribution for reasons of solidarity should be channelled through the Modernisation Fund to maximise their impact. For the same reason, the other Member States benefitting from the 10% solidarity redistribution should use those allowances for priority areas for spending of auction revenues. Member States should further be permitted to voluntarily transfer

Amendment

(65) The Modernisation Fund plays a critical role in ensuring fairness and solidarity by supporting lower-income Member States in their transition to a climate-neutral economy. To enhance its effectiveness and align it with the Union's 2040 framework targeted adjustments are necessary. Sized at **3,5%** of the overall ETS cap, it will ensure a balanced allocation of resources, optimising support where it is most needed while reflecting the evolving economic capacities of Member States. To accelerate industrial decarbonisation required to meet the 2040 climate target, an additional 0.5% of the ETS cap should be allocated to beneficiary Member States through the Industrial Decarbonisation Bank. Together with an expanded scope, this will provide financial support to a broader range of innovative, scalable solutions critical to reducing emissions in energy-intensive industries and power generation, including CCS and CCU and electrification, while ensuring efficient use of auction revenues. In addition, allowances available to the Modernisation Fund beneficiaries via 10% redistribution for reasons of solidarity should be channelled through the Modernisation Fund to maximise their impact. For the same reason, the other Member States benefitting from the 10% solidarity redistribution should use those allowances for priority areas for spending of auction revenues. Member States should further be permitted to voluntarily transfer

additional allowances from their auction volumes to the Modernisation Fund, enhancing their flexibility to direct resources toward impactful decarbonisation efforts. The eligibility criteria and distribution key should be updated based on the latest available data (2022–2024), including a 75% GDP per capita threshold and emissions intensity. This will reflect current economic and emissions data, ensuring that the Member States with the greatest transition needs continue to benefit. The Modernisation Fund’s scope should be broadened to further facilitate industrial decarbonisation, including, where relevant, support for investments in CCS, CCU, electrification and production of affordable low-carbon fertilisers. In order to protect the financial interests of the Union, support under the Modernisation Fund should be implemented in accordance with Regulation (EU, Euratom) 2020/2092.

additional allowances from their auction volumes to the Modernisation Fund, enhancing their flexibility to direct resources toward impactful decarbonisation efforts. The eligibility criteria and distribution key should be updated based on the latest available data (2022–2024), including a 75% GDP per capita threshold and emissions intensity. This will reflect current economic and emissions data, ensuring that the Member States with the greatest transition needs continue to benefit. The Modernisation Fund’s scope should be broadened to further facilitate industrial decarbonisation, including, where relevant, support for investments in CCS, CCU, electrification and production of affordable low-carbon fertilisers. In order to protect the financial interests of the Union, support under the Modernisation Fund should be implemented in accordance with Regulation (EU, Euratom) 2020/2092.

Or. en

Amendment 2

Proposal for a directive Recital 98 a (new)

Present text

Amendment

(98a) The implications of this Directive for the Union budget have been assessed⁺ pursuant to Article 310(4) of the Treaty on the Functioning of the European Union. Sufficient financial and human resources should be provided for its implementation, while considering the impact of the financing on other Union programmes or policies and ensuring its compatibility with the multiannual financial framework, the system of own resources and the corresponding interinstitutional agreement, as well as with the budgetary principles laid down in

Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council¹.

****Pro memoria: Budgetary assessment of the European Parliament's Committee on Budgets of [...] on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC and Decision (EU) 2015/1814 as regards driving competitiveness and cost-effective decarbonisation (COM(2026)0616)***

¹ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

Or. en

Amendment 3

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point c

Directive (EU)2003/87/EC

Article 10 – paragraph 3 – subparagraphs 4 and 5

Present text

Member States shall inform the Commission as to the use of revenues and the actions taken pursuant to this paragraph in their reports submitted under Article 19(2) of Regulation (EU) 2018/1999, specifying, where relevant and as appropriate, which revenues are used and the actions that are taken to implement their integrated national energy and climate plans submitted in accordance with that Regulation, and their territorial just transition plans prepared in accordance with Article 11 of Regulation (EU) 2021/1056 of the European Parliament and

Amendment

Member States shall inform the Commission ***and the European Parliament*** as to the use of revenues and the actions taken pursuant to this paragraph in their reports submitted under Article 19(2) of Regulation (EU) 2018/1999, specifying, where relevant and as appropriate, which revenues are used and the actions that are taken to implement their integrated national energy and climate plans submitted in accordance with that Regulation, and their territorial just transition plans prepared in accordance with Article 11 of Regulation (EU)

of the Council.

The reporting shall be sufficiently detailed to enable the Commission to assess the Member States' compliance with the first subparagraph.

2021/1056 of the European Parliament and of the Council.

The **annual** reporting shall be sufficiently detailed **and structured** to enable the Commission **and the European Parliament** to assess the Member States' compliance with the first subparagraph.

Or. en

Amendment 4

Proposal for a directive

Article 1 – paragraph 1 – point 17

Directive (EU)2003/87/EC

Article 10cc – paragraph 1 – subparagraph 3

Present text

The allowances shall be available for projects in all Member States. In the first 18 months of operation, a share of allowances shall be reserved for projects in the group of Member States with a GDP per capita at market prices below 75 % of the Union average in the period 2022 to 2024, equal to 100 million allowances.

After 18 months this reserved amount shall be reduced to 60 million.

Amendment

The allowances shall be available for projects in all Member States. In the first 18 months of operation, a share of allowances shall be reserved for projects in the group of Member States with a GDP per capita at market prices below 75 % of the Union average in the period 2022 to 2024, equal to 100 million allowances.

Or. en

Amendment 5

Proposal for a directive

Article 1 – paragraph 1 – point 18 – point a

Directive (EU)2003/87/EC

Article 10d – paragraph 1 – subparagraph 1 – indent 1

Present text

– an amount equivalent to **2** % of the Union-wide quantity of allowances referred to in Article 9 for the period 2031 and 2040, shall be auctioned to the beneficiary Member States and used as set out in Article 10d;

Amendment

– an amount equivalent to **3,5** % of the Union-wide quantity of allowances referred to in Article 9 for the period 2031 and 2040, shall be auctioned to the beneficiary Member States and used as set out in Article 10d;

Or. en