**ORDINARY LEGISLATIVE procedure – First reading**

**Follow up to the European Parliament legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing a carbon border adjustment mechanism**

**1. Rapporteur:** Mohammed CHAHIM (S&D / NL)

**2. Reference numbers:** 2021/0214 (COD) / A9-0160/2022 / P9\_TA(2023)0100

**3. Date of adoption of the resolution:** 18 April 2023

**4. Legal basis:** Article 192(1) of the Treaty on the Functioning of the European Union

**5. Competent Parliamentary Committee:** Committee on Environment, Public Health and Food Safety (ENVI)

**6. Commission's position:** accepts all amendments. The Commission presented the following statement:

“The Commission recalls that the final agreement reached by the co-legislators on the establishment of the carbon border adjustment mechanism (CBAM) has evolved significantly in terms of the human resources required for its implementation within the Commission, compared to the legislative financial statement which accompanied the original proposal (COM(2021) 564 final of 14.07.2021), which was based on a decentralised model of implementation.

The additional Commission human resources required by the final agreement endorsed by the co-legislators will not allow the Commission to respect the principle of stable staffing and will require additional resources, to be authorised by the European Parliament and the Council during the annual budget procedure along with the related budgetary appropriations.

Without any additional means, such as the external assigned revenue accruing from the ETS, the options to finance the necessary administrative costs (staff and IT) of CBAM cannot be easily found. Heading 7 European Public Administration of the multiannual financial framework 2021-2027 was built on the principle of stable staffing, and there is no margin to finance additional officials.

The margin in Heading 3 Natural resources and Environment may in principle accommodate IT-related expenditure, subject to its limits. The reduced availabilities under the heading will limit the capacity of the EU budget to finance new political priorities.”