
From Climate Change to Fiscal Innovation: Transforming the EU Budget for Sustainability with CBAM, Climate Tax and ETS

Number: MA/25/F4/0/014

Flagship: 4 - Environmental transitions

Faculty: PF

Project leader: Večeř, Miroslava

The project addresses a pressing question at the intersection of climate policy, EU law, and fiscal innovation: can the European Union introduce a climate-related tax or levy as part of its Own Resources to support sustainability goals? Building on the existing legal framework, the research examines whether secondary legislation could be enacted to impose fiscal measures targeting climate-damaging behavior, going beyond the current Emissions Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM). While these mechanisms regulate emissions, they are not taxes in the strict EU legal sense. The study therefore focuses on the scope and interpretation of Article 311 TFEU, its relationship to tax harmonization, and whether the Own Resources Decision constitutes primary or secondary law.

The research further explores procedural and political dimensions, including parliamentary approval requirements, the potential use of enhanced cooperation under Articles 326 et seq. TFEU, and the compatibility of an EU-level climate tax with existing national measures. It will assess the interaction of such a tax with other fiscal instruments, including VAT, ETS, and CBAM, as well as relevant provisions of public international law. Comparative analysis of national climate taxes will be used to evaluate potential overlaps, risks of double taxation, and opportunities for alignment with EU climate finance objectives. The integration of Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR) principles will ensure that the proposed framework not only strengthens fiscal capacity but also promotes sustainable business practices.

The project will combine legal analysis with stakeholder engagement, including workshops, expert consultations, and research stays at partner institutions in Milan and Heidelberg. Outputs will include two peer-reviewed publications indexed in Scopus or Web of Science, offering concrete recommendations for a climate-oriented Own Resources reform. By bridging climate action with fiscal innovation, the project aims to provide a robust legal and policy blueprint for integrating sustainability into the EU budget. In doing so, it will strengthen collaboration between Charles University, the University of Milan, and Heidelberg University, and contribute to the EU's long-term goals of climate neutrality, sustainable growth, and economic cohesion.

Learn more:



EUROPEAN
UNIVERSITY
ALLIANCE

