



**ANSWERS TO THE EUROPEAN PARLIAMENT  
QUESTIONNAIRE TO THE COMMISSIONER-DESIGNATE  
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Vice-President of the Commission**

**1. General competence, European commitment and personal independence**

**What aspects of your personal qualifications and past experience are particularly relevant for becoming Commissioner and promoting the European general interest, particularly in the area you would be responsible for? What motivates you? How will you contribute to putting forward the strategic agenda of the Commission? What guarantees of independence are you able to give the European Parliament, and how would you make sure that any past, current or future activities you carry out could not cast doubt on the performance of your duties within the Commission?**

I have dedicated my life to serving the public interest - first as a professor, later on as a senior manager at the World Bank, and over the last five years as a Commissioner. I have been trusted with the oversight of billions of euros and have a proven record of diligence, with a focus on results and accountability to the beneficiaries and to the taxpayers. As Commissioner for International Cooperation, Humanitarian Aid and Crisis Response, I oversaw the delivery of life-saving assistance to nearly 500 million children, women and men affected by conflicts and natural disasters around the world. Getting higher value for money meant fewer people died and more lives were transformed for the better. Stretching every euro that our taxpayers provide to achieve the best possible results is what motivates me.

This was also the case during my time at the World Bank in my various positions there, but especially in the wake of the 2008 international financial crisis. I played a key role in the Bank's governance reform and accompanying capital increase, ensuring that raising additional resources from taxpayers would be complemented by measures to increase efficiency and strengthen staff performance.

I have always admired the transformative powers of the European Union. It is a beacon of hope, peace and prosperity for hundreds of millions of people within its borders and beyond. These powers are being tested by the economic and financial crisis from which we are emerging. For the sake of our citizens and for the cause of global peace and security, we must overcome the impact of the crisis not only on our economies but also on our European unity, our solidarity and our ability to be a force for good in a more fragile world.

As President-elect Juncker set out in his speech to the European Parliament, Europe has lost some of its credibility, some of its competitiveness, some of the trust of its citizens. We must rebuild them, and the Commission has the responsibility to be at the forefront of the actions necessary to do so.

If confirmed as Vice President for Budget and Human Resources, I will coordinate two areas that are vital if the Commission is to deliver for citizens. This is about using the financial and human resources that have been entrusted to us in the best and most efficient manner. The Commission must be more agile, deploying money and people towards the priorities that will achieve growth, jobs and fairness and a better quality of life for all Europeans. At the heart of my work will be the

guiding principle that change is not only inevitable but also positive and that in our rapidly evolving world we have to be more responsive.

At the same time, we must ensure effective budget implementation and control, demonstrating to European taxpayers that the money made available to the Union in these difficult times is well protected, used responsibly and produces tangible results.

Throughout my career I have upheld the highest standards of conduct. In 2010 I made a solemn declaration before the Court of Justice of the European Union, guaranteeing my independence and my intention to be guided by our common European interest. I have adhered strictly to that declaration and I look forward to repeating it if confirmed as a member of the next Commission. I will strictly comply with the rules on independence, ethical standards and transparency as set out in Articles 17.3 TEU and 245 TFEU and the Code of Conduct for Commissioners.

## **2. Management of portfolio and cooperation with the European Parliament**

**How would you assess your role as a Member of the College of Commissioners? In what respect would you consider yourself responsible and accountable to the Parliament for your actions and for those of your departments? What specific commitments are you prepared to make in terms of enhanced transparency, increased cooperation and effective follow-up to Parliament's positions and requests for legislative initiatives? In relation to planned initiatives or ongoing procedures, are you ready to provide Parliament with information and documents on an equal footing with the Council?**

The new Commission must be a strong and effective team. The President-elect has set out the priorities for this Commission in his Agenda for Jobs, Growth, Fairness and Democratic Change. As Vice President responsible for the Budget and Human Resources, I will endeavour to ensure that we use funds and staff to achieve results which match those priorities. We need a performance culture. I intend to make clear that it is the responsibility of each Commissioner to make the best use of taxpayers' money and to make sure that our talented and dedicated staff are employed to best effect, and I will support my fellow Commissioners in achieving these objectives.

I take very seriously my responsibility to negotiate the annual budget, in particular with regard to payments, and to oversee the annual discharge procedure. I take equally seriously the responsibility to lead the preparation of the 2016 mid-term review of the Multi-annual Financial Framework and the preparation of a proposal for the post-2020 period. I recognise the importance of managing prudently and effectively not just the financial but also the human resources at our disposal.

We have a duty to focus more on the added value of the EU budget. The budget is about numbers, but even more importantly it is about people. Be it agriculture, cohesion funding, research, education or external action, it's about making a difference in people's lives. So I will engage with our citizens – to explain the added value of the budget, but also to find out from them how we can do better and more within our budgetary constraints.

And first and foremost, I will reach out to the European Parliament. I was happy to see the President-elect speak to Parliament of his intention to reinforce the special relationship between the European Parliament and the Commission. My experience over the past five years working with the Parliament has been a very positive one, built on trust, mutual respect and cooperation.

I will build on the cooperation with the European Parliament established by my predecessors as concerns the mid-term review of the current multi-annual financial framework and the preparation of the post-2020 framework. I will count on close co-operation on the annual budget procedure, in the context of the inter-institutional agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management. I will also pay full attention to the Parliament's views on the annual budget discharge procedure as we strive for continuous improvement. I will strive to make sure that staff allocation corresponds to the delivery of our priorities and is done in a transparent way. I am happy to engage in regular reporting and sharing of information on the Commission's work programme, as agreed in the Framework Agreement, and to facilitate the Parliament's effective democratic oversight. I am looking forward to participating in all important dialogue negotiations.

Concerning the follow-up to European Parliament's positions and requests, I will apply the provisions of the Framework Agreement and, in my areas of responsibility, make sure that the Commission responds to parliamentary resolutions or requests made on the basis of Article 225 TFEU, within 3 months after their adoption.

In this context, I support and fully endorse the commitment made by President-elect Juncker that the future Commission will be particularly attentive to legislative initiative reports.

I will carry out my responsibilities in full cooperation with the other members of the Commission and in accordance with the working methods established by the President-elect. I fully intend to treat the European Parliament and Council equally, as required in the context of the ordinary legislative procedure but also as a Commissioner who is accountable to the directly elected Members of the European Parliament.

And of course, if I am confirmed as Vice President, I fully support our new commitment to transparency set out in the political guidelines by the President-elect. I commit to making public all contacts and meetings I hold with professional organisations or self-employed individuals on any

matter relating to EU policy making and implementation.

## **Questions from the Committee on Budgets:**

### **3. The alarming situation of payments in the EU budget**

**During the last years we have seen a tendency in the Council to challenge Commission's payments forecasts which constitute the basis for Commission's proposals, to cut payment appropriations in its readings of the annual draft budgets and to reduce the level of payments proposed by the Commission through amending budgets. This resulted into a snowball effect leading to a huge backlog of unpaid bills and to an alarming growth in the level of the RALs, in clear contradiction to the Council statements and the European Council conclusions.**

**Which future steps do you envisage to convince the budgetary authority of the reliability of Commission's figures, which constitute the undisputable basis for the level of the payments appropriations proposed?**

**Which concrete measures will you put into practice to solve the alarming situation in payments and to arrest the abnormal increase of the RAL?**

Budgetary discussions over the last years have taken place during a difficult time for the European economy, when in many Member States national budgets have been cut to ensure debt sustainability. We have to recognize this reality, which has affected the EU budget, leading for a first time in its history to a net decrease in the levels of commitments and payments. At the same time, demand for and absorption of funds to support our common policies have increased. This has created unprecedented pressure on the budget, especially regarding the difference between planned and actual payments. No more can the Commission rely on a healthy spread between the two to allow for timely payments for all forthcoming bills and to accommodate new spending priorities. The EU has yet to adjust to the new budgetary reality and manage supply of payment appropriations and demand for spending accordingly.

In a tense environment for budget negotiations, the Commission has worked to provide accurate payment forecasts that ensure a predictable and sustained flow of funds and investment to the real economy, in support of growth and jobs. These forecasts provide for an appropriate level of payment appropriations corresponding to the level of commitments and legal obligations agreed by Member States and Parliament.

Past experience shows that the Commission has a reliable track record in both projecting and implementing the payment appropriations (reinforced by amending budgets). For example, in 2013 the Commission implemented 99.9% of all payment appropriations. The Commission has been prudent in its estimates of required payment appropriations, taking into account the budgetary constraints at EU and national levels.

Still, I believe we could improve further. We should continue to engage more with the budgetary authority to provide detailed information on the Commission's estimates and the implications of different courses of action. I will ask from all relevant Commission services to work together to further improve their estimates of needs for payments based on a rigorous assessment of past implementation trends and absorption capacity. This is of crucial importance for a successful functioning of the annual budgetary procedure. I will also make sure that the Commission continues to monitor the implementation of payments closely, and is able to propose correcting measures as necessary to deliver on our policies.

My immediate priority, if confirmed in my position, will be to work with the two branches of the budgetary authority to complete negotiations on the Draft Amending Budgets for 2014 and the Draft 2015 Budget in a manner that allows to bring under control the expansion of outstanding commitments, to minimise the costs to the EU budget (thus, to the taxpayers) from interest on late payments and to contribute fully to the objectives of the budget, especially in terms of stimulating investments, growth and jobs in Europe. I recognise the exceptionally tight situation of payments stemming from the simultaneous impact of three factors: reduced budget; large outstanding commitments from the 2007-2013 programmes; and unusually fast pick up in speed of implementation in the first year of the new programming period. A prudent response would require measures to adopt the Draft Amending Budget (DAB) 3/2014, the 2015 Draft Budget, as well as the mobilisation of the Contingency Margin for 2014, as proposed by the Commission. I will focus my efforts on preventing an unsustainable accumulation of outstanding commitments (so-called reste-

à-liquider or 'RAL'), including the growing backlog of unpaid bills at year-end. While the RAL is a natural phenomenon of multiannual financial programming, its increase during the period 2007-2013, bringing it to EUR 222 billion at the end of 2013, is very worrying and needs to be addressed. This can only be done if additional payments are made available to honour legal obligations. I will reach out to the Council to explain the gravity of the problem and the negative impact it could have on pro-growth investment in the EU as well as on its positioning on the global scene. I will advocate with the Council for using the windfall of revenues from fines into the EU budget this year to finance the proposed DAB 3/2014. I will work with the appropriate Commission services to present a clear picture of the costs of inaction, as well as the benefits of providing the means for implementation of the programmes adopted on the basis of the MFF.

**In this context the Parliament and the Commission have consistently defended the application of maximum possible flexibility in the implementation of the MFF. This has resulted in a number of new provisions in the MFF Regulation, some of which nevertheless appear to leave some margins of interpretation. In particular, payments on the special instruments are for both the Commission and the Parliament to be counted over and above the MFF payment ceilings. There is however no indication from Council that it would accept such interpretation, rather the contrary. This results in a ludicrous situation where both arms of the budget authority take budgetary decisions considering different margins in payments at their disposal.**

**What is your assessment of this situation and what concrete steps do you envisage to convince the Council and avoid any blockage in the future?**

As a member of the current Commission, I fully support the proposal we have made for reliance on flexibility built into the budget as the only way to cope with budget cuts at a time of increasing demand for EU funding. The political agreement on the MFF 2014-2020 was based on the understanding that "specific and maximum possible flexibility should be implemented to allow the Union to fulfil its obligations in compliance with Article 323 of the Treaty on the Functioning of the European Union". This understanding is of crucial importance for me as the 2014-2020 MFF can and will only be successfully implemented if maximum flexibility is applied in practice. The flexibility is crucial to cushion the gap between commitments and payments, which for the period 2014-2020 stands at EUR 51.5 Billion.

I intend to work with the Council to provide evidence of the rationale for the use of this specific and maximum flexibility, as proposed in the Draft Amending Budget 3/2014.

I will make sure the merits of the case are strong and convincing, so as to reduce (and indeed eliminate) the risk of differences in interpretation of the provisions about specific and maximum flexibility.

As regards the special instruments: as a Commissioner for humanitarian aid and crisis response who has relied heavily on instruments such as the Solidarity Fund and the Emergency Aid Reserve, I can confirm that these instruments can only serve their purpose if they are used in the way in which they were designed – that is, with provisions for both commitments and payments set up above the ceilings.

As we are witnessing, there is increased fragility in the world – more frequent shocks and unforeseen events. In my current area of responsibility, there are now no fewer than four concurrent "Level 3" emergencies plus the Ebola crisis in West Africa. They demand a quick response and very rapid mobilization of payments. Similar pressures and shocks affect directly our Member States as we have just experienced as a result of market restrictions in Russia.

The text of the European Council Conclusions is very clear. In point 101 it states that "The MFF will include, as a rule, all items for which EU financing is foreseen, as a means of ensuring transparency and appropriate budget discipline. However, given their specificities, the Flexibility Instrument, the Solidarity Fund, the European Globalisation Adjustment Fund, the Emergency Aid Reserve and the European Development Fund will be placed outside the MFF." So it means that at political level, there is an agreement that these instruments, which are meant to respond to unforeseen events, are to be counted over and above the MFF ceilings.

This is also reflected in the fourth recital of Council Regulation (EU, EURATOM) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020. It is indisputable that maximum possible flexibility can only be implemented if payments related to

commitments made over and above the ceilings by mobilising the special instruments are also counted outside the ceiling; and there are no legal arguments which run against this interpretation, as was also recognised by the Council's Legal Service.

Commitments and payments of special instruments must be treated consistently. Payments are the logical consequence of obligations created by the commitments made through the mobilisation of the special instruments. The impact of changing the budget process to put the special instruments under the ceiling would be reduced implementation of programmes, which would go against their legal basis. The level of payment appropriations authorised in the 2013 budget, above the 2013 MFF ceiling, implicitly reflects the Commission view on special instruments.

I am determined to make a strong case to Council that these special instruments have to be considered over and above the MFF ceiling. I hope and trust to have the full support of the European Parliament in this important debate.

#### **4. Post-electoral revision of the MFF and reform of the system of own resources**

**Parliament continuously defended the principle of a post-electoral revision of the 2014-2020 MFF, which is now enshrined in article 2 of the MFF Regulation and in a number of Commission's statements, the last one being the unilateral declaration of December 2013. In his speech to the European Parliament on 15 July, President-elect Juncker pointed out that this mid-term review "should be used to orient the EU budget further towards jobs, growth and competitiveness".**

**With reference to the above, could you provide details as to the expected timing of the presentation of Commission's legislative proposal for the revision of the MFF regulation, as well as on whether and how do you envisage engaging in a genuine and deep political dialogue with Parliament on its contents?**

**As to the possible contents of the revision, do you believe it would need to address the continuation and proper funding of frontloaded programmes, such as the Youth Employment Initiative, emerging priorities such as, most recently, the EU-wide investment plans agreed by the June 2014 European Council or the Ukrainian crisis, the increasing level of RALs and the persisting problem of payments?**

I will fully honour the commitment foreseen in the MFF Regulation that the Commission will present the mid-term review of the MFF at the latest by the end of 2016. This compulsory review shall, as appropriate, be accompanied by a legislative proposal for a revision. I intend to examine in particular four issues in this context: (1) the global margin for payments; (2) the global margin for commitments; (3) the requirements of Horizon 2020 and (4) the possible alignment of the duration of the post-2020 MFF with the political cycles of the institutions. I will fully honour this commitment.

The review could also aim at providing a first assessment of how various simplification measures, performance-enhancing measures and/or measures linking effectiveness of funds to sound economic governance have delivered in this initial programming and implementation phase of the MFF. I intend to give this aspect of "better spending" the highest priority and will seek to obtain information both from Parliament, Member States, the Court of Auditors and stakeholders very early in the process. I intend to follow up on this issue also with all responsible Commissioners and Commission services. My idea is to make better spending an overarching priority and address it on a regular basis at the level of the responsible Commissioners. Whether individual programmes or spending initiatives, such as those referred to in the above question, need to be strengthened should in my view also depend on how they have delivered by that time.

The analysis of the functioning of the global margin for payments – to which the Commission is committed - should be widened to examine the sufficiency of the payment ceilings in general and the functioning of other instruments providing flexibility in payments, such as the contingency margin.

With jobs, growth and competitiveness being the EU's prime objective, the review will need to identify margins for manoeuvre for possible new initiatives. From 2016 the global margin for commitments will allow the use of margins below the commitment ceilings left available by the annual budgets for a new initiative related to investment, growth and employment, in particular youth unemployment. But the mid-term review will also be an opportunity to look at the external

instruments of the EU. Take for example Ukraine: the current crisis has not only an important humanitarian and security dimension, but also a significant impact on business confidence and growth for the EU.

To secure a positive reception of any legislative proposals the Commission would submit in the context of the review, I will engage in a process of a broad consultation and ensure a close cooperation with Parliament and Council throughout the review.

**The European Parliament attaches a great importance to the reform of the own resources of the EU budget. Which follow-up do you intend to ensure to the proposals put forward by the former Commission? In particular, how do you plan to use the post-electoral revision of the MFF as an occasion to examine and propose new own resources? What could, in your view, be potential candidates for new OR and what would be the criteria for selecting them?**

**Would the proposal for a new VAT of 2011 be part of such a package despite the regrettable lack of Council's consideration for it?**

**How do you see the future of the FTT under enhanced cooperation and the possibility for making part of its proceeds available to the EU budget in the form of an own resource?**

**Are you ready to guarantee that the High Level Group chaired by Mario Monti can rely on a high degree of cooperation from the Commission? In particular how do you intend to ensure a close cooperation with the representatives of the European Parliament?**

I concur with the view that a reform of the Union's system of own resources has the potential to improve the budget formation and to reduce tensions among Member States and between the European institutions. It will be high on my agenda during my term. The Commission, together with Parliament and Council, is following up on this issue in the framework of the High Level Group of Own Resources (HLGOR) established as part of the agreement on the multiannual financial framework 2014-2020. I look forward to participating actively in this group. In this respect, I aim to seek very early contact with its chairman, Professor Mario Monti, as well as with all the members.

Besides indispensable budgetary requirements like sufficiency and stability of revenue flows, the criteria for new own resources must be compatible with the overall objectives of simplicity, transparency, equity and democratic accountability that accompanied the agreement on the MFF. However, given the unanimity requirement for changes in the Own Resources Decision (Council Decision of 26 May 2014 on the system of own resources of the European Union (2014/335/EU, Euratom)), the question of what is politically feasible and acceptable will, of course, also be a key criterion in this respect.

The European Council of February 2013 concluded that some important aspects of the 2011 Commission proposals on own resources needed further examination. Therefore the proposal for a re-designed VAT own resource which is linked to the functioning of the Single Market remains 'on the table'. The Commission also confirmed that the Financial Transaction Tax, even if implemented under 'enhanced cooperation', could still constitute a viable base for an own resource.

Past experience suggests that we may be confronted with a deadlock as long as Member States' sole concern remains on the distributional impact and the optimization of their individual net balances. So in all my contacts with stakeholders, including national parliaments, I will stress that the EU budget is not a zero-sum game; I will strive to work towards a common understanding of the potential synergies and added value which a well-conceived own resources system can offer for economic growth, social cohesion and political integration, but also for budgetary consolidation.

The cooperation between the Commission and other members of the High-Level Group on Own resources is already established and working well. The Secretariat which supports the Group and its chairman is led by the Commission and draws on staff from the three institutions. It meets regularly, assists the chairman, provides the inputs requested by the Group and ensures a continuous and homogeneous flow of information in the three institutions. I will continue to ensure the best possible support for the work of the High-Level Group.

I will fully honour the commitment made by the Commission to assess, in parallel with the mid-term review of the MFF, if new Own Resource initiatives are appropriate on the basis of the results of the Group's work.



## Questions from the Committee on Budgetary Control:

### 5. General

**What are the main priorities you intend to pursue as part of your proposed portfolio in relation to the policy positions of the European Parliament, as prepared by the Committee on budgetary control?**

**Also with particular regard to the binding commitments referred to by point 57 of the resolution accompanying the Parliament decision on the Commission discharge for 2012? Please specify the specific legislative and non-legislative initiatives you intend to put forward, and according to what time table as well as the concrete actions you intend to take in order to strengthen both compliance and performance dimensions of the Declaration of Assurance issued by the European Court of Auditors each year.**

**Regarding 'shared management', what mechanisms do you have in your 'portfolio' to encourage Member States and international organisations to shoulder their responsibility for the management and control of European funds and do you intend to take any initiative to set up new mechanisms designed to protect and control the management of the EU budget in ever more complex and sophisticated financial instruments? In addition how do you intend to monitor management of EIB?**

Overall, my priority as Vice-President for Budget and Human Resources will be to contribute to a new, stronger performance culture, reinforcing effectiveness and efficiency across all areas of my designated portfolio. I see my mandate as implementing the budget in its new multiannual framework and spending well, to contribute to growth, jobs and fairness. The Commission has the responsibility, together with other actors in the budget process, and particularly the Member States' authorities, to make sure every Euro spent effectively serves the intended purpose. I want to demonstrate the value added of the EU Budget and its contribution to the Europe 2020 strategy.

How do I propose to achieve this?

First, the Multiannual Financial Framework 2014-2020 and the related financial rules provide a sound basis for delivering better. Sound financial management and protecting the budget from fraud features in each and every mission letter addressed by President-elect Juncker to the Commissioners designate. I want to fully utilize the MFF's focus on performance and results in close coordination with my Commissioner colleagues. Delivering better has to become a collective exercise, involving in particular the Commissioners in charge of the main spending departments, with special focus on shared management.

Second, in the short term I am committed to improving compliance and respect of procedures, quality accounting and reporting. The Commission must ensure that the control and correction provisions in the new programmes are deployed to the full. Before their implementation by the Member States the Commission will check on the set-up of systems, while during implementation it will assess the functioning of the systems and intervene where needed. If corrections are needed, I will do my best to ensure that they are implemented without delay.

Third, I want to pursue risk-based controls - essential in times of shrinking human resources - and make the maximum use of simplified costs options. Objectives and indicators must be actually put at use and data must be analysed. I will push for suspensions and payment interruptions where needed in shared management. The Commission has committed itself to report regularly on the implementation and I will fully and personally assume this responsibility.

I will work to engage Member States more in the sound and efficient financial management of EU funds. Given the traditionally good DAS results for direct management and own resources, it is right to concentrate efforts on shared management and international organisations. From my first day in office I will reach out to Member States and national control authorities, to work in partnership with them and improve the awareness and accountability at national level. I would like to see the Commission services not only checking the quality of national reports and auditing the implementing and control authorities, but genuinely assisting national control bodies to perform better. President-elect Juncker encourages all Commissioners to commit to a new partnership with national parliaments and engage in dialogue with citizens. "EU budget: impact and control" must – and will – be a recurrent topic. I am therefore willing to explore ways to further promote the national

declarations as a public accountability instrument between the national governments and their parliaments.

As regards the Financial Instruments: their use is set to become more important in the new MFF and will likely play a major role in the EUR 300 billion investment plan. In this regard, I will cooperate closely with the Vice-President responsible for jobs, growth, investment and competitiveness. There is already a robust regulatory and control framework set in the Financial Regulation. Financial and Administrative Framework Agreements (FAFA) are concluded between the Commission and both the EIB and the EIF, introducing horizontal requirements for control and monitoring and financial and operational reporting with clearly defined deadlines. Over the last years, we have adopted new tools to strengthen the Commission's monitoring of the management of the EIB, based on the regular operational and financial reporting provided by the EIB, the controls and monitoring missions carried out by the Commission, as well as the Commission's participation in the steering committees, set up to supervise the implementation of the financial instrument. I will strive to ensure the full implementation of these new modalities, and on the basis of the reports provided by each entrusted entity will report to the Budgetary Authority with an enlarged scope, content and a harmonized structure, in an annual report and when presenting the annual draft budget. We will monitor very carefully the use of the financial instruments, and as we gain experience, I am ready to discuss with the European Parliament and the Council further improvements to this framework, if appropriate. Looking beyond the specific instruments, the Commission must strengthen the evaluation feedback and performance budgeting. For the medium term, I firmly believe we need to get better at measuring how the EU's money impacts on the real economy and real people. How does EU funding stimulate growth and job creation? How does it add value? We will need to have a grip on these questions – on the actual performance of our spending – as we go into preparations for the next MFF. If we want citizens and taxpayers to trust us, we need to be able to demonstrate that we have managed the EU funds effectively, with real value for money and real impact, and that we have obtained the results we were aiming at.

This will not happen overnight. But it should yield visible results over several years. In general it is important to recognise that while the EU has annual budgets, it has multiannual programmes. The objective is clear: we want to get better at both, the compliance and the performance dimension of the Declaration of Assurance issued by the European Court of Auditors. The development and implementation of stronger control and audit strategies for the current financing period are therefore at the forefront of the envisaged measures. Our control strategies need to be reinforced in terms of effectiveness and efficiency to use the resource involved in the best possible manner.

To sum up, I want to work with my fellow Commissioners and the Member States on how they can contribute more to improving management and control; better respecting rules; and getting more value for the EU funds.

**How do you strike the balance between your responsibility to combat fraud and corruption, including protection for 'whistle-blowers', and the protection of fundamental and procedural rights and data of individual citizens?**

Fighting fraud and corruption, and protecting the fundamental rights of citizens, are two essential objectives of the Treaty. There is no contradiction between them – and whenever there is fraud against the EU budget, it is European citizens who are directly under attack. Moreover, the fight against fraud and corruption and the protection of citizens' rights are mutually reinforcing when strong procedural rights and protection of personal data enable whistleblowers and informants to come forward and report suspicions of fraud and corruption. If blowing the whistle is obligatory for staff in the course of or in connection with their professional duties, protecting the public financial interests is everyone's duty.

Let me mention three specific ways in which I would hope to further strengthen the fight against fraud and corruption:

First, President-elect Juncker has specifically asked me to strengthen the investigation of fraud against the EU budget. To this end, I wish to see a strong, efficient and respected OLAF, independent in its investigations working in full respect of the fundamental rights of citizens. OLAF must deliver fully on its important mandate, with the interests of European citizens at heart in everything it does. The new OLAF Regulation codifies the procedural rights, previously recognized by the European Court of Justice. OLAF has furthermore introduced new internal Guidelines on Investigation Procedures. I am committed to working in a constructive spirit with the co-legislators and continue discussions on OLAF's legal framework.

Second, the Commission wants to take both the protection of the financial interests and of the rights of the citizens further. The European Public Prosecutor's Office will significantly strengthen our tools to effectively tackle fraud involving EU funds whilst at the same time guaranteeing strong protection of procedural rights. I will actively work on this file with my colleagues in charge of justice issues and I see it as a fundamental step change to effectively prosecute.

Third, in my capacity as Vice-President responsible for Human Resources, if confirmed I will strive to ensure that whistleblowers from within the institutions receive the protection they need and deserve. OLAF protects the identity of whistleblowers (and even allows for anonymous reporting), while all EU institutions have a duty to assist their staff whenever they may be faced with adverse effects of their whistleblowing. For the Commission's staff, the Commission guidelines on whistleblowing of December 2012 (SEC(2012)679) explain when and how to blow the whistle, where to seek guidance in case of doubt and they highlight the protection offered to whistleblowers acting in good faith. I will carefully evaluate the impact of the recent Commission guidelines three years after their introduction and review them where needed.

### **How will you safeguard the EU's 'own resources' which are at risk from smuggling, tax havens, and VAT fraud?**

The President-elect has entrusted me with a portfolio covering the preparation and execution of the budget, together with the fight against fraud. I will therefore be well placed to take an integrated approach regarding the protection of the EU budget and the fight against fraud.

Let me make three specific points in this regard:

First, with regard to traditional own resources (i.e. customs duties), I intend to keep the three-pronged approach, relying on controls by Member States, OLAF fraud investigations and the Commission's on the spot inspections. This has served the Union's financial interests well. Member States are held financially liable if weaknesses in their recovery activities lead to a loss of traditional own resources. The Court of Auditors has every year given a clean bill of health to the revenue side of the budget.

In addition, the Commission will need to strengthen its arsenal of instruments to detect and tackle customs-related fraud. For example, Joint Customs Operations (JCOs) have proven to be an effective tool for the implementation of joint policy actions. Also, mutual assistance between authorities is an important instrument to fight against customs related fraud, and we need to finalise negotiations on the amended Mutual Administrative Assistance Regulation (515/97). I will consider preparing an overall strategy to fight customs fraud once the Regulation is in place.

Second, we need to continue to devote particular attention to cigarette-smuggling – since it is estimated that each year 10 billion euros in taxes and duties are lost to the EU and the Member States' budget due to illicit trade in tobacco products. I intend to facilitate various key initiatives that are currently under way, such as, for example, implementation of the Protocol to the WHO Framework Convention on Tobacco Control.

Third, organised VAT fraud, which is a serious and growing phenomenon, deserves our full attention. VAT has clearly been confirmed as part of the EU's financial interests by EU case law. As a first step, I will duly examine the recommendations expected from the ongoing ECA audit, which may lead to a Communication of the Commission in this area in order to explore the possible options.

Tax havens are a real threat to revenues for all Member States and to tax fairness in general. I intend to collaborate closely with my colleague responsible for taxation, for whom it will be a priority to ensure that Member States are in a position to collect all the taxes that they are entitled to. Measures listed in the Commission's 2012 action plan to fight VAT fraud and evasions are a good basis for that.

## **6. Transparency and accountability of public spending**

**All financial beneficiaries of EU funds are disclosed in the financial transparency system that covers the funds directly managed by the Commission and on the homepages of the responsible Member States authorities for funds under shared Management. This leaves citizens with a multitude of databases to check. How will you increase the transparency of European spending in general and when will you provide a central searchable database, which will provide all the information, at least in one of the working languages of the Union, on beneficiaries, the publication of which is required by the financial regulation?**

Increased transparency of European spending will be a crucial element in the efforts of the new Commission to convince citizens and national treasuries that EU money brings real added value. I intend to make best use of the opportunities digital technology offers and to apply this throughout my whole portfolio, in line with my mission letter.

In concrete terms, as regards access to information on the beneficiaries of EU funding, already now there is a single entry point (portal) from which any citizen can access the information on beneficiaries of EU funding: [http://ec.europa.eu/contracts\\_grants/beneficiaries\\_en.htm](http://ec.europa.eu/contracts_grants/beneficiaries_en.htm). Through grants and other forms of financing, the EU budget provides financial support to tens of thousands of beneficiaries such as students, scientists, NGOs, SMEs, towns, regions and many others. Every year, the Commission publishes information through an on-line search engine about beneficiaries of EU funds directly managed by the Commission.

I would like to further increase this transparency – and am committed to two tangible steps. First, improving the quality and comparability of data provided. I want to make the information available in an interactive way, on all modern devices, while fully respecting personal data protection. Specifically, I plan to offer the possibility to more easily reconcile and compare amounts from different sources. Secondly, I will ask for a full assessment of the costs and requirements for a single searchable database. As I will be responsible for the budget, optimizing the cost/benefit equation will be an important concern for me.

**Which steps will you take in order to ensure more balanced representation of the various stakeholders in the expert groups run by the services for which you would become responsible? Do you think that the existing rules for expert groups are sufficiently clear or should they be clarified and complemented?**

**What measures will you take to make the registration of professional lobbyists compulsory?**

On the question of expert groups: members of expert groups are selected primarily on the basis of the skills and expertise needed for each specific group to provide advice and expertise to the Commission. Thus, the selection of experts is done on a case-by-case basis in light of their specialist knowledge in a given field and taking into account the type of work, which can vary to a great extent.

In compliance with the rules on expert groups, the Commission is committed to ensuring a balanced representation of relevant stakeholders. The Commission's rules on expert groups provide Commission departments with a sound and flexible set of guidelines and ensure a coherent approach. Over the past few years, the membership of many groups has been reviewed to ensure a more balanced composition. I can assure you that the Commission is committed to guaranteeing transparency and a balanced representation, allowing the Commission to benefit from opinions representing a broad diversity of interests. For the expert groups managed by the services that will be under my responsibility are mostly composed of representatives of public authorities and experts with specific knowledge on the topics at hand.

The general issue of transparency, and the Transparency Register in particular, falls under the responsibility of Vice President-designate Timmermans. I intend to work closely with him on these issues. The Commission has established the Transparency Register jointly with the European Parliament. The register has functioned well until now and covers 80% of all lobby activities aimed at directly or indirectly influencing EU decision-making. However, registration is still voluntary. President-elect Juncker has expressed his clear intention to make the Register mandatory and extend it to the Council. A mandatory system is likely to force more actors, including law firms and some big actors, to enrol. It is also likely to enhance the quality of data because registrants will be more careful when providing information about their activities. Furthermore, the move towards a mandatory register will underline the institutions' genuine commitment to transparency. The same applies to the Council's participation. I believe, indeed, that it is both relevant and beneficial to EU-wide transparency if the Register brings together all three Institutions on an equal footing.

Transparency will not be taken seriously by citizens as long as one of the three main actors stays outside. The Italian Presidency of the EU has made progress on the question of joining the Register one of its priorities, so an encouraging momentum is building up. If my nomination is confirmed, I will strive to achieve a mandatory register covering all three institutions.

**The standard clearance of accounts procedure under the Common Agricultural Policy and Regional Policy takes more than 6 years to be closed. Furthermore weaknesses in the Member States' management and control systems for structural funds spent under their responsibility persist over years. Cases concerning fraud or irregularities take several years to be brought to justice. How will you shorten the response time to administrative errors, mismanagement and lack of effective control? What indicative time frame will you set yourself?**

I agree that there is scope for speeding up the clearance of accounts procedure compared to what was the case until now.

Significant progress has already been made, and the new regulatory framework promises a substantial improvement:

First, as regards Cohesion Policy, in past periods, the Commission made a commitment in the 2008 Action Plan that the contradictory procedures related to financial corrections have to be finalised within 24 months after the audit. The Commission has since then been meeting this objective. For the new European Structural and Investment Funds, the control cycle follows a strict and tight timeline. If, after acceptance of the accounts, the Commission detects significant deficiencies that were not reported and corrected by the Member States, the Commission has the obligation to apply net financial corrections and to set up action plans.

Second, as regards the Common Agricultural Policy, the conformity procedure applicable to Common Agricultural Policy expenditure requires certain steps to be applied in sequence. The standard conformity clearance procedure's average length in 2013 was 36 months. The Commission has already, through the new legal framework, streamlined the entire conformity procedure and limited the risk of unnecessary delays. In particular, deadlines for each step of the procedure have been introduced for both Member States and the Commission, in article 34 of the Commission Implementing Regulation (EU) No 908/2014.

I firmly believe that, for standard and straightforward cases, where the Member State concerned provides all necessary information without requesting a justified extension, the length of the entire conformity procedure, from the initial communication to the final conclusions of the Commission, can be less than 2 years. Together with my colleagues, the Commissioners responsible for the relevant spending areas, I will therefore carefully monitor that the average length of the standard and straightforward procedure should remain close to two years.

Finally, I am however aware of the considerable time it sometimes takes today to bring fraud cases to justice. This is one of the problems that I hope the establishment of the European Public Prosecutors Office will contribute to overcome.

## Questions from the Committee on Legal Affairs:

### 7. Question:

**As Vice-President for the Budget and Human Resources you will have the ultimate responsibility for areas which directly affect the staff of the Institutions: recruitment, working conditions, European schools, to name but a few. In a context of shrinking demographic growth, the Institutions face more competition from other employers when recruiting staff. However, in order to be able to respond adequately and effectively to the current and future challenges, the EU needs an efficient civil service with highly qualified and multilingual men and women, drawn from among citizens of the Member States on the widest possible geographical basis. What measures do you envisage taking in order to attract and retain such professionals? How will you ensure that the human resources allocation matches the Commission's priorities in order to rationalise the Commission's ways of working?**

For the Commission and the other European institutions to serve the citizens of the European Union our staff is our greatest asset. My priority will be to put in place the conditions in which staff can deliver and perform even better. There are two parts to this.

First, we need to continue to attract the best and the brightest. It is a task we constantly pursue and will have to pursue even harder. In the near future we will face the retirement of a generation of experienced and expert staff - the job of successfully replacing them starts now.

I will place a high priority on the work to retain and enhance the attractiveness of the "EU career brand". I will support further advancements in our outreach efforts to universities, the use of job fairs, as well as of modern technology and media. I will engage my colleagues in the Commission and senior staff across the EU Institutions to contribute to our common goal of promoting service to the EU citizens through a career in its institutions. I will aspire to implement our policy of recruitment based on merits and to complement it with appropriate measures as per the recent revision of the Staff Regulation to address significant imbalances in staff nationalities (such as targeted advertisement campaigns, competitions dedicated to the nationals of under-represented countries etc).

Second, we must further promote genuine performance culture inside the Commission – so people's talents are put to the fullest possible use once they have been recruited. I will ensure that, as envisaged in the revised Staff Regulation, results (and not just seniority) are rewarded, that there is a closer link between administrative grades and actual responsibilities, and that people have incentives to deliver. This needs to be further reflected in rules on appraisals and promotions.

Third, we will work to achieve the savings needed in a very tight economic environment. To that purpose, we will continue maximising efficiency and effectiveness of the available human resources by further rationalising our internal organisation and our working methods and the way we provide support services. I will aim to achieve efficiency gains by making the best use of state of the art digital and ICT tools, business process reengineering, streamlining rules and procedures. Through the deployment of digital technologies we can further modernise our services and promote greater transparency, more participation, better interoperability and more openness in the way we work with our stakeholders. This is part of my mission letter and to that end I will cooperate closely with the Vice-President for Digital Single Market.

I strongly believe that we need to get even better at ensuring a close match between the Union's overall priorities and the way staff are deployed. The structure of the new Commission offers an opportunity to make it easier for people to move rapidly to where staffing needs are greatest to deal with urgent and emerging issues, for example through the use of task forces. I will provide full support to my colleagues and to staff to take advantage of this opportunity and to overcome the silo mentality that has often undermined the deployment of our human capital.

We can and must do more to promote mobility: mobility within and between Directorates-General; mobility between institutions; and mobility in and out of the institutions – the latter while ensuring very prudent management of potential conflicts of interest. I will utilise the existing and seek new opportunities for staff exchanges with other organizations and with Member States. In order to attain the best possible output mobility has to be carefully balanced with the institution's need to foster and maintain its expertise. I will also encourage more targeted use of learning and training at all levels of the Commission, with a focus on e-learning and with return on investment

considerations in mind.

I take very seriously the request of the President-elect to achieve the 40% target for women in senior and middle management positions. For the EU to succeed in a highly competitive global environment we have to tap into the talent of all our people – men and women. How we do it in the Commission matters to our own performance, but also to the signal we send to our member States and to the rest of the world.

If confirmed it will be my duty to make the Commission more diverse, more agile and more flexible in responding to evolving needs, and to create the conditions in which staff can be genuinely excited about taking on new tasks. I am fully committed to working through the new structure of the Commission, and to use my role as Vice-President, to make this happen across the institution.

## **8. Question:**

**Article 298 of the Treaty on the Functioning of the European Union provides that in carrying out their missions, the institutions, bodies, offices and agencies of the Union shall have the support of an open, efficient and independent European administration. In 2004 and subsequently in 2014 the Staff Regulations and Conditions of Employment underwent a profound reform which placed the EU civil service among the most modern in the world. The rules on independence were reinforced and efficiency was improved, leading to substantive savings to the EU budget. However, citizens expect not only a high quality service in which the principles of integrity and legality are respected, but also that these activities are carried out in a context that can provide the highest degree of transparency.**

**In its resolution of 15 January 2013, Parliament requested the Commission to submit, on the basis of Article 298 TFEU, a proposal for a regulation on a European Law of Administrative Procedure. It also carried out a study of the European Added Value of a Law of the Administrative Procedure. Parliament is convinced that rules on good administration promote transparency and accountability and that a European Law of Administrative Procedure would enhance the Union's legitimacy and increase the confidence of citizens in the Union's administration. Do you intend to take any steps in this direction? What are your views?**

The issues raised in the question also fall under the responsibility of the Vice President for Better Regulation, Inter-Institutional Relations, the Rule of Law and the Charter of Fundamental Rights (Vice-President-designate Timmermans), and I intend to work closely with him to address them. This applies in particular to responding to the resolution of 15 January 2013 in which the European Parliament requested the Commission to prepare a proposal for a regulation on a European Law of Administrative Procedure on the basis of Article 298 of the TFEU.

A number of very positive initiatives to promote transparency on the functioning of the institutions are already under way, and we should build on these, such as the Transparency Register listing lobbyists. As the President-elect has stated, the Commission will propose an inter-institutional agreement to Parliament and the Council to create a mandatory register covering all three institutions. I will also follow up on the President-elect's instruction to all Commissioners to make public, on our respective web pages, all the contacts and meetings we hold with professional organisations or self-employed individuals on any matter relating to EU policy-making and implementation.

It is important that citizens have access to our administrative rules. The revised Staff Regulations already provide for a register of all implementing rules of all the institutions. The Court of Justice of the European Union administers the register and it has become operational at the beginning of this year. I am committed to promoting the register and ensuring that the Commission administrative rules are kept up to date. I will engage with the other institutions to encourage the registration and regular update of their administrative rules.