

COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

COMMITTEE ON LEGAL AFFAIRS

INVITED COMMITTEES:

COMMITTEE ON BUDGETS

COMMITTEE ON CONSTITUTIONAL AFFAIRS

COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

SUBCOMMITTEE ON TAX MATTERS

HEARING OF VALDIS DOMBROVSKIS

COMMISSIONER-DESIGNATE

(Economy and Productivity; Implementation and Simplification)

THURSDAY, 7 NOVEMBER 2024

BRUSSELS

1-0002-0000

IN THE CHAIR:**AUORE LALUCQ***Chair of the Committee on Economic and Monetary Affairs***ILHAN KYUCHYUK***Chair of the Committee on Legal Affairs*

1-0003-0000

(The hearing opened at 14:30)

1-0004-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Colleagues, ladies and gentlemen, good afternoon. First of all, I would like to warmly welcome the Commissioner-designate for economy and productivity, implementation and simplification, Valdis Dombrovskis, to this joint hearing organised by the ECON and JURI Committees, with the participation of the BUDG, AFCO, EMPL and IMCO Committees as well as the FISC Subcommittee as invited committees.

I would therefore like to warmly welcome the members of the two committees jointly responsible for this hearing, as well as the members of the four invited committees and everyone present in the room today, not forgetting, of course, those watching us live on webstream. Let me particularly welcome the Chair of the JURI Committee, Ilhan Kyuchyuk, with whom I will have the pleasure to co-chair this hearing.

Before the start of the hearing, please allow me to make some procedural remarks. Let me recall that, in line with the guidelines for the approval of the Commission – Annex VII to the Rules of Procedure – during the evaluation meeting following this hearing, the coordinators of the ECON and JURI Committees, acting jointly, have to state clearly whether they consider the candidate to be qualified, both to be a member of the College and to carry out the particular duties he has been assigned.

Before the hearings, Commissioner-designate Valdis Dombrovskis replied in writing to a preparatory questionnaire. The written answers have been distributed to Members in all languages. The Committee on Legal Affairs assessed, on the basis of the document presented by the Commissioner-designate, the question of potential or actual conflict of interest, and has raised no objection to the holding of the hearing.

1-0005-0000

Ilhan Kyuchyuk, *Chair of the JURI Committee*. – Thank you, Ms Lalucq, and let me say that I share the pleasure of chairing this meeting with you. I also welcome the Commissioner-designated, Mr Valdis Dombrovskis and all the Members and all of those who follow this confirmation hearing in this meeting room or remotely.

Before we proceed, let me explain the structure of this confirmation hearing. To begin, the Commissioner-designate will have an opening oral statement of a maximum 15 minutes. After the introduction, we will turn to the questions from MEPs.

There will be four rounds of questions and answers. The first round is for political group coordinators, with five minutes each – one minute for the question and two minutes for the answer

from the Commissioner-designate, with a possibility of a follow-up question from the same Member of no longer than one minute, with one minute for the reply.

Afterwards, we will have a second round of questions asked by Members, based on overall distribution of speaking time among the political groups, including a representative from the non-attached Members.

The third round is for the Chairs of the invited committees, and the final round of questions will be for the political groups in reverse order.

In the second, third and fourth rounds, we have each time a three-minute slot for the Q&A, with a one-minute question and two-minutes answer by the Commissioner-designate. No follow-up question is possible in those rounds.

We ask everybody to keep the time. So one minute is 60 seconds. Interpretation will be provided in 23 languages. All speakers can therefore use their own language. You are kindly reminded not to speak too quickly, to facilitate the interpretation.

The confirmation hearing will be streamed live on Parliament's internet site. It will also be possible to access a video recording on the hearing on the same site within a few hours after the hearing.

I now give the floor to my Co-Chair.

1-0006-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Commissioner-designate, before we move on to your opening statement, let me start by acknowledging your responses to the horizontal written questions and your readiness to cooperate with the European Parliament. This is extremely important in the context of the revision of the Framework Agreement between the European Parliament and the Commission, in particular regarding your engagement to be present in committees and plenaries on a regular basis, to follow up on Parliament's legislative initiatives, and to timely share information with Parliament as a co-legislator and arm of the Budgetary Authority.

We count on the full implementation of these commitments, and emphasise the Commission's role as an honest broker in all legislative procedures and interinstitutional negotiations, ensuring equal treatment of Parliament and the Council. We equally count on your full cooperation to also inform our committees in advance of all upcoming proposals, with detailed justifications for those requiring urgent action. This will ensure transparency, and allow Parliament to properly exercise its prerogative.

Dear Commissioner-designate, we will now start with the hearing. I will give you the floor for an opening statement for no longer than 15 minutes.

1-0007-0000

Valdis Dombrovskis, *Komisāra amata kandidāts*. – Priekšsēdētājas kundze, priekšsēdētāja kungs! Godātie Eiropas Parlamenta deputāti! Esmu pagodināts un gandarīts atgriezties Eiropas Parlamentā un redzēt daudz pazīstamu seju.

Tiem deputātiem, ar kuriem man vēl nav bijis tas gods personīgi iepazīties, vēlos teikt, ka mana personīgā pieredze ir cieši saistīta ar Eiropu. Es piedzimu un uzaugu aiz Dzelzs priekškara, Padomju Savienības okupētajā Latvijā.

Man nebūtu iespēja būt šodien šeit, Eiropas Parlamentā, ja Latvija nebūtu atguvusi savu valstisko neatkarību un ja nebūtu notikusi Eiropas atkalapvienošanās, kas daudziem cilvēkiem un valstīm, tai skaitā Latvijai, atjaunoja vēsturisko taisnīgumu un radīja iespēju atgriezties Eiropas demokrātisko valstu saimē.

Šī manas valsts pieredze, kas savijas ar manu personīgo dzīvesceļu, ir manas motivācijas avots, jau vairāk kā 20 gadus darbojoties politikā. Šī pieredze ir arī manas eiropēiskās pārliecības pamatā.

Tā tas bija tad, kad gandrīz piecus gadus vadīju Latvijas Republikas valdību, kad pildīju finanšu ministra pienākumus, kad strādāju kā Latvijas Saeimas vai Eiropas Parlamenta deputāts.

Tā bija arī mana motivācija jau divus termiņus strādājot Eiropas Komisijā.

Man būtu liels gods un atbildība likt lietā savas zināšanas un ilggadējo pieredzi gan Latvijā, gan Eiropas Savienības institūcijās, lai turpinātu veidot stiprāku un vienotāku Eiropas Savienību.

Honourable Members, today, the EU faces monumental challenges never seen before in its history. War has returned to our continent. Russia's brutal and illegal aggression against Ukraine threatens its freedom and very existence, as well as Europe's entire security architecture. It is evidence of deeper geopolitical power shifts that are reshaping the world as we know it. These shifts pose a risk to international rules-based order.

At the same time, we face many other challenges. First, climate change, as we have seen most recently with the dramatic flooding in Spain. Intensifying global competition for critical technologies is another. In this challenging environment, the EU needs a resilient, innovative and competitive economy. This will guarantee Europe's capacity to stand by its values and freedoms, withstand future shocks and preserve a cohesive society.

Today, Europe's economy still suffers from many brakes that are holding us back. This is why President-elect von der Leyen identified sustainable prosperity and competitiveness as priorities for the next European Commission. This is why I'm honoured to appear in front of you today as Commissioner-designate for Economy and Productivity and for Implementation and Simplification.

There are various factors to address in our work to boost Europe's competitiveness and raise productivity. Investment, both public and private, is vital to support it. We also need to make it easier to set up and grow a business, help people to develop the right skills and cut bureaucracy, and we need to do it while further improving social fairness and cohesion. The recent reports by Enrico Letta, Mario Draghi and the Commission single market and competitiveness report cover all these elements and more. Today, I would like to focus on four building blocks that would shape my work as a Commissioner, if confirmed: greater coherence when shaping economic policies and investment, sound fundamentals, less red tape, a strong European voice when shaping global economic policies. I will address each of these in turn.

First, our economic policy should become more coherent. Reforms and investments carried out nationally, as well as EU-wide, should be better aligned with our common European objectives. Here, the European Semester will play a key role. It will focus on promoting competitiveness, productivity, sustainability and social fairness. It will also continue to respond to country-specific challenges and situations. This will be my approach, as I will work with the President to steer the European Semester in the years ahead. The European Semester will work in tandem with a new competitiveness coordination tool, whose development will be one of my priorities. The new tool

will translate EU-wide competitiveness objectives into coordinated national policies. It will allow public and private funding to be guided towards these priorities, in sync with the new European Competitiveness Fund. The Recovery and Resilience Facility have shown us the value of blending reforms and investments and linking them to EU funding. On the ground, the centrepiece of the NextGenerationEU, the Recovery and Resilience Facility, is bringing change that boosts our competitiveness, such as cheaper and more secure energy, better skills for people, faster permitting, to name just a few. I will continue to support Member States in carrying out their national plans by the facility's 2026 deadline.

Beyond the RRF, our investment needs are still massive. Private funding will help to cover the bulk of them. Public money will play an important role as well, including to ensure upward social and territorial convergence. I will work with the European Investment Bank and the European Investment Fund so that they further strengthen their role in delivering EU policy objectives, particularly given the EIB's role as EU's Bank and EIF's catalytic role for entrepreneurship, start-ups and SMEs. It is key for the EIB to prioritise investments in sectors critical to our economic security, such as cleantech, artificial intelligence, quantum, advanced semi-conductors, and also to review its policy to support our defence capabilities. In addition, I expect the EIB to contribute even more to the EU's external strategic goals, for example, through additional support for Ukraine and the wider neighbourhood and our global gateway strategy. I will also work with the EIB group to ensure that it takes more risks in its operations, especially when covered by EU guarantees.

More broadly, I cannot stress enough the urgency of deepening and broadening our capital markets. Difficulties in access to financing is one of the key issues that prevent our companies from scaling up. The second building block is about ensuring that the EU economy has stable fundamentals. The EU new fiscal rules are tailored to new challenges and realities. They provide more flexibility for Member States to determine their fiscal trajectory. They pay more attention to growth-enhancing reforms and investments focused on common EU priorities, social fairness, the green and digital transitions and security – all this while ensuring fiscal sustainability.

Stable and transparent public finances reinforce market confidence and reduce borrowing costs, both public and private. They provide fiscal space for public investments and create a conducive business environment to unlock private investment. Sound fiscal policies also protect the sustainability and adequacy of social welfare systems on which current and future generations rely. So, my priority will be to ensure that fiscal rules are used and enforced in a credible and even-handed way. I am glad that for this, of course, and for, of course, also much more, we can rely on independent, timely and reliable European statistics produced by Eurostat.

On the third building block, today, administrative burden places a significant drag on our competitiveness. Every hour that an entrepreneur spends filling out forms is an hour lost for developing the business, for creating growth and jobs. Excessive red tape, whether it stems from European or national rules, has very sizeable economic and social consequences. It holds back investment, dampens productivity and reduces Europe's ability to attract foreign investments and talent. So, it needs to change. We need simpler rules that are easier to implement. But I want to be very clear: simplification does not mean deregulation. We will not compromise our policy goals or our high social and environmental standards.

It is a complex endeavour that will require effort across the entire College, which I will coordinate, reporting directly to President von der Leyen. Each member of the College will have responsibility for stress-testing the existing rules in his or her area of responsibility. Here, we will follow a user-centric approach by gathering and building on experiences from stakeholders who apply the EU

rules on the ground, and we will report on progress to the Parliament and the Council in annual thematic reports.

Our simplification efforts will start in the areas that Europe's people and businesses consider to be most urgent. We will build on the priorities identified in the recent reports, like the Draghi report, dialogues and stakeholder consultations, and we obviously want to listen to European Parliament as well. If confirmed, I will provide an outline of this workstream in the very first months in my mandate.

Honourable Members, for the EU law to achieve the intended objectives, above all, it must be properly implemented. The new implementation dialogues will show how best to align implementation with realities on the ground. We also intend giving more support to Member States' administrations and companies to help them comply with the rules, allowing better enforcement.

Simplification and better law-making must be a joint responsibility shared by all EU institutions. This is why the new Commission will reach out to the European Parliament and the Council on renewing the Interinstitutional Agreement on Better Law-Making. While the Parliament and the Council are already agreed to impact-assess their significant amendments, this was never fully put into practice. We should discuss how to improve this. The European Commission has a long-standing commitment to better regulation. I will further strengthen this by making sure that the reinforced competitiveness check and SME test are applied consistently.

Using digital technology more systematically also has great potential for reducing the administrative burden for people and companies, especially SMEs. In fact, the Commission has already presented several proposals that would help to achieve this, such as the digital wallet and e-identity. Just this week, the Ecofin Council agreed on updating the EU's e-VAT rules to bring them into line with the digital age.

The fourth and final building block centres around a strong euro and making sure that the EU speaks with a strong and united voice at international economic fora such as the IMF and World Bank. It is even more vital as we are living in a more fragmented world. Today, the EU is a global leader, including at G7 and G20, in making sure that debt distress in developing countries is addressed, or, for example, in reforming capital markets to support transition to climate neutrality. On Ukraine specifically, the EU facilitated the recent G7 agreement to leverage the extraordinary revenues from immobilised Russian sovereign assets to provide support for Ukraine. Also, we need to further strengthen the international role of the single currency. I will continue to guide Member States towards joining the euro area based on the rules in force, and I will also work closely with co-legislators towards the swift adoption of the legislative proposals on digital euro and legal tender for cash.

Honourable Members, during the last 10 years as Vice-President and then Executive Vice-President of the European Commission, I have always worked in a spirit of collegiality and close cooperation with the European Parliament. If confirmed by this House, I will take real pleasure in continuing my cooperation with you. For me, working closely with the European Parliament is a self-evident and integral part of my work, and I come here regularly. During this mandate, I attended 60 meetings of parliamentary committees, and this is not counting plenary sessions, trilogues and other events. I will make sure that the Parliament is regularly updated, on equal footing with the Council, on the latest developments regarding the files under my portfolio, and that its opinions are duly taken into account. I will also fully respect the Parliament's rights and prerogatives in the legislative processes. If you honour me with your confidence, I will be happy to continue this fruitful relationship.

1-0009-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Thank you, Commissioner-designate Dombrowski. Now we will open the first round of the Q&A session with the coordinators. A gentle reminder of the rules: one minute for the question; two minutes for the answer; one minute for the follow-up; one minute for the answer.

Secondly, when the time is up there will be red stars on the screen – and we'll be very strict, as you already know, on respect of the timing.

1-0010-0000

Markus Ferber (PPE). – Thank you very much, Commissioner-designate, or if you allow Valdis as we know each other for 20 years now.

Healthy public finances mean more room for investment. Therefore, impartial and effective implementation of the economic governance framework of the Union will be decisive to ensure orderly management of the rather high stock of public debt in the European Union.

Do you commit to fully enforcing the economic governance rules of the Union by making sure of equal treatment of Member States? How exactly will you do it in case you are confirmed for the role of Commissioner? And, in particular, as we had yesterday some experience in Germany, how will you make sure that frequent changes of national governments do not result in a never-ending review process of national medium-term fiscal structural plans without achieving the much-needed fiscal adjustment – and in time?

1-0011-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you very much. So, first of all, fiscal rules are the same for all Member States and I am fully committed to applying them in a credible and even-handed way. Coming also from a small Member State, I'm particularly sensitive to this question of equal treatment of Member States, so I can reassure on this.

Also, we have a number of features in the rules that support a credible application. First of all, we give more leeway to Member States to devise their own fiscal policies well within clear common framework. This will support ownership and also therefore compliance. Also we'll be basing our assessment on a single operational indicator, net expenditure growth, which governments can directly control. We will track the compliance also over the lifetime of Member States' medium-term fiscal-structural plans via the control account, also not allowing small deviations to accumulate over the year. So, from that point of view, there are a number of elements in place which will help this credible and equal application.

Then on the specific question you raised on new government: the regulation, as it agreed, indeed includes provisions that a newly appointed government may submit a revised national medium-term fiscal-structural plan. It will obviously help to ensure that the new governments are also committed to the plans and with the ownership. However, this does not mean that the fiscal effort will be postponed. The new plan will need to respect all criteria of the regulation and if there are any slippages that occurred before, they will need to be taken as an initial start of the next plan. So, there are also safeguards against this kind of fiscal effort postponements.

1-0012-0000

Markus Ferber (PPE). – Thank you very much for the answer. We all saw that only two Member States, which are Denmark and Malta, submitted their medium-term fiscal-structural plans by the

legal deadline. Even by the extended deadline, several medium-term fiscal-structural plans were still missing, even that of the Member State I know best, or with wrong figures.

This is not exactly the start of the rigorous implementation of these legal obligations prescribed by the preventive arm. So how do you plan to make sure that once plans are approved, Member States will really implement them?

1-0013-0000

Valdis Dombrovskis, *Commissioner-designate*. – On the submission of medium-term fiscal-structural plans, indeed, by now we have received 21 plans out of 27 and, as you rightly noted, by the deadline of 20 September, only two Member States had submitted the plans. The bulk of them submitted them by 15 October, which was the deadline also for euro area Member States to present their draft budgetary plans.

Well, when we were now moving to this new fiscal framework, we knew that we are working against tight deadlines. And in a sense, we accepted this and also the regulation itself foresees a possibility for Member States to agree with the Commission on the delayed submission of the plan, if circumstances require so. And there are also specific situations when there are changes of government, and several Member States right now are exactly in this situation where indeed we have to see that the new government comes and actually submits a plan on which it also has ownership.

1-0014-0000

Irene Tinagli (S&D). – So, Commissioner-designate, according to the European Central Bank, to pursue European priorities, the Union will need additional annual investments in the order of hundreds of billions of euros per year. Of course, these will require both private and public investments.

But yesterday, during her confirmation hearing, your colleague Ms Albuquerque told us very honestly that it will take time to mobilise a sufficient volume of private investments because the CMU, the capital markets union, is something that cannot be built in a day. And after all, we have been talking about this since 2015, and still very few results.

So not only are public investments needed, but they will be needed above all in the coming years to compensate for the insufficient mobilisation of private investments. I'm afraid that repackaging existing programmes and resources under the heading 'competitiveness fund' will not be enough, and even the small flexibility under the new fiscal rule will not be enough.

So how, concretely, is the new Commission planning to tackle the huge demand for public investments after the end of RRF, without cutting budgetary resources in other important areas?

1-0015-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you for this question. Indeed, it's acknowledged that we are facing very substantial additional financing needs, also to cover new European priorities like green and digital transitions, also strengthening our security and defence capabilities. This will require mobilisation of both public and private investment.

Obviously, private investment will have a role to play through the capital markets union, and we will also be able to leverage this private investment with programmes like InvestEU. Where there is

a limited amount of public funding, we are unlocking substantially larger amounts of private funding, but it will require also more public funding.

Part of this answer is, indeed, through the new European fiscal rules, which provide more possibilities for Member States for investments and reforms, and also a longer, and thus more gradual, fiscal adjustment path if they choose to implement additional investments and reforms. And a number of Member States have chosen to do so in the plans so far submitted to the Commission.

But it will also be a question about EU funding and, indeed, we need to see after the expiry of the Recovery and Resilience Facility. This will be part of our discussions on the next multiannual financial framework. Indeed, we will need to identify what are our financing needs and how to best address those needs. And as you rightly noted, it should not also come at the expense of our existing European priorities. So it may well require a larger overall EU budget.

But all of those discussions we will have in the context of the next multiannual financial framework, where the Commission intends to come up with a proposal next year.

1-0016-0000

Irene Tinagli (S&D). – I'll be very straightforward and short now. Will you commit to putting forward a proposal for an investment capacity to support public investments in the European Union, aiming to bridge the substantial funding gap from 2026 onward, possibly with the issuance of common Union debt?

1-0017-0000

Valdis Dombrovskis, Commissioner-designate. – Well, on this question of investment capacity, we already have a number of investment programmes in the EU budget, including in Cohesion, including InvestEU, which also uses certain public funding.

Certainly, after the RRF expires, we will need to see how we boost this investment capacity in the next MFF. I will not be in the lead on this work – it's the Budget Commissioner who will be lead on the next MFF – but that's certainly what I will support: that we need to find a way how to finance our investment and on how exactly then it's financed. Is it new own resources, which the Commission has already proposed? Is it larger Member State contributions? Is it common borrowing? All of this will be part of the discussions on the next MFF.

1-0018-0000

Enikő Győri (PFE). – Mr Dombrovskis, you are one of the longest-serving members of the College, and probably you're going to be in the new College too. So what I would like to do is to see whether you will be able to bring fresh air to your work and, by this, contribute to boosting competitiveness, which is badly needed, we know it very well.

My first question is concerning the governance framework. On the one hand we have sluggish growth, so we should stimulate investment, while on the other hand the new economic governance framework and the EDPs require a tight fiscal policy. So how will you reconcile these two?

My second question: in your written answer, you refer to the geopolitical reality of your home region. Does this mean that you are ready to respect the different geopolitical and economic realities of Member States? How much are you ready to find tailor-made solutions allowed by the new

governance framework and ensure at the same time equal treatment? Because this is vital and I want to be sure that you will respect that.

1-0019-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you for those questions. So, on the first question: when we were preparing the economic governance framework and when we also had extensive discussions, including on the framework of legislative process with co-legislators, we were working to find this right balance. Indeed, that we need, on the one hand, fiscal space for investment, on the other hand, we also cannot allow indefinite debt and deficit build-up. So we need to find this right balance and we believe that with these new EU fiscal rules we found this balance, which still ensures debt sustainability and at the same time provides more leeway for Member States to determine their fiscal path and also provides additional flexibility if Member States decide to invest more through extension of medium-term plans. So this balance is there.

Then, on taking into account different geopolitical realities Member States are facing: well, obviously I'm very committed to this. For example, now in the context of Russia's war against Ukraine, we see that the impact of this war is more focused on the eastern border regions of the EU and, correspondingly, the new Commission will also work on a dedicated support specifically for the eastern border regions which are most affected. Executive Vice-President for Cohesion and Reforms will be in charge of this work, but this is something which I will obviously support and, once again, I can reconfirm the commitment for equal treatment of Member States.

1-0020-0000

Enikő Győri (PFE). – Can you be more specific on these eastern border countries' special help? Because as far as Hungary is concerned, we haven't seen any of that help being materialised for the time being.

And second, you know that I'm coming from the only Member State against which the EDP sanction mechanism has ever been activated: Hungary. Meanwhile, other Member States had much worse figures. So how can I be sure that it will never happen again?

And my last question: I suppose you agree with me that not just Member States, but also MEPs are equal. Are you ready to treat us all, independently of party affiliation, in an equal way?

1-0021-0000

Valdis Dombrovskis, *Commissioner-designate*. – Yes. Very telegraphically, on the support for eastern border regions, this is something which is reflected in the work now of the next European Commission. So that's what will be developing now in the context of the next Commission.

In between, there are possibilities to use available funding under existing EU funding instruments, including cohesion. And there are possibilities also to apply certain flexibilities and readjustment to respond to the real needs on excessive deficit procedures. Indeed, there is a clear methodology and I'm committed to follow this.

So once again, equal treatment. As regards the equal treatment of Members of European Parliament, indeed, I'm ready to discuss with every Member of this House who shares European values and willing to work constructively on our efforts to forge European unity, defend Europe's interests and who is respecting our shared values like democracy, rule of law and, in the current geopolitical context, lasting peace in Ukraine, reflecting its territorial integrity.

1-0022-0000

Mario Mantovani (ECR). – Signor Commissario Dombrovskis, ricordo quando eravamo co-osservatori internazionali nei paesi in via di sviluppo e La ricordo sempre come un componente molto rigoroso.

Ora, vi sono settori in cui l'Unione dovrebbe fare meno, applicando il principio di sussidiarietà in modo più rigoroso. L'attività legislativa della Commissione europea è cresciuta eccessivamente e le istituzioni dell'Unione dovrebbero applicare un principio di autolimitazione nell'elaborazione delle politiche europee.

L'Unione dovrebbe attuare pienamente l'annunciata riduzione del 25 % degli obblighi di comunicazione e impegnarsi a conseguire un'ulteriore riduzione per le piccole e medie imprese fino al 50 %.

Nelle sue risposte scritte dichiara di condividere le proposte Draghi. Le chiedo se e in che modo intende realizzare, nell'ambito delle sue competenze, il principio di autolimitazione e soprattutto la limitazione per gli oneri burocratici per le piccole e medie imprese.

1-0023-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this question, and thanks for reminding our connection as election observers from the European Parliament many years ago. Specifically on your question, first of all, indeed we are very clear about this aim of reducing bureaucracy, cutting the reporting burden for companies by 25 %, and in case of SMEs by 35%. Correspondingly, we will be working on that basis.

So how we intend to achieve this. The first thing is to start stress testing our existing legislation on a sectoral basis, focusing on priority areas which are our stakeholders are indicating as the most burdensome, and coming forward with a simplification proposal.

So we already intend in the first European Commission work programme, which will come in the first 100 days of the mandate, to put in a work programme also simplification proposals. So that's something which is going to be there.

As I was mentioning also, in the legislative work we will be applying the competitiveness check and SME test to exactly measure the impacts on our companies, especially on SMEs and applying this 'think small' principle.

So all these elements are clearly outlined in the political priorities for the next European Commission, and I'm a very committed to work towards reaching those objectives.

1-0024-0000

Mario Mantovani (ECR). – Purtroppo sono molte le categorie produttive europee che da decenni si battono invano sulla riduzione dei costi e degli oneri della burocrazia europea: il commercio, la distribuzione, l'artigianato, l'industria, l'agricoltura, soprattutto, come sa, le PMI. Io stesso da ormai molti anni sento rinnovare costantemente l'impegno alla semplificazione.

Signor Commissario, vuole prendere un impegno solenne con queste categorie produttive e con questa commissione parlamentare, al fine di misurare concretamente gli esiti del Suo lavoro?

Ci può dire tra quanto tempo potrà tornare presso la commissione giuridica e rendere conto dei primi risultati del Suo lavoro?

Noi su questo vigileremo con attenzione e con lo stesso Suo rigore.

1-0025-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you for this. As I was saying in the introductory remarks, I'm obviously open to come to parliamentary committees. In this mandate, I was 60 times at a parliamentary committee, so I'm ready to obviously come to your committee and discuss all those matters.

Actually, we foresee also engagement of all members of the Commission regarding this implementation and simplification workstream. My task will be to coordinate this work, but it will be the task of each member of the College to do the simplification work in their respective areas of responsibility, and also to prepare an annual report on how it's being done and engaged with the relevant parliamentary committees and the Council formations on this simplification work. So certainly we'll have plenty of discussions to discuss it, also in the JURI Committee.

1-0026-0000

Stéphanie Yon-Courtin (Renew). – Je continuerai en français, parce que je ne parle pas le letton. La facilité pour la reprise et la résilience a joué un rôle clé pour sortir l'Europe de la crise et contribuer à initier la transformation structurelle de l'économie européenne, en ligne avec des objectifs clairs, liés à la double transition verte et numérique. Cette facilité pour la reprise et la résilience prendra cependant fin en 2026 et, comme l'a souligné le rapport Draghi, le besoin d'investissements est estimé à au moins 800 milliards d'euros par an, avec des priorités toujours plus nombreuses. En plus de la double transition, la question de notre capacité à nous défendre devient, elle aussi, pressante.

À ce sujet, j'ai deux questions: avez-vous l'intention de lancer une réflexion sur ce sujet de l'Europe de la défense? Et, bien évidemment en tirant les leçons de la FRR et de son utilisation par les États membres, vous paraît-il envisageable de réfléchir à un nouvel instrument, qui contribuerait à répondre à ce besoin massif d'investissements?

1-0027-0000

Valdis Dombrovskis, *Commissioner-designate*. – Well, indeed, coming back to this question on investment and what is happening post-RRF and what lessons we can learn from the RRF, on the investment needs, obviously, we will need both more private and public investment.

On private investment, just to give some estimates, completing the capital markets union could attract up to EUR 470 billion of additional investments. Of course, as was noted, it would not happen overnight. Also, we will work with the EIB Group, which can facilitate investment. And also we need to discuss what investment needs we have and how to best address them in the next Multiannual Financial Framework.

On the question of lessons learned from the Recovery and Resilience Facility, I think the RRF has proven its worth in terms of being a performance-based instrument, not a cost-based instruments – so where the money is flowing with Member States achieving certain milestones and targets – and also by using this approach of linking reforms and investments in a coherent national plan. So those are elements which we can reflect also going forward for the next Multiannual Financial Framework.

There are also elements which we obviously would need to strengthen, for example, participation of regional and local authorities, which needs to be strengthened through applying the partnership principle, because the RRF was designed in a specific context of COVID-19 pandemic. So, this is

something which we can strengthen. And obviously also the new competitiveness fund will provide additional possibilities for investment.

1-0028-0000

Stéphanie Yon-Courtin (Renew). – En vue du prochain cadre financier pluriannuel, étant donné le coût annuel de remboursement du capital et au moment où le besoin d'investissements au niveau de l'Union européenne est massif, pensez-vous possible de procéder à la reconduction du prêt *roll-over*, ce qui permettrait également de préserver la liquidité des obligations européennes sur le marché?

1-0029-0000

Valdis Dombrovskis, Commissioner-designate. – On this question specifically of repayment of the debt of NextGenerationEU, the own resources decision sets two specific parameters on this: that repayment should start as early as possible and should be completed by 2058; and that should happen in a steady and predictable manner.

So within those parameters, the repayment schedule for NextGenerationEU is something which will be part of the discussions for the next Multiannual Financial Framework.

1-0030-0000

Kira Marie Peter-Hansen (Verts/ALE). – Thank you very much indeed, Commissioner. The EU and the Member States have, since 2009, repeatedly pledged to end fossil fuel subsidies and are encouraging countries to do so by 2025. At the same time, evidence illustrates that the European Semester is not adequately targeting this issue.

So I would like to ask you if you could commit to not only monitor national fossil fuel subsidies through the European Semester process, but explicitly prescribe it in the country-specific recommendations according to the phase-out in national budgets.

Can you make this a priority for your Commission?

1-0031-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this question. Fossil fuel subsidies indeed remain sizeable, and it's true globally as well as in a number of EU Member States, and that certainly poses a challenge for both the green transition, but also for public finances as they reduce possibilities for productive investment or other spending programmes.

In fact, if we talk about the link with the European Semester, the European Commission has already, in recent European Semester publications, like the annual Sustainable Growth Survey, in a previous Semester round, already called on Member States to phase out fossil fuel subsidies.

We encourage Member States to phase them out, also with clear timelines for this. So from that point of view, as we will work forward with the European Semester, we will be doing also country-by-country analysis on this question of fossil fuel subsidies, also to be followed up by country-specific recommendations in this regard.

1-0032-0000

Kira Marie Peter-Hansen (Verts/ALE). – Thank you, so if I understood correctly, that was a 'yes' to my question.

Then I would like to return to what Stéphanie and Irene also mentioned, because the Mario Draghi report highlights the big investment needs in Europe. And of course, you rightly say that we have different ways of financing this, like own resources, a bigger MFF or a common EU borrowing.

What I would like to ask you is what is your political position on this? What would you prefer? Would you be in favour of making sure that we finance these needs through common EU borrowing, or is there a different tool that you prefer politically?

1-0033-0000

Valdis Dombrovskis, Commissioner-designate. – I think primarily the question is not so much how we finance our investment – it is also an important question – but first is to agree how much common investment and which areas we need, because we obviously have our traditional priorities and we have a range of new priorities which need to be financed. So that's the approach that we as a Commission are suggesting to follow, that we are first determining the funding needs and then discussing on exact funding possibilities – is it own resources? Is it Member State contributions? Is it common borrowing?

But the first important topic is to decide what we want to finance and if we are able to agree on what and what amounts, then we can have discussions on how exactly to finance and I think no option is off the table.

1-0034-0000

Manon Aubry (The Left). – Monsieur Dombrovskis, vous vous êtes félicité à plusieurs reprises de la réforme des règles budgétaires, mais la réalité c'est que, sur le terrain, elles se traduisent par une saignée sociale qui est sans précédent. Vous avez aussi parlé à plusieurs reprises d'incitations aux réformes, mais en réalité ce sont des incitations à la casse sociale. Je prends juste un exemple, celui de mon pays: ça (*la députée montre un document*), c'est le plan à moyen terme pour la France, pour les cinq années qui viennent, et ceux qui vont payer, ce sont les jeunes, avec la suppression de 4000 postes d'enseignants, l'écologie, avec la baisse du budget de l'écologie, les chômeurs, dont beaucoup perdront leur indemnisation, les fonctionnaires, avec la mise en place de trois jours de carence, les retraités, qui vont voir leur pension gelée, et toute la population française, qui va voir ses taxes sur l'électricité augmenter.

J'ai deux questions très simples. La première, c'est: quelle est la légitimité pour vous de ces réformes? La seconde, c'est: comment pouvez-vous vous satisfaire de ce cadre de gouvernance économique qui se traduit en réalité par une condamnation des États européens et une austérité à jamais?

1-0035-0000

Valdis Dombrovskis, Commissioner-designate. – First, on this question on the economic governance framework, the economic governance framework was something which we have been discussing extensively. Actually, we started preparing the economic governance framework in 2020 and finalised this work early this year. So we have been working almost four years on this economic governance framework, obviously also in strong engagement with the European Parliament, with Member States, with many different stakeholders.

A fundamental question we needed to address in this economic governance framework was to find the right balance between fiscal sustainability, because that's the basis, in a sense, and financial stability is a precondition for economic growth. If there is no financial stability, then borrowing costs go up both for the public and private sector. There are many negative consequences, which is something certainly we don't want to enter and experience.

At the same time, indeed, we need more leeway for investment. We need more leeway also for other spending programmes. That way, for example, in the European Semester, an important element is also the question of implementation of the European Pillar of Social rights. Around 30 % of all recommendations which we give to Member States are in social and employment areas, because those are obviously equally important in our social market economy model.

So those are fundamental things. Specifically on the French medium-term fiscal structural plan, France has now submitted the plan to the European Commission. The assessment of the plan is currently ongoing, so I'm not in a position now to do some kind of pre-announcements on this ongoing assessment of the plan.

1-0036-0000

Manon Aubry (The Left). – Merci, Monsieur Dombrovskis, vous répondez, et c'est souvent la réponse qu'on entend, «Il faut garantir la stabilité budgétaire». Je suis toutefois assez frappée qu'à chaque fois que nous parlons de stabilité budgétaire, nous ne parlons jamais de la capacité des États à lever des recettes. Et cela se traduit toujours par une baisse des dépenses publiques, donc par une attaque de nos services publics et de notre système de protection sociale. Si nous prenons le cas de la France, encore une fois, en réalité, si on regarde, il y a eu 60 milliards d'euros de cadeaux fiscaux faits ces dernières années aux plus riches et aux entreprises multinationales, ce qui correspond exactement à ce que la France doit chercher pour atteindre l'équilibre budgétaire.

La question que je vous pose donc, c'est: pourquoi, y compris dans les recommandations faites dans le cadre du Semestre européen, ne pas regarder du côté des recettes pour obtenir une taxation sur les plus grandes fortunes? Vous parlez d'ailleurs, dans vos réponses écrites, d'un soutien à une taxation sur la fortune au niveau mondial. Or, jusqu'à preuve du contraire, vous allez être commissaire au niveau européen, pas au niveau mondial. Êtes-vous donc prêt à avancer sur une taxation sur les plus grandes fortunes au niveau européen et sur une taxation sur les superprofits également?

1-0037-0000

Valdis Dombrovskis, Commissioner-designate. – Well, indeed, it's very clear that the budget has two sides – the revenue side and the expenditure side, and we need to look at both sides. Actually, in the European Semester we very much look at the revenue side and there are a number of recommendations concerning also revenue and taxation in Member States. So that's something which is clearly part also of our European Semester work.

The European Commission has also been active in putting forward proposals on improving tax collection, on fighting against tax evasion, on ensuring information sharing among Member States, on information on beneficial ownership, including in the context of avoidance by rich individuals. Indeed, at a global level right now at the G20, there is a discussion also on a wealth tax. From the European Commission side, we will obviously be part of this debate.

1-0038-0000

Marcin Sypniewski (ESN). – Szanowny Panie! Mario Draghi w swoim sprawozdaniu wskazał, że jednym z rozwiązań problemu spadku innowacji w Europie jest emisja długu i miałyby to sfinansować potrzeby inwestycyjne nawet do ośmiuset miliardów euro rocznie. Te środki miałyby zostać przeznaczone na stymulowanie innowacji na niespotykaną do tej pory skalę, co pozwoliłoby Europie dogonić gospodarki azjatyckie czy amerykańską. I nie jest to jedyne rozwiązanie, które podaje dług właśnie jako rozwiązanie problemów Europy. Mamy przecież tak

samo unijny plan odbudowy czy program Next Generation EU. Natomiast tak naprawdę to zadłużenie będziemy spłacać my, nasze dzieci i wnuki.

Jak Pan widzi receptę na zaprzestanie tego nadmiernego zadłużania i jak zamierza Pan też wspierać państwa członkowskie w ograniczaniu długu publicznego i stabilizacji polityki finansowej? Zwłaszcza że w odpowiedziach na zapytania pisemne sam Pan pisze, że państwa będą mogły zwiększać krajowe wydatki, żeby współfinansować programy unijne.

1-0039-0000

Valdis Dombrovskis, *Commissioner-designate*. – That brings us back to the same question on the economic governance review, just this time from a different angle. That's always this balance which we had to strike and which we have jointly found in the new economic governance framework. So, on one hand, following the COVID-19 pandemic, we activated the general escape clause and that helped us to go through the pandemic and also not to cut public investment during the pandemic. And in fact, public investment is now higher than it was in 2019, in pre-COVID times.

But at the same time, Member States exited this pandemic with elevated levels of debt and deficits. And that's why it's important that we now have this new framework in place which will help us to achieve those objectives of ensuring debt sustainability while providing also more leeway for Member States to determine their fiscal trajectory. That's the very essence of the new fiscal rules.

Currently, we are exactly in this process that Member States are submitting their medium-term fiscal-structural plans and that's exactly one element which we are assessing, that they are putting public debt on a downward trajectory, that it's properly addressed while providing certain flexibilities for investment, if necessary, for example, for strengthening defence capacities, for addressing other EU common priorities. But I think this balance is there and will help us to achieve both of those objectives in the years ahead.

1-0040-0000

Marcin Sypniewski (ESN). – Teraz jeszcze pytanie o inwestycje finansowane za pomocą akcji kredytowych. Takie inwestycje mogą się przyczyniać do wzrostu produktywności i innowacji, jednak same akcje kredytowe mogą być też bezpośrednią przyczyną występowania kryzysów, z którymi się mierzymy cyklicznie, gdyż firmy, które w normalnych warunkach nie mogłyby otrzymać kredytu, zdobywają potrzebne zasoby i w ten sposób też podnoszą ceny z powodu zwiększonego popytu. Powoduje to powstanie baniek spekulacyjnych, które później pękają, doprowadzając do kryzysu i kryzys próbuje powrócić w ten sposób do równowagi. I polityka niskich, a nawet w przeszłości zerowych stóp procentowych banku centralnego przez prawie 10 lat utrzymywała ten proces dzięki tanim kredytom, pozwalając przedsiębiorstwom utrzymywać się w ten sposób na rynku. Na ile Pan widzi odpowiedzialność Europejskiego Banku...

(Przewodnicząca przerwała mówcy)

Właśnie pytam: na ile Pan dostrzega odpowiedzialność Europejskiego Banku Centralnego za niski wzrost produktywności w Unii Europejskiej i jak to lepiej skoordynować w przyszłości?

1-0041-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Just a quick reminder: you have 45 seconds because you took already some time during the first question, so I don't appreciate that you take more time on the follow-up. It's not fair to the others. They've respected their time.

1-0042-0000

Valdis Dombrovskis, *Commissioner-designate*. – First of all, the European Central Bank's mandate is price stability and it's reflected in the European Central Bank's inflation target of 2 %. And the ECB's monetary policy correspondingly reflects developments in inflation. And for many years, indeed, we were in a very low inflation environment, occasionally even in deflation environment. And correspondingly, the ECB was pursuing very accommodative monetary policy, including very low, if not zero interest rates and negative real interest rates.

However, a couple of years ago, inflation indeed picked up and we saw a spike in inflation and a corresponding ECB reaction also of increasing the interest rates, which are now gradually being reduced, but still remain elevated compared to what they were in previous years. So, I think that the ECB is acting within its mandate of ensuring price stability in the euro area.

1-0043-0000

Ilhan Kyuchyuk, *Chair of the JURI Committee*. – Let's continue with the same discipline and dynamism in the second round – one-minute question, two-minute answer.

1-0044-0000

Jörgen Warborn (PPE). – I'd like to pick up the question on the excessive regulatory burden that European businesses are facing. This is hurting our competitiveness, it's hurting our growth, it's hurting jobs in Europe, so we need to change that. It is good that the Commission has the goal to reduce the reporting costs by 25 %, but it will not be enough because the reporting cost is only part of the administrative costs, and the administrative cost is only part of the regulatory cost – the total cost.

The Commission must focus on the total cost, the regulatory burden, and here it is good that you work out of the principle of 'one-in, one-out'. But that is not enough either, because it means the same. So, we need the 'one-in, two-out'. That would decrease costs for businesses, it would create jobs in Europe. So, I wonder: how will you work so that you ensure that it makes sense for businesses on the ground, that they feel the reduction in regulatory burden and that we increase the competitiveness?

1-0045-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you for this question. Well, first of all, on what do we have in place and how we intend to work further on the reduction of administrative burden: it's very clearly reflected in the Commission's priorities. Moreover, it's not just a task of myself, but it's a task of every Member of the College and I will be coordinating this work, so I think that shows the seriousness of this intention that every member of the College will help to work in this area.

Then on 'one-in, one-out': indeed, it's about offsetting the administrative burden if there are new proposals and, to the extent that it's possible, compensating adjustment costs, because adjustment costs are something more broad. For example, if we come with certain new standards or requirements, that may require companies to invest. That comes on top of administrative burden, which is reporting, licensing, labelling, permitting, things like this.

So, when we are now coming – besides the 'one-in, one-out' principle – with a 25 % reduction of reporting burden or certifying for SMEs, that already brings us in a direction of reviewing the existing stock of requirements and reducing so. So, it's not specifically the 'one-in, two-out' principle, but it goes in the same direction that overall we are moving towards reducing the overall administrative burden. So I think the direction of travel is the same here.

1-0046-0000

Matthias Ecke (S&D). – Mr Dombrovskis, I'm glad to see your commitment in your written answers to the principles of the European Pillar of Social Rights, to include it in the recently introduced social convergence framework as a part of the economic governance and the European Semester, which is very important for us.

But in times of peril of democracy, democratic accountability is of crucial importance. The European Semester is the main institutional vehicle for reforms linked to European funding. However, the democratic accountability of the European Semester, as you know, is low because of the weak role of the European Parliament in it. The Semester's significance is even likely to increase due to the reported Commission plans to restructure the MFF.

So, Mr Dombrovskis, how will you guarantee democratic scrutiny in the European Semester? And what are your plans to strengthen the role of the European Parliament in it?

1-0047-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you very much for this question. Well, first, on the European Semester, we have over quite a number of years already substantially strengthened the social dimension of the European Semester, including using it as a key tool for monitoring the implementation of the European Pillar of Social Rights.

Also, as I was saying, almost 30 % of all country-specific recommendations are directed to social and employment issues. So from that point of view, this social dimension is strengthened in the European Semester, and now there is also a new social convergence framework. We will further continue to strengthen it.

On accountability towards the European Parliament, we are having our structural dialogues on the European Semester, on which I am ready to regularly engage. Certainly, we are also working in full transparency with the European Parliament on this, respecting the principle of equal treatment of both co-legislators. And there, from our side, we are ready to work towards stronger engagement with the European Parliament, even though we see that, already there, the European Parliament is consulted at the key stages of the European Semester.

1-0048-0000

Fernando Navarrete Rojas (PPE). – Señor comisario Dombrovskis, el proyecto de euro digital genera importantes preocupaciones sobre la estabilidad financiera y la privacidad. ¿Se compromete a explorar alternativas privadas paneuropeas de pagos digitales e incluirlas en una evaluación nueva de impacto antes de seguir dando pasos en este proyecto?

Adicionalmente, el efectivo sigue demostrando su utilidad, por ejemplo, en catástrofes como la de Valencia, en la que los pagos digitales simplemente dejan de funcionar. ¿Se compromete a resolver las deficiencias en la propuesta de euro digital en cuanto a la disponibilidad del efectivo y garantizar su aceptación por los comercios?

Finalmente, dada la gravedad de las riadas en Valencia —y como usted mismo dijo esta semana— se dan las condiciones objetivas para que el Gobierno español solicite la modificación del plan de recuperación y resiliencia. ¿Se compromete a acelerar el procedimiento y que no se vincule esta modificación a subidas de impuestos para que se pueda reorientar, de forma inmediata, hasta el último euro disponible en dicho plan hacia la reconstrucción física y económica de la zona?

1-0049-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you very much for those questions. On the first question on the digital euro, first of all, we are seeing a paradigm shift in the way citizens and businesses use money. The share of digital payments is increasing and the share of cash payments is dropping quite substantially.

Also, what we see is that the share of companies not accepting cash is increasing and is now reaching 12 % of all companies. So I will come back in a moment to this question of cash.

Therefore, we put forward two legislative proposals together. One is on a digital euro and one is on legal tender status for cash. On the digital euro, we are obviously open to have discussions with co-legislators on the legislative process. The aim is certainly not to crowd out private payment service providers, because currently actually we also don't have a pan-European private payment infrastructure. We are relying on international card schemes. Correspondingly, the digital euro would provide interoperable pan-euro area payments infrastructure, which would enable smaller national solutions and also different players to scale up quicker in the pan-European area.

On the legal tender of cash, that's exactly the idea of this proposal, that Member States will be obliged to ensure sufficient availability and accessibility of cash so that they can fulfil this function of legal tender.

And finally, on Spain, on the reallocation of funds to address the floods. Indeed, that's a possibility. And from the Commission's side, we're already engaging with the Spanish authorities to see how we can use EU funding instruments to help Spain address this situation.

1-0050-0000

Pascalie Piera (Pfe). – Monsieur le Commissaire, abordons les choses sous un angle un peu différent. Dans votre réponse écrite, vous vous êtes félicité de ce que plus de 1 500 procédures d'infraction sont actuellement en cours contre les États membres. Vos menaces sont d'ailleurs claires à cet égard, puisque vous indiquez que vous n'hésitez pas à recourir à ce type de procédure lorsqu'un État membre, je cite, «s'écartera du droit chemin». Pour imaginer le caractère absurde de ces procédures: la France a, par exemple, été poursuivie devant la Cour de justice de l'Union européenne pour un défaut d'action contre le bruit ou pour un manquement aux obligations sur la directive concernant la tourterelle des bois. Ces procédures sont presque comiques, monsieur le Commissaire, et elles révèlent en réalité une vassalisation permanente des États membres par une technocratie que je juge déconnectée.

Ma question est donc simple: comptez-vous persévérer dans la mise sous tutelle des nations en dégainant systématiquement l'arme des procédures d'infraction?

1-0051-0000

Valdis Dombrovskis, *Commissioner-designate*. – Well, any European law is only as good and as effective as it is implemented. Therefore, implementation is key for having a well-functioning European Union and for implementation. Indeed, in case we do not reach agreement with Member States through dialogue, through different implementation tools which we have at our disposal, we have an infringement procedure as an enforcement tool.

The European Commission is the Guardian of the Treaty, and we take this implementation and enforcement task very seriously. That's why indeed, if there are breaches of EU law, which EU Member States are not addressing on their own, we are using this tool of infringement procedures.

First of all, it's worth noting that EU rules do not appear from nowhere. EU rules are agreed by EU Member States and the European Parliament. So what we are applying is what is commonly agreed.

Then, another element I would highlight in this point is you mentioned specific infringement procedures. On specific infringement procedures and specific sectors, each respective member of the Commission is responsible on and deciding on specific infringement procedures in their respective areas of responsibility, so therefore I will not be in charge in running every single infringement procedure, but rather on this overall implementation framework which we have in place in the European Commission.

1-0052-0000

Roberts Zīle (ECR). – Paldies, ka jūs pieminējāt, ka jūs piedzimāt un uzaugāt aiz dzelzs priekškara. Un tagad, kad dzelzs priekšgars ir aiz mums, bet tāpat mēs zinām, ko nozīmē — no ekonomiskās un sociālās politikas — šī pierobeža ar agresīvu kaimiņu pēc kara uzsākšanas Ukrainā, kas ir tūkstošiem kilometru gara.

Vai jūs kā komisārs, kurš atbild arī par produktivitāti un izaugsmi, redzat (manuprāt, bez šaubām) nepieciešamību pēc investīcijām — gan publiskajām, gan privātajām?

Vai jūs redzat sadarbību ar Rafaēli Fito — par kohēziju atbildīgo viceprezidentu — tajā publiskajā daļā? Vai būtu speciāla programma nākošajā daudzgadu budžetā?

Un par privāto investīciju — vai jūs redzat iespējas, Eiropas Investīciju banku vai citas garantijas, produktus, kas varētu veicināt investīcijas Eiropas austrumu pierobežā?

1-0053-0000

Valdis Dombrovskis, Komisāra amata kandidāts. – Jā, paldies, Zīles kungs, par šo jautājumu!

Tātad, ja mēs runājam par šo austrumu pierobežas programmu. Tieši tā! Tātad Eiropas Komisija ir iezīmējusi, ka, ņemot vērā Krievijas kara negatīvo ekonomisko ietekmi, kas ir visvairāk izteikta tieši austrumu pierobežas reģioniem, Eiropas Komisija strādās, izveidojot papildu atbalstu tieši šiem reģioniem.

Un principā atbildīgais par šo te, kā jau jūs minējāt, būs priekšsēdētājas izpildvietnieks, kas ir atbildīgs par kohēziju un reformām. Līdz ar to es tiešām strādāšu ciešā sadarbībā ar viņu pie šiem jautājumiem, tad - kādus konkrēta finansējuma instrumentus piesaistīja, cik lielā mērā tie ir tie paši kohēzijas fondi vai kāda papildus programma, vai tas ir Eiropas Investīciju bankas finansējums vai citi finansējuma instrumenti. Pie visiem šiem jautājumiem mums vēl būs jāstrādā. Tas, kas pašreiz ir iezīmēts kā šāda veida atbalsts austrumu pierobežas reģioniem, - būs.

Es domāju, tas ir skaidrs politisks signāls, un pašreiz ir jāstrādā, lai tas šo politisko signālu piepildītu ar konkrētu saturu. Un tas būs viens no pirmajiem darbiem, pie kā jaunā Eiropas Komisija ķersies klāt.

1-0054-0000

Anouk Van Brug (Renew). – Welcome, Mr Commissioner-designate. Last mandate, we negotiated new fiscal rules, which are crucial to maintain confidence in national finances. I trust you will be the European strongman that strictly enforces the new set of rules to ensure its credibility. Can I count on that?

Also, I would like to follow up on the point made earlier about simplification. Many small companies suffer from an ever-increasing administrative burden. Which rules and regulations – and I would like to know exact pieces of legislation – will you revise to relieve companies of these burdens?

1-0055-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for those questions. Well, on fiscal rules, in a sense, we already covered this. The new fiscal framework is there. Member States are submitting their medium-term fiscal-structural plans and, indeed, I am committed to implement this new fiscal framework in a credible and even-handed way.

Then on the question on simplification: we will start already at the very beginning to identify priority areas for stress testing the EU *acquis* and not do it, you know, legislation by legislation, but rather using a sectoral or value chain approach, so looking also at the interplay and cumulative effects of different pieces of legislation.

Some areas which are emerging from consultations of stakeholders – actually it's quite a broad area – it's, for example, sustainability reporting, burdens related to data protection, energy, some are citing also bureaucracy linked to the implementation of EU funds, including RRF taxation, agriculture competition rules, so actually it's quite broad.

Many of those areas which come from stakeholders also correspond to areas identified in the Draghi report and, as I was mentioning in the introductory statement, we will also be interested to hear views from the European Parliament. Once we identify those priority areas, we start stress testing the *acquis* on those specific areas, and this I will do in cooperation with each individual member of the Commission who is responsible for that field or that area.

1-0056-0000

Tiemo Wölken (S&D). – Thank you, Chair. Dear, Commissioner-designate, you are tasked with simplifying EU law and reducing reporting burdens. Streamlining reporting requirements and promoting consistent implementation of our laws are goals I believe almost everyone shares in this room. However, the current push risks being abused as a pretext for deregulation, which could lead to lower social and environmental standards.

Furthermore, the Corporate Sustainability Reporting Directive was only recently adopted in a broad agreement between all European political groups in this House. Questioning these standards would punish companies already investing in regulatory compliance and reward those companies which are less eager to follow our European laws. It would also throw into question legal certainty.

Do you commit to preventing any deregulation that could be detrimental to our sustainability reporting standards and their enforcement? And the second and last question: how will you ensure that simplification measures do not punish first-mover companies for their efforts and ensure that trust in our legislative procedure is safeguarded?

1-0057-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this question. Well, first of all, I was very clear already in my introductory statement that this work on simplification does not mean deregulation. It does not mean abolishing our policy goals or our high social and environmental standards. And that's also clearly reflected in the Commission's documents in this regard. So it's indeed about streamlining and finding ways to reach our policy goals in a less burdensome way.

A good example which I tend to use of how this work can be organised is, similarly as we had after the global financial crisis, there was lots of new legislation in the area of financial services to strengthen financial stability, stronger supervision of the financial sector. But it was lots of legislation in a short time. So what we did was call for evidence. We assessed the existing legislation, asked the stakeholders, including industry, but also other stakeholders: what is working, what is not working? Where are there overlaps, where are there gaps, where are there inconsistencies? And then we were using those results from this call for evidence in upcoming legislative proposals to address those issues. So it's a similar approach we intend to follow in this simplification workstream.

Specifically on CSDDD, right now there's going to be a phased-in period for CSDDD until July 2027, and actually until July 2030. We are already providing also some additional elements on this, like guidance and frequently asked questions. The reporting obligations are aligned with those under the Corporate Sustainability Reporting Directive. And we are helping with the practical implications of this.

1-0058-0000

Angelika Niebler (PPE). – Verehrter Herr designierter Kommissar! Ich komme auch noch mal auf das Thema Simplifizierung zurück. Unsere Unternehmen ersticken ja derzeit an bürokratischen Auflagen und Berichtspflichten. Wir müssen dringend Bürokratie abbauen, um unsere Wettbewerbsfähigkeit in Europa zu stärken. Ich denke, da sind wir uns einig. Und das ist ja eine der Schlussfolgerungen des Draghi-Berichts. In Ihrem *mission letter* steht, dass Sie gemeinsam mit den anderen Kommissarinnen und Kommissaren den gesamten EU-Acquis einem Stresstest unterziehen werden. Außerdem sind ja sehr, sehr viele Checks vorgesehen, also ein *reality check*, ein *SME check*, ein *competitiveness check* und dergleichen. Und Ziel ist es – von der Kommission so vorgegeben –, dass Berichtspflichten um 25 % für große Unternehmen und um 35 % für KMU reduziert werden.

Meine konkrete Frage: Mal ganz auf den Punkt gebracht, im Bereich der Nachhaltigkeit – wie gehen Sie denn das jetzt konkret an? Wir haben ja zahlreiche Verordnungen – das ist auch schon angesprochen worden – und Richtlinien; das EU-Lieferketten-Gesetz, die Richtlinie zur Nachhaltigkeitsberichterstattung, Taxonomie-Verordnung, Entwaldungsverordnung, Regeln zur Kreislaufwirtschaft und, und, und. Wie konkret planen Sie den Abbau hier im Bereich, um von dieser überflüssigen Bürokratie auch herunterzukommen? Und wie gehen Sie mit den noch in der Pipeline befindlichen delegierten Rechtsakten um?

1-0059-0000

Valdis Dombrovskis, Commissioner-designate. – On this overall work stream, as you rightly noted, the first intention is to launch the stress test of the European acquis, identifying also priority areas to focus on and reflecting already the most important simplification proposals in our Commission's work programme, engaging in a new type of implementation, simplification, dialogues with stakeholders – so to discuss with them directly, with people who are applying this EU law, how it is working, what are the issues where it can be simplified, then taking all those elements on board, using reality checks, meaning in a more targeted way, speaking with the practitioners on the ground which are applying those laws, applying – if we discuss new legislation – applying consistently our competitiveness checks and SMEs test. So there are many important elements there.

Specifically on the question on delegated and implementing acts, indeed, there are still many delegated and implementing acts which are due, stemming from primary legislation, and obviously, when we are putting out delegated implementing acts, we are bound by primary legislation and what they need to achieve.

But, in any case, we can also already assess them from a cost perspective, from a perspective of impacts on SMEs, and if those delegated implementing acts are going substantially beyond the scope of what is in primary legislation, we can also do additional impact assessments of them, to make informed decisions.

1-0060-0000

Sergey Lagodinsky (Verts/ALE). – Commissioner, great to see you again. Two questions. As mentioned already, and it's apparent from the Commission's very own annual report on application of EU law, there are clear and very serious problems with implementation of EU law. Well, you said it's always a responsibility of the respective Commissioner, but you are saying you are overall responsible for overall implementation.

So how will you ensure, in cooperation with the respective Commissioners, a stronger stance on infringements targeting Member States who do not implement EU law correctly? More specifically, on guarantees to complete transposition of EU environmental legislations on all Member States? Within better lawmaking, how will you ensure that the green ambitions of the Commission – you have reconfirmed them together with the UN's Sustainable Development Goals – will be strengthened and develop additional tools to strengthen them in your work?

1-0061-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for those questions. First, in terms of implementation and infringement, we touched upon this question already, but as the Guardian of the Treaties, obviously we are committed also to our implementation and enforcement task, which, if necessary, implies also infringement procedures.

Currently, we do have around 1 500 infringement procedures underway. All in all, what we see is that the number of infringement procedures actually is decreasing because we are relying more on regulations and our legislation, less on directives, and the bulk of infringement cases are actually on the transposition of directives, late transposition, incomplete transposition.

But also when there are breaches, we do not hesitate to refer those cases also to the Court of Justice. Last year, we referred 82 cases to the Court of Justice and in 42 cases also asking the Court to impose financial penalties against the Member States concerned. So just to show that we are serious about the breach of Union law and ready to act if this is necessary.

That obviously also goes for legislation concerning the European Green Deal. Another element on how to strengthen our implementation of our also Green Deal legislation, implementation of the Sustainable Development Goals. On the Sustainable Development Goals, we have already integrated them as part of the European Semester and we are monitoring the implementation of the SDGs through the European Semester. On strengthening the application of new frameworks regarding environmental legislation, I'm ready to work closely with the Members of the Commission responsible for those areas.

1-0062-0000

Luděk Niedermayer (PPE). – So, once more, I will try to be short there, Commissioner. I will ask on RFF. We are in final stage. I guess it's around 19 months before the deadline for request for payment from the Member States. Still, it seems that around half of the money have actually reached the real economy.

So, I have three questions: is this speed of implementation below expectation? And what's your explanation for that? The second, how the lessons from RRF can be used in setting up future policies in the budget, like the cohesion. And the last: if some members will fail to fully deliver until 2026, is there some solution that you are considering or they will have to or not use the money or to give money back?

1-0063-0000

Valdis Dombrovskis, *Commissioner-designate*. – So, first, on the pace of implementation: well, the implementation is now proceeding at a steady pace, and actually we are seeing the acceleration of implementation this year. And if everything will go as more or less forecast right now, by the end of the year, we would have disbursed around EUR 300 billion, which is almost half of the total financing envelope under the RRF. At the same time, we are monitoring the implementation of RRF in different Member States and also in the European Semester. For several Member States, we came with country-specific recommendations calling on them to accelerate the implementation of RRF.

Given the tight deadlines, as you noted, the key now is really to focus on implementation, not to waste time and move forward with the reforms and investments underpinning the plan so that the financing can keep flowing, and that should be our focus right now. Then there is also certain possibilities where Member States can also use some of this funding linked with InvestEU or, for example, STEP, strategic technologies for Europe platform, so there are also some possibilities for other uses of this money which is allocated. That's obviously for Member States to decide. But, from the Commission side, we are ready to work very intensively with Member States with a view of efficient and full use of these funds.

1-0064-0000

Gaetano Pedulla' (The Left). – Signor Presidente, signor Commissario designato, a due anni dalla fine del programma, come stava dicendo, ci sono paesi che si avvicinano al 50 % di spesa del programma RRF, ma ci sono anche paesi che sono sotto al 40 % della spesa. Ecco, sia chiaro su questo, l'Italia, secondo stime credibili, rischia di perdere 50 dei 209 miliardi assegnati. Lei revocherà questi soldi all'Italia e agli altri paesi in ritardo con la spesa?

Seconda questione: Lei condivide il portafoglio del PNRR con il collega Fitto, che fino a ieri ha gestito questi fondi in Italia e quindi è responsabile dei relativi ritardi nella spesa, in caso di contrasto con Fitto, signor Commissario, chi prevale su questo dossier? Lei, Fitto o la questione diventa della presidente von der Leyen?

Ultima questione, la più delicata. Lei ha rinunciato alla vicepresidenza della Commissione per far avere la vicepresidenza a Fitto. Non prova alcun imbarazzo ad essere la pedina fondamentale per aver spostato la Commissione europea ufficialmente a destra?

1-0065-0000

Valdis Dombrovskis, *Commissioner-designate*. – First, on the implementation of Italy's recovery and resilience plan, actually we are seeing quite good progress in the implementation of the plan and Italy has already requested a number of payment requests. And the cooperation with Italian authorities is very close and very good in this regard.

Obviously, if there will be some issues or elements emerging, we will be ready to engage and find solutions for the implementation. And there are ways how to do it through targeted amendments of the plan and so on and so forth.

Then on the question of how the work is structured within the European Commission, as you rightly noted, on the questions of Recovery and Resilience Facility, I would be working together with Executive Vice-President Fitto, as right now, for example, I'm working as Executive Vice-President together with Commissioner Gentiloni. You asked about clashes – I can say that during the five years of this work and maybe four years of the RRF, or maybe less still, we didn't have any clashes. We were working in a collegial spirit and finding solutions and a way forward and also jointly appeared all the time for recovery and resilience dialogues with the European Parliament, and it is in this spirit that I intend to continue this work.

1-0066-0000

Lara Wolters (S&D). – The sustainable finance action plan you presented in 2018 stated, 'transparency of market participants activities is essential to a well-functioning financial system.' That is the background to reporting requirements introduced in CSRD and SFDR: enhancing transparency so that investors and companies can take well-informed decisions.

But the same reporting requirements are now being framed as a hindrance to markets. And your mission letter, it's been said, asks you to reduce reporting by at least 25 %. I think your simplification agenda does not have to contradict with your sustainable finance agenda, but that requires a focus on quality of legislation, not on quantity.

So will you be open to letting go of that 25 % target if and when the goals of the legislation are in danger? And secondly, can you rule out the reopening of recently agreed legislation, especially since you won't be able to evaluate it until the end of your mandate? Thank you.

1-0067-0000

Valdis Dombrovskis, Commissioner-designate. – Yes, thank you for those questions on the Corporate Sustainability Reporting Directive.

Indeed, that is something what we are hearing here from companies quite often, which are outlining this, it is a source of reporting burden for businesses, and actually last year we already adopted two simplification measures as regards CSRD, so we reduced the number of companies in scope for sustainability reporting and postponed by two years the entry into force of sector-specific reporting standards.

One element we also still would need to look – and that, by the way, is the same which I didn't manage to tell for the CSDDD – is a question that, while SMEs are not directly in the scope of this legislation, larger companies can pass on those reporting requirements because they need it for their own reporting. So this is something which we need to see how to address through the help of some proxy data, through the help of some simplified voluntary reporting standards for SMEs so that, in a sense, all this reporting burden – which is very difficult to manage, especially for small SMEs – does not end up with them, and what simplified reporting can be used by SMEs which still can meet the standards required for larger companies. So this is one element which we need to look at.

In terms of facilitating implementation, we already have a number of user guides, FAQs and other elements. On the final question, again, just to reconfirm that the aim of this simplification exercise is not to deregulate or to undermine our policy objectives, and our approach is to work on this simplification workstream.

1-0068-0000

Pierre Pimpie (PFE). – La facilité pour la reprise et la résilience était censée relancer l'Europe après la crise du Covid, mais on se rend compte que seulement 40 % des fonds ont servi. Comment se fait-il que de telles lourdeurs subsistent et, surtout, que l'accès aux fonds ait été bloqué pour certains États? Est-ce que tout cela n'est pas le symptôme d'un usage qui serait moins économique que politique? Que peut-on faire afin de garantir que chaque euro a bien servi à la relance des économies?

1-0069-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this question. On speed of implementation of the RRF, I already was quoting some statistics on this: that by the end of this year we expect, in terms of disbursement, roughly half of the total funding under the RRF to be disbursed. So this implementation is moving forward already. If I'm not mistaken, there are five Member States which are above this 50 % benchmark, and more will come by the end of the year.

We are monitoring this implementation and, as I was mentioning also through European Semester, we had issued also country-specific recommendations to certain Member States that need to accelerate the work. And we are ready to help those Member States to accelerate their work.

So the matter is now implementation because, in terms of programming, the recovery and resilience plans of all Member States have been adopted, also revised recovery and resilience plans, including REPowerEU chapters. That, by the way, was a little bit behind the slowdown in implementation last year: Member States were doing revisions of the plans to use this additional allocation, which was decided in a context of REPowerEU plans for Member States, also to address energy issues, which were coming from disruptions in the context of Russia's war against Ukraine.

But this is also now done, and the pace of implementation is accelerating. Whether the money is really going to European recovery: yes, because there are plans which are agreed in line with the requirements of regulation, which clearly foresee where the money is going, what kind of reforms need to be implemented and what kind of investment projects are being financed.

1-0070-0000

Marlena Małag (ECR). – Pani Przewodnicząca! Panie Komisarzu! Wiemy, że popiera Pan ideę skupienia budżetu Unii Europejskiej wokół celów strategicznych, zwłaszcza wokół innowacji. Proponuje Pan ustanowienie funduszu na rzecz konkurencyjności, integrację wydatków na innowacje oraz rozszerzenie znanej z Instrumentu na rzecz Odbudowy i Zwiększania Odporności zasady wypłaty na podstawie rezultatów. Czy Pana plany oznaczają, że spójność i konwergencja, które stanowiły dotąd istotę integracji europejskiej, powinny ustąpić miejsca dążeniu do konkurencyjności? Czy uważa Pan, że nadszedł czas na taką zmianę priorytetów?

Obawiam się, że ta reforma oznaczałaby mniej pieniędzy na tradycyjne fundusze regionalne, na wspólną politykę rolną. Dodatkowo uzależnienie wypłaty od rezultatów narazi regiony na dodatkowe utrudnienia w pozyskaniu środków, bo uczyni je poniekąd zakładnikami wdrażania reform na poziomie krajowym.

1-0071-0000

Valdis Dombrovskis, Commissioner-designate. – So, let me be clear: economic, social and territorial cohesion is a key objective included in the Treaty of the EU and also, coming from a so-called new Member State, I very well understand the importance of cohesion policy for convergence of those countries and regions and for public investment. And it is also clear from the political guidelines of the President-elect, so I will quote from there that we need a strengthened cohesion and growth policy, with regions at the centre. It must be designed in partnership with national, regional and

local authorities, and we will address regional and social disparities and ensure all citizens have effective right to stay in the place they call home. So, that's even a new concept being introduced – because we know that one of the issues for new Member States is migration to other EU Member States, which is then brain drain and youth drain. And so we need to emphasise this principle of right to stay for people in the Member States they come from, and I think that clearly indicates that the aim is not to take money away from those objectives, and that cohesion policy remains important policy based in the EU Treaties.

And by the way, I do not see a contradiction between cohesion and competitiveness – because indeed we will be setting up the Competitiveness Fund. But competitiveness and productivity are elements which are actually allowing to sustain prosperity on a long term basis. So it's equally important for cohesion regions. And I'm sure we're finding the right balance how to move on this. And obviously those cohesion goals are very important for us.

1-0072-0000

Gilles Boyer (Renew). – Monsieur le Commissaire, je vous remercie d'avoir rappelé l'importance du projet d'euro numérique, qui est essentiel à la fois pour préserver la place et le rôle de la monnaie publique dans notre économie et pour préserver l'autonomie stratégique de l'Union face aux moyens de paiement numériques étrangers. C'est un projet évidemment sensible, avec de multiples dimensions et de multiples acteurs.

J'aimerais savoir comment vous appréciez la juste répartition des rôles entre, d'une part, la Banque centrale européenne et, d'autre part, les co-législateurs que nous sommes, pour répondre aux défis techniques, financiers, juridiques, politiques, mais aussi aux défis de respect de la vie privée induits par ce projet essentiel.

1-0073-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this question on the digital euro. So, on the digital euro, the work is ongoing and we are addressing many of those elements which you are mentioning. On a question on payments infrastructure, on a question on holding limits of the digital euro and, correspondingly, on the savings function of the digital euro on privacy while doing the digital euro payments, in terms of privacy it's very clear that payments in digital euro will be able to afford at least the same level of privacy as payments we are currently doing electronically, by other means.

Obviously, for offline functionality of the digital euro, we can ensure an even higher level of privacy. In general, of course, we will not be able to achieve like 100 % anonymity, like in the case of cash, because there are also certain anti-money laundering rules and elements like this. But this privacy certainly will be an important element going forward.

On distribution of competences between the Member States and co-legislators and European central banking in this regard, indeed there are some discussions and, from the Commission side, we are open to continuous discussions. It is worth noting that the digital euro is going to be central bank money, like cash is central bank money, so we will bring it into the 21st century.

The European Central Bank is a monetary authority, which is an authority in issuing this central bank money. So there we need to be mindful of the prerogatives of the European Central Bank. But we will be able to discuss all of those elements in a legislative process, as we will be discussing proposals on the digital euro as legal tender for cash.

1-0074-0000

Lukas Mandl (PPE). – Commissioner-designate, I will have the honour to negotiate on better regulation in the European Parliament, and you are tasked with strengthening and ensuring full compliance with the Commission's better regulation standards, in particular through impact assessments and the new SME and competitiveness checks.

I want to quote Montesquieu here, who once has stated, 'If it's not necessary to make a law, then it would be necessary not to make a law,' which might be a very good guideline for the European Commission.

So, my two connected questions would be: how does the Commission plan to reform impact assessments to give greater emphasis to competitiveness? And secondly, will the Commission put in place a truly impartial regulatory scrutiny board that does not consist of a majority of Commission internal appointees?

1-0075-0000

Valdis Dombrovskis, Commissioner-designate. – Obviously, one of the principles of better regulation is doing the impact assessments ahead of the legislative proposals. And this is what the Commission has been doing as a rule. There had been some exceptions, but I agree that those exceptions should be strictly limited. If there are some crisis or emergency situations, it may be understandable, but as a rule, there have to be impact assessments and even in situations where in the first place it's not done, we are always publishing an analytical report compensating for an impact assessment three months after the adaptation of initiative.

So far, in the previous legislation we have done – just to compare the proportions – 120 impact assessments and ten analytical reports. So that's the share. But I'm fully committed that we need to use impact assessments as a rule.

As regards the independence of the regulatory scrutiny board. I think the fact that the RSB is producing critical or even negative opinions shows the de facto independence of the board. And currently there are nine members in the RSB, four are external experts, five come from within the Commission. I think it well reflects the composition that we are getting both the external expertise and also a good understanding of procedures and internal work within the Commission. And the OECD has recognised that this setup is following the OECD best practices.

1-0076-0000

Thomas Bajada (S&D). – Commissioner-designate Dombrovskis, in your mission letter, you are tasked to better integrate, within Eurostat, well-being and sustainability concerns in national accounts. In a recent Commission communication, it was acknowledged that there is a clear case to complement the gross domestic product with statistics covering economic, social and environmental issues – on which the well-being of people critically depends. Indeed, relying solely on the current approach towards GDP leads governments to think only on the short-term needs of the economy.

I am a strong believer that we need a new economic model that embraces environmental standards and sustainable well-being for all, thereby shifting us towards new economic models that focus on long-termism. Therefore, will you – and kindly specify how – be creating a metric that bridges the gap between long-term social well-being and short-term economic growth? This would truly be an economy that works for all people.

1-0077-0000

Valdis Dombrovskis, *Commissioner-designate*. – That's indeed a very broad question. We know those discussions on beyond GDP, and I have been actually participating in those discussions.

Well, first of all, on the statistics which Eurostat is producing, obviously Eurostat is producing statistics beyond only economic data, and also underpinning all our Green Deal legislation, environmental legislation. There is also lots of data and statistics, actually, concerning the environment, climate. The question is how we are using the statistics to define and to reach our policy goals. And there, obviously Eurostat is working in independence, but from my side I am really supportive. There are some necessary statistics for us to make informed decisions. That's what the Eurostat and European statistical system in general are there for. So this is something which we can develop.

Then, on the question on integrating those longer-term social well-being considerations, well, some of this is already integrated in our European Semester cycle through the Sustainable Development Goals, because we are also monitoring implementation of Sustainable Development Goals through the European Semester. Some of this is coming through the Principal of the European Pillar of Social Rights, and we'll be coming now with an additional new Commission action plan on further implementation of the European Pillar of Social Rights. But certainly we can reflect also further on how further to integrate those social well-being considerations, both in our statistical and decision-making framework.

1-0078-0000

Daniel Buda (PPE). – Domnule comisar desemnat, aveți, cred, cea mai dificilă sarcină dintre toți comisarii: să vă ocupați de simplificarea pe care cu toții ne-o dorim, dar foarte greu să ajungem la ea. Astăzi, Uniunea Europeană se confruntă cu o concurență acerbă din partea unor mari puteri economice, cum ar fi China și Statele Unite. Astfel, prin punerea în aplicare a Pactului verde se adaugă o presiune suplimentară asupra economiei europene. Reprezentanții din diverse sectoare economice subliniază frecvent că regulile impuse de Uniunea Europeană cresc costurile și afectează grav competitivitatea industriei europene. Ba mai mult, foarte multe IMM-uri sunt nevoite să-și închidă porțile.

În acest context, domnule comisar desemnat, aveți în vedere să oferiți suport tehnic suplimentar, de exemplu prin emiterea de clarificări și de îndrumări tehnice, dar și prin alocarea de sprijin financiar industriilor europene pentru a le ajuta să se adapteze la aceste noi cerințe generate de Pactul verde și, evident, să își poată menține competitivitatea la nivel global?

1-0079-0000

Valdis Dombrovskis, *Commissioner-designate*. – We have ambitious targets in terms of our green and digital transitions. An important element is to stay competitive while reaching those targets. Simplification is going to be one element of this and we have been discussing it quite in detail. And obviously there are also tools and guidances and frequently asked questions and other elements which we are putting in place to simplify the implementation.

We have simplified requirements for SMEs. We were just discussing that we need to make sure that large companies are not just passing on their reporting requirements to SMEs. We intend to set up a new category of small mid-caps, where we can also help them with simplified requirements, because one element we see with SMEs are these threshold elements, they are saying 'As long as we are below this SME threshold, it's simpler, we move just above it and the whole range of other requirements sets in.' So we'll be proposing a new category of small mid-caps and then we will be

discussing how exactly we can apply also some of the SME simplified requirements to those smaller mid-caps, just to give another example.

And on funding, indeed, funding is available under the 'one in, one out' principle. We are trying to help companies to address to the extent possible those compliance costs. And this can be done through our various funding instruments, including our European financial institutions, InvestEU, certain financial programmes also under the Recovery Resilience Facility, SME support programmes also under traditional EU funds. So, there is quite a variety of funding instruments which are available.

1-0080-0000

Λευτέρης Νικολάου-Αλαβάνος (NI). – Κύριε Dombrovskis, το Ταμείο Ανάκαμψης μοιράζει στα ευρωπαϊκά και πράσινα ψηφιακά μονοπώλια εκατοντάδες δισεκατομμύρια, που φορτώνονται ως δάνεια στους εργαζόμενους. Σήμερα, με τους ανταγωνιστές ομίλους Κίνας και ΗΠΑ που ισχυροποιούνται και τις ανησυχίες για νέα κρίση, επιστρατεύεται η πολεμική οικονομία. Η έκθεση Draghi προβλέπει 500 δισεκατομμύρια. Η οικονομική πολιτική που παρουσιάσατε κλιμακώνει την πολεμική εμπλοκή της Ευρωπαϊκής Ένωσης στον πόλεμο ΝΑΤΟ-Ρωσίας, σε βάρος των λαών της Ουκρανίας, της Ρωσίας και της Ευρώπης. Στηρίζει την οικονομική συνεργασία με ισραηλινές στρατιωτικές βιομηχανίες με άμεσο ρόλο στη γενοκτονία του παλαιστινιακού λαού. Συνοδεύεται από τσάκισμα δικαιωμάτων, όπως η οδηγία για τον κατώτατο μισθό, που νομιμοποιεί την κατάργηση συλλογικών συμβάσεων και υλοποιείται με νόμο της κυβέρνησης της Νέας Δημοκρατίας στην Ελλάδα.

Η στρατηγική, λοιπόν, της ανταγωνιστικότητας της Ευρωπαϊκής Ένωσης ποιους υπηρετεί; Υπηρετεί τους μεγάλους οικονομικούς ομίλους που πολλαπλασιάζουν τα κέρδη τους και όχι τους λαούς, που βιώνουν ένταση εκμετάλλευσης, άθλιους μισθούς, αβάσταχτη ακρίβεια, υψηλότερες τιμές και γίνονται στόχος και των ιμπεριαλιστικών συγκρούσεων.

1-0081-0000

Valdis Dombrovskis, Commissioner-designate. – I think there were several parts of the question on some specific elements which you raised, like, for example, on minimum wage. Also from the European Union level, we came forward with a framework for adequate minimum wages to actually support that the minimum wages are having sufficient purchasing power and addressing the issues of in-work poverty. And at the same time, we were very much emphasising the importance of collective bargaining and the role of the social partners in all the wage-setting and working conditions-setting mechanisms. In this European Commission, I'm also responsible for social dialogue, and we have been working very intensively with social partners in this area. So, that was probably one part of your question.

Another was a broader geopolitical part. Well, first of all, it must be said that, we were not the ones choosing the war. It was Russia which chose the war by its illegal and brutal aggression against Ukraine, and this threatens not only Ukraine, it threatens the entire European security architecture. Also, Russia is very openly talking about invading other countries if it will be successful in Ukraine. So clearly it's not only for the sake of Ukraine, but it's also in our best interest to stop this Russia's aggression and to cooperate on this with the international democratic community. And that's exactly what we had been doing and it's important that we stay steadfast in our support for Ukraine and in putting pressure against the aggressor, Russia.

1-0082-0000

Jorge Martín Frías (Pfe). – Señor presidente, señor comisario propuesto, en respuestas a sus preguntas —a las preguntas formuladas por la Comisión de Asuntos Económicos y Monetarios—

y, hoy mismo, en su intervención, ha mencionado usted la importancia de asegurar que los fondos del Mecanismo de Recuperación y Resiliencia se inviertan en proyectos productivos. Sin embargo, en países como España, esos fondos se han utilizado para proyectos ideológicos y de dudosa utilidad pública.

Sin ir más lejos, el propio Tribunal de Cuentas Europeo, tras analizar los hitos y objetivos que tuvo que cumplir España para el desembolso de 2023, consideró que estos estaban —y cito literalmente— «insuficientemente definidos», lo cual pone de manifiesto no solo el mal hacer del Gobierno socialista de España, sino también de la propia Comisión, en una clara dejación de funciones.

Mi pregunta, por tanto, es la siguiente: ¿qué medidas tomaría usted, en caso de ser comisario, para garantizar que los fondos europeos no se malgastan en iniciativas ideológicas?

1-0083-0000

Valdis Dombrovskis, *Commissioner-designate*. – As regards the way the Recovery and Resilience Facility funds are spent, there are clear rules reflected in the RRF Regulation. So, there are certain targets, like green and digital mainstreaming targets, of 37 % and 20 % respectively. There are elements which we are monitoring, for example, on cross-border projects, to which extent the RRF is addressing cross-border projects. They are linked with country-specific recommendations and Member States, through the recovery and resilience plans, need to address those country-specific recommendations which were there in the European Semester.

To be able to use the funds, each Member State had to prepare their recovery and resilience plan, describing in detail the reforms and investments it intends to implement. Then it's set with specific milestones and targets for different reforms and investments. And what we are assessing as a Commission is whether those milestones or targets are met. And if there is a satisfactory conclusion on meeting those milestones and targets, we are proceeding with a positive assessment. And if confirmed by the Council, the Member State is receiving the money.

Looking at the implementation of milestones and targets, the European Court of Auditors' assessment is that the error rate is close to the materiality margin of 2 %, which is actually substantially lower than in many other EU spending programmes. Obviously, we need to improve and reduce the error rate even further, and we are working with the European Court of Auditors and other relevant institutions and Member States on this. But there is a clear system how it is controlled where the money is actually going.

1-0084-0000

René Repasi (S&D). – Mr Dombrovskis, I would actually like to follow up on the question asked by colleague Lukas Mandl on the Regulatory Scrutiny Board, since the EU Ombudsman seems to have a different conclusion on the adequacy of the composition of the Regulatory Scrutiny Board by calling on the fact that there is a bias towards economics in there, and calls on having also expertise on social-environmental policy on the board, if we are looking on the experts that are not from the inside of the European Commission.

Can you therefore commit, when reviewing the Interinstitutional Agreement, increase the independence of the RSB through a better-balanced composition in line with what the EU Ombudsman requested?

Moreover, the RSB has obviously a problem on transparency. Can you commit to set clearer and stronger transparency requirements, including the obligation of the RSB to publish opinions immediately and declaring all meetings of its members?

Finally, the better regulation toolbox has a clear bias towards economic impacts. Do you commit to establishing a more balanced set of assessment criteria in the toolbox, especially given that the competitiveness and SME check only increases the bias towards economic impacts?

1-0085-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you for those questions on Regulatory Scrutiny Board.

So, first of all, impact assessments. So what impact assessments are assessing are three main parameters: economic, social and environmental impact, and we are not intending to change this, so all aspects of this need to be reflected in impact assessments. There are some elements indeed which are relatively new like this SME test and applying this 'think small' principle, but it does not fundamentally change the basis how impact assessments are conducted.

In terms of exact composition of experts: probably I am not now in a position to go expert by expert but, as you know, they are serving three-year terms, so it's a possibility, as experts are being renewed, also to look and ensure that there is a balanced composition of experts indeed covering all aspects: economy, social and environmental. So that is, I think, certainly something which can be done.

On this composition of external experts vis-à-vis Commission experts: we believe that the composition allows for a good balance of both external expertise and in-house knowledge. As I was mentioning, it's also acknowledged as being in line with the OECD's best practices, and the fact that we are receiving also negative assessments and critical assessments shows that the RSB is acting in independence and something which I am willing to certainly safeguard and ensure is that this is working in this way.

In terms of publishing the impact assessments, we are publishing impact assessments together with legislative proposals, because that is meant to inform also decision-making within the Commission as we are preparing those legislative proposals.

1-0086-0000

Aura Salla (PPE). – The European Semester is the European Union's central tool for economic policy coordination. It is crucial to increase investment, to regain competitiveness, ensure unity as well as long term prosperity. It has one specific goal: to align budgetary and economic policies with the rules agreed at the EU level. It is not to become a Christmas tree for solving all the policy coordination problems we have in the European Union.

How will you ensure that the focus of the European Semester remains Treaty-based, focusing to ensure closer coordination of economic policies and a sustained convergence of the economic performances of the Member States, as specified by Article 121 in the Treaty?

1-0087-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you for this question on the European Semester. Well, indeed, the European Semester is our main macroeconomic policy coordination tool. It's there to focus on the main socio-economic challenges which we are facing. So from that point of view, there are two sides of the same coin. On one hand, addressing our economic and

fiscal challenges, on the other hand, addressing our social and employment challenges. So from that point of view, that's an integral part and the core of Semester.

Then, we have been using the European Semester also in some specialised ways occasionally, like when we were deciding on the programming of EU funding in the current multiannual financial framework. We used one Semester cycle to focus, for example, on investment priorities in Member States to help with this programming of the funding. When we were dealing with the energy crisis, we were focusing, for example, on challenges Member States are facing in the energy sector and focusing more CSRs in this regard.

Right now, what we see as a novelty is that one of the elements will be the competitiveness coordination tool and our idea is that this competitiveness coordination tool will also work in conjunction with the European Semester. So, one will be identifying our global competitiveness challenges and competitiveness challenges in Member States. We will also be using the European Semester to steer the policy response on those competitiveness challenges. So that's to give a concrete example.

1-0088-0000

Marie Toussaint (Verts/ALE). – Monsieur Dombrovskis, vous avez la charge de très nombreuses missions pour l'Union européenne et, depuis tout à l'heure, vous nous expliquez que la question sociale est extrêmement présente dans le cadre de vos missions, que vous y prêterez une attention particulière, mais qu'elle est déjà là.

Pourtant, je dois vous le dire, on voit bien que cela ne marche pas: on compte aujourd'hui près de 100 millions d'Européennes et d'Européens qui sont soit en situation de pauvreté, soit en risque d'exclusion et de précarité. Nous devons donc agir. Puisque vous ne semblez pas en mesure de dégager des montants d'investissements pourtant nécessaires pour la transition écologique et sociale, dans ce cas, il faut veiller à ce que toutes les dépenses contribuent bien à la réduction des inégalités et des injustices.

Je vous pose donc une question toute simple: vous engagez-vous à mettre en place des études d'impact social systématiques, d'une part, pour veiller à ce que le Semestre européen, mais aussi toutes les lois qui seront présentées par vos collègues, contribuent à réduire les inégalités et n'aggravent pas les conditions de vie des 10 % les plus vulnérables et, d'autre part, pour évaluer toutes ces législations et le Semestre européen au regard du renforcement du dialogue social, du rôle des syndicats et des conditions de travail des Européennes et des Européens?

1-0089-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this question on the social dimension of the work on the social mainstreaming.

Well, first of all, let me stress that we remain committed to implementation of the European pillar of social rights. And myself in a previous Commission, I was also involved, actually, in setting up and rolling out the European pillar of social rights. And as I was mentioning before, the new Commission will put forward a renewed action plan to further implement the pillar of social rights. And there you can count also on my cooperation and expertise in this area of the work.

On the specific question on impact assessments, as we were discussing before, when we do impact assessment, we are also assessing social impact, so together with environmental and economic impacts. All impact assessments look at the costs and benefits to the society at large, including

working people, and not just companies and SMEs. So we will obviously continue with this approach.

And I already was outlining several times the importance of employment and social dimension in European Semester, which will also keep and reinforce. Also, the role of trade unions or social partners in general, we have been working very intensively with social partners also to reinforce the social partners' role in the European Semester, for example. And we will continue to work in this spirit. Actually, for the last ten years, I had been responsible also for social dialogue within the European Commission, so I had been engaging throughout those years very intensively with them.

1-0090-0000

Gheorghe Piperea (ECR). – Domnule comisar Dombrovskis, întrucât nu suntem nici China, nici Rusia, ci Uniunea Europeană, două mandate consecutive de comisar european ar trebui să fie suficiente pentru un serviciu de demnitate publică eficient. Validarea dumneavoastră aici v-ar conferi un al treilea mandat. Portofoliul alocat dumneavoastră este acum cel de economie care funcționează pentru oameni. Totuși, anterior ați avut în portofoliu stabilitatea financiară, piețele de capital și comerțul în general.

În ultimii zece ani, care au coincis cu aceste două mandate ale dumneavoastră, economia Uniunii Europene a stagnat, ba chiar a involuat. Raportul Draghi, recent prezentat la Strasbourg, arată că economia Uniunii Europene este în agonie lentă. Adevărul este că puterea de cumpărare a europenilor a scăzut simțitor în acești ultimi zece ani. Și datoriile suverane, și datoriile consumatorilor au crescut în acești ani. De ce ar trebui să credem că al treilea mandat al dumneavoastră ar putea fi mai eficient?

1-0091-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this question. Well, first of all, it's, I would say, not unprecedented for Members of the Commission to have three and even more mandates, as there have been ones which had more than three mandates.

Second, I would underline that for having this nomination for a Member of the European Commission, also the democratic accountability and democratic scrutiny are important. And actually, for each of those mandates, I had been standing also in European Parliament elections and getting a strong, democratic mandate by actually winning those European Parliament elections, also being a candidate with the most preferential votes.

But on the question of the economy, I would still adjust some of the facts, because actually the European economy has proved resilient against a series of economic shocks which we had been facing: both the COVID-19 pandemic and Russia's war of aggression against Ukraine, which also created a substantial negative economic impact. And actually, I was closely involved in working on economic policy response, including setting up a NextGenerationEU programme and Recovery and Resilience Facility, which helped Europe actually to emerge stronger from this crisis.

Purchasing power in the EU over the last 10 years actually is growing, not declining. So let's be precise. There were a few short moments when it was declining, when there was a high peak of inflation in 2022-2023, but purchasing power is also back to growth.

And we were discussing extensively the question of debt. Indeed, Member States have engaged with higher debt following the COVID-19 crisis, but the new fiscal framework will help us to address also this.

1-0092-0000

Dainius Žalimas (Renew). – Dear Commissioner-designate, I would like to continue questions about implementation and enforcement of EU law. You mentioned already that you will be responsible for the overall implementation and enforcement of EU law. I think we all agree that it is a very important task in order to achieve common objectives of the European Union, such as the common market.

You also acknowledged that the number of infringement procedures decreased as used by the Commission. Our recent analysis shows that the Commission's actions against internal market infringements fell significantly, namely under President Ursula von der Leyen. The official explanation given by the Commission is that it prefers to engage in dialogue with the Member States. However, this kind of approach can lead to double standards.

So my question is very concrete and simple: do you commit to reversing this trend by moving beyond the exchange of letters and taking legal actions against those who do not implement the EU rules consistently and systematically?

1-0093-0000

Valdis Dombrovskis, Commissioner-designate. – Well, we were already discussing the reasons behind the overall smaller number of infringement procedures, which stems from the fact that we are now legislating less in terms of directives and more in terms of regulations. There are now maybe two times less directives to be transposed than ten years ago, and the bulk of infringement procedures are about transposing directives.

I was also referring that we are not hesitating to refer Member States to the European Court of Justice if needed. And last year, in 45 cases, it was also accompanied by a request of financial penalties, which is the highest number in a decade.

We also tried to resolve a number of cases through dialogue with Member States, also for example, with the help of EU Pilots or other instruments, and indeed in the area of the single market the Commission has increasingly addressed obstacles to functioning in the single market through proactive and cooperative instruments, which often allows us to resolve the problems faster. And we have achieved good results with the use of a single market task force, which was established in 2022, and we set up this new problem-solving tool, SOLVIT, which also helps us to solve a number of internal market barriers.

And we also have increased support for Member States to avoid breaches as a first way of engagement. So that's how we reach those results. But if the breaches persist, we are ready also to use infringement procedures, obviously.

1-0094-0000

Marcin Sypniewski (ESN). – Chcę powrócić do tematu gotówki, który był już poruszany, ale nie było wyczerpującej odpowiedzi według mnie. W kwietniu tego roku Parlament Europejski przyjął przepisy, które uniemożliwiają płatność gotówką powyżej 10 000 euro i ograniczają, czyli wymagają weryfikacji powyżej 3000 euro. Te zakazy wejdą w życie w 2027 roku. To wszystko może przedłużyć czas zakupów, zwiększyć koszty działania firm handlowych, zwłaszcza małych firm. Regulacje ograniczające gotówkę godzą też w prywatność, w wolności obywatelskie mieszkańców Unii.

Jakie jest Pana zdanie na temat tych zakazów? Czy one powinny pozostać czy też wypadałoby je cofnąć? I czy w przyszłości powinny być obniżane limity transakcji gotówkowych? Co Pan na ten temat sądzi?

1-0095-0000

Valdis Dombrovskis, *Commissioner-designate*. – On this specific question, well, there we need to balance two elements. One is indeed freedom of transaction privacy and so on, but on the other hand, it's also the question of fight against money laundering and tax evasion. Member States are already actually active in this area and different Member States are setting different limits, both in terms of allowed cash transactions and the limits also from which you need to register, or where those cash transactions are being registered. Those thresholds vary quite a bit across different Member States, so what this proposal does is streamline them across the EU and it must be said that in a number of Member States, actually, those thresholds are lower and stricter, so it's not the most strictest implementation of those cash limits. So there it's basically about finding this balance between privacy and also anti-money laundering and fight against tax evasion.

But generally, as we were discussing in the context of the Commission proposal for legal tender of cash, the view is that cash has to remain available for citizens, so sufficiently available and sufficiently accepted by merchants. And that's the idea of our proposal of legal tender. So Member States will have to ensure that cash is broadly available and also broadly accepted, not like 100%. And the thresholds again may vary in Member States because traditions in Member States are different, but they have to be sufficiently broadly accepted and available so that cash can continue to fulfil the function of legal tender.

1-0096-0000

Mario Furore (The Left). – Signor Commissario designato, si continua a parlare di una nuova revisione del quadro finanziario pluriennale con l'aumento della contribuzione da parte dei singoli Stati al bilancio comunitario.

Lei è favorevole a questo nuovo esborso o è favorevole più che altro a una revisione dei trattati – come chiede Draghi nel rapporto sulla competitività – o difende i vincoli che servono a ridurre la spesa comune?

E poi Le volevo chiedere: rispondendo al collega Pedullà, Lei ha detto che il PNRR italiano fa progressi, ma ci sono due rapporti della Corte dei conti europea e di Banca d'Italia che dicono invece il contrario, e cioè che il 32 % degli appalti pubblici è in ritardo e il 53 % delle opere non è stato nemmeno avviato. Solo il 34 % degli obiettivi è stato raggiunto.

L'Italia quindi è penultima in Europa nell'assorbimento della spesa e ha cambiato il piano tre volte in due anni. Ci spiega dove vede Lei questi progressi? Perché questi numeri testimoniano invece un fallimento.

1-0097-0000

Valdis Dombrovskis, *Commissioner-designate*. – First question on the multiannual financial framework. We have been discussing it quite extensively. Maybe I also need to give a bit of institutional remarks that I will not be in lead of preparation of the next multiannual financial framework. It is going to be the Budget Commissioner who will be working on this. But nevertheless, MFF obviously affects all policy areas so it's relevant for everyone, so certainly I will be contributing. As I was saying, the approach is that we need to find a way how to finance our

investment needs. There are substantial investment needs and that will be at the core of this discussion.

Then the question will be how exactly it is done, whether it's more Member States' contributions, as you mentioned, whether it's new own resources – and I think it will be important that the co-legislators also move ahead with adopting the proposals on those new own resources – whether it's common borrowing, and we will have plenty of opportunities to have those discussions as the Commission will be preparing these new proposals for the next multiannual financial framework. So, already at the end of this year, early next year, we'll be able to start engaging in more detail on this specific issue.

On the specific question on implementation of the recovery and resilience plan in Italy, I cannot now deep dive in the implementation figures of each individual Member State. But all in all, I can once again reiterate that Italy is making progress in implementation of the recovery and resilience plan, has come already with quite a number of payment requests, which the Commission has assessed positively. We are in close engagement with Italy on this, but certainly we will have more occasions to discuss more in-depth those topics in our next recovery and resilience dialogue, because I'm coming regularly to the European Parliament to discuss specifically the questions of implementation of the Recovery and Resilience Facility. So I think that's a good place to deep dive in those issues.

1-0098-0000

Aurore Lalucq, *Chair of the ECON Committee*. – I will open the second round of speakers, with the invited committee, and we start with the first Vice-Chair of the Budget Committee.

1-0099-0000

Monika Hohlmeier, *Vice-Chair of the BUDG Committee*. – Dear Commissioner-designate, according to your written replies, the implementation of the RRF is broadly on track. You yourself acknowledged in the recovery and resilience dialogue last September that significant reforms are pending and investment hurdles persist. However, in your written replies, your solution is limited to continue consulting stakeholders and local and regional authorities.

Do you have any other measure in mind to mitigate the risk that Member States may lose NGO funds, or that these funds are spent for non-effective or non-reasonable projects, taking into account the latest findings of the EU Court of Auditors.

1-0100-0000

Valdis Dombrovskis, *Commissioner-designate*. – On this question on the implementation of the Recovery and Resilience Facility – in terms of the overall picture, I was quoting this figure – we expect by the end of the year to have disbursed EUR 300 billion, which is roughly half of the total RRF envelope. So that's on the global picture.

Obviously there are implementation challenges in a number of Member States. That's why also in a previous European Semester round we have addressed country-specific recommendations specifically to those Member States which need to accelerate their implementation. We are engaged in a more in-depth with those Member States to address their implementation challenges and make sure that they are able to move further forward. There are also possibilities which Member States may use, in case implementation challenges persist, to use some of those funds in the context of the InvestEU programme or in the context of the STEP programme – so the Strategic Technologies for Europe Programme. So also these kind of possibilities exist.

But currently our focus is indeed on work with Member States to intensify the implementation, making sure that indeed reforms and investments are being implemented and that Member States can actually use those funds at the end of the day. It's indeed at the hands of Member States whether those reforms and investments are really moving forward from the Commission side. We can facilitate it, but also there is a certain responsibility of Member States themselves to make progress on this.

1-0101-0000

Sven Simon, *Chair of the AFCO Committee*. – Dear Commissioner-designate, in the past, Parliament has been quite successful in putting forward new legislative proposals, which leads to the paradoxical but welcome situation that the European Parliament – which officially has no right of initiative – has used it perhaps more successfully than many national parliaments which officially do.

Now, we negotiate a revision of the framework agreement between Parliament and the Commission. What is your position on strengthening Parliament's right of initiative to change and revoke existing legislation? How would you implement this practically and ensure that the Commission follows up in a timely manner on such legislative resolutions?

And regarding the better lawmaking agreement, I think you already answered that question to a certain extent, but could you specify which instruments you prioritise for improving the quality of delegated and implementing acts? And what other instruments, besides the scrutiny body, do you envision to evaluate the regulatory and bureaucratic impact of new proposals?

1-0102-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you very much for those proposals. So, first on Parliament's right of initiative or how we are exactly applying this. From the Commission's side, we are committed to continue the follow up on Parliament's Article 225 resolutions, which are calling for legislative proposals. And this is reflected in every mission letter of every member of the Commission, also to show the seriousness of the Commission towards this procedure.

During the previous Parliament, the Commission adopted legislative proposals following 24 out of 25 resolutions under Article 225. The only exception was the resolution on MFF contingency measures, which were not at the end needed. And I think that shows our commitment and myself, I was responsible to follow up on eight of those resolutions in cooperation with the responsible Commissioners in my cluster. Well, in the new Commission, it is going to be the Commissioner for interinstitutional relations and transparency who is going to coordinate this matter, but the Commission is certainly committed to this.

1-0103-0000

Li Andersson, *Chair of the EMPL Committee*. – Mr Commissioner-designate, on behalf of the EMPL Committee, I would like to raise the following questions.

One: how will you ensure that the EU's economic and social policy coordination safeguards upward social convergence and social fairness, and strengthens the EU social market economy?

Secondly, more specifically, do you intend to strengthen the role of the European Pillar of Social rights, and of the social indicators in the revised macroeconomic governance? And if so, how?

Thirdly, how will you make sure that the national medium-term fiscal plans contribute to the implementation of the European Pillar of Social Rights?

And finally, do you intend to maintain the social and youth pillars of the RRF?

1-0104-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you very much for those questions.

On the first question: well, that's very clear: from the Commission's side, we are committed to continue to achieve upwards social convergence and our main guidance for this is the European Pillar of Social Rights. And the next Commission will prepare, as I was mentioning, an additional action plan on further implementation of the European Pillar of Social Rights.

Also, the social dimension of the European Semester has been strengthened over many previous years. And our intention is to continue to do so, so the social dimension is going to be well represented in the European Semester also in the future. Already now, around 30 % of all country-specific recommendations we have goes for employment and social issues and we will be able now to do more with this Social Convergence Pillar.

Also, in this Commission, we have started to use European Semester to monitor the implementation of Sustainable Development Goals, so this social dimension is certainly going to be further strengthened in the European Semester.

Similarly, concerning medium-term fiscal structural plans, one of the issues which we will be assessing in medium-term fiscal structural plans is also the implementation of country-specific recommendations, or reforms and investments responding to the country-specific recommendations, on average some 30 % of the goes to social and employment issues, so we'll certainly be monitoring how those issues are addressed in medium-term fiscal structural plans.

Also, we have been calling on Member States in preparation on their plans to engage with social partners and other stakeholders.

1-0105-0000

Anna Cavazzini, *Chair of the IMCO Committee*. – Mr Dombrovskis, you committed already several times today on conducting stress tests for the existing EU legislation to identify overlaps and contradictions. But as the topic is very, very dear to my committee, the IMCO Committee, could you again be more specific, especially with regard to the legislation related to the single market and consumer protection that you will prioritise in the time frame that you also mentioned?

And could you also outline which specific measures you plan to propose to address any mismatch between the legislative initiatives, to ensure an effective interplay between the different legal acts, to achieve the reductions of administrative and reporting burdens, and ensure harmonised enforcement, of course with high standards for consumer protection?

In that context, how do you plan to achieve the target of reducing reporting obligations by at least 25 % to 35 %? You mentioned it already, but probably you can be more specific on this. And how do you intend to select and consult the stakeholders for the reality checks?

And if the Chair allows, I have one more question. Lastly, could you outline whether you plan to integrate a single market check in the new framework of the competitiveness coordination tool?

1-0106-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you very much for those questions. Maybe let me start with your last question on single market checks and, generally, a question on bringing down barriers in the single market. That certainly is going to be one of the central elements of the simplification and implementation agenda. The single market is our most valuable asset, yet many companies are still saying that it's not fully functioning. There are still too many barriers. I know the IMCO Committee is already working in this area and in this direction, and certainly will be engaging on this through this simplification workstream as well.

Then the question of how the interplay between different legislative initiatives will be addressed in the simplification work. As I was mentioning, when we are doing the stress testing of the EU *acquis*, we will do it on a sectoral or value chain approach – so not doing it one piece of legislation by another, but looking indeed also at the whole sector and at this interplay, and the cumulative effects of different legislation. That's how we are intending to apply it.

Then on this reduction of the reporting burden by 25 % and 35 %, respectively, the tools of arriving at those aims are going to be the stress testing and also implementation dialogue, praxis, checks to identify those areas where we can simplify.

And on implementation dialogues, we are going to have a broad range of stakeholders participating: industry, but also social partners, civil society, different stakeholders. The exact setting for different sectors may vary because it depends which are the main stakeholders in different sectors.

1-0107-0000

Pasquale Tridico, *Chair of the FISC Subcommittee*. – Mr Dombrovskis, on behalf of the FISC Subcommittee on the issue of the OECD Pillar Two agreement, some multinationals have voiced concern regarding the substantial administrative burden associated with the implementation of the OECD Pillar framework, Pillar Two in particular, as well as the administrative burden linked to the potential implementation of Pillar One.

Now, how do you plan to balance the necessity of advancing this initiative at EU level, with the need to minimise the operational burden on business? What specific strategy will you employ to ensure compliance without imposing excessive demand on business, while making sure taxes are paid, where real economic values and profit are created, and fight against tax evasion and tax avoidance is pursued?

1-0108-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you very much for this question. Well, from the EU side, we are committed to the OECD global tax framework, both pillar one and pillar two. We already legislated on pillar two. So now it's a question on our application, and certainly by setting this minimum effective taxation, it helps us to ensure a fair corporate tax system.

On pillar one, it's not yet fully agreed, even though, well, for the bulk of the legal text, everything is agreed, but there are still some aspects where some countries are holding out. So probably we will also still have to see how the US is now working on their tax reform, which was planned for the next year, and what progress we are going to see there – because also, we need to be clear, if we are not going to make progress on a pillar one at the global level in this OECD framework, pretty soon this debate would be coming back to national digital services taxes or levies or some work in this regard at the EU level. So, certainly it would be much more efficient and better globally if it was done through this global arrangement. Because pillar one is, exactly as you mentioned, about fair allocation of those taxation rights close to where the actual economic activity is taking place. So

from the Commission side, we will certainly be pushing for its implementation and looking for options in case pillar one is not moving forward, but hopefully it moves.

On administrative simplification, there are many things which we are doing and will continue to do. I can mention just initiatives like FASTER, HOT, BEFIT already, which have important administrative reductions, and just this week also the agreed ViDA proposal has important potential for reduction of administrative burden.

1-0109-0000

Aurore Lalucq, *Chair of the ECON Committee*. – Now the final round of speakers: 1 minute for the question; 2 minutes for the answer.

1-0110-0000

Marcin Sypniewski (ESN). – Istnieją poważne problemy, jeżeli chodzi o konkurencyjność Unii Europejskiej. Występuje też stagnacja, jeżeli chodzi o wzrost produktywności. I to potwierdziło sprawozdanie Draghiego. Jako rozwiązanie w sprawozdaniu jednak wskazuje się głównie zwiększenie odpowiedzialności Unii Europejskiej, czyli, co za tym idzie, zwiększenie kompetencji, regulacji i w zasadzie centralizacji, jeżeli chodzi chociażby o inwestycje.

Czy zgadza się Pan z opinią, że tak właśnie powinny zostać rozwiązane problemy Unii Europejskiej? Czyli że trzeba zwiększać kompetencje Unii Europejskiej i zwiększać centralizację. Czy są jednak dziedziny, w których nadmiar centralizacji, nadmiar regulacji powoduje te problemy, o których mówiono między innymi w sprawozdaniu?

1-0111-0000

Valdis Dombrovskis, *Commissioner-designate*. – When we are legislating, obviously there are important principles which we need to follow, which are the principles of proportionality and subsidiarity. And the principle of subsidiarity very clearly says that things should be legislated at the level closest to the citizen if it can be effectively addressed at this level, meaning at local government level, national level, and only then at European level for those areas which can be better addressed at the European level.

Given the competitiveness challenges which we are facing, given the slow productivity growth, which we are facing, it will require a responsibility at all of those levels. Certainly, there will be things which national governments will do, also together with regional and local governments, and there will be things which the European level will help to do.

And the fact that the next European Commission has set competitiveness as a priority and will be working on the competitiveness coordination tool, it will be there to help Member States to address the competitiveness challenges which they are encountering. And also the new Competitiveness Fund will provide some funding and investment to address those competitiveness challenges. So we'll need to work at different levels and the solution will be found in all of those levels.

1-0112-0000

Arash Saeidi (The Left). – Monsieur le Commissaire désigné, deux exemples récents: Michelin, 1,464 milliard d'euros qui seront versés aux actionnaires en 2024, 42 millions d'euros de crédits d'impôt recherche par-ci, 83 millions d'euros de crédit d'impôt compétitivité et emploi par-là; pourtant, plus de 1 254 salariés sur le carreau hier. Lactalis, 428 millions d'euros de bénéfices en 2023, onzième plus grand bénéficiaire de la PAC en 2021, 20 millions d'euros de CICE par-ci,

800 000 euros de subventions de la région Pays de la Loire par-là, une annonce récente de 900 producteurs laitiers abandonnés du jour au lendemain.

Vous voulez garantir la stabilité budgétaire, Monsieur le Commissaire désigné? Je vois à travers ces deux exemples un gisement pour garantir la pérennité de nos finances, sans détruire l'hôpital et l'école publique, sans faire payer les plus fragiles.

Vous n'avez, tout à l'heure, pas vraiment répondu à la question de Manon Aubry. Êtes-vous prêt à recommander aux États membres de prélever correctement l'impôt sur les plus grandes fortunes, les dividendes et les bénéfices faramineux des multinationales, et de mettre fin à la gabegie de dizaines de milliards d'euros par an de dépenses fiscales et d'aides directes versées sans aucune contrepartie à des entreprises qui, quelques années plus tard, ferment leurs sites en Europe et abandonnent leurs fournisseurs?

1-0113-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you very much for this question. Well, the taxation of wealth and use of wealth taxes is something which has attracted considerable attention recently. Also, G20 finance ministers agreed to engage cooperatively to ensure that ultra-high-net-worth individuals are effectively taxed. From the Commission side, we are ready to engage in this work. It's worth noting that, for effective taxation of wealth, there are important elements which concerns international cooperation and exchange of information, because in the past this wealth used to be hidden just in bank accounts and now, thanks to the information exchanges to the OECD standard developed in this regard, that's no longer the case, or it's much more complicated.

We are implementing the same in the EU through our directives on administrative cooperation and exchange of tax information. Because if we want to tax wealth, we also need to be dealing with the tax evasion. And that's where many elements have already been put in place. So this international debate is ongoing. As I was mentioning, from the Commission side, we are ready to be part of this debate.

1-0114-0000

Kira Marie Peter-Hansen (Verts/ALE). – I have two last questions on behalf of the Greens. First of all, I would like to ask you what specific steps you will take to ensure the adoption and quality of the remaining sector-specific sustainability standards and to avoid further delays or watering down of the content?

And secondly, I think we all strive for better lawmaking. And in this regard, I would like to ask you how you will ensure that the Commission's initial impact assessments reflect better the reality and the outcome of our legislation and also how you will ensure that we have impact assessments during trilogue agreements so that we know the effects of our legislation?

1-0115-0000

Valdis Dombrovskis, *Commissioner-designate*. – There are still a quite a number of delegated and implementing acts which are due following our primary legislation, including in the area covering the Green Deal. And there will be colleagues in the College who will be responsible primarily for developing those delegated and implementing acts. So, it will be primarily for them to move this forward.

On the implementation simplification side, we obviously can look in this process on the questions on cost elements of those delegated implementing acts, on the impacts on SMEs, so that when they

are prepared, they are reflecting also those principles without losing the underlying policy goals – that I always need to emphasise.

Then on the second question on better lawmaking, indeed, already now our interinstitutional agreement foresees that all institutions would do impact assessments of their significant amendments. But we know that in practice, this is largely not happening. So that's what we want to re-discuss. Obviously, at the trilogue stage, that may be difficult, especially in the last trilogues somewhere in the middle of the night, it's unlikely there are going to be impact assessments. But it is something which can be done during the period when internal reflections of co-legislators are ongoing, when they are setting their positions. Because then it's already possible to see what those substantial amendments are. If we agree on a methodology on simplified impact assessments, then we can do those impact assessments.

Because currently, indeed, that's a criticism of different stakeholders that we are assessing the proposals but not the outcomes of legislation. But what matters for stakeholders are the outcomes.

1-0116-0000

Ilhan Kyuchyuk (Renew). – Dear Commissioner-designate, in your mission letter, it is stated that you make proposals to simplify, consolidate and codify legislation where it's needed. Renew Europe believes that it is high time to codify all of the many EU corporate rules into a single book to give companies the visibility and predictability they need to navigate the single market.

So, the question is: do you commit to propose an EU business code?

1-0117-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this question. Indeed, when we are discussing a simplification, some elements of this simplification include also a consolidation and codifying of our legislation. The same is true for our corporate rules. What you ask now is a very specific question, whether we would now create an EU business code. Well, at this stage I'm not able to respond to this specifically, but a codification is part of the work we are going to undertake under this simplification.

My intention is in the very first months of this mandate to lay out this approach, how we are going to do this, including those codification aspects, and we can build from there. Because obviously for specific proposals, I will need to be in touch and in coordination with other Members of the Commission who will be responsible for their specific policy areas. We'll need to discuss it together and see how we best then address this work and this legislation. I think that will be a moment when we'll be also able to discuss in more detail whether it's EU business code or some other way of codification.

1-0118-0000

Stephen Nikola Bartulica (ECR). – Mr Dombrovskis, we're almost finished. I want to first say that I appreciate your comments regarding cutting excessive red tape. I would just add that, in my view, deregulation is not a dirty word.

The European Commission often communicates its strategic direction using slogans like 'making business easier', 'strengthening competitiveness', 'boosting productivity'. However, it is a common occurrence that the specific measures proposed by the Commission in its legislative proposals contradict these stated goals.

So my question is, are you prepared to address these troubling contradictions and, if necessary, commit to vetoing legislative initiatives from relevant Commission DGs if they propose red tape or legislative burdens that clearly contradict the Commission's strategic messaging?

1-0119-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you for this question. First of all, the Commission, fully acknowledges the competitiveness and productivity challenges which the European economy is facing, and it is committed to address it. We already are preparing those specific workstreams, like setting up this competition coordination tool using the inputs which already have from many reports – from the Letta report, from the Draghi report, from our own competitiveness report, setting up our simplification workstream. So that will be now basically about delivering all of this work.

On the second part of the question, on vetoing legislation, I must say I have not been given veto powers. The European Commission is a collegial institution and we take decisions collegially in the College of Commissioners. So I will rather need to persuade my colleagues instead of vetoing anything!

1-0120-0000

Enikő Győri (PFE). – Mr Dombrovskis, at the beginning of a new term, I think we have to be optimistic and give credit to your potential change. In that spirit, two questions.

The first, in the framework of the Semester, will you continue the present practice of issuing country-specific recommendations, even in areas where there are no EU competences?

And the second question, concerning the implementation of the RRF, can we hope that the double standards will disappear from its implementation? I am referring to cases which were mentioned by a Spanish colleague saying how problematic the implementation is in his country. Meanwhile, there are no consequences. At the same time, in Hungary, whenever we reached a compromise with the Commission, newer and newer conditions were brought up by the Commission, or we haven't received an answer for months to our proposals and at the same time, a change of government in Poland was enough to get the money without any legislation change.

1-0121-0000

Valdis Dombrovskis, *Commissioner-designate*. – Thank you for those questions on the country-specific recommendations. Obviously there are certain institutional limits which the European Commission is respecting. So country-specific recommendations are primarily related to fiscal issues, to economic issues, to social issues. All of those are macroeconomically relevant, and that's our macroeconomic coordination framework. If there are some specific CSRs which are deemed outside the EU competences, that probably would require a separate in-depth discussion, but the general principles are clear.

On the recovery and resilience plan – as I understand it, the question was specifically on the state of play in Hungary, as I was mentioning before, Hungary's recovery and resilience plan is approved by the Council, as is amended plan with the RePower EU chapter. It's very clear, in a sense, what are the milestones and targets to be met for the funding to start to flow.

There are 27 so-called super milestones which need to be addressed. Hungary is making progress on those super milestones. Then it's also for Hungary to decide at which moment it's submitting its first payment request, because the Commission will be able to do in-depth assessment of whether

milestones or targets are met once Hungary is coming forward with a first payment request. I can reassure that in the Commission's works there are no double standards. We treat all Member States equally.

1-0122-0000

Jonás Fernández (S&D). – You explain very well the investment gap Europe faces, an investment gap that we will not be able to cover just with private money. We need public investment. To defend it, we should tackle this challenge in the MFF negotiations after agreeing on what we want to do at European level.

And finally, you presented in an aseptic manner the different ways that we have to finance this European investment: new own resources, national contributions, common borrowing.

I know that the final decisions will depend on the conversations in the Commission first, in the Council, in the Parliament. So, I know the facts.

So, what I would like to know is your beliefs, your opinions, not the facts. I don't want to ask you if the common borrowing must be one of the elements. I just want to know if you think that it should be one of them.

1-0123-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for this a question. Well, for me, the most important question is not whether it's common borrowing or not. As I said, I'm not blocked on this, but the question is: what are the investment needs which we need to cover? And there, looking at all the challenges which are facing, it may well be that we arrive at the conclusion that requires a larger common EU budget. But that will be the work now in the coming months, to precisely identify those funding needs, how we are financing at a European level.

Then comes the second question with how exactly it's financed. Common borrowing is one possibility, but that's not the only possibility, so I'm ready to look at those possibilities. For me, it's not that it has to be this, or that I'm strictly against this. So it will be open discussion. More fundamentally for me, it is whether the funding and investment needs of the EU are addressed.

1-0124-0000

Axel Voss (PPE). – Thank you. So almost done. The Draghi report identifies that the GDPR is one of the examples that illustrates the regulatory difficulties that businesses face within the EU due to gold plating by Member States, lack of consistency and its enforcement, as well as overlaps and areas of potential inconsistency with the provisions of the act.

This all results in high compliance costs for businesses, decreased data storage, decreased data processing, and higher burdens for EU researchers and innovators to develop AI.

So what measures do you intend to take to ensure a harmonised and simplified implementation of the GDPR? And how does the Commission plan to modernise the GDPR to fit the current challenges, removing regulatory overlaps within the AI Act so that it no longer acts as a brake on digitalisation?

1-0125-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you so much for this question. So first, on the question of the GDPR, indeed that's what the Draghi report is acknowledging – that the GDPR

has been implemented with a large degree of fragmentation, which creates issues and undermines the EU's digital goals. So probably the first important step in this regard is to make progress with GDPR procedural rules, which are currently negotiated by the co-legislators, because that will help to harmonise certain rules and improve enforcement of GDPR in cross-border cases where those differences between different Member State authorities tend to flare up. So that will help us also to look at this issue of gold-plating, to bring all Member State authorities to a more common standard.

On the question of the AI Act and other elements, that is going to be part of this overall stress-testing work where we are going to stress test the EU *acquis* and look also at all those pieces of legislation, gathering feedback from stakeholders in a structured way and then applying this feedback and reducing the administrative burden and ensuring that our legislation is functioning smoother and is easier to implement.

1-0126-0000

Ilhan Kyuchyuk, *Chair of the JURI Committee*. – Thank you so much, Commissioner-designate. Before I conclude, I would like to give you the floor for your last 5 minutes – up to 5 minutes.

1-0127-0000

Valdis Dombrovskis, *Commissioner-designate*. – Honourable Chairs, honourable Members, well, first of all, thanks for these rich and substantial hearings. There were quite a few very in-depth questions. It's clear that with all the challenges Europe is facing, we need innovative and competitive economy for the years ahead, and it will be our anchor to defend the EU's values, maintain resilience and give us a strong voice in the world, and there is lots to do – because in many areas we are being held back. So, therefore, the focus of my work will be on enhancing the EU's prosperity and competitiveness in a fair and sustainable way, increasing productivity, based on innovation, skills and quality jobs. Making sure that national fiscal policies are sound across the board, and looking how to best generate massive investments that we need in the coming years.

I will work to make sure that our economic policies are more coherent, especially when it comes to reforms and investments in areas that are critical for our competitiveness. Once again, to reiterate, European companies also suffer from too much administrative burden, which is holding back investment, so I will make sure that the EU has simpler rules that are easier to implement.

Honourable Members, in these difficult and challenging times, the EU needs unity to defend its global position and influence. And to that end, we will work closely with you and the Council to make sure that Europe speaks with one voice. It is of paramount importance that we continue working with our close allies and like-minded partners, and in today's difficult geopolitical environment, it will be vital to defend the EU's interests and to also reinforce our economy and security. We'll do this from a strengthened position, based on policies which we adopt and follow in the EU, and we will remain a beacon of multilateralism and the rules-based international order, while standing against risks of protectionism and fragmentation.

So, honourable Members, to conclude, if you put your trust in me, I will continue in close cooperation during different stages of policy-making and involve Parliament in all key points of the legislative process. As I said, I will make sure that the European Parliament is regularly updated on the latest developments regarding the files under my portfolio, on an equal footing with the Council, and I will make sure that your opinions are duly taken into account. So, I ask for your confidence today and look forward for your partnership in the years ahead. Thank you.

1-0128-0000

Ilhan Kyuchyuk, *Chair of the JURI Committee*. – Thank you, dear Commissioner-designate Dombrovskis, dear Valdis, for all your responses and clarifications.

If I can have your attention for one more minute, I would like to also thank the Members for your discipline and your important questions. As you know, this process is a vital step in setting up the European Commission, which will contribute to shaping the EU's policies and actions. In line with the obligations to evaluate the Commissioner-designate without delay, a joint evaluation meeting between ECON and JURI will take place in the next couple of minutes, and the meeting will be held in camera.

Finally, I would like to thank particularly the secretariat and my Co-Chair, Aurore Lalucq, for the great cooperation today.

1-0129-0000

(The hearing closed at 17:45)