

CONFIDENTIAL

Antonio Tajani
Chair of the Conference of Committee Chairs
European Parliament

D 313286 09.10.2019

Dear Mr TAJANI,

The Committee on Economic and Monetary Affairs and the Committee on Employment and Social Affairs, in accordance with Rule 125 of the Rules of Procedure of the European Parliament, held a public hearing on Tuesday 8 October 2019 with Mr. Valdis DOMBROVSKIS, Commissioner-designate, who, subject to the positive outcome of the nomination procedure, will be Executive Vice-President responsible for an Economy that Works for People.

On 27 September 2019 the Committee on Economic and Monetary Affairs and the Committee on Employment and Social Affairs, pursuant to Rule 125 of the Rules of Procedure and Article 2 of Annex VII thereto, received the letter by the JURI Committee regarding the scrutiny of the declaration of financial interests of Mr. DOMBROVSKIS.

Prior to the hearing, Parliament had sent the Commissioner-designate a list of written questions. Our committees noted that Mr. DOMBROVSKIS answered those questions and dealt with the priorities outlined satisfactorily.

Mr. DOMBROVSKIS opened the hearing by making a statement in which he referred to the following:

- his professional experience and his work as Member of the European Parliament, Finance Minister, Prime Minister, and Vice-President of the European Commission;
- his pledge for a close working relationship with the European Parliament.

The introductory statement of Mr. DOMBROVSKIS was followed by a first round of 7 questions from representatives of each political group and a second round of 18 questions by Members, including also a representative from the non-attached Members.

The course of the hearing is described in the annexed verbatim transcript of the proceedings.

On the basis of the responses of the Members present at the hearing, as well as the comments made by our committees' coordinators, who met in camera after the hearing under our chairmanship, we hereby give the following assessment.

ECON and EMPL coordinators were satisfied that the candidate has the required integrity, independence, professional aptitude and experience, European commitment, ability to communicate and initiative. Coordinators take note of the commitments made, but also note that:

- with regard to the governance proposal for the Budgetary Instrument for Convergence and Competitiveness (BICC), coordinators expect the commitment from the Commissioner-designate to take further steps in this matter;
- given the questions on the implementation of the different commitments, the ECON and EMPL coordinators expect concrete action and close cooperation of the candidate;
- concrete commitments and further details are expected on the following:
 - how the Commission can help the Parliament and Council to complete Banking Union and facilitate access to finance for SMEs within the first 100 days;
 - applying fiscal rules by making appropriate use of the existing flexibility and discussing further investment-related clause and simplification in the framework of the revision of the Stability and Growth Pact as proposed by the European Fiscal Board;
 - more democratic accountability and the involvement of the European Parliament on the European Semester and committing to a greater focus of the European Semester on social and environmental targets and ensuring that economic, social and environmental policy goals are in line with the UN Sustainable Development Goals;
 - how the New Green Deal will be financed; and clarity on the share of public and private investment to ensure fresh money for the Sustainable Investment Plan;
 - granting anti-money laundering supervision tasks to a new Union body and coordinating and supporting a mechanism to assist and facilitate Financial Intelligence Units in exchanging financial information;
 - the importance of a concrete action plan on European pillar of social rights in order to develop an economy that works for the people, where inclusion and access to labour market are a priority;
 - concrete measures and greater ambition in enhancing protection for consumers in financial services, including putting forward new legislative proposals;
 - developing a European Unemployment Benefit Reinsurance Scheme and creating synergies with the European Investment Stabilisation Function;
 - putting forward in the coming months a legislative proposal reviewing the Non-Financial Reporting Directive in order to expand its scope and add environmental, social and

corporate governance taxonomy related obligations (noting his openness on expanding the taxonomy scope in order to cover a broader range of economic activities);

- his commitment to the new gender strategy with binding pay transparency measures and delivering an ambitious Action Plan for implementing the European Pillar of Social Rights.

The S&D and Greens/EFA EMPL coordinators expect a Commissioner with a job title of economy that works for the people to show ambition to in fact work for the people and strengthen the social dimension of the EU. They expect concrete measures to align the social scoreboard with the 20 principles of the European Pillar of Social Rights and to focus in particular on an annual assessment of the social housing, income inequality, wage development and collective agreement coverage. They insist that the green new deal leave no one behind and that the Commissioner-designate puts forward such legislative proposals that would put social rights, protection and fairness at the heart of the European economy and that the just transition goes beyond the mere skills improvement but should create quality jobs and active labour market policies. They regret that the candidate failed to answer questions on the concrete legislation to improve the information and consultation rights of workers.

In annex to this letter, please find the opinion of the Committee on Budgets, as associated committee.

The general outcome of this hearing is that the Commissioner-designate gave a convincing impression of his aptitude to be a member of the College of Commissioners and to carry out the specific tasks assigned to him.

The ECON and EMPL coordinators representing a majority of more than two-thirds of the committees' membership approved that the Commissioner-designate Mr. DOMBROVSKIS, is qualified both to be a member of the College of Commissioners and to carry out the specific tasks assigned.

Minority views

During the evaluation meeting, the coordinators of ID and GUE requested to include the following aspects, which constitute minority views.


The ID group does not question Mr Dombrovskis' evident technical competence. However, the ID group takes the view that Mr Dombrovskis' abilities are misdirected, as he has vowed to continue the globalist and inequitable financial sector-driven economic agenda pursued by the Commission over recent years, which has failed to restore growth in Europe and which didn't benefit the majority of our people.

GUE-NGL opposes the election of Valdis Dombrovskis as Executive Vice-President of the European Commission due to the following reasons:

- Lack of a credible compromise with supporting expansionary fiscal policies and dealing away with austerity in Europe.
- Ambiguity in which regards to the establishment of a Golden Rule for public investment in the context of the revision of the SGP.
- Lack of a clear compromise regarding the EDIS proposal (which he deemed problematic due to moral hazard problems).

- Lack of clear views and opinions regarding the shortcomings of the EU's blacklist of tax havens, which currently lets obvious tax havens inside the EU, as well as beyond, off the hook.
- Ambiguous answers in which regards the financing of the European Green New Deal in a context of Commission cuts to structural funds.

Yours sincerely,



Irene Tinagli
Chair of the Committee on Economic and
Monetary Affairs



Lucia Ďuriš Nicholsonová
Chair of the Committee on Employment and
Social Affairs

Annex

Opinion of the Committee on Budgets, as associated committee
Verbatim transcript of the proceedings

ANNEX:

OPINION OF THE COMMITTEE ON BUDGETS

Overall, the Committee on Budgets finds unanimously the Executive Vice-President-designate Dombrovskis qualified to carry out the specific tasks he has been assigned within the remit of the BUDG Committee.

The Committee on Budgets takes note of the commitments expressed and emphasizes - for future scrutiny - the following stances put by Vice-President-designate Dombrovskis during the hearing, in particular as regards issues that are within the Committee's mandate:

- to increase the share of EIB climate-related investment from current 25% to 50% by 2025 and phasing out the financing of fossil energy, in the framework of turning the EIB into the EU's climate bank;
He also specified that this increase will include fresh resources and further pledged that a "substantial part" of the funding of the Sustainable Europe Investment Plan, which will be built on the basis of EFSI, will be "fresh money";
- to see the Commission's proposal for BICC as a "starting point" for putting in place a Eurozone budget; to look for synergies between the future European Unemployment Reinsurance Scheme, the recently proposed RSP/BICC and the European Investment Stabilisation Function, given that these instruments would play the role of stabilisation function within the EMU, which must be further deepened;
- to defend the overall size of the next MFF as proposed by the Commission.

Given the lack of clarity on how different initiatives mentioned would be financed, the Committee on Budgets expects, however, concrete actions and a close cooperation of the Executive Vice-President-designate, if confirmed, with the BUDG committee, namely on the relations with the EIB. It also expects Mr Dombrovskis to be more ambitious on the size of the next MFF.

COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS
COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

ASSOCIATED COMMITTEE:
COMMITTEE ON BUDGETS

INVITED COMMITTEES:
COMMITTEE ON INTERNATIONAL TRADE
COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY
COMMITTEE ON REGIONAL DEVELOPMENT

HEARING OF VALDIS DOMBROVSKIS

EXECUTIVE VICE-PRESIDENT-DESIGNATE
OF THE EUROPEAN COMMISSION

(An Economy that Works for People)

TUESDAY, 8 OCTOBER 2019

BRUSSELS

1-002-0000

IN THE CHAIR:**IRENE TINAGLI***Chair of the Committee on Economic and Monetary Affairs***ĎURIŠ NICHOLSONOVÁ***Chair of the Committee on Employment and Social Affairs**(The hearing opened at 9.05)*

1-003-0000

Irene Tinagli, *Chair ECON*. – I would like to welcome Mr Valdis Dombrovskis, the Executive Vice-President and Commissioner-designate for an Economy that Works for People, to this joint hearing that I am happy to co-chair with Ms Ďuriš Nicholsonová. I'm also very glad that the Budget Committee, which is associated to this hearing, is represented today.

Before we start our hearing, let me recall that, in line with the guidelines for the approval of the Commission, which are in Annex VII to the Rules of Procedure, Parliament evaluates Commissioners-designate on the basis of their general competence, European commitment and personal independence. It also assesses the knowledge of their respective portfolio and their communication skills. Let me also recall that, before the hearing, the Executive Vice-President and Commissioner-designate replied in writing to a preparatory questionnaire. The written answers have been made available to Members in all languages. Finally, please note that the Committee on Legal Affairs has raised no objection to the holding of the hearing.

1-004-0000

Lucia Ďuriš Nicholsonová, *Chair EMPL*. – Thank you very much, Madam Tinagli. Let me also warmly welcome Mr Dombrovskis to this hearing and introduce you, dear colleagues, to the procedure of today's hearing. Firstly, we will give the floor to Mr Dombrovskis for his statement, which will last no longer than 15 minutes. Then there will be 25 questions from MEPs in two rounds.

The first round will consist of seven questions asked by representatives of the political groups. The second round of 18 questions is based on the overall distribution of questions among the political groups, also including a representative from the non-attached Members. The debate will be held in accordance with slots, each lasting five minutes. The first will be a question of one minute, then an answer of two minutes, then a follow-up question of one minute, and then an answer of one minute.

After the debate, Mr Dombrovskis will also have five minutes at the end of the hearing for a closing statement, and we kindly ask all speakers to stay within the time limit in order to make sure each speaker is given equal attention. As you probably know, we have the hammer here and we are not afraid to use it. So, please make sure that you are always aware of the time. Please note that interpretation will be provided in all 23 languages, reflecting the linguistic diversity of our House. I would like to nevertheless remind all speakers that what they say needs to be interpreted. Therefore, whatever language you use, please do not speak too quickly. Always think about our interpreters.

Finally, the debate will be screened live on Parliament's internet site and it will also be possible to access a video recording of the hearing on the same site. Now, I think we can get started. Mr Dombrovskis, you now have now the floor for your 15-minute presentation.

1-005-0000

Valdis Dombrovskis, *komisāra amata kandidāts*. – Priekšsēdētāju kundzes! Godātie Eiropas Parlamenta deputāti!

Vispirms es gribētu pateikties par iespēju jūs uzrunāt, lai iezīmētu tuvāko piecu gadu laikā veicamos darbus Eiropas ekonomikas un cilvēku labā. Pēdējo piecu gadu laikā kā Eiropas Komisijas viceprezidents esmu strādājis ciešā sadarbībā ar Eiropas Parlamentu. Es pats esmu ticis trīs reizes ievēlēts kā Eiropas Parlamenta deputāts, līdz ar to sadarbību ar Eiropas Parlamentu es uztveru kā pašsaprotamu un neatņemamu sava darba daļu.

Šogad Latvija atzīmē 15 gadus Eiropas Savienībā un 5 gadus eurozonā. Kā finanšu ministrs es esmu aktīvi strādājis pie Latvijas integrācijas Eiropas Savienībā. Savukārt kā Ministru prezidents es vadīju valsts pievienošanās procesu eurozonai. Mana darba pieredze gan Latvijas valdībā, gan Eiropas institūcijās ir tikai stiprinājusi manu pārliecību, ka kopā mēs varam vairāk nekā katrs atsevišķi. Ka spēcīga un stabila Eiropas Savienība ir arī pamats dalībvalstu sekmīgai attīstībai.

“Pastāvēs, kas pārvērtīsies” — tā teica izcilais latviešu dzejnieks Jānis Rainis. Mums priekšā ir lielas pārmaiņas, virzība uz digitalizētu un klimata neitrālu ekonomiku, vienlaikus saglabājot Eiropas unikālo sociālās tirgus ekonomikas modeli. Esmu gatavs uzņemties jaunus pienākumus, lai koordinētu darbu pie Eiropas ekonomikas, kas strādā cilvēku labā.

Honourable Members, I will now continue in English.

Looking at the world today: we can no longer assume that economic and social progress, based on democratic values, international cooperation and more integrated markets, will remain on a steady path.

The world is turning more multi-polar, more uncertain and confrontational. Trade tensions have escalated. This is already taking a toll on the global economy. In Europe, Brexit, especially a no-deal scenario, would inflict further damage.

And we face broader challenges.

Climate change is one. We have to step up our efforts to mitigate it and we have to do it now.

New technologies are changing the way we live and work. To compete on the global stage, Europe must be a leader in digitalisation and innovative technologies.

Demographic changes in Europe and ageing populations mean we have to adapt our labour markets and social protection systems.

All these developments will profoundly transform our economies and societies, and require the right policy response. This is not ‘business as usual’. Europe’s prosperity and our social market economy model are at stake.

We need to manage this transition so that the European economy works for all people. We will have to think of the economic, social and sustainable as one.

If I am confirmed, this will be the basis of my work for the next five years.

Now let me address those points in more detail.

First, I aim to strengthen Europe's economic sovereignty at this time of increasing global uncertainty. Then I will work to make sure that our economic and industrial policies support the green and digital transformations.

Our social policies must accompany these transformations so that we build a more inclusive society.

Honourable Members,

The EU economy is a powerful force in the world. The Single Market is our biggest asset, it accounts for over 500 million consumers, 22 million businesses, and a GDP of over EUR 15 trillion.

The euro is a successful international currency, the second most used for payments and global reserves, only behind the US dollar.

We have strengthened our Economic and Monetary Union and the euro area remains open, of course, to countries working to join it like Bulgaria and Croatia. But to leverage the euro area's political and economic weight requires us to push further.

I want to reinforce our capacity to act independently. Being a strong and stable economic player will enable us to promote an international rules-based order and counter the trend towards regionalisation in the world.

We have to deepen the Economic and Monetary Union. Europe's economic sovereignty is supported by strong national economies. They undergo reforms to keep pace with ongoing transformation. Strong economies build fiscal buffers in good times for later use when the economy slows down.

This is the aim of the fiscal rules underpinning the Stability and Growth Pact. But the rules have become too complex. We will need a substantial debate to see if there is a broad consensus to simplify them.

Economic sovereignty requires that the euro area has solid financial firepower to prevent and fight crises. That means a reformed European Stability Mechanism and the euro area budgetary instruments, for which the Commission has presented legal proposals. We will build on this by developing a European Unemployment Benefit Reinsurance Scheme.

You cannot have economic sovereignty without a strong financial system. In the previous mandate, we have made significant progress on the Banking Union and the Capital Markets Union. Europe's banking sector is on a much more solid footing than when we took office in 2014. Banks are better capitalised and more resilient in terms of liquidity. Levels of non-performing loans have fallen by more than a half, although they remain too high in some countries.

The Banking Union must now be completed. As part of this, we need to agree on the European Deposit Insurance Scheme to reassure Europeans that their deposits have equal protection wherever they live.

Small and medium enterprises are the backbone of Europe's economy. Their innovative capacity and talent are vital assets for Europe's economic sovereignty. However, all too often, they move abroad to scale up.

Why are our future champions leaving?

One reason is that they find it hard to get market-based financing here. This is one important reason why we need the Capital Markets Union. The new Commission will propose a new fund to help SMEs to go public. Together with my colleagues, I will propose a strategy to help SMEs tackle challenges relating to the green transition, digitalisation and changing trade patterns.

In the next weeks, I will gather policymakers, industry and consumers to collect new ideas to develop our capital markets. Asserting European sovereignty is also about assuming responsibility for the integrity of our financial sector.

President-elect von der Leyen has entrusted me with leading the fight against money laundering. I take this very seriously and look forward to working with our European and international partners.

We need to strengthen supervision and enforcement, including across borders. I would see a lot of merit in conferring specific anti-money laundering tasks and their coordination to a Union body.

Honourable Members,

My second objective will be to use fiscal, economic and financial policies to support the green and digital transformation.

As you know, my colleagues Frans Timmermans and Margrethe Vestager will be in charge of managing change in these two policy areas and I'm looking forward to cooperating with them.

To finance the transition to the climate-neutral economy, Europe needs massive investments, trillions of euros over the next decades. We will need both public and private funding.

To stimulate private investment, we should create regulatory incentives, and use the possibilities for the EU budget to leverage much more still. On the regulatory side, I take pride that the European Union was the first region to enact hard law on sustainable finance.

We must now agree on the unified EU classification system, or taxonomy, to define what is sustainable and we need to develop standards for green bonds and ecolabels.

In parallel, we need to build on the Investment Plan for Europe. Together with my colleagues, I will draw up a Sustainable Europe Investment Plan to unlock EUR 1 trillion of sustainable investment over the next decade. I will work with the European Investment Bank to transform it into our Climate Bank. By 2025, we want to see half of its total financing dedicated to climate.

Honourable Members,

Europe has been a global industrial leader for many decades. To maintain that lead, we need to preserve Europe's strong productivity and competitiveness, given the many challenges ahead.

This is why I will work with my colleagues to develop a long-term strategy to ensure that Europe remains a top industrial power.

Trade policy has an important role to play. It can help to promote our broader objectives in terms of the economy, technology, green transition, sustainability or labour rights.

The EU is the world's largest exporter and importer. It must continue to be a global standard-setter through an open and fair trade agenda. This is especially true with the advance of new technologies. In the area of finance, they bring huge potential, for example, by giving consumers better and faster access to finance.

I will put forward a new strategy for Europe to get the best out of FinTech and to compete globally. Instant payments are a good example.

At the same time, we must address risks such as unfair competition, cybersecurity, and threats to financial stability. For instance, Europe needs a common approach on crypto-assets, such as Libra. I intend to propose new legislation on this.

Honourable Members,

The green and digital transformation can only succeed if it is seen as socially fair. This will not happen automatically.

So my third objective is to make sure that our social policies evolve to accompany these transformations. In that way, we will improve people's lives and make sure no-one is left behind.

We will present an action plan for implementing the European Pillar of Social Rights effectively across the EU. We will also bring forward targeted legal proposals, starting with a framework for minimum wages.

We must continue to build on the European Semester. Social considerations already account for nearly half of our country-specific recommendations. I intend to keep this focus in our future economic governance.

We will also integrate the UN Sustainable Development Goals into the Semester objectives to promote both inclusive and sustainable growth.

During this mandate, we relaunched social dialogue in the EU. Involving social partners fully will be crucial for the digital and green transformation, and for putting the European Pillar of Social Rights into effect.

Inclusive and sustainable growth is also about ensuring the economic convergence and cohesion of Europe's regions. EU structural funds can help us to meet our environmental and innovation goals, to provide upskilling and life-long learning and we will help to support the people and regions most affected by the green transformation through a new Just Transition Fund.

One final point, there is no social fairness without tax fairness.

This Commission has put in place more binding reforms on fair taxation in the last five years than in the previous twenty. I will keep the fight against tax avoidance high on my agenda, as I did in the last mandate, for example, with my proposals on country-by-country reporting. Multinationals must be taxed effectively, so that our citizens and SMEs don't have to bear an unfair tax burden.

Honourable Members,

As a member and Vice-President of the European Commission, I have always worked in a spirit of collegiality. That will continue.

Over the past five years, I have worked closely with the European Parliament. If you honour me with your confidence, I would be happy to continue this fruitful relationship.

The EU and the world stand on the brink of one of the greatest transitions and transformations in history.

Our objective is the same, to deliver an economy that works for people.

Thank you very much for your attention and I look forward to your questions.

1-007-0000

Othmar Karas (PPE). – Madam Chair, dear Vice-President Dombrovskis, thank you very much for your clear introductory remarks. For stability, jobs, growth, competitiveness and investment it is crucial to continue implementing global standards but, at the same time, to take account of European specificities and differences in scope and to strengthen the proportionality principle. How will you approach this necessity in general and in particular with regard to the Basel III package?

Also, how will you ensure more investment protection within the EU after the termination of investment treaties between Member States due to the Achmea judgment of the European Court of Justice? Would you support with legislative proposals the creation of a neutral platform and dispute settlement mechanism that is not under the decision-making authority of an individual Member State?

1-008-0000

Valdis Dombrovskis, Commissioner-designate. – So, first on the international level playing field and work in the area of prudential regulation.

First of all, indeed, what we learned from the global financial and economic crisis – that finance is global and therefore financial regulation also requires a coordinated international response – this was part of the work in the context of the Basel Committee. The EU has been implementing the reforms by the Basel Committee which had been put forward so far, and as we see today, banks are better capitalised and with better liquidity and less leverage, and we remain committed to multilateralism and international regulatory cooperation.

It is in this spirit that we approach this issue so that all major jurisdictions implement all the key elements of the Basel Agreement.

As the Basel Committee said, completion of the Basel Agreement should not lead to a significant overall increase in capital requirements. In particular, the output floor will be phased in until 2027 and we intend to make full use of this. Currently, impact studies have already been requested by the European supervisory authorities and we will request additional analysis specifically on the output floor. The next step will be a thorough public consultation.

On your second question on the Achmea judgment and so called intra-EU BITs (bilateral investment treaties): indeed, according to the judgment, we will need now to close it and we are currently looking at ways to further improve the investment environment and investment protection in this new context.

1-009-0000

Othmar Karas (PPE). – Secondly, do you know that our banking sector is different to the USA's and that our economy is different? For us it is very important to know: will you

continue to support the SME Supporting Factor, as well as the different banking sector in the European Union?

Secondly, how do you intend to ensure that the interests of non-euro Member States are also taken into account in your portfolio, for example, by elaborating on the new Reform Support Programme and the euro budget?

1-010-0000

Valdis Dombrovskis, Commissioner-designate. – On the first question: of course, when implementing completion of the Basel III, we will need to take into account European specificities. That's why we are now doing a thorough impact assessment and that's why we will hold this broad public consultation to take European specificities into account.

Specifically on your question on the SME Supporting Factor, we extended its use during this mandate. And yes, we will continue to be supportive of the SME Supporting Factor.

Then, as regards the question on relations between euro countries and non-euro countries in the context of the EU budget and specifically the Budgetary Instrument for Competitiveness and Convergence, we are currently working to find a balanced approach – for example that for non-euro countries we have availability of the reform delivery tool as an instrument which is in a sense similar for non-euros and for euros.

1-011-0000

Pedro Silva Pereira (S&D). – Mr Dombrovskis, you're very much welcome here. You will be in charge of coordinating, reforming and refocusing economic governance in the EU, namely the European Semester. Of course we very much welcome your commitment to ensure a stronger voice of this Parliament on economic governance and refocusing the European Semester, strengthening its social dimension – the social pillar in particular – and also promoting the sustainable development goals. My question is: exactly how are you going to do that? Are we going to have concrete targets on social and environmental policies? Can we envisage binding clauses to promote sustainable investment and sustainable development goals as binding as the ones we have for deficit and debt? Or is this is going to be still a minor dimension of the European Semester and economic governance?

1-012-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you very much for this question on sustainable development goals within the European Semester. Indeed, the aim of our economic policy coordination is to achieve sustainable economic growth, and we will have to look, as I said in the introductory remarks, at economic, social and sustainable issues as well. So this is a logic of integrating sustainable development goals, so there will be a greater focus on environmental sustainability and social inclusiveness in analysis, as well as policy recommendations. There should be regular monitoring of progress towards sustainable development goals – targets within the Semester. We will also put forward systemic considerations in policies relevant for green transition, like a green investment, circular economy, resource efficiency and just transition across all policy sectors. And also, when putting focus on national investments, we will put a focus on sustainability, also building on the closer link between the European Semester and EU structural and investment funds.

When we talk about binding clauses in the European Semester, as you know, we have a macroeconomic imbalances procedure, so we'll assess how to integrate sustainability into the macroeconomic imbalances procedure, but we also have binding sustainability targets, for example emission-reduction targets in other policies like in energy union, and lock in our commitments to implement the Paris Agreement. So it needs to be seen in the context of also other policies which will we be putting forward in a context of green transition.

1-013-0000

Pedro Silva Pereira (S&D). – Thank you for your answer. One of the major challenges in terms of economic governance will be the response to the current economic slowdown. Now,

the European Central Bank is asking for a more supportive fiscal policy, using the fiscal space available in a number of countries. My question is: do you agree with Mr Draghi and Ms Lagarde about the need for a more supportive fiscal policy, and would you agree to reform the Stability and Growth Pact in order to introduce a golden rule to promote public investment, as proposed by the European Fiscal Board?

1-014-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you for those questions. First indeed, as regards the statements of the ECB on the response to the slow-down of the EU's economy, it is clear that we also need to respond through the fiscal policy. So yes, I agree with this statement, and in fact in the coming days we will be also having a policy debate in the Ecofin Council and Eurogroup to discuss the right policy response. And as you know in recent years we have put more emphasis on the aggregate euro area fiscal stance as a measure.

In this context, on EU fiscal rules, we can indeed take the work of the European Fiscal Board on expenditure benchmark with a debt anchor and as I put it, a 'limited golden rule', as a basis for our considerations. Of course it will be important to build a broad consensus so that we agree on the way to adjust and simplify our fiscal rules.

1-015-0000

Luis Garicano (Renew). – Mr Dombrovskis, it is great to hear your views on what needs to be done. Mario Draghi was here a couple of weeks ago before this committee and he gave a twelve-month deadline for the finalisation of the banking union. He said that that was the time we need. And we really need to do that because we are facing, again, the possibility of an economic crisis, and we haven't done what is necessary to avoid the reproduction of the 'doom loop', which in 2012 threatened to push us into a really catastrophic situation.

Breaking the 'doom loop' is the key aim of the banking union, and I don't think we have done what is needed. The proof that we haven't done what is needed is that the banking union is in fact going in reverse: neither the volume of cross-border loans nor the penetration of banking order jurisdictions is increasing. In fact it is actually being reduced, as we can see even with our own eyes looking at individual banks in Europe.

What are the pieces that are missing? Clearly common deposit insurance, which is in the proposal you made a little while ago. Second: liquidity resolution. Third: we need a safe asset for the eurozone. None of those three things are done and those are the crucial changes. Do you commit, Vice-President-designate, to pursuing such reforms? Will you work with us, with the Parliament, as an ally in trying to accomplish them?

1-016-0000

Valdis Dombrovskis, Commissioner-designate. – Indeed, the Banking Union finalisation will be high on the European Commission's agenda. We have two pillars of the Banking Union already up and running. It is a single supervision and single resolution, well underpinned by the single rulebook. The outstanding third pillar is the European Deposit Insurance Scheme (EDIS).

From the Commission's side we will continue to work on this and will continue to look at how to break the current deadlock, or current very slow progress, on EDIS in the Council but also, it must be said, so far in the European Parliament.

We hope in this context for some positive outcomes from the high-level group set up by the Council, and, of course, also renewed efforts in the European Parliament. We will be ready to facilitate this by putting, if necessary, new elements on the table to facilitate discussions.

Other outstanding elements in the Banking Union: the backstop to the Single Resolution Fund, where I would say we are making progress, so one can be positive that we will get

there. In a context of resolution a build-up of 'bail-inable' buffers – so-called MREL – is an important element.

Liquidity in the resolution, which you mentioned: this is indeed one of the first lessons we learned from the first cases of application of the Bank Recovery and Resolution Directive. Indeed, we need to find a solution for this issue of liquidity in the resolution, so we'll be working together, also with Member States and the ECB on this.

On a safe asset, as you know the Commission has put forward a legislative proposal on sovereign bond-backed securities. Unfortunately, this work has not been picked up very much in the Council, so we will need to see how we can try to reinvigorate this discussion.

1-017-0000

Luis Garicano (Renew). – Yes, thanks Mr Dombrovskis. The most frustrating hearing I think I've ever seen was recently on anti-money laundering legislation. There was very little of a sense that the Commission and the European Banking Authority had the tools to proceed and citizens are really very upset. We've seen the Panama papers, we've seen the LuxLeaks, we've seen tax advantages given for all sorts of reasons to target the tax darkness. Will you commit to make a proposal here for the establishment of a single financial intelligence mechanism with effective EU-wide jurisdiction to combat money laundering and financial crime within the first 100 days of your mandate?

1-018-0000

Valdis Dombrovskis, Commissioner-designate. – Well, as regards anti-money laundering, indeed, we have some of the strictest rules internationally on money laundering: our anti-money laundering directives. But at the same time enforcement is largely national and, as recent money laundering scandals across the EU have shown, it's uneven.

Therefore, as I already said in my introduction, I see a lot of merit in confirming specific anti-money laundering tasks and their coordination in a Union body.

So which specific body? We can discuss, for example, in the context of the review of the European supervisory authorities. We give additional competences, additional powers to the European Banking Authority. Even so, it must be said that their refusal to act on the largest money-laundering scandal in Europe, which was the Danske Bank case, was disappointing. So clearly we need to see also how we improve the governance of this.

But in any case, I see the merit of transferring certain competences to a Union-level body.

1-019-0000

Bas Eickhout (Verts/ALE). – Thank you very much and thank you, Mr Dombrovskis, for being here. Ursula von der Leyen has promised a new strategy for green financing, and you have said in your written answers, as also in your introductory statement, that it's your objective to ensure that finance supports a transition towards a sustainable economy. You have also stated that we should strengthen the foundations of green finance by exploring ways to improve corporate disclosure on sustainability, sustainable research and ratings. The EU has made a good start, but we need to be more ambitious to really shift the trillions of investments towards the climate-neutral economy that this new Commission wants to see in this next decade. So we're going to test a bit more concrete proposals on sustainable finance.

First of all, do you commit to harmonise the sustainability disclosure obligations of banks, insurance companies, asset managers, pension funds and other financial actors to ensure that we have comparable quantitative and qualitative information on the exposure to ESG risks? Do you commit to put forward in the next year a proposal updating the Non-Financial Reporting Directive to also require companies to provide detailed information on their sustainability performance? Will you apply the sustainable finance framework to all financial

actors and products in order to avoid unfair disadvantages for financial products marketed as sustainable? And the last one: do you commit to adopt, also in the next year, an additional legislative proposal, building on the forthcoming taxonomy providing a full classification framework, covering the entire spectrum of economic activities, according to their degree of sustainability? Thank you very much for concrete answers on these concrete questions.

1-020-0000

Valdis Dombrovskis, Commissioner-designate. – Very detailed questions, but one thing is clear: that we will continue to be ambitious in the area of sustainable finance and we see it as a part – as a regulatory arm – of our green transition.

So first I will come with taxonomy, because we are now entering trilogues on taxonomy and we hope for the conclusion of this, hopefully still this year. Taxonomy will provide a basis for many other actions, including rolling out Green Bond standards, ecolabels and many other elements. On taxonomy, as already outlined, we're currently having a governance framework for taxonomy, so we will be expanding taxonomy also in other areas. We will start with climate mitigation and adaptation, but as you know, there are in total six policy areas across which will continue to expand taxonomy. So this will be a work in progress, and indeed it will be covering a much broader spectrum.

Then on corporate reporting. We will soon publish a fitness check on corporate reporting, including a review of the Non-Financial Reporting Directive, and indeed we intend to expand the scope of the Directive to other financial institutions and also streamline the disclosures by financial institutions. Of course, we will need to respect the proportionality principle, but as this is something which we intend to do. Also we are working now on measures which are targeting more sustainable and mainstream financial actors and figures, so we can have a new look also at ESG risks in the duties of asset managers and institutional investors, at disclosure, and work in many other areas. So in that case, we will continue this work; we will be ambitious and will be engaging closely with the European Parliament.

1-021-0000

Bas Eickhout (Verts/ALE). – When you were talking about the EU Green Bond standards, are you planning to make them binding and transparent and to ensure project disclosure wherever possible? That is an important one, that it's going to be binding and not voluntary.

And secondly, you're also talking about the EIB becoming the climate bank. Can you be more concrete on what you propose? For example, we are discussing now the energy lending policies. Will you allow the EIB, at least will you fight for that the EIB is not going to subsidise any fossil projects because otherwise, what's the meaning of calling the EIB a climate bank?

1-022-0000

Valdis Dombrovskis, Commissioner-designate. – Maybe let me start with the EIB part. I would say that the flagship part of turning the EIB into a climate bank is to increase the share of its financing which is dedicated to climate from the current 25% to 50%. So that's a first important step, and phasing out the financing of fossil energy is part of this strategy.

Then on a green bond standard: as you know, we have asked our technical expert group to provide recommendations on an EU green bond standard. And the technical expert group published its report in June recommending the creation of an EU green bond standard, which should be available to any type of listed and unlisted European and international issuer. I will be supportive of this work and bring it forward under the next Commission.

Regarding transparency, issuers will have to provide details of all the proposed uses of proceeds and of issuers' green bond strategy and processes.

1-023-0000

Guido Reil (ID). – Sehr geehrter Herr Dombrovskis! Sie träumen von der klimaneutralen Wirtschaft. Um diesen Traum zu realisieren, wollen Sie rund 1 Billion Euro in die Hand nehmen. Woher diese Billion kommen soll, sagen Sie nicht so genau – also ich habe da so einen Verdacht: wahrscheinlich vom Steuerzahler. Das Ganze wird zu massiven sozialen Verwerfungen führen. Also ich selbst habe Erfahrung damit, dass es nicht möglich ist, mit Geld, mit Subventionen, Arbeitsplätze zu schaffen oder Strukturwandel wirklich zu realisieren.

Ich komme aus dem Ruhrgebiet. Das Ruhrgebiet war durch Kohle und Stahl einmal der Motor der europäischen Wirtschaft. Kohle gibt es nicht mehr, und die Stahlbranche ist im Niedergang begriffen, und obwohl viele viele Milliarden an Subventionen investiert wurden – auch von der EU –, ist das Ruhrgebiet heute das Armenhaus Deutschlands. Meine Heimatstadt Gelsenkirchen hat die meisten armen Menschen, die meisten Kinder. So etwas funktioniert nicht.

Selbst wenn wir an den Klimawandel glauben, wissen wir doch alle: Den Klimawandel werden wir nicht in Europa bekämpfen. Europa ist für 10 % des weltweiten CO₂-Ausstoßes verantwortlich. Wer das Klima retten will, der rette das am Amazonas, in Afrika und in China, nicht in Europa! Wie wollen Sie verhindern, dass Generationen von Arbeitnehmern und ihre Familien geopfert werden für die „Heilige Greta“ und den Klimawahn?

1-024-0000

Valdis Dombrovskis, Commissioner-designate. – On the fight against climate change, first of all climate change is a reality and Europe must be stepping up its efforts to deal with this because the cost of non-action is going to be even more expensive. Of course we have to take seriously the social concerns when discussing this green transition, and this is exactly what the Commission is intending to do. That's why I have outlined also one of the proposals of the new Commission for creating a Just Transition Fund to accompany this transition to the climate-neutral economy and to support regions and people most affected by this green transition. So clearly we need to have this social component there. But as to what effect the green transition will bring on European economy, it actually can, at the end of the day, be a positive effect. There are estimates in this case to compare our potential climate action to the non-action scenario and the EU's GDP would be around 1% larger when we implement climate action and employment would be some half a percent larger. So in a sense, as I said, non-action is going to be more expensive than action.

On the European sustainable investment plan, there we intend to mobilise both public and private finance. We intend to build on the approach of the InvestEU programme, using the EU budget to leverage substantially larger amounts of private investment, and we intend to work on the sustainable finance action plan, which we just discussed, as a regulatory arm of this transition.

1-025-0000

Guido Reil (ID). – Vielen Dank für die Antwort. Wie stehen Sie denn zu der Umstellung auf E-Mobilität?

Die Automobilindustrie ist der Motor der europäischen Wirtschaft. In Deutschland hängt jeder siebte Arbeitsplatz von der Automobilindustrie ab, in Italien und in Frankreich ist das nicht viel anders. Es gibt eine neue Studie der Universität Essen-Duisburg, die aussagt, dass allein dort 240 000 Arbeitsplätze verlorengehen. Alle großen Zulieferer haben Kündigungen angekündigt. Continental: 20 000 Arbeitsplätze. Ich finde das wirklich nur Wahnsinn! Wir wissen, wie wir die Umwelt zerstören: durch die Produktion der Rohstoffe für die Akkus. Wir wissen, dass diese Akkus Giftmüll sind, und wir haben keine Ahnung, woher der Strom kommen soll für die E-Mobilität.

1-026-0000

Valdis Dombrovskis, *Commissioner-designate*. – On the question of e-mobility, e-mobility is going to be part of a response. How this works is organised at EU level, and there are binding emission reduction targets for cars and trucks. However, there is no obligation for those emission reduction targets to be met only by e-mobility. There are other ways: one can work on improving the efficiency of internal combustion engines; one can look at a hydrogen strategy, just to mention a few examples.

In any case, this work on the reduction of emissions is ongoing. At the end of the day, it's going to be good for the European economy if we use imported fossil energy in cars. At the end of the day, it is going to be beneficial for the European economy. Furthermore, those electric cars, hydrogen cars or more energy-efficient, fuel-efficient cars will also need to be produced in Europe.

1-027-0000

Roberts Zīle (ECR). – Vispirms, Dombrovska kungs, vēlos jūs sveikt ar jūsu darba novērtējumu, nominējot jūs šim augstajam amatam, un es tiešām esmu priecīgs, ka Latvijas pārstāvis iegūs — es esmu pārliecināts, ka iegūs — šo amatu.

I will switch to English. First of all, about your portfolio – ‘An Economy that Works for People’ – well for centuries we have known that people work and the economy grows. Of course, we have a solidarity issue, like you mentioned already, about the social aim of the economy as well and also a sustainability issue. But at the same time I think the political message of your portfolio – which was not decided by you as I understand – shows that ‘something’ is working for ‘us’. It's a bit of a confusing message, I think. In the EU we have to be competitive in a global market and this is, I think, a political message, which is very important from the ECR point of view. The ECR has always been a pro-single market oriented group and will continue like that, even if we are a far-centred group as you see now, and you can rely on our help for any issues.

Coming back to a question already asked partly by the Renew Europe representative on the anti-money laundering issue, according to Europol barely 1% of criminal proceeds generated in the EU are confiscated by the relevant authorities, while only 0.5% of all transactions reviewed by compliance officers in the banking sector ever lead to a criminal investigation. There is a fragmentation of how the rules work in different Member States.

As we know it's not that money laundering issues only happen around the Baltic Sea coast. That's not true. The biggest EU banks pay a significant amount of money as penalties to the US, and so on. That's why I think that even if there's not a central body working in the EU on anti-money laundering issues, particularly as regards financial intelligence units, do you see some kind of possible improvement for the units working in that sector to cooperate with a more cohesive approach?

1-029-0000

Valdis Dombrovskis, *komisāra amata kandidāts*. – Paldies, Zīles kungs, par labajiem vārdiem un par jautājumu! Bet nu es tad arī atbildēšu angļiski, tā kā jautājums bija angļiski.

So I will switch back to English. First, on the question of an economy that works for people. There, I think the message from this is clear: that we want to put a strong focus on inclusive and sustainable growth. We want to see a strong link between economic development, social concerns and sustainability.

It's true that we do not need economic growth for the sake of economic growth, but for the sake of the well-being of the people. Therefore, we need to see that economic growth translates into tangible benefits for all Europeans.

Then on your question on anti-money laundering. Indeed, we touched upon this issue already: the application of EU anti-money laundering rules has been uneven across the EU. And, therefore, we need to rethink how our framework is working. And, in this context, we see a lot of merit in conferring certain anti-money laundering tasks and their coordination to a Union body.

We have already strengthened the competences of the European Banking Authority, which can first require that national authorities investigate possible breaches in this area. Or, as a last resort, adopt a decision directly related to the bank or other financial sector player, in case of inaction on the part of national competent authorities.

As those powers are still to enter into force, we will need to how they work in practice, but clearly we're ready to work further in this area.

1-031-0000

Δημήτριος Παπαδημούλης (GUE/NGL). – Καλώς ήρθατε, κύριε Dombrovskis! Ο τίτλος του χαρτοφυλακίου σας είναι «Μια Οικονομία στην Υπηρεσία των Ανθρώπων». Αλλά στα 15 λεπτά που παρουσιάσατε τους στόχους σας δεν είπατε τίποτα για τις εντεινόμενες κοινωνικές ανισότητες τα τελευταία χρόνια μέσα στην Ευρώπη. Η απόσταση ανάμεσα στους πλούσιους και στους φτωχούς έχει μεγαλώσει δραματικά. Αν θέλετε λοιπόν μια οικονομία που να λειτουργεί για τους ανθρώπους, πείτε μου τι σκοπεύετε να αλλάξετε. Με ποια μέσα, με ποια μέτρα, με ποια χρήματα θα προσπαθήσετε να σταματήσετε αυτή την εκρηκτική αύξηση των ανισοτήτων;

Επίσης, από τη στιγμή που συμφωνείτε ότι χρειάζεται ενίσχυση των δημοσιονομικών πολιτικών για να αντιμετωπιστεί η επιβράδυνση ή και ο κίνδυνος ύφεσης για την ευρωπαϊκή οικονομία, πείτε μου με ποια χρήματα θα υλοποιηθεί αυτό, όταν και ο ισχνός προϋπολογισμός που παρουσιάζει η Επιτροπή περικόπτεται από το Συμβούλιο.

1-032-0000

Valdis Dombrovskis, Commissioner-designate. – On the first question on an economy that works for the people, I want once again to emphasise this issue of inclusive growth. This has been a focus already during this Commission, and we will continue to work in this direction during the next Commission. If you look now at our economic governance in the European Semester, almost half of all the recommendations – 44% of all recommendations – are devoted to social and employment issues. This dimension has been strengthened substantially in recent years.

If you look at our proposal for next Multiannual Financial Framework, we also propose a strengthened European Social Fund Plus with EUR 100 billion financing to help address social issues. If you look at our advice in other policy areas, like taxation, there is also emphasis on the reduction, for example, of taxation – especially on low-paid labour – and shifting the tax burden to other tax bases less detrimental to gross. So you can look across many different policy areas.

As regards the economic downturn, indeed this will require policy response at EU level. We have already touched upon this. One side of the coin is monetary policy, which is performed by ECB; another side is fiscal policy. Our approach is, in any case, that we need to continue with the use of flexibility within the rules of the Stability and Growth Pact, especially to allow for situations of a potential economic downturn.

1-033-0000

Δημήτριος Παπαδημούλης (GUE/NGL). – Είσαστε διατεθειμένος, κύριε Dombrovskis, να συμμαχήσετε με το Ευρωπαϊκό Κοινοβούλιο εκεί όπου χρειάζεται να δράσουμε από κοινού για να σταματήσει το Συμβούλιο να «βάζει φρένο» σε αυτά που χρειάζονται; Διότι ούτε αυτά που μας είπατε ούτε αυτά που θα παρουσιάσει για την Πράσινη Νέα Συμφωνία (Green New

Deal) ο κύριος Timmermans ούτε αυτά που θα παρουσιάσει η κυρία Vestager για την ψηφιακή μετάβαση είναι δυνατόν να υλοποιηθούν με προϋπολογισμό 1% του ευρωπαϊκού ΑΕΠ.

Επίσης, είσαστε διατεθειμένος να προτείνετε ένα ευρωπαϊκό οικονομικό FBI ικανό να αντιμετωπίζει αποτελεσματικά το οικονομικό έγκλημα;

1-034-0000

Valdis Dombrovskis, Commissioner-designate. – Okay, so as I understood, the question was concerning the next Multiannual Financial Framework where indeed the Commission has put forward a proposal which is substantially larger than 1% of EU GNI. It's 1.11% of EU GNI compared with the current level of 1.03%. That's in the context of Brexit.

The EU's GNI is also going to be smaller post-Brexit, so it doesn't mean such a substantial de facto increase. It's more like a reaction to Brexit.

Of course we know that the European Parliament has a much more ambitious approach of 1.3% of GNI for the next MFF whereas, if you look at discussions in the Council, even the Commission's relatively modest proposal of 1.11% seems to be too much for a number of countries.

Clearly, I think we will be working closely with the European Parliament to defend the Commission proposal and to see what additional elements are needed and how they can be integrated within the MFF framework – for example the Just Transition Fund.

1-035-0000

Inese Vaidere (PPE). – Godātais Dombrovskis kungs, Valdi! Kā jau jūs minējāt, eiro ir sekmīga valūta, tomēr tai parādās, ja tā var teikt, konkurenti. Tāpēc es labprāt uzzinātu vairāk par jautājumu, kas interesē daudzus inovatīvi noskaņotus indivīdus un arī uzņēmumus Eiropā, proti, tās ir kriptovalūtas, kriptoaktīvi, jo pašreizējā pieeja kriptovalūtu regulējumam Eiropas Savienībā rada risku, ka atsevišķas valstis, piemēram, Malta, jau pieņem savus noteikumus šajā jomā, kamēr Eiropas Savienības līmenī vēl notiek izpētes process.

Gada sākumā jūs paziņojāt, ka tiks pārskatīti spēkā esošie tiesību akti un notiks izpēte. Šodien jūs apliecinājāt vēlmi strādāt pie likumdošanas. Bet kā maksimāli izmantot iespējas, ko šādi aktīvi paver, un novērst jaunus riskus, ko tie var radīt? Kā tikt galā ar jauniem izaicinājumiem, piemēram, *Facebook* priekšlikumu ieviest virtuālo valūtu "libra"?

1-036-0000

Valdis Dombrovskis, komisāra amata kandidāts. – Jautājums attiecībā uz virtuālajām valūtām jeb faktiski mēs pat lietojam terminu "virtuālie aktīvi", jo eirozonā īstenībā ir tikai viena valūta un tas ir eiro. Bet, ja runājam par virtuāliem aktīviem, tiešām, kā jūs pieminējāt, pagājušā gada laikā mēs veicām izpēti. Tātad kāda ir esošā normatīvā bāze? Cik lielā mērā tā ir piemērojama virtuāliem aktīviem jeb kriptovalūtām? Un šī gada sākumā mēs saņemām arī priekšlikumus no Eiropas uzraudzības institūcijām, un faktiski pašreiz mēs strādājam pie tā, lai radītu regulējuma ietvaru kriptovalūtām. Jebkurā gadījumā šis jautājums būs aktuāls.

Varbūt pagājušā gadā šī izpēte bija vairāk bitkoinu un to vērtību svārstību kontekstā un faktiski arī, brīdinot patērētājus no riskiem, ko nes ieguldījumi šādos augsti spekulatīvos aktīvos. Pašreiz mēs tiešām nopietni vērtējam šo tā saucamo libras projektu, jo, ņemot vērā arī to, cik ietekmīgas kompānijas pašreiz šo projektu virza, ir skaidrs, ka tam var būt potenciāli sistēmiska ietekme un ka pastāv attiecīgi riski attiecībā uz finanšu stabilitāti, monetāro politiku, datu aizsardzību, naudas atmazgāšanu — pieminēju tikai dažus piemērus.

Līdz ar to Eiropas Komisija pašreiz arī ir pieprasījusi Libras asociācijai, kas strādā pie šīs valūtas, precīzu informāciju par to, kādi tad ir konkrētie plāni. Jebkurā gadījumā mēs gaidām

šīs atbildes. Bet jebkurā gadījumā ir skaidrs, ka libru būs nepieciešams regulēt un uzraudzīt Eiropas Savienības līmenī gan no finanšu stabilitātes, gan no investoru aizsardzības viedokļa.

1-037-0000

Inese Vaidere (PPE). – Thank you very much and I would like to ask more generally in relation to FinTech development. How to strike the right balance between encouraging innovation and preserving financial stability? How will the new FinTech strategy support digital technologies in our financial system?

1-038-0000

Valdis Dombrovskis, Commissioner-designate. – Well, as regards the FinTech action plan, indeed, we now need to come forward with a renewed FinTech action plan and already in our original plan this was a key question, to strike the right balance between promoting innovation and addressing potential risks.

So one approach, which we are using, is technology neutrality. In a sense we look at the nature of the product and the potential risks it creates, regardless of the specific technology through which it is provided. So this is one area of work.

Then I would emphasise also the possibility of scaling-up across the EU. And to give an example, we need to complete our work on crowdfunding platforms where we want them to work across the EU, based on a single authorisation.

1-039-0000

Nils Ušakovs (S&D). – If you don't mind, I will go back to the Sustainable Europe Investment Plan. You have committed, on different occasions, including also in this morning's address, that the EU plans to coordinate EUR one trillion for this initiative, which is fantastic, indeed.

And question number one is: could you outline, please, how you plan to finance this initiative?

Question number two is – well, my assumption would be that we can truly hope that we are talking about one trillion of fresh money, so it shall probably be a kind of mixture of proportions between re-labelling existing programmes and looking for fresh financing. Could you provide a professional and fair forecast about these proportions between re-labelling existing programmes and trying to get new money?

And number three is: how do you plan, which skills are you planning to use to deal with the national governments and Member States that will oppose the idea of spending more money on sustainability?

1-040-0000

Valdis Dombrovskis, Commissioner-designate. – Maybe I will start with the last question because I hope that, at the end of the day, governments will not oppose this. Because, as we see now, governments are actually signing up to the ambition for Europe to move towards climate neutrality by 2050. And countries have already signed up to the Paris emission reduction targets. And if you sign up to those goals, obviously you also need to respond to the question of financing. So, I hope that will also be clear in the Council.

Then, as regards the Sustainable Europe Investment Plan, first of all, there will be several work strands. So, first it's a financial work strand: support from the EU budget and the EIB to attract investment and also advisory support to create a pipeline of eligible projects. Because we don't only need to mobilise money, we also need good-quality projects which actually enable the sustainable transition.

As regards money: the aim is to mobilise one trillion euros in sustainable investment by leveraging private money via the InvestEU programme, via the EIB, where we, as you know,

intend to move up this target for climate financing from 25% to 50%. That's going to be fresh money, and through other contributions in the EU budget. Of course, we would also need to mobilise Member States, international financial institutions and national promotion banks, so we need to have a holistic approach here.

So, first is indeed to look at how we can further strengthen sustainability in our InvestEU proposal, how we can improve sustainability and mainstreaming in MFF and how we step up EIB financing.

1-041-0000

Nils Ušakovs (S&D). – I will try again to make you provide a guess – obviously a professional one – if not a forecast about the proportions. Would you be ready to tell your former colleagues from the European Parliament that it could be 10% or 20% of new money and the rest is where we're talking about programmes being re-labelled?

If we know that you are ready to say that at least some part of this money will be fresh, could you mention some of the new programmes or new initiatives you would be ready to go further on within this Sustainable Europe Investment Plan?

1-042-0000

Valdis Dombrovskis, Commissioner-designate. – I would not state a percentage right now, but when I mentioned EIB lending targets, this is fresh money to compare with the current situation, and it amounts to many tens of billions of euros.

When we look, for example, at a 30% climate target under InvestEU, we can look at whether we can have a broader and more ambitious target. Furthermore, within other windows of the InvestEU programme, such as skills, SMEs and innovations, we can use this money to help SMEs to manage climate transition, promote clean tech innovation, and re-skill our workforce for green transition.

We will also encourage Member States to allocate up to 5% of their funds under shared management for the InvestEU programme, which again will allow us to leverage substantial amounts of fresh money. Therefore, a substantial part of this is going to be fresh money.

1-043-0000

Атидже Алиева-Вели (Renew). – Г-жо Председател, уважаеми г-н Домбровскис, строителният сектор е един от основните мотори на икономиката, но е изправен пред редица предизвикателства, свързани с конкурентоспособността, с ефективността на ресурсите, с недостига на работна ръка и с производителността. Секторът изпитва затруднения да се възползва от възможностите, които дава дигитализацията и които биха били решение за увеличение на производителността, и най-вече на рентабилността.

В тази връзка бих искала да попитам: имате ли вече разработен план и какви конкретни мерки предвижда той за преодоляване на недостига на работна ръка в сектор „Строителство“, и предвиждате ли целеви инвестиции по региони за създаване на високообучителни центрове?

1-044-0000

Valdis Dombrovskis, Commissioner-designate. – As regards the construction sector, the construction sector indeed faces significant skills needs. There is, on the one hand, an ageing workforce, which would need to be replaced. On the other hand, there are estimates that employment will continue to grow in the construction sector: there are some estimates for 2021-25 of 0.4% growth in employment. Of course it's particularly relevant for countries where actually many workers are leaving, because the construction sector has been traditionally the sector with the highest percentage of posted workers, so some 40% of all posted workers were in the construction sector.

An important element to address this work labour shortage is skills. Skills which will be needed in the construction sector also will likely need to change to meet the needs of green and energy-efficient buildings and also to support digital transformation in more efficient transport sectors. In any case, Member States can use the possibilities provided through an updated EU skills agenda and also can use the programme as support for the ESF+ programme.

We think social dialogue is also important to address social challenges in the construction sector, and we intend to work closely with the European social dialogue committee for construction. They are particularly active once again in areas like skills development, labour law, youth employment, vocational training, health and safety at work, and labour mobility.

1-045-0000

Атидже Алиева-Вели (Renew). – Във връзка с горещо дискутираната „Европейска зелена сделка“ какви мерки ще предприемате, за да насърчите и да ангажирате максимално строителите да участват в обща европейска платформа за минимизиране на екологичния отпечатък по време и след строителния процес? Как ще работите за повишаване на екологичните стандарти в строителството и за въвеждане на ясни индикатори за качество на строителството в контекста на климатичните промени и на опазване на околната среда?

1-046-0000

Valdis Dombrovskis, Commissioner-designate. – On this, as I already mentioned, standards for buildings are also changing. We are moving towards more energy-efficient and passive buildings, and of course construction processes and practices, construction materials, will need to reflect those changes.

So the construction sector clearly will be an important part of the European Green Deal because, as we know, buildings are actually one of the largest, if not the largest, sources of emissions in the EU. Therefore, you cannot have a green transition if you do not have it in the buildings sector and, correspondingly, you do not change standards for new buildings, but also if you do not improve retroactively the energy efficiency of existing buildings.

1-047-0000

Sara Skyttedal (PPE). – Mr Dombrovskis, as Vice-President of the Juncker Commission you have re-launched the social dialogue with promising results. The importance of social dialogue for a well-functioning, flexible and effective labour market cannot be emphasised enough. Therefore, it is crucial that the Commission, during the coming mandate, continues to enhance the work with social dialogue and involves the social partners when proposing legislative files. With this in mind, what concrete measures do you intend to take in order to continue to strengthen the social dialogue at the European level? And how will the Commission assure that the social partners are consulted and involved properly when proposing legislative initiatives in order not to undermine different labour market models within the EU?

1-048-0000

Valdis Dombrovskis, Commissioner-designate. – Well, as regards social dialogue, indeed, this Commission made a new start for social dialogue and I had the honour to be the first Member of the European Commission to be formally responsible for social dialogue, and we intend to continue to develop social dialogue.

It's also clearly reflected in the European Pillar of Social Rights, in Principle 8, and we had made a lot of progress during the last five years – involvement of social partners in the European Semester at European and national levels, consultations on key policy proposals, including on the European Pillar of Social Rights itself, support for capacity building, and we will continue along those avenues.

We also need to strengthen the effectiveness and functioning of cross-industry and sectoral-social dialogue – and one area I look forward to is also the autonomous agreement on digitalisation because social partners also work in this area as they need to update their working relations to the digital era.

And clearly when we are coming forward with EU legislation in this area, we have always very strongly emphasised that we want to respect collective bargaining models in different Member States, especially where those models work very well, like in Nordic countries.

So, when we are coming with different initiatives this is our guiding principle and will be so in the future.

1-049-0000

Sara Skyttedal (PPE). – As you mentioned in your answer, another aspect which comes to mind here is digitalisation. I would like to know what measures could be taken to ensure that workers who are engaged in new forms of employment, such as platform workers, get proper protection and decent living conditions, while making sure not to undermine the growth potential in these new services, or obstruct the digital transformation of our society.

We know that many of these people are self-employed. Could we create some kind of mechanism, for example through social dialogue, which would allow them to share their concerns with lawmakers in our modern society?

1-050-0000

Valdis Dombrovskis, Commissioner-designate. – Indeed, digitalisation is bringing new opportunities, but also new challenges, and working conditions is one. That's why, when we will be preparing the action plan on the implementation of the European Pillar of Social Rights, one of the work directions is going to be the improvement of conditions for platform workers.

We have already come forward with several proposals on amendments of the directive on fair and predictable working conditions and on the Council recommendation on access to social protection. Because what we need to ensure is that – regardless what new forms of work that people, also in the digital economy and platforms – they contribute to the social systems and they are covered by the social systems. So that's a guiding principle in this work.

1-051-0000

Klára Dobrev (S&D). – Mr Dombrovskis, in your written answer, you quoted Ursula von der Leyen that it's 'high time to reconcile the social and the market in today's modern economy'. You also wrote some plans and proposals on how to strengthen or refocus the European Semester and on how to strengthen its social dimension. Let me ask you specifically, will you bring forward a legislative proposal to include an annual assessment of social housing, income inequality, wage development and collective agreement coverage in the semester process?

Will you also propose – and this would be actually the main goal – legislation to align the social scoreboard with all 20 principles of the social pillar?

1-052-0000

Valdis Dombrovskis, Commissioner-designate. – First, on the social dimension of the European Semester, it has been substantially strengthened in previous years, and during the last couple of years we have used the European Semester also to improve the implementation of the European Pillar of Social Rights at national level. Since 2018, the social scoreboard monitors Member States' performance on key employment and social indicators related to the Pillar. Whether we can extend it is certainly something we can look at in the context of preparing the action plan of implementation of the European Pillar of Social Rights. Whether we need legislative amendments, for example to monitor social housing, income inequality, wage development and other things, actually this is what we already are doing within the

context of the European Semester. We probably need to discuss more in-depth what's the background of the question, but to cover the social dimension and to cover the sustainable development goals in the European Semester is definitely something we can do already now and that's exactly our intention on how to move forward.

Of course, another important element which we have strengthened during the last years is engagement with Member States, engagement with social partners, engagement with other stakeholders. It's important that we not only address recommendations to the Member States but that we discuss with them, we understand better the Member States' contexts and needs, and that the European Semester becomes part of the national policy debate.

1-053-0000

Klára Dobrev (S&D). – Yes, let me then focus on your last sentence about involving social partners in the semester process, which gives democratic legitimacy to the whole exercise. You mentioned that you would like to ensure that Member States also carry out a high-quality and transparent social dialogue themselves. Again specifically, will you come up with a legal proposal for a framework for information, consultation and board-level representation in order to make this process – and especially the social pillar part of the semester process – transparent and democratic?

1-054-0000

Valdis Dombrovskis, Commissioner-designate. – Well, first of all the principle of involvement of social partners and the role of the social partners is already enshrined in EU treaty and secondary legislation. Of course we are open to discuss possible legislative amendments there, but as regards the European Semester, well social partners are already involved in the European Semester, so this is something we intend to continue de facto and also we continue not only to do it ourselves at a European level but we encourage Member States to do it at a national level. There had been number of country-specific recommendations addressed to countries to involve social partners when preparing documents relevant to the Semester and we actually have also asked the Member States to provide information on how they are involving social partners when preparing relevant documents.

1-055-0000

Tatjana Ždanoka (Verts/ALE). – Mr Dombrovskis, you are the Vice-President-designate for the position an Economy that Works for People, but up to now we hear a lot of economy and not enough about the people, many of whom are listening now to this hearing and waiting for the Commission indeed to work for them and to feel that improving their social situation is a driving force behind the legislative work. These social issues are extremely important for the whole European Union but especially for the country we both represent, Latvia, as well as for those countries where governments are totally ignoring the calls for social guarantees until they are established at the whole European level. Therefore, my question is, will you commit to getting out a social impact assessment for all measures and legislative proposals and veto those that would have a negative social impact?

1-056-0000

Valdis Dombrovskis, Commissioner-designate. – As already outlined, we are going to be very ambitious in the social area. When preparing the action plan on implementation of the European pillar of social rights, we're going to come forward with a legislative proposal on a European framework for minimum wages, on a new Child Guarantee, on strengthening the Youth Guarantee, on improving the conditions of platform workers and on a European unemployment insurance scheme. These are just a few examples. One can be sure that the Commission is going to be ambitious in the social area in the next five years.

As regards the question of social impact assessments, we are already doing impact assessments of all our legislative proposals in line with the principles of better regulation. Of course, social impact is part of this overall impact assessment. For example, when we were preparing the support programme for Greece in 2015, one of the things we carried out in the

context of this preparation was a social impact assessment of the programme. Correspondingly, we were strengthening the social dimension when engaging with the Greek authorities. The answer is yes, so social impact will certainly be part of our decision-making process.

1-057-0000

Tatjana Ždanoka (Verts/ALE). – Thank you for the ‘yes’ answer since the question was just a simple yes or not, but this ‘yes’ has to be enlarged by the position that these minimum wages, as well as common rules for unemployment benefits, etc., will be established on the whole European level. That is the problem, I guess, that you have to tackle, which was mentioned in Ms von der Leyen’s proposals.

1-058-0000

Valdis Dombrovskis, Commissioner-designate. – Let me come back on this. Of course, when we discuss the European framework for minimum wages, it’s meant to be for the whole European Union. But let me come here with one nuance. When we discuss the European unemployment reinsurance scheme, this is meant as the euro area fiscal stabilisation function, so it’s part of these euro area discussions, because euro area countries and ERM II countries do not have the room to manoeuvre, if you like, in monetary policy in terms of currency exchange rates, so we are working on this fiscal stabilisation function within the euro area to compensate for that.

1-059-0000

Gunnar Beck (ID). – Guten Tag, Herr Kommissar! Seit Jahren warnen die *financial action task forces*, Moneyval und der Europäische Rechnungshof, dass auch NGOs als Geldwäschevehikel und zur Terrorismusfinanzierung genutzt würden. Kenneth Wayne, der Beauftragte der maltesischen Regierung für die Überwachung des gemeinnützigen Sektors, sprach sich deshalb für eine Ausweitung der EU-Geldwäschegesetzgebung auf den NGO-Sektor aus. Auf politischen Druck musste er daraufhin zurücktreten. Letzten Monat befragte ich Beamte der Kommission, warum NGOs von der bestehenden EU-Gesetzgebung ausgenommen seien. Die Antwort war nichts weniger als skandalös. Ich zitiere: Die Kommission wünscht nicht, dass NGOs als kriminell angesehen werden. Mit anderen Worten: Weil NGOs meist willfähriger Erfüllungsgehilfe der EU in einigen Politikbereichen, wie der Migrationspolitik, sind, stehen sie auch über dem Gesetz. Und ich wollte dieses Thema eigentlich in den schriftlichen Fragenkatalog an Sie aufnehmen, doch leider wurde meine Fragen von den Kollegen der Mehrheitsfraktionen gestrichen. Deswegen also die gleichen Fragen an Sie hier direkt.

Erstens, warum wird Ihrer Meinung nach starker politischer Druck ausgeübt NGOs vom bestehenden Rechtsrahmen zur Bekämpfung der Geldwäsche auszunehmen? Zweitens – ich verzichte auf mein *follow up*, dies nur zur Klarstellung – zweitens: Können Sie uns versichern, dass Sie den Empfehlungen der internationalen Fachorganisationen und des Europäischen Rechnungshofes zur Ausweitung der EU ...

(Die Vorsitzende entzieht dem Redner das Wort.)

1-060-0000

Lucia Āuriš Nicholsonová, Chair EMPL. – Excuse me, but that is the end of your question. It is so unfair as it has been more than two minutes – two minutes, eighteen seconds. There will be no follow-up question. I used my hammer and you pretended that you didn’t hear it.

1-061-0000

Gunnar Beck (ID). – I accept that.

1-062-0000

Lucia Āuriš Nicholsonová, Chair EMPL. – There will be only an answer. No follow-up question.

1-063-0000

Valdis Dombrovskis, Commissioner-designate. – So as regards the NGOs in the context of anti-money laundering, indeed NGOs are not formally obliged entities under the Anti-Money Laundering Directive, and they are also not obliged entities under the international standards of the Financial Action Task Force.

But it's worth noting, however, that you do not have to be an obliged entity to be subject to the AML framework. NGOs are clients of other entities. If they carry out transactions in banks, if they employ the services of lawyers and accountants then they are, as the banks, lawyers and accountants are obliged entities themselves. Therefore, in that case the activities of NGOs will be monitored by obliged entities and be subject to consumer due diligence.

It's actually the same approach as for other legal entities, foundations and other legal arrangements – it's not unique for NGOs.

We assess the risk of NGOs under our supranational risk assessment, which we issued in July 2019, and indeed there are certain risks in some categories of NGOs. But neither our analysis nor the analyses of the Financial Action Task Force show that NGOs should be obliged entities.

1-064-0000

Elżbieta Rafalska (ECR). – Panie Komisarzu! W ramach swoich kompetencji jest Pan odpowiedzialny za koordynację wdrożenia Europejskiego filaru praw socjalnych. Jednym z fundamentów tego filaru jest postulat zapewnienia równych szans. Tymczasem mimo postępu technologicznego, rozwoju i cyfryzacji doskonale wiemy, że borykamy się również z problemem wykluczenia cyfrowego. Ponad czterdzieści procent dorosłych Europejczyków nie posiada podstawowych umiejętności cyfrowych, a są kraje, w których ten poziom wynosi nawet siedemdziesiąt procent. Oznacza to, że znaczna część nie ma dostępu do wielu różnych usług, jest wykluczona internetowo, jest wykluczona społecznie i ekonomicznie. Dotyczy to zwłaszcza osób starszych i osób niepełnosprawnych. Chciałabym więc zapytać, jakie zamierza Pan podjąć działania, żeby zmniejszyć skalę tego wykluczenia cyfrowego?

1-065-0000

Valdis Dombrovskis, Commissioner-designate. – As regards the question of the digital divide and digital exclusion, this's going to be an important part of our agenda on digital transformation. Because, clearly, when our economy and society will get more digital, people will need digital skills. This is an important part of our skills agenda, because to equip people for the digital age, you obviously need digital skills, and there clearly is a shortage.

There are different estimates and surveys, but around 30% of our people lack digital skills at an adequate level for their employment needs, and some 10% lack digital skills completely. So there is, first and foremost, a skills gap which needs to be addressed if we want to have a successful digital transition. This concerns our education system, but it also concerns a concept of lifelong learning, re-skilling and upskilling throughout working life.

If we discuss the digital divide, I would reiterate another concern which we in the Commission feel in the context of the digital divide: the working conditions of workers in a digital economy, especially as we discuss platform economies. And the European Commission is also going to act on this.

1-066-0000

Elżbieta Rafalska (ECR). – Panie Komisarzu! Mówiliśmy o tym, żeby poprawić dostęp do cyfryzacji, żeby rozwijać podstawowe umiejętności, ale wyzwaniem jest również nadążenie za tą zmieniającą się rzeczywistością cyfrową, bo może tu dojść do pośrednich form wykluczenia. Mówiliśmy też o wyzwaniach dla rynku pracy związanych z cyfryzacją. Czy

dostrzega Pan również związane z tym zagrożenia zarówno dla rynku pracy, jak i dla gospodarki?

1-067-0000

Valdis Dombrovskis, Commissioner-designate. – As regards the question of exclusion, I would say in this context that it is closely linked with the question of skills. Why people are potentially excluded from the labour market, that they do not have the necessary digital skills to be successful in that labour market, which brings us back to the questions of our skills agenda.

In this context, it also brings us back to our Youth Guarantee, where also one of the avenues is that if young people are neither in employment, education or training that the state needs to provide within four months, one those three avenues, so that people are not excluded from the labour market because if they are young people the effects are even more detrimental for the rest of the working life.

1-068-0000

Tomáš Zdechovský (PPE). – Paní předsedající, vážený pane komisaři, v souvislosti se sociálním pilířem je často zmiňován cíl férového, fungujícího a bezbariérového evropského pracovního trhu, který má zajistit občanům nová a účinnější pravidla.

Jaké nové specifické legislativní či nelegislativní iniciativy v oblasti zaměstnanosti a sociálních věcí plánujete prosadit ve spolupráci s komisařem Schmitem a v jakém časovém horizontu? A druhá otázka: Jak zajistíte, že právo na spravedlivou mzdu a právo na zdravotní péči budou mít v současné moderní evropské ekonomice stejnou prioritu jako ambiciózní hospodářské cíle?

1-069-0000

Valdis Dombrovskis, Commissioner-designate. – First, let me remind that I was also responsible for the preparatory work of the European Pillar of Social Rights, proclaimed in 2017. Currently we are working on an action plan for the implementation of the Pillar, because if you look at the practical implementation now on the ground, it has been quite uneven across the Member States and across policy areas. So, if confirmed, I will be also coordinating the preparation of the action plan for the Social Pillar. So let me mention some concrete proposals which are in the pipeline. Some of them we have mentioned, like a legal initiative on fair minimum wages, and that was in first hundred days of the mandate; a European child guarantee; a strengthened youth guarantee; a European unemployment benefit insurance scheme, which should be in the context of the next Multiannual Financial Framework; an updated skills agenda; improved labour conditions for platform workers (we have already discussed it recently), and also a new European gender strategy, including measures on binding pay transparency. Of course, this would need to be accompanied by our work in the European Semester, so to improve implementation at the national level, and it needs to be accompanied by resources in the next Multiannual Financial Framework, where we have a proposal of more than EUR 100 billion for the new European Social Fund Plus.

1-070-0000

Tomáš Zdechovský (PPE). – Moje druhá otázka se bude týkat především té nejzranitelnější skupiny, a to jsou lidé v důchodovém věku. Jedna věc je, že řada lidí na evropském jednotném trhu pracuje v jiných členských státech. Mně se dostává do ruky řada případů, kdy vlastně ta výměna mezi jednotlivými státy a úřady je pořád na tak špatné úrovni, že řada důchodců se dostává do dluhové pasti díky tomu, že dochází k přiznání důchodů třeba po více než dvou letech od doby, kdy o důchod zažádali.

Proto se Vás chci zeptat: Jak chcete tento problém řešit? Máte v plánu urychlit tok informací mezi členskými státy? Plánujete třeba větší podporu elektronické výměny informací o sociálním zabezpečení? Jaký je současný stav přípravy této legislativy?

1-071-0000

Valdis Dombrovskis, Commissioner-designate. – Indeed, when we look at questions related to pensions and pension rights, one of the aspects which we are looking at is portability of pensions in cross-border situations and, as a principle, this is a right that should be available to mobile workers. So we are ready to work to improve the practical situation on the ground. We can look whether there is scope for the European Labour Authority to do something on this, because it concerns first mobile workers before they become pensioners and while they accrue their pension rights and – as you already said – the exchange of information on social security among Member States, but also for example, we were discussing during this mandate the European social security number initiative, which would also help and facilitate this exchange of information.

1-072-0000

Ondřej Kovařík (Renew). – I would like to raise – or come back to – an issue on small and medium-sized enterprises (SMEs) you mentioned in your introductory speech. As you rightly pointed out, SMEs are a critical part of the European economy. There are over 20 million of them, employing some two thirds of the European workforce. So, to a certain extent, an economy that works for SMEs works also for the people and, I think, in that sense you are perfectly placed.

You should be in charge, according to your mission letter, of elaborating an SME strategy. You have already mentioned that one of the points of the strategy should be the new fund. I would like to ask you if you can give us some other concrete elements, let's say, some three measures that you would like to base your SME strategies on, mainly with regard to access to finance for SMEs on a cross-border level, but also on an EU-wide level.

1-073-0000

Valdis Dombrovskis, Commissioner-designate. – Thank you very much for this question. Indeed, together with my colleague, Margrethe Vestager, we will be coordinating the work with a number of Commissioners on SME strategy. I would say it's a broad strategy, which covers a number of aspects – access to finance being only one of the aspects, but also to help SMEs to cope with the green and a digital transformations of our economy, looking also at the administrative burden, principle of proportionality, which is especially important for SMEs.

But to come specifically to access to finance for SMEs, there are some initiatives, which we will already take during this mandate. For example, extending the scope of SME supporting factor to all loans to SMEs – so to facilitate bank lending to SMEs, and working in a context of a capital markets union to improve access for SMEs to capital markets, for up-scaling, for access to so-called growth markets, simplifying prospectus requirements for SMEs.

So, a concrete new initiative, which we intend to put forward in the next Commission is a dedicated public-private fund to support initial public offerings of SMEs, as a concrete example of how we intend to facilitate SMEs' access to finance, and of course we still need to look at conditions and cost of access of SMEs to the regular capital markets.

1-074-0000

Ondřej Kovařík (Renew). – With my follow-up question, I would like to come back to the issue of anti-money laundering. I think we already mentioned that part, but I would like to invite you to bring us a little bit beyond your admission letter and the written answers we already saw. Perhaps you could give us a little bit more detail on what exact specific supervisory tasks you would like to consider to be dealt with at European Union level when it comes to anti-money laundering.

In this regard, how exactly will the Commission services now be organised when it comes to this issue after the transfer of the competences from DG Justice to your services? Could you can give us more details of how exactly you would like to handle the issue within your

services, and how exactly would you like to enhance information sharing, which seems to be one of the key issues that is lacking right now?

1-075-0000

Valdis Dombrovskis, Commissioner-designate. – As regards specific supervisory tasks to be transferred to EU level, we have already showed some elements of the way forward with our proposal on a review of the European supervisory authority. So, on one hand it's within the authority of an EU-level body, in this case the European Banking Authority, to demand action from the national competent authority and, in the event of non-action, it has the possibility to apply a decision directly on the financial market participant.

Those new powers for the European Banking Authority are already there but they will enter into force, if I'm not mistaken, from 2021. We see that there is definitely scope for more coordination at EU level: exchange of information, using best practices but, in the event of a non-cooperative approach, the authorities also need to have the possibility to act directly.

1-076-0000

Miroslav Radačovský (NI). – Vážený pán Dombrovskis, malí a strední podnikatelia v Európskej únii, a teda aj v mojej vlasti, na Slovensku, vytvárajú 2/3 pracovných miest. Je zrejmé, že prípadný brexit, ak nastane, sa určite dotkne trhu aj podnikania, a teda malých a stredných podnikateľov. (a teraz otázka) Čo pre malých a stredných podnikateľov ako budúci možný výkonný podpredseda pre hospodárstvo fungujúce v prospech ľudí v prípade brexitu ste pripravený zo svojej pozície urobiť, ale aj čo ste pripravený urobiť pre zlepšenie malého a stredného podnikania v prípade, že by k brexitu nedošlo? Tvrdím, že malí a strední podnikatelia sú najviac zraniteľní a je potrebné ich v Európskej únii chrániť a podporovať ich viac ako doposiaľ. Týka sa to predovšetkým malých krajín, ako je Lotyšsko, Estónsko, Slovinsko aj Slovensko. Čo hodláte v tomto smere urobiť? Mám na mysli, ako sa dá zlepšiť legislatívne lepší prístup ku kapitálu pre malých a stredných podnikateľov, respektíve pre malé a stredné podniky?

1-077-0000

Valdis Dombrovskis, Commissioner-designate. – So, first SMEs in the context of Brexit. Of course, Brexit is going to be economically disruptive, especially a no-deal Brexit. From the Commission side, we have already indicated that we stand ready to support countries and regions mostly affected by this scenario, should it materialise. We have also made available some of the EU's financial instruments in this case to support affected countries and regions.

Also, of course, there is the possibility of using EU cohesion and structural funds – especially, as you mentioned, for smaller cohesion countries – and we would need to see if we need to adjust our EU fund programming to address certain risks or problems stemming from Brexit, especially a no-deal Brexit. But I would say it's a broader work on the business environment, on the proportionality of regulation, and all this is going to be part of our SME strategy which we are going to devise during the next Commission.

As regards access to finance – we have already discussed briefly SMEs' access to finance – but especially in the context of the countries you mentioned, I would also outline the development of regional capital markets. For example during this mandate we have supported the creation of a pan-Baltic capital market and we also stand ready to work with other smaller countries in supporting development of their capital markets and regional capital markets.

1-078-0000

Miroslav Radačovský (NI). – Pokiaľ sa týka konkrétne vašej osoby, je vám ku cti, pán Dombrovskis, že ste boli premiérom v čase, keď vaša airBaltic bola v strate 120 miliónov pri tržbách 350 miliónov EUR a v súčasnosti patrí národný letecký prepravca pobaltskej krajiny medzi najlepších zamestnávateľov. Hovorím to ani nie tak kvôli vám, ale kvôli tomu, že na tom projekte oddlženia sa podieľal rodák z môjho mesta, rodák z môjho mesta, nechcem ho teda menovať, Martin Sedlacký, alebo ho pomenujem, Martin Sedlacký, a som nato ako

Slovák hrdý. A kieżby by v tomto Parlamente bolo viac ľudí zo Slovenska, z východného Slovenska. Ďakujem. Chcel som ešte položiť otázku...

(Predsedajúca prerušila rečníka)

1-079-0000

Lucia Ďuriš Nicholsonová, Chair EMPL. – A question is something with a question mark at the end.

1-080-0000

Marek Belka (S&D). – We have touched upon the Stability and Growth Pact before. Well, obviously this is the fundamental question. I'd like to go back to this issue, especially as regards the flexibilisation of the Stability and Growth Pact. Without sufficient flexibilisation, the discussions about the social pillar and sustainable finance become, at least in the case of some countries, very difficult, if not vacuous.

So let me ask you, what is your red line as far as the flexibilisation of the Stability and Growth Pact is concerned? Perhaps it is moving and there is no red line.

1-081-0000

Valdis Dombrovskis, Commissioner-designate. – I think, as a general principle in Europe, we should avoid drawing too many red lines and rather work in a spirit of compromise. That's how the EU is working.

But now to come to your question on the Stability and Growth Pact. Currently, our approach is to make the best use of flexibility within the existing rules of the Stability and Growth Pact. We outlined our approach in the communication which we put forward in early 2015, when we instrumentalised certain clauses like the investment clause, the structural reform clause – allowing countries to deviate from their fiscal targets – to support investment and to support structural reforms. We have already outlined that we would continue with this approach of flexible use of the Stability and Growth Pact.

At the same time, it is worth remembering that there are two words in the Stability and Growth Pact: stability and growth. We also need to consider financial stability in Member States – fiscal stability and sustainability of public finances — and we always need to balance those two elements.

That's why we are, generally – as you know – advising countries in good economic times to build some fiscal buffers, reduce their public debt so that there is more room for manoeuvre in case of economic downturn. And that's why we have advocated for differentiated fiscal policy, calling on countries which have fiscal space to use it to stimulate the economy, to stimulate investment and calling on countries, especially high-debt countries, to clearly put debt on a downward trajectory.

1-082-0000

Marek Belka (S&D). – So, no red lines but an effort to strike a compromise. Then, how would you counter the opinion that flexibilisation of the Stability and Growth Pact could lead to increased moral hazard, and even a 'transfer union'. What will you tell those people as Commissioner and Vice-President?

1-083-0000

Valdis Dombrovskis, Commissioner-designate. – First of all, as I have already outlined, we need to balance those two factors, because clearly common rules are there, among other things, to build confidence. And based on confidence we can act together as a European Union. So therefore, of course, if we agree on common rules it's important that countries follow those common rules, and that's a good way to avoid moral hazard.

On the concrete way forward: now, as we already outlined, we will be working on the basis of the report of the European Fiscal Board, which sets out some ideas on simplification of the rules of the Stability and Growth Pact, so that they are also simpler to apply and simpler to explain to the broader public because currently the rules are – as we know – actually too complex.

1-084-0000

Janusz Lewandowski (PPE). – Commissioner-designate, my question is recalling your previous experience. As the Prime Minister of Latvia, leading your country through the severe economic crisis – successfully, congratulations – was also about implementing deep structural reforms which are hardly politically popular, but this was done for the benefit of the country and not because of external pressure. In light of this experience, how do you see this new Reform Support Programme, which is not only about technical assistance, as now, but also about financial assistance to countries that are not implementing what they should implement under the economic semester? This is like paying those who are not doing a proper job at home. Isn't there a little bit of a moral hazard in this instrument?

1-085-0000

Valdis Dombrovskis, Commissioner-designate. – Well, thank you for this question on the Reform Support Programme. I was actually involved in designing this programme, so I can explain the basic idea. Well first of all, the idea is that it's available to all countries – so it's not only for some set of countries that are or are not implementing structural reforms. The idea is that we support those structural reforms with financial incentives.

Currently, this work has evolved and our Reform Support Programme is being used as a basis for work on the euro area Budgetary Instrument for Competitiveness and Convergence, which would finance structural reform and investment packages in euro-area countries and, on a voluntary basis, in ERM II countries. In order to have this balance between euro and non-euro countries, we would preserve the concept of a reform delivery tool, which was a main element of the Reform Support Programme for non-euro countries.

So it would be available to all countries to support structural reform – so that you don't only have country-specific recommendations, but also some financial incentives to support those reforms. I would say that idea is not new. There had been, many years ago, discussions on so-called contractual arrangements, and maybe some inspiration in this reform programme is drawn from those discussions.

1-086-0000

Janusz Lewandowski (PPE). – Well, the follow-up is on the instruments for the eurozone that you mentioned. This falls very short of what was proudly announced as a euro budget, a budget for the eurozone. No more than EUR 55 billion for seven years? I think this is rather symbolic. Do you think this is really a meaningful instrument in stabilising the eurozone?

1-087-0000

Valdis Dombrovskis, Commissioner-designate. – Well, as you know, we have put forward two proposals. One is the reform support programme, on which basis we are now discussing a Budgetary Instrument for Competitiveness and Convergence. Depending on the specific allocation key, we are talking here, according to the Commission proposal, about an amount between EUR 15 and EUR 17 billion for seven years.

One might say it's a limited amount, but one can also see it as a starting point, because, as you know, we had long discussions and finally there is something practical on the table.

And the other proposal was on the stabilisation function: we put forward a concrete proposal on the European Investment Stabilisation Function, which is a loans-based instrument, with a grants component to cover the loan interest payments and with a lending capacity of EUR 30 billion.

Now we are considering to what extent we can find synergy with the new proposal on the stabilisation function and a European unemployment insurance scheme.

1-088-0000

Nikolaj Villumsen (GUE/NGL). – Hr. Dombrovskis! Som ledende næstformand for den såkaldte økonomi, der arbejder for folket, vil du fortsat skulle have det ledende ansvar for EU's kamp mod skattely.

Kampen mod skattely er vor tids helt store udfordring, og der er akut brug for handling. 100 mio. EU-borgere lever i dag i eller på grænsen til fattigdom. Samtidig ser vi, at multinationale selskaber gemmer milliarder væk i skattely, som kunne være kommet de fattigste eller velfærden til gode. Som du selv udtrykker det i din tale, er social fairness skattefairness.

Jeg vil derfor spørge dig, om du vil forpligte dig til at foreslå en reel EU-sortliste over alle skattely, som for det første gør op med den fuldstændig absurde praksis med ikke at inkludere medlemslande som Luxembourg på sortlisten, og som for det andet gør op med EU's såkaldte gråliste, som indebærer, at åbenlyse skattely som Panama og Jersey går fri og dermed ikke bliver sortlistet.

1-089-0000

Valdis Dombrovskis, Commissioner-designate. – Indeed, tax fairness and the fight against tax avoidance and evasion will continue to be high on the next Commission's agenda. So, as regards a specifically EU blacklist or an EU list of tax havens, we basically build it based on three criteria: transparency; compliance, as a criteria to fight against base erosion and profit-shifting; and existing harmful tax practices. Currently we have 16 countries on a list, another 34 on a grey list.

We think that this list has been broadly successful, because it's not only about countries listed but also inducing changes in dialogue with the countries, and since the discussions on this list, we have changed more than one hundred harmful tax regimes around the world. And the tax list, in any case, is a dynamic process. As our tax environment evolves, as our legislation evolves, we also will develop our criteria, so it may well be that over time we get more demanding. We started, for example, with just two criteria on tax transparency, and we are adding new ones. But it's true that it's also important that we apply the same standards in the EU – and actually we should be applying even higher standards. For example, when we were implementing the OECD initiative against base erosion and profit-shifting, in our proposals we went beyond what was requested by these OECD lists. But here I would also remind of our proposal of a Common Consolidated Corporate Tax Base, which would also help to address a number of the issues.

1-090-0000

Nikolaj Villumsen (GUE/NGL). – Hr. Dombrovskis! Jeg sidder her med en artikel fra Reuters, som siger, at Schweiz og De Forenede Emirater senere i denne uge vil blive fjernet fra EU's sortliste og gråliste over skattely. Undskyld mig, men mener du som koordinerende næstformand i EU-Kommissionen seriøst, at Schweiz, Dubai og Abu Dhabi er ophørt med at være skattely? Er det korrekt, at man vil fjerne disse lande fra EU's liste, eller er der tale om en enormt dårlig joke, som lige nu florerer i de europæiske medier?

1-091-0000

Valdis Dombrovskis, Commissioner-designate. – Well, first of all, as you know, at the end of the day, adaptation of this list is a Council-driven process and indeed in the October Ecofin, there will be discussions on some delisting. I cannot tell you now specific decisions which are, or are not, going to be taken by Ecofin. But in any case, I can say from the Commission side that we are applying clearly our methodology to all countries, providing this as a solid base for Member States' work and, potentially, for Member States' decisions.

1-092-0000

Pierre Larrouturou (S&D). – Monsieur Dombrovskis, vos réponses sur le pilier social et sur le semestre européen sont vraiment terriblement ambiguës. Vous nous dites que déjà 40 % des recommandations de la Commission sont sociales. Mais pour le Portugal, par exemple, la recommandation était de ne pas augmenter le salaire minimum; le gouvernement a fait le contraire et cela fonctionne très bien. Alors, qu'appellez-vous une recommandation sociale?

1^e question: allez-vous préparer une proposition législative pour renforcer vraiment le dialogue social et en particulier l'accès à l'information des représentants des salariés?

2^e question: le financement du *Green Deal*. Le plus grand économiste anglais, Nicholas Stern, dit que si nous voulons gagner la bataille du climat et créer massivement des emplois (cinq millions en Europe) il faudrait y consacrer 2 % du PIB, soit quelque 300 milliards d'euros d'investissement par an, utiles partout. Hélas, le plan d'investissement que vous proposez est encore très très flou.

Quant à la Banque du climat, vous l'avez dit trois fois ce matin, vous proposez qu'elle double ses investissements climat, cela veut dire seulement 15 milliards de plus chaque année, peut-être en coupant dans notre budget. Ce n'est pas sérieux, ce n'est pas à la hauteur, nous ne pourrions pas réussir sur le climat si nous nous en tenons là.

Ma question est simple, Monsieur Dombrovskis: devant le Parlement, pouvez-vous vous engager à ce qu'il y ait assez de fonds propres, de capitaux nouveaux dans cette banque du climat pour que, en quelques années, elle arrive à 300 milliards de prêts chaque année?

1-093-0000

Valdis Dombrovskis, Commissioner-designate. – On the question of implementation of the social pillar and a social dimension in the European Semester, specifically you asked a question on minimum wages. If I'm not mistaken, in this year's European Semester we had five countries where we are specifically addressing the issue of minimum wages. We engage closely with the Member States when preparing those recommendations, seeing what the issues really are and putting a lot of emphasis on reduction of income inequality where we see, for example, minimum wages, 'making work pay' and also minimum income benefits as important elements. This approach certainly will continue.

As regards investment needs, well those investment needs estimates of course vary quite a bit, but typically the range which we use in the European Commission to meet our Paris goals is additional investment of somewhere between EUR 180 billion and EUR 290 billion per year until 2030. Of course, a movement towards climate neutrality is a more ambitious goal and will have higher investment needs.

As regards turning the EIB into a climate bank, I would say that quickly moving from the current 25% target to a 50% target is already ambitious, also for the EIB itself, so we are in discussions with the EIB on how they will achieve this target. But also, as I said, you need an investment projects pipeline from the other side so that there are good quality projects to be financed with this money. In terms of estimates, you mentioned EUR 50 billion per year. Well, with additional EIB financing typically you can leverage at least two-thirds coming also from project partners, so at least EUR 45 billion per year. So if we are talking about a 10-year time period, that already brings us to EUR 450 million.

1-094-0000

Pierre Larrouturou (S&D). – Oui, prenons les choses autrement. La Banque centrale européenne va mobiliser 240 milliards dans l'année qui vient. Pourquoi ne met-on pas la totalité de ces 240 milliards sur le climat et sur l'emploi?

En 2008, il a suffi d'une semaine pour régler les problèmes juridiques afin que les banques aient accès aux 1000 milliards de la Banque centrale. Et heureusement qu'on l'a fait: en une semaine, on a réglé tous les problèmes juridiques.

Combien d'emplois peut-on créer, combien de maisons peut-on isoler, combien de transports en commun peut-on renforcer avec 240 milliards d'euros? Oui ou non, le climat est-il notre priorité collective? Et les 240 milliards de la BCE, au lieu d'aller à la spéculation, vont-ils à l'emploi et au bien commun?

1-095-0000

Valdis Dombrovskis, Commissioner-designate. – Well, there I'm afraid I'd need to have some additional background for your question. You are asking the question concerning ECB profit distribution or what specifically was the question? Sorry, I missed a bit.

1-096-0000

Pierre Larrouturou (S&D). – Mario Draghi vient d'annoncer qu'il relance un assouplissement quantitatif de 240 milliards.

On sait depuis quatre ans que 90 % de l'assouplissement quantitatif est parti à la spéculation. Il vaudrait mieux qu'il aille dans l'économie réelle pour créer des emplois.

1-097-0000

Valdis Dombrovskis, Commissioner-designate. – Well, actually, as regards ECB, first of all, of course I need to respect the ECB's independence, the Commission needs to respect the ECB's independence; so we are not, you know, telling the ECB what they should do in terms of their monetary policy decisions, but as I understand, Christine Lagarde, who is the incoming President of the ECB, has also already raised this issue of greening and where the investment of the ECB would go in the context of quantitative easing. But once again, it's not for the Commission, you know, to tell the independent European Central Bank what they should do.

1-098-0000

Stasys Jakeliūnas (Verts/ALE). – Mr Dombrovskis, congratulations on your work during the Latvian crisis and also on your work in the Commission here.

Your job title, 'An Economy that Works for People', also implies that we need a financial system that works for people, and here I would like to offer my help, if you need it, and that of other colleagues, if you're up for this even more difficult challenge.

Let me start, however, with something more specific: your proposal for a directive on credit services, credit purchases and the recovery of collateral focused more on the development of secondary markets for non-performing loans (NPLs) and easier recovery of collateral for lenders. This raises concerns about consumer protection, especially since existing legislation, such as the Mortgage Credit Directive, does not guarantee a sufficient level of consumer protection.

Would you share that concern – and also the concern about financial stability, because mortgages are an important part of the financial system? Maybe you could propose eliminating mortgages from the secondary market, or would you have any specific structural propositions here?

1-099-0000

Valdis Dombrovskis, Commissioner-designate. – The proposal which you are referring to is in the context of our Action Plan to reduce non-performing loans. So basically to reduce levels of non-performing loans in our banking system so that banks can lend to the real economy.

So that's the basic idea and indeed one of the proposals which we are looking at is on development of secondary markets on non-performing loans, which is not limited specifically to mortgages. But there, the point has been very clear that also the sale of the credit in the secondary market should not lower the borrower-protection level and indeed one can agree that we have defined only basic standards of consumer protection in mortgage credit in our Mortgage Credit Directive.

So from that point of view, certainly we worked closely with Member States where we have high shares of non-performing loans and to see how vulnerable borrowers can be protected when banks are trying to reduce their non-performing loans exposure. A number of countries, or several countries, have enacted specific schemes on how to support vulnerable borrowers in this context and this is something which we support in a balanced and proportionate way. But it's also important to ensure that borrowers do not end up over-indebted in the first place, that there is a careful assessment of the credit worthiness of the consumer before the loan is actually assumed to them and this is also something which we have put forward.

1-100-0000

Stasys Jakeliūnas (Verts/ALE). – Since your intentions are very clear on completing the Banking Union and your intentions are very clear on building the Capital Markets Union, I think the consumer union is also a valid proposition here.

Let me refer to two examples: first, Parliament's 2014 study: 'Consumer Protection Aspects of Financial Services'. Some committees and the European Commission were also a part of that. There, financial literacy in providing information to consumers is a necessary but insufficient element to protecting consumers. Preventative and systemic consumer protection is needed.

The second reference is to the British example. They have the Financial Conduct Authority, which regulates financial forums providing services to consumers and maintains integrity. Would you think that a European institution for protecting our consumers in financial services would complete the single market system here in Europe?

1-101-0000

Valdis Dombrovskis, Commissioner-designate. – To finish one sentence which I still wanted to say on the protection of borrowers, that we also introduce some safeguards in case there are loans in a foreign currency. So there are also some safeguards for borrowers in case of negative currency developments. But a question on consumer protection – yes, I fully agree and that was actually one of the models which we put for consideration in a context of a review of the European supervisory authority, the so-called Twin Peaks model, that one authority would be dedicated to financial conduct and consumer protection and another dedicated to prudential matters. This proposal however was not supported, so we stick to the current setting of European supervisory authorities, but we are working on more on ways of how to strengthen this consumer protection angle, including on information, also through our retail consumer services action plan.

1-102-0000

Samira Rafaela (Renew). – Voorzitter, meneer Dombrovskis, een sterke economie gaat hand in hand met gelijke kansen voor iedereen, ongeacht iemands achtergrond. Als mensen niet kunnen meedoen, dan kunnen ze niet bijdragen aan onze gezamenlijke welvaart. Dit weten we al heel lang en dit weet de Europese Commissie ook al heel lang.

Toch is het nu 2019 en nog altijd hebben vrouwen niet dezelfde carrièrekansen als mannen. Nog altijd blijven mensen met een beperking of een chronische ziekte achter. Jongeren en ouderen hebben slechte toegang tot de arbeidsmarkt. Etnische en seksuele minderheden worden belemmerd door discriminatie en racisme. Dit zijn serieuze problemen die niet

thuishoren in een Europese Unie die voor de mensen werkt. Wanneer niet iedereen profiteert van een groeiende economie, dan ondergraven we het fundament van onze samenleving.

Wat zijn uw concrete plannen om deze groepen mee te laten doen op de arbeidsmarkt? Waar kan ik u op afrekenen?

1-103-0000

Valdis Dombrovskis, Commissioner-designate. – Well, this is exactly one of principles of the European Pillar of Social Rights, which clearly establishes equality of opportunity as one of the principles and calls for more action targeting under-represented groups. So, from this point of view, we will continue to promote adequate income and income support and better access to finances to those in need.

This year, 14 Member States received country-specific recommendations in the context of the European Semester on strengthening social safety nets and improving access to services. We are also backing this up with funding from the Structural and Cohesion Funds in the next EU budget.

There are different groups which are under-represented or where the social outcomes are lower than average. One group I would mention is people with a migrant background where indeed you see that education, labour market and social outcomes are typically worse than in the general population, which is both a social and also an economic problem because it also undermines the productivity of those people. So we are also, as part of our migration strategy, working on, for example, the successful integration of migrants in terms of labour markets, in terms of recognition of their skills, and fast tracking access to the labour market, just to give you one example. But in any case, the principle of equal opportunity is there and the Commission will continue to rigorously apply it.

1-104-0000

Samira Rafaela (Renew). – Voorzitter, meneer Dombrovskis, het is heel erg belangrijk dat we toch echt stilstaan bij de hele specifieke problemen van specifieke groepen op de arbeidsmarkt. Ik noemde net ook bijvoorbeeld mensen met een arbeidsbeperking. De werkgelegenheid onder deze groep is maar 48 %. De jeugdwerkloosheid is op dit moment 15 %. De *gender pay gap* 16 %. Ik wil heel graag een meer concrete toelichting als het gaat om de aanpak die u voor ogen heeft om te werken aan deze cijfers, de verbetering van deze cijfers, en om echt deze groepen goed te faciliteren op de arbeidsmarkt. Kunt u daar meer toelichting over geven?

1-105-0000

Valdis Dombrovskis, Commissioner-designate. – You mentioned some of the groups where we need to improve outcomes of the labour market in youth. In youth concretely we intend to strengthen the protection provided by the Youth Guarantee. It is one of the actions which we are putting forward in the context of our action plan for the European Pillar of Social Rights.

On gender, there will be a dedicated strategy, among other things, looking at, for example, women's access to the labour markets and also the pay gap. So as you know, the President-elect, Ms Ursula von der Leyen, attaches great importance to gender equality, so clearly, this will be an important part of our work in the Commission. Also, further supporting people with disabilities is also something which is going to be on the Commission's agenda.

1-106-0000

Danuta Maria Hübner (PPE). – I would like to say, Vice-President-designate, that I think this hearing clearly shows that a lot has been done in reaction to the last crisis. Of course, there are shortcomings, there are gaps, there is unfinished business, and the risk-reducing mechanism is not yet in place. You spoke about that, and we appreciate very much your readiness to share the details with us. But reforming the system in reaction to the past crisis is

one important thing, while building a resilient, comprehensive institutional and policy framework fit for the future is another thing.

So here comes my request to you, because, as you know, we agree on where we should go: my question is simply to ask you for a personal assessment of how well equipped you think the euro area is today for what the future will bring. What is your assessment on that?

1-107-0000

Valdis Dombrovskis, Commissioner-designate. – On one hand, one can say that the euro area, our Economic and Monetary Union, is definitely better equipped to face future shocks than it was before the previous crisis, because many things have been done. We have the European Semester, our cycle of economic and fiscal governance, with strong focus on the social dimension, as we discussed today. We have the European Stability Mechanism to support euro area countries in difficulty. We have a Banking Union with a single rulebook, single supervision resolution mechanisms because, after all, the previous crisis started as financial crisis.

The ECB is using its monetary policy tools, including the announcement of authorised monetary transactions, which was made during the eurozone crisis. So all in all, we are better equipped but we are not there yet. We still need to complete the Economic and Monetary Union. We need euro area fiscal instruments. We have already discussed budgetary instruments for competitiveness and convergence and a stabilisation function.

We need to complete the Banking Union, a backstop for the single resolution fund, European Deposit Insurance Scheme (EDIS), further work on the reduction of non-performing loans (NPLs). We need to bring the Capital Markets Union to the next level. There are still many things to be done and, of course, we also need Member States to pursue economic policies that strengthen the resilience of their economies. So, many things have been done, but there are more to be done, and the European Commission and I personally are ready to work on this.

1-108-0000

Danuta Maria Hübner (PPE). – I would like to go back to Brexit. It's not in your mission statement, but I know that a big chunk of the responsibility for Brexit stays with you, especially in the context of preparedness. I also hope that a no-deal Brexit will not be allowed to happen, but the uncertainty is extremely high. So where do you think we stand, as the European Union, with contingency measures regarding Brexit preparedness in the financial services? Also, could you maybe say briefly how you see the preparedness of the industry itself, of the businesses?

1-109-0000

Valdis Dombrovskis, Commissioner-designate. – Well as regards Brexit, of course our aim is to avoid a no-deal scenario, but we know time is running short and we're not quite there yet. So already, quite some time ago, we did a necessary assessment, together with the European Central Bank and European Supervisory Authorities on financial sector preparedness. Its conclusion, was that we needed certain measures to preserve financial stability, and those are already adopted. So temporary equivalence on UK central counterparties and also for the central securities depository, decision on central bank exemptions and we are working very closely with the national competent authorities to ensure that market participants do the necessary preparedness. I would say we are already quite some time past the original Brexit deadline, so from that point of view, industry has had more time also to do their preparedness and to address residual risks.

1-110-0000

Irene Tinagli, Chair ECON. – We have completed the second round. I would like to thank the Members for the questions and the Commissioner-designate for his answers. Before we close this hearing, I would like to invite the Commissioner-designate and Executive Vice-

President-designate to make a closing statement of five minutes before the conclusion of the meeting.

1-111-0000

Valdis Dombrovskis, *Commissioner-designate*. – Chairs, honourable Members, first of all, thank you for this rich and stimulating hearing. If you honour me with your confidence I will be working as Executive Vice-President for ‘an economy that works for people’ and that means putting people – all Europeans – at the centre of our policies, ensuring not only that we have economic growth but also that our economic growth is inclusive and sustainable.

I will coordinate regularly with a number of colleagues: with Elisa Ferreira for cohesion and reforms, Paulo Gentilioni for economy, Sylvie Goulard for internal market, Phil Hogan for trade, and Nicolas Schmit for jobs and social affairs, as well as with two other Executive Vice-Presidents, Margrethe Vestager and Frans Timmermans.

As I said in my introductory remarks, together we are stronger, and no single Member State can take on all the challenges that we face collectively, so let’s work together. Once again, thank you very much for this hearing.

1-112-0000

Irene Tinagli, *Chair ECON*. – Thank you, Mr Dombrovskis, for answering the questions and specifying your intentions with regard to the deepening of Economic and Monetary Union, your views on the Stability and Growth Pact, your intentions with regard to completing the Banking Union and achieving the Capital Markets Union, as well as tax fairness and anti-money-laundering measures.

There are so many things that are of great concern to the ECON Committee and also to European citizens. This is a great responsibility for us all. Thank you very much.

1-113-0000

Lucia Ďuriš Nicholsonová, *Chair EMPL*. – Thank you very much Mr Dombrovskis, thanks to all of you, because I have two hearings of other Commissioners-designate behind me and I have to say that you were so disciplined with the timing and everything which made it much easier for us and we are doing really well in timing. I wanted to have a few closing remarks, but I give up as you are all leaving. It’s okay.

So thank you very much Commissioner-designate, good luck to you.

(The hearing closed at 11.40)