

Committee on Foreign Affairs
The Chair

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CONFIDENTIAL

Mr Antonio TAJANI
Chair
Conference of Committee Chairs

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Dear Chair,

The Committee on Foreign Affairs - in accordance with Rule 125 of the Rules of Procedure of the European Parliament - held a public hearing on Thursday 14 November 2019 with Mr Olivér Várhelyi, Commissioner-designate, who - subject to the positive outcome of the nomination procedure - will be in charge of “Neighbourhood and Enlargement”.

On 12 November 2019, the Committee on Foreign 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 Olivér Várhelyi.

Prior to the hearing, Parliament had sent the Commissioner-designate a list of written questions. My committee noted that Mr Várhelyi answered those questions satisfactorily and made commitments of relevant institutional nature, notably:

The Commissioner-designate committed to ensuring appropriate parliamentary scrutiny of his activities and to providing information to the relevant parliamentary committees, delegations and working groups in a regular, transparent, timely and comprehensive manner, in compliance with the relevant inter-institutional agreements and in full respect of the equality of Parliament and Council as co-legislators. Such information flow would also apply to the negotiation of international agreements.

The Commissioner-designate committed to engaging with Parliament in regular exchanges of views on strategies, annual reports, other ongoing or planned initiatives and mandates and, in particular, on the Enlargement package right after its adoption by the College and before presenting it to the press. He undertook to answer questions from Members promptly and accurately. He declared himself ready to appear regularly before the plenary, relevant committees and to participate in trilogues. He also pledged to work closely with the Parliament in debating resolutions under Article 225 TFEU. Mr Várhelyi undertook to respond to Parliament’s resolutions within three months of their adoption and to consider them in the context of the Commission’s reflection on bilateral or multilateral relations with partner countries.

In addition, the Commissioner-designate proposed to report back to the Parliament about his visits to the countries falling under his competence and pledged to attend inter-parliamentary meetings with national parliaments of partner countries, where possible. Finally, Mr Várhelyi committed to working closely with the European Parliament on democracy support and on the follow up to Electoral Observation Missions' recommendations, ensuring his independence from any Government, both EU Member States and Third Countries.

The course of the hearing and the additional written questions that followed

Mr Várhelyi opened the hearing by making a statement where he presented his vision for his mandate as Commissioner-designate for Neighbourhood and Enlargement and referred to the following:

On Relations with the European Parliament:

The Commissioner-designate committed to act as a bridge between the European Parliament - representing citizens directly, the Council – representing Member States – and the neighbouring countries.

He valorised Parliament's role in election observation and democracy support in the Western Balkans and the neighbouring countries.

On EU Enlargement:

He affirmed his commitment to enlargement and pledged to work with member states to make sure accession negotiations with Albania and North Macedonia are opened before the 2020 Zagreb summit.

In his views, the deepening of the EU project is fully compatible with the enlargement of the EU and the two can advance hand in hand. Mr Várhelyi advocated for a more effective negotiations process through a more differentiated approach and pledged to work on a progressive integration of the Western Balkan region into key EU policies, in particular the Green Deal, the digital agenda, as well as trans-European networks in transport and energy.

The Commissioner-designate acknowledged the need to continue cooperation with Turkey in areas of common interest. At the same time, he called for a strategic reflection on the EU's future relationship with Turkey and proposed, together with the VP/HR, to develop a "strategic partnership" in view of the standstill in the accession negotiations.

Mr Várhelyi agreed with the possibility of suspending accession negotiations in case of serious and persistent breaches of democracy and the rule of law. He said that he would ensure that the EU continues to closely monitor all Rule of Law issues in the country reports and, in the case of insufficient progress, he would urge enlargement countries to undertake the necessary measures to address deficiencies.

The Commissioner-designate expressed support for Parliament's position regarding the reduction of IPA funding for Turkey and its reorientation towards support for people-to-people contacts and civil society.

On the Eastern Neighbourhood/Eastern Partnership:

Regarding the Eastern Neighbourhood, he committed to working on proposals for the Eastern Partnership's long-term policy objectives, to be presented ahead of the June 2020 summit in Brussels, and to working towards deepening sectoral cooperation with the associated countries that are ready.

He emphasised that Ukraine will receive his special attention due to its key geopolitical importance and that he will support the country's independence, sovereignty and territorial integrity as well as its reform process.

He stated that Azerbaijan could be a key partner in the energy sector provided it keeps the rule of law and democracy on the agenda. He stressed that the EU needs to focus on economic development in its relations with Armenia and to help Belarus' modernisation while keeping core democratic values in the agenda.

He emphasised his determination to continue working on key issues such as rule of law, fight against corruption and role of an independent media and civil society.

On the Southern Neighbourhood:

Regarding the EU policy stance on the Southern Neighbourhood, the Commissioner-designate indicated that it is important to renew and deepen the partnership and reward those countries that commit to real reforms.

The Commissioner-designate explained that he would focus on stability, security and migration as overarching priority issues. Good governance and adequate administrative capacity, youth employment and climate change action are policy areas where the EU should seek closer dialogue and cooperation.

Policy differentiation will also be important as each country of the Southern Neighbourhood is in a different position and requires a tailor-made approach. Moreover he also alluded to the intention to renew cooperation with these countries based on the more for more principle, whilst focussing on economic development in all these countries.

On the external financing instruments 2021-2027:

In support of the EU's policy objectives in the regions bordering the EU, the Commissioner-designate pledged to make full use of the Neighbourhood Development and International Cooperation Instrument (NDICI) and the Instrument for Pre-Accession (IPA III), increasing their focus on investments, as well as to strengthen cooperation with International Financial Institutions to support structural reforms.

The introductory statement of Mr Várhelyi 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.

During the course of the hearing, Members asked questions on the following subjects in particular:

- relations with the European Parliament;
- the Eastern Neighbourhood/Eastern Partnership, including security aspects;
- the Southern Neighbourhood (Algeria, Egypt, Israel/Palestine, Jordan, Lebanon, Libya, Morocco, Tunisia);
- concrete measures to accelerate the reconciliation process and regional cooperation in the Western Balkans, as well as dealing with the brain drain happening in the region;
- ensuring full commitment in the Council to the accession process;
- the future of EU-Turkey relations, particularly his position vis-à-vis Parliament's demands for suspending the accession negotiations and his views on the possibility of cutting EU funding to Turkey or redirecting it toward Turkish civil society;
- the Turkic Council in Baku,
- the asylum granted to the former Prime Minister of North Macedonia;
- his credibility in defending/promoting the Rule of Law in the accession countries;
- plans for the forthcoming Eastern Partnership Summit;
- long term policy objectives and concrete geopolitical goals for the Eastern Partnership mid 2020s;
- reflections on deepening security cooperation with Eastern Partnership countries;
- how to assist in unlocking the current crisis in Moldova;
- the ability to step up against Russian influence and to help Ukraine, Moldova and Georgia fight disinformation, propaganda and hybrid threats;
- the establishment of an EU Magnitsky list to punish violations of human rights;
- his independence in carrying out his functions as Commissioner in respect of his Member state government and its positions and possible interferences;
- the external financing instruments for the period 2021-2027, including the IPA conditionality clause enabling the suspension of assistance and proper parliamentary scrutiny of the instruments.

In his replies, Mr Várhelyi illustrated his policy vision. In particular:

On the Relations with the European Parliament:

He promised to make sure Parliament's views are duly taken into consideration in policies within his portfolio as well as in the negotiations on the future external financing instruments.

On EU Enlargement:

He undertook to promote the resolution of bilateral disputes and meaningful regional co-operation and advocated working together with the VP/HR to bring the dialogue between Belgrade and Pristina to a successful conclusion in 2020.

Mr Várhelyi stressed on several occasions that as a Commissioner, if confirmed, he would act in the interest of the EU, in an independent way without instructions from any government.

He also engaged to work hard on convincing EU citizens from each Member State that enlargement should be pursued.

The Commissioner-designate expressed support for Parliament's position regarding the reduction of IPA funding for Turkey and its reorientation towards support for people-to-people contacts and civil society. He cautioned against fully cancelling IPA support to Turkey, pointing to the expected negative impact on the EU's ability to support Turkish civil society.

The Commissioner-designate did not commit to propose a suspension for the accession negotiations with Turkey, but he agreed to have a full reflection on the future relationship with Turkey.

On the Eastern Neighbourhood/Eastern Partnership:

Mr Várhelyi concentrated on the DCFTA aspects of relations with associated countries and gave absolute priority to the development of a fully functioning market economy that attracts foreign direct investments, creates growth and jobs locally and helps to overcome vulnerability including in the security sector.

The Commissioner-designate stated that the EU bears a specific responsibility towards Ukraine and should continue to support the country's struggle to regain full sovereignty over its territory.

The Commissioner-designate pledged to work in close cooperation with the VP/HR and expressed his support for the prolongation of sanctions in relation to Russia if there is no progress in the Minsk process.

Concerning Moldova, the Commission should continue to work hard with that country to have reforms implemented despite the internal turmoil.

On the Southern Neighbourhood:

For countries of the Southern Neighbourhood that are more advanced in their process of reforms, like Morocco, Jordan or Tunisia, the Commissioner-designate stated that the EU should support a process of administrative capacity building so that these countries can absorb successfully EU funds and advance on their process of political and economic reforms and develop further their economies.

In Libya, the Commissioner-designate stated that the EU needs to intensify its efforts to improve the conditions for migrants. The country is in a civil war and needs to be stabilised. For this, the Commissioner-designate stated that the EU needs to speak to all partners, including the US and the Berlin process should be supported.

In Lebanon, the Commissioner-designate stated that the EU should intensify its efforts to assist the refugees whilst supporting a process of economic development, with particular reference to the youth.

Egypt's political and economic stability are essential for the region. The Commissioner-designate stated that the EU should continue to support the process of political and economic reforms and pursue effective policy dialogue on human rights.

On the external financing instruments 2021-2027:

The Commissioner-designate underlined that IPA III should focus on preparing the beneficiaries for accession, rather than addressing migration issues. He committed to use all tools available to ensure that the Rule of law conditionality is fully complied with by the EU's partner countries.

The Commissioner-designate made commitments of value and relevance as regards his future action as Commissioner-designate for Neighbourhood and Enlargement with particular reference to relations with the European Parliament:

He would elaborate and implement policies in the Western Balkans as well as in the Eastern and Southern Neighbourhood under the guidance of the VP/HR.

He took the view that sanctions should be a tool of last resort. He would consider an EU 'Magnitsky' list only if a proposal should be tabled by Member States.

He committed to work with Member States for the opening of accession negotiations with Albania and North Macedonia ahead of Western Balkans summit.

He will work together with VP/HR to bring the dialogue between Belgrade and Pristina to a successful conclusion in 2020.

On the external financing instruments 2021-2027, he was cautious as to supporting suspension of assistance to countries that do not respect the rule of law, good governance and human rights, or in case of financial irregularities. Furthermore, Mr Várhelyi did not commit to fulfilling EP request for adoption of programming of assistance by means of delegated acts.

Before the end of the hearing, the Commissioner-designate made a brief closing statement in which:

He stated his determination to work closely and engage in policy dialogue with the European Parliament, both in plenary and in the Committee on Foreign Affairs.

He undertook to make better use of the complementarities between parliamentary diplomacy and relations between national governments in order to bring forward EU's neighbourhood and enlargement policies.

He stressed the need to continue spreading democracy in the Western Balkans with a view to achieving long-term peace and stability.

He also stressed the need to achieve tangible results for the neighbourhood both East and South in the short term.

Regarding the Eastern Partnership, he committed to integrating those partners who wish into EU policies such as infrastructure developments, green and digital economy, transport and energy.

Referring to the commemoration of the 30th anniversary of the fall of the Berlin wall and the end of Communism in Central and Eastern Europe, the Commissioner-designate expressed his hope that 30 years from now the EU can proudly look back and say that the EU is worthy of the predecessors who built Europe.

During the first evaluation meeting convened after the hearing, Coordinators did not reach a majority representing two-thirds of the committee membership to approve the candidate and consequently decided to request additional information through further written questions in accordance with Article 494)(d), 1st indent of Annex VII of the Rules of Procedure.

The Committee Coordinators note the concern expressed over issues related to the rule of law, and call on DG-JUST to pro-actively assist DG-NEAR in the work on the rule of law and the respect for fundamental rights in Western Balkans and in the neighbourhood.

The Committee Coordinators also call on the President-elect to pay particular attention to the close cooperation between the Commissioners in charge of DG-NEAR and DG-JUST and they propose that the Commissioner in charge of 'Values and transparency' should supervise this coordination.

The European Parliament commits to close and effective scrutiny on this matter.

The Committee Coordinators underline the need for a diverse and vibrant civil society in the Western Balkans and neighbourhood countries and call on the Commissioner-designate to pay utmost attention to diversity, objectivity and transparency in decisions related to EU financial support for Civil Society Organisations and for the European Parliament to be kept fully informed.

The Committee Coordinators request that there should be no suspension of UNRWA funding even in circumstances where there are internal problems in UNRWA.

The Committee Coordinators also request:

- Strict guarantees of an even-handed approach to Armenia and Azerbaijan,
- That, regarding the external dimension of migration, the Commissioner-designate should work closely with the VP/HR and have a clear commitment regarding the respect of human rights and the prevention of the violation of human rights and at the same time address the root causes through pro-active foreign policy and Development cooperation.

The Committee Coordinators request that a conditionality clause enabling the suspension of assistance and proper parliamentary scrutiny is foreseen in IPA III.

The Committee Coordinators noted the commitment by the Commissioner-designate to:

- ensure his independence from any Government, both from the European Union and third Countries,
- follow the Rule of Law issues in the Enlargement countries and, in case of a clear breach, that there will be consequences (suspension of assistance),
- engage with Commissioner-designate Ylva Johansson about the fate of former Prime Minister of Northern Macedonia Gruevski,

- regarding the issue of forcing judges into early retirement, call on Enlargement countries to take all necessary steps to ensure alignment with the acquis, considering that the European Court of Justice has ruled that this contravenes EU law,
- be ready to support a concrete proposal of an EU Human Rights Sanctions Regime by the Council.

On the basis of the responses of the Members present at the hearing, as well as the comments made by my committee's coordinators, who met in camera after the hearing, under my chairmanship and following the additional information provided by the Commissioner-designate, I hereby give the following assessment that 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.

In accordance with Rule 125 of the Rules of Procedure and Article 4 of Annex VII thereto, the coordinators representing a majority of two-thirds of the committee membership approve that the Commissioner-designate, Mr Olivér Várhelyi, is qualified both to be a member of the College of Commissioners and to carry out the specific tasks assigned.

During the evaluation meeting, the coordinator of the Greens/European Free Alliance expressed a minority view and asked to annex it to the evaluation letter.

Yours sincerely,



David McAllister

Annex : Minority view of the Coordinator of the Greens/European Free Alliance

Minority opinion

Greens/EFA group

The general outcome of this hearing is that Mr Olivér Várhelyi gave an unsatisfactory performance demonstrating his inaptitude to be a Commissioner for Neighbourhood and Enlargement and to carry out the specific tasks assigned to him for the following reasons:

-) He failed to dispel serious concerns regarding the President-elect's decision to allocate this portfolio to the nominee of the Fidesz-run government of Hungary.
-) He persistently refused to distance himself explicitly from Prime Minister Viktor Orbán's comments and assurances made at the Turkic Summit in Baku on 15 October 2019, as well as Orbán's general promotion and implementation of an „illiberal democracy”, while also not coming clear on former North Macedonian Prime Minister Nikola Gruevski's asylum in Hungary.
-) He presented his understanding of the European interest as a mere aggregation of national interests, thereby implying an intergovernmental view on what must be in fact primarily community-driven supranational policies.
-) He failed to be convincing in placing human rights and democracy at the very core of the EU's engagement towards enlargement countries and its neighbourhood.
-) He implied that granting visa liberalisation to Kosovo would depend on the country reaching a "historic peace agreement" with Serbia, in contradiction with the formal criteria set by Council and Commission for visa liberalisation.
-) He displayed a lack of vision and political understanding of the dynamics at play in the Southern Neighbourhood. He placed migration control and economics at the heart of his priorities, while neglecting the profound social and political discontent, the existing regional dimensions of the portfolio, and the Commission's response to ongoing conflicts, notably in Syria.
-) He expressed scepticism and misunderstanding towards the proposed EU human rights targeted sanctions regime.
-) He showed no willingness to grant the European Parliament formal scrutiny rights on external financing instruments.
-) He failed to give a concrete and credible explanation on how he would act against the emerging Russian influence in the neighbourhood and enlargement countries and member states.
-) He failed to present a political vision for the future of EU enlargement and Neighbourhood policies and presented instead an extremely technical approach of a diligent executing manager rather than a visionary political leader, which a commissioner is supposed to be.

Reinhard Bütikofer & Ernest Urtasun
Greens/EFA AFET coordinators