

**ANSWERS TO THE EUROPEAN PARLIAMENT**  
**QUESTIONNAIRE TO THE COMMISSIONER-DESIGNATE**

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**Executive Vice-President-designate for An Economy that Works for People**

**Question 1: General competence, European commitment and personal independence**

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

Thirty years ago, on 23 August 1989, more than 2 million people joined hands to form a human chain across the three Baltic States - Estonia, Latvia and Lithuania. ‘The Baltic Way’ – now a landmark of history – was a peaceful demonstration against the oppressive regime of the Soviet Union. It was the peoples of the three Baltic nations crying out for freedom, democracy and the right to self-determination. My nation, Latvia, and I have come a long way since then. Today Europe is united, Latvia is at its core and 500 million Europeans live in freedom and prosperity. Yet we should not take the European project for granted. Times have changed to the extent that we need to stand up for European values, invest in unity and address new challenges - together. This spring I ran in the European elections, leading my party on a strong pro-European ticket. Voters entrusted me with a mandate to work for a stronger and more united European Union. I believe that this is the interest of Latvia and of any other Member State. Fulfilling this mandate is my ultimate motivation and duty.

Regarding my professional qualifications, I have the honour to serve as Vice-President for the Euro and Social Dialogue at the Juncker Commission. Since July 2016, I have also been responsible for Financial Stability, Financial Services and Capital Markets Union. I am in charge, jointly with Commissioner Pierre Moscovici, of the fiscal and economic governance of the European Union; I lead the work on further strengthening of Europe’s Economic and Monetary Union (EMU). The Commission has improved the European Semester with a greater focus on its social dimension, inclusive growth and stronger engagement with national authorities, social partners and stakeholders. I travelled to all Member States to discuss economic, fiscal and social developments. I was 40 times in national parliaments and had about as many meetings with national social partners.

We have made progress with EMU deepening. I have led the work on completing the Banking Union and on setting up a Capital Markets Union. I am strongly motivated to complete both projects since they will contribute to making Europe’s economy and financial system stronger and more resilient, supporting growth and stability. I would encourage all parties involved to

restart very quickly work on the Commission's proposals on budgetary instruments, including the Budgetary Instrument for Competitiveness and Convergence, but also a fiscal stabilisation instrument at the EU level. The current Commission proposed a European Investment Stabilisation Function and one priority of the next Commission will be a European Unemployment Benefit Reinsurance Scheme. I have been responsible, together with Commissioner Marianne Thyssen, for developing the European Pillar of Social Rights and for re-launching social dialogue at EU level.

I took office as Prime Minister of Latvia when the national economy was in freefall and going through a severe financial crisis. Putting the economy back on its feet and then joining the euro five years later would not have been possible without constant engagement with social partners throughout those difficult times.

I served as Prime Minister of Latvia in three consecutive governments, from March 2009 to January 2014. I was a Member of the European Parliament (2004 - 2009), where I was a member at the Committee on Budgets and a substitute member on the Committee of Economics and Monetary Affairs. This year, I was elected to the European Parliament for the third time. I took a decision to give up my mandate following the Latvian government's decision to nominate me as Commissioner-designate. I have also been elected to the Saeima (Parliament of Latvia) three times (2002, 2010, 2011) and was Latvia's Finance Minister from 2002 to 2004.

In all, I have a long-standing political experience within EU institutions - the European Parliament, the European Council, the Council and the European Commission - which provides me with hands-on experience as to how the EU decision-making process works.

Regarding the strategic agenda ahead of us, I agree with President-elect Ursula von der Leyen that there are major challenges testing the response capacity of the European Union - such as climate change, digitalisation, demographic change, a less open international trading system, and the rise of new powers. These developments will require a profound transformation of our economies, deeply affecting our societies, altering how people live and work. If confirmed in my role, I would be responsible for steering and coordinating the work across the Commission to make sure that Europe's economy works for people and that we preserve our unique social market economy model. This means promoting fairness and inclusiveness across our economic policies, so that the green and digital transition does not happen at the cost of the most vulnerable members of our societies. We need to reform taxation, invest in education and upskilling, and social policies that help the weakest in an effective way. I will continue working, together with my fellow Colleagues, on implementing the European Pillar for Social Rights.

The transition to climate neutral economy will require massive investment, both from public and private sources. To bridge the gap and building on my experience with sustainable finance policy, I would work to develop a new Sustainable Finance Investment Plan. The climate emergency challenge can become an opportunity for European businesses if they move quickly. They could gain a competitive advantage in the race for green products and services, which will I am convinced will develop globally. Economic growth and climate-friendliness are not mutually exclusive concepts.

We have to continue our work on building a strong EMU to help Europe project its full economic weight in the world. We need to give the euro a greater international role. This means completing the Banking Union by finding a way forward on its missing pillar – the European Deposit Insurance Scheme. In parallel, we should strengthen our work to fight against money laundering: there is no place for dirty money in European banks. I regard the Capital Markets

Union as high priority because it is instrumental for facilitating access to finance for our small and medium-sized enterprises, which are the backbone of our economy and job creation. While Europe is home to immense talent and innovation, our SMEs find it difficult to become large-scale innovators, often due to insufficient access to finance. Also as part of the EMU deepening agenda, will need to continue working on the budget instruments.

On economic governance, I want to uphold the steady improvements we made in the European Semester of economic policy coordination with a stronger social dimension, and integrate the Sustainable Development Goals into this work, while retaining the macroeconomic focus of the European Semester.

The European project can only be credible if it remains open to its members and to those who request help in times of need. This is why, if confirmed, I want to continue supporting the Member States in their efforts to join the euro. I believe that we should also support non-EU partner countries in our broader neighbourhood, including providing assistance to Ukraine for its economic stabilisation.

I want to help overcoming the divide between East and West, which is still too present in Europe. My team will reflect that geographical balance, as well as a gender balance, which I have always promoted. I strongly support the President-elect's stance on gender balance. This principle figures prominently in the European Pillar of Social Rights. I would actively support concrete measures for implementing the gender equality principle in practice. I would contribute to the development of a new European Gender Strategy and I would support binding pay-transparency measures to expose pay gaps between men and women. I will also further promote measures to promote equality between men and women in the framework of the European Semester. Advocating measures in support of female labour market participation is just one example of how the Country Specific Recommendations can help keep gender equality high on the policy agenda.

Equality of treatment matters in so many respects. It creates a feeling of fairness and inclusiveness, which leads to a sense of belonging. This is what Europeans expect from us.

I commit to fully respect the Treaty obligations on independence and integrity, impartiality and availability, as defined in paragraph 3 of Article 17 of the Treaty on European Union and in Article 245 of the Treaty on the Functioning of the European Union (TFEU), as well as the obligation of professional secrecy in Article 339 TFEU. I solemnly declare to comply with the ethical standards as set out in these articles and the Code of Conduct for Commissioners. I have completed and my Declaration of Interest, made it public and will immediately update it in the event of any changes.

I also commit to avoiding any position or situation that might question my independence, impartiality and availability to the Commission. I will refrain from holding any other public office and from engaging in any other professional activity, unpaid or paid. I pledge to inform the President of the Commission immediately if a situation involving a possible conflict of interest in the performance of my official duties were to emerge.

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

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

I am honoured by my nomination for the role of the Executive Vice-President for An Economy that Works for People. If my appointment is confirmed, I will have the important role of coordinating one of the six headline priorities of the President's political guidelines. While taking political responsibility for my activities, I will work in full cooperation with all the members of the College to shape coherent policies and deliver on the pledges set out in the Political Guidelines, finding synergies across policy areas and without losing sight of priorities. I will spare no effort to build effective and cohesive teams, which I believe is a pre-condition for achieving the best possible results. I share the view of the President-elect that 'it is high time to reconcile the social and the market in today's economy.' Within the Commission and with stakeholders, I intend to act as moderator and facilitator. I trust that my experience as the Vice-President and Prime Minister can help in that respect.

I rely on a close working relationship with the European Parliament, its bodies and Members at all stages of the policy-making process. I would regularly attend plenary and committee meetings, be available for informal discussions and remain in regular contact with MEPs, especially Chairs and coordinators of responsible committees. I would instruct my team to establish close relationships with the offices of Members of the European Parliament, based on openness, transparency, and mutual trust and timely flow of information. I would implement the aspiration of the President-elect for the European Parliament to have a stronger voice about the economic governance of the European Union. I would exercise my role of managing and organising the representation of the Commission in my areas of responsibility, including to maximise its political presence at plenary debates, committee meetings and trilogue negotiations.

As the only directly elected European institution, the European Parliament is the representative of citizens' views and aspirations, bringing legitimacy to the EU political and decision-making processes. The Commission is accountable to the European Parliament. This principle of accountability is of great importance: it contributes to the efficiency and good governance of the Commission and allows it to explain its positions at various stages of the political and legislative process. Without prejudice to the principle of collegiality, I accept my personal political responsibility in the areas assigned to me, in line with the 2010 Framework Agreement on relations between the European Parliament and the Commission. In this context, I can also assure you that relations between me, my Cabinet and services under my responsibility will be based on loyalty, trust, transparency, a two-way information and mutual assistance.

I will make sure that the teams of Commissioners working in the areas entrusted to me carefully consider and debate Parliament resolutions that are relevant to their field of activity. Views expressed by the European Parliament are a very valuable contribution to political debate and to consensus building amongst the EU institutions. The Commission is ready to follow up on resolutions within 3 months.

President-elect von der Leyen supports a right of initiative for the European Parliament. She committed that her Commission will follow-up on Parliamentary resolutions adopted by a majority of its members with a legislative act, in full respect of proportionality, subsidiarity and better law-making principles. I fully subscribe to this objective and as part of the next College's commitment to a deepened partnership with the European Parliament, I will work hand in hand with Parliament at every stage in debating resolutions under Article 225 TFEU. I commit to work closely with the relevant parliamentary Committees, and be active and present during the preparation of Article 225 TFEU resolutions. I strongly believe that this will improve dialogue, foster confidence and a sense of working together towards a common goal.

The Commission will also effectively respond to Parliament's resolutions within three months after their adoption, in accordance with the Framework Agreement. The Commission will ensure political oversight over the process.

Finally, I commit to fully implement the principle of equal treatment for the European Parliament and the Council as co-legislators regarding access to meetings, information and documents, which is part of my duty as a Member of College, accountable to directly elected Members of the European Parliament.

**3. You are in charge of delivering an economy that works for people. Regarding the economic governance framework, are you confident that it is sufficiently strong to avoid a balance-of-payments crisis and a sovereign debt crisis in the future and what do you intend to do to address the long-standing shortcomings of the Economic and Monetary Union, namely a lack of stabilisation function and of a European fiscal capacity to stimulate investment and create jobs? Moreover, do you confirm that you will remain responsible for the euro in the incoming Commission?**

As Vice-President, I will ensure that the Commission uses all the tools at its disposal to deliver an economy that works for people.

The euro, the common currency shared by most EU Member States, is much more than the coins and notes that people have in their wallets. It is a symbol of European unity and prosperity, based on a strong Economic and Monetary Union. As set out in the mission letter of President-elect von der Leyen, if confirmed, I will coordinate the relevant group of Commissioners and lead the work on deepening our Economic and Monetary Union, a role which I had already in the current Commission. I would also continue to lead the work on the international role of the euro. Hence, to reply to your last question, I would remain responsible for the euro.

In the wake of the last crisis, the Commission – together with the other EU institutions and the Member States – has made enormous efforts, first, to preserve the stability and integrity of our economies and, second, to strengthen our governance framework. With the Investment Plan for Europe, we have enabled EUR 433.2 billion of additional investment in the European economy. We have significantly strengthened the social dimension of the Economic and Monetary Union and promoted a fair taxation policy. As a result, the European economy and the euro are now in a much better shape. We have been growing for the seventh consecutive year; employment is at a record high, unemployment at the lowest level since the crisis, and poverty levels are decreasing. Not all Member States have performed equally well during the recovery but there is no doubt that the overall stability and integrity of the European economy, and in particular the stability of the euro area, have been strengthened compared to the pre-crisis years.

Now we have to build on the progress made and prepare our economy for the important transformation needed to tackle the new challenges set out by President-elect Ursula von der Leyen in her political guidelines. We have to work on several areas, in particular on fostering investment and adjusting the structure of our economy. We should be vigilant to possible risks to economic and financial stability and preserve sustainable public finances. A responsible fiscal policy at this juncture means also improving the quality of public finances and using fiscal space to support investment and reforms.

Closing the investment gap to master the transition to a climate neutral economy will be a major challenge. The Sustainable Europe Investment Plan, that I will coordinate, aims to mobilise EUR 1 trillion of investment in every corner of the EU over the next decade. To meet this goal, we need to cooperate closely with many colleagues in the Commission and pull together public and private funds, building on InvestEU, on cohesion funds and on our work on sustainable finance. To support this, the European Investment Bank should dedicate half of its total financing to climate investments by 2025. This work needs to be closely coordinated with the development of a new long-term industrial strategy for the EU.

At the same time, our Economic and Monetary Union is still not complete. The Commission has put forward a series of proposals and launched a number of initiatives to complete the economic governance framework, for example on Banking Union, Capital Markets Union and on new budgetary instruments. A good number of these have successfully made its way through the legislative process and are now part of the stronger architecture that I mentioned before. There are other proposals, for instance on a central fiscal stabilisation function, which are still under discussion in the European Parliament and the Council. I am convinced that the fiscal stabilisation function is needed to further strengthen the resilience of the euro area and the EU in the face of possible future large shocks. The current Commission made a first concrete proposal for a European Investment Stabilisation Function. Under the new Commission, I will work to develop a European Unemployment Benefit Reinsurance Scheme, together with the Commissioners for Economy and for Jobs. I am also committed to concluding the negotiations on the Reform Support Programme and the Budgetary Instrument for Convergence and Competitiveness for the euro area to support Member States' growth-enhancing reforms and investment, in close cooperation with the Commissioner for Cohesion and Reforms.

In the new Commission, we will have to bring the work on the Economic and Monetary Union forward as part of a broader and more comprehensive agenda that also includes investment, free and fair trade relations, fair taxation, industrial policy, the internal market and stronger support for small and medium sized enterprises.

**4. What should be the three main political objectives during the next mandate of the Commission for future regulation of the financial sector? What is your assessment of the Banking Union at present and of the next steps for its completion, in particular to finalise the common backstop to the Single Resolution Fund and to concretely design a European Deposit Insurance Scheme (EDIS) despite current divergences of views between Member States, and do those next steps include the adoption by the Commission of a new legislative proposal on EDIS? How do you envisage to make banks stronger and safer, to reduce their systemic relevance and their exposures to their own sovereigns, to combine the reduction of non-performing loans with the protection of a consumers throughout the Union, and to ensure a level playing field among all European banks? Do you think the**

**EU financial services sectors is prepared for a “no-deal Brexit” and which sectors do require further work for being fully prepared for any kind of Brexit? How do you evaluate the preparations in the area of clearing and settlement for a “no-deal Brexit, in particular concerning Euro-denominated derivatives?**

The financial sector underpins our economy and wider society. When it works properly, it can be a driver of economic success and prosperity. When it fails, the consequences can be devastating. The major reforms that we have implemented since the global financial crisis have significantly restored the health of the EU financial sector and the banking sector's recovered health and promoted economic recovery in general. We need a financial sector that is safe, supports sustainable economic growth and helps us to respond to today's global challenges. Despite the improvements in the last ten years, the hard lessons we have learned from the global financial crisis mean that we must remain vigilant at all times to possible risks to financial stability.

My first political objective will be to ensure that the financial sector continues financing the economy in a safe and effective way. In this context, our prime objective will be to complete the Banking Union, and continue to build the Capital Markets Union. A lot of progress has been made in the last five years but we can do much more to further improve the financing of the economy. My second political objective will be to ensure that finance supports the transition towards a sustainable economy. In order to become the world's first climate-neutral continent, this will require investments worth trillions of euros. Although the public sector has a key role to play, substantial investments from private investors will be essential. Europe cannot act alone on these issues; only a global approach can work. We should therefore continue to work with our international partners to mobilise international private investors across the globe. Third, the move to a digital economy is transforming every aspect of the world we live in. We need to ensure that our policies are coherent with the digital transformation of the financial sector. We need to ensure that firms can embrace these new opportunities where they benefit their clients and the wider economy. At the same time, our legal framework must continue to ensure that consumers and investors are appropriately protected; we must also be able to mitigate risks when they arise, in particular when they can have an impact on financial stability. Finally, I will develop proposals to ensure that Europe is more resilient to extraterritorial sanctions by third countries and that the sanctions imposed by the EU are properly enforced, notably throughout its financial system. In the field of sanctions, I will work closely with the High Representative/Vice-President.

Completing the Banking Union will be a key priority. The original vision for the Banking Union, back in 2012, was ambitious, radical and completely new. We often forget how much has been achieved in only a few years. Today, we have common supervision and resolution mechanisms and banks have stronger balance sheets. However, progress has not been as substantial on some key measures to reinforce the architecture of the Banking Union. For instance, Member States continue to discuss the concept of a European Deposit Insurance Scheme, the missing third pillar of the Banking Union. Without prejudice to the Commission's institutional prerogatives, the outcome of these discussions and the position of the European Parliament should be taken into account when determining the appropriate next steps in 2020. I remain committed to a European Deposit Insurance Scheme, and what is clear is that we need to build consensus on this issue between Member States and with the European Parliament. The Member States recently reached 'a broad agreement' on reforming the Treaty establishing the European Stability Mechanism, which will also make the European Stability Mechanism the common backstop to the Single Resolution Fund. This is substantial progress and I will actively

support the negotiations to achieve quality outcomes while supporting an early conclusion of this important work.

Thanks to a significant number of reforms, Europe's banks are today much stronger, better capitalised, less leveraged, and better prepared overall to withstand economic shocks. At the same time, further work is needed to tackle some remaining issues.

It is necessary to encourage banks to diversify further their sovereign bond portfolios and reduce the home bias, which remains far too strong and leaves banks overly exposed to the fiscal distress of their home government. I do not underestimate the political, legal and technical complexity and sensitivity of these issues across the EU and their financial stability implications, so it will be essential to develop a consensus both in the European Parliament and with the Member States.

The volume of non-performing loans has come down significantly to around 3% for the EU as a whole, thanks to decisive efforts undertaken in the last years by policy makers, supervisors and banks. However, this number hides large differences between Member States and between banks. To facilitate the further reduction of non-performing loan levels, we should quickly finalise our work on secondary markets and accelerated collateral enforcement, taking full account of the need to design a system that protects consumers.

Finally, we should implement the final set of Basel III reforms that complete the post-crisis bank prudential framework, in a way that preserves European specificities and the diversity of the EU banking sector.

While I deeply regret Brexit, an orderly Brexit is clearly preferable to a disorderly Brexit. However, we have to be ready for all scenarios, including no-deal. On the financial side, I believe we are as prepared as we possibly can be. We have adopted numerous legal acts in recent months to help us get to that stage. Based on a joint analysis by the European Central Bank and the Bank of England, the Commission services have taken steps to reduce all risks to financial stability in the event of a no-deal Brexit. A no-deal Brexit may provoke some disruption in the provision of financial services and some financial market volatility. However, the most significant negative impact on the financial sector is more likely to come from the impact of Brexit on the real economy. In this respect, stress tests have shown that the financial sector is sufficiently resilient. We will continue to closely monitor market developments and take appropriate measures, if needed. In the specific area of clearing and settlement, the EU is also ready for a no-deal scenario. The Commission adopted a temporary Central Counterparty equivalence decision to preserve the financial stability of the EU27 in the event of a no-deal Brexit. Specifically with respect to un-cleared over-the-counter derivatives, provisions are in place to ensure that contracts remain valid and can continue to be serviced after Brexit. In parallel, and beyond Brexit, new rules were agreed to strengthen the supervision of Central Counterparties earlier this year. These rules will upgrade the EU's supervisory toolkit, notably for third-country Central Counterparties that are of systemic relevance to the EU.

**5. What is your assessment of the Capital Markets Union at present and what are the concrete measures that you intend to put forward to complete the CMU in order to diversify access to finance for companies, facilitate financing, for small and medium-sized enterprises while promoting a transition to a greener economy through sustainable finance? Retail financial services are critical services and yet this sector is consistently ranked as one of the worst performing markets in terms of consumer satisfaction and**

**important pieces of legislation are not implemented or enforced in a satisfactory way: what measures will you take to improve supervisory convergence in and enforcement of consumer protection legislation in financial services? What are your views on the future revision of EU AML legislation?**

The Capital Markets Union is essential to boost investment, growth and job creation. Vibrant and integrated capital markets, which complement a solid banking sector in financing our economy, are best suited to fund innovation and create more investment opportunities and risk diversification for European investors. As the Capital Markets Union contributes to private risk sharing among Member States, it is key for completing the Economic and Monetary Union and for strengthening the international role of the euro. Substantial progress has been made since the launch of the Capital Markets Union in 2015: 11 legislative proposals have been adopted or agreed, and the Commission has implemented or launched more than 50 non-legislative measures. Nonetheless, I am aware that some important structural barriers remain. It will be a priority to give a new impetus to the completion of the Capital Markets Union.

We can do more to ensure that European companies have access to the funding they need to invest and create jobs. Over the last five years, we have particularly focused on measures to enhance market-based financing for small and medium-sized enterprises, most recently with reduced administrative burden and compliance costs of public listing. To build on this work, together with the Executive Vice-President-designate for a Europe fit for the Digital Age, we will propose a strategy for small and medium-sized enterprises, notably to help improve its access to finance. To that end, on top of other measures, I will put in place a private-public fund to support access to public equity by small and medium-sized enterprises.

While we have made some progress over the past five years to remove structural barriers in significant areas for cross-border investments, we should carefully identify the remaining gaps and propose new ambitious initiatives. For instance, investors often mention the barriers linked to insolvency laws and tax proceedings as impediments to cross-border investments. The Commission has also advocated genuine European supervision and we will have to assess whether the recently agreed rules on the European Supervisory Authorities will be sufficient to support supervisory convergence in the EU.

We will also need a strategy to achieve our goal of climate neutrality by 2050 and attract private capital so that it contribute to these commitments. If confirmed, I intend to launch rapidly a public consultation to define the basis of a new green financing strategy, to hear views from all stakeholders. Several areas already call for increased efforts: among others, we should strengthen the foundations of green finance by exploring ways to improve corporate disclosure on sustainability, sustainability research and ratings. The work on the EU-wide taxonomy is fundamental for defining which economic activities are environmentally sustainable. The taxonomy will contribute to fighting greenwashing, which is currently widespread in the financial sector, and will form basis for our work on standards and labels, such as an EU Green Bond Standard or an EU Ecolabel. I will lead the work to attract private investment into green activities by using the full power of the EU budget, through an ambitious Sustainable Europe Investment Plan and by turning the European Investment Bank into Europe's climate bank. In addition, we will have to work closely with our partners to lead global efforts to scale up sustainable financing.

I am convinced that there will not be a complete Capital Markets Union without more active retail investor participation. I am committed to working on this so that consumers across Europe have access to more and better products, more easily and safely, and at lower cost. This will

require having a comprehensive approach across all existing legislation. The Consumer Financial Services action plan has achieved tangible benefits, for example by making cross-border payments among all EU Member States cheaper, and we should review its implementation. We should identify solutions to offer cheap and instant cross-border payments and set out a clear strategy to achieve them. Regarding investment, we should assess if the transparency rules in the different pieces of legislation are sufficiently consistent, effective and fit for the digital age. We should also ensure that consumers have access to full information about costs and performance of investment products. However, truly integrated financial markets can only work properly if rules are applied and enforced in a consistent way in all Member States. We will ensure that all EU Directives in this area are fully transposed into national law on time and follow up on all complaints received from consumers and promote awareness of consumer rights and problem-solving tools. We will carefully assess the recently agreed changes to the European Supervisory Authorities' tasks and its increased focus on consumer protection.

We should also harness the potential of new digital technologies to deliver a better deal for European consumers, while protecting the integrity and stability of the European financial system. To that effect, I commit to continue work on FinTech and to propose a common EU approach on cryptocurrencies.

Fighting money laundering will be essential for the integrity of the financial system. Challenges are likely to remain even after the full implementation of recent measures and we will have to work on different fronts to improve the situation. This will require ensuring the full implementation of Union legislation (4th and 5th Anti-Money Laundering Directives) and pursuing infringement proceedings against Member States who lag behind in transposing the rules. We should also ensure that banks are more consistently supervised. There are substantial divergences among Member States' anti-money laundering frameworks and differences in how the rules are applied across country borders. Enhancing supervision throughout the Union is clearly a priority. Building on the analysis already carried out, we will continue to assess the most appropriate ways to make sure that anti-money laundering supervision is of the highest quality throughout the Union. I see a lot of merit in conferring specific anti-money laundering supervisory tasks and their coordination to a Union body. Given their importance in the current architecture, the role of national Financial Intelligence Units should be carefully analysed. Finally, we will have to enhance the EU's role in the international discussions on anti-money laundering to make sure that the EU's high standards are better reflected in the international arena.

**6. As Executive Vice-President for an Economy that Works for People, you will be in charge of the coordination of the work on the action plan to implement the European Pillar of Social Rights and lead the work on strengthening the role of social dialogue at European level. You will also lead the work on refocusing the European Semester so that it integrates the United Nations Sustainable Development Goals.**

**In the past, partially as a consequence of the EU's competences as set out in the Treaties, there has been an imbalance between social, environmental and economic policies at Union level, whereby economic issues were given a more prominent role. Commission President-elect Ursula von der Leyen stressed that "it is now more important than ever to put social rights, protection and fairness at the heart of our modern economy"**

**What are the specific legislative and non-legislative initiatives you foresee — and according to which timetable — in order to:**

- **implement the European Pillar of Social Rights and promote a fair, functional and barriers free European labour market;**
- **put the commitment to put social rights, protection and fairness at the heart of our modern economy into practice, in particular in the context of the European Semester, so as to ensure that the Union's social and economic objectives have equal priority and the United Nations Sustainable Development Goals are integrated?**

Let me first recall that I coordinated the preparatory work on the European Pillar of Social Rights, which was proclaimed, in November 2017 in Gothenbourg, at the first social Summit in the last two decades. On that occasion, I saw a strong commitment from the EU Heads of State or Governments and from the European Parliament for better enactment and implementation of social rights.

Under the leadership of President-elect von der Leyen, I will continue to do my utmost to make the rights and principles of the European Pillar of Social Rights effective and relevant for our citizens. If confirmed, I will coordinate work to deliver an ambitious Action Plan for implementing the European Pillar of Social Rights; it will be will be one of my first priorities. I will consider the full array of tools at our disposal, legislative and non-legislative, EU funding, and the European Semester.

The Pillar is a shared political commitment and responsibility, meaning implementation will require action at both European and national level within respective competences and in full respect of subsidiarity. Implementing the Pillar will also require active political engagement, most notably with the European Parliament, with and *within* Member States, with social partners, and with other stakeholders, not least civil society. This was also emphasised in the Strategic Agenda of the European Council of June 2019.

At the Union level, I will work with my colleagues, in particular the Commissioner for Jobs, to deliver a number of concrete initiatives that will contribute to putting the Pillar into practice on the ground, such as:

- A legal initiative on fair minimum wages, with due respect for wage-setting according to national traditions, through collective agreements or legal provisions;
- A European Child Guarantee;
- Strengthening the Youth Guarantee;
- A European Unemployment Benefit Reinsurance Scheme;
- A new European Gender Strategy, including measures to introduce binding pay-transparency measures;
- An updated skills agenda; and
- Ways to improve the labour conditions for platform workers.

These and other actions included in the Political Guidelines are an ambitious starting point. We need to continue scrutinising all 20 principles, together with the European Parliament and the Member States, and see where more progress is needed. As the Social Scoreboard shows, social outcomes are very different across EU Member States. I believe the Commission should lead the way to upward convergence and to achieve inclusive growth that benefits all. I intend to pursue this with vigour.

Given our global commitments and the leadership role that Europe must pursue, I will lead the work to refocus the European Semester into an instrument that integrates the United Nations Sustainable Development Goals set for 2030. The Sustainable Development Goals provide a framework for achieving a just transition to a sustainable society and economy. They need to be translated in the European Union context. Our economic, social and environmental actions should go hand in hand. The European Semester can provide a suitable framework to monitor progress towards these objectives and envisage guidance for policy action in Member States. The Semester process will therefore be re-focused, while maintaining its macro-economic focus. To ensure that the Semester process is transparent, it is important for the Commission to aim at engaging actively and in a timely way with the European Parliament, Member States, social partners and other stakeholders. In this context, I will see to it that the relevant Members of the Commission in charge of economic and social matters will come to the European Parliament before each key stage in the European Semester cycle.

**7. As Vice-President in the Juncker Commission, you have relaunched the social dialogue. What are the concrete measures you foresee in order to continue strengthening the social dialogue at European level in the coming five years? And how will the Commission make sure that the social partners are consulted and involved properly when proposing legislative initiatives, in particular a legal instrument on minimum wage?**

In the Juncker Commission, a Member of the College has been explicitly and formally responsible for the social dialogue, for the first time. Under my responsibility, we launched a New Start for Social Dialogue setting the way to closer and deeper inter-action with social partners.

I am proud of what we have achieved together in the last five years. I feel we have made good progress to strengthen social dialogue, including through the stronger role of social partners in the European Semester and in EU policy-making. In this context, I have made sure to involve and consult the EU social partners beyond social policies and Treaty obligations, in key areas such as the Economic and Monetary Union, the Investment Plan, Digital Single Market, energy, better regulation or the preparation of the new Multiannual Financial Framework. I will build on the momentum created by the New Start for Social Dialogue to continue the good cooperation with European social partners at all levels and key policy areas.

I also plan to strengthen the effectiveness and functioning of cross-industry and sectoral social dialogue to address the changing world of work, to promote the use of the European Social Fund+ funding for the capacity-building of national social partners, and to support social partners in addressing digitalisation or the transition to a climate-neutral economy. In this regard, the Tripartite Social Summit will remain a key moment to deepen our cooperation at the highest political level.

I will ensure that social partners are properly consulted and involved on planned legislative initiatives in accordance with the Treaties. The forms of consultation will differ depending on the legal basis. In line with the Treaty obligations (Article 154 of the Treaty on the Functioning of the European Union), the Commission will consult social partners as required by Article 153 of the Treaty on the Functioning of the European Union. Specifically on the topic of minimum wages, I am fully aware of the key role that social partners play in this respect, and I will ensure their proper involvement in any future initiative. In general, I aim to ensure a coherent approach across the Commission services in consulting social partners on sector-related policy initiatives with social implications, such as the forthcoming Sustainable Europe Investment Plan or in the area of trade.

**8. Structural reforms are crucial in order to create jobs, guarantee prosperity for Europeans and ensure the sustainability of social protection. However, too many country-specific recommendations are not implemented by Member States. The proposal for a Reform Support Programme is currently being discussed in the European Parliament. How do you plan to accelerate the implementation by Member States of these reforms and the adoption and swift implementation of the Reform Support Programme?**

Due to the close links between the economies of Member States, I strongly believe that structural reforms are a matter of common concern. While there has been tangible progress on a large majority of recommendations since the launch of the European Semester in 2011, I would agree that progress has become slower in the last years. There are also differences across countries and policy areas – with a strong record in particular in the financial sector and labour market policy, taxation and transport. Looking at the real economy, we see that structural reforms are paying off. Reforms along the country-specific recommendations have helped growth to return to all Member States and for the unemployment rate to drop from 10.2% (EU28 in 2014) to 6.8% (EU28 in 2018). Countries which tackle structural weaknesses with determination tend to display stronger income and employment growth.

In the next mandate, I will work together with the Commissioners for the Economy, for Jobs and for Cohesion and Reforms to improve ownership and to accelerate the implementation rate of reforms by Member States, notably by further increasing our engagement with European and national stakeholders and by better aligning the Semester with the EU funds.

Since 2014, the European Structural and Investment Funds have been used extensively to address challenges identified in the country-specific recommendations. I believe that it is important to gear up this engagement with the next generation of programmes, including through the European Social Fund+, the European Fund for Regional Development, the European Globalisation Adjustment Fund and the new Just Transition Fund, to mention key funding instruments that have an impact on job creation, support people's lives and invest in human capital.

During the current Commission, we also created a dedicated service to provide technical support for reforms. Demand from Member States has been high. Since 2015, the overall number of reform projects supported through the Commission's Structural Reform Support Service has reached more than 760, covering 26 Member States.

The Reform Support Programme proposal is also part of the efforts to incentivise reforms. The Programme, on which negotiations are still ongoing, aims to provide financial and technical support to Member States in order to help them implement reforms identified as a top priority in the Semester. We are currently working on a Budgetary Instrument for Convergence and Competitiveness for the euro area and countries in the Exchange Rate Mechanism II on the basis of the Reform Support Programme. This instrument aims to support structural reforms and investment priorities in the euro area. I will coordinate the work on this instrument in order to take it forward.