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Committee on Budgets
The Chairman

Ref.: D(2014)

CONFIDENTIAL

Mr Martin SCHULZ
President
EUROPEAN PARLIAMENT

Dear President,

In accordance with Rule 118 of the Rules of Procedure of the European Parliament, the Committee on Budgets held an exchange of views on Monday 14 July 2014 with Mr Jacek Dominik, Commissioner-designate, who, subject to the positive outcome of the nomination procedure, will be responsible for the Financial Programming and the Budget.

Prior to the hearing, Parliament had sent the Commissioner-designate a list of written questions. My committee noted that Mr Dominik answered those questions in a satisfactory way.

Mr Dominik opened the hearing by making a statement in which he described his qualifications for the position, praised the importance and the role of the European Parliament in budgetary negotiations and oversight, and set as his main priority facilitating an agreement on the Draft Budget 2015 and the amending budgets for 2014. He pointed to the difficult situation regarding payment appropriations which is affecting the credibility of the EU and called for a change of approach in the Council. With regard to the activation of the contingency margin for DAB 3/2014, he reiterated that specific and maximum flexibility for payment appropriations was needed under the agreed multiannual financial framework (MFF). He also underlined that he would give attention to the proper management of EU funds. He finally stated his intention to participate fully and play a proactive role in the high-level group on own resources.

Members then asked questions on the following subjects:

- The situation of payment appropriations: which solution should be found to reduce the gap between payments and commitments and how to prevent it in the future; which strategy should be adopted with regard to the Council and how should the work of the conciliation committee be improved; will the

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Commissioner-designate forcefully defend the current Commission's interpretation of the activation of the contingency margin;
- Added-value of the EU budget: is every EU expenditure really necessary and how should the evaluation system be improved;
- Youth unemployment: what should be the role of the EU budget in tackling the effects of the crisis and in creating jobs, more particularly in certain countries;
- Own resources: how will the Commission contribute to the high-level group;
- Agencies: how to ensure that they are provided with the sufficient resources;
- Gender budgeting: how should the EU learn from best practices at national level.

During the debate, Mr Dominik provided answers to the abovementioned questions, and made in particular the following statements:
- In order to secure the appropriate level of payments, draft amending budgets should be adopted as proposed by the Commission;
- In the MFF, both the maximum level of payments and the maximum flexibility should be used;
- On the contingency margin, there are no legal obstacles to using it; only a lack of political will remains in the Council;
- Improvements should be sought in the functioning of the conciliation committee;
- Most of EU expenditure is well spent, contributes to generating growth and improving people's lives, and reflects well-defined priorities and needs; the issue is, therefore, how to best allocate it and to ensure that the means are made available so that it can bring a real added value;
- The High-level group on own resources is an important opportunity to devise a future path to financial autonomy, as well as to simplify the own resources system;
- Agencies' needs should be examined on a case-by-case basis; much work has already been done in an interinstitutional working group.

Before the end of the hearing, the Commissioner-designate made a brief closing statement in which he reaffirmed that the solution presented by the Commission to cope with the current situation of payments should be fully supported. He called on the Parliament to join forces with the Commission so that the EU institutions can regain control of the EU budget.

On the basis of the comments made by my committee's coordinators, who met after the hearing under my chairmanship, I hereby give the following assessment:

A large majority of the political groups supports the appointment of Mr Dominik as Commissioner responsible for Budget. His knowledge and experience of the EU budget have been acknowledged, and most of the priorities he expressed can be shared by the Parliament. He gave the appropriate guarantees that he would behave as an honest broker on behalf of the Commission.

However, some political groups thought that he could have demonstrated a more political and long-term vision of his portfolio. One group (ECR), though endorsing the candidate's qualifications for the post, has expressed criticism as to the content of his statements. One group (Greens/EFA) considered his reply on gender budgeting as unsatisfactory and challenged in general the usefulness of appointing a Commissioner for just a few months. Finally, one group (GUE/NGL) refrained from endorsing the candidate.

In addition, the Members of the Committee of the Budgetary Control put a number of specific questions to the Commissioner-designate and took note with interest the emphasis put into his introductory speech on the proper management of European Funds and his specific commitment to the fight against VAT fraud.

However, CONT Members noted the rather general nature of Mr Dominik's replies as regards the discharge, the errors and irregularities and the way to better control the implementation of the European Union budget. The Members stressed that the Commissioner should consequently ensure better application of control standards and systems in the Member States, and continue to combat fraud and irregularities.

Bearing in mind the very short period of his mandate, and subject to these remarks, CONT Members noted that Mr Dominik has the necessary professional experience to fit with his new function as Member of the College of Commissioners.

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

Yours sincerely,

Jean Arthuis