

The Chair
Committee on Regional Development

CONFIDENTIAL

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Mr Antonio TAJANI
Chair of the Conference of Committee Chairs
PHS 08B043

Subject: Parliamentary hearing of Commissioner-designate Ferreira, 2 October 2019

Dear Mr TAJANI,

In accordance with Rule 125 of the Rules of Procedure of the European Parliament and Annex VII thereto, the Committee on Regional Development held a public hearing last evening with Ms Elisa Ferreira, Commissioner-designate for Cohesion and Reforms. The Committee on Budgets and the Committee on Economic and Monetary Affairs participated in the hearing as associated committees.

Before the hearing, Parliament had sent the Commissioner-designate a list of written questions. The Committee noted that Ms Ferreira had replied promptly and that she had given generally satisfactory answers to these questions.

The main elements of Ms Ferreira's **opening statement** concerned:

- her philosophy and vision of Europe, and her approach to cohesion policy ("no region, no person left behind");
- her chief priorities (progress on the legislative proposals for the next generation of the policy, simplification, reforms, sustainable urban development, the outermost regions, and communicating the policy);
- the professional experience and personal qualities which she believed fitted her for the post of Commissioner for Cohesion Policy and Reforms.

There then followed a round of seven questions from the Committee coordinators and 18 questions from other Members, including representatives from the non-attached Members and the two associated committees. **Members' questions** ranged very widely across the whole field of cohesion policy, covering areas such as:

- the total budget for cohesion policy in the next MFF;
- the cut proposed for the Cohesion Fund;
- the need to address territorial disparities;

- conditionalities in cohesion policy (macroeconomic and rule of law);
- climate change, the shift to a net-zero carbon economy, coal and carbon-intensive regions, and the role of cohesion policy in the Green Deal;
- regions facing demographic challenges;
- the planned Just Transition Fund;
- levels of co-financing;
- reductions in national envelopes in the next MFF;
- the cuts proposed in the ETC budget and implications of Brexit on programmes between UK and Ireland;
- the links between cohesion policy, structural reforms and European Semester process;
- the balance between simplification and scrutiny of public expenditure, paid by citizens as taxes, on projects;
- the outermost regions and remote areas;
- the special problems of areas suffering industrial decline;
- excessive bureaucracy as a burden on beneficiaries;
- the partnership principle;
- gender budgeting.

In her **replies**, Ms Ferreira, inter alia:

- repeated that she would fight for the highest possible budget for cohesion policy within the MFF and that she was not in favour of the budgetary cuts;
- supported a tailored cohesion policy able to address the different needs of the regions;
- underlined that cohesion policy and structural reforms should reinforce each other;
- committed to developing a legislative proposal for a Just Transition Fund, taking into account ETS revenues;
- raised the need for a reconsideration of the own resources question;
- committed herself to ensure that cohesion policy is reflected in all EU policies;
- supported a more moderate use of macroeconomic conditionalities and stronger involvement of the EP in the process of the European Semester;
- stated her willingness to involve herself in the discussions on the economic governance process (Stability and Growth pact);
- noted the need for a more democratic European Semester and emphasised that reforms should not be imposed;
- committed herself to avoid participating in any decision that might give rise to concerns about a potential conflict of interest.

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

- reaffirmed that she would fight in the College of Commissioners for the highest possible budget;
- repeated that she took seriously the concerns of the Members on simplification, structural reforms, environmental issues and climate change;
- stressed that she will work for the outermost regions;
- underlined her intention to maintain a permanent dialogue with the REGI Committee and the European Parliament.

The Committee's coordinators held an **evaluation meeting** on the morning following the hearing. They noted:

- Ms Ferreira's European experience and commitment (an MEP between 2004 and 2016, fluent in EN with good FR);
- her commitment to cohesion policy and its future after 2020;
- her relevant academic (PhD in regional policy economics) and professional background (a board member from June 2016 and vice-governor of the Portuguese central bank since September 2017);
- her positive and self-disciplined approach to the hearing;
- her awareness of the management issues of her putative portfolio (including a commitment to gender mainstreaming);
- her answers to all questions, including those concerned with conflicts of interest.

On the question of whether the Commissioner-designate was fit to be a member of the College of Commissioners, there was unanimity among the Committee coordinators present¹, representing more than two-thirds of the Committee membership, that she was fit to hold this position.

On the question of whether she was fit to discharge in a satisfactory manner the specific responsibilities of Commissioner for Cohesion and Reforms, there was likewise unanimity among the Committee coordinators present, representing more than two-thirds of the Committee membership, that she was fit to carry out these responsibilities.

The opinions of the associated committees are annexed to this letter.

Yours sincerely,



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Encl.

¹ Mr Novakov (EPP), Ms Krehl (S&D), Mr Knotek (Renew), Mr Nienaß (Greens) and Mr Fitto (ECR).

Annex:

OPINION OF THE COMMITTEE ON BUDGETS

Overall, the Committee on Budgets finds unanimously the Commissioner-designate Ferreira qualified to carry out the specific tasks she 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 Commissioner-designate Ferreira during the hearing, in particular as regards issues that are within the Committee's mandate:

- her commitment to actively cooperate with the European Parliament so as to achieve a timely agreement on the MFF 2021-2027.
As regards the proposed reduction of the cohesion policy by the Commission in the next MFF, the Commissioner-designate referred to the current proposal as a working basis only, and stated repeatedly that she would fight for the highest possible level for this policy in future so that it can deliver on its ambitious objectives. However, the impact of Brexit would need to be taken into account, as well as the need to finance new priorities at EU level (security, defence, climate, etc.);
- to campaign for a return of the debate on own resources to the policy agenda, which the Commissioner-designate sees as a possible solution to compensate the reductions currently foreseen in the Commission proposal on MFF, in particular as regards the cohesion policy;
- to put forward in the first 100 days of taking office a proposal on a Just Transition Fund. However, Ms Ferreira stated that it was too early at this stage to provide information on how this new initiative would be financed;
- to ensure a horizontal approach regarding various EU financial instruments in order to achieve the climate spending targets;
- to foster real convergence within the EMU by supporting, inter alia, structural reforms and investments through the Reform Support Programme (RSP) and the Budgetary Instrument for Convergence and Competitiveness (BICC). The RSP/BICC are to compensate countries that do not have fiscal space to carry out the needed reforms/investments. These two instruments should follow the Community method. The structural reforms should be agreed with - not imposed on - Member States within the context of the European Semester, while taking into consideration the United Nations Sustainable Development Goals and issues related to climate change. Furthermore, the BICC should take into account the economic cycle;
- as to the Rule of law, while it is the Commission's responsibility to ensure that Member States fulfil basic rules, the Commissioner-designate stated that there should not be an automatic use of the Rule of law conditionality.

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

Overall, the Committee on Economic and Monetary Affairs finds the Commissioner-designate *qualified to carry out the particular duties she has been assigned within the ECON-related part of her portfolio.*

The Committee on Economic and Monetary Affairs takes note of the emphasis put by Commissioner-designate Ferreira during the hearing on the following issues that are in the committee's mandate:

- the implementation of Member States' structural reforms respecting the European Semester;
- the commitment to work on the Reform Support Programme and the Budgetary Instrument for Convergence and Competitiveness, based on the Community method;
- the willingness to collaborate with all involved committees in order to design the Just Transition Fund.