



**Ursula von der Leyen**

*President-elect of the European Commission*

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## Mission letter

Brussels, 10 September 2019

**Paolo Gentiloni**

### **Commissioner-designate for Economy**

Dear Paolo,

Earlier this year, the people of Europe made their voices heard in record numbers at the European elections. They presented us with a mission to be decisive and ambitious on the big issues of our time that are shaping the future of our society, economy and planet.

Changes in climate, digital technologies and geopolitics are already having a profound effect on the lives of Europeans. We are witnessing major shifts all the way from global power structures to local politics. While these transformations may be different in nature, we must show the same ambition and determination in our response. What we do now will determine what kind of world our children live in and will define Europe's place in the world.

Our job as the European Commission will be to lead, to grasp the opportunities and to tackle the challenges that these changes present, working hand in hand with people from across Europe and with the governments, parliaments and institutions that serve them.

This is the guiding principle behind my Political Guidelines for the next European Commission 2019-2024, which I presented to the European Parliament on 16 July 2019. I outlined six headline ambitions on which I want the European Commission's work to focus. These priorities are interlocking and are part of the same picture. In this spirit, I have put together a College in which we will all work, decide and deliver together.

## An open and inclusive way of working

This approach reflects the open, inclusive and cooperative way of working that I will instil throughout the Commission, as well as in our relationships with others.

### *The College: One team*

The European Commission functions on the **principle of collegiality**. This means we are one team: we all work together following a whole-of-government approach, we all have our say, we all decide collectively and we all take ownership of what is agreed.

To help us deliver on our ambitions and commitments, **I will empower eight Vice-Presidents** to steer and coordinate thematic Commissioners' Groups on each of the Commission's priorities. They will be supported in this role by the Secretariat-General. All Commissioners will be in one or more Groups. The Commissioner for Budget and Administration will report directly to me.

Of the eight Vice-Presidents, the **three Executive Vice-Presidents** will have a dual function. As Vice-Presidents, they will lead a Commissioners' Group and be supported by the Secretariat-General. In addition, they will also manage a policy area and have a Directorate-General under their authority for this part of their job. One of the three Executives, First Vice-President Timmermans, will chair the College in my absence.

The High Representative/Vice-President will support me in coordinating the external dimension of all Commissioners' work. To ensure our external action becomes more strategic and coherent, it will be systematically discussed and decided on by the College. To support this, all services and Cabinets will prepare the external aspects of College meetings on a weekly basis, mirroring the process already in place for interinstitutional relations. This should also better align the internal and external aspects of our work. This will be a **'Geopolitical Commission'**.

I believe that we need to **speak and listen more to one another**, starting from within the Commission. College meetings will be places of open and honest discussion. As President I will set the agenda, but all College decisions will be taken collectively. In line with our commitment to fully digitalise the Commission and the need to use resources conscientiously, College meetings will be paperless and digital.

Each Commissioner will ensure the delivery of the **United Nations Sustainable Development Goals** within their policy area. The College as a whole will be responsible for the overall implementation of the Goals.

### *Interinstitutional relations and better policy making*

Along with our close relations with the Council, I want to strengthen the Commission's **special partnership with the European Parliament**. This priority must cut through the work of each Member of the College, starting with myself.

I will expect you to ensure the European Parliament is regularly briefed, notably before major events and at key stages of international negotiations. In light of my support for a right of initiative for the Parliament, you should work closely with the relevant Committees, and be active and present during the preparation of resolutions requesting that the Commission legislate.

The more we build a consensus when designing policy, the quicker it can become law and make a difference to people's lives. This is why we need an **open and cooperative approach throughout the legislative process**, from policy design to final agreement. I will expect you to attend all political negotiations, known as trilogue meetings, with the other institutions.

We need to ensure that regulation is targeted, easy to comply with and does not add unnecessary regulatory burdens. The Commission must always have the leeway to act where needed. At the same time, we must send a clear signal to citizens that **our policies and proposals deliver and make life easier** for people and for businesses.

In this spirit, the Commission will develop a new instrument to deliver on a **'One In, One Out' principle**. Every legislative proposal creating new burdens should relieve people and businesses of an equivalent existing burden at EU level in the same policy area. We will also work with Member States to ensure that, when transposing EU legislation, they do not add unnecessary administrative burdens.

Proposals must be evidence based, widely consulted upon, subject to an impact assessment and reviewed by the independent Regulatory Scrutiny Board. You will ensure that they respect the principles of **proportionality and subsidiarity** and show the clear benefit of European action.

Given that any legislation is only as good as its implementation, I want you to **focus on the application and enforcement of EU law** within your field. You should provide support and continuous guidance to Member States on implementation, and be ready to take swift action if EU law is breached.

### *Bringing Europe closer to home*

I want to **strengthen the links between people and the institutions that serve them**, to narrow the gap between expectation and reality and to communicate about what Europe is doing.

We must engage with all Europeans, not just those who live in the capitals or are knowledgeable about the European Union. I will expect you to **visit every Member State within the first half of our mandate** at the latest. You should meet regularly with national parliaments and take part in Citizens' Dialogues across our Union, notably as part of the Conference on the Future of Europe.

A stronger relationship with citizens starts with building trust and confidence. I will insist on the **highest levels of transparency and ethics** for the College as a whole. There can be no room for doubt about our behaviour or our integrity. The Code of Conduct for Commissioners sets out the standards and the rules to follow.

You will ensure budgetary spending represents value for taxpayers and follows the principles of sound financial management.

### *Making the most of our potential*

The gender-balanced College I am presenting today makes good on my pledge to put together a Commission that is more representative and draws on all of our potential. This is a good start, but there is plenty more work to be done.

I expect you to **draw on all of Europe's talents** when it comes to setting up your own Cabinets. That means striking an appropriate balance in terms of gender, experience and geography.

The Commission should also lead by example when it comes to ensuring better representation and a diversity of voices in our public life. With this in mind, all public events organised by the Commission should aim to feature gender-balanced panels and a broad range of perspectives from across Europe.

## Your mission

### **I would like to entrust you with the role of Commissioner for the Economy.**

Europe's economic policy is essential to set the right conditions for job creation, growth and investment. It supports our wider societal goals and helps provide stability and protection in times of economic downturn or crisis. The euro, our Union's single currency, is our main tool to deliver this prosperity, stability and protection for Europeans. It incentivises trade, competition and stable prices, and is one of our greatest strategic assets.

As part of a strong and fair economy that works for people, we need tax policies that increase fairness and reduce social inequalities, and a modern Customs Union to help fight serious crime and make it easier for our businesses to trade.

### *Economic and financial affairs*

Your task will be to ensure our economic policy encourages sustainable growth and offers the protection and stability Europeans need.

- Inclusive growth and environmental sustainability must go hand in hand. You will contribute to turning the **European Semester** cycle of economic governance into an instrument that integrates the United Nations Sustainable Development Goals.
- I want you to focus on the further deepening of the Economic and Monetary Union. You will ensure the application of the **Stability and Growth Pact**, using the full flexibility allowed in the rules. This will help us achieve a more growth-friendly fiscal stance in the euro area and stimulate investment, while safeguarding fiscal responsibility.

- You should ensure Europe increases its **resilience to shocks** and should ensure stability in case of another economic downturn. Current high debt levels are a source of risk and a constraint on governments offering macroeconomic stabilisation when needed. You should look at how to address debt levels in both the public and the private sector.
- You should lead work on the design of a **European Unemployment Benefit Reinsurance Scheme** to protect our citizens and reduce the pressure on public finances during external shocks, working closely with the Commissioner for Jobs.
- You will coordinate the launch of the future **InvestEU programme** and ensure it contributes to our overall objectives, notably on climate neutrality and the digital transition. Building on this approach, you will also set up and implement the **Sustainable Europe Investment Plan**.

### *Fair and effective taxation*

Your task over the next five years will be to ensure that tax policies are fair, fit for the digital economy and make it easier for businesses and people to work across borders. We will need to adapt our tax systems to a changing labour market and new and emerging business models.

- You should lead international efforts to find an agreed approach on **digital taxation**, working with our partners in the Organisation for Economic Co-operation and Development and the G20. If no consensus emerges by the end of 2020, you should lead on the proposal for a fair European digital tax.
- Taxation must play a central role in the European Green Deal. I want you to lead the work on the review of the **Energy Taxation Directive** to align it with our ambitions and bring an end to fossil-fuel subsidies.
- You should lead on the proposal of a **Carbon Border Tax**, working closely with the Executive Vice-President for the European Green Deal. This is a key tool to avoid carbon leakage and ensure that EU companies can compete on a level playing field. The Carbon Border Tax should be fully compliant with WTO rules.
- You should focus on making our tax systems simpler, clearer and easier to use. As part of this, you should lead efforts on making a common **consolidated corporate tax base** a reality.
- Europe must **step up the fight against tax fraud, tax evasion and tax avoidance**. You should work towards a fraud-proof VAT regime and look at how cooperation between national authorities can be improved.
- You should help develop stronger measures to **combat harmful tax regimes around the world**, including by making full use of the list of non-cooperative jurisdictions for tax purposes.

- To ensure we make the progress we need, we should make full use of the clauses in the Treaties that allow proposals on taxation to be adopted by co-decision and **qualified majority voting**.

### *A strong and modern Customs Union*

We need a stronger Customs Union framework that better protects our citizens and our single market. Your work will focus on ensuring controls are effective, implemented and fit for the modern economy.

- I want you to work closely with Member States on the **full implementation of the Union Customs Code**. The digital systems, which will ensure the implementation of the Code, should be put in place without delay.
- You will put forward an **integrated European approach** to reinforce risk management and work closer with Member States to ensure controls are effective. To ensure a consistent approach across our external border, cooperation between different agencies and authorities working on customs control should be stepped up.

As a rule, you will work under the guidance of the Executive Vice-President for an Economy that Works for People. The Directorate-General for Economic and Financial Affairs and the Directorate-General for Taxation and Customs Union will support you in your work. You will also be responsible for Eurostat.

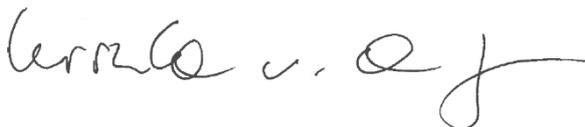
## **The way forward**

The mission outlined above is not exhaustive or prescriptive. Other opportunities and challenges will no doubt appear over the course of the next five years. On all of these issues, I will ask you to work closely with me, and with other Members of the College.

Once there is more clarity, we should be ready to pave the way for an ambitious and strategic partnership with the United Kingdom.

I look forward to working closely together at what is an exciting and testing time for our Union. You can of course count on my full personal and political support ahead of your hearing at the European Parliament and throughout our mandate.

Yours sincerely,



Ursula von der Leyen

President-elect of the European Commission