

**Ursula von der Leyen** President of the European Commission

## **Mission letter**

Brussels, 13 September 2020

## Valdis Dombrovskis

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

Dear Valdis,

Last 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.

The coronavirus has shaken Europe and the world to its core, testing healthcare and welfare systems, our societies and economies and our way of living and working together. 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 is 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 Europe's moment.

This is the guiding principle behind my Political Guidelines for the 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 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 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 have empowered eight Vice-Presidents** to steer and coordinate thematic Commissioners' Groups on each of the Commission's priorities. They are supported in this role by the Secretariat-General. All Commissioners are in one or more Groups. The Commissioner for Budget and Administration reports directly to me.

Of the eight Vice-Presidents, the **three Executive Vice-Presidents** have a dual function. As Vice-Presidents, they lead a Commissioners' Group and are supported by the Secretariat-General. In addition, they 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 supports me in coordinating the external dimension of all Commissioners' work. To ensure our external action becomes more strategic and coherent, it is systematically discussed and decided on by the College. To support this, all services and Cabinets prepare the external aspects of College meetings on a weekly basis, mirroring the process already in place for interinstitutional relations. This also better aligns the internal and external aspects of our work. This is a **'Geopolitical Commission'**.

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

This **gender-balanced College** 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 have entrusted you with the role of Executive Vice-President for an Economy that Works for People.

Europe's social market economy helps ensure that social fairness and prosperity go hand in hand. We should preserve and improve this unique model, which puts people's welfare above all else. This is all the more important at a time when we are redesigning our industry and economy in line with societal, environmental and technological changes.

As Executive Vice-President, you will have a dual function. You will chair the Commissioners' Group on an Economy that Works for People, leading the work on **deepening our Economic and Monetary Union**. You will also be responsible for the trade portfolio.

## An economy that works for people

I want you to take the overall lead on building a future-ready economy that works for people and delivers stability, jobs, growth and investment. This is ever more important as we have to mitigate the socio-economic damage stemming from the acute health crisis and ensure that recovery is sustainable inclusive and fair for all Member States.

• You will support me in the **implementation of the Recovery and Resilience Facility** and refocusing the **European Semester**, supporting Member States' investments and structural reforms aimed at speeding up economic recovery, **territorial cohesion** and inclusive and sustainable growth and integrating the United Nations Sustainable Development Goals.

- As our economies and societies undergo a major crisis, it is more important than ever to invest in repairing our social fabric and to put social rights, protection and fairness at the heart of our modern economy. I want you to coordinate the work on the action plan to implement the **European Pillar of Social Rights**.
- I want you to prioritise the relationship with the social partners and lead the work on strengthening the role of **social dialogue** at European level. You will help prepare the Tripartite Social Summit.
- You should strengthen the **democratic accountability of our economic governance**. You will ensure the Commission comes to the European Parliament before each key stage of the European Semester cycle.
- I want you to ensure that we maximise the impact of EU investment to support our industry and help us deliver on our core priorities. You will coordinate the work on the **Sustainable Europe Investment Plan**, which should unlock €1 trillion of climate-related investment over the next decade.
- To support this, you will be in charge of relations with the **European Investment Bank**, helping to turn parts of it into Europe's climate bank. By 2025, half of its total financing should be dedicated to climate investment. You will also be in charge of relations with the **European Bank for Reconstruction and Development.**
- Working with the Executive Vice-President for European in a Digital Age, I want you to jointly lead our work on the implementation of the **Industrial Strategy** for a globally competitive, green and digital Europe. You should also co-lead the **SME strategy**, notably to help improve its access to finance.
- You will lead the work on **strengthening the role of the euro** as a strategic asset for our Union. This will include increasing the global use of the euro for payments, as a reserve currency and for debt issuance.
- I want you to coordinate efforts to ensure a level playing field in **our economic relations** with other partners, promoting Europe's competitiveness and strategic autonomy in key value chains. In doing so, you should pay particular attention to our **trade and economic relations** with our competitors and strategic partners.

You will manage and coordinate the participation of the Commission in the 'Economic and Financial Affairs' Council configuration, in the Eurogroup, in the economic dialogue with the European Parliament, in the Macroeconomic Dialogue and in the Governing Council of the European Central Bank. You will also contribute to the exercise of the Commission's responsibilities in the external representation of the euro area. Pragmatic arrangements with the relevant Commissioners should continue to be in place.

## *Our trade policy - a level playing field for all*

The European Union is the world's trading superpower. Our trade policy opens up opportunities and access for our companies to sell their goods and services around the

world. It creates growth and jobs here in Europe and delivers prosperity elsewhere. But trade is more than simply the exchange of goods and services. It is also a strategic asset for Europe. It allows us to build partnerships, protect our market from unfair practices and ensure our values and our standards are respected.

- I therefore ask you to take the lead on the ongoing review of our trade policy. It needs to focus on the swift and sustainable socio-economic recovery from the COVID crisis, reinforcing our competitiveness in a challenging environment, contributing to the twin green and digital transitions and promoting our values and standards.
- Europe's place is at the heart of the **rules-based multilateral system.** A top priority will be to lead the **reform of the World Trade Organization**, notably on the issues of subsidies, forced transfer of technologies and dispute settlement. Open and fair trade must be based on global rules that are effective, enforceable and create a level playing field for all.
- I want you to give further impetus to WTO negotiations on **e-commerce**, to harness the full potential of data, address barriers and enhance consumer and business trust.
- In parallel, I would like you to lead the work on strengthening Europe's ability to protect itself from **unfair trade practices**. This means making better use of our trade defence instruments, seeking a level playing field in procurement and implementing the new system for **screening Foreign Direct Investment**.
- In addition, I want you to look at how we can **strengthen our trade toolbox**. As an important element we need to ensure agreement on our proposal to upgrade the EU's Enforcement Regulation to allow us to use sanctions when others adopt illegal measures and simultaneously block the WTO dispute settlement process. You should work with the Executive Vice-President for a Europe fit for the Digital Age to address the distortive effects of foreign subsidies in the internal market.

An important focus of your work must also be on the **implementation and enforcement of our trade policy**. To this end the recent appointment of the Chief Trade Enforcement Officer, working under your direct guidance is an important step in monitoring and improve the compliance of our trade agreements. The Chief Trade Enforcement must report regularly on the state of play and keep the European Parliament and the Council abreast of all developments. Our priority must be to help EU exporters gain even more value from partner markets and strengthen the enforcement of sustainable development commitments, notably in relation to the climate agenda and labour rights.

## Strengthening Europe's global leadership

Over the next five years, I want you to lead the work to strengthen Europe's global leadership in trade:

• You will continue the work towards a positive, balanced and mutually beneficial trading partnership with the **United States**.

- You will step up negotiations with **China** on a Comprehensive Agreement on Investment, with the aim of reaching an agreement by the end of 2020.
- I want you to prioritise our trade and investment partnership with **Africa**. The implementation of the African Continental Free Trade Agreement should be seen as a step towards our long-term objective of a continent-to-continent free trade area between Africa and the EU.
- On these matters you will work closely with the High Representative/Vice-Presdient.
- You will take forward the finalisation of trade agreements already negotiated. You
  will lead the work on concluding ongoing negotiations, notably with Australia
  and New Zealand. Where conditions are met you will propose to open negotiations
  on new bilateral or multilateral agreements. Where relevant, you will work closely
  with the Commissioner for Agriculture.

## Trade for sustainable development and climate action

You will use our trade tools to **support sustainable development**. Every new trade agreement concluded will have a dedicated chapter on sustainable development.

- Working with the Chief Enforcement Officer, you will closely monitor the **implementation of climate, environmental and labour protections** enshrined in our trade agreements, with a zero-tolerance approach to child labour.
- I would like you to contribute to the design and introduction of the Carbon Border Adjustment Mechanism, working closely with the Commissioner for the Economy. The Carbon Border Adjustment Mechanism should be fully compliant with WTO rules.

## Making trade more transparent

You will ensure the highest levels of transparency and communication with the European Parliament, the Council and civil society. You will ensure regular briefings are provided to the European Parliament before and after each round of talks. Trade agreements should only provisionally be applied once the Parliament has given its consent. In the same spirit, I want you to step up our engagement with Member States.

More engagement and better communication will be an important asset in debunking myths and ensuring that our trade policy responds to citizens' concerns.

You will work under my guidance on all of the above issues. The Secretariat-General will support you in your coordination tasks on an Economy that Works for People. For your tasks linked to the trade portfolio, the Directorate-General for Trade will support you in your work.

## The way forward

The mission outlined above is not exhaustive or prescriptive. Other opportunities and challenges will no doubt appear in the course of this Commission's term of office. On all of these issues, I will ask you to work closely with me, and with other Members of the College.

In parallel to a full and timely implementation of the Withdrawal Agreement, we are ready to pave the way for an ambitious and strategic partnership with the United Kingdom.

I look forward to continue 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,

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Ursula von der Leyen President of the European Commission