<u>Press release - Hearing of</u> <u>Commissioner-designate Johannes Hahn</u>



Political groups' coordinators and chairs from the two committees will meet within 24 hours to assess the performance of the Austrian Commissioner-designate Hahn.

Future investments: EU's long-term budget and revenue

During his <u>introductory speech</u>, Mr Hahn said that the EU budget is "policy cast in numbers", and that it is "more effective to spend money at the EU level rather than within member states". The negotiations on the next multiannual financial framework (MFF) will be his main challenge and he intends "to facilitate a timely agreement to avoid damaging delays in the launch of the new 2021-2027 MFF programmes". He also sees the EU budget as an "instrument of green transition" and for future-oriented investment. Sound financial management should be ensured to the "highest standards" and the EU's financial interests protected, also through the planned rule of law mechanism.

MEPs put forward many questions on the next long-term budget: They wanted to know whether new programmes promised by Commission President-elect Ursula von der Leyen would also be financed with new financial envelopes, as "the money doesn't add up", and whether a revised MFF proposal would be necessary to accommodate those promises. On the revenue side, MEPs asked about the new

"Own Resources" proposal through which the budget could be funded, such as through a plastics tax or an extended Emission Trading Scheme-based revenue.

Climate was a major issue raised by MEPs and by the Commissioner-designate. MEPs asked about the chances of a carbon border tax own resource, and whether the next MFF should not go beyond the goal of 25% of EU expenditure contributing to climate objectives.

Members were worried about the reduction in Cohesion policy funds proposed by the Commission and had many questions about the proposed "Just Transition Fund" to support regions dependent on CO2-intensive industries during the move away from fossil fuels to a low-carbon economy.

Budgetary Control: preventing fraud, rule of law, simplifying the allocation of funds

EU money should not be spent fraudulently in member states, MEPs stressed, and asked for OLAF's investigative capacity not to be downgraded, in light of the new European Public Prosecutor's Office being established. They also asked for conflict of interests in member states' administration to be scrutinised.

MEPs requested that final beneficiaries of EU funds should be protected by binding the EU funds to the rule of law in EU countries. They also asked for a guarantee that the upcoming rule of law assessment mechanism would be applied equally to all EU countries.

You can watch the video recording of the full hearing here.

At the end of the hearing, Committee Chairs Johan Van Overtveldt (ECR, BE — Budgets), Monika Hohlmeier (EPP, DE — Budgetary Control) and the Commissioner-designate Johannes Hahn held a press point outside the meeting room: watch it here

Next steps

Based on the committees' recommendations, the Conference of Presidents will decide on 17 October if Parliament has received sufficient information to declare the hearing process closed. If so, the plenary will vote on whether or not to elect the Commission as a whole on 23 October, in Strasbourg.

Background

The Legal Affairs Committee was associated to the hearing of Johannes Hahn.