

**HEARING BY THE EUROPEAN PARLIAMENT  
INTRODUCTORY STATEMENT OF COMMISSIONER-  
DESIGNATE**

**Kristalina GEORGIEVA**

**Budget and Human Resources**

**Vice-President of the Commission**

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**Check against Delivery**

Honourable Committee Chairs,

Honourable members of Parliament,

It is a privilege to return to this chamber for a second time as Commissioner-designate. I remember my first hearing as if it was yesterday – it gave the start to a very fruitful cooperation with the European Parliament, based on trust and mutual respect.

If I am confirmed, I will be very much looking forward to continuing in the same spirit of cooperation with the Parliament, but especially with the three Committees that are presented here.

This time I'm standing for the position of Vice President for Budget and Human Resources. I do so fully aware how vital it is to deploy our financial resources and the talent of our people to the fullest, so we can deliver on the promises we make to our European people.

I think that at the heart of my job, if I'm confirmed, would be to align resources with priorities and deliver the best possible results from our work. And that means working for a genuine performance culture and strong accountability to the citizens who pay for the work we do, and who are to benefit from its outcomes. It will demand from me, but also from my colleagues – as we heard from the Chairs – to answer clearly and convincingly three questions:

"What are we achieving with every euro spent to help our people and our economies?"

"Are our controls strong enough to prevent the funds that our citizens give us from abuse, from fraud?"

and

"Are we doing everything we can to secure the conditions for our staff to excel and to have high morale because of a job well done?"

I believe that especially in these conditions of hardship for so many of our citizens, we are destined to use our budget wisely to deal with the damage caused by a protracted crisis on our competitiveness, on our job markets, on our standard of living, on the confidence our people have in the European project.

And I also believe that the EU budget has the power to help our recovery and competitiveness, and to re-establish our people's trust in Europe as a force for good. We have a sound base: we have the recently approved MFF, one thousand billion euro for the next 7 years to invest, to deliver jobs and growth and a better quality of life.

These are not abstract numbers - the EU budget has direct impact on the lives of our people: it means work for some 600,000 people who are employed in projects funded by Cohesion Policy, and for hundreds of thousands more in businesses supplying them with equipment or the materials for this work; it means a better chance for employment for 4 million students who will benefit from ERASMUS plus; and in my current area of responsibility it means the difference between life and death for victims of natural disasters and conflicts.

But this impact will only materialise if the money pledged is delivered. If the money pledged is put to work. And this means overcoming the shortage in payment credits you have discussed on numerous occasions, most recently when the Committee on Budget voted on the draft budget for 2015.

It is a task that preoccupies the current Commission. You probably have seen the letter that President Barroso sent to Heads of Governments, Heads of State and to the President of the European Parliament, asking for support to address this problem. It is on the top of duties that the President-elect has presented me with.

So if I'm confirmed on my first day in office I will take the baton from the current Commissioner, Commissioner Dominik, and I will strive to successfully complete the budget negotiations for the 2014 Amending Budgets, and for the Budget for 2015 so we can start to melt down the snowball of unpaid bills. And I am in my heart of hearts convinced that not doing so is a self-inflicted injury: it postpones important programmes that should generate growth and jobs; it makes it more expensive because we will have to pay interest, a very unwise use of our taxpayers' sacrifice; and it damages our credibility and our reputation.

But it is a problem that can be solved -- by simply applying the flexibility that you in the European Parliament fought so hard for and that was finally agreed by all.

We are not asking for more payment credits than what we have in the MFF now. What we are asking is to simply to provide more today to cope with unusual and unforeseen circumstances. On top of the budget cuts, what we face are an unexpected, higher quantity of bills from cohesion

policy; we have the impact of acceleration, frontloading of some programmes – very important programmes; and the new state building contract for Ukraine.

But let me turn from the immediate priorities. They're very important but we also need to look further in the future.

In my view in the budget area the key challenges in my mandate would be first the mid-term review of the MFF in 2016. It will be our opportunity to orient the EU budget further towards jobs, growth and competitiveness and should it be necessary, to respond to new challenges that are facing our Union.

It will also be the moment to examine the duration of the next MFF, how to align it with the political cycles of the Institutions. And certainly there would be a conversation on what all that means in terms of looking at the specific needs of the Eurozone.

And the new Commission will take up on the promise of the outgoing Commission, which I am a member of, to table a proposal for the revision of the MFF.

Second, we have the important task of addressing the issue of own resources in the high-level working group under the chairmanship of Professor Monti, to which, if confirmed, I will be very happy to contribute. It is tasked to provide a general reflection and historical perspective of the own resources system as such, and also to explore new avenues for the future. The outcome of the work can feed into the discussions during the mid-term review, but most importantly in the work on the third, and perhaps most important task, the preparation for the next MFF, which is due to start in earnest by January 1st 2018.

Ahead of making proposals for the next MFF, I will, of course, intensively consult with the Parliament and all other relevant stakeholders.

And I know we will be on much stronger footing in these consultations if in the meanwhile we build the evidence that we are using our budget better, and we are shifting our spending culture from a focus on inputs to outcomes, to results.

We will have to demonstrate that the EU budget generates not just value for money, but high value for money. This requires further advancements in performance budgeting. And it also requires that we leverage our money much more than in the past:

For example by shifting grants we currently provide – part of them – to innovative financial instruments. Take the pilot project bond: its multiplier is up to 40 times the investment the EU makes. 40 times. These innovative financial instruments will have a very important role to play in the 300 billion euro investment package that was announced by the President-elect in his political guidelines.

We also can invest our budget more in projects with multiple objectives and multiple benefits. For example, the new Cohesion Policy will increase investment in energy efficiency measures. And these are investments that boost local businesses: building insulation – it's locally done. It helps to create jobs, helps us to reduce CO2 emissions and fight climate change, but also helps us to reduce our energy dependency.

A very important part of our actions for better spending, for high value for money, is the fight against misuse of funds. A key point of time to take stock of progress is the budget discharge - the moment to assess how EU spending complies with the rules and achieves the intended objectives.

Our new programmes are set up to help us perform better, with fewer errors and more efficient controls. Yet, we still have a long way to go and further improvements on compliance and respect of rules remains our goal, especially when it comes down to working with Member States, working with international organisations. More can and must be done to simplify rules, to improve reporting, and simplify rules not for the sake of making life easy for people but for the sake of these rules being better understood and better complied with. And we also can do more to have a risk-based system, where we target our attention where the risks are highest.

I engage to work in close cooperation with the Parliament, with Member States, with national Parliaments, the European Court of Auditors, the national audit authorities and with our international partners in this area.

I will support a strong, independent and well-respected OLAF to be the guardian that protects the financial interests of the Union. Fraud and abuse of EU funds not only steals from the European taxpayers. It damages the European project as such, and it cannot, will not be tolerated.

For this purpose I would also be very interested to advance the establishment of the European Public Prosecutor's Office so as to better

tackle criminal fraud damaging the EU budget and stealing precious public resources.

Last but not least, let me focus on our staff, because none of what I'm talking about would be possible without the excellence of the people in the Commission and in the other EU institutions.

We live in times of growing global competition, including competition for talent. We have to constantly improve if we are to aspire to have a world class civil service, and this is why I take to heart the message, the duty that I am given by the President-elect to develop a corporate talent management policy.

First, we have to continue to build the attractiveness of an EU career, and to capture the diversity of our people and the experience in the EU. To bring in, to retain, to develop and to promote excellent men and women, especially since we face a bulk retirement of very experienced staff in the next years.

I strongly believe in fair treatment of staff and in equality on all counts. And I also take to heart the task I am given to achieve 40% female senior and middle managers in the Commission by the end of our mandate.

Second, we must foster agility and mobility of our staff, use the structure of the new Commission that allows us to move people easier, to have more internal redeployment.

Third, we have to implement our cost-saving measures without compromise on quality. And that means no stone left unturned as we look for these savings.

And for all of this, the new Commission must be a strong and effective team.

Money and people - they matter tremendously for making life in Europe better and our future brighter. But what matters the most are the values that make us who we are; that help us overcome divisions and leave no country, no community in Europe behind. That lead us to protect our environment; to care for the most vulnerable people at home and abroad.

And it is because of these values that I am proud of our Union and I am very honoured to stand for office to serve it.

Thank you.