COVINGTON

The New European Commission 2019-2024

September 16, 2019

EU Public Policy

On September 10, Ursula von der Leyen, President-elect of the European Commission, presented her new team. If approved by the European Parliament, they will take over from the Juncker Commission on November 1, 2019.

This Alert outlines the proposed structure of the new Commission, each Commissioner's portfolio, and the key regulatory priorities that the President set for each member of her team.

A Three-Tier Commission

The new President of the Commission was confronted with the same problem as her predecessor: each Member State sends a Commissioner to Brussels, but there are not 27 substantive portfolios to dole out. (The UK does not intend to send a Commissioner to Brussels, reflecting Prime Minister Boris Johnson's stated aim of leaving the EU on October 31, before the new Commission takes office, "come what may".)

President Juncker addressed the issue by establishing a "cluster" system, with seven Vice Presidents and 20 "simple" Commissioners. In practice, however, Juncker's Vice Presidents were not given control of specific Commission Directorates General ("DGs"), meaning that they were often relegated to "coordinating" the work of other Commissioners, without the support of officials needed to develop their own policy priorities.

President von der Leyen has only slightly modified this structure, and focused on restructuring the various Commissioners' competences to fit her "political guidelines"—the new Commission's policymaking priorities.

The new College will effectively have three "tiers" of Commissioner:

- 1. Three "Executive Vice Presidents", and the High Representative of the Union for Foreign and Security Policy, who is ex officio a Vice President of (the "HR/VP"). Each Executive Vice President will have a double function: they will, as Vice President, be responsible for one of the President-elect's three core policy priorities; and each will also have a "standard" Commissioner's portfolio, supported by a Commission DG. Though not formally an "Executive" Vice President, the HR/VP is similarly double-hatted, and is supported in his role as High Representative by the European External Action Service.
- Four Vice Presidents. This group is in practice divided in two. Two Vice Presidents
 have roles much like those of the four "thematic" Vice Presidents in the Juncker
 Commission, "steering" the Commission's work and coordinating that of other

Commissioners, but without the support of a Commission DG. The other two Vice Presidents will focus on institutional reform, with no Commissioners reporting to them.

3. Eighteen Commissioners, with responsibility for one or more Commission DGs.

The Executive Vice Presidents and the HR/VP

Only two "Executive Vice Presidents" had been expected. The European Council, when appointing von der Leyen, had decided to give a special status to the two "stars" of the previous Commission, both of whom had campaigned as "Spitzenkandidaten" for the Presidency in the European elections: Frans Timmermans (a Dutch center-left socialist) and Margarethe Vestager (a Danish centrist liberal).

But von der Leyen promoted a third incumbent to the top tier: the Latvian Valdis Dombrovskis, who was Vice President for the Euro and Social Dialogue in the Juncker Commission. This ensured that her core team included a representative of the "new" Member States. It also gave her political group, the center-right Christian Democratic EPP, an extra seat at the top table.

- Frans Timmermans (Netherlands) will co-ordinate the work on "the European Green Deal"—a formula that emphasizes the priority given to climate change by the new President. In her mission letter to Timmermans, she charged him with increasing the EU's emission reduction targets for 2030 progressively from 40% to 55%. Timmermans will also be Commissioner for Climate Action, supported by DG CLIMA. As First Vice President in the Juncker Commission (another title he retains) Timmermans's Cabinet pushed through the Single-Use Plastics Directive at breakneck speed. This may provide a model for his work as First Executive Vice President.
- Margarethe Vestager (Denmark) will coordinate the other major priority of the new Commission: a "Europe Fit for the Digital Age". She adds this task to her current role as Commissioner for Competition, supported by DG COMP—a retention that is quite unusual, but for which she had lobbied hard all year. President von der Leyen's mission letter to Vestager outlines a number of policy priorities under her digital "hat": coordinating the EU's work on big data and Artificial Intelligence (working with the Justice Commissioner); on the new Digital Services Act (with the Commissioner for the Internal Market), to include new protections for platform workers (with the Commissioner for Jobs); and on digital taxation. You can find further analysis on her portfolio in this Covington blog.
- Valdis Dombrovskis (Latvia) will coordinate the work on "an Economy that Works for People". Like Vestager, he will retain his role as Commissioner for Financial Services, supported by DG FISMA—a job he took over when Lord Hill resigned as Commissioner in the wake of the UK's 2016 Brexit referendum. He will have to work closely with the Economy Commissioner, Paolo Gentiloni, much as he did with Pierre Moscovici (Commissioner for Economic and Financial Affairs, Taxation and Customs) in the Juncker Commission. President von der Leyen, in her mission letter to Dombrovskis, asked him to co-lead "work on a new long-term strategy for Europe's industrial future" and an SME Strategy, both with Vice President Vestager; and lead on a new FinTech Strategy, and on the EU's response to cryptocurrencies.

In some ways, the model for Executive Vice Presidents borrows from that of the HR/VP, who is "double-hatted" as Vice President by the Treaty on European Union. Although the current

HR/VP is not formally given the "Executive" title, his role is closest to that of the other Executive Vice Presidents.

■ **Josep Borrell** (Spain) the HR/VP, was appointed as High Representative in July by the European Council. His Commission "hat" is as Vice President for "a Stronger Europe in the World". In addition to outlining various foreign policy objectives, President von der Leyen's <u>mission letter to Borrell</u> asked him to work towards a European Defense Union (with the Internal Market Commissioner).

The Other Vice Presidents

The four other Vice Presidents are:

- Věra Jourová (Czech Republic), who was Commissioner for Justice in the Juncker Commission. She will be Vice President for Values and Transparency. The President's mission letter to Jourová charged her with working on media pluralism and the rule of law (with her successor as Justice Commissioner). This is a sensitive brief that may see her clash with Member States such as Poland and Hungary, which the Juncker Commission accused of seeking to curtail media freedoms and undermine judicial independence.
- Margaritis Schinas (Greece), who was until recently the spokesperson of the Commission, will be responsible for "Protecting our European Way of Life." Notably, von der Leyen's mission letter to Schinas gave him overall responsibility for both security and migration policy, working with the Home Affairs Commissioner, Ylva Johansson. His title is likely to change, after it came under attack for implying that migration undermines the European way of life.
- Maroš Šefčovič (Slovakia), who was Vice President in charge of Energy in the Juncker Commission, will be Vice President for Interinstitutional Relations and Foresight. The President in her mission letter to Šefčovič asked him to lead on implementing the new "one in, one out" policy for regulatory measures that she announced alongside her new team. He will also coordinate the Commission's work on the European Battery Alliance (with the Internal Market Commissioner)—his legacy from the Juncker Commission.
- Dubravka Šuica (Croatia), until now a well-respected member of the European Parliament, will be Vice President for Democracy and Demography. The President's mission letter to Šuica charged her with leading the ongoing work on "the Future of Europe," and "Supporting Europe through the demographic transition". In this work, she will be supported by the DG for Communication.

The Commissioners

As in the Juncker Commission, Commissioners will manage the work of specific DGs. The larger Member States will again be represented by Commissioners, and not Vice Presidents, but these will have important responsibilities:

■ **Sylvie Goulard** (France), a well-known figure in Brussels as a former MEP, is a close ally of French President Macron, and was recently appointed Vice Governor of the *Banque de France*. Her portfolio as Commissioner for the Internal Market is very broad.

She will be in charge of the existing DGs for the Internal Market ("DG GROW") and the Digital Single Market ("DG CNECT"). She will also be responsible for a new DG for Defense Industry and Space (pulled out of DG GROW), which will manage the European Defense Fund. The policy priorities that the President outlined in her mission letter to Goulard are also wide-ranging. For tech, they include work on technological sovereignty, cybersecurity, Artificial Intelligence, and the new Digital Services Act (which will include a review of the e-Commerce Directive). She will also work on the EU's long-term industrial strategy, the circular economy, and a review of the EU's intellectual property regime. In addition to the aforementioned work on the European Defense Fund, her defense and space brief covers military mobility, the EU's space programs (Galileo, EGNOS and Copernicus), and "improving the crucial link between space and defence and security". Goulard is likely to face a grilling from MEPs in her hearings, due to an ongoing investigation by the French and EU authorities for misappropriation of public funds when she was an MEP.

- Paolo Gentiloni (Italy), former Italian Prime Minister and Minister for Foreign Affairs (from the center-left *Partito Democratico*), was given the Economy brief—a very sensitive assignment, since it makes him responsible for the implementation of the EU's Stability and Growth Pact, which his country is finding hard to respect. In addition, the President's mission letter to Gentiloni charged him with leading the day-to-day work on digital taxation (working with Vice President Vestager) and a new Carbon Border Tax (working with Vice President Timmermans).
- Janusz Wojciechowski (Poland), a former MEP and currently a member of the European Court of Auditors, will be Agriculture Commissioner. This is an important portfolio for his country, as one of the main beneficiaries of the Common Agricultural Policy ("CAP"). It may also prove a difficult brief, as the CAP is due to be cut. The President's mission letter to Wojciechowski also asks him to "strengthen the system of geographical indications". Wojciechowski, like Goulard, is facing an EU fraud investigation—in respect of travel expenses claimed over his ten years as an MEP—which may color his European Parliament hearings.

The other Commissioners are (by alphabetical order of their country of origin):

- Johannes Hahn (Austria): Commissioner for Enlargement in the Juncker Commission, he will now be Commissioner for Budget and Administration. He will report directly to the Commission President, as did his predecessor, making him particularly influential. The President in her mission letter to Hahn instructed him to link EU funding with respect for the rule of law. An attempt to give the EU's rule of law procedure teeth, this is likely to see strong resistance from Member States such as Hungary and Poland.
- **Didier Reynders** (Belgium): the former Finance Minister and Minister for Foreign and European Affairs, he will be the Justice Commissioner. This role includes the implementation of the GDPR, the EU-U.S. Privacy Shield—as well as responsibility for enforcing the rule of law (in tandem with his predecessor in the post, now Vice President Jourová). He will also cover judicial cooperation (presumably including mutual legal assistance in the EU and with third countries) and work on the "ethical implications of artificial intelligence". Interestingly, the President's mission letter to Reynders also asks him to "lead the work on consumer protection, notably for cross-border and online transactions"—and he will work closely with Vice President Vestager and Commissioner Goulard on the review of the e-Commerce Directive.

- Mariya Gabriel (Bulgaria): the Digital Commissioner in the Juncker Commission, she will now be Commissioner for Innovation and Youth—including the EU's important research program (Horizon Europe), and the popular Erasmus program. The President, in her mission letter to Gabriel, gave her two masters: Vice President Vestager for the Innovation portfolio, and Vice President Schinas for the Education brief.
- Stella Kyriakides (Cyprus): a clinical psychologist by training, a patient advocate and Cypriot lawmaker, she will be Health Commissioner. Kyriakides is less known in Brussels policymaking circles, but has extensive experience working on health policy issues in the Cypriot legislature. A breast cancer survivor, and the daughter of a breast cancer patient, she was President on *Europa Donna*, a leading cancer patient organization. Von der Leyen's mission letter to Kyriakides asks her to lead Europe's Beating Cancer Plan, combat vaccine skepticism, and work on e-health and health data sharing.
- Kadri Simson (Estonia): formerly Minister for Economic Affairs and Infrastructure in her home country, she was given the Energy portfolio. This is no longer a vice presidential priority, but an important brief nonetheless, and especially so for Estonia, sandwiched as it is between Russia and the Baltic Sea. The President's mission letter to Simson is heavy on energy efficiency and renewable energy, but also calls on her to better enable the use of liquefied natural gas, and to look for "ways to sharply increase the use of the euro in energy markets".
- Jutta Urpilainen (Finland): a former Finance Minister, she also worked as a special envoy in Ethiopia. She will be Commissioner for International Partnerships—responsible for the EU's International Development policy (and DG DEVCO). There had been chatter of a new Commissioner for Africa; although no such role was created, von der Leyen's mission letter to Urpilainen asks her to devise "a new comprehensive strategy for Africa".
- László Trócsányi (Hungary): an ex-diplomat well known in Brussels, he was latterly Minister for Justice in the Orbán government. The President's mission letter to Trócsányi outlines his Neighborhood and Enlargement brief. Hungary under Orbán has been investigated by the European Commission for breaches of the rule of law—criticism that may make for a rocky confirmation hearing for Trócsányi in the European Parliament.
- Phil Hogan (Ireland): the incumbent Commissioner for Agriculture, Hogan was appointed Trade Commissioner after lobbying for that portfolio for months. His appointment confirms the weight of agricultural interests in EU trade policy. The President set him a challenging brief, with potential negotiations with the U.S., seeking an early agreement with China on investment protection—and he will of course have to negotiate a new relationship with the UK after Brexit. In her mission letter to Hogan, the President also asked him to step up WTO negotiations on e-commerce, and implement the EU's new foreign direct investment screening mechanism. Hogan is seen as a no-nonsense, direct and tough negotiator, well-qualified for this challenging role.
- Virginijus Sinkevičius (Lithuania): former Minister for Economy and Innovation, he will be Commissioner for Environment and Oceans, working under the (powerful) umbrella of Vice President Frans Timmermans. The President's mission letter to Sinkevičius asks for action on microplastics, the circular economy, and biodiversity.
- **Nicolas Schmit** (Luxembourg): a former diplomat, Brussels insider and Minister for Employment and Labour, he will be Commissioner for Jobs, leading DG Employment ("DG EMPL"). The numerous social rights priorities in the President's <u>Mission letter to</u>

- <u>Schmit</u> include action on minimum wages, a European Unemployment Benefit Reinsurance Scheme, and work "to improve the labor conditions of platform workers".
- Helena Dalli (Malta): the former minister for Social Dialogue, Consumer Affairs and Civil Liberties, and earlier a Minister for European Affairs and Equality, von der Leyen's mission letter to Dalli gives her a new portfolio as Commissioner for Equality, drawing on resources from DG Justice, and a new Commission-wide Task Force for Equality.
- Elisa Ferreira (Portugal): the immediate past Vice-Governor of *Banco de Portugal*, she was previously Portugal's Planning and earlier Environment Minister. The President's mission letter to Ferreira designates her Commissioner for Cohesion and Reforms, overseeing a new DG for Structural Reform Support (carved out of the Secretariat-General), as well as the DG for Regional and Urban Policy ("DG REGIO").
- Rovana Plumb (Romania): the immediate past Vice President of the center-left S&D group in the European Parliament, she has been minister of Environment and Climate Change, of Labour, of European Funds, of Education and of Transport. She will draw on that last role as Transport Commissioner. The President's mission letter to Plumb includes the usual work on infrastructure and passenger rights, but also more difficult "work on extending the Emissions Trading System to the maritime sector and reducing free allowances for airlines". Plumb is another Commissioner-designate who may face tough questions in the European Parliament on the back of a discontinued 2017 corruption case, in which she was accused of helping her party leader in an illicit real estate deal. That case was only dropped when the Romanian Parliament refused to lift her immunity from prosecution.
- Janez Lenarčič (Slovenia): another diplomat, he was Secretary of State for European Affairs, and has worked with the UN, the Organization for Security and Co-operation in Europe ("OSCE") and the EU. President von der Leyen's mission letter to Lenarčič designated him Commissioner for Crisis Management. He is likely to be responsible for any remedial action that the EU takes if there is a "do-deal" Brexit on October 31.
- YIva Johansson (Sweden): formerly Sweden's Minister Employment, she will be Commissioner for Home Affairs. The President's <u>mission letter to Johansson</u> is strong on asylum reform, but also covers countering hate speech and terrorist content online, and information exchange between law enforcement authorities (as opposed to that between judicial authorities, which falls rather under the Justice Commissioner).

Political, Geographic and Gender Balance

The Juncker Commission comprised nine women out of the 28 Commissioners, but the women in his team were given some of the most important responsibilities: HR/VP to the Italian Federica Mogherini, Competition to the Danish Vestager, Trade to the Swedish Malmström, the Internal Market to the Polish Bieńkowska, Justice to the Czech Jourová, and so on. As promised, von der Leyen has gone further: her Commission will contain 13 women and 14 men—with major responsibilities given to women.

She was keen also to re-balance the weight of the different parts of Europe. The "new" Member States, indeed, had secured none of the five leadership positions decided in July: these went to herself, German, at the Commission; Christine Lagarde, French, at the European Central Bank; Charles Michel, Belgian, as President of the European Council; Josep Borrell, Spanish, as High Representative; and David Sassoli, Italian, as President of the European Parliament.

This goes some way to explaining von der Leyen's addition of Dombrovskis to the two Executive Vice Presidents suggested by the European Council—both of whom hailed from the "older" Member States. She also gave important responsibilities to the Commissioners sent by Poland (Agriculture), the Czech Republic (Vice President dealing with the rule of law), Hungary (Enlargement), Bulgaria (Research), and so on.

The relative weight of the political party groups represented in the new Commission is dictated by their governments' political colors—but this too is fairly balanced. The center-right EPP and center-left S&D are equal, on ten members of the Commission each, including von der Leyen herself; the centrist Renew Europe group has six members; the conservative ECR has one; and the Lithuanian Commissioner is an independent aligned with the green faction.

Confirmation Hearings in the European Parliament

The new Commissioners-designate will only be confirmed after hearings in the European Parliament. These will take place in the coming weeks. This process should normally be a formality—but the Parliament has always sought to reject one or two Commissioners-designate, perhaps in an effort to remind governments and public opinion that it has the final say.

Von der Leyen was of course constrained in her choice of Commissioners by the Member States' proposals. However, she has a fairly accomplished College. The greatest risks are the allegations against members of her team—as noted above, Goulard and Wojciechowski are both under investigation for expense fraud, and Plumb has faced allegations of corruption. Von der Leyen herself faces a probe in Germany on the award of a contract when she was Defense Minister, but this is not thought to pose a risk to her as President.

Nevertheless, the Commission is expected to be ready to start working, as foreseen, on November 1. It will have a loaded but still unpredictable agenda. As President von der Leyen told each Commissioner-designate in their mission letters, "other opportunities and challenges will no doubt appear over the course of the next five years". The new Commission's first challenge is likely to be Brexit—whether or not the UK has left the EU on the eve of their taking office.

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