

Statement by Commissioner Oettinger at the European Parliament Plenary session on the integrity policy of the European Commission, in particular the appointment of the Secretary-General of the European Commission

[This is a translation of the German version as delivered by Commissioner Oettinger]

Opening remarks

Mr Tajani,

Honourable Members of the European Parliament,

Ladies and gentlemen,

You have invited me here today to deliver a statement on the Commission's behalf concerning its integrity policy and its functioning as regards, *inter alia*, the appointment of the official, Martin Selmayr to the post of Commission Secretary-General with effect from 1 March this year.

Let me begin with a few observations as to the context. On 21 February the Commission adopted a package of decisions concerning its senior management. Why do we do it this way?

With the number of Directorates-General at our service and the multitude of senior management posts, we would otherwise be taking a decision almost every week. This, however, would create disruption among our services, so we have opted for regular packages. This is the only way for us to assure a balanced overall development in the interests of our institution as regards, for instance, different nationalities; we take account of factors such as seniority, age, nearness to retirement and of the priority objective of effectively increasing the proportion of women in senior management.

The last package was prepared by my predecessor; it was discussed by the College in late June 2015 and approved. Incidentally, that package included – along with numerous posts for Commission Directors-General and Deputy Directors-General of both genders – the decision to appoint Alexander Italiener to succeed Catherine Day as Secretary-General. The package adopted at the end of June 2015 was actually comparable in every way to that tabled for decision a few weeks ago.

We have an established procedure for this. I would like to emphasise three points: we adopt these decisions on the basis of the Staff Regulations of the

European Union. This is our right and our obligation and we proceeded in exactly the same way in this instance. We took this decision with the agreement and involvement of the Member of the Commission responsible, the coordinating Vice-President, myself and the President, too.

All the College of Commissioners' decisions of 21 February were taken at my proposal and that concerning the Secretary-General at the direct proposal of our President, as provided for in the division of responsibilities within the Commission. All decisions, including the appointment of the new Secretary-General, were unanimously approved by all Members of the Commission. I can refer you to the minutes of the Commission's meeting of 21 February, which – in line with our transparency rules – we have published, as we do after every meeting.

Second, I am absolutely certain – and nobody else has ever suggested otherwise – that the official, Martin Selmayr possesses all the qualities required for the function of Secretary-General of the European Commission. He has years of experience in key posts at the Commission. As an excellent lawyer and a skilled communicator, he is definitely completely suitable for the job. He combines hard work, talent, qualifications and commitment to the European idea with political nous. He also has the trust of our Commission's President, my trust and that of the entire College of Commissioners.

In response to the procedural issues that have been raised, including publicly in recent days, it can be replied that the procedure and its time-limits have been respected fully in the case of this package and Martin Selmayr's appointment under Article 7 of the Staff Regulations to the post of Secretary-General: it began with the Deputy-Secretary-General's publication of a vacancy notice, which was followed by the assessment centre with its external assessment of candidates, an interview with the Commission's Consultative Committee and a final interview with the President and myself the day before the decision. This selection procedure complied with the Staff Regulations: as Commissioner responsible for personnel matters, it was my job to make sure of this and that is what I did.

When selecting a Secretary-General, neither nationality nor membership of a political party – if any – plays any part; the one and only consideration is fitness for this office, in order to assure the functioning of our institution and to guarantee that it follows the course charted by the President of the Commission. And we consider the candidate, the selected official, Martin Selmayr, wholly suitable for the post.

In short, we can demonstrate that due account was taken of the rules, that the procedure complied with these rules and that the candidate also possesses all the qualifications sought. We would therefore ask you to scrutinise this decision but then also to accept it.

Thank you.

Closing remarks

Ms Grässle,

Dear Colleagues,

Please accept my assurances that I, speaking both for the Commission and also for myself, have the utmost respect for Parliament's importance, that I am appearing before you with humility, that I have no desire to treat you like small children, that I take your questions very seriously and approach your scrutiny with solemnity and equanimity. Let us treat each other with respect.

Second: some speakers have spoken of fraud, corruption, scandals, intrigue, personal benefit. This is already more than reason enough for us – for me – to have every interest in objective scrutiny in and by the Committee on Budgetary Control. We will answer all questions in that forum. Questions we received in writing with the postmark of 5 March will be promptly answered by 14 March, regardless of the tight deadline.

Why am I here? Because the Conference of Presidents decided I should be. This House, its President and the chairs of its political groups – with the exception of the ECR and EUL – decided by a large majority that it is Oettinger's portfolio, so Oettinger has to come here. That is why I am here. If the Conference of Presidents had wanted my President to speak, I am sure that he would be here today. In short, I am here because the Conference of Presidents, your conference, said during the preparations that this was what it expected of the Commission. We are meeting your expectations.

Secretary-General Martin Selmayr has been spoken of – and I quote – as an 'éminence grise'; 'this German, Selmayr'; 'nobody knows him'. I would hope that discrimination is not accepted in Europe. We should not discriminate against civil servants in any way either. For the press to use the term 'monster' is a matter of the freedom of the press. But I believe that every civil servant, whatever their rank, has done enough to warrant due consideration and respect from all of us.

You hear people say that the Germans are ruling Europe again with this appointment. Well, I often hear people in Germany ask why every Member State is represented by a Commissioner, why the biggest and the smallest Member States all have just one Commissioner. It seems right to me. I believe every Member State can and should be represented on an equal footing in the Court of Justice, the Court of Auditors, the Commission. But, believe me, in the big Member States, people ask why it is just one in 28. Or, taking the example of this House, they wonder why the small Member States have one Member per 90 000 inhabitants while the big Member States have one per 900 000: one man, one vote. I nevertheless consider it right that Malta and Luxembourg should be represented by six Members. But I want to address the question of the fair representation of our Member States [*Interruption from the audience*] The question of nationality is completely secondary for me.

I consider myself a European citizen who is one of 28 making up the Commission. I therefore believe that where you were born and the date on your passport should not really be that important.

It has been said that the Commission is not elected; I flatly disagree. Would-be Commissioners are proposed by their democratically elected

governments. They are grilled by a specialised committee representing this House. They are elected by this House. They are elected by the European Council.

I know of many Member States where ministers can be appointed without involving the national parliament at all. If, for instance, the Chancellor is elected in Germany in two days, the ministers will be decided by the parties and confirmed by the President: no election, no hearing, nothing at all in [the Bundestag]. That is why I believe that the Commission satisfies democratic principles better than many other bodies at national level.

I can also tell you that this Commission has never had the intention of laying on official cars, drivers and offices for all Commissioners after they leave office. I consider this fake news; we have proved this a number of times. And I can assure you that there is no proposal for which I am responsible to make any such changes whatsoever in respect of all Commissioners after they leave office.

It has been said that some colleagues may be respecting the letter of the rules. I consider the letter fundamental to complying with the rules. That is why I view the checks with interest. We have followed all the rules to the letter. Some doubt this. Have us checked; I am only too happy to answer your questions.

But the Staff Regulations governing promotions and appointments at the Commission are not the President's Staff Regulations. The Staff Regulations under which Martin Selmayr was appointed Secretary-General were adopted by this House – and the Council. They are your Staff Regulations, the letter of your laws, your rules. If you want to change them, we will have to discuss it. I am sorry, but the Staff Regulations and what was decided by the Council were the work of the democratic bodies of the Council and Parliament. All this can be changed, but these appointments are not made arbitrarily by the Commission but on the basis, –according to the letter and – I maintain – the spirit of what has been decided by Europe's democratic bodies.

We have three possibilities when deciding on posts and appointments: an internal vacancy notice, an external vacancy notice and an internal transfer. All three – internal vacancy notice, external vacancy notice and internal transfer – are covered by our Staff Regulations. The official, Martin Selmayr was our President's chief of staff for three years. And this post – chief of staff – is equivalent to that of a director-general, while a Commissioner's chief of staff is equivalent to a director. And, as you know, he has in the last three years held and performed a function that has equipped him for the office of secretary-general.

We should not create a caricature of Mr Selmayr either. He is not a party hack, a monster or an incompetent. So, by all means watch him like a hawk, but please give him a chance to show what he can do over the next few months. I am sure that he will do an excellent job and do so as a servant of the President Juncker and the Commission. I do not think caricatures of any shape or form are called for here. If you do not like him, if you do not trust him, say so. But nobody in this House has criticised his qualifications, his

professional competence or his performance in various posts over the past few years.

We are glad to answer the Committee on Budgetary Control's questions. We will also answer written questions. I myself am always ready to appear before your bodies – before meetings of your groups, including for bilateral discussions. I will be happy to respond – to the satisfaction, I believe, of all with questions – to your concerns and questions over the next few weeks with clear answers and with an eye to the European Staff Regulations, rules and statutes.

Thanks for now.

Benoît Cœuré: Bitcoin not the answer to a cashless society

Next week, Group of 20 policymakers will discuss bitcoin and other blockchain-based digital tokens. Such cryptocurrencies are poor imitations of money. Almost nobody prices goods in bitcoin, few use them for payments, and, as a store of value, they are no better than gambling in a casino. Policymakers are rightly worried about consumer and investor abuses, as well as illicit use.

Yet, while bitcoin and its cousins are something of a mirage, they might be an early sign of change, just as Palm Pilots paved the way for today's smartphones. Cash will not be king forever, even though it still rules in many parts of the world. New research from the Bank for International Settlements (BIS) shows non-cash payments have roughly doubled in size, as a share of GDP, since the turn of the century. Some Nordic countries are already cutting back on cash. And the iGeneration is more likely to reach for a payment app than a purse. To their children, banknotes and coins may look like museum exhibits.

These trends have sparked a discussion about whether central banks should issue their own digital coinage. A new report on central bank digital currencies (CBDC), released today by the two committees we chair at the BIS, sets the scene for this important debate.

What is a CBDC? The answer goes to the heart of money and payments. Today, banknotes and coins are the only way consumers can access central bank money. The money in your bank account is actually provided by a commercial bank. Your bank promises to exchange that money for cash when you go to the ATM. But when you pay bills online or swipe your credit card, you are using commercial bank money.

Under the current system, only financial institutions have direct access to

digital central bank money via accounts at their national central bank. A consumer-oriented CBDC would extend that access to everyone. Although this might not seem like a big step to digitally-savvy consumers, it could have far-reaching ramifications for the role of money, the financial system and the economy.

For example, a CBDC for all would challenge the current model of banks taking customer deposits and using that money to fund the lending that helps drive the economy. The consequences for bank business models and financial stability would need to be carefully parsed.

More fundamentally, do we need a CBDC? Existing payment arrangements – based on commercial money – are already digitally provided and increasingly convenient, instantaneous and available 24/7. Nevertheless, if cash disappeared, there would be a stronger case to consider a CBDC. Otherwise, the public would be wholly dependent on commercial money, and trust in the currency, a key public good, would be reliant on the creditworthiness of commercial entities and on specific payment technologies. However, despite the growing popularity of electronic payments, the cashless society is not here yet. Demand for banknotes is still growing in many countries.

If it were to come, a CBDC would have to be as convenient for consumers and businesses to use as the commercial equivalent. It would have to be hacker-proof. If we want to stop illegal use, it should not grant the same anonymity of cash to users. But giving central banks unprecedented amounts of information about individuals is equally controversial. There is no one-size-fits-all solution.

In sum, thinking carefully about the future of money is timely in view of new technologies and increasing use of electronic payments. Still, it is not yet clear whether CBDCs for consumers and businesses are necessary or desirable. In other words, the jury is still out, and the answer will clearly differ country by country.

Away from the public eye, change may also be happening and perhaps sooner. The BIS report canvasses a second, complementary, model of CBDCs aimed at financial institutions that would build on the blockchain technologies underlying bitcoin. Such tokenised forms of digital central bank money could potentially help streamline many of the cumbersome clearing and settlement processes that are currently needed to complete securities and foreign exchange trades. So far, however, central bank experiments with such forms of CBDCs have not shown conclusive benefits for wholesale payments and beyond, but technology and design are evolving quickly.

Despite its many faults, bitcoin has put the spotlight on an old failing of our current system: cross-border retail payments. Such payments not only permit shoppers to easily buy goods online from overseas, but also allow foreign workers to send money home, supporting financial inclusion and development. However, these payment channels are generally much slower, less transparent and way more expensive than domestic ones. Improvements here are the best way of rising to the bitcoin challenge.

Joint conference on judicial cooperation in cybercrime matters



12 March 2018

To cope with the ever-increasing number and complexity of cybercrime cases, enhanced international judicial cooperation is required. On 7 and 8 March 2018, participants from more than 60 countries around the world met at Eurojust to gain a better understanding of the assistance available to practitioners in the pursuit of a common criminal policy toward cybercrime and the gathering of electronic evidence. The conference was co-organised by Eurojust and the Cybercrime Programme Office of the Council of Europe (C-PROC) within the framework of the Global Action on Cybercrime Extended (GLACY+) Project.

Participants and speakers were Eurojust National Members, Council of Europe officials, representatives of EU and international agencies and networks as well as authorities, engaged in international cooperation in cases involving cybercrime, electronic evidence and mutual legal assistance in criminal matters. The meeting was opened by Ladislav Hamran, President of Eurojust, and Alexander Seger, Head of the Cybercrime Division, Council of Europe.

Topics discussed included Eurojust's mission, objectives, core tasks and work in the field of cybercrime; challenges, obstacles and constraints in international cooperation; capacity building projects of the Council of Europe; the implementation of the Budapest Convention and the role of the Cybercrime Convention Committee; cooperation with the private sector; case examples and practical experience; and the way forward. By the end of this conference, participants were able to better utilise Eurojust and the Budapest Convention in terms of judicial cooperation in cybercrime matters and electronic evidence collection through:

- a better understanding of Eurojust's role and tools;
- a better understanding of the Budapest Convention and capacity-building programmes; and
- an exchange of experience and case work among EU Member States and other participating countries regarding the implementation of the Budapest Convention and the use of Eurojust's tools.

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