



**COUNCIL OF
THE EUROPEAN UNION**

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"I/A" ITEM NOTE

from: Working Party on Structural Measures
to: Permanent Representatives Committee (part II) / Council

No. prev. doc.: 8427/12 FIN 240 FSTR 27 REGIO 43 CADREFIN 174

Subject: Council conclusions on Special Report No 2/2012: Financial instruments for SMEs co-financed by the European Regional Development Fund

1. On 29 March 2012, the Council received Special Report No 2/2012 from the European Court of Auditors concerning financial instruments for SMEs co-financed by the European Regional Development Fund¹, adopted by the Court of Auditors at its meeting on 11 January 2012.
2. Pursuant to the rules laid down in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors², the Permanent Representatives Committee (Part II) at its meeting on 25 April 2012 instructed the Working Party on Structural Measures to examine this report according to the rules laid down in the abovementioned conclusions.

¹ Doc. 8427/12 FIN 240 FSTR 27 REGIO 43 CADREFIN 174.

² Doc. 7515/00 FIN 127 + COR 1.

3. The Working Party on Structural Measures has examined the Special Report and reached an agreement on draft Council conclusions upon an informal silence procedure on 15 May 2012.
 4. The Permanent Representatives Committee is therefore invited to recommend to the Council to adopt, as an "A" item, these draft Council conclusions as set out in the Annex.
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**Draft Council conclusions on Special Report No 2/2012 by the European Court of Auditors
concerning financial instruments for SMEs co-financed by the
European Regional Development Fund**

THE COUNCIL OF THE EUROPEAN UNION,

- (1) STRESSES the importance of SMEs as main drivers of growth, job creation and cohesion in the EU, while UNDERLINING the need to respond to the challenges which SMEs are facing in the area of access to finance;
- (2) WELCOMES Special Report No. 2/2012 of the European Court of Auditors (hereinafter referred to as 'the Court') on financial instruments for SMEs co-financed by the European Regional Development Fund (ERDF), and TAKES NOTE of its recommendations as well as the reply from the European Commission (hereinafter 'the Commission');
- (3) RECALLS the Commission's aim to strengthen the focus on results and the effectiveness of cohesion spending by tying cohesion policy more systematically to the Europe 2020 objectives¹;
- (4) NOTES that during the 2000-06 and 2007-13 programming periods approximately EUR 12 billion from the ERDF were committed in favour of financial engineering measures across EU Member States;

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Budget for Europe 2020, COM (2011) 500 final of 29 June 2011.

- (5) NOTES the Court's findings of shortcomings in the 2000-06 and 2007-13 programming periods, and CONSIDERS that the Court's main recommendations should be taken into account as appropriate in the legislative framework for the next programming period, starting in 2014;
 - (6) ENCOURAGES the Commission and Member States to continue and improve monitoring and evaluation of the implementation of financial instruments in the current programming period with a view to optimising the implementation in the next programming period, starting in 2014;
 - (7) CALLS on the Commission to ensure adequate systems and sufficient administrative capacity in order to be able to provide Member States with adequate and timely guidance and advice on the setting up and implementation of financial instruments.
 - (8) ENCOURAGES the Court to continue its thorough examination of programmes and projects financed under the cohesion policy, including the implementation of financial instruments, and to contribute with its recommendations to designing this policy to become even more efficient and result-oriented in the next programming period, starting in 2014.
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