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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 2)/Council

No. prev. doc.: 5981/17, 5982/17

Subject: Draft Council conclusions on Special Report No 36/2016 by the European Court of Auditors: "An assessment of the arrangements for closure of the 2007-2013 cohesion and rural development programmes"
- Adoption

1. On 6 February 2017, the General Secretariat of the Council received the Special Report No 36/2016: "An assessment of the arrangements for closure of the 2007-2013 cohesion and rural development programmes", adopted by the Court of Auditors at its meeting on 14 December 2016.
1. Pursuant to the rules laid down in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors¹, the Permanent Representatives Committee (Part II), at its meeting on 15 February 2017, instructed the Working Party on Structural Measures to examine this report according to the rules laid down in the above-mentioned conclusions.

¹ Doc. 7515/00 FIN 127 + COR 1.

2. The Working Party on Structural Measures examined the Special Report on 3, 20, and 27 March 2017 and an agreement on draft Council conclusions was reached on 29 March 2017 following a silence procedure.
 3. 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 to this document.
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Draft Council conclusions on Special Report No 36/2016
by the European Court of Auditors:
"An assessment of the arrangements for closure of the 2007-2013
cohesion and rural development programmes"

THE COUNCIL OF THE EUROPEAN UNION:

- (1) WELCOMES the Special Report from the European Court of Auditors (hereinafter referred to as "the Court") and the Commission's replies;
- (2) ACKNOWLEDGES both the importance of closure arrangements of multiannual programmes as well as the specific tasks and responsibilities of the Commission and the Member States in the closure process;
- (3) RECOGNISES that while the current rules and procedures for the closure agreed by the co-legislators provide a good basis for an efficient closure, there are opportunities for an improved closure of the programmes;
- (4) TAKES NOTE of the Court's findings on the changes made in the ESI Funds legal framework for 2014-2020, as it already addresses some of the shortcomings identified by the Court for the 2007-2013 period, in particular:
 - a change in the assurance framework in both the cohesion and rural development programmes, including the annual acceptance of accounts as a current feature of both policy areas; and
 - a better focus on the achievement of outputs and results, with an improved performance framework;

- (5) Taking into account the Commission's replies; HIGHLIGHTS that:
- Successive Court's audits in the Cohesion policy domain have shown a significant lower level of error for the 2007-2013 period when compared to the 2000-2006 programming period, while for rural development programmes the level of error has been decreasing over the last 3 years;
 - Overlap between two consecutive programming periods is necessary given that the implementation of some operations span over a number of years, and also considering that there is always the need for a start-up and wrapping-up phase in each programming period; nevertheless RECOGNISES that the late adoption of the regulations and, in some cases, the possibility to spend the programme budget after the end of a programming period could slow down the implementation of the next period;
- (6) Regarding further improvements of the closure arrangements for the next programming periods, INVITES
- a) the Commission:
- to consider further simplification measures, as applicable, of the regulatory provisions for closure of the relevant funds in the area of Cohesion and rural development policy, whenever it contributes to a more effective and simpler implementation at national and regional level;
 - to provide the budgetary authority (the European Parliament and the Council) with information of the main performance and compliance aspects of programme implementation, based on existing reporting procedures and documents;

b) the Member States:

- to encourage their managing authorities to make the EU contribution available to beneficiaries in a timely manner to enable sufficient time for project implementation;

(7) WELCOMES the support provided by the Commission to Member States to help national authorities to prepare for the closure of their 2007-2013 programmes and LOOKS FORWARD to continue receiving such support during the 2014-2020 programming period.
