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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)/Council
No. prev. doc.:	8200/17, 8203/17
Subject:	Draft Council conclusions on European Court of Auditors' Special Report No 02/2017 "The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in Cohesion: spending more targeted on Europe 2020 priorities, but increasingly complex arrangements to measure performance" - Adoption

1. On 11 April 2017, the General Secretariat of the Council received the Special Report No 02/2017 "The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in Cohesion: spending more targeted on Europe 2020 priorities, but increasingly complex arrangements to measure performance".
2. 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 26 April 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.

3. The Working Party on Structural Measures examined the Special Report on 4 and 18 May and 1 June 2017 and an agreement on draft Council conclusions was reached on 6 June 2017 following a silence procedure.
 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 to this document.
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Draft

**Council conclusions on the European Court of Auditors' Special Report No 02/2017
"The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in
Cohesion: spending more targeted on Europe 2020 priorities, but increasingly complex
arrangements to measure performance"**

THE COUNCIL OF THE EUROPEAN UNION:

- (1) WELCOMES the Special Report No 02/2017 by the European Court of Auditors (hereafter referred to as "the Court") and the Commission's observations to the Report;
- (2) TAKES NOTE of the findings of the Report, in particular that:
 - a) The Commission was overall effective in negotiating the 2014-2020 Partnership Agreements (PAs) and Operational Programmes (OPs) in the area of Cohesion Policy²;
 - b) In the Member States that were analysed, PAs have proven to be an effective instrument during programming phase to target the European Structural and Investment (ESI) funding towards thematic objectives and investment priorities and supporting the focus on the objectives of the Europe 2020 Strategy;
 - c) For most of the 2014-2020 OPs examined, the Commission and Member States have been successful in developing programmes with a more robust intervention logic, performance and result-orientation;

² The Report of the Court covers PAs and OPs under the European Regional Development Fund (ERDF), the Cohesion Fund (CF) and the European Social Fund (ESF) in five Member States.

- d) The structure of the OPs in the 2014-2020 period has led to a significant increase in the number of indicators for outputs and results, the need for which should be carefully monitored, considering that this high number of indicators constitutes an additional administrative burden for Member States;
 - e) There is no common definition of "output" and "results" and no harmonised approach between the different funds regarding their use, which makes an aggregation of performance data across ESI funds difficult or even impossible;
- (3) TAKES note that these findings broadly converge with first assessments of Member States;
 - (4) RECOGNISES that the late adoption of the legislative package for the 2014-2020 period as well as the complexity of rules have had certain effects on the approval of the PAs and OPs and has resulted in delayed implementation and financial absorption;
 - (5) Regarding the timing for the adoption of the programming documents for the period post 2020, REITERATES its call on the Commission to submit the legislative proposals for Cohesion Policy post 2020 as soon as possible in 2018, with a view to allowing a timely agreement between the co-legislators and an early start of the programming process; furthermore, CALLS on the Commission to facilitate an early preparation of the next programming documents by ensuring *inter alia* a rapid adoption of limited secondary legislation; and ENCOURAGES the Commission to continue its pro-active approach to informal preparatory discussions with the Member States and relevant stakeholders before and after submitting the legislative proposals;
 - (6) CALLS on the Commission to optimise the use of PAs by aiming for simpler, more strategic and shorter documents, taking into account the relevance of all PA conditions and the proportionality principle, thus leading to increased effectiveness of the OPs; as well as to reconsider the value added for PAs in Member States with one OP covering the funds;

- (7) While RECOGNISING the importance of indicators to measure the results of the policy and the need to show progress of Cohesion Policy at the EU level, UNDERLINES that for post 2020, where relevant, the system of indicators needs to become more consistent among the funds and the overall number of indicators needs to be reduced, thus focusing on quality rather than quantity;
- (8) For this purpose, CALLS on the Commission, in view of the period post 2020 and taking into account the need to reduce the administrative burden for Member States, to
- a) define a common terminology for indicators across the various funds and to develop a common approach as to their reporting and interpretation, while taking into account the different policy objectives of the funds;
 - b) analyse, in cooperation with Member States and their Managing Authorities, the 2014-2020 programme-specific and common indicators in order to identify those which are most relevant and best suited to measure the progress towards results and evaluate the impact of the policy taking into account the need to ensure cost efficient data collection;
 - c) support and offer advice to Member States in the development of programme-specific indicators, as appropriate;
- (9) CALLS on the Commission to reflect, together with Member States and other institutions, on which long-term EU strategy or long-term objectives will guide the future of Cohesion Policy programming;
- (10) ENCOURAGES Member States to make best use of the ESI Funds Open Data Platform and of the data collected in their evaluations of the impact of Cohesion Policy during the current period; CALLS on the Commission to support these efforts by disseminating best practices and building on lessons learnt.
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