



**COUNCIL OF
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From:	Working Party on Structural Measures
To:	Permanent Representatives Committee (Part 2)/Council
No. prev. doc.:	12659/13, 12660/13
Subject:	Draft Council conclusions on Special Report No 5/2013: Are EU Cohesion Policy funds well spent on roads?

1. On 17 July 2013, the General Secretariat of the Council received the Special Report No 5/2013 "Are EU Cohesion Policy Funds well spent on roads?", adopted by the Court of Auditors at its meeting on 29 May 2013.
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 4 September 2013 instructed the Working Party on Structural Measures to examine this report according to the rules laid down in the abovementioned conclusions.

¹ Doc. 7515/00 FIN 127 + COR 1.

3. The Working Party on Structural Measures examined the Special Report on 6 December 2013 and an agreement on draft Council conclusions was reached on 11 December 2013.
 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 Special Report No 5/2013

"Are EU Cohesion Policy Funds well spent on roads?"

THE COUNCIL OF THE EUROPEAN UNION,

- (1) STRESSING that enhancing accessibility is of key importance to strengthening national and/or regional economies, cohesion and competitiveness and EMPHASISING that improving the road network is an important element to increase mobility for people and goods and therefore create the conditions for economic growth.
- (2) RECALLING that from 2000 to 2013 the EU has allocated around 65 billion euro from the ERDF and Cohesion Fund to co-financing the construction and renovation of roads;
- (3) RECALLING that Cohesion policy is implemented in accordance with the principle of shared management and subsidiarity;
- (3 BIS) RECALLING that the ERDF Regulation recently agreed between the three EU institutions allows investment in road infrastructure in all categories of region, subject to constraints of thematic concentration.
- (4) WELCOMING Special Report No. 5/2013 of the European Court of Auditors (hereinafter referred to as "the Court") on the spending of EU Cohesion Policy Funds on roads;
- (5) WELCOMES the Court's conclusion that all the audited projects added quality to the road networks, decreased travelling time and improved road safety, which are all essential objectives for road infrastructures; and TAKES NOTE of the lack of complete and harmonised information available regarding the impact of road construction projects on the local/national economies;

- (6) NOTES the Court's observation that insufficient attention was paid to ensure the cost-effectiveness of the assessed projects, that most of the audited projects were affected by inaccurate traffic forecasts and that the type of road chosen was not always best suited to the traffic it carried, while also NOTING the Commission's observation that traffic is a derived demand, that economic downturn has an impact on traffic and road infrastructure expected lifetime is approximately 30 years;
- (7) TAKES NOTE of the Court's recommendation that the Commission should analyse the differences in roadway construction costs between the Member States in order to identify the causes of considerable price differences thereof and to ensure the use of better practices in the future and WELCOMES that the Commission has already undertaken several unit cost studies and other measures;
- (8) TAKES NOTE of the Court's recommendation to make the investments on roads conditional upon the existence of clear objectives accompanied by indicators; the use of reasonable and cost-effective technical solutions in line with the best practices identified and ensuring competition in construction markets through focusing procurement systems on delivering the best value for money while avoiding entrance barriers and WELCOMES the assessment of the Commission that the majority of these recommendations are already implemented;
- (9) TAKES NOTE of the Court's recommendation regarding the necessity to promote the exchange of best practices between national road administrations concerning traffic forecasts;
- (10) TAKES NOTE of the Court's recommendation on the establishment of European Union-wide unit cost information for engineers preparing estimates for new projects, in order to help the beneficiaries lower the procurement prices and ENCOURAGES the Commission to consider the issue in the update of the Commission's Guide to Cost-Benefit Analysis for the next programming period;
- (11) ENCOURAGES the Commission and Member States to continue improving the management of Structural Funds and Cohesion Fund in the current programming period with a view to optimising the implementation in the next programming period;

- (12) ENCOURAGES the Court to continue its thorough examination of programmes and projects financed under the Cohesion Policy and to contribute with its recommendations to designing this policy to become even more efficient and result-oriented in the next programming period.
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