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**NOTE**

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From: General Secretariat of the Council  
To: Delegations

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Subject: European Court of Auditor's Special Report No 09/2018 "Public Private Partnerships in the EU: Widespread shortcoming and limited benefits"  
- *Discussion of Council conclusions*

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1. The Permanent Representatives Committee<sup>1</sup>, at its meeting on 23 May 2018, assigned the European Court of Auditors' Special Report No. 09/2018<sup>2</sup> entitled "Public Private Partnerships in the EU: Widespread shortcomings and limited benefits" to the Telecommunications Working Party.
2. On 12 June 2018 the representatives of the Court of Auditors presented the Special Report to the Telecommunication Working Party which held discussions on the Report on 12 June and 6 September 2018.
3. The Annex contains the draft Council Conclusions on the European Court of Auditors' Special Report prepared the Presidency on the basis of the written contributions and the discussions.

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<sup>1</sup> Doc. 605/18.

<sup>22</sup> [https://www.eca.europa.eu/Lists/ECADocuments/SR18\\_05/SR\\_Renewable\\_Energy\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR18_05/SR_Renewable_Energy_EN.pdf)

4. After the agreement of the delegations on the text of the draft Council conclusions, in accordance with the Council Conclusions of 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors<sup>3</sup>, the Permanent Representatives Committee will be invited to propose to the Council to adopt the Council Conclusions, under the "A" items of a forthcoming session.

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<sup>3</sup> Doc. 7515/00 + COR 1.

**DRAFT**

**Council conclusions on the Special Report No. 9/2018 by the European Court of Auditors:  
“Public Private Partnerships in the EU: Widespread shortcomings and limited benefits”**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

– its conclusions on improving the examination of special reports drawn up by the Court of Auditors in the context of the discharge procedure<sup>4</sup>;

1. TAKES NOTE of the Special Report No. 09/2018 by the European Court of Auditors entitled: “Public Private Partnerships in the EU: Widespread shortcomings and limited benefits”<sup>5</sup>;
2. ~~ACKNOWLEDGES TAKES NOTE OF~~ the conclusions and recommendations of the Special Report and RECOGNISES in particular that:
  - **the development of several audited** ~~a significant number of the~~ projects has suffered delays and inefficiencies;
  - the planning scenarios had, in some cases, been based on analyses over-estimating the future demand for the new infrastructure;

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<sup>4</sup> Doc. 7515/00 + COR 1.

<sup>5</sup> Doc. WK 6764/2018 INIT

- the decision to choose the PPP form has not always been based on a detailed analysis of options and risks;
  - the level of service and the level of maintenance of the new infrastructure are generally high.
3. TAKES NOTE of the Commission's replies which accompany the Special Report and the disagreement of the Commission concerning Recommendation 5.
  4. NOTES that the decision by the Member States to **develop** ~~realise~~ the projects in the form of a PPP instead of **traditional** public procurement **may have** resulted, in **certain** ~~several~~ cases, in higher ~~financing~~ **public expenditure for the same level of service provided** ~~costs~~.
  5. **NOTES that many of the conclusions and recommendations are not exclusive to the development of projects under a PPP model and occur in the development of infrastructure projects either under PPP model or under traditional infrastructure procurement.**
  5. ACKNOWLEDGES that steps have already been taken by the Member States to achieve a better evaluation of projects before deciding in favour of the PPP form.
  6. WELCOMES that the Commission has started to reflect on ways to simplify the rules of implementation and management systems for the next Multi-annual Financial Framework in general and that the simplification of all spending instruments, including grants and financial instruments, is a key objective.
  - ~~7. TAKES NOTE of the conclusions and recommendations in the Special Report.~~
  7. INVITES the Member States and the Commission to pay attention to the recommendations of the Special Report and encourages them to carefully examine those recommendations. ~~in their policies on and application of PPPs.~~