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From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 1)/Council
No. prev. doc.:	11929/18
Subject:	European Court of Auditor's Special Report No 09/2018 "Public Private Partnerships in the EU: Widespread shortcoming and limited benefits" - <i>Adoption of Council conclusions</i>

1. On 20 March 2018 the European Court of Auditors published its Special Report No. 09/2018¹ entitled "*Public Private Partnerships in the EU: Widespread shortcomings and limited benefits*".
2. Pursuant to the rules set out in the Council conclusions on improving the examination of special reports drawn up by the European Court of Auditors², on 23 May 2018 the Permanent Representatives Committee instructed the Working Party on Telecommunications and Information Society to examine the Special Report.
3. On 12 June 2018, the representatives of the Court of Auditors presented the Special Report to the Working Party which held discussions on the Special Report on 12 June, 6 and 13 September 2018.

¹ https://www.eca.europa.eu/Lists/ECADocuments/SR18_05/SR_Renewable_Energy_EN.pdf

² Doc. 7515/00 FIN 127 + COR 1.

4. After the examination of the Special Report, the Working Party on Telecommunications and Information Society has agreed on the draft Council conclusions as set out in the Annex.
 5. The Permanent Representatives Committee is invited to endorse the attached draft Council conclusions and transmit them to the Council for adoption as an "A" item at a forthcoming meeting.
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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 procedure³;

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”⁴;
2. TAKES NOTE of the conclusions and recommendations of the Special Report and RECOGNISES in particular that:
 - the development of several audited 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;
 - 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.

³ Doc. 7515/00 + COR 1.

⁴ Doc. WK 6764/2018 INIT

4. NOTES that the decision by the Member States to develop the projects in the form of a PPP instead of traditional public procurement may have resulted, in certain cases, in higher public expenditure for the same level of service provided.
 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. 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.
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