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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
On: 9 October 2018
To: Permanent Representatives Committee (Part 1)/Council
No. prev. doc.: 12169/1/18 REV 1 TELECOM 291 TRANS 385 FIN 664
Subject: Council Conclusions on the Special Report No 09/2018 by the European Court of Auditors: "Public Private Partnerships in the EU: Widespread shortcoming and limited benefits"
- Council conclusions (9 October 2018)

Delegations will find in the annex the Council conclusions on the Special Report No 09/2018 by the European Court of Auditors: "Public Private Partnerships in the EU: Widespread shortcoming and limited benefits", adopted by the Council (Environment) at its 3640th meeting held on 9 October 2018.

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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 procedure¹;
- 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"²;
- 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.

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- 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.
- 6. 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.
- 7. 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.
- 8. 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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