



Council of the
European Union

Brussels, 15 December 2021
(OR. en)

14778/21

ECOFIN 1221
UEM 373
FIN 982

OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council

To: Delegations

No. prev. doc.: 14077/21 ECOFIN 1109 UEM 340 FIN 904

Subject: European Court of Auditors' Special Report No 18/2021:
Commission's surveillance of Member States exiting a macroeconomic
adjustment programme: an appropriate tool in need of streamlining
– Council conclusions (ECOFIN on 7 December 2021)

Delegations will find in the annex the Council conclusions on European Court of Auditors' Special Report 18/2021 entitled "Commission's surveillance of Member States exiting a macroeconomic adjustment programme: an appropriate tool in need of streamlining", approved by the ECOFIN Council at its 3835th meeting on 7 December 2021.

COUNCIL CONCLUSIONS
EUROPEAN COURT OF AUDITORS' SPECIAL REPORT NO 18/2021:
“COMMISSION’S SURVEILLANCE OF MEMBER STATES EXITING
A MACROECONOMIC ADJUSTMENT PROGRAMME: AN APPROPRIATE TOOL IN
NEED OF STREAMLINING”

THE COUNCIL OF THE EUROPEAN UNION

1. WELCOMES the European Court of Auditors' Special Report No 18/2021: "Commission’s surveillance of Member States exiting a macroeconomic adjustment programme: an appropriate tool in need of streamlining";
2. TAKES NOTE of the Court's findings and recommendations regarding the Commission's post-programme surveillance activities. RECOGNIZES the overall conclusion of the ECA special report that the Commission’s surveillance of Member States exiting a macroeconomic adjustment programme was appropriate.
3. NOTES that the audit scope focused on the role of the Commission and on the assessment of the effectiveness of post-programme surveillance. In the case of enhanced surveillance, the procedure has been in use for a relatively short period and only for one Member State as a post-programme monitoring tool.
4. RECOGNIZES the complex and evolving institutional framework of the post-programme surveillance in which the Commission is the main actor involved, acting in cooperation with other institutions (ECB, ESM and IMF).
5. STRESSES the exceptional nature of the economic and financial challenges faced by Member States applying for financial assistance in the context of the financial crisis.
6. HIGHLIGHTS that all Member States under PPS and enhanced surveillance have regained market access at acceptable interest rates and are compliant with repayment obligations.

7. ACKNOWLEDGES that the audit of the design, implementation and effectiveness of the post-programme surveillance and enhanced surveillance framework points to scope for possible improvement in the surveillance framework itself, as well as in its implementation. This might include, according to the ECA special report, inter alia, streamlining surveillance activities to increase the effectiveness and efficiency of the framework, minimizing the administrative burden for the Commission and Member States to avoid duplication of work, and increasing the flexibility.
8. ACKNOWLEDGES that cooperation between the Commission and other partner institutions has been overall efficient, and that efforts have already been undertaken to reduce the burden in Member States by combining post-programme surveillance missions with other workstreams and through arrangements that facilitate the exchange of information.
9. ACKNOWLEDGES that it is difficult to assess the impact of surveillance on market confidence in isolation given that many factors influence the progress in reforms implemented by the Member States.
10. RECALLS that an assessment of the economic, fiscal and financial situation of the Member States concerned is required under the surveillance framework and that therefore a narrower focus on the debt service capacity, as pointed out by the Court, is not warranted under the current legal framework. ACKNOWLEDGES that there is scope to improve synergies with other surveillance activities that contribute to a broader analysis of the economic, fiscal and financial situation.
11. NOTES that the Commission accepts all the Court of Auditors' recommendations and commits to their consideration in the context of the economic governance review without prejudice to any specific future proposals to amend the legal framework.
12. NOTES that the insights from the report are timely in light of the relaunch of the economic governance review, and WELCOMES the Court's contribution to the debate.