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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.

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.

¹ Doc. 7515/00 + COR 1.

² 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.
 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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