



**COUNCIL OF  
THE EUROPEAN UNION**

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from : Working Party on Structural Measures

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to : Permanent Representatives' Committee (part II) / Council

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Subject : Draft Council conclusions on the Special Report No. 9/2010 by the European Court of Auditors concerning the effectiveness of Structural Measures spending on the supply of water for domestic consumption

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1. On 13 December 2010, the Council received the Special Report No. 9/2010 concerning the effectiveness of Structural Measures spending on the supply of water for domestic consumption, adopted by the Court of Auditors at its meeting on 8 September 2010<sup>1</sup>.
2. Pursuant to the rules laid down in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors<sup>2</sup>, the Permanent Representatives Committee (Part II) at its meeting on 22 December 2010 instructed the Working Party on Structural Measures to examine this report according to the rules laid down in the abovementioned conclusions.

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<sup>1</sup> Doc. 18009/10 FIN 755 FSTR 39 FC 17 REGIO 104

<sup>2</sup> Doc. 7515/00 FIN 127 + COR 1.

3. The Working Party on Structural Measures has examined the special report, and the Working Party reached agreement on draft Council conclusions on 4 February 2011.
  4. The Permanent Representatives' Committee is therefore invited to recommend to the Council (General Affairs on 21 February 2011) to adopt, as an "A" item, these Council conclusions as set out in Annex.
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**Draft Council Conclusions on the Special Report No. 9/2010 by the European Court of Auditors concerning the effectiveness of the EU structural measures spending on the supply of water for domestic consumption**

THE COUNCIL OF THE EUROPEAN UNION,

EMPHASISING that water is one of the most important resources for social and economic development and the European Union promotes sustainable development through cohesion policy, notably the Cohesion Fund and the European Regional Development Fund,

RECALLING that according to the Treaty on the Functioning of the European Union, the prudent and rational use of natural resources is one of the objectives of the environmental policy,

RECALLING that water is not a commercial product like any other but, rather, a heritage which must be protected, defended and treated as such, as stated in the Preamble of Directive 2000/60/EC of 23 October 2000,

RECALLING that for that purpose several pieces of legislation have been published regarding river basin management, drinking water quality and efficient water use,

NOTING that in the programming period of 2000-2006 well over 100 projects in the field of water supply aiming at improving the management of water resources were financed by the European Regional Development Fund and by the Cohesion Fund,

WELCOMES the special report No. 9/2010 of the European Court of Auditors on the effectiveness of cohesion policy resources spent on infrastructure development concerning water supply for domestic consumption and TAKES GOOD NOTE of its conclusions and recommendations as well as the reply of the European Commission (hereinafter referred to as 'the Commission'),

WELCOMES in particular the emphasis put onto examining the definition, quantification, achievement and monitoring of objectives, thus enhancing the result and performance oriented approach of cohesion policy,

WELCOMES the European Court of Auditors' conclusion according to which the structural measures' spending has contributed to improving the supply of water for domestic use and measurable improvements have been achieved in terms of increased available volume of water, extended coverage of public networks, better water quality as well as higher network yield and service continuity, NOTES, however, the Court's finding that better results could have been achieved at a lower cost to the EU budget,

NOTES that the obligations set by Directive 2000/60/EC are to be met by the Member States in a progressive way, notably the cost recovery principle, taking into account affordability and sustainability issues as appropriate.

NOTES also that the Report reflects the situation in the programming period of 2000-2006 and that the legislative environment has been developed in the present programming period, the main findings of the Court have already been taken into account when defining the project selection and implementation rules for the period of 2007-2013,

RECALLS the amendments of the present legislative framework with regard to major projects and revenue generating projects to ease the implementation of those in the 2007-2013 programming period,

WELCOMES the fact that the Commission provides technical assistance to Member States when preparing to submit major projects to the Commission through the Jaspers facility, and CALLS the Commission to better take into account the results of Jaspers' work and thus accelerate and simplify the approval process of major projects,

NOTES that the complex nature of such projects may involve cost and time overruns and AGREES that efforts are required to reduce the incidence of these overruns whilst assuring that such complex infrastructural projects are brought to successful operation,

CALLS the Commission to simplify the setting of grant rates in order to better monitor financing gaps in such projects,

CALLS the Member States to continue to endeavour to prepare better and more efficient projects by thorough analyses taking into account the future trends on the demand side and the need for complementary infrastructure as well as by taking into consideration the alternative solutions,

UNDERLINES that the necessary financial corrections have been made both by the Commission and the Member States in case of public procedure weaknesses thereby defending the financial interests of the European Union,

RECOMMENDS the Member States to further improve their project preparation, grant setting and correct implementation thereof taking account of the Commission's guidelines,

ENCOURAGES the Commission to continue supporting Member States in their efforts to improve the management and quality of water supply for domestic consumption namely when preparing the relevant pieces of legislation as regards the post-2007-2013 programming period, in particular through proposals to simplify the setting of grant rates,

ENCOURAGES the Member States, where appropriate, to continue implementing water supply projects financed by the European Union or by their own resources in order to ensure a sustainable development of this precious natural resource.

ENCOURAGES the European Court of Auditors to continue to examine programmes financed under the European cohesion policy and assist the implementation by its recommendations.