Special report 4/2012 (2011 discharge): Using Structural and Cohesion Funds to co-finance transport infrastructures in seaports: an effective investment?

2012/2086(DEC) - 25/04/2012 - Non-legislative basic document

PURPOSE: to present Special Report No 4/2012 from the European Court of Auditors on the efficiency of using Structural and Cohesion Funds to co-finance transport infrastructures in seaports.

CONTENT: in its report, the Court finds that only 11 of the 27 audited transport infrastructures in seaports' projects co-financed by the Structural and Cohesion Funds in the 2000-06 programme period were effective.

To recall, the Court audited Structural and Cohesion Fund investments in transport infrastructure in seaports to find out whether the projects cofinanced during the 2000-06 period, the objectives and outputs of **27 projects assisted by the ERDF and the Cohesion Fund** under the 'Transport infrastructures' heading were effective. It examined the way in which Member States had managed this expenditure and how the Commission had supervised the process.

Maritime transport is the second most important mode of transport within the EU, with most freight still being moved by road. Between 2000 and 2006, EUR 2.8 billion from the Structural and Cohesion Funds was allocated to seaport infrastructures. Four countries were allocated 85.5% of the total amount to be spent. A further EUR 3.4 billion has been allocated for seaport investments during the 2007-13 financing period.

In addition, a third of the projects audited had non-transport related objectives. As well as ineffective projects, the Court found that some projects were not in use and 4 significant projects with a value of 70.8 % of the total amount audited had not been completed at the time of the audit. Out of the 23 completed projects, eleven had been completed on time but **12 experienced an average construction delay of 26 months**. Furthermore, five of the completed projects, representing almost half of the amounts audited, will need considerable further investment before they can be put into effective use.

Court recommendations: the ECA makes a number of recommendations to the Commission to improve the effectiveness of investments in seaports. These include:

- reminding Member States of their obligation to use EU funding in a way compatible with the tenets of sound financial management. To do so, the Commission should provide appropriate guidance and disseminate best practices found in Member States, especially encouraging the **systematic use of result and impact indicators** by Managing authorities;
- introducing the principle that **EU funding should be conditional upon the attainment of planned results** and ensure that on-the spot visits made also focus on effectiveness issues;
- strengthening the assessment procedure for Major Projects and Cohesion Fund Projects to **improve the detection of serious weaknesses** and the taking of appropriate action to remedy them;

- making Cohesion Policy aid for the coming period conditional upon the existence of a **comprehensive long term port development strategy** (based on an assessment of needs) for all the ports of the relevant region.