



EUROPEAN COMMISSION  
ENTERPRISE DIRECTORATE-GENERAL

Single Market : regulatory environment, standardisation and New Approach  
**Standardisation**

## *Vademecum on European Standardisation*

### Part III

#### Co-financing by EU/EFTA of European Standardisation

#### Chapter 1

Descriptive document on financing methods and referencing  
to the foreseen Framework Partnership Agreement

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Conformity and standardisation, new approach, industries under new approach

## **Information on the procedures for funding European standardisation**

### Introduction

The main purpose of DG Enterprise's financial support measures for European standardisation is to create European standards in support of Community policies relating, in particular, to implementation of the technical harmonisation Directives and improvement of the competitiveness of European industry.

To achieve this key objective, the Commission provides financial support to the Central Secretariats of European standardisation bodies with a view to improving the quality of harmonised standards and promoting European standardisation at international level.

This support is provided primarily through a **multiannual framework contract** which sets out the general conditions of funding and the specific agreements adapted to the various subsidised activities.

### **I. The five pillars of funding standardisation activities**

Financial support for European standardisation is organised on the basis of five pillars (see the annex for the funding breakdowns for 2001/2002/2003). For each pillar, specific agreements are signed by the Commission and the European standardisation bodies, as the need arises, on the basis of a programme drawn up at the beginning of the year in agreement with the relevant Commission departments (there are currently 89 standardisation contact points spread among 49 units and 12 Directorates-General). The programming is revised in September in order to reallocate unused budgetary funds in the light of new priorities.

a) Annual performance contracts signed between the Commission and CEN-CENELEC-ETSI. These are designed to help improve the effectiveness, quality and visibility of the European standardisation system. Each year, these three bodies send the Commission reasoned requests for subsidies, in line with their work programme and in support of Community policies. On the basis of these requests, a list of selected projects is drawn up, together with performance indicators which make it possible to measure the level and quality of implementation in an interim and final report.

These actions are designed, *inter alia*, to make the parties concerned more aware of, and involve them more fully in, standardisation work, to optimise the use of European standards according to market requirements, to more effectively manage the procedures laid down in Directive 98/34/EC and translations of harmonised standards, encourage on-line working and benchmarking within the ESOs, to prepare for enlargement and to strengthen the ESOs' institutional ties at international level.

b) "consultants" contracts are intended for the co-funding of experts. They are designed to ensure that harmonised standards drawn up in support of Community legislation meet the essential requirements of the Directives and mandates.

This activity was necessary in order to avoid safeguard clauses being triggered when the standards are applied (following their publication in the Official Journal). This is why the Commission supports the ESOs in this action.

c) Translations of harmonised standards (used in support of European legislation) in languages other than FR/EN/DE are likely to accelerate the use of these standards by industry, particularly SMEs. At the beginning of the year, the ESOs draw up a list of standards which were adopted the previous year and for which EU cofunding is required for translations. As a result of the forthcoming enlargement and the near-doubling of the number of official languages, the funds which the Commission will allocate to this work will double in 2004 compared with 2003. In order to prevent costs from getting out of control, however, and to allow the funding of the other pillars, the Commission's overall contribution will remain unchanged, based on a maximum cost per page.

d) The cofunding of European standardisation activities is the central element in the standardisation budget in support of Community policies. This work is done mostly in support of legislative projects, but also of other projects which have been identified by the European institutions as priorities. Mandate work is given priority, except in the case of e-Europe, which is based on the Lisbon Strategy. On this basis, ESOs are invited to submit estimates, with timeframes which are compatible with market needs. After the specific funding agreements have been approved by the Commission and the ESOs, follow-up meetings are organised regularly with the ESO to ensure that the work runs smoothly.

e) The external promotion of the European standardisation system is a major element in the context of promoting exports from the internal market. This action also lends itself to greater consistency in our approach at international level. The Commission is interested in contributing to such projects to the extent that industry is interested and is willing to contribute to funding.

In 2003, for example, actions were supported at the request of CENELEC for the promotion of the European standardisation system at both bilateral and multilateral levels in China, Brazil, the Mediterranean countries and Mercosur.

## **II. Funding procedures**

The financial Regulation applicable to the Commission's general budget provides for two types of funding: subsidies and service contracts.

By its very nature, financial support for standardisation clearly entails subsidies, at least where the five pillars described above are concerned.

This involves both direct financial contributions to achieve objectives in support of the Union's policies and support to the ESOs' Central Secretariats.

Other, detailed rules apply to **service contracts**:

- they can be concluded only on the basis of a call for tenders. This is incompatible with the exclusive recognition of the three ESOs under European legislation, which gives them a *de facto* monopoly for devising standards.
- their terms of reference are written by Commission departments, which is incompatible with standardisation activities.
- they are 100%-funded, but the results of the work are owned by the Commission. This is incompatible with industrial property law on standards.

By contrast, **subsidy contracts** are well suited to standardisation activities, especially as the **Outline Partnership Agreements** negotiated recently by the ESOs and the Commission envisage *ad hoc* procedures for implementing these subsidies:

- the subsidies are not the subject of calls for proposals; they are made available at the request of the ESOs, and are accompanied by estimates;
- the principle of cofunding applies, but with the possibility of derogation for a specific subsidy for certain tasks (laboratory work, etc.);
- the principle of non-retroactive project funding applies, but with some degree of flexibility, which makes it possible to accept funding prior to signature of the contracts (especially for standardisation and translation work);
- the funding of audits required under the financial Regulation is mostly dealt with in the annual performance contracts;
- contributions in kind are becoming the general rule for standardisation, because of the important role played by experts funded by industry;
- the rules on subcontracting were made more flexible for the allocation of work among the ESOs, in line with their internal rules;
- model documents have been drawn up to allow harmonised presentation of estimates, payments and actual costs, in order to facilitate management of those items.

### **III. Future developments: strengthening the legal basis for funding European standardisation**

Following adoption of the new financial Regulation, the legal basis for funding European standardisation needs to be strengthened in order to ensure the long-term viability of this mechanism of the European standardisation system.

The ever closer involvement of European standardisation in support of Community policies is requiring the mobilisation of EU funds. This cannot be done solely on the basis of existing legislation, i.e. Directive 98/34/EC, Decision 87/95 in the ICT field and the sectoral Directives on technical harmonisation.

A text laying down a specific legal basis is becoming increasingly urgent.

The possibilities for simplifying the current funding system could be explored under the financial Regulation. For example, procedures for funding the ESOs' Central Secretariats and those relating to standardisation work could be re-examined.

A Working Party bringing together representatives of the EC, EFTA and the ESOs was recently created for that purpose.