ANNEXES

to the
Commission Decision

authorising the use of grants in the form of reimbursement of eligible costs declared by beneficiaries on the basis of lump sums for the standardisation activities carried out by the European Committee for Standardisation, and the European Committee for Electrotechnical Standardisation and the European Telecommunications Standards Institute and amending Decision C(2014)1892 as regards additional unit costs
ANNEX I

Conditions for the use of grants in the form of reimbursement of eligible costs declared by beneficiaries on the basis of lump sums for the standardisation activities carried out by the European Committee for Standardisation, the European Committee for Electrotechnical Standardisation and the European Telecommunications Standards Institute

1. Forms of grant and categories of costs covered

1.1. Except in duly justified cases, notably where the resources needed for the activities may not be precisely assessed at the time of evaluation of the proposals, the grants awarded to the European Committee for Standardisation (CEN) and the European Committee for Electrotechnical Standardisation (CENELEC) and their national members shall exclusively take the form of reimbursement of eligible costs declared by beneficiaries on the basis of lump sums for the following standardisation activities:

(a) the development and revision of European standards or European standardisation deliverables which is necessary and suitable for the support of Union legislation and policies;

(b) the verification of the quality, and conformity to the corresponding Union legislation and policies, of European standards or European standardisation deliverables;

1.2. For the financing of all the other standardisation activities performed by CEN and CENELEC, namely those falling under Article 15(1)(c) to (g) of Regulation (EU) No 1025/2012, that Regulation does not impose any particular forms of grants. Operating grants (Article 15(1)(d) of Regulation (EU) No 1025/2012) usually take the form of reimbursement of a specified proportion of the eligible costs actually incurred and action grants (Article 15(1)(c), (e), (f) and (g) of Regulation (EU) No 1025/2012) may take the form of reimbursement on the basis of unit costs approved by Decision C(2014)1892.

1.3. For the European Telecommunications Standards Institute (ETSI), grants shall exclusively take the form of reimbursement of eligible costs declared by ETSI on the basis of lump sums for all standardisation activities leading to deliverables such as European standards (ETSI EN), ETSI Standards (ETSI ES), Technical Specifications (ETSI TS), Technical Reports (ETSI TR), Guides (ETSI EG) and Special Reports (ETSI SR).

1.4. Action grants for the organisation of ETSI interoperability events ("plugtests") are not covered by this decision. They will thus take the form of reimbursement of a specified proportion of the eligible costs actually incurred.

1.5. The categories of eligible costs to be declared on the basis of lump sums cover the following categories of eligible costs, i.e.:

- direct personnel costs
- indirect costs (for national members; they are ineligible for CEN, CENELEC and ETSI as they are receiving operating grants)
- direct travel costs
- other direct costs (except subcontracting)
1.6. The costs of purchase of products and services necessary for the implementation of the activities referred to in Article 15(1)(c) of Regulation (EU) No 1025/2012, namely: the performance of preliminary or ancillary work in connection with European standardisation, including studies, cooperation activities, including international cooperation, seminars, evaluations, comparative analyses, research work, laboratory work, inter-laboratory tests, conformity evaluation work and measures to ensure that the periods for the development and revision of European standards or European standardisation deliverables are shortened, are excluded from the lump sums. Grants for these activities should be awarded in the form of reimbursement of a specified proportion of the eligible costs actually incurred.

The amounts of the lump sums to be declared by beneficiaries shall be calculated in accordance with the method set out in point 3.

2. Justification

2.1. Nature of the supported actions

The long term partnership between the Commission and the European standardisation organisations (CEN, CENELEC and ETSI) is based on the common objectives established by the Union legislation.

The use of grants based on lump sums is justified by the following:

- Article 17(4) of Regulation (EU) No 1025/2012;
- Simplification of the EU financing of standardisation activities as aimed by the Regulation (EU) No 1025/2012;
- Long term experience on both sides in managing of standardisation grants;
- Availability of appropriate data to establish the lump sums for CEN, CENELEC, their members and ETSI, including as to the low historical deviation rate between budgeted and actual number of man/days for standardisation activities.

In addition, the outputs and the proper implementation of the action are easily verifiable and the financing of standardisation activities shall be performance-oriented. In accordance with Article 17(4) of Regulation (EU) No 1025/2012, payment of grants awarded in the form of reimbursement of lump sum costs for the standardisation activities referred to in Article 15(1)(a) of Regulation (EU) No 1025/2012 are subject to fulfilment of the following conditions:

(a) European standards or European standardisation deliverables requested by the Commission in accordance with Article 10 are adopted or revised within a period not exceeding the period specified in the request referred to in that Article;

(b) SMEs, consumer organisations and environmental and social stakeholders are appropriately represented and can participate in European standardisation activities, as referred to in Article 5(1) of Regulation (EU) No 1025/2012.

2.2. Risks of irregularities and fraud and costs of control

The audits finalised during the years 2009-2014 did not detect any fraud and showed that the overall error rate for the cost statements provided by the CEN, CENELEC
and ETSI was immaterial. Also, all the standardisation deliverables are easily controllable.

3. Method to determine the lump sum costs

Article 124(2)(c) of Regulation (EU, Euratom) No 966/2012 provides for the possibility of determining the amounts of lump sum costs on a beneficiary-by-beneficiary approach, thus giving the possibility to determine the amounts of lump sum costs on the basis of costs as budgeted in the grant application, by comparison to certified or auditable historical data of the beneficiary.

3.1. For CEN and CENELEC

3.1.1. Development and revision of European standards or European standardisation deliverables which is necessary and suitable for the support of Union legislation and policies (activities referred to in Article 15(1)(a) of Regulation (EU) No 1025/2012)

The lump sum declared as eligible costs shall be calculated in accordance with the following formula:

\[
\text{Lump sum} = (\text{Number of TPM days necessary to implement the activities} \times \text{TPM daily rate for CEN, CENELEC or one of their members}) + (\text{Number of AS days necessary to implement the action} \times \text{AS daily rate for CEN, CENELEC or one of their members})
\]

With:

TPM: Technical & Project Management as defined in Decision C(2014)1892

AS: Administrative Support as defined in Decision C(2014)1892

Where:

The TPM and AS daily rates are calculated as follows:

\[
\begin{align*}
\text{TPM daily rate} & = \text{TPM unit cost} + \text{EUR 33,40} \\
\text{AS daily rate} & = \text{AS unit cost}
\end{align*}
\]

The TPM and AS unit costs are those approved by Decision C(2014)1892 of 25.03.2014 on the unit costs applicable in grant agreements awarded to CEN and CENELEC for the period from 1 January 2014 to 31 December 2020.

The amount of EUR 33,40 covers direct travel and other direct costs for TPM. It corresponds to the average cost per day of the actual direct travel costs and other direct costs declared by CEN and CENELEC under the closed specific grant agreements signed under the 2004 and 2009 Framework Partnership Agreements. This amount will be adjusted in January of each year, for the first time in January 2016 in accordance with the same methodology described in Decision C(2014)1892.

In case where there is more than one organisation participating in the action, the lump sum declared as eligible costs will be the sum of the lump sum costs calculated for each participant.

The number of days necessary to implement the action will be the estimated number of days set out in the CEN and CENELEC proposal, as assessed and approved on a case by case basis by the evaluation committee.
3.1.2. Verification of the quality, and conformity to the corresponding Union legislation and policies, of European standards or European standardisation deliverables (activity referred to in Article 15(1)(b) of Regulation (EU) No 1025/2012)

This task is performed by consultants. The consultant's unit cost of EUR 637,29 covers the direct personnel and direct travel costs and has been established in accordance with the following methodology:

\[
\text{Consultant's unit cost} = \text{average consultant's daily costs (EUR 534,70)} + \text{average consultants travel daily rate (EUR 102,59)}
\]

The base for calculation of these averages is the actual direct consultants' costs and related travel costs declared and certified by CEN, CENELEC and their members over the period 2009-2013.

The lump sum declared as eligible costs shall be calculated in accordance with the following formula:

\[
\text{Lump sum} = \text{Number of days necessary to implement the activity} \times \text{EUR 637,29 (Consultant's unit cost / daily rate)}
\]

Where:

The number of days necessary to implement the verification of the quality and conformity of standards will be the estimated number of days set out in the CEN and CENELEC proposal, as assessed and approved by the evaluation committee.

CEN and CENELEC will be requested to provide detailed justification of the estimated number of days. All members of the evaluation committee will be instructed to ask for clarification on the number of days proposed in case of doubt or insufficient justification. During the execution of grant agreements, the Commission will regularly monitor the number of days performed. In case of significant deviation between numbers of days budgeted and performed, corrective measures will be proposed by way of amendment to this decision (applicable to grant agreements signed after amendment of this decision).

The consultant's unit cost will be adjusted in January of each year, for the first time in January 2016. The revised unit cost applies to specific grants awarded during the year (the update does not affect the lump sums applicable to grants already awarded).

As the main components of the consultant's unit cost are costs of services, this revision shall be determined by the trend in the harmonised indices of consumer prices (HICP – EU 28 index) as published by Eurostat.¹

¹ This index can be found at: [http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=teicp000&tableSelection=1&plugin=1](http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=teicp000&tableSelection=1&plugin=1)
The HICP provides the official measure of consumer price inflation in the Union.

Revision shall be calculated in accordance with the following formula:

\[ Ar = Ao \times \frac{I_r}{I_o} \]

Where:
- \( Ar \) = revised unit cost;
- \( Ao \) = original unit cost established by this decision;
- \( Io \) = index for December 2014;
- \( Ir \) = index for January of the year \( N \).

3.2. For ETSI

The lump sum declared as eligible costs shall be calculated in accordance with the following formula:

\[ \text{Lump sum} = \text{Number of days necessary to implement the action} \times \text{ETSI unit cost} \]

Where:

The number of days necessary to implement the action will be the estimated number of days set out in the ETSI proposal, as assessed and approved on case by case basis by the evaluation committee.

ETSI will be requested to provide detailed justification of the estimated number of days. All members of the evaluation committee will be instructed to ask for clarification on the number of days proposed in case of doubt or insufficient justification. During the execution of the grant agreements, the Commission will regularly monitor the number of days performed by experts. In case of significant deviation between numbers of days budgeted and performed, corrective measures will be proposed by way of amendment to this decision (applicable to grant agreements signed after amendment of this decision).

The ETSI unit cost is equal to EUR 626 and has been established in accordance with the following methodology:

\[ \text{ETSI unit cost} = \frac{\text{Total eligible costs of a sample of 34 closed grant agreements for actions implemented by ETSI}}{\text{Number of actual man/days necessary to implement those actions}} \]

The sample is composed of all ETSI finalised action grants committed since 2007, with the exception of the action grants for the organisation of interoperability events.

The unit cost will be adjusted in January of each year, for the first time in January 2016. The revised unit cost applies to specific grants awarded during the year (the update does not affect the lump sums applicable to grants already awarded).
This revision shall be determined by the trend in the harmonised indices of consumer prices (HICP – EU 28 index) as published by Eurostat\(^2\). The HICP provides the official measure of consumer price inflation in the Union and is therefore an appropriate method for indexation of costs of experts located in different member states of the Union. It also ensures the consistency with the indexation method used for CEN, CENELEC and their members’ unit costs approved by Decision C(2014)1892.

Revision shall be calculated in accordance with the following formula:

\[
Ar = Ao \times \frac{Ir}{Io}
\]

Where:

- \(Ar\) = revised unit cost;
- \(Ao\) = original unit cost established by this decision;
- \(Io\) = index for December 2014;
- \(Ir\) = index for January of the year \(N\).

4. No-profit and co-financing principles and absence of double financing

The methodology described in point 3 complies with the principles of non-profit, co-financing and absence of double funding as required by Regulation (EU, Euratom) No 966/2012. The maximum co-financing rate set out in the financing decision will be applied to eligible costs declared on the basis of the lump sums and the Union contribution will not exceed 95% of total eligible costs declared on the basis of lump sum costs.

The standardisation activities referred to in Articles 15(1)(a) and (b) of Regulation (EU) No 1025/2012 are not expected to generate revenue or to be specifically funded by third donors. The lump sums should not exceed the actual eligible costs as their calculation is based on the unit costs which are the averages resulting from the certified historical personnel and travel costs actually incurred by beneficiaries.

For ETSI the historical deviation of reported versus budgeted staff man/days for all the grants of the sample is limited to 2.61%.

For CEN and CENELEC the ratios of reported versus budgeted man/days are: 121% for TPM, 90% for AS and 94.03% for consultants.

As a control and monitoring measure, the ESOs will report on resource consumption based on the statutory information available.

\(^2\) This index can be found at:
http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=teicp000&tableSelection=1&pluginIn=1
ANNEX II
Amendment to Decision C(2014)1892

In the Annex, the following point 3a is added:

“3a. CEN’s and CENELEC’s members in Greece, Cyprus, the Former Yugoslav Republic of Macedonia and Switzerland: Method to determine and update the amounts and amounts for 2015.

Technical & project management (TPM) unit costs – amounts for 2015.

<table>
<thead>
<tr>
<th>CEN's/CENELEC's member</th>
<th>Country</th>
<th>Currency</th>
<th>Exchange rate</th>
<th>Unit cost per day in local currency</th>
<th>Unit cost per day in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>NQIS/ELOT</td>
<td>Greece</td>
<td>EUR</td>
<td>1,00</td>
<td>133,30</td>
<td>133,30</td>
</tr>
<tr>
<td>CYS</td>
<td>Cyprus</td>
<td>EUR</td>
<td>1,00</td>
<td>217,90</td>
<td>217,90</td>
</tr>
<tr>
<td>ISRM</td>
<td>Former Yugoslav Republic of Macedonia</td>
<td>MKD</td>
<td>0,016262</td>
<td>1985,61</td>
<td>32,29</td>
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<tr>
<td>SNV</td>
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<td>CHF</td>
<td>0,831393</td>
<td>718,78</td>
<td>597,59</td>
</tr>
</tbody>
</table>

Administrative support (AS) unit costs – amounts for 2015

<table>
<thead>
<tr>
<th>CEN's/CENELEC's member</th>
<th>Country</th>
<th>Currency</th>
<th>Exchange rate</th>
<th>Unit cost per day in local currency</th>
<th>Unit cost per day in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>NQIS/ELOT</td>
<td>Greece</td>
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<td>412,26</td>
</tr>
</tbody>
</table>

All the reference costs are established in local currency. The unit costs are converted into Euros using the monthly Commission exchange rate of January 2015.

The unit costs will be adjusted in January of each year, for the first time in January 2016. The revised unit costs apply to specific grants awarded during the year (the update does not affect the unit costs applicable to grants already awarded).

This revision shall be determined by the trend in the harmonised indices of consumer prices (HICP - index of the Member State where the member is based) as published by Eurostat.*

The HICP provides the official measure of consumer price inflation in all CEN’s and CENELEC’s members’ countries.

Revision shall be calculated in accordance with the following formula:

\[ Ir = Ao \times \]
Where:

\[ \begin{align*}
\text{Ar} & = \text{revised unit cost;} \\
\text{Ao} & = \text{original unit cost established by this decision;} \\
\text{Io} & = \text{index for December 2014;} \\
\text{Ir} & = \text{index for January of the year N.}
\end{align*} \]

The exchange rates to be taken into account for the calculation of the revised unit cost will be the rates applicable in January of the year N, as established and published by the European Commission.

* This index can be found at:

** Those rates can be found at: