# EUROPEAN PARLIAMENT

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Committee on the Internal Market and Consumer Protection

PROVISIONAL 2005/0157(COD)

15.12.2005

## \*\*\*I DRAFT REPORT

on the proposal for a decision of the European Parliament and of the Council on the financing of European standardisation (COM(2005)0377 – C6-0252/2005 – 2005/0157(COD))

Committee on the Internal Market and Consumer Protection

Rapporteur: Zita Pleštinská

| Symbols for procedures |  |  |
|------------------------|--|--|
| *                      | Consultation procedure   |  |
|                        | majority of the votes cast   |  |
| **I                    | Cooperation procedure (first reading)  |  |
|                        | majority of the votes cast   |  |
| **II                   | Cooperation procedure (second reading)   |  |
|                        | majority of the votes cast, to approve the common position                     |  |
|                        | majority of Parliament's component Members, to reject or amend                 |  |
| ***                    | the common position  |  |
| ***                    | Assent procedure<br>majority of Parliament's component Members except in cases |  |
|                        | covered by Articles 105, 107, 161 and 300 of the EC Treaty and                 |  |
|                        | Article 7 of the EU Treaty   |  |
| ***Ĭ                   | Codecision procedure (first reading)   |  |
| -                      | majority of the votes cast   |  |
| ***II                  | Codecision procedure (second reading)  |  |
|                        | majority of the votes cast, to approve the common position                     |  |
|                        | majority of Parliament's component Members, to reject or amend                 |  |
|                        | the common position  |  |
| ***III                 | Codecision procedure (third reading)   |  |
|                        | majority of the votes cast, to approve the joint text                          |  |
| (The type<br>Commiss   | e of procedure depends on the legal basis proposed by the sion.)               |  |

## Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in *bold italics*. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a decision of the European Parliament and of the Council on the financing of European standardisation (COM(2005)0377 – C6-0252/2005 – 2005/0157(COD))

#### (Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2005)0377)<sup>1</sup>
- having regard to Article 251(2) and Articles 95 and 157(3) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0252/2005),
- having regard to Rule 51 of its Rules of Procedure,
- having regard to the report of the Committee on the Internal Market and Consumer Protection (A6-0000/2005),
- 1. Approves the Commission proposal as amended;
- 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
- 3. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

(Does not affect English version.)

#### Amendment 1 Recital 1

European standardisation is a voluntary activity performed by and on behalf of parties interested in establishing standards and other standardisation products in response to their needs. These standardisation products are drawn up by CEN - Comité Européen de Normalisation (European Committee for Standardisation), CENELEC - Comité Européen de Normalisation Electrotechnique (European Committee for Electrotechnique (European Committee for Electrotechnical Standardisation) and ETSI - European Telecommunications Standards Institute,

<sup>&</sup>lt;sup>1</sup> Not yet published in OJ.

bodies listed in Annex I to Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations and of rules on Information Society services<sup>13</sup>, hereinafter called European standards organisations.

#### Justification

(Does not affect English version.)

#### Amendment 2 Recital 3

It is necessary for the Community to contribute to the financing of European standardisation in view of the latter's important role in supporting its legislation and policies. On the one hand, European standardisation contributes to the functioning and strengthening of the internal market, thanks especially to the 'New Approach' Directives in the fields of health, safety, environmental and consumer protection or to ensure interoperability in fields such as transport. On the other hand, European standardisation makes it possible to boost the competitiveness of firms by facilitating in particular the free movement of products and services, network interoperability, means of communication, technological development and innovation in activities such as information technology. It is therefore a good idea to include in this Decision the financing of European standardisation activities in the field of information technologies and telecommunications which is also governed, in particular, by Council Decision 87/95/EEC of 22 December 1986 on standardisation in the field of information technology and telecommunications<sup>15</sup>

(Does not affect English version.)

(Does not affect English version.)

#### Amendment 3 Recital 5

Community financing must seek to establish standards or other standardisation products, to facilitate their use by *firms*, *especially by means of* their translation into the various Community languages, *to strengthen the cohesion of the European standardisation system and*, *lastly*, *to ensure the promotion of the whole system*.

#### Community financing must seek to establish standards or other standardisation products and to facilitate their use by *EU enterprises, particularly SMEs, by promoting* their translation into the various Community languages.

#### Amendment 4 Recital 9

The financing of standardisation activities must also be able to cover preliminary or ancillary activities in connection with the establishment of standards or other standardisation products. This refers primarily to work involving research, the preparation of preliminary documents for legislation, inter-laboratory tests and the validation or evaluation of standards. In addition, the promotion of standardisation at European and international level should include carrying out programmes of technical assistance and cooperation with non-member countries. With a view to improving market access and boosting the competitiveness of *firms*, there should consequently be provision for giving grants to other bodies through calls for proposals or, where necessary, by awarding contracts.

The financing of standardisation activities must also be able to cover preliminary or ancillary activities in connection with the establishment of standards or other standardisation products. This refers primarily to work involving research, the preparation of preliminary documents for legislation, inter-laboratory tests and the validation or evaluation of standards. In addition, the promotion of standardisation at European and international level should include carrying out programmes of technical assistance and cooperation with non-member countries. With a view to improving market access and boosting the competitiveness of *EU enterprises*, there should consequently be provision for giving grants to other bodies through calls for proposals or, where necessary, by awarding contracts.

## Amendment 5 Recital 11

In view of the specific nature of

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standardisation work and especially the involvement in the standardisation process of various interested parties, *particularly firms, by making experts available,* it should be acknowledged that the cofinancing of the activities of producing European standards or other standardisation products covered by a Community grant could be provided *on a more or less automatic basis* by contributions in kind. standardisation work and especially the involvement in the standardisation process of various interested parties, it should be acknowledged that the co-financing of the activities of producing European standards or other standardisation products covered by a Community grant could be provided by contributions in kind.

#### Justification

(In addition to the highlighted changes, this amendment includes other changes that do not affect the English version.)

#### Amendment 6 Recital 11

In view of the specific nature of standardisation work and especially the involvement in the standardisation process of various *interested parties, particularly firms, by making experts available*, it should be acknowledged that the cofinancing of the activities of producing European standards or other standardisation products covered by a Community grant could be provided *on a more or less automatic basis* by contributions in kind. In view of the specific nature of standardisation work and especially the involvement in the standardisation process of various *stakeholders*, it should be acknowledged that the co-financing of the activities of producing European standards or other standardisation products covered by a Community grant could be provided by contributions in kind, *for instance by making experts available*.

#### Amendment 7 Recital 13

Appropriate *and necessary* measures should also be taken to avoid fraud and irregularities and to recover funds *which have been lost,* unduly paid *or poorly used* in accordance with Council Regulations (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests<sup>18</sup>, (Euratom, EC) No 2185/96 of Appropriate measures should also be taken to avoid fraud and irregularities and to recover funds unduly paid in accordance with Council Regulations (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests<sup>18</sup>, (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried

11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities<sup>19</sup> and (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)<sup>20</sup>. out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities<sup>19</sup> and (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)<sup>20</sup>.

Amendment 8 Article 3, paragraph 1, point d

d) the verification of the quality and conformity of European standards or any other standardisation product; d) the verification of the quality and conformity *to the corresponding Community legislation* of European standards or any other standardisation product;

Amendment 9 Article 3, paragraph 1, point e

e) the translation, where required, of European standards or any other standardisation product *used in support of Community policies and legislation* into Community languages other than the working languages of the European standards organisations; e) the translation, where required, of European standards or any other *European* standardisation product into Community languages other than the working languages of the European standards organisations;

Amendment 10 Article 3, paragraph 1, point f a (new)

> fa) administrative expenses related to monitoring, inspection, auditing and evaluation activities.

#### Justification

Part of old Article 6(1) transferred into Article 3.

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#### Amendment 11 Article 3, paragraph 3

The activities referred to in paragraph 1(a) shall be eligible only if the committee set up by Article 5 of Directive 98/34/EC has been consulted on the requests to be submitted to the European standards organisations.

(Does not affect English version)

#### Justification

(Does not affect English version.)

#### Amendment 12 Article 3, paragraph 3

The activities referred to in paragraph 1(a) shall be eligible only if the committee set up by Article 5 of Directive 98/34/EC has been consulted on the requests to be submitted to the European standards organisations.

The activities referred to in paragraph 1(a) shall be eligible *for Community financing* only if the committee set up by Article 5 of Directive 98/34/EC has been consulted on the requests to be submitted to the European standards organisations.

Amendment 13 Article 5, paragraph 1

Community financing shall be provided *in the form of grants without calls for proposals to the following organisations or bodies*:

a) to the European standards *organisations, to* carry out the activities referred to in Article 3,

b) to *the* bodies *mentioned in a basic act pursuant to Article 49 of the Financial Regulation* to carry out, in collaboration with the European standards organisations, the work referred to in Article 3(1)(b) *of this Decision*.

Community financing shall be provided:

a) *in the form of grants without a call for proposals,* to the European standards *organisations to* carry out the activities referred to in Article 3,

b) *in the form of grants after a call for proposals, or by public procurement procedures,* to *other* bodies to carry out, in collaboration with the European standards organisations, the *standardisation* work referred to in Article 3(1)(b) *or the programmes referred to in Article 3(2)*. Financing shall be provided by awarding grants, after a call for proposals, or by public procurement procedures for the standardisation work referred to in Article 3(1)(b) or the programmes referred to in Article 3(2).

#### Amendment 14 Article 5, paragraph 2

The activities of the central secretariats of the European standards organisations referred to in Article 3(1)(c) may be financed on the basis either of grants for actions or of operating grants. In the event of renewal, the operating grants *will not* be reduced *annually*. The activities of the central secretariats of the European standards organisations referred to in Article 3(1)(c) may be financed on the basis either of grants for actions or of operating grants. In the event of renewal, the operating grants *may* be reduced *but will not necessarily be so*.

#### Amendment 15 Article 5, paragraph 4

Co-financing in the form of contributions in kind shall be acceptable. The evaluation of contributions in kind shall be performed in the conditions laid down by Regulation (EC, Euratom) No 2342/2002.

Co-financing in the form of contributions in kind shall be acceptable. The evaluation of contributions in kind shall be performed in *accordance with* the conditions laid down by Regulation (EC, Euratom) No 2342/2002.

## Justification

(In addition to the highlighted change, this amendment contains other changes that do not affect the English version.)

## Amendment 16 Article 6, title

*Management, implementation and* monitoring

Amendment 17

Monitoring

Article 6, paragraph 1

The appropriations authorised by the budgetary authority for the financing of standardisation activities may also cover the administrative expenses relating to actions involving preparation, monitoring, inspection, auditing and evaluation, which are directly necessary for achieving the objectives of this Decision, and particularly studies, meetings, information and publication activities, expenses relating to informatics networks for the exchange of information and any other expenditure on administrative and technical assistance which the Commission may use for standardisation activities.

#### Amendment 18 Article 6, paragraph 2

deleted

The Commission shall *evaluate on a regular basis* the relevance of the standardisation activities receiving Community financing in the light of the requirements of Community policies and legislation.

The Commission shall *monitor* the relevance of the standardisation activities receiving Community financing in the light of the requirements of Community policies and legislation *and inform the Parliament and Council about the outcome of such activities at least once every five years*.

## EXPLANATORY STATEMENT

This aim of this decision is to establish the legal framework for the financing of European standardisation. The rapporteur emphasises the importance of European standardisation in strengthening the internal market, particularly by removing technical barriers.

A key point of the proposal submitted is the clear distinction drawn between bodies that may receive Community funding in the form of grants without calls for proposals and bodies financed in the form of grants after a call for proposals or by public procurement procedures. While all bodies are entitled to grants, after a call for proposals, for preliminary or ancillary work, the rapporteur proposes that only European standardisation organisations, listed in Annex I to Directive 98/34/EC of the European Parliament and of the Council (i.e. CEN, Cenelec and ETSI), be eligible for grants without a call for proposals, on account of the special position of those organisations in the European standardisation system. Although, in the recitals, the original Commission text clearly specifies the position and the tasks of the bodies qualifying for Community financing, the text of the decision itself, in Article 5, allows for the possibility of financing for other bodies through grants without a call for proposals. The justification given by the Commission for this provision is the existence of the European Organisation for Civil Aviation Equipment (Eurocae). This organisation is referred to in Regulation (EC) No 552/2004 of the European Parliament and of the Council on the Interoperability of the European Air Traffic Management Network as a body that cooperates with European standardisation organisations. Eurocae is the only body that the Commission proposes financing through grants without a call for proposals. This would complicate the whole financing process and give Eurocae a privileged position in relation to other organisations participating in the standardisation process. The rapporteur considers it undesirable that one organisation covering one sector should be given such preferential treatment and calls for transparency of financing to be upheld.

Under the Commission proposal, operating grants financing the activities of the central secretariats of the European standards organisations will not be reduced annually in the event of renewal. This provision is a reaction to the general Financial Regulation, which stipulates that when grants are renewed, they shall be gradually decreased. This provision would make it impossible for the Commission to reduce grants in exceptional cases. The rapporteur therefore amends this provision to read as follows: 'In the event of renewal, the operating grants may be reduced but will not necessarily be so.'

Another key point is Article 6, on the management, implementation and monitoring of financing. The rapporteur considers it useful to move the part relating to administrative expenses to Article 3, which lists all activities that the Community can finance. The reason for this is an attempt to bring together all financing activities into one place, thereby rationalising the way in which the decision is arranged. As regards monitoring itself, the Community and inform the European Parliament and the Council of its findings at least every five years, which would ensure effective application of the decision.

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