European standardisation: Community financing

2005/0157(COD) - 19/08/2005 - Document attached to the procedure

COMMISSION'S EX-ANTE EVALUATION

For further information concerning the background to this issue, please refer to the summary of the Commission's initial proposal of 19 August 2005 for a Decision of the European Parliament and of the Council on the financing of European standardisation - COM(2005)0377.

1- POLICY OPTIONS AND IMPACTS

As the standardisation system is working at different levels (national, European and international), the Commission states that there is no real alternative: the European standardisation system is the only one able to produce standards in support of European policies and regulations. Nevertheless, it encourages the ESOs to work closely with their counterparts at the international level (ISO, IEC, ITU) in order to avoid barriers to trade across the world and to improve the competitiveness of European industry.

This ex ante evaluation looks at three alternatives to EC financial support for European standardisation.

1.1- Option 1 - a "no further intervention scenario": In the absence of financial support from the EC, it is likely that the production of European standards in support of EU policies and legislation would be more difficult. Since 1987, more than 20 "new approach" harmonisation directives have been adopted using European standardisation as the main tool to achieve the objective of establishing the internal market i.e. the free circulation of industrial goods with a high level of protection for industrial products like toys, medical devices, machinery, lifts, construction products, personal protective equipment, radio and telecommunication equipment, low voltage equipment, pressure equipment. Besides the new approach directives, the EU is using more and more European standardisation in support of technical regulations in, for example, the fields of transport, ICT interoperability or in the area of freedom, security and justice. The EC would no longer have any means to ensure that the harmonised standards in support of legislation are produced in time because the priorities of the other stakeholders (industry, national standards organisations) are different. This would mean that the New Approach legislation and technical regulations would not work anymore or partly be substantially less effective. Furthermore, the role of European standards to reduce technical barriers to trade or to support EU policies enhancing the competitiveness of European industry would decrease.

Two options other than funding given by the EC could include:

1.2- Option 2- Exclusive funding from industry and other stakeholders: This would most likely concentrate only on standards that are market-driven in order to improve the competitiveness of European industry on the global market. However, this may not sufficiently cover standards to be developed in the European public interest where the benefits may only be realized on a longer term.

1.3- Option 3: Exclusive funding from the Member States to the National Standards Bodies, which are members of the ESOs: This would run the risk of delaying European activities and then weakening the internal market due to the diversity of approaches and priorities across the EU.

CONCLUSION: Based on the results of a series of studies that have been undertaken, it is reasonable to believe that the EU gets a high degree of influence compared to its relatively small contribution (about 20 million € annually), and that the availability of European standards on the market leads to important *economic benefits for society.* ***For this reason, the Commission has chosen to make its proposal on EU financing of European standardisation as opposed to any of the three above-mentioned options.***

2- FOLLOW-UP

Each grant agreement that provides funding to the standardisation system is continuously monitored through annual review meetings and the target dates are reviewed by the EC and the contractor, if need be. The expenditure is monitored through a system for real cost controls.

The standardisation unit (C2) of the Enterprise and Industry DG reports on its work, achievements and financial expenditure in a financial report transmitted to the Director-General each semester.

A programme for a comprehensive evaluation of EC standardisation policies and EC financial support is being implemented, with approximately one policy area being examined each year.

Ex-post evaluations of each of the policy areas are made with the aim of illuminating the outcome and impact of the Enterprise and Industry DG's activities. An evaluation of the eSAP contracts (in the field of ICT standardisation) was carried out in 2003 and the New Approach consultant system will be analysed in 2005/2006. Other policy areas will follow in the coming years.