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(Acts whose publication is obligatory)

**DECISION No 1672/2006/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 24 October 2006
establishing a Community Programme for Employment and Social Solidarity — Progress**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 13(2), 129 and 137(2)(a) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽³⁾,

Whereas:

- (1) The Lisbon European Council of 23 and 24 March 2000 incorporated the promotion of employment and social inclusion as an integral part of the overall strategy of the Union in order to achieve its strategic goal for the next decade of becoming the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion. It set ambitious objectives and targets for the Union aiming to recreate the conditions for full employment, improve quality and productivity at work, and promote social cohesion and an inclusive labour market. Furthermore, the strategy was focused upon again by the Brussels European Council of 22 and 23 March 2005.
- (2) In line with the Commission's express intention of consolidating and rationalising Community funding instruments, this Decision should establish a single and

streamlined programme providing for the continuation and development of the activities launched on the basis of Council Decision 2000/750/EC of 27 November 2000 establishing a Community action programme to combat discrimination (2001 to 2006) ⁽⁴⁾, Council Decision 2001/51/EC of 20 December 2000 establishing a Programme relating to the Community framework strategy on gender equality (2001-2005) ⁽⁵⁾ and European Parliament and Council Decisions No 50/2002/EC ⁽⁶⁾ of 7 December 2001 establishing a programme of Community action to encourage cooperation between Member States to combat social exclusion, No 1145/2002/EC ⁽⁷⁾ of 10 June 2002 on Community incentive measures in the field of employment and No 848/2004/EC ⁽⁸⁾ of 29 April 2004 establishing a Community action programme to promote organisations active at European level in the field of equality between men and women, as well as those activities undertaken at Community level in relation to working conditions.

- (3) The Extraordinary European Council on Employment in Luxembourg of 20 and 21 November 1997 launched the European Employment Strategy to coordinate Member States' employment policies on the basis of commonly agreed employment guidelines and recommendations. The European Employment Strategy is now the most important instrument at European level for implementation of the employment and labour market objectives of the Lisbon Strategy.
- (4) The Lisbon European Council concluded that the number of people living below the poverty line and in social exclusion in the Union was unacceptable and therefore deemed it necessary to take steps to make decisive progress in the eradication of poverty by setting adequate objectives.

⁽¹⁾ OJ C 255, 14.10.2005, p. 67.

⁽²⁾ OJ C 164, 5.7.2005, p. 48.

⁽³⁾ Opinion of the European Parliament of 6 September 2005 (OJ C 193 E, 17.8.2006, p. 99), Council Common Position of 18 July 2006 (OJ C 238 E, 3.10.2006, p. 31) and Position of the European Parliament of 27 September 2006 (not yet published in the Official Journal).

⁽⁴⁾ OJ L 303, 2.12.2000, p. 23.

⁽⁵⁾ OJ L 17, 19.1.2001, p. 22. Decision as amended by Decision No 1554/2005/EC (OJ L 255, 30.9.2005, p. 9).

⁽⁶⁾ OJ L 10, 12.1.2002, p. 1. Decision as last amended by Decision No 786/2004/EC (OJ L 138, 30.4.2004, p. 7).

⁽⁷⁾ OJ L 170, 29.6.2002, p. 1. Decision as amended by Decision No 786/2004/EC.

⁽⁸⁾ OJ L 157, 30.4.2004, p. 18. Decision as amended by Decision No 1554/2005/EC.

Such objectives were agreed by the Nice European Council of 7, 8 and 9 December 2000. It further agreed that policies for combating social exclusion should be based on the open method of coordination, combining national action plans and a Commission initiative for cooperation.

- (5) Demographic change represents a major long-term challenge to the ability of social protection systems to deliver adequate pensions and high-quality health and long-term care which are accessible to all and can be funded in the long term. It is important to promote policies that can achieve both adequate social protection and the sustainability of social protection systems. The Lisbon European Council decided that cooperation in this area should be based on the open method of coordination.
- (6) Attention should be drawn to the specific situation of migrants in this context and also to the importance of taking action to transform undeclared work into regular employment.
- (7) Ensuring minimum standards and the constant improvement of working conditions in the Union is a central feature of European social policy and an important overall objective of the European Union. The Community has an important role to play in supporting and complementing Member States' activities in the fields of workers' health and safety, working conditions, including the need to reconcile work and family life, protection of workers where their employment contract is terminated, information, consultation and participation of workers, and representation and collective defence of the interests of workers and employers.
- (8) Non-discrimination is a fundamental principle of the European Union. Article 13 of the Treaty provides for action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Non-discrimination is also enshrined in Article 21 of the Charter of Fundamental Rights of the European Union. The specific features of the diverse forms of discrimination should be accommodated, and appropriate action developed in parallel to prevent and combat discrimination on one or more grounds. Therefore, when considering the accessibility and results of the Programme, the particular needs of people with disabilities should be taken into account in terms of ensuring their full and equal access to the activities funded by this Programme and the results and evaluation of those activities, including the compensation of additional costs that they incur as a result of their disability. Experience gained over many years of combating certain forms of discrimination, including discrimination based on sex, may be useful in combating other kinds of discrimination.
- (9) On the basis of Article 13 of the Treaty, the Council has adopted the following directives: Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin which prohibits discrimination based on racial or ethnic origin⁽¹⁾ in, inter alia, employment, vocational training, education, goods and services and social protection, Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation⁽²⁾ which prohibits discrimination in employment and occupation on the grounds of religion or belief, disability, age and sexual orientation, and Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services⁽³⁾.
- (10) Pursuant to Articles 2 and 3 of the Treaty equal treatment for men and women is a fundamental principle of Community law. The directives and other acts adopted on the basis of this principle play a major part in improving the situation of women in the Union. Experience of action at Community level has shown that promoting gender equality in Community policies and combating discrimination in practice call for a combination of instruments, including legislation, funding tools and mainstreaming, designed to complement one another. In accordance with the principle of equality between men and women, gender mainstreaming should be promoted in all sections and activities of the Programme.
- (11) Many non-governmental organisations (NGOs) active at various levels can make an important contribution at European level through key networks which assist in changing policy orientations relating to the general objectives of the Programme.
- (12) Since the objectives of this Decision cannot be sufficiently achieved at Member States level because of the need for exchange of information at European level and the Community-wide dissemination of good practice and since therefore these objectives can, by reason of the multilateral dimension of the Community actions and measures, be better achieved at Community level, the Community may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality as set out in that Article, this Decision does not go beyond what is necessary to achieve those objectives.
- (13) This Decision lays down, for the entire duration of the Programme, a financial envelope constituting the prime reference, within the meaning of point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management⁽⁴⁾, for the budgetary authority during the annual budgetary procedure.
- (14) The measures necessary for the implementation of this Decision should be adopted in accordance with Council

⁽¹⁾ OJ L 180, 19.7.2000, p. 22.

⁽²⁾ OJ L 303, 2.12.2000, p. 16.

⁽³⁾ OJ L 373, 21.12.2004, p. 37.

⁽⁴⁾ OJ C 139, 14.6.2006, p. 1.

Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ⁽¹⁾.

- (15) As the Programme is divided into five sections, Member States may provide for the rotation of their national representatives according to the subjects addressed by the Committee assisting the Commission,

HAVE DECIDED AS FOLLOWS:

Article 1

Establishment and duration of the Programme

1. This Decision establishes the Community Programme for Employment and Social Solidarity, called Progress (the Programme), to support financially the implementation of the objectives of the European Union in the fields of employment and social affairs, as set out in the Commission Communication on the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in those fields.

2. The Programme shall run from 1 January 2007 to 31 December 2013.

Article 2

General objectives

1. The Programme pursues the following general objectives:
- to improve the knowledge and understanding of the situation prevailing in the Member States and in other participating countries through analysis, evaluation and close monitoring of policies;
 - to support the development of statistical tools and methods and common indicators, where appropriate broken down by gender and age group, in the areas covered by the Programme;
 - to support and monitor the implementation of Community law, where applicable, and Community policy objectives in the Member States, and assess their effectiveness and impact;
 - to promote networking, mutual learning, identification and dissemination of good practice and innovative approaches at European level;
 - to enhance awareness of the Community policies and objectives pursued under each of its five sections among stakeholders and the general public;

⁽¹⁾ OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

- to boost the capacity of key European level networks to promote, support and further develop Community policies and objectives, where applicable.

2. Gender mainstreaming shall be promoted in all sections of and activities under the Programme.

3. The results achieved in the Programme sections and activities shall be disseminated to those involved and to the public as appropriate. The Commission shall conduct exchanges of views with the main stakeholders as appropriate.

Article 3

Structure of the Programme

The Programme shall be divided into the following five sections:

- Employment;
- Social protection and inclusion;
- Working conditions;
- Antidiscrimination and diversity;
- Gender equality.

Article 4

Section 1: Employment

Section 1 shall support the implementation of the European Employment Strategy (EES) by:

- improving the understanding of the employment situation and prospects, in particular through analysis and studies and the development of statistics and common indicators within the framework of the EES;
- monitoring and evaluating the implementation of the European Employment Guidelines and Recommendations and their impact, notably through the Joint Employment Report, and analysing the interaction between the EES and general economic and social policy and other policy areas;
- organising exchanges on policies, good practice and innovative approaches, and promoting mutual learning in the context of the EES;
- raising awareness, disseminating information and promoting the debate about employment challenges and policies and the implementation of national reform programmes, including among the social partners, regional and local actors and other stakeholders.

*Article 5***Section 2: Social protection and inclusion**

Section 2 shall support the implementation of the open method of coordination (OMC) in the field of social protection and inclusion by:

- (a) improving the understanding of social exclusion and poverty issues, social protection and inclusion policies, in particular through analysis and studies and the development of statistics and common indicators, within the framework of the OMC in the field of social protection and inclusion;
- (b) monitoring and evaluating the implementation of the OMC in the field of social protection and inclusion and its impact at national and Community level as well as analysing the interaction between this OMC and other policy areas;
- (c) organising exchanges on policies, good practice and innovative approaches and promoting mutual learning in the context of the social protection and inclusion strategy;
- (d) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues raised in the context of the Community coordination process in the field of social protection and inclusion, including among the social partners, regional and local actors, NGOs and other stakeholders;
- (e) developing the capacity of key European level networks to support and further develop Community policy goals and strategies on social protection and inclusion.

*Article 6***Section 3: Working conditions**

Section 3 shall support the improvement of the working environment and working conditions, including health and safety at work and reconciling work and family life, by:

- (a) improving the understanding of the situation in relation to working conditions, in particular through analysis and studies and, where appropriate, the development of statistics and indicators, as well as assessing the effectiveness and impact of existing legislation, policies and practices;
- (b) supporting the implementation of Community labour law through effective monitoring, the holding of seminars for those working in the field, the development of guides and networking amongst specialised bodies, including the social partners;
- (c) initiating preventive actions and fostering the prevention culture in the field of health and safety at work;

- (d) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in relation to working conditions, including among the social partners and other stakeholders.

*Article 7***Section 4: Antidiscrimination and diversity**

Section 4 shall support the effective implementation of the principle of non-discrimination and promote its mainstreaming in all Community policies by:

- (a) improving the understanding of the situation in relation to discrimination, in particular through analysis and studies and, where appropriate, the development of statistics and indicators as well as by assessing the effectiveness and impact of existing legislation, policies and practices;
- (b) supporting the implementation of Community anti-discrimination legislation through effective monitoring, the holding of seminars for those working in the field and networking amongst specialised bodies dealing with anti-discrimination;
- (c) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in relation to discrimination and the mainstreaming of anti-discrimination in all Community policies, including among the social partners, NGOs and other stakeholders;
- (d) developing the capacity of key European level networks to promote and further develop Community policy goals and strategies in the field of combating discrimination.

*Article 8***Section 5: Gender equality**

Section 5 shall support the effective implementation of the principle of gender equality and promote gender mainstreaming in all Community policies by:

- (a) improving the understanding of the situation in relation to gender issues and gender mainstreaming, in particular through analysis and studies and the development of statistics and, where appropriate, indicators, as well as assessing the effectiveness and impact of existing legislation, policies and practices;
- (b) supporting the implementation of Community gender equality legislation through effective monitoring, holding seminars for those working in the field and networking amongst specialised equality bodies;
- (c) raising awareness, disseminating information and promoting the debate about the key challenges and policy issues in

relation to gender equality and gender mainstreaming, among the social partners, NGOs and other stakeholders;

- (d) developing the capacity of key European level networks to support and further develop Community policy goals and strategies on gender equality.

Article 9

Types of actions

1. The Programme shall finance the following types of actions, which may be implemented, where appropriate, within a transnational framework:

- (a) Analytical activities:
- (i) collection, development and dissemination of data and statistics;
 - (ii) development and dissemination of common methodologies and, where appropriate, indicators or benchmarks;
 - (iii) carrying out of studies, analyses and surveys and dissemination of their results;
 - (iv) carrying out of evaluations and impact assessments and dissemination of their results;
 - (v) elaboration and publication of guides, reports and educational material via the Internet or other media.

- (b) Mutual learning, awareness and dissemination activities:

- (i) identification of, and exchanges on, good practices, innovative approaches and experiences, and organisation of peer review and mutual learning, by means of meetings/workshops/seminars at European, transnational or national level, taking account, where possible, of specific national circumstances;
- (ii) organisation of Presidency conferences/seminars;
- (iii) organisation of conferences/seminars in support of the development and implementation of Community law and policy objectives;
- (iv) organisation of media campaigns and events;
- (v) compilation and publication of materials to disseminate information as well as results of the Programme.

- (c) Support for main actors:

- (i) support for the running costs of those key European level networks whose activities are linked to implementation of the objectives of the Programme;
- (ii) organisation of working groups of national officials to monitor the implementation of Community law;
- (iii) funding of specialised seminars addressed to those working in the field, key officials and other relevant actors;
- (iv) networking among specialised bodies at European level;
- (v) funding of experts' networks;
- (vi) funding of European level observatories;
- (vii) exchange of personnel between national administrations;
- (viii) cooperation with international institutions.

2. The activities provided for in point (b) of paragraph 1 shall have a strong European dimension, be of an appropriate scale in order to ensure a real European added value and be carried out by national, regional or local authorities, specialised bodies provided for under Community law or actors considered to be the key players in their area.

3. The Programme shall not finance any measures for the preparation and implementation of European Years.

Article 10

Access to the Programme

1. Access to the Programme shall be open to all public and/or private bodies, actors and institutions, in particular:

- (a) Member States;
- (b) public employment services and their agencies;
- (c) local and regional authorities;
- (d) specialised bodies provided for under Community law;
- (e) the social partners;
- (f) NGOs, in particular those organised at European level;
- (g) higher education institutions and research institutes;
- (h) experts in evaluation;

- (i) national statistical offices;
- (j) the media.

2. The Commission may also directly participate in the Programme insofar as the activities provided for in points (a) and (b) of Article 9(1) are concerned.

Article 11

Method of application for support

1. Activities of the type referred to in Article 9 may be financed by:

- (a) a service contract following a call for tenders, in which case the Eurostat procedures shall apply in respect of cooperation with national statistical offices;
- (b) partial support following a call for proposals, in which case, the Community co-financing may not exceed, as a general rule, 80 % of the total expenditure incurred by the recipient. Any financial support in excess of this ceiling may be granted only in exceptional circumstances and after close scrutiny.

2. Activities of the type provided for in Article 9(1) may be granted financial support in response to requests by, for example, Member States, in accordance with relevant provisions of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾, in particular Article 110 thereof, and Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽²⁾, in particular in Article 168 thereof.

Article 12

Implementing provisions

1. The measures necessary for the implementation of this Decision that relate to the following matters shall be adopted in accordance with the procedure referred to in Article 13(2):

- (a) the general guidelines for the implementation of the Programme;
- (b) the annual work programme for the implementation of the Programme, divided into separate sections;
- (c) the financial support to be granted by the Community;
- (d) the annual budget, subject to Article 17;
- (e) the procedures for selecting the actions to be supported by the Community and the draft list of actions to receive such support submitted by the Commission;

- (f) the criteria for evaluating the Programme, including those relating to cost effectiveness and the arrangements for disseminating and transferring results.

2. The measures necessary for the implementation of this Decision that relate to all matters other than those referred to in paragraph 1 shall be adopted in accordance with the procedure referred to in Article 13(3).

Article 13

Committee

1. The Commission shall be assisted by a Committee.

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at two months.

3. Where reference is made to this paragraph, Articles 3 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

4. The Committee shall adopt its rules of procedure.

Article 14

Cooperation with other committees

1. The Commission shall establish the necessary links with the Social Protection Committee and the Employment Committee in order to ensure that they are regularly and appropriately informed about the implementation of activities referred to in this Decision.

2. The Commission shall also inform other relevant committees of the action taken under the five sections of the Programme.

3. Where appropriate, the Commission shall establish regular and structured cooperation between the Committee referred to in Article 13 and the monitoring committees established for other relevant policies, instruments and actions.

Article 15

Consistency and complementarity

1. The Commission shall, in cooperation with the Member States, ensure overall consistency with other Union and Community policies, instruments and actions, in particular by establishing appropriate mechanisms to coordinate the activities of the Programme with relevant activities relating to research, justice and home affairs, culture, education, training and youth policy, and in the fields of enlargement and the Community's external relations, and with regional policy and general economic policy. Special attention shall be devoted to the possible synergies between this Programme and those in the field of education and training.

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

⁽²⁾ OJ L 357, 31.12.2002, p. 1. Regulation as last amended by Regulation (EC, Euratom) No 1248/2006 (OJ L 227, 19.8.2006, p. 3).

2. The Commission and the Member States shall ensure consistency and complementarity and the absence of duplication between activities under the Programme and other relevant Union and Community actions, in particular under the Structural Funds, especially the European Social Fund.

3. The Commission shall ensure that expenditure covered by and charged to the Programme is not charged to any other Community financial instrument.

4. The Commission shall keep the Committee referred to in Article 13 regularly informed of other Community action that contributes to achieving the Lisbon strategy goals in the field of the Social Agenda.

5. Member States shall make all possible efforts to ensure consistency and complementarity between activities under the Programme and those carried out at national, regional and local levels.

Article 16

Participation of third countries

The Programme shall be open to the participation of:

- the EFTA/EEA countries in accordance with the conditions established in the EEA Agreement,
- the accession and candidate countries associated to the European Union, as well as the western Balkan countries included in the stabilisation and association process.

Article 17

Financing

1. The financial envelope for implementing the Community activities referred to in this Decision for the period from 1 January 2007 to 31 December 2013 is hereby set at EUR 657 590 000 (*).

2. Over the entire period of the Programme, the financial breakdown between the different sections shall respect the following lower limits:

Section 1	Employment	23 %
Section 2	Social protection and inclusion	30 %
Section 3	Working conditions	10 %
Section 4	Antidiscrimination and diversity	23 %
Section 5	Gender equality	12 %

3. A maximum of 2 % of the financial envelope shall be attributed to the implementation of the Programme to cover, for example, the expenditure related to the functioning of the Committee referred to in Article 13 or the evaluations carried out pursuant to Article 19.

(*) This amount is based on 2004 figures and shall be subject to technical adjustment to take account of inflation.

4. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial framework.

5. The Commission may have recourse to technical and/or administrative assistance, to the mutual benefit of the Commission and of the beneficiaries, as well as to support expenditure.

Article 18

Protection of the Community's financial interests

1. The Commission shall ensure that, when actions financed under this Decision are implemented, the financial interests of the Community are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and by the recovery of the amounts unduly paid and, if irregularities are detected, by effective, proportional and dissuasive penalties, in accordance with Council Regulations (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests ⁽¹⁾ and (Euratom, EC) No 2185/96 of 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 ⁽²⁾, and with Regulation (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) ⁽³⁾.

2. For Community actions financed under this Decision, the notion of irregularity referred to in Article 1(2) of Regulation (EC, Euratom) No 2988/95 shall mean any infringement of a provision of Community law or any breach of a contractual obligation resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by it, by an unjustified item of expenditure.

3. Contracts and agreements as well as agreements with participating third countries resulting from this Decision shall provide, in particular, for supervision and financial control by the Commission (or any representative authorised by it) and audits by the Court of Auditors, if necessary, on the spot.

Article 19

Monitoring and evaluation

1. In order to ensure the regular monitoring of the Programme and to allow for any necessary reorientations, annual activity reports focusing on the results of the Programme shall be drawn up by the Commission and forwarded to the European Parliament and to the Committee referred to in Article 13.

2. The various sections of the Programme shall also be the subject of a mid-term evaluation, which will provide an overview

⁽¹⁾ OJ L 312, 23.12.1995, p. 1.

⁽²⁾ OJ L 292, 15.11.1996, p. 2.

⁽³⁾ OJ L 136, 31.5.1999, p. 1.

of the Programme as a whole in order to measure the progress made in meeting the objectives of the Programme, the efficiency of the use of resources and its European added value. This evaluation may be supplemented by on-going evaluations. These shall be carried out by the Commission with the assistance of external experts. When available, their results shall be reported in the activity reports referred to in paragraph 1.

3. An ex-post evaluation covering the whole Programme shall be carried out, by 31 December 2015, by the Commission with the assistance of external experts, in order to measure the impact of the Programme objectives and its European added value. The Commission shall submit the expert evaluation to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

4. The implementation of the individual sections of the Programme, including the presentation of results and dialogue

on future priorities, shall also be discussed within the framework of the Forum on the implementation of the Social Agenda.

Article 20

Entry into force

This Decision shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

Done at Strasbourg, 24 October 2006.

For the European Parliament

The President

J. BORRELL FONTELLES

For the Council

The President

P. LEHTOMÄKI

DECISION No 1673/2006/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 24 October 2006
on the financing of European standardisation

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, in particular Articles 95 and 157(3) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽²⁾,

Whereas:

- (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 the European Committee for Standardisation, the European Committee for Electrotechnical Standardisation and the European Telecommunications Standards Institute, 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 ⁽³⁾ (hereinafter European standardisation bodies).
- (2) Directive 98/34/EC allows the Commission, after consulting the committee set up by the Directive, to submit requests for standardisation to the European standardisation bodies. General Guidelines for the Cooperation between CEN, Cenelec and ETSI and the European Commission and the European Free Trade Association of 28 March 2003 ⁽⁴⁾ set out the partnership relationships between European standardisation bodies and the Community and the European Free Trade Association, which also provides support for European standardisation.
- (3) It is necessary for the Community to contribute to the financing of European standardisation in view of the latter's useful 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 and environmental and consumer protection, and to ensuring interoperability in fields such as

transport. On the other hand, European standardisation helps to boost the competitiveness of enterprises by facilitating in particular the free movement of goods and services, network interoperability, means of communication, technological development and innovation in activities such as information technology. Therefore, it is appropriate 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 ⁽⁵⁾.

- (4) This Decision should provide an explicit, complete and detailed legal basis for the Community's financing of all the European standardisation activities required to implement its policies and legislation.
- (5) It is necessary to ensure that small and medium-sized enterprises, particularly small, micro and craft enterprises, are able to apply European standards. These standards should therefore be designed and adapted to take account of the characteristics and environment of such enterprises.
- (6) Community financing should seek to establish standards or other standardisation products, to facilitate their use by enterprises through their translation into the various official Community languages, to strengthen the cohesion of the European standardisation system and to ensure fair and transparent access to European standards for all market players throughout the European Union. This is especially important in cases where the use of standards enables compliance with Community legislation.
- (7) The appropriations allocated to European standardisation activities should be fixed every year by the budgetary authority within the limits of an indicative financial envelope for a period of the relevant financial framework and should be the subject of an annual Commission decision fixing amounts and, where necessary, the maximum co-financing rates by type of activity.
- (8) In view of the very broad field of involvement of European standardisation in support of Community policies and legislation and the different types of standardisation activity, there should be provision for different financing arrange-

⁽¹⁾ OJ C 110, 9.5.2006, p. 14.

⁽²⁾ Opinion of the European Parliament of 17 May 2006 (not yet published in the Official Journal) and Council Decision of 18 September 2006.

⁽³⁾ OJ L 204, 21.7.1998, p. 37. Directive as last amended by the Act of Accession of 2003.

⁽⁴⁾ OJ C 91, 16.4.2003, p. 7.

⁽⁵⁾ OJ L 36, 7.2.1987, p. 31. Decision amended by Regulation (EC) No 807/2003 (OJ L 122, 16.5.2003, p. 36).

ments. In the main, this concerns grants without calls for proposals to the European standardisation bodies in accordance with the provisions of the second subparagraph of Article 110(1) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾ (hereinafter the Financial Regulation) and Article 168(1)(d) of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Regulation (EC, Euratom) No 1605/2002 ⁽²⁾.

- (9) Furthermore, the same should apply to those bodies which, whilst not recognised as European standardisation bodies in Annex I to Directive 98/34/EC, have been mandated in a basic act and have been charged with carrying out preliminary work in support of European standardisation in cooperation with the European standardisation bodies.
- (10) Member States are encouraged to ensure proper national financing for standardisation tasks.
- (11) In addition, inasmuch as European standardisation bodies provide ongoing support for Community activities, they should have effective and efficient central secretariats. The Commission should therefore be in a position to provide grants to those bodies pursuing an objective of general European interest without applying, in the case of operating grants, the principle of annual reduction referred to in Article 113(2) of the Financial Regulation. The effective operation of European standardisation bodies also requires that national members of these bodies fulfil their obligations as to financial contributions to the European standardisation system.
- (12) The financing of standardisation activities should also be capable of covering 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 third countries. With a view to improving market access and boosting the competitiveness of European Union enterprises, there should consequently be provision for giving grants to other bodies through calls for proposals or, where necessary, by awarding contracts.
- (13) Partnership agreements are regularly signed between the Commission and European standardisation bodies in order to fix the administrative and financial rules on financing

standardisation activities in accordance with the provisions of the Financial Regulation. The European Parliament and the Council should be informed of the content of these agreements.

- (14) 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.
- (15) In order to ensure the effective implementation of this Decision, there should be the possibility of using the requisite expertise, particularly with regard to auditing and financial management, as well as administrative support resources capable of facilitating implementation, and of evaluating on a regular basis the relevance of the activities receiving Community financing in order to ensure their usefulness and impact.
- (16) 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 ⁽³⁾ and (Euratom, EC) No 2185/96 of 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 ⁽⁴⁾ and Regulation (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) ⁽⁵⁾,

HAVE DECIDED AS FOLLOWS:

Article 1

Subject

This Decision establishes the rules concerning the Community's contribution to the financing of European standardisation in order to support the implementation of specific policies, measures, actions and Community legislation.

Article 2

Bodies eligible for Community financing

Community financing may be granted to the recognised European standardisation bodies listed in Annex I to Directive 98/34/EC for the implementation of the activities listed in Article 3 of this Decision.

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

⁽²⁾ OJ L 357, 31.12.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1248/2006 (OJ L 227, 19.8.2006, p. 3).

⁽³⁾ OJ L 312, 23.12.1995, p. 1.

⁽⁴⁾ OJ L 292, 15.11.1996, p. 2.

⁽⁵⁾ OJ L 136, 31.5.1999, p. 1.

However, Community financing may also be granted to other bodies for the implementation of the preliminary and ancillary work in connection with European standardisation referred to in Article 3(1)(b), as well as for the programmes referred to in Article 3(1)(f).

Article 3

Standardisation activities eligible for Community financing

1. The Community may finance the following European standardisation activities:

- (a) the production and revision of European standards or any other standardisation product which is necessary and suitable for the implementation of Community policies and legislation;
- (b) the performance of preliminary or ancillary work in connection with European standardisation, such as studies, programmes, evaluations, comparative analyses, research work, laboratory work, inter-laboratory tests and conformity evaluation work;
- (c) the activities of the central secretariats of the European standardisation bodies, such as policy development, the coordination of standardisation activities, the processing of technical work and the provision of information to interested parties;
- (d) the verification of the quality, and conformity to the corresponding Community policies and legislation, of European standards or any other standardisation product;
- (e) the translation, where required, of European standards or any other European standardisation product used in support of Community policies and legislation into official Community languages other than the working languages of the European standardisation bodies; the drawing up of documents to explain, interpret and simplify standards, as well as the drawing up of user guides and best practice documents;
- (f) activities seeking to carry out programmes of technical assistance, cooperation with third countries and the promotion and enhancement of the European standardisation system and of European standards among interested parties in the Community and at international level.

2. 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 standardisation bodies.

Article 4

Financing

The appropriations allocated to the activities referred to in this Decision shall be determined each year by the budgetary authority within the limits of the financial framework.

Article 5

Financing arrangements

1. Community financing shall be provided:

- (a) in the form of grants without a call for proposals, to European standardisation bodies to carry out the activities referred to in Article 3 and to bodies mandated in a basic act in accordance with Article 49 of the Financial Regulation to carry out, in collaboration with the European standardisation bodies, the work referred to in Article 3(1)(b) of this Decision;
- (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 standardisation bodies, the standardisation work referred to in Article 3(1)(b) or the programmes referred to in Article 3(1)(f).

2. The activities of the central secretariats of the European standardisation bodies 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, operating grants shall not be automatically decreased.

3. The Commission shall decide on the financing arrangements referred to in paragraphs 1 and 2, on the amounts and, where necessary, on the maximum percentage of financing by type of activity. The decisions of the Commission in this regard shall be made public.

4. Grant agreements may authorise flat-rate cover of the beneficiary's overheads up to a maximum of 30 % of total eligible direct costs for actions, except where the indirect costs of the beneficiary are covered through an operating grant financed from the general budget of the European Union.

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

6. The common cooperation objectives and the administrative and financial conditions relating to the grants awarded to European standardisation bodies shall be defined in the framework partnership agreements signed by the Commission and the European standardisation bodies, in accordance with the Financial Regulation and Regulation (EC, Euratom) No 2342/2002. The European Parliament and the Council shall be informed of the conclusion of these agreements.

*Article 6***Management and monitoring**

1. The appropriations determined by the budgetary authority for the financing of standardisation activities may also cover the administrative expenses relating to the 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.

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

*Article 7***Protection of the Community's financial interests**

1. The Commission shall ensure that, when the activities financed under this Decision are implemented, the Community's financial interests are protected by the application of preventive measures against fraud, corruption and other illegal activities, by effective checks and by the recovery of amounts unduly paid and, if irregularities are detected, by effective, proportionate and dissuasive penalties, in accordance with Regulations (EC,

Euratom) No 2988/95, (Euratom, EC) No 2185/96 and (EC) No 1073/1999.

2. For the Community activities financed pursuant to this Decision, the notion of irregularity referred to in Article 1(2) of Regulation (EC, Euratom) No 2988/95 shall mean any infringement of a provision of Community law or any breach of a contractual obligation resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by it by an unjustified item of expenditure.

3. Any agreements and contracts resulting from this Decision shall provide for monitoring and financial control by the Commission or any representative which it authorises and for audits by the Court of Auditors, which if necessary may be conducted on the spot.

*Article 8***Entry into force**

This Decision shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

Done at Strasbourg, 24 October 2006.

For the European Parliament

The President

J. BORRELL FONTELLES

For the Council

The President

P. LEHTOMÄKI