

ECOS briefing on the EU Strategy on Standardisation

March 2022



Introduction

On 2 February, the European Commission adopted the <u>EU Strategy on Standardisation</u>, outlining its approach to standards within the Single Market as well as globally. This new Strategy is described by the European Commission as a 'wake up call to European industry' to increase their effectiveness in standardisation both internally and externally. The Strategy aims to strengthen the EU's global competitiveness, enable a resilient, green and digital economy, and enshrine democratic values in technology applications.

The Strategy is accompanied by a <u>proposal for an amendment</u> to the Standardisation Regulation, a <u>report</u> on the Regulation's implementation, and the <u>2022 Annual Union Work Programme for European</u> <u>Standardisation</u> (AUWP). For more, details see <u>the European Commission's press release</u>.

This Strategy was preceded by a dedicated consultation last summer. <u>ECOS anticipated</u> that the Strategy would be a key opportunity to ensure standards work for the environment by delivering an inclusive and strategic standardisation system with high environmental ambition. We are pleased that the Strategy has addressed a number of issues raised by ECOS.

Summary

This Strategy is long overdue and a welcome step with the potential to maintain Europe as a global standards-setter. Standards have an important role to play in the inevitable move to climate neutrality and environmental sustainability – but we are not there yet.

Positive elements of the Strategy that ECOS welcomes:

- Environmental prioritisation:
 - Review existing standards to identify needs for revisions or development of new standards to meet the objectives of the European Green Deal
 - Identification of environmental priorities, such as low-carbon cement, with 37 of the 69 AUWP initiatives being environment related.
- Creation of a High-Level Forum to help set priorities, needs, and coordinate interests in international standardisation.
- Call for the European Standards Organisations (ESOs) to modernise their governance, including increasing the involvement of civil society.
- Launch of a peer review process between EU Member States and National Standards Bodies (NSBs) to exchange good practices and foster new ideas on facilitating civil society's involvement.
- Acknowledgement that standards are not only related to technical requirements, but have impact on core democratic values and interests, as well as green and social enterprises. Hence the need to engage all relevant actors, including environmental stakeholders.
- Committed to making the European standardisation system (ESS) more functional, to serve the EU public interest, promote sustainability, and preserve and reinforce democratic values.

The main shortcomings of the EU Standardisation Strategy are:

- The use of standards is intensifying and the importance of standardisation for the competitiveness and public good is undisputed; nonetheless, there is a lack of concrete plan to increase and facilitate societal stakeholders' engagement we need resources, inclusiveness, openness, in other words: we need access.
- While the document identifies the lack of inclusiveness as an issue, it fails to make adequate proposals to increase inclusiveness and 'balanced representation'. We need measures that go way beyond proposing a dialogue, which is what the Commission does:
 - Regarding the national level, the Strategy simply states: 'through a balanced representation that includes societal stakeholders in National Standards Bodies (NSBs), this will enhance the openness, transparency and inclusiveness of the process'.
 - Internationally we see only the Commission "encouraging" EU countries to support the participation of civil society in international standardisation activities, with no mention as to how this could be done effectively.
- The Strategy outlines a mission, the 'what' crucial areas and elements for further improvement. However, it does not sufficiently present the 'how' – resources should be allocated to accomplish the mission, and the foreseen tools for practical implementation of some of the commitments are rather vague.

ECOS looks forward to playing an active role in implementing the EU Strategy on Standardisation. In particular, we intend to participate in the High-Level Forum, working to improve the environmental impact of standards, and to enhance the system's inclusiveness.

ECOS assessment of the EU Standardisation Strategy

What is needed	ECOS reaction to the Strategy	Assessment
Develop standards in support of the European Green Deal	 While the Strategy focuses mainly on the competitive advantage of technical standardisation, the text also underlines the relevance of standards for the green transition: 'An EU Strategy on Standardisation Setting global standards in support of a resilient, green and digital EU single market'. The Strategy sets out the intention for standards to foster EU values, policy objectives and regulatory implementation, as well as to leverage the European 	0)
	 Standardisation System (ESS) to deliver on the green transition. Furthermore, the Strategy acknowledges that 'the EU's ambitions towards a climate neutral, resilient and circular economy cannot be delivered without European standards on testing methods, management systems or interoperability solutions'. In more practical terms, the Commission also defines standardisation urgencies, which are areas where standards are needed in the coming years to avoid strategic dependencies and manifest global leadership. Several of these areas are critical from the environmental perspective, such as standards to support the recycling of critical raw materials (CRM); standards to support the roll-out of the 	
	clean hydrogen value chain; and standards supporting low-carbon cement, given the significant emissions-saving potential. What is more, the Commission will review existing standards to identify needs for revisions or development of new standards needed to meet the European Green Deal objectives, as we requested. Lastly, the Commission highlights that standards related to Ecodesign and the Sustainable Products Initiative should be promoted for global adoption to ensure a wide international pursuit of policy goals. We share this	
	view and will actively work to promote it. Thus, the Strategy should serve as a push for setting environmentally ambitious standards, helping the EU meet its climate goals and realise the UN's Sustainable Development Goals (SDGs).	

	For reference, <u>our paper</u> shows that the standardisation system has the potential to offer those services in a wide range of sectors, as long as the methods delivered are appropriate and come in a timely manner.	
Environmentally ambitious Standardisation Requests	The Strategy does not specifically reflect on the use of Standardisation Requests to mandate environmentally ambitious standards. It focuses instead on administrative and good governance principles.	
	The Commission's plan for the timely adoption of Standardisation Requests will certainly help anticipate the work on necessary specifications. A more targeted commitment to use Standardisation Requests as a tool to bring further environmental ambition (that the market itself would not bring) would have been a better way forward.	
Concerted proactive action to identify, eliminate and/or amend standards which are barriers to the deployment of clean technologies, environment-friendly materials or secondary raw materials	The Commission will review existing standards to identify needs for revisions or development of new standards to meet the objectives of the European Green Deal. This is a commitment that we welcome and have been asking for a long time. Now we need to ensure that reviews map key and hard-to-abate sectors, where a proactive approach should be taken in order to eliminate standards that pose barriers to the deployment of clean energy technologies or sustainable materials. Instead, reviews should develop and monitor standards to facilitate the deployment of clean technologies and environment-friendly materials and secondary raw materials.	
	It will be critical for the review to be conducted with the highest environmental ambition in mind, and by a balanced group of stakeholders to ensure an adequate and diverse expertise. Discussions within the High-level Forum and the EU excellence hub on standards will be key on this matter.	
Reinforce standardisation of services	We welcome the Strategy's aim to increase standards for services, even though it is not yet clear which standards the Commission will be prioritising, based on their ongoing assessment. It is our opinion that certain services with proven or steeply increasing environmental impact such as digital services, or cloud computing, should be reinforced.	$\bigcirc \bigcirc \bigcirc$

Further improve the functioning of the European Standardisation System	We welcome the Strategy as a long overdue yet firm commitment to improving and modernising the governance and functioning of the European Standardisation System.	() () () () () () () () () () () () () () () (
Provide legal certainty: harmonised standards are part of Union law	The Strategy closes doors to alternative interpretations and builds on the understanding that 'more than ever, standards do not only have to deal with technical components, but also incorporate core EU democratic values and interests, as well as green and social principles. () This is particularly important as regards harmonised standards, adopted on the basis of EU harmonisation legislation and whose references have been published in the Official Journal of the European Union, which the Court of Justice considered as part of EU law for the purposes of interpretation of those standards'.	
Strengthen control by the European Commission	In publishing the Strategy, the Commission is clearly taking control of the standardisation work in support of EU legislation. This represents around 20% of CEN/CENELEC standards, and around 5% of ETSI standards. The Commission is committing to ensuring initiation, management, assessment and monitoring of the procedure for adoption of harmonised standards is fit for purpose. The Strategy presents interesting elements such as the establishment of an EU excellence hub on standards to better coordinate and leverage the existing standardisation expertise scattered across different Commission departments, and the creation of the figure of a Chief Standardisation Officer to steer the work. However, there is no specific reference to existing supporting tools, such as the role of HAS consultants and whether or not there is an intention to optimise that. Beyond the Commission only, the Strategy calls for the involvement (and shared responsibility) of other stakeholders. Namely, it encourages the European Parliament and the EU Council to engage in strategic discussions about priority-setting for EU standardisation. More importantly, regarding ESS governance, the Commission says that delegates of EU and EEA National Standards Bodies should be the only ones having decision-making power at each stage of the development of standards requested by the Commission. It is yet to be seen how this will work in practice, and whether the amended governance ensures enhanced inclusiveness within NSBs.	

Appropriate use of standards	The Strategy does not reflect on the fact that regulation is more appropriate and effective than standards in addressing societal concerns, in particular regarding health and environment protection. Given the strategic interest in global standard setting and the need to move fast to position the EU as a frontrunner, there is a risk of resorting to standards development as an easier option compared to the regulatory path. Maintaining environmentally ambitious policy goals and the supremacy of mandatory legislation over voluntary standards in areas of public interest and the environment is crucial. ECOS will monitor such developments to ensure standards do not replace legal requirements and will continue in its role as a watchdog to avoid any risks of de-regulation.	
Tackle the issue of timing: better anticipating standardisation actions & timely citation	 We welcome the fact that the Standardisation Strategy presents a plethora of elements to assist the Commission and the wider ESS in tackling the crucial issue of timing. The Commission commits to: Set up a High-Level Forum to assist Commission services in anticipating upcoming standardisation priorities. Reflect the standardisation priorities in the Annual Union Work Programme on Standardisation from 2022 onwards. Along with the AUWP and the ICT Standardisation Rolling Plan on European standardisation, publish an annual dashboard on the planned, current and completed standardisation activities for greater transparency in the European standardisation system Review existing standards to identify needs for revisions or development of new standards to meet the objectives of the European Green Deal and Europe's Digital Decade and support the resilience of the EU single market. Set up an EU excellence hub on standards to bring together standardisation expertise, and nominate a Chief Standardisation Officer. Work with ESOs on concrete solutions and targets to accelerate the development and adoption of standards Launch a 'Standardisation Booster' to help researchers test the relevance of their results for standardisation. Develop a Code of Practice for researchers on standardisation to strengthen the link between standardisation and research & innovation. 	

Clarify and encourage the use of alternative technical solutions in the absence of hENs	ECOS supports the Commission's power to adopt technical or common specifications via implementing acts in specific cases . Given the role of harmonised standards in EU legislation, this option has been integrated as a fallback solution, to ensure that the public interest is served where harmonised standards are absent and insufficient. We welcome that the Commission will develop a horizontal approach to the development of such specifications. Nevertheless, should the Commission opt for the alternative route to harmonised standards, stakeholder consultation should be a pre-requisite .	$\bigcirc \bigcirc \bigcirc \bigcirc$
Enhance inclusiveness at the European level	 The Strategy recognises that the success of the ESS rests on the combination of expertise from industry, public administrations, civil society, research and academia to deliver on all critical aspects of standards development. While the ESS has improved in some aspects in the last years, there is room for further progress in different areas, and inclusiveness in particular. In this context, the Commission believes that administrative and good governance principles need to be put in place when the European Standardisation Organisations (ESOs) act upon European standardisation requests and develop standards used to show compliance with rules imposed in the interest of EU citizens. The Commission commits to: Present a legislative proposal amending Regulation (EU) No 1025/2012, in which it will include basic criteria that must be applied when handling European standardisation requests under Art. 10 of Regulation (EU) No 1025/2012. Call on ESOs to make proposals by the end of 2022 to modernise their governance and fully represent the public interest and the concers of SMEs, civil society and users, while facilitating access to standards. Launch a peer review process amongst Member States and National Standards Bodies (NSBs) by the end of 2022 to achieve better inclusiveness, including for civil society and users, and SME-friendly conditions for standardisation. 	

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Go international promoting European principles	ECOS supports the Commission's intention to promote EU core values in international standard-setting. The Commission has no direct influence over international standards bodies. Consequently, the Strategy focuses on tackling inclusiveness through the institutions within its own territory, namely ESOs and NSBs. With this in mind, the extent to which the Strategy will be successful remains to be seen. In any case, the Strategy fails to prevent international standards developed without inclusiveness from being adopted as European standards.	
Inclusiveness as an overarching principle	 ECOS notes the creation of a high-level group to defend EU interests at the international level but we reserve judgement on its success and impact until group's size and membership composition is known. We need more than an ongoing reflection on inclusiveness. We need immediate actions to make sure that civil society can effectively participate at the international level and avoid a democratic deficit in European standards. We find that the following statement is insuffcient: "The Commission encourages EU Member States to support the participation of civil society, SME experts, trade unions and consumer representatives in international standardisation activities'. In addition to the current lack of systematic support for societal stakeholders at national level, the conditions for developing international standards are different from the European, in particular, regarding the facilitation of the effective participation of all relevant stakeholders, including societal stakeholders. In the IEC, for example, environmental NGOs and other societal stakeholders are not guaranteed a seat within international technical committees (TCs) where standards are developed. Civil society participation in TC work fully depends on the decision of each TC, which can result in rejections of environmental NGO liaisons, depriving the process of crucial contributions. This must change. We support the foreseen promotion of international cooperation on standardisation and EU standards with the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE) and Horizon Europe, with a view to support stakeholder participation in international standardisation (SMEs, civil society, academics). 	

Environmental ambition will make Europe the standards-maker	We welcome that standards are recognised as a relevant element in the green transition: "An EU Strategy on Standardisation Setting global standards in support of a resilient, green and digital EU single market", as the Strategy reads. The EU is currently the region with the highest climate ambition in the world. As a global leader, Europe should use its position to push the climate agenda in international standardisation, for example in cases where existing international standards do not match European environmental ambition (such as recyclability of electric car batteries). A stronger Europe in the standardisation world would be excellent news for global climate action. The European Commission is seeking better 'coordination of EU stakeholders and available resources' to set standards 'in line with EU values', which we support. Beyond market tools, a key competitive edge that Europe has is environmental ambition. We welcome proposed standardisation urgencies such as low-carbon cement or hydrogen, as well as the identified potential for the global adoption of the Ecodesign and SPI-related standards .	
Standardisation as part of environmental agreements & trade policy	We welcome the Commission's plan to monitor the effective implementation of existing commitments on standardisation in EU trade agreements . We believe that the interaction between the implementation of international environmental agreements, trade policy and the use of standards is key for the latter to be widely applied. International standards, developed inclusively, should strategically and proactively support the realisation of international environmental agreements and the Sustainable Development Goals (SDGs).	$\bigcirc \bigcirc \bigcirc$
Facilitate effective participation in National Standards Bodies (NSBs)	 We see the overall principle set by the Strategy on the need to ensure inclusiveness at national level as a positive step. The text includes: The proposal for amending Regulation (EU) No 1025/2012 to improve good governance principles of ESOs "Through a balanced representation that includes societal stakeholders in national standardisation bodies, this will enhance the openness, transparency and inclusiveness of the process. A peer review process amongst Member States and NSBs by the end of 2022 to achieve better inclusiveness, including of civil society and users, and SME-friendly conditions for standardisation. 	

 Encouragement for EU Member States to support the participation of civil society, SME experts, trade unions and consumer representatives in international standardisation activities; Reference to existing enabling conditions under Regulation (EU) No 1025/2012 (free access to draft standards, access to the activities of NSBs, applying special rates to standards, etc.). 	
However, bolder action is needed at national level to improve inclusiveness of	
societal stakeholders. Any progress is likely to become more evident later in 2022.	

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