Europe as a global standard-setter:
The strategic importance of European standardisation

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List of abbreviations

AI	artificial intelligence
BRI	Belt and Road Initiative
CEN	European Committee for Standardization
CENELEC	European Committee for Electrotechnical Standardization
ECJ	European Court of Justice
EFTA	European Free Trade Association
EPC	European Policy Centre
EN	European standard
ESO	European Standardisation Organisation
ETSI	European Telecommunications Standards Institute
GDP	gross domestic product
hEN	harmonised European standard
ICT	information and communications technology
IoT	Internet of things
JIS	Joint Initiative on Standardisation
KPI	key performance indicator
MSP	Multi-Stakeholder Platform
NLF	New Legislative Framework
OJ / OJEU	*Official Journal of the European Union*
PP	public procurement
PPE	personal protective equipment
SME	small and medium-sized enterprise

Executive summary

Despite their growing strategic importance worldwide, standards and standardisation are not well integrated into Europe's journey to strategic autonomy. The geopolitics of new technologies and advanced manufacturing require Europe to ensure the efficient and effective functioning of its standardisation system. It must be a rule-maker and not a rule-taker of international rules and standards – every European standard adopted at the international level brings a competitive advantage to European businesses. As the pace of digitalisation accelerates, European standards are essential to ensuring that Europe's digital space remains safe, secure and cyber-proof.

As Europe aims for greater strategic autonomy and resilience in a post-COVID-19 world, it cannot afford to forget a key pillar of its global influence in the past – standards. European standards are crucial to Europe's market power and are a pillar of its Single Market. They are fundamental if Europe is to reach the objectives it has set for itself through its European Green Deal, Digital Strategy and New Industrial Strategy. Standards are an indispensable tool for raising product safety and environmental performance. They can drive innovation, competitiveness, sustainability and consumer protection.

Political leadership must recognise the strategic importance of Europe remaining a global standard-setter. While the EU legal framework and partnership structures have many world-leading qualities, the adoption of EU standards has been in decline since 2018. The slow approval of harmonised standards is weakening the coherence of the Single Market. It is also sapping the competitiveness of the EU's digital players, where speed to market is critical. The problems holding back a competitive system must be resolved urgently. A new trusted partnership between the EU, industry and the European Standardisation Organisations should be developed. It must determine clear objectives for the timely delivery of standards, reform governance and strengthen the inclusive public-private partnership that is the engine room of standards-making.

Introduction

Although often forgotten, standards are the 'invisible glue' holding many economic and societal processes together. Within Europe, they have become a fundamental pillar of the Single Market, removing barriers to trade and facilitating cross-border flows of goods and services. European standards have also played a crucial role in Europe's efforts to tackle the COVID-19 pandemic.

Already at the onset of the pandemic, the European Standardisation Organisations (ESOs), in cooperation with the European Commission, started providing European standards for medical supplies free of charge, including for medical devices and personal protective equipment (PPE).[1] The first series of standards were made available in March 2020, and a second in June. Even an emergency standard on facemasks was developed and published in just a few days. Most European standards (ENs) usually take months or years to be developed.

At the international level, standards are increasingly becoming a matter of geopolitical competition.

Overall, the rapid development of standards boosted the production of desperately needed equipment in Europe. Established manufacturers were able to repurpose their production lines rapidly, while newer and smaller firms (sometimes start-ups or even family businesses) also chipped in. All continued to respect strict EU quality requirements. Around ten European countries were able to ramp up PPE production,[2] while the production of facemasks multiplied threefold in France (though it is still lower than in China, where it was multiplied by 10).[3]

Crucially, European standards should also play a key role in ensuring Europe's post-COVID-19 recovery. Standards should be prioritised at the EU level, and the issues faced by the European standardisation system fixed. At the international level, standards are increasingly becoming a matter of geopolitical competition. Europe's competitors and partners already recognise the geopolitical potential of standards, play a more active role in standard-setting, and develop strategies that promote technological and industrial interests through standards.

Nevertheless, European standardisation is still confronted with a series of difficulties which must be addressed if Europe is to reach its new strategic objectives, especially the European Green Deal, the EU Digital Strategy, and the New Industrial Strategy. It must remain a global standard-setter that is on par with China and the US. If Europe could fix its standardisation system, it would have all it would need to retake global leadership in standard-setting.

The word 'standard' is often employed to describe different things. This Discussion Paper focuses on so-called voluntary or technical standards, developed in most cases by standardisation organisations. Such standards are voluntary by nature, meaning that once developed, they are open for adoption by industry, organisations and other stakeholders. Nonetheless, some standards may become mandatory if regulators adopt them as legal requirements.

This Discussion Paper starts by assessing the importance of standards and standardisation for Europe and its Single Market. Section 2 analyses how European standards can help achieve the EU's new strategic objectives, from the European Green Deal to its Digital strategies and New Industrial Strategy. Section 3 looks at the current state of standards-making in Europe, while sections 4 and 5 provides recommendations for Europe's global standards leadership.

1. Standards and their socioeconomic importance

1.1. THE INVISIBLE GLUE

A standard provides a technical description of how something should be made or done. It can describe how a product is manufactured, a process managed, and a service delivered. Although consumers might not always be aware, standards are present throughout the economy: food safety standards ensure that food is not contaminated, health and safety standards prevent workplace accidents, environmental standards help reduce waste. In many ways, standards are the invisible glue holding economic and societal processes together.

International standards exist for everything, from date and time formats to child seats and medical devices.

Standards are usually developed when standardisation organisations convene a group of experts and stakeholders to respond to a particular need in the market. Standards may be developed nationally by national standardisation organisations, or as international standards by international standard-setting bodies. Typically, the development of new products or technologies (e.g. smartphones, self-driving cars, 5G technology) will lead to a new generation of

standards. Standardisation organisations facilitate discussions among manufacturers, consumers and regulators, through whose consensus a new standard will be agreed.

New standards are often initiated by industry and manufacturers.[4] As they produce goods and deliver services, they are the best placed to know if a specific standard is missing. Standardisation makes it possible for industry – even competitors – to cooperate on how a particular new technology should be built or a new business model run. Consumer organisations or regulators who see the need to develop standards in the public interest can also initiate proposals (to e.g. promote sustainability, ensure a high level of consumer protection).

Although several actors are involved in standardisation and their interests and views may sometimes differ, the systems' consensual approach requires all of them to agree – or, more accurately, reach an agreement – for a new standard to be made. Standards are not imposed through standardisation but are developed in a bottom-up and consensual manner that demands industry's active participation. This can result in a slow-paced system, where standards take time to be developed. However, it is fundamental to understand that the standardisation system is not designed to replicate regular legislative systems that develop national laws or other binding rules. It is meant to only supplement the work carried out by regulators, parliaments and governments.

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Nevertheless, the inclusive nature of the system does not always imply that all the actors involved in standardisation are equal or have the same capacity to influence. Larger companies will often have more (human) resources to take part in standardisation than smaller businesses or small and medium-sized enterprises (SMEs). It is worth pointing out that participation in standardisation is voluntary and not remunerated directly. In principle, it is in industry's own interest to participate in and try to influence standardisation.

Moreover, innovative companies also have an advantage over less innovative companies as they hold the technical knowledge of new technologies or new business models. It is not easy to sit down and discuss technical specifications of a mobile application (i.e. app) or a new device if you yourself do not produce

it. As standards codify how new products or services entering the market are produced, innovative producers sometimes have an opportunity to shape the rules of the game and benefit from a first-mover advantage.

Still, standardisation allows smaller businesses and SMEs to be represented in standards-setting. As standards often codify new and innovative practices, smaller businesses and SMEs can thus learn from larger companies. In other words, standardisation encourages innovation in both large and small businesses – provided that standards-making embraces the smaller firms.[5]

Standardisation encourages innovation in both large and small businesses.

1.2. A UNIQUE SYSTEM

In Europe, standards are drafted within the framework of one of the three ESOs with the competence to ratify a EN: the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC) and the European Telecommunications Standards Institute (ETSI). National standardisation bodies in EU member states also adopt standards, but these are withdrawn when they conflict with ENs.

Europe has developed a unique system for standard-setting which emphasises consensus, transparency and inclusiveness.[6] The general ESOs, CEN and CENELEC, bring together the national standards bodies and national electrotechnical committees of 34 countries to develop common standards that are then applied across the EU27, the 4 European Free Trade Association (EFTA) countries, Macedonia, Serbia, Turkey and the UK.[7] ETSI, which is responsible for standards for information and communications technology (ICT), has over 900 member organisations from 65 countries in 5 continents. Members from Europe can fully participate in the work of ETSI (e.g. speak, vote), while non-European members usually only participate as associates or observers.

Europe has developed a unique system for standard-setting which emphasises consensus, transparency and inclusiveness.

Beyond national bodies, the ESOs also include a wide array of stakeholders, such as industry, consumers,

environmental organisations, labour organisations, and professional and academic institutions.[8] Stakeholders may participate through their national standardisation organisations, which send representative delegations to a European standardisation project. They may also participate through a trade association, an interest group, or directly as experts in a working group.

Although most new ENs are initiated by industry, the European Commission may also ask the ESOs to develop a 'harmonised standard' that supports the implementation of EU legislation. Once developed through consensus (just like regular ENs) and referred to in the EU's *Official Journal* (OJ), a harmonised standard (hEN) is accepted as a means of complying with EU law. It remains, in principle, voluntary, as businesses are free to prove compliance by other means. Nevertheless, businesses complying with a hEN will benefit from a 'presumption of conformity', allowing them to sell products or services on the Single Market rapidly and easily.[9] Around 20% of all ENs were developed as hENs.[10]

1.3. PILLARS OF THE SINGLE MARKET

ENs are a critical building block for a well-functioning European Single Market. By replacing potentially conflicting national standards, ENs facilitate cross-border trade greatly.[11] An adopted EN automatically becomes a national standard and is implemented domestically by national authorities. This facilitates trade, as businesses across Europe may then refer to the same standard to produce a particular good or service. It makes it easier for businesses to prove compliance with EU rules, cuts costs and facilitates new businesses' reference to already existing standards. In other words, European standardisation supports the development of a common pool of technical rules and guidelines – beyond the EU *acquis* – that is referred to by industry, consumers and regulators alike.

In practice, standards have a clear positive effect on economies by boosting cross-border trade. Studies have shown that standards contribute €16.77 billion a year to the German GDP, while 28% of UK GDP growth can be attributed to standards.[12] A substantial part of the yearly growth rate in each European country can also be attributed to standards.[13] Nevertheless, the benefits generated by standards also far exceed its direct effect on GDP growth: they also act as diffusers of knowledge by codifying best practices and state-of-the-art technologies.

Standards have a clear positive effect on economies by boosting cross-border trade.

Standards play an especially critical role in the New Approach Directives, a significant reform of Single Market rules agreed in 1985. The demands of the revitalised Single Market were frustrating market access to wider product sectors where disparate national rules still applied. However, there was concern about the cost, complexity and inflexibility in maintaining highly detailed, fully harmonised instruments which would need constant updating as new technologies developed. Thanks to the 'New Approach', EU legislation is now limited to essential health, safety, and environmental protection requirements.

Manufacturers may voluntarily use standards or other technical specifications to demonstrate compliance with these requirements. Organisations placing goods on the market are responsible for ensuring that their products meet the required standards. By meeting the standards, goods are presumed to conform, and therefore have free access to the Single Market. Standards form the crucial criteria for the EU Market Surveillance[14] and Conformity Assessment[15] regimes that ensure the smooth functioning of a rules-based Single Market.

The New Approach Directives – consolidated into the 2018 New Legislative Framework (NLF) – cover the safe operation of machinery, noise levels, toxic emissions and the use of hazardous substances. They directly contribute to workplace safety, accident reduction, quality of life and well-being.[16] Their impact depends on a system that keeps up with the demand for updated standards. Delays in delivering updates hold back the enhanced requirements needed to meet citizens' rising expectations.

The Directives also cover a small group of standards in sensitive domains, where hENs are fully integrated and therefore become mandatory if mutual recognition is to be granted. Significant examples are construction products – the subject of the landmark *James Elliott Construction* case – and consumer product safety.

1.4. THE GEOPOLITICS OF STANDARDS

In recent years, standards have moved to the very centre of global technological and industrial competition. Countries like China and the US have adopted more strategic approaches for developing and promoting their respective standards within highly innovative technologies, such as 5G, artificial intelligence (AI), the Internet of things (IoT) or advanced manufacturing.

The need to set standards that promote national industry is evident in strategies like China's Made in China 2025 strategy and Belt and Road Initiative (BRI), or the US' America First policy. Already in 2000, the US adopted a National Standards Strategy, which was subsequently revised in 2005 and 2010. A new strategy, the United States Standards Strategy, was also presented in 2015. Finally, the Trump Administration's Strategy for American Leadership in Advanced Manufacturing highlights the importance of setting global standards and notes that the "promotion of standards and technical regulations that do not disadvantage U.S. innovators and manufacturers is vital".[17]

Meanwhile, China is increasingly leaving its mark on technical standardisation, adopting a strategic and often state-driven approach, both domestically and internationally.[18] China has introduced standardisation as a key element of its BRI, meaning that in addition to investments and infrastructures, the participating countries would also often adopt Chinese standards within their sectors, such as railway, electric cars, aviation, ICT and home appliances.[19] This approach will be strengthened in future years, according to Chinese authorities.[20] Moreover, China's Made in China 2025 strategy, currently the "most comprehensive and ambitious initiative undertaken by any country to protect and promote its own industry",[21] is to be complemented with a 'China Standards 2035 plan' soon. The plan's aim is to write global standards for the next generation of technologies, like 5G, IoT or AI.[22]

China is increasingly leaving its mark on technical standardisation.

China's increased role in developing new technologies and, by extension, setting new standards has also led to well-known frictions in US-China relations. This is visible in the case of 5G from Huawei or the social media platform TikTok. However, China is also playing a dominant role in setting standards in other technologies, such as facial recognition and surveillance, robotics or connected devices.[23] China's standardisation push is not only visible at the national level but also the global. For example, this is the case in the International Telecommunication Union and the International Organization for Standardization, or in other standardisation projects, like oneM2M for IoT standards or the 3rd Generation Partnership Project (3GPP) for 5G standards.[24]

In a connected world, setting international standards can result in a powerful first-mover advantage for businesses and companies.

In a connected world, setting international standards can result in a powerful first-mover advantage for businesses and companies.[25] This is well understood by Huawei founder Ren Zhengfei, who declared to the *Financial Times* in 2019 that in seeking dominance within IoT, his company would also prioritise standardisation:

> "'If everyone were to vote for an IoT standard, they would vote for our standard,' […]. 'Qualcomm [Huawei's US rival] hasn't done much work in the IoT sphere and we've done a huge amount of research.'"[26]

2. Standards in the EU's strategic priorities

2.1. INTEGRATING STANDARDS INTO STRATEGIES

In its new priorities, the EU recognises the need to become more strategic in its approach to new technologies, innovation and industry. The von der Leyen Commission has already delivered strategic documents that will guide EU policies for (at least) the next five years.[27] These notably include a European Green Deal that aims to make Europe the first climate-neutral continent and represents Europe's new growth strategy; an EU Digital Strategy and other related initiatives for Europe to become a leader in new digital technologies; and a New Industrial Strategy for Europe's industry to lead the twin transition towards climate neutrality and digital leadership.

EU strategic documents also increasingly mention the importance of fostering 'strategic autonomy' and 'technological' or 'digital sovereignty'.[28] This is marked by the realisation that Europe is playing a diminishing economic and security role in the world, finds it challenging to project its values and interests, and increasingly 'feels the squeeze' amidst the US-China technological competition.[29] New technologies are, to a greater extent, developed outside of Europe, and European industries are becoming more dependent on high-tech and raw materials from a limited number of suppliers in third countries. There is a fear that being too dependent on external resources, innovation and technological solutions will make the EU more of a follower than a leader in shaping international rules and standards.[30] The implications of the COVID-19 pandemic has reinforced this fear and multiplied calls for a more sovereign and strategic Europe in several areas.

What the Green Deal, Digital Strategy and Industrial Strategy lack is a clear vision on how standardisation and ENs can help achieve the EU's new strategic objectives. The EU's new strategic documents all mention the importance of standards. However, it is not always clear what type of standards are being referenced, how ENs can help, or what it would entail for the European standardisation system. A competitive standardisation

system and the development of timely ENs are indispensable to achieving the EU's ambitious objectives. European standardisation must become an integral part of the EU's new strategic objectives, underpinning strategic autonomy and technological sovereignty.[31]

2.2. THE EUROPEAN GREEN DEAL AND STANDARDS

The Communication on the European Green Deal adopts a holistic and cross-cutting approach, mentioning the importance of "regulation and standardisation" in the same line as other priorities like investments, innovation, national reforms, dialogue with social partners and international cooperation.[32] However, almost all the standards mentioned in the Communication do not seem to particularly refer to voluntary ENs, but rather point to the need for new EU directives and regulations. They focus on standards-heavy areas like air pollutants, emission performance and animal welfare. There is also a request for an EU green bond standard for sustainable financing.

European standardisation must play a crucial role in delivering standards for almost all the Green Deal's priorities.

Unfortunately, the European standardisation system, ESOs and hENs are not mentioned in the Communication. European standardisation must play a crucial role in delivering standards for almost all the Green Deal's priorities: sustainable food systems, smart mobility, clean energy, the circular economy, and even sustainable financing and the just transition. The European standardisation system also has the advantage of being a bottom-up and inclusive institution – a positive feature as the Communication underlines the importance of having industry and the research community on board.

2.3. THE DIGITAL STRATEGY AND STANDARDS

The EU's new Digital Strategy is the second strategic initiative from the von der Leyen Commission, released in February 2020. It was accompanied by a European strategy for data and a White Paper on Artificial Intelligence. The Communication on Shaping Europe's digital strategy and its accompanying documents recognise the importance of standardisation. These documents focus on the importance of Europe becoming a leader in new digital technologies and setting new rules and standards that align with EU values.

The Digital Strategy mentions the need to develop "common standards for secure and borderless" data flows [33] and that trading partners have joined the "EU-led process that successfully set global standards for 5G and the Internet of Things".[34] It further underlines

that "Europe must now lead in the adoption and standardisation process of the new generation of technology: blockchain, supercomputing, quantum technologies, algorithms and tools to allow data sharing and data usage."[35] As a new key action, it promises an upcoming strategy for standardisation that focuses on "the deployment of interoperable technologies respecting Europe's rules" for the third quarter of 2020.[36]

Although the Digital Strategy, the Data Strategy and the AI White Paper do not specify the roles for ENs and ESOs, they do frequently note the importance of standardising and setting global standards. The Data Strategy includes a comprehensive review, noting the need for standards on cloud services, cybersecurity and data spaces; the public procurement (PP) of data services; and a new mechanism that prioritises standardisation activities within ICTs.

2.4. THE NEW INDUSTRIAL STRATEGY AND STANDARDS

Mirroring the European Green Deal, the EU's New Industrial Strategy adopts a cross-cutting approach. It ambitiously aims to position Europe among the leading technological players and simultaneously step up its efforts to achieving climate neutrality by 2050.[37] It is more strategic than previous EU industrial strategies, noting the need for the EU to "leverage the impact, the size and the integration of its single market to set global standards." It further states that "[b]eing able to forge global high-quality standards which bear the hallmark of Europe's values and principles will only strengthen our strategic autonomy and industrial competitiveness."[38]

The Industrial Strategy fails to assess the role of ENs and the European standardisation system beyond mentioning that the Single Market depends on "well-functioning systems for standardisation and certification."[39] It does, nonetheless, acknowledge the need for increased EU participation in international standardisation bodies. Unfortunately, the Single Market Enforcement Action Plan and the SME Strategy, both published with the Industrial Strategy, do not mention standardisation. There is, however, an important need to ensure that SMEs are well represented in the European standardisation system and to improve market surveillance around the enforcement of ENs.

2.5. THE NEED TO PRIORITISE EUROPEAN STANDARDISATION

Standards are clearly crucial for economic growth and innovation and to achieve public policy goals like sustainability or consumer protection, and are increasingly at the centre of geopolitical competition. Standards are also fundamental for Europe's objectives, from climate neutrality to digital leadership and enhanced strategic autonomy. Of course, ENs alone do not suffice and cannot replace the need for legally binding EU rules. However, many of these objectives will

not be achieved if Europe is unable to benefit from the advantages of the European standardisation system.

As will be discussed in the next section, the European standardisation system is confronted with a series of difficulties which must be addressed if Europe is to reach its strategic objectives and remain a global standard-setter that is on par with China and the US. Specific challenges remain with regards to the delivery of timely standards, the non-citation of hENs, the inclusion of SMEs in standardisations, and the enforcement of standards. If Europe gets it right and fixes its standardisation system, it will have all it needs to retake global leadership in standard-setting.[40]

3. The current state of EU standards-making

3.1. RECENT HISTORY

Since it entered into force in 2013, Regulation 1025/2012 has established a legal and organisational framework which ensures that EU standards-making operates effectively and inclusively, thereby safeguarding the public interest. The 2012 reforms advanced the role of SMEs, consumers, environmental interests and trade unions in the standardisation process. A 2016 Communication launched the Joint Initiative on Standardisation (JIS) to give the benefits of standardisation more visibility and deepen the engagement of all the stakeholders. The European Multi-Stakeholder Platform (MSP) on ICT standardisation, launched in 2011, has played an important role in defining priorities for EU standards-making in a rapidly growing and strategic domain.

However, far from fulfilling the promise of a 21st-century standards regime, EU standards-making is slowing down. This setback has been precipitated by the judgment of the 2016 European Court of Justice (ECJ) case, *James Elliott Construction*. The ECJ ruled that a hEN developed on the basis of an EU mandate may be viewed as a provision of EU law. It reiterated the Commission's responsibility for the integrity and inclusiveness of the standards-making process, and to ensure the compatibility of a proposed standard with the relevant harmonising legislation.[41] Some industry experts and the ESOs have criticised the judgment for putting the voluntary and non-binding nature of hENs into question.

The Commission responded to the 2016 judgment by deepening its scrutiny of draft hENs and introducing more prescriptive requirements. Assisted by external experts, technical reviews were more detailed and requested changes to standards proposals increased. Inevitably, approval times were extended.[42]

3.2. STAKEHOLDER CONCERNS

Stakeholder worries soon became evident. In July 2017, the European Parliament adopted a Report on the implementation of the Standards Directive. In its resolution, it noted that it was "aware of the decreasing citation of references of standards in the OJ and calls on the Commission to investigate and address the reasons for this and remove unnecessary obstacles".[43] The REFIT Regulatory Consultative Programme report from September 2017 expressed concern about the backlog of unapproved standards. They called for "structural solutions" based on a "common understanding of the process for joint assessment and citation of harmonised standard".[44]

Standards owners and users are concerned that delays undermine the speedy rollout of innovative technologies. They pointed out that the high costs of expert participation in standards-making cannot be justified if the intended EU standards are delayed, or late changes are made to draft recommendations. They expressed fears that alternatives to an EU standard could become embedded in fast-developing technologies.

Far from fulfilling the promise of a 21st-century standards regime, EU standards-making is slowing down.

Standards owners and users are concerned that delays undermine the speedy rollout of innovative technologies.

In its contribution to the ICT MSP discussion in June 2020, the ETSI noted that problems arose in the application of the NLF: the necessary updates for certain standards were not being approved and listed in the OJ. Producers had to seek alternate means of certification to gain conformity assessment. In some cases, they were relying on standards-waiting approval to demonstrate product conformity.

Many member states are increasingly concerned with the economic impact of and possible lost opportunities caused by delays.

Many member states are increasingly concerned with the economic impact of and possible lost opportunities caused by delays. A recent, unpublished "non-paper" authored by 17 members states lists their concerns, with recommendations on how to change the EU standardisation system.[45] The same 17 followed this with a note of concern about delays to the approval of three priority standards, including PPE. They cited evidence that these were caused by the inflexibility of Commission procedures. The German Government published a legal opinion which questions the legal basis of the Commission's unilateral adoption in 2018 of a revised standards approval process.[46]

3.3. THE COMMISSION RESPONDS

The Commission first responded to these concerns in its November 2018 Communication, Harmonised standards: Enhancing transparency and legal certainty for a fully functioning Single Market. It outlined the consultations it conducted with the ESOs and other stakeholders.

It emphasised its desire to "enhance transparency, reinforce legal certainty and speed of adoption".[47] The Commission committed to "use its best endeavours" to reduce the backlog.[48] It also stated that it would be "reviewing its internal decision making processes with a view to streamlining the procedures".[49] Regarding the results of this process, the Commission "will elaborate over the next months in consultation with stakeholders, a guidance document on practical aspects of implementing the Standardisation Regulation".[50]

On 11th July 2019, a Commission note formally opened the consultation, with stakeholders, on the points to be addressed in a Guidance Note.[51] In October 2019, the 2020 Standards work plan also promised the publication of a new Guidance Note, "paying close attention to the efficiency, inclusiveness and speed of standardisation processes." It will "take into account the recent jurisprudence and particular conditions required to comply with the European Standardisation Regulation and improve the standardisation process in practice."[52]

On 6th January 2020, the Commission published a comprehensive summary of the responses to the Guidance Note consultations. The 42 respondents represented a wide range of stakeholders. The opening paragraph, an assessment of the current situation, notes:

> "One of the main concerns has been the rate of citation by the Commission of harmonised standards in the OJEU, but concerns are also expressed with regard to the new format of standardisation requests and publication decisions, as well as the new system of [harmonised standards] consultants. The recent measures introduced by the Commission are often perceived as excessive and seen as an incorrect interpretation of the rulings of the Court of Justice."[53]

The draft Guidance Note is yet to be published.

4. The foundations for global standards leadership

Previous sections of this Discussion Paper set out the strategic and economic importance of EU standards. They also highlight the issues that require urgent political action. The principal stakeholders agree that the EU has built the foundations for a globally competitive standards system. Nonetheless, there is frustration on all sides that it is not functioning effectively, especially in terms of its response speed. The extended approval time is becoming an increasing impediment to the EU's global competitiveness.

There is an urgent need to move forward. Elements that should form the basis of a world-leading system are outlined below.

The existing legislation

There is strong agreement that effectively implementing the existing EU standardisation rules give the EU a competitive advantage. Regulation 1025/2012 entered into force in 2013 and is widely welcomed for providing a sound legal basis for the public-private partnership that forms the core of the standardisation process. It also introduced important new measures that ensure inclusiveness and transparency. In particular, the capacity of SMEs, consumers, trade unions and environmental organisations to engage in standardisation procedures was enhanced.

The public-private partnership

Standards-making is an unheralded example of an effective public-private partnership. It is led and resourced by market operators who hold in-depth technical and operational knowledge that should be embedded into effective standards. They convene the meetings, negotiate the outcomes and carry the costs. Engaging in standards-making is a substantial investment by market participants, but standards know-how helps secure their future competitiveness.

The New Legislative Framework

There is unanimity among member states that the principles established by the NLF must be safeguarded. The NLF is a proven and effective tool that strengthens the Single Market. It is a major asset for the EU's economic competitiveness.

Key players in international standards-making

EU technological sovereignty is considered a crucial aim to achieve long-term competitiveness. Effective and timely standards-making underpins this political aim. ESOs are already key players in international standards bodies. However, their international influence is undermined if EU standards-making is slow and holds back innovative responses. A dynamic technology market would adopt available standards, irrespective of their origins.

The Multi-Stakeholder Platform on ICT standardisation

This MSP is a group of experts set up by the Commission in 2011 to advise on all matters ICT standardisation. It is composed of member states, EFTA countries and stakeholders (including standards-developing organisations), industry, SMEs and societal representatives. It coordinates stakeholder input for the annual Rolling Plan for ICT standardisation, which complements the Commission Work Programmes by listing a broader base of reference standards. These are particularly salient for public bodies.

The Joint Initiative on Standardisation

Launched in June 2016, the JIS is an informal collaboration between the EU and EFTA governments, ESOs, industry and societal stakeholders. From 2016 to 2019, it delivered 15 cooperative projects to strengthen and modernise the European standards system. It has generated productive dialogue and several concrete achievements like establishing tools and training, opening access to standards and standards-making for SMEs, consumers, workers and environmental interests. Other areas – research, digitisation, services, PP, international engagement – have generated significant results. However, its weakest influence has been on the Commission's legislative role, which was excluded from discussions in the relevant JIS projects. Consequently, its project to "provide high-quality standards delivered and referenced in a timely manner"[54] has made limited progress.

> **EU technological sovereignty is considered a crucial aim to achieve long-term competitiveness. Effective and timely standards-making underpins this political aim.**

5. A trusted route to globally leading standards

5.1. BUILDING A TRUSTED PARTNERSHIP

It is clear from the 2020 Work Programme that the Commission recognises the strategic importance of standards. It agrees that the effective implementation of the existing EU standardisation rules, reinforced by JIS-MSP cooperation, has the potential to give the EU a competitive advantage. A shared vision, a supportive legislative framework, structured partnerships and cooperative forums are already in place. So why is this system not delivering great results?

The Standards Public-Private Partnership can only achieve optimum results if there is trust and confidence between all partners. There must be an openness for constructive dialogue and, where necessary, criticism. A partnership works where there is a shared effort to solve problems.

The Digital MSP and the JIS have already shown how collaboration has delivered improvements in the standards process of many beneficial areas. The ESOs have been responding to the need to expedite standards-making without compromising quality. They have implemented reforms to accelerate standards adoptions, enhanced capabilities, improved inclusivity and engaged societal organisations. The attention to SME engagement is a major competitive strength for the EU.

However, as the narrative above has shown, the Commission's changes to standardisation procedures have affected trust and confidence. This must be rebuilt quickly. The EU needs a trusted partnership that deploys effective, efficient and trusted processes to produce timely, high-quality standards that underpin its political, economic and environmental ambitions.

The consultees on the Guidance Notes made a wide range of detailed suggestions for reforming the standards approval process. These do not seem to have been seriously considered yet. Its 2020 standardisation workplan notes that, once these are issued, "the Commission will continue to reassess its procedures in discussion with all the stakeholders involved". However, it also goes on to say that the "Commission recommends that the European standardisation organisations take due account of the guidance document".[55] In a trusted partnership, these much-anticipated Guidance Notes – and any accompanying vade mecum, such as the existing 'Blue Guide'[56] on the implementation of EU products rules – should not be taken as 'tablets of stone'.

It is suggested that global leadership in standards needs a framework that encourages all the partners to deliver the needed results. It should be a structured, transparent and regular forum, overseen and endorsed at the highest decision-making level. The partners will be expected to remove obstacles and make progress together at all stages.

A trusted framework could be built around a High-Level Group, jointly chaired by the Internal Market Commissioner and a leader from the standards stakeholders. Nevertheless, in a trusted partnership, the final form should be decided by the parties concerned.

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5.2. SETTING SHARED GOALS AND PERFORMANCE BENCHMARKS

The foundation of a trusted partnership is to have shared goals and benchmarks for the way forward. The 2018 Communication on hENs sets out very clearly the Commission's vision of the roles and responsibilities required to deliver standards with integrity, legal certainty, speed and efficiency.

The move to global leadership requires shared objectives and data-driven key performance indicators (KPIs). The public benefit of standards-making and their importance in delivering all the elements of the Recovery Plans would need to be considered in future governance and coordination structures. With digital technologies pervading all standards domains, response speed and coordinated activity are now strategic imperatives.

As announced in the 2020 Work Programme, the Commission has commissioned a study on the function and effect of European standardisation, scheduled for 2021. It is an urgently required source document for establishing comprehensive KPIs for the whole standardisation process.

5.3. SUPPORTING STRUCTURES

As set out in the earlier chapters, the three major pillars of the EU Strategy – the Green Deal, the Digital and Industrial Strategies – all require globally-leading standards support. A trusted partnership framework could review the existing standards support programmes, notably the JIS and the MSP, and ensure that they become well-aligned with these three pillars. This could stimulate more combined activities and thus respond to growing calls to "de-silo" standards-making.[57]

The Digital Strategy has the benefit of an MSP and an Annual Programme, which has been in operation since 2011. The other programmes could also benefit from a similarly focused approach. The MSP could evolve into a coordination platform for digital solutions across the pillars.

The JIS has also completed projects in key areas that cover all standards domains. It has developed programmes to encourage the participation of SMEs and social and environmental bodies. These could benefit from implementation monitoring and follow-up activities. Encouraging the use of standards in PP will be a key enabler of the core programmes.

International engagement is indispensable for the EU's global competitiveness. Projects could be developed to raise Europe's profile in these areas and deliver the opportunities identified in earlier chapters.

The NLF is a crucial legislative instrument that helps reduce friction in the Single Market for goods by safeguarding mutual recognition through voluntary standards. However, special attention needs to be given to those sectors operating under fully harmonised rules,

regulated by compulsory standards. A prime example is the Construction Products Regulation 305/2011, which is now under review. This key industrial sector has untapped potential for improving environmental performance through enhanced standards and a more open market.

Special attention needs to be given to those sectors operating under fully harmonised rules.

The EU can only achieve a leading position in global standards-making by putting a full range of support in place. This demands leadership and advocacy across the Commission and strong coordination. It could be delivered by a 'Standards Director' in the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, equipped with a mandate to coordinate the Commission's standards strategy and engagement.

5.4. POLITICAL LEADERSHIP

Despite the growing importance of standards in delivering future political goals, they have a remarkably low profile in EU and member states. The Commission now produces an Annual Work Programme for European standardisation, which should be the subject of an 'Annual Policy Dialogue' involving the European Parliament. An annual European Parliament standards event inviting high-profile speakers would boost the profile of standards-making and encourage the engagement of national standards bodies with EU standards-making. This should be progressed from 2021 onwards.

As noted earlier, in fulfilling the EU's aspirations to be a globally leading green and digital economy, an effective and timely standards system will confer a critical advantage. Standards-making has rarely featured in European Council conclusions. It is mentioned in the German Presidency Programme, but only in the digital context. The recent German Presidency Conference on Standards for the Green Deal was a welcome signpost for a broader standards agenda. As Parliamentary State Secretary Elisabeth Winkelmeier-Becker told the Conference,

> "We need a strong and unbureaucratic European standardisation system to make the Green Deal a success. [...] The German Council Presidency is now discussing the status and future of European harmonised standards with leading representatives of European industry, standardisation organisations and companies."[58]

It is hoped that these "leading representatives" will apply strong pressure on the German Presidency to take the lead in resolving these growing concerns.[59] However, this must not be just a 'one-off' issue for a sole presidency. The actions needed to establish a globally leading EU standards system must be taken forward by succeeding presidencies and closely monitored by the European Council. This would be a real advance for Europe's competitiveness.

Conclusion

The EU has a strong basis for global standards leadership. It has a mature legislative framework, nurturing inclusive and efficient practices in producing effective and high-quality standards. It has engaged and active partners from the private sector. It has a standards community prepared to invest resources in joint activities to promote the use of standards and improve all aspects of the system. In the strategically vital digital domain, it has a long-standing stakeholder partnership shaping the standards agenda.

The European standardisation system, however, continues to be faced with a series of challenges. These challenges must be addressed if Europe is to achieve its strategic objectives and retake its role as a global standard-setter. EU political leaders must recognise that a well-functioning standardisation system is crucial to achieve strategic autonomy. Internationally adopted

standards are not just a competitiveness advantage. They are also fundamental in ensuring sustainable, safe, secure and cyber-proof societies. To exploit fast-evolving technologies, the fast delivery of standards is essential. If Europe can fix its standardisation system and get it right, it will have all it needs to retake global leadership in standard-setting.

EU political leaders must recognise that a well-functioning standardisation system is crucial to achieve strategic autonomy.

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The activities under this programme are often carried out in cooperation with other EPC programmes, with whom there are overlaps and common interests. This is the case for work related to Brexit and differentiated integration, skills and labour markets, sustainability and strategic autonomy.