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NOTE

From: CY, CZ, DE, DK, EE, EL, ES, FI, HU, IE, LU, MT, NL, PL, RO, SE and SK delegations

To: Council (Competitiveness)

Subject: Competitiveness (Internal Market, Industry, Research and Space)
Council on 27 May 2021

- Any other business item
- EU industry competitiveness and effective harmonised standardisation

Delegations will find attached a note from seventeen delegations concerning the AOB item EU Industry competitiveness and effective harmonised standardisation – on the agenda of the Competitiveness Council meeting on 27 May 2021.

EU Industry competitiveness and effective harmonised standardisation

- Joint request for an AOB point in the Competitiveness Council meeting on the 27 May 2021 by Cyprus, the Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Ireland, Luxembourg, Malta, the Netherlands, Poland, Romania, the Slovak Republic, Spain and Sweden -

Background

On July 1st 2020, 17 Member States expressed their concerns about current, urgent challenges to the European system for harmonised standards in a joint non-paper (see attached).

In August 2020, Germany published a legal opinion on the European system of harmonised standards, focusing on questions concerning potential liability risks in standardisation processes, the coordination between the European standardisation organisations and the EU Commission prior to the publication of a harmonised standard, as well as the role of the standardisation organisations and the Member States in the EU Committee on Standards.

In March 2021, a Spain-Netherlands non-paper on *Strategic autonomy while preserving an open economy* (see attached), made reference to standards under the section 'Future-oriented industry Policy', and expressed the need for a well-functioning Single Market with state-of-the-art harmonized standards to facilitate more industrial and technological cooperation across Member States.

On February 25th, the Competitiveness Council held a debate under the agenda item "European Semester - National Recovery and Resilience Plans as an instrument for delivering on Industrial Policy goals: strengthening the Single Market, the Twin Transitions and the Strategic Autonomy in an Open EU". The document circulated by the Presidency of the Council (WK2062 / 2021INIT) included the following reference to the role of standardisation in support of the internal market as a vehicle for the recovery of the economy:

The Single Market is the vehicle for a quick recovery and long-term performance. It can deliver increased scale, competitiveness, value and trust for all, particularly when taking advantage of standardization to propel the European solutions to the global stage.

During the political debate, several Member States highlighted that a well-functioning European standardisation system is key to support the Single Market and the implementation of the Industrial Strategy.

In parallel, Business Europe, together with a series of European industrial associations, in coordination with the European standardisation bodies, CEN, CENELEC and ETSI, sent a statement to the Portuguese Presidency of the Competitiveness Council and to the Member States also requesting that this matter was dealt with within the framework of the first item on the agenda of the meeting on the 25th of February.

European industry wanted to draw the attention of the Chair of the Competitiveness Council and Member States to the negative impact of the problems that the European standardisation system is currently facing, the impact that these issues are having on the competitiveness of European industry and its effects in terms of loss of potential for economic recovery from the crisis.

The current way of working could potentially jeopardise the proper functioning of the European standardisation system, which is a pillar of the Single Market and a key to supporting European

policy goals such as the green and digital transitions. This could, have important negative effects for Member States' economies and companies, among which the following can be highlighted: loss of speed in market access, reduction of the capacity for innovation, additional costs for the industry due to the lack of technical harmonisation and market access certificates, etc.

The Commission has expressed on several cases the need for joint solutions in this area. Most recently, the Commission has accommodated concerns expressed by Member States and other stakeholders regarding the revision of the Blue Guide.

Proposal:

It is necessary to recover confidence and appropriate timing in the harmonised technical standardisation system and find a way to establish efficient procedures to develop solutions (technical standards) that are according to the state of the art and meet the deadlines that the market demands, in order to support European policy goals such as the green and digital transitions.

In this regard, we invite the Commission to keep in mind the following recommendations, which were put forward by Member States in a joint non-paper last year. We believe that these actions will contribute to the proper functioning of the European standardisation system and be a first step to providing the necessary legal certainty to both the European Commission and Council, to standardisation bodies and to industry:

- 1) Find the right balance in standardisation requests between qualitative requirements set by EU legislation and flexibility for the European Standardisation Organisations required for state-of-the-art standards, for example by including a commitment to flexibility in the mandate's article text.
- 2) Publish clear criteria for technical evaluation of harmonised standards to align expectations between the Commission and standardisation experts, thereby avoiding a situation where key harmonised standards for the green and digital transition could suffer an unnecessary delay.
- 3) Ensure a short processing time for citation of new harmonised standards in the Official Journal of the European Union, for example by introducing KPIs.

As a next step, we urge the Commission to engage with stakeholders in a constructive and inclusive manner to find solutions to the current challenges to the system and reach a common understanding of the development of harmonised standards, keeping in mind that a well-functioning standardisation system is key to supporting the objectives of European technological sovereignty, the twin green and digital transitions and the economic recovery.

Finally, we would suggest the Competitiveness Council to consider entrusting the Working Party on Technical Harmonisation with the monitoring of the ongoing debate about the European standardisation system and to report back on the progress made in addressing the imbalances previously described.