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From:	Trio Presidency
To:	Working Party on Competitiveness and Growth (High Level)
Subject:	Background paper on Standardisation and its role for a competitive green and digital transition

Delegations will find in Annex a Trio Presidency background paper on Standardisation and its role for a competitive green and digital transition, in view of the meeting of the Working Party on Competitiveness and Growth (High Level) on 19 May 2022.

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Background paper from the Trio Presidency – Standardisation and its role for a competitive green and digital transition

Over the last 30 years, European standards have played a key role in the development of the single market. The current challenge is to deliver on the twin green and digital transition within an increasingly competitive global context. As the Commission points out in the Standardisation Strategy[1], the ability to shape international standards for digital products, processes and services as global benchmarks will be essential for the EU's competitiveness. 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 addition, the assertive stance to standardisation taken by third countries has led to a renewed focus on the strategic importance of standards.

In the Standardisation Strategy, the Commission put forward a set of proposed actions aiming at putting standards back at the core of a resilient, green and digital EU single market and to strengthen the global role of the European standardisation system. Against this background, the Commission announces that it will launch a process of reviewing existing standards with the aim of identifying needs for revisions or development of new standards.

A new High-Level Forum would help the Commission to set priorities, advise on future standardisation needs, coordinate effective representation of European interests in international standardisation fora and ensure that European standardisation activities meet EU-policy needs.

On a technical level, the Commission will establish an EU excellence hub on standards headed by a Chief Standardisation Officer to better coordinate and leverage the existing standardisation expertise scattered within the Commission, EU agencies and Joint Undertakings. The hub would be expected to work in close collaboration with Member States.

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[1]   Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions: An EU Strategy on Standardisation - Setting global standards in support of a resilient, green and digital EU single market (ST 5959/22)

The Commission has also pointed out the need to work on solutions and set clear targets to accelerate every step of the development of standards that underpin the implementation of EU legislation. This requires enhanced efforts from all sides. It involves improving consistency of newly developed standards with EU law in order to facilitate their timely adoption. Furthermore, it requires European Standardisation Organisations (ESOs) to reduce the time between adoption of a harmonised standard and its formal delivery to the Commission. The Commission has advanced with its assessment of the most pertinent areas where harmonised standards could improve competitiveness and reduce market barriers, including service standards. The Commission is engaging with stakeholders to bring this work on business services forward. Technical standardization is a vital but often overlooked part of implementation of EU policies. Recent experience demonstrates the importance of initiating this work as early as possible in parallel with the preparation of new or revised regulations. According to studies undertaken by contractors on behalf of the Commission, there is little systematic and official information in the reports to the Commission on the involvement of public authorities in standardisation activities. The issue of inclusiveness has also been raised.

In this context, it is evident that lessons from recent developments need to be drawn and that the EU Standardisation System will demand an active engagement in these issues both at a European level by the Council and at a national level by Member States.

The importance of definitions and standards for a competitive green and digital transition
Innovations and new sustainable production methods are needed if the EU's climate goals and the goals in the Paris Agreement are to be met. Standards and definitions are key for businesses to be able to showcase their progress towards fossil free products to create demand and attract investments.

New production methods are often, at least initially, more costly than conventional ones. New climate friendly production methods cost 20–30 per cent more for steel, 70–115 per cent more for cement, and potentially 15–60 per cent for chemicals (plastics and ammonia). Companies must be able to motivate potentially higher costs for their products with objective facts, such as the carbon footprint of the product. This can create market value for first movers. Definitions and standards can also ensure comparison of information to build trust, both for companies along the value chains and end-consumers. Through green public procurement, new green and innovative products and solutions can quickly be placed on the markets. However, green public procurement depends on uniform and scientifically based definitions and ways of measuring sustainability.

The Commission has launched a number of initiatives aiming at creating definitions, measurement methods and standards for fossil footprints. It is of great importance that these become relevant and usable, which requires active participation from industry as well as a clear anchoring in the industry and society.

With the objective of making sustainable products the norm, on 30 March 2022, the European Commission presented their proposal for a framework for setting ecodesign requirements for sustainable products. The purpose is to set out a new EU policy framework for sustainable products and help achieve the EU's climate neutrality and circular economy objectives. The proposal is a framework for setting ecodesign requirements based on the sustainability and circularity aspects, and for reducing carbon and environmental footprints of products. Close alignment is necessary between environmental sustainability requirements laid down in the ecodesign regulation and those provided for in product-specific standardisation instruments, such as the recently proposed on regulation construction products.

The upcoming Commission initiative on Green Claims complements the ecodesign requirements for sustainable products by increasing the reliability, comparability and verifiability of environmental claims about products

The framework for setting ecodesign requirements for sustainable products and Green Claims initiative rely on definitions and measurements of carbon and environmental footprints. Within the EU there is the EU Product Environmental Footprint, a life cycle assessment-based method to measure and communicate the potential life cycle environmental impact of products (goods or services). The Environmental Product Declaration is an independently verified document that provides transparent and comparable information about the environmental impact of products and services.

In sum, the aim of the discussion in the HLG is to give a better overview of the purpose and the follow-up of the Standardisation Strategy, its content and added value in the view of the EU Member States. Moreover, the HLG is invited to discuss how the EU through definitions and standards can create a business case for green products and services.

For a fruitful discussion, the trio presidency would like to invite the delegations to respond to the following questions:

Questions

1. *In your view, what should be the role of the Council and the Member States in the High-Level Forum and the EU excellence hub on standards in relation to the Standardisation Strategy objectives?*

2. *How can the COMPET Council promote the development of standards that reflect European objectives for the green and digital transition while ensuring stakeholders voluntary commitment to develop definitions and standards that suit their needs?*

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