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Orgalime recommendations on the future of European standardisation

Based on the final report of the study conducted by Ernst & Young
on the request of the European Commission

Introduction

Much time has been already spent on analysing how European standardisation performs in preceding years (for example in the EXPRESS group's work). That was followed by the adoption of a new Regulation EU 1025/2012, which we expected could lead to a period of legal certainty and stability. Nonetheless, the European Commission contracted a consulting company to conduct an "independent review" of the so-called "European Standardisation system" (ESS), on the basis of its own 'vision' in [COM\(2011\)311](#).

Although we believe it is too early to draw conclusions – as stability is needed for the whole set-up of the ESS –, Orgalime welcomes the overall positive assessment of how the private and independent European standardisation organisations perform against the five EC strategic objectives, namely "*speed, innovation, and the 'inclusiveness' of stakeholders in standardisation*".

Executive summary

We believe that the European Commission should not overestimate the ESS' potential to support its Internal Market strategy for products and services and beyond, societal changes. This is particularly the case with regard to innovation, growth and competitiveness of our industry as well as other challenges such as climate change or ageing populations. Such challenges firstly require political will and adequate legal framework conditions. Only then may standards constitute as effective supportive tools for stakeholders to address solutions in their respective environment.

In particular, it is our view that the ESS is currently satisfactorily contributing to companies' competitiveness within the Internal Market mainly by facilitating their access to the market across the 28 EU Member States, by removing conflicting national standards, and thereby facilitating the free movement of goods. We hope the ESS will maintain its supportive role for companies to supply their products and services throughout all EU countries. We see **no strong evidence for revising Regulation EU 1025/2012** in the short-term.

We are pleased to comment on some of the 13 recommendations provided in the so-called "*independent review of the ESS*" hereafter called "the Report" and provide our own constructive recommendations in relation with the areas of interest to the European Commission.

Orgalime, the European Engineering Industries Association, speaks for 43 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 24 European countries. The industry employs some 10.3 million people in the EU and in 2014 accounted for more than €1,825 billion of annual output. The industry accounts for over a quarter of manufacturing output and a third of the manufactured exports of the European Union.

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1. Orgalime comments on the recommendations about the governance of European standards organisations

Commission's objective: Improve the efficiency and consistency of the ESS processes, through the improvement of planning capabilities (rec. 3.1) and the introduction of more flexibility in standards development (rec. 1.1), the coordination at International, European and national level (rec. 4.3, 5.1), and the full transparency of the processes (rec. 2.3).

Recommendation 1 – Improve the speed of standards development through an alternative scheme for specific standardisation needs

Orgalime welcomes the Report's conclusion that a "one fits all solution cannot be envisaged" and therefore one can conclude that this "strategic objective is achieved or (...) not at all" (page 111).

Indeed, choosing the suitable process/ scheme for a standardisation activity may vary depending on the type of standard and industry branch. Stakeholders and experts in CEN and CENELEC Technical Committees are best positioned to judge what should prevail in terms of timing, consensus building and quality of the resulting standard, under the scrutiny of 'New Approach'/NLF consultants. We believe that to date, CEN and CENELEC offer sufficient, flexible processes/ schemes with regard to those aspects.

Orgalime members acknowledge the need for an efficient and timely standardisation process. This applies both to the phase of development of standards and the phase called "compliance check" by the European Commission of adopted harmonised standards.

Orgalime recommendations to the European Commission to ensure the timely citation of adopted harmonised standards in the OJEU:

1. **Refrain from interfering with CEN and CENELEC's established practices** in technical committees with regards to the drafting of the informative "Annex Z" to harmonised standards for an increasing number of 'New Approach'/ NLF Directives. This would speed-up the timely citation of adopted harmonised standards in the Official Journal of the EU (OJEU).
2. **Ensure the involvement of either a technically qualified Commission desk officer or a so-called 'New Approach consultant' in the standard's development** with a view to assess the compliance of the final deliverable with the legal requirements that are meant to be supported and the standardisation request/mandate. This would enable the Commission to speed up the citation of adopted standards in the OJEU, which is currently delayed by nearly 4 months on average, as rightly pointed out by the study (See Clause 4.1.2, page 54 and Clause 4.5.2, page 85).
3. **Provide and consistently ensure timely financial support for the involvement of so-called 'New Approach consultants'**, at least until the European Commission and the ESOs have agreed on possible alternative solutions for the "compliance check" of adopted harmonised standards with EU legislation, and have established these accordingly.

We welcome the recommendation to involve industry in striking a balance, on a case –by-case basis depending on the needs of each sector, between "speed with other interests, including quality of standards and level of involvement of stakeholders" (Clause 5.3.1 on page 122).

Recommendation 6 – Anticipate needs through strategic and operational planning

We agree with the Report's statement that standardisation strategy should result from the "contribution of the stakeholders involved in the ESS through a bottom-up approach" (Clause 5.3.3, p. 130) – provided of course that it includes industry stakeholders!

However, we disagree with the recommendations made under this point that the European Commission should get involved in such strategic planning of industry's needs. Even if the supportive role of the ESS in the innovation process is recognised, especially in advanced manufacturing technologies and complex systems with a large number of interfaces (Industry 4.0), its potential to promote innovation must be realistically analysed and should not be overstated.

The ESS was never designed to anticipate business needs nor those of the EU legislator and should not try to do so. We do not consider it appropriate to extend the practices from the ICT sector (ICT RP) that have completely different objectives with regard to the coherence of standards, due to the particular conditions of the ICT sector compared to other sectors.

Orgalime recommendations to the European Commission:

1. **Put emphasis on stimulating and enabling the ESS to unleash its real strength** which is still essentially driven forward by voluntary experts from industry and other businesses: this strength lays in the ESS' ability to provide concrete (technical) specifications to facilitate and support the application of 'New-Approach'-like legislation and policies in daily practice. Therefore we call on the European Commission to maintain the attractiveness of European harmonised standards to companies operating in Europe, by refraining from harnessing their development process with too many constraints that are at odds with standards users' expectations in a highly competitive global market.

This requires in practice that the European Commission should preserve what made the ESS' success over the past 30 years:

- a) Flexibility and market-driven standardisation initiatives which are possible thanks to open/ framework mandates, that are not strictly bound to the Union Work Programme (UWP) or to too specific and detailed standardisation requests which do not allow stakeholders to specify the best possible solutions;
- b) Flexibility in the elaboration of new standards without too many bureaucratic requests to allegedly facilitate the compliance check with EU legislation (no one-size-fits-all model for content and format of the informative Annex Z);

2. **Involve industry stakeholders as early as possible in the strategic planning of new Commission standardisation requests so as to ensure a reality check to meet market needs**, in the spirit of Article 12 of the Regulation EU 1025/2012 and Article 10.2 of the EU Treaty. A good way to do so is to implement a broader dialogue platform. The multi-stakeholder platform for ICT standardisation (ICT MSP) may not provide a best practice example, but gives a clue to a possible solution. Such a dialogue platform would swiftly reveal problems and opportunities for finding solutions in due time (see recommendation 6 and page 130). This could be already done without regulatory change by acknowledging the participation of INGRESS – the INdustry GRoup on European Standardisation Strategy, a multi-industry stakeholder platform – in the Committee on Standards.

Recommendation 12 – Strengthen the link between standardisation activities at international level and EU policy and legislative needs, and identify priority areas of work at international level

Orgalime does not believe that this recommendation of the Report is either needed or feasible. As the EU's main exporting industry – we represent over a third of the EU's manufacturing exports – we believe that internationally accepted standards matter more for European industry's future development and markets than the global relevance of European standards.

The main purpose of the ESS is to facilitate market access within the Internal Market and to ensure that international standards can as much as possible be transposed into European standards without unjustified 'regional' (European) deviations. European industry favours standards developed by ISO and IEC platforms to access global markets.

Orgalime recommendation to the European Commission:

Ensure that draft EC standardisation requests will support the ability of European standards to contribute the long-term competitiveness of the European industry by acknowledging CEN and CENELEC's ability to continue using internationally accepted standards – preferably ISO and IEC standards – as a basis for the adoption of European harmonised standards. Likewise, it will offer the same level-playing field for manufacturers operating within the EU as on global market and reduce the number of European-regional deviations to existing international standards.

2. Orgalime comments on the recommendations about the interaction between policy makers, ESOs and other standardisation stakeholders

Commission's objective: Ensure efficient and transparent information flows and improved collaboration between the different actors who contribute to the ESS, also through the implementation of the most adequate information systems and tools.

Recommendation 2 – Leverage on Research and Innovation projects – and other pre-normative activities - to favour the timely start of standardisation activities

We disagree with the conclusion of the Report, which states that there is room for exploiting the potential to produce standards in all research and innovation projects (page 124). Only in rare cases, will standardisation be of relevance in support to innovation (for example with regard to standardisation project for terminology, basic test methods or interoperability).

The main purpose of a Research and Innovation project is to "think outside the box". Standards are – and should remain - a description of '*the state of the art*', that is a well-tested procedure conducted by market operators which may sometimes enable them to innovate "above the baseline". For our sectors, standardisation activities to harmonise market access conditions for products and services are by far the most important factor.

Engineering practices also indicate numerous examples where the implementation of innovations in the market does not require any standardisation. In these company-or sector-specific cases, a top down "prescribed" standardisation programme would risk creating a straightjacket for industry, restricting flexibility to innovate, as is the case for example for construction materials where standards are mandatory. Consequently, it would be inappropriate to conceive an EU-funded Research and Innovation project to establish standards as if the technological paths could be one-way driven by a single consortium.

Therefore, we are concerned that the European Commission should be considering this.

Orgalime recommendation to the European Commission:

Promote awareness-raising between Research and Innovation community on the one hand and standardisation stakeholders – including industry – on the other hand, without trying to impose top-down pre-conceived objectives on standards deliverables, allegedly in support of innovation. The European Commission should rather improve the framework conditions for European standardisation prominently for the large majority of other standardisation objectives, which are important for industry's competitiveness.

Recommendation 9 – Ensure involvement and participation of Annex III organisations in standardisation

Regulation 1025/2012 provides the legal framework for the participation of certain societal stakeholders in the standardisation process.

Participation in standardisation work is as “appropriate” as stakeholders’ genuine interest and degree of expertise dedicated to it. We support the idea of improving the consensus-building of the European standardisation process and an independent appeal procedure which would take due consideration of a sustained opposition at TC level.

We see however no reason to restrict such a procedure which may be applied during an on-going standardisation project to Annex III stakeholders. For that purpose, it should be entirely up to ESOs to decide the conditions and procedures to put it in place to do it, free from any interference from public authorities.

Orgalime recommendations to the European Commission:

Continue efforts to support, promote and stimulate awareness raising at national and European levels of stakeholders that are potentially interested using standards and getting involved into standardisation – especially SMEs. This can be done most effectively by taking better consideration of the dense network of national trade associations that make sure that ESOs’ governance provides the right facilitation and support for the balanced participation of all stakeholders, especially SMEs (application of the “think small first principle”)¹.

Recommendation 13 – Develop partnership with SDOs and other standardisation related projects (e.g. ETP) outside the ESS for a coordinated approach to the identification of the needs and standards development

Orgalime does not agree with the Report in saying that it is European standardisation primary task to establish partnerships around the globe or to establish “shared strategies” with other standardisation platforms to anticipate the needs of standards users. This recommendation which could be relevant in the ICT sector is not justified for the large majority of other sectors. For accessing global markets, the engineering industries favour standards from ISO and IEC platforms and support the Vienna and Dresden agreements to streamline standards from these platforms into European standards.

As explained above, we are convinced that the main value of the ESS is to facilitate market access within the Internal Market and to ensure that international standards could, as much as possible, be transposed into European standards without unjustified ‘regional’ (European) deviations. Besides, in the large majority of cases, European stakeholders could develop, via the Vienna and Dresden agreements, harmonised European standards under ISO and IEC that match the essential requirements devised in the EU legislation. Currently, well proven mechanisms exist to solve possible conflicts, such as the Global Relevance Policy of ISO (CEN) and the Common Modification Approach of CENELEC (IEC).

Orgalime Recommendation to the European Commission:

The European Union should endorse the principle of harmonising safety objectives and other policy requirements at the international level so as to maximise chances of alignment with ISO and IEC standards. This would facilitate access to global trade for European companies, esp. SMEs.

The on-going negotiations on the TTIP could offer a good showcase of what could be achievable in other areas. We believe that such a regulatory dialogue could start by identifying common regulatory objectives to help approximate legal requirements in the electrical and mechanical

¹ Cf. Orgalime trade associations’ best practices to promote access to standardisation to their member companies, especially SMEs ([published](#) on 22 October 2010).

engineering fields. This step is in our view necessary for standards to be recognised as globally relevant, as these would effectively respond to regulatory needs and market needs both in the US and in the EU. Co-operation within the UNECE has shown that it works for ICT equipment (GSM, peripherals, WLAN, PSTN, Bluetooth...), earth-moving machinery (machinery safety) and equipment intended for use in explosive atmospheres (ATEX). Moreover, it would increase the regulatory influence of the EU and US on third markets, facilitating the circulation of our products in these markets.

3. Orgalime comments on the recommendations on communication about European standardisation

Commission's objective: Improve the communication about the ESS, in order to strengthen its capacity and to reach a range of stakeholders as wide as possible.

Recommendation 3 – Ensure SMEs participation in the development and use of standards

Orgalime welcomes the various statements and findings of the Report on the difficulties that small businesses encounter to understand and get interested in using standards (see clause 5.1.2, p.111). However, the barriers that SMEs face "*to both take part in the standardisation process and use standards*" are not different than in many other areas in the course of their business: while these are obviously linked with their small size and their subsequent lack of resources and awareness about standards, it is also largely due to the absence of direct relevance of standards as business tools to perform their core business activities. This is especially true for the huge variety of SMEs from small self-employed or one staff member companies – mostly in the service, trade or craft sectors – to medium sized companies. Depending on the business sector and size, SMEs have very different needs and expectations. It is crucial to take this real-life complexity into account. We consider that mapping SMEs' needs and expectations from standardisation would be beneficial for improving their influence on the standardisation process.

Those SMEs that are too small to take part in the standard-setting process rely on work developed in national mirror-committees and their representatives, namely in CEN and CENELEC's national member committees. Considering that the vast majority of standardisation projects cover issues along the business value chain, we are convinced that sector specific trade associations are the most able and effective at representing the views of SMEs from their branch in both national and European technical and policy co-ordination platforms (see footnote on page 5).

Orgalime is actively involved with other stakeholders in advising CEN and CENELEC on adopting a more effective approach to ensure the market relevance of proposed new standard projects, which would be particularly helpful for SMEs. This would allow them to focus their limited resources on those standardisation projects that really matter to companies, including SMEs.

Orgalime recommendation to the European Commission:

To improve the participation of **SMEs** in the development and use of standards, we call for a **detailed mapping of their needs and expectations**. This could be conducted sector by sector by collecting input from legitimate trade bodies that are already representing the interests of their small businesses at national and EU level. It would help provide a more refined co-ordinated response for the participation of SMEs in standardisation than by privileging the general recommendations of a single horizontal SME-focused organisation only.

Recommendation 4 – Educate on the European standardisation

Orgalime very much welcomes this Recommendation. The most important barrier to access standards is not the purchase price but the ignorance of the economic and technical gains that the application of standards can provide for companies, especially SMEs. This starts with a lack of awareness of standards in general, and of specific standards relevant to their needs. Although the purchase price is clear, enterprises often do not know how to calculate the benefit of using standards because they are not aware of the added value of standards for their own company.

Orgalime recommendations to the European Commission:

1. Member States and the European Commission should promote education about the role of standards at all levels and the benefits of using them, for example in economic and technical schools to start with;
2. Further on, we invite national standards organisations to enhance their cooperation with trade associations in order to provide ad hoc simple-to-grasp information to SMEs on the benefits provided by standards.

Conclusion

Overall, we believe that the European standardisation organisations provide a satisfactory response to the needs of companies established in Europe. The European standards that they develop with the expertise of industry experts and other stakeholders are regarded as useful to harmonise companies' access to the whole of the EU single market and to facilitate their compliance with EU legislation when they place products on one of the Member State's market. Therefore we see **no strong evidence for revising Regulation EU 1025/2012** in the short-term.

We thank you in advance for taking these recommendations into consideration for implementing Regulation EU 1025/2012 and future standardisation policy.

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