EUROPEAN STANDARDISATION: CURRENT CHALLENGES - FUTURE ACTIONS

IMCO

2010
Abstract

European standards can contribute to the development of the European internal market. EU standardisation is managed by independent organisations promoting cooperation amongst industry, users, public authorities and other interested parties on a voluntary basis. Despite the European Standardisation System's success, there are a number of challenges still to be addressed: greater participation of societal stakeholders in the standardisation process; use of standards in the services sector; improved access to EU standards; use of standards in public procurement; and reinforcement of EU's role in international standardisation.
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ANEC</td>
<td>European Association for the Co-ordination of Consumer Representation in Standardisation</td>
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<tr>
<td>BRIC</td>
<td>Brazil - Russia - India - China</td>
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<td>CEN</td>
<td>European Committee for Standardisation (Comité Européen de Normalisation)</td>
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<td>CENELEC</td>
<td>European Committee for Electrotechnical Standardisation (Comité Européen de Normalisation Electronique)</td>
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<td>EC</td>
<td>European Community</td>
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<td>ECOS</td>
<td>European Environmental Citizens Organisation for Standardisation</td>
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<td>EFTA</td>
<td>European Free Trade Association</td>
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<td>EN</td>
<td>European Standard</td>
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<td>ESO</td>
<td>European Standardisation Organisation</td>
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<td>ESS</td>
<td>European Standardisation System</td>
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<td>ETUI</td>
<td>European Trade Union Institute for Research, Education and Health and Safety</td>
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<td>ETSI</td>
<td>European Telecommunications Standards Institute</td>
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<td>EU</td>
<td>European Union</td>
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<td>EXPRESS</td>
<td>Expert Panel for the Review of the European Standardisation System</td>
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<td>ICT</td>
<td>Information and Communication Technologies</td>
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<td>IEC</td>
<td>International Electrotechnical Commission</td>
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<td>ISO</td>
<td>International Organisation for Standardisation</td>
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<td>ITU</td>
<td>International Telecommunication Union</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>MSA</td>
<td>Member State Authority</td>
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<td>NC</td>
<td>National Committee</td>
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<td>NORMAPME</td>
<td>The European Office of Crafts, Trades and SMEs for Standardisation</td>
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<td>NSB</td>
<td>National Standardisation Body</td>
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<td>NSO</td>
<td>National Standards Organisation</td>
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<tr>
<td>SDO</td>
<td>Standard Developing Organisation</td>
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<td>SME</td>
<td>Small and Medium Enterprise</td>
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<td>TBT</td>
<td>Technical Barriers to Trade</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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EXECUTIVE SUMMARY

The aim of this briefing paper is to collect and analyse information, based on the request of the European Parliament's Committee on Internal Market and Consumer Protection (IMCO). The paper was not expected to arrive at 'conclusions' or deliver concrete 'recommendations' as to which of the various provisions or options covered here should be promoted. Instead, this paper is intended to mainly identify remaining challenges along with potential policy options that could be used in order to address these challenges in the following areas of standardisation: improving participation of all interested parties and societal stakeholders (consumers, SMEs, NGOs, public authorities, etc) throughout all stages of the standardisation process; extending the use of standards to new areas of European legislation, in particular in the area of services, as foreseen in Directive 2006/123/EC on services in the internal market; improving access to European Standards developed in support of EU legislation and policies; limiting obstacles to the use of standards in public procurement; reinforcing the role of Europe in international standardisation.

The European Standardisation System

European standards can contribute to the development of the European internal market. Within the EU, standardisation derives from cooperation amongst industry, users, public authorities and other interested parties on a voluntary basis and is managed by independent organisations. The legal foundations and the main characteristics of the European Standardisation System (ESS) are spelled out in Directive 98/34/EC laying down a procedure for the provision of information in the field of technical standards and regulations and of rules on Information Society services, which recognises three European Standardisation Organisations (ESOs - CEN, CENELEC and ETSI) and renders possible for the Commission to request these organisations to undertake standardisation projects in particular domains. According to Decision 1673/2006/EC, the three ESOs are partly funded by the European Union. European standardisation in the ICT sector is covered by Council Decision 87/95/EEC.

Participation in the Standardisation Process

The adoption of standards can be promoted when all parties engage actively in the standard setting process. The contribution of societal stakeholders - representing consumers, workers, health and safety, or environmental interests - to standardisation procedures offers to the whole endeavour a significant aspect of legitimacy rendering European standards more representative. The actual degree of participation to the standardisation process depends on several parameters: sufficient information on the standards setting procedures; stakeholder understanding of the advantages attached to standardisation; rules on the participation of specific organisations to the standardisation process; possibilities for the various stakeholders to influence the development of standards; availability of resources in terms of money, time and expertise. Public authorities and standards bodies have thus a crucial role to play in increasing stakeholders' participation in national standard setting processes. To this direction, the application of proven, user-friendly, electronic working methods for both standard development and the wider public consultation could encourage more effective stakeholder participation, along with training in raising awareness and knowledge of the use of already available systems at the national level.

Standardisation of Services

The Lisbon Council identified the need to open up the internal market to services, a major source of economic development in the EU. At the regulatory level, standards have been
elaborated only with regard to products and ICT services. The development of service standards thus could lead to increased transparency and quality, promoting competition and innovation. The Services Directive provides that, where appropriate, the Commission could issue a mandate for the drawing up of specific European standards. The Commission should also fully comply with the procedures laid down in Directive 98/34/EC establishing a procedure for the provision of information in the field of technical standards. Therefore, the prospect of further opening up the scope of Directive 98/34/EC to services is being widely discussed. Additionally, further standardisation needs in the services sector should be identified on the basis of a cost/benefit analysis, and more support should be offered to ESOs in their efforts to make businesses, governments and consumers aware of the benefits derived from standards for services.

**Access to EU Harmonised Standards**

European standards created by CEN, CENELEC and NSBs can be purchased by interested parties following publication, whereas the organisations participating in the standards development process in ETSI pay for the development of these standards. A basic issue therefore is whether further financial support should be provided for the development and dissemination of standards in support of European policies and legislation. The main advantages attached to the provision of EU Harmonised Standards free of charge are: increased use by SMEs and better implementation of EU New Approach legislation. Nevertheless, such a development could disrupt the existing business and funding model. To this direction, less intrusive options can be taken into account such as the creation of bundles of standards offered at discounted prices, or of summaries of standards disseminated free of charge.

**Standards in Public Procurement**

The adoption of standards in public procurement is another area of major interest. Public procurement contracts need to comply with Directive 2004/18/EC on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts, which establishes the distinction between formal standards and other technical specifications, for which a description of functional requirements is additionally demanded. When public authorities define the technical specifications of a contract, they can either refer to national standards, European standards, international standards, or national technical specifications relating to various parameters of the contract and other common technical specifications. The use of national standards and national technical specifications in public procurement might limit cross-border trade and distort competition. A basic challenge in the field of public procurement standardisation thus is to convince public authorities about the benefits of using (European) standards throughout the entire procurement process. Public authorities need more information on international standards, so that they can generalise their use in the technical specifications of tenders and participate more actively in the standard setting process.

**EU’s Role in International Standardisation**

Finally, the EU plays an important role in international standardisation too. The ESS commitment to international standardisation is established in the Vienna and Dresden Agreements and the working methods of ETSI. The main problem in this area is that the international approach of European standardisation – one standard, one test – is not always applicable in the ISO and IEC context. What is more, there are claims that European companies are obstructed to use international standards because in some markets ISO and IEC standards are not recognised. Nevertheless, the ESS should try to address the challenges of globalisation, supporting innovation, and extending Europe’s international role and positioning.
1. INTRODUCTION

Standards are provisions agreed by consensus and approved by an established body. They enshrine guidelines, rules or characteristics for activities and seek to establish the optimum level of regulation of these activities. Standards can contribute to better quality, interoperability, facilitation of communication and promotion of health and environmental objectives.¹

Figure 1: Hierarchy of Law, Regulations, Standards and Private Specifications

Within the EU, standardisation derives from cooperation amongst industry, users, public authorities and other interested parties on a voluntary basis and is managed by independent organisations. The legal foundations and the main characteristics of the European Standardisation System (ESS) were laid down in Directive 98/34/EC,² which recognised three European Standardisation Organisations (ESOs: CEN, CENELEC and ETSI) and rendered possible for the Commission to request these organisations to undertake standardisation projects in particular domains. ESOs are the qualified organisations that produce officially recognised European harmonised standards (ENs). Compliance with these standards entails a presumption of conformity to EU legislation (New Approach Directives). According to Decision 1673/2006/EC³ the three ESOs are partly funded by the European Union. Finally, Council Decision 87/95/EEC⁴ offers supplementary provisions with respect to European standardisation in the ICT sector, that focus on the implementation of standards so as to reinforce, for example, interoperability.⁵

⁴ Council Decision 87/95/EEC on standardisation in the field of information technology and telecommunications, 22 December 1986.
CENELEC offers standards in the electro-technical field; ETSI is active in the area of electronic communications and ICT; CEN develops standards for the majority of goods, systems and services. These three ESOs cooperate with each other in an attempt to avoid duplication, gaps and overlapping standards. CEN and CENELEC’s memberships include EU Member States’ National Standards Bodies (NSBs) and NSBs from the EFTA countries and Croatia, and are open to participation of European neighbouring countries. CEN and CENELEC develop European standards following the “national delegation principle”: the various NSBs and National Committees (NC) present to CEN/CENELEC their preferences as these have been formulated in national mirror technical committees among all stakeholders. Once the standards are adopted by CEN/CENELEC, each of the National Standards Bodies/National Committees adopts the European Standard as an identical national standard and withdraws any national standards which conflict with the new European Standard. Hence one European Standard becomes the national standard in all member countries of CEN/CENELEC.7

ETSI has more than 700 member organisations, individual members and national administrations coming from more than 60 countries all over the world. It also involves societal stakeholders included in the ETSI “User” category. The development of ETSI Standards involves interaction between the ETSI Technical Organisation, the ETSI members and the ETSI National Standards Organisations (NSOs).8 The general conditions for the Standards Making Process are defined by the ETSI Directives,9 in particular the Technical Working Procedures.10 The process itself consists, of: identifying needs for standardisation; defining the most suitable technical committee for such standardisation; identification, definition, approval and adoption of work items; drafting, editing and publication.11

European standards contribute to the development of the European internal market. What is more, they promote and facilitate the application of European policies and legislation following the New Approach concept in major industrial sectors.12 The significance of European standardisation in support of EU legislation has been recognised in the legislative package providing a common framework for marketing products (New Legislative Framework). Additionally, the Council and the Commission have pointed out in many policy documents the considerable contribution that standardisation can make to European competitiveness, innovation and other policies.13 Finally, the European Parliament is currently preparing an own-initiative report on ‘The Future of European Standardisation’14 which will feed into the current debate on the review of the European Standardisation System.

7 Ibid.
8 Throughout this briefing paper the abbreviation NSB is used as shorthand for all recognised national standards organisations combined. In general, the specific acronyms used by ESOs are the following: NSB is used by CEN, NC is used by CENELEC and NSO is used by ETSI.
9 http://www.etsi.org/WebSite/AboutETSI/HowWeWork/Directives.aspx
10 http://portal.etsi.org/directives/
12 20 years ago, the New Approach enabled the different European Standardisation Organisations to take part in the legislative make-up. Indeed, the European Standardisation Organisations, together with the European Commission and EFTA, have been involved in a successful partnership providing one of the key elements necessary to complete the Single Market. The European Union directives known as the "New Approach directives" define "essential requirements" as to health, safety and environment issues. Products must meet these requirements in order to be placed on the European market.
In spite of the progress and considerable success of the European Standardisation System, there are still a number of challenges as outlined in various policy documents and recent studies.\textsuperscript{15} This briefing paper limits itself to discuss the following issues as identified by the European Parliament's Committee on Internal Market and Consumer Protection (IMCO):

1. Improving participation of all interested parties and societal stakeholders (consumers, SMEs, NGOs, public authorities, etc) throughout all stages of the standardisation process;

2. Extending the use of standards to new areas of European legislation, in particular in the area of services, as foreseen in Directive 2006/123/EC on services in the internal market;

3. Improving access to European Standards developed in support of EU legislation and policies;

4. Limiting obstacles to the use of standards in public procurement;

5. Reinforcing the role of Europe in international standardisation.

Figure 2: Flow chart - Development of European Standards

1. Identification of a need for a new standard
2. Formal request to the relevant standards body
3. Consideration by the appropriate Committee
   - (YES)
   - (NO)  Review of the request and the need for the standard
4. Drafting the standard by experts and building consensus on its content
5. Validation through public consultation and voting procedures
6. Publication of the standard

Source: European Standardisation flyer - Questions and answers, DG Enterprise and Industry
2. IMPROVED PARTICIPATION IN THE STANDARDISATION PROCESS

2.1. Challenges

The adoption of standards can be promoted when all parties engage actively in the standard setting process. The contribution of societal stakeholders - representing consumers, workers, health and safety, or environmental interests - to standardisation procedures offers to the whole endeavour a significant aspect of legitimacy and accountability, improves the quality of the consensus and renders European standards more representative.

The actual degree of participation to the standardisation process depends on several parameters:16

- sufficient information on the standards setting procedures,
- stakeholder understanding of the advantages attached to standardisation,
- rules on the participation of specific organisations to the standardisation process,
- possibilities for the various stakeholders to influence the development of standards,
- availability of resources in terms of money, time and expertise.

More specifically, many SMEs are aware of the importance of standards for their business, but they often do not know whether and how they could actively participate in the standards' development process. Additionally, SMEs have difficulty to assess whether their involvement in the standardisation process would be worth the investment of both time and resources, not to mention that often SMEs are not even aware of the standardisation projects that it would make sense for them to participate in. Finally, many SMEs are discouraged from participating in standards setting procedures due to their incapacity to initiate new standardisation activities in areas that are of their immediate interest.17

NGOs promoting societal and public interests point out as the main participation barrier the lack of financial resources: budget for travel expenses and costs of participation. This situation combined with the large industry representation and the lack of sufficient, comprehensive information leads to the underrepresentation of NGOs. Finally, the lack of voting rights often results to these stakeholders being perceived as second-class citizens.18

Trade unions have only a limited participation in standardisation organisations due to lack of interest in technical subjects. Additionally, limited comprehension of the importance of standardisation is another serious factor. When it comes to the participation of universities and research organisations, their main concern is the lack of financial resources, whereas public authorities and large enterprises face only minor difficulties due to the lack of sufficient comprehension of the benefits associated to the standardisation process.19

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17 H. de Vries, K. Blind et al., 'SME access to European standardisation: Enabling small and medium sized enterprises to achieve greater benefit from standards and from involvement in standardisation', Rotterdam School of Management, Erasmus University, 2009, pp.: 17-18.
19 Ibid.
To address these deficiencies, the Commission and EFTA countries,\(^{20}\) provide societal stakeholders with financial support so that they can participate more effectively in the European standardisation procedure.\(^{21}\) Additionally, calls have been made to give voting rights to ANEC, ECOS, NORMAPME and ETUI in the standardisation process in CEN and CENELEC.\(^{22}\) Furthermore, ANEC has suggested that ESOs should examine the model used to develop the ISO 26000 standard on Social Responsibility as a means to improve societal participation to the standards setting processes at least in fields that are key to the public interest. To that direction, some well-defined categories of societal stakeholders should be identified (for instance: industry, consumers, government, labour, etc.) and NSBs could nominate only one person in each category to the Working group. This could facilitate the expression of all stakeholders' perspectives.\(^{23}\)

At this point, it must be emphasised that CEN and CENELEC consider the national delegation principle as the cornerstone of the ESS process that enables technical harmonisation in Europe, the enforcement of European Standards at national level, the dissemination of innovation and easy access to all stakeholders, including SMEs.\(^{24}\)

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\(^{21}\) The Commission also funds national standards bodies for the translation of standards into EU languages other than the working languages of the European Standards Organisations.


Nevertheless, there are stakeholder groups, which are hardly represented at national level. The national delegation principle has its limits and needs corrections where specific interests cannot be heard. To that direction, a single vote for each European stakeholder organisation representing a specific societal interest, although rather symbolic, could politically be a very good indicator for the real level of consensus in a given standard.25

2.2. Policy Options

The ESOs and NSBs try to adopt open door policies, whereby all societal stakeholders can participate in standards development. Still, a “balanced” or “appropriate” participation of all relevant stakeholders is not always achieved for many reasons. Most importantly, there is increasingly a shortage of experts in some sectors and lack of sufficient financial resources.26 Public authorities and standards bodies have thus a crucial role to play in increasing stakeholders’ participation in national standard setting processes.27 What is more, European organisations representing these stakeholders could also contribute to improved participation at national level. To this direction, increased engagement could be promoted via more targeted information, evidence and case studies to relevant societal groups.

More specifically, the following options could be considered:

- Application of proven, user-friendly, electronic working methods for both standard development and the wider public consultation to encourage more effective stakeholder participation. Additional support and training in raising awareness of already available systems at the national level could be envisaged. 28

- EU/EFTA Member States should work closely with the ESOs and NSBs in order to improve the awareness of societal stakeholders of the benefits from participating in standardisation. This could lead to increased and active participation of all parties through existing NGOs, or if needed through the establishment of new national stakeholder groups.29

- Member States should be monitoring the balance of representation of stakeholders in NSB committees, reporting to the Commission on actions in support of participation of SMEs, NGOs, consumer organisations and trade unions. Nonetheless, the costs attached to a future national implementing and monitoring mechanism must be taken into account along with the practical utility of the resulting information.30

- Provide free access to national committees for SMEs, NGOs, consumer organisations and trade unions. Alternatively, only minority stakeholder groups (not including SMEs) could be exempted from participation tariffs, taking into account that SMEs are actual

beneficiaries of the standardisation process. Additionally, the costs associated with the provision of free access to these groups should be estimated.\textsuperscript{31}

- Effective appeal mechanisms should be introduced in CEN and CENELEC that societal stakeholders could use in case of fundamental disagreements.\textsuperscript{32}

- The stakeholder model used for the development of the ISO 26000 standard should be applied as an alternative to the usual model of standards development for items that are key to the public interest or where the public interest is especially sensitive. Such a decision could be taken in the 98/34 Committee (in which the societal representatives sit as permanent rather than occasional members), prior to the development of a mandate.\textsuperscript{33}

- Finally, ensuring that draft European Standards are correctly translated in the three working languages of CEN/CENELEC (English, French, and German) could also be helpful. It is important that translations of these drafts are correct and accurate for the CEN/CENELEC members to be able to judge them on their merits. Nonetheless, translation is not a simple process and needs expert technical translators.\textsuperscript{34}


\textsuperscript{33} ANEC response to the public consultation of the European Commission on Standardisation, p.6.

3. EXTENSION OF THE USE OF STANDARDS IN THE AREA OF SERVICES

3.1. Challenges

The Lisbon Council identified the need to open up the internal market to services, a major source of economic development in the EU. At the regulatory level, standards have been elaborated only with regard to products and ICT services. A relatively recent study commissioned by the European Parliament showed that standards for services could also contribute to the development of the internal market. The creation of service standards could lead to increased transparency and quality, promote competition and innovation, limit obstacles to trade, and increase consumer protection. Additionally, the Council Conclusions on standardisation and innovation pointed out the innovative potential in the services field and the subsequent development of standards therein in accordance with the provisions of the Services Directive.36

The Services Directive provides that the Commission could issue a mandate for the drawing up of specific European standards when it believes it is appropriate to do so. To this direction, the Commission should comply fully with the procedures laid down in Directive 98/34/EC i.e. the same procedure as used for producing product standards.38 Additionally, Article 26(5) of the Services Directive provides that Member States should cooperate with the Commission in order to encourage the development of voluntary European standards, facilitating compatibility between services supplied by providers in different Member States, information to the recipient and quality of service provision. It thus appears that Member States and the Commission have a wide discretion to decide whether such standards are indeed necessary. Nevertheless, the Directive offers guidance on the parameters that the Member States and the Commission should take into consideration in order to issue a mandate for a service standard: these are the reinforcement of interoperability, the improvement of services' quality and the provision of sufficient information to recipients of services.

Directive 98/48/EC amended Directive 98/34/EC and extended the application of the information procedures to information society services too, excluding radio and television broadcasting services which are covered by Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities. The issue that arises thus is what should be done with regard to non-ICT related services and standardisation therein. Currently, service standards are being created in many European countries and in a plethora of sectors, on the basis of stakeholders' requirements. However, these domestic standards are often based on internal fora or consortia and codes of practice, established by Member States' trade associations, without sufficient societal stakeholder participation therein.40

35 New Professional and Business Related Services: Status and Prospects, PE 404.891.
38 Directive 2006/123/EC, point 102 of the preamble.
Therefore, the prospect of further opening up the scope of Directive 98/34/EC to services is being widely discussed. In a recent study, the possibility of imposing on NSOs the obligation to notify all national service standards to the Commission and of imposing standstill on national service standards development process was addressed. Although service standards are often already reported to the Commission on a voluntary basis, some concerns arise related to additional costs for NSBs and additional workload for the European Commission and Member State Authorities. What is more, participants to the survey highlighted that defining the proper time when national service standards should be notified to the Commission is crucial. Different results can be produced if notification takes places at the beginning of the development of new work items, or when service standards reach the enquiry stage. Finally, halting national procedures and requesting ESOs to develop service standards at EU level could be counterproductive, if prior sufficient demand across the Member States for this standard has not been identified.

3.2. Policy Options

It becomes clear from the above analysis that the emergence of new standards for services has a tremendous potential in the EU. However, current fragmentation of the services sector should be addressed. In that vein, the EXPRESS report made a number of possible suggestions that could improve the existing state of affairs:

- Increase the amount of support offered to ESOs in their efforts to make businesses, governments and consumers aware of the benefits derived from standards for services.

- Identify standardisation needs in the services sector, on the basis of a costs/benefits analysis.

- Secure that the new projects for developing management systems standards in the service sector comply with ISO Guide 72 Guidelines for the justification and development of management system standards.

- Gradually substitute national legislation and accreditation systems for services by systems based on European standards.

- Finally, consider including a wider range of services in the scope of Directive 98/34/EC on information procedures for technical standards and regulations. In that way the same process could be applied both to product and service standardisation and European service standards could serve both the free trade of services in the EU, as well as the prominent position of the EU in the global market.

42 Ibid, pp. 15-33, 131-137.
4. ACCESS TO EUROPEAN STANDARDS

4.1. Challenges

European standards created by CEN, CENELEC and NSBs can be purchased by interested parties following publication, whereas the organisations participating in the standards development process in ETSI pay for the development of these standards. The rationale behind these arrangements is that the development and publication costs attached to the standardisation process must be recovered by the respective organisations so as to ensure the neutrality and independence of this process.

A basic issue with regard to access to standards is whether further financial support should be provided for the dissemination of standards developed to support European policies and legislation. When it comes to the purchase of several standards for a single product or service, the various costs attached therein could become a real problem. Quite often standards include cross-references to other standards, without making clear which of these referenced standards must also be purchased.

There are many advantages attached to the provision of EU Harmonised Standards free of charge. The actual use of European Standards by SMEs could be substantially increased and with it, better implementation of EU New Approach legislation could also be achieved. This could also contribute to the smooth functioning of the internal market. What is more, free access to EU Standards could lead to a wider adoption of these standards even in the international arena, thus initiating trade benefits between Europe and the rest of the world.

Nevertheless, ESOs and NSBs are of the view that there are considerable costs attached to the provision of free access to European harmonised standards. To begin with, such a development could disrupt the existing business and funding model: greater dependence on public funding could distort the system and bring about negative consequences on the attitudes of private stakeholders. Additionally, confusion may be created regarding the reasons why some standards will be provided free of charge while others will not. Most importantly, there is a risk that no sufficient funds could be found either at national or EU level so as to fully compensate NSBs for the losses incurred from such a development.

In this vein, the European Commission ordered a survey in an attempt to identify standardisation bodies' position towards the provision of European Standards free of charge. Accordingly, most NSBs stated that the price of standards is negligible compared to the value they add to industry operators. Also, the majority of MSAs that responded to the survey demonstrated a complete unwillingness or incapacity to finance such a scheme. What is more, the Commission reported that such an endeavour would require a political decision that has not yet been made. Additionally, the current legal framework (Decision 1673/2006) on European standardisation funding would need to be amended. Additionally, little consensus was reached with regard to how any compensation package should be organised. Still, whatever the sources of such a compensation package, full costs incurred by NSBs in supporting the development, implementation, dissemination and distribution of EU harmonised standards should be reimbursed. At this point, it should also be stressed that compensation levels cannot easily be estimated due to huge variations among different

45 Nevertheless, all ETSI standards are publicly available on the Organisation’s website. ETSI thus already provides EU Harmonised Standards free of charge.


48 Ibid., p.140.
NSOs: in fee structures and discounts, in organisational structures and in business models. It thus becomes more difficult to have a harmonised European policy fostering access to standards.

4.2. Policy Options

The above analysis demonstrates that accessibility issues in standards should be addressed effectively, so that end-users and consumers could be sufficiently autonomous.

The following options could potentially prove beneficial:

- Reduction of the number of cross-references: they complicate the situation and it is not always clear whether the standards referenced should also be purchased. Alternatively, the costs related to membership schemes could be limited through the provision of bundles of standards necessary for one single product or service at a discounted price. In parallel, further guidance on complex standards could be provided to users, especially SMEs. 49

- Creation of summaries of standards publicly available free of charge. These summaries could provide information as to whether certain products or services are covered directly in the standard or if they are covered by normative references to other standards. 50 While the overall impact of summaries is deemed to be positive, potential negative aspects should nonetheless also be taken into account: uncertainty as to the actual content of a harmonised EU standard, reduction of sales of complete versions of standards, funding deficiencies.

- Other price limiting measures could also be: reduced standards prices for schools and universities, discounts for standards organisations’ members, subscription collections of standards, promotions with rebates. 51

- Use of ICT tools in distributing information on the standards documents (newsletters, mailing lists, websites) and for making available the standard documents themselves. In fostering this, good practices that exist with several NSOs might be a useful instrument. 52

- Finally, a free-availability-model could be applied on a trial basis for a handful of key pieces of legislation. This could offer safe judgements as to whether the use of the model could be further generalised or whether there is no feasible and sustainable alternative to the purchase of EU standards. 53

50 Ibid, p.27.
52 Ibid., p.13.
5. OBSTACLES TO THE USE OF STANDARDS IN PUBLIC PROCUREMENT

5.1 Challenges

The adoption of standards in public procurement could promote innovation, enabling public authorities to fulfil their tasks properly, especially in lead markets. Public procurement contracts need to comply with Directive 2004/18/EC, which establishes the distinction between formal standards and other technical specifications, for which a description of functional requirements is additionally requested.

More specifically, technical specifications establish the characteristics that a product, supply or service must have in order to become accepted by the national public authorities. These specifications can refer to environmental, design, safety and production preconditions and must be defined in the relevant contract documents without creating unreasonable obstacles to competition.

When public authorities define the technical specifications of a contract, they can either refer to European standards and international standards, or to national standards, national technical specifications relating to various parameters of the contract and to other common technical specifications. However, the requirements on national standards and national technical specifications are not as stringent as those on Harmonised European Standards in the sense that they can differ substantially from one Member State to the other, hampering the integrity and smooth functioning of the internal market by imposing increased additional costs to cross-border operators.

An indicative example is that of public procurement contracts for national defence projects. In this market, national agencies often make reference to existing divergent national standards which limit the size of the market for innovation. Pooling civil and military resources, via reference to multiple-use standards and via the harmonisation of standards for defence procurement, could increase efficiency, offering more incentives to innovation, leading as well to improved quality of public services and public infrastructures and a high customer satisfaction.

56 ‘Standard’ means a technical specification approved by a recognised standardising body for repeated or continuous application, compliance with which is not compulsory and which falls into one of the following categories: international standards, European standards, national standards.
57 ‘Technical specification’, in the case of public supply or service contracts, means a specification in a document defining the required characteristics of a product or a service, such as quality levels, environmental performance levels, design for all requirements (including accessibility for disabled persons) and conformity assessment, performance, use of the product, safety or dimensions, including requirements relevant to the product as regards the name under which the product is sold, terminology, symbols, testing and test methods, packaging, marking and labeling, user instructions, production processes and methods and conformity assessment procedures.
58 For further information on standards and technical specifications in public procurement contracts see: Annex VI Directive 2004/18/EC.
59 Ibid, Article 23(2).
60 Ibid, Article 23(3).
ICT services and products could also serve as an example where additional requirements may prevail. Public authorities procure ICT systems/services and products or components thereof, that fulfil their relevant business requirements, implementing their ICT strategies and infrastructures. Nonetheless, these interfaces should be established through technological references, for instance through product and vendor-neutral standards or specifications which can be applied by different suppliers. This could ensure effective competition among bidders, lower prices in public procurement contracts and increased chances of interoperability between existing and future ICT systems used by other public organisations or by private actors and companies.64

Figure 4: Role of standards in public procurement


5.2. Policy Options

A basic challenge in the field of public procurement standardisation is to convince public authorities about the benefits of using (European) standards throughout the entire procurement process. Public authorities need more information on standards, so that they can generalise their use in the technical specifications of tenders and participate more actively in the standard setting process, offering valuable insight on the demand side in this field.\(^\text{65}\)

To this direction the following options are available:

- Promote the use of guidelines and of good practice\(^\text{66}\) to European administrations at all levels so as to enhance innovation through public procurement.

- Promote the use of standards in public procurement by raising awareness at the procurement bodies and institutions.\(^\text{67}\)

- Improve the professionalism of procurement, hence increasing public sector managers' ability to gain savings from this huge expenditure. Too much public procurement is undertaken without professional support, which results in sub-optimal value for money and unnecessarily high prices being paid for goods, works and services. NSBs could thus help procurement professionals to exploit the full potential of this purchasing power.\(^\text{68}\)

- Update the public procurement provisions of Council Decision 87/95/EEC, laying down the EU standardisation policy in the area of ICT. This decision is obsolete since it focuses on products, disregarding the notion of services and applications as defined nowadays. The reform of this Decision could contribute to easier acquisition of ICT services, applications and products that fulfil their specific requirements and an adequate level of interoperability.\(^\text{69}\)

- Clarify that infrastructures and interoperability frameworks in the context of ICT public procurement strategies must comply with the principles of openness, fairness, objectivity and non-discrimination and the public procurement directives.\(^\text{70}\)


\(^{67}\) M. Reigl, 'Use of Standards in Public Procurement', speaking at EUP/IMCO hearing on 'The Future of European Standardisation', Brussels, 2010-06-23.


6. EUROPE’S ROLE IN INTERNATIONAL STANDARDISATION

6.1. Challenges

The EU plays an important role in international standardisation. This being true, developing economies increase their standards production and relevant alternative policies, thus Europe needs to put further emphasis on crucial sectors of strategic importance, cooperating efficiently with other countries and regions.

The ESS commitment to international standardisation is established in the Vienna\textsuperscript{71} and Dresden\textsuperscript{72} Agreements and the working methods of ETSI.\textsuperscript{73} Vienna and Dresden Agreements have brought about substantial interconnections between European and international standardisation activities, with about 55\% of CEN and 70\% of CENELEC standards being technically equivalent or identical to ISO and IEC standards respectively. This high percentage of uniform standards promotes better implementation of the WTO Agreement on Technical Barriers to Trade on the global market and thus the ESS recognises ISO and IEC as the international standardisation organisations that produce international standards in the fields of CEN and CENELEC. What is more, ETSI has a cooperation agreement with ITU.\textsuperscript{74}

The main problem in this area is that the international approach of European standardisation – one standard, one test – is not always applicable in the ISO and IEC context. More and more countries adopt ISO and IEC standards to reinforce their exports and to abide by their WTO/Technical Barriers to Trade (TBT) commitments. Nevertheless, these countries usually have no formal obligation to withdraw contradictory national standards.\textsuperscript{75}

What is more, there are claims that European companies are obstructed to use international standards because in some markets ISO and IEC standards are not recognised. For example, USA retains a leading position in ISO and IEC; nevertheless, a sectoral standardisation approach is widely promoted in the USA where the use of US-based SDO standards is encouraged in threshold economies such as the BRIC countries.\textsuperscript{76}

\textsuperscript{71} The Agreement on technical cooperation between ISO and CEN (Vienna Agreement): formally approved on 27 June 1991 in Vienna by the CEN Administrative Board following its approval by the ISO Executive Board at its meeting on 16 and 17 May 1991 in Geneva, it replaced the Agreement on exchange of technical information between ISO and CEN (Lisbon Agreement) concluded in 1989. The ‘codified’ Vienna Agreement was approved by ISO Council and the CEN Administrative Board in 2001. The objective of the Vienna Agreement, reached in 1991 between CEN and ISO, is for standards to be recognized simultaneously at international and European level by means of improved exchange of information and mutual representation at meetings.

\textsuperscript{72} IEC/CENELEC agreement on common planning of new work and parallel voting (the ‘Dresden Agreement’), October 1996: the joint planning of new electrical standards projects and parallel voting in the course of the standardisation process have been governed since 1996 by the Dresden Agreement between CENELEC and IEC. This agreement created the necessary framework for an intensive consensus-finding process between European and International standards development activity in the electrical sector.

\textsuperscript{73} ETSI Directives, Version 27, May 2010, available online at: http://portal.etsi.org/directives/27_directives_may_2010.pdf

\textsuperscript{74} http://www.etsi.org/WebSite/AboutETSI/GlobalRole/Ourglobalrole.aspx.


\textsuperscript{76} Ibid.
6.2. Policy Options

The ESS strategic position to support competitiveness, innovation and growth in Europe requires definition of both the regulatory framework and general conditions in which European standardisation should operate in future. The ESS should therefore promote a more systematic involvement in, and commitment to, international standardisation from national sectoral SDOs.

More specifically, the following options could be taken into account:77

- ESOs could create a “thought leadership” work stream to develop ideas on future standardisation initially at European level, presenting them as European-led international standards at a later stage.

- ESOs and EU/EFTA Member States could work towards the establishment of a framework of priorities for innovative areas of standards, supporting new technologies with clear governance processes.

- Neighbouring non-EU countries could be encouraged to adopt European Standards in an attempt to ensure technical and economic coherence of their infrastructures with EU/EFTA countries.

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- EU/EFTA Member States could cooperate closely with ESOs to make better use of standardisation in the context of bi- and multilateral programme dialogues. Emphasis should be laid upon areas of strategic importance in the building of alliances (such as enlargement, EU neighbourhood policy, relations with BRIC countries; and other trade associates).

- The European Commission could co-finance the participation of experts in international standardisation, or at least directly finance translations of European Standards in non-EU official languages so that the reach of European Standards could be substantially improved.78

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