

Discussion Paper

Call for Evidence on the Single Market Strategy January 2025

Executive Summary

CEN and CENELEC welcome the opportunity to contribute to the Single Market Strategy. In this Discussion Paper, CEN and CENELEC elaborates on why standardization is essential to the Single Market and provide recommendations on how to best utilise the benefits of standardization to strengthen the Single Market Strategy.

In particular, CEN and CENELEC ask that the European Commission:

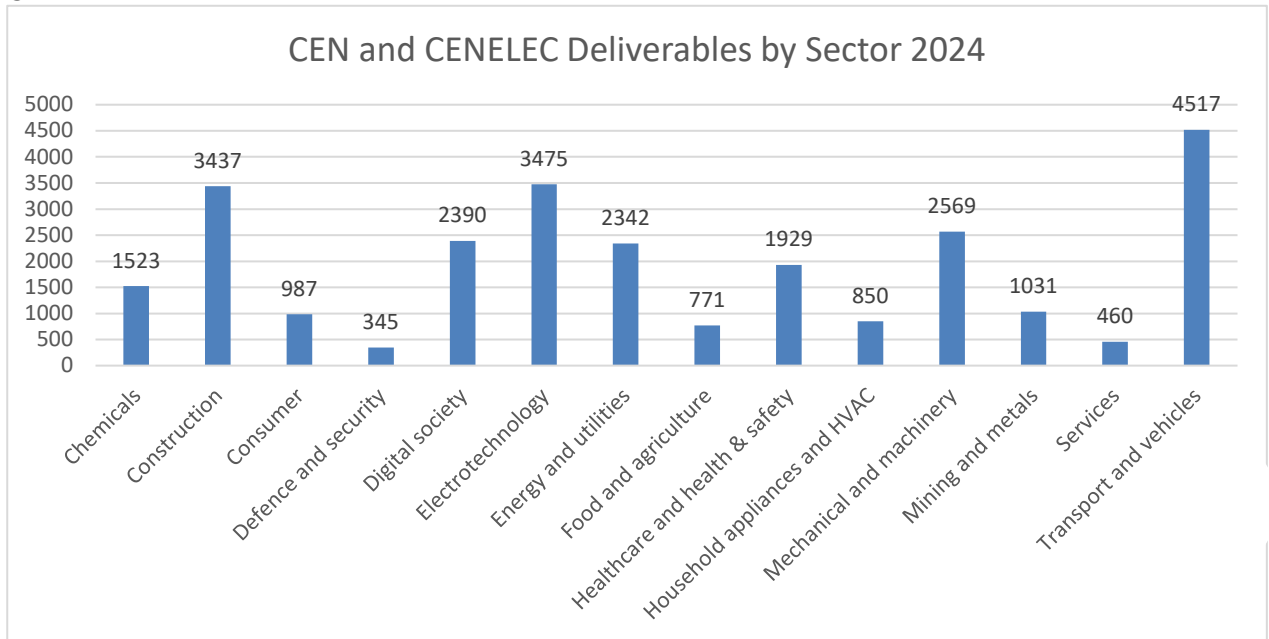
- Consider standardization's importance to economic competitiveness and productivity
- Ensure the long-term stability of the public-private partnership
- Adopt a consistent approach to standardization across different initiatives.
- Ensure that new legislation, where relevant, reference standards through the NLF

Introduction

As Enrico Letta said in *Much More Than A Market (2024)* "It is essential to continue investing in the enhancement and promotion of European standards, reinforcing the Single Market's role as a robust platform that supports innovation, safeguards consumer interests, and promotes sustainable development". CEN and CENELEC, as two of the three official European Standardization Organizations (ESOs), have always been committed to the well-functioning of the Single Market. European standards play a decisive role to build trust, by ensuring products and services meet the highest levels of quality and helping users comply with European legislation through harmonized standards. The longstanding public-private partnership between CEN, CENELEC and the European Union has enabled the growth of the Single Market and as well facilitated cross-border trade.

European Standards (ENs) are developed in a transparent, open, and expert-driven system that responds to the needs of industry while considering social and environmental goals.

Technical experts, nominated by the National Standardization Organisations, come from industry, research institutes, SMEs, consumers, the environment, and other societal stakeholders. With a combined portfolio of around 24.000 standards, CEN and CENELEC contributes to a wide range of sectors including sustainability, artificial intelligence, construction, chemicals, healthcare, mining and metals, etc. European standards are further strengthening the Single Market by expanding to include emerging and clean technologies, using standards to reduce strategic dependencies, and investing in research, education, and skills.



Benefits of the European Standardization System for the Single Market

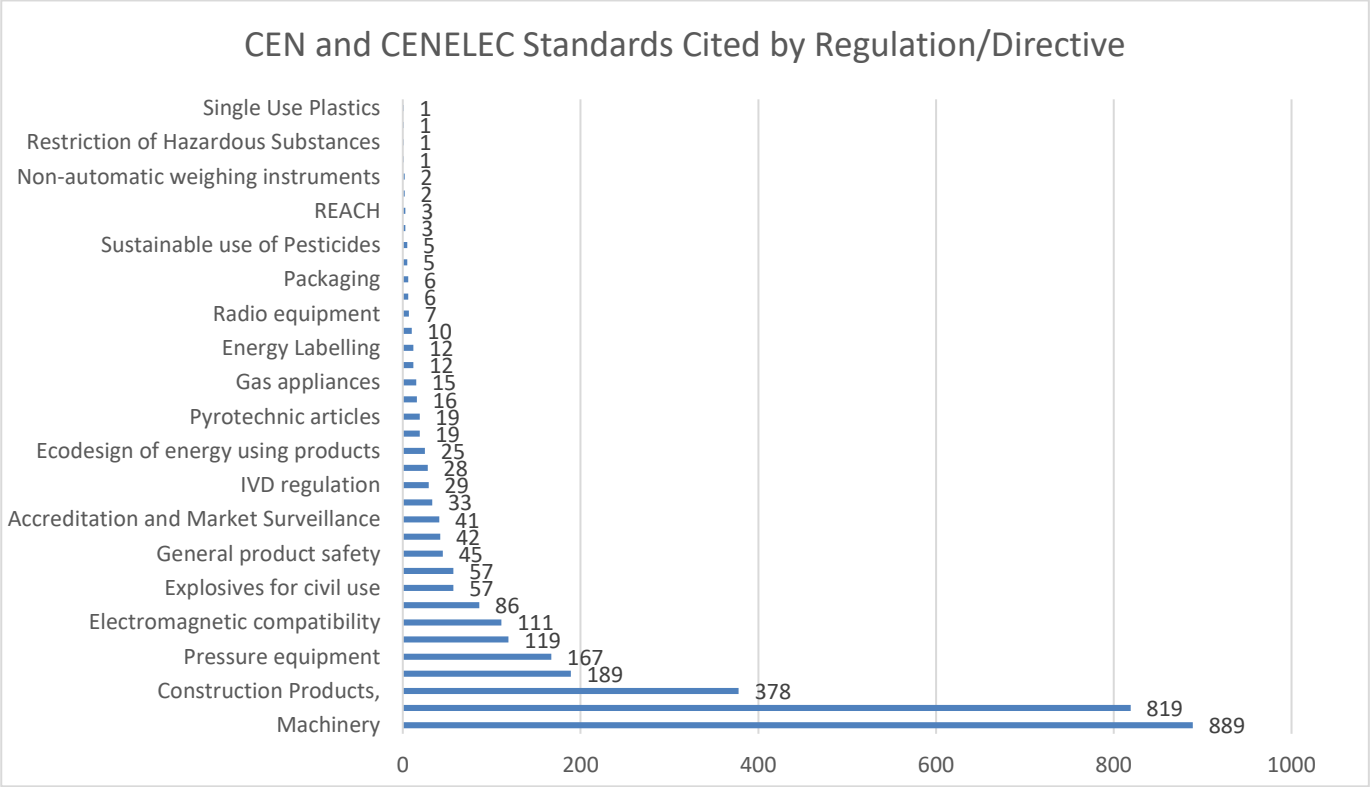
A Modernised Single Market

European Standards are a cornerstone of the Single Market as they ensure the flow of goods and services across the internal market, while facilitating the competitiveness of European Industry. The national delegation principle is at the heart of CEN and CENELEC, based on National Standardization Bodies and National Committees in 34 countries across Europe working together to create one European Standards. Once a European Standard is approved, it is identically implemented at national level by all CEN and CENELEC Members, while conflicting national standards are withdrawn. This ensures that one European Standard is identical across 34 countries, thus truly harmonizing the Single Market.

Simplification and Removal of Administrative Burdens

The New Legislative Framework (NLF) has enabled standards to support legislation in a variety of policy areas, making standardization critical in building the Single Market we know today. At the NLF's core is 'presumption of conformity', meaning that by using a harmonized European Standard listed in the Official Journal of the European Union, a manufacturer is deemed to comply with the regulation. This reduces administrative burden, and the related cost associated with third-party testing and certification. The NLF and

presumption of conformity are key enablers for simplification, ensuring that unnecessary resources do not have to be spent on documentation and conformity assessments.



The use of the NLF also allows for greater flexibility that can respond to state-of-the-art advances and innovation. When there are technical advances, the content of harmonized standards can be revised without having to adapt the legal text. This approach provides a flexible, innovation friendly regulatory framework that supports competitiveness. This has also led to the increased use and adoption of European Standards by other regions of the world, bringing significant advantage to European businesses as it reduces market access barriers to third countries.

Green, Digital and Safe Products and Services

CEN and CENELEC are actively contributing to Europe’s green transition that was identified as key to achieve European competitiveness by Marion Draghi in his report. CEN and CENELEC have ongoing standardization activities in hydrogen, eco-design, carbon capture, Digital Product Passport, and critical raw materials. Regarding the digital transition, European standardization continues to play a vital role in achieving the goals of Europe’s Digital Age. Standardization work in this area includes artificial intelligence, quantum computing and cyber security.

Safety has always been a key priority for CEN and CENELEC. With a system based on consensus and inclusion, European standards build trust as they ensure the products in Europe meet the highest levels of quality and safety. CEN and CENELEC have developed

harmonized standards in support of legislation for consumer safety such as the Machinery Regulation, the Lifts Directive, the Toy Safety Directive, among others. CEN and CENELEC are also meeting new challenges affecting consumers, such as safety concerns for connected products by providing standards to ensure privacy and personal data protection.

European Standardization and the Future of the Single Market

CEN and CENELEC welcome the ambitions to strengthen the Single Market. A stronger Single Market will ensure a new era of simplification, productivity, innovation, and competitiveness. We ask that the European Commission duly includes standardization's role and contribution when developing the Single Market Strategy, specifically:

- Consider standardization's importance to economic competitiveness and productivity.

In a 2023 study done on the macroeconomic benefits of standards, standardization is associated with a 25% increase in labour productivity in the Nordics and the Netherlands from 1970 to 2019¹. Part of this contribution to productivity is that standards are developed through a bottom up and expert driven approach that ensures they reflect the best practices and state of the art innovations of the industries that will implement them. The Strategy should consider the important advantage of maintaining the bottom up, consensus driven approach of the European Standardization System.

- Ensure the long-term stability of the public-private partnership.

To continue providing the Single Market with the tools it needs, there is a need to consider the long-term future and the 'new stability' of the Public-Private Partnership between CEN, CENELEC and the European Commission. This need for stability and regulatory certainty should be considered when approaching the revision of Regulation 1025/2012, as announced in the Competitiveness Compass. As CEN and CENELEC stated [in response to the evaluation](#), the Regulation provides a holistic and well-functioning legal framework to meet standardization needs in Europe. It is essential that any revision maintains the core elements of the Regulation that has supported European Standardization's ability to meet the needs of standards developers and users across the Single Market. The European Commission should also ensure that the revision adequately distinguishes between what requires legislative changes to improve and what can be improved via changes in implementation. CEN and CENELEC have been working to carry out the recommendations from the EC-ESOs taskforce to improve the process of developing harmonized standards. As this taskforce concluded in 2023, some of these recommendations need more time to be implemented before they can be fully evaluated. A revision of 1025/2012 should not sideline or disrupt these concrete steps that are already been taken to improve the system. Long term discussions on the stability of the public-private partnership must also consider the provision of the necessary resources, human and economical, to maintain the sustainability of the partnership.

- Adopt a consistent approach to standardization across different initiatives.

¹ <https://www.menon.no/the-macroeconomic-benefits-of-standardisation/>

The Single Market Strategy should support a consistent approach on standardization among the different legislative initiatives planned under this strategy. A lack of consistency and understanding of standardization in European policies can cause confusion among stakeholders and hinder the positive impact of European Standardization. For example, CEN and CENELEC are working to better connect our standards to the European Sustainability Reporting Standards as ENs have been helping organizations' achieve their ESG objectives for many decades and can be used to improve the robustness of their reporting. While CEN and CENELEC have a Memorandum of Understanding with EFRAG to maximise synergies between these systems, these synergies could have been exploited to the benefit of stakeholders earlier in the legislative process.

- Ensure that new legislation, where relevant, reference standards through the NLF.

The NLF should be the preferred option for new relevant legislative initiatives, as it allows for speed and the need to ensure broad input of requirements. This approach provides a regulatory framework that enables new EU policy initiatives to support innovation. Alternatives to the utilization of standards, like the use of common specifications, do not deliver the same level of openness and inclusion and as such do not accord to the WTO TBT agreement. Furthermore, the NLF enables standards to be an important instrument to bring innovative solutions to the European market and to strengthen the European position in the global competition to find the best solutions for important issues like climate change and the digital transformation. However, new product legislation for the Single Market does not always consistently apply NLF principles. Consequently, the rules are then fragmented, and compliance becomes more difficult for all parties. The Single Market Strategy should ensure the NLF is applied consistently across legislative areas. Furthermore, it is essential that NLF rules are kept up to date. In time, the NLF should be revised to better embrace circular products, digital products, and new production methods, such as 3D printing.