

3 July 2003

**EU TRADE POLICY ON TECHNICAL BARRIERS TO TRADE – A NEW PUSH FOR THE REMOVAL OF
TECHNICAL BARRIERS TO TRADE GLOBALLY**

Executive Summary

TBTs are a concern to industry worldwide. While many other barriers hampering trade and investment have been removed, technical barriers remain difficult to eliminate since they form part of a complex system of national / local standards and product approval schemes with varying ties to government regulation. The current pace of dismantling these barriers is much too slow. This is serious, considering that these barriers hinder trade and investment, efficiency and economic growth. Furthermore, if we do not reform the infrastructure to deal with TBTs in a more efficient and preventive manner, these barriers will continue to increase and multiply with new regulation. Considering that TBT is a potentially serious problem for business under the heading of “non-tariff barriers” it is remarkable that governments have not elaborated more on this issue.

European industry would like to see a new push for global market access and the removal of technical barriers to trade globally. For this the EU needs a more comprehensive and global strategy for removing technical barriers to trade. Such a strategy should be pursued more ambitiously in the WTO as well as regionally / bilaterally and on a sector basis.

WTO

In order for the WTO to be more efficient in removing technical barriers to trade UNICE believes that the ambition needs to be raised encouraging members to regulate with the purpose of facilitating market access and trade. This means that regulations, standards and conformity assessment procedures should be designed and implemented not only with the aim of avoiding “unnecessary obstacles to trade” but also keeping in mind the WTO obligations of necessity, proportionality, least trade-restrictiveness and the use of international standards

UNICE therefore supports the proposal put forward in the European Communities communication on market access for non-agricultural products that WTO members put in place or maintain procedures and criteria, in the context of their domestic regulatory process, to examine regulations affecting market access. Such a proposal would necessitate a modification of the TBT Agreement.

- New mechanisms for addressing technical barriers to trade including a private right of action and a new TBT problem solving mechanism.
- Strengthening the obligation for members to comply with key WTO/ TBT principles such as proportionality, necessity, least trade-restrictiveness etc.
- Strengthening implementation of the “Standards Code of Good Practice” (Annex 3 to the TBT Agreement) and clarifying the definition of “international standard”, for instance by referring to the national delegation principle.
- Stronger obligation and incitements for regulatory cooperation with the goal of harmonisation / equivalence.

- For appropriate sectors, promoting a model for best regulatory practice emphasising reliance on common regulatory objectives and supporting Suppliers' Declaration of Conformity (without the need for mandatory third-party involvement) as the most efficient and least trade-restrictive procedure to demonstrate compliance.
- UNICE would welcome a Code of Good Practice for Conformity Assessment to be developed under the TBT Agreement, to foster acceptance of foreign conformity assessment results.
- UNICE expects the Cancún WTO Ministerial Conference to start negotiations on labelling in general and eco-labelling in particular. These negotiations should aim at improving transparency and facilitating trade, encouraging harmonisation/equivalence of different regional / national labelling schemes.

UNICE urges the EU to address these issues within the framework of the Doha Agenda - either within the market access negotiations or through extending the Doha Development Agenda – and using the upcoming Triennial Review of the TBT Agreement.

Regionally and bilaterally

- Regionally and bilaterally, the EU needs better strategic coordination between its many regional initiatives in the TBT area, including technical assistance. These activities should be in line with the overall global strategy for removing TBTs and facilitating trade. The EU needs to move forward with sector-specific strategies setting specific goals for harmonisation / equivalence of regulations, standards and conformity assessment systems.
- Special priority should be put on developing the EU-US Transatlantic Economic Partnership Agreement, (TEP) in the regulatory and TBT area and implementing the EU-US Guidelines on Regulatory Cooperation.
- EU regulatory cooperation should put more focus on global models for “Best Regulatory Practice” including coordinating and harmonising regulatory objectives for environment, health and safety between major trading partners.
- With regard to conformity assessment, UNICE urges the Commission to put less focus on initiating new Mutual Recognition Agreements (MRAs), make better use of the experience with MRAs to improve regulatory cooperation and coordinate better with private MRA initiatives.
- The EU should concentrate its resources on promoting Suppliers' Declaration of Conformity as an efficient mode for demonstrating conformity and an important part of Best Regulatory Practice.
- While UNICE supports the Commission's promotion of “New Approach” globally, there is serious concern among business that environmental legislation will create trade barriers, harm the Internal Market and fragment “New Approach”.

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With this paper UNICE would like to give its views on the EU's trade policy for removing technical barriers to trade, and some strategic issues to move forward in order to give European industry a better global market access. This also includes giving UNICE's input on Technical barriers to trade (TBT) for the upcoming third Triennial Review of the WTO TBT Agreement and for the Doha Development Agenda (DDA) negotiations.

1. Background on EU and Business priorities for external TBT

TBT are of worldwide industry concern. While many other barriers hampering trade and investment have been removed, technical barriers remain difficult to eliminate since they form part of a complex system of national / local standards and product approval schemes with varying ties to government regulation. The current pace of dismantling these barriers is much too slow. This is serious, considering that these barriers hinder trade and investment, efficiency and economic growth. Furthermore, if we do not reform the infrastructure to deal with TBTs in a more efficient and preventive manner, these barriers will continue to increase and multiply with new regulation.

European industry would like to see a new push for global market access and the removal of technical barriers to trade globally. For this the EU needs a more comprehensive and global strategy for removing technical barriers to trade. Such a strategy should be pursued multilaterally in the WTO as well as regionally / bilaterally and on a sector basis.

European industry has been very active during the last five years promoting global harmonisation and deregulation in a wide range of fora, strengthening the role for international standards and promoting concepts like "One standard, one test accepted everywhere", "Approved Once - Accepted Everywhere", Suppliers' Declaration of Conformity, etc. The main business objective is to achieve *global product acceptance* in line with these concepts.

Business fora like the Industry Cooperation on Standards and Conformity Assessment, ICSCA, The Transatlantic Business Dialogue, TABD, The Mercosur Europe Business Forum, MEBF and the Asia-Europe Business Forum, AEBF give high priority to harmonising regulations, standards and conformity assessment. Business is also active in the OECD/BIAC and the UN/ECE on the same issues. There are also *sector initiatives* within the vehicles, pharmaceuticals, medical equipment, foodstuffs and chemicals sectors to build a global platform for regulatory cooperation and harmonisation.

The main trade objective of the EC (EU) with regard to technical barriers to trade, as stated in the Commission Communication from 1996,¹ is reducing technical barriers overseas, preventing new ones and encouraging trading partners to adopt standards and a regulatory approach compatible with international and European practice and standards. UNICE supported this in its comments on the Commission Communication, dated 26 June 1997.

¹ The instruments and tools for use in EU's external TBT policy are highlighted both in the 1996 Commission Communication and in a Commission Staff Working paper, "Implementing policy for external trade in the field of standards and conformity assessment: A tool box of instruments", (SEC(2001) 1570 from 28 September, 2001). The "tool box" paper does not however give a satisfying reflection of successes and failures and a future indication on new visions and instruments for EU External TBT.

The Commission has put strong focus on the area of conformity assessment using bilateral agreements on Mutual Recognition (MRAs) for specific sectors, as a vehicle for reducing costs of testing and certification. Important cornerstones for the Commission's External TBT policy has also been to globally promote the EU's "New Approach" or similar concepts and alignment on international standards.

2. EU's external TBT - WTO

Considering that TBT is such a potentially serious problem for business under the heading of non-tariff barriers it is remarkable that governments have not elaborated more on this issue under the WTO.

2.1 Proliferation of WTO platforms for progressing on TBT

UNICE sees three possible avenues for addressing TBTs:

- Within the framework of the DDA market access negotiations: Although TBTs are not specifically mentioned in the Doha Declaration, they could be considered as being covered by non-tariff barriers to trade which are included in the mandate of the market access negotiations (paragraph 16 of the Doha Declaration).
- The Triennial review of the TBT Agreement: The upcoming Triennial Review of the TBT Agreement also offers an opportunity to strive for concrete proposals by the TBT Committee on clarifications and amendments to the text of the Agreement aiming at a substantial enhancement of its implementation. These proposals should then be submitted to the Council for Trade in Goods as is foreseen by Art. 15.4 of the Agreement.
- Extending the Doha Development Agenda: The upcoming Ministerial in Mexico could provide an opportunity to enter into negotiations to improve the TBT Agreement.

2.2 Inefficiencies in the TBT Agreement

The following points are examples of inefficiencies in the TBT Agreement:

- The TBT Agreement requires members to use international standards as a basis for technical regulations wherever possible. Although the Agreement states that members "shall use" international standards, in practical terms this requirement does not translate into an obligation for the Member to show that the regulation, standard or conformity assessment procedure is in line with the international standard. For instance, the Agreement requires the Member to refer to an international standard and to use the least trade-restrictive conformity assessment method when regulating, but nothing obliges a Member to motivate its decision when not doing so. And the notification procedure does not sufficiently cover this aspect meaning that there is no transparency on Members' usage of international standards.
- The Agreement stipulates, "technical regulations shall not be more trade-restrictive than necessary to fulfil a legitimate objective, taking account of the risks non-fulfilment would create" (Article 2.2). To date this provision has not yet been put to the test, so that its interpretation remains open. The same goes for other principles in the agreement like proportionality, necessity and the use of international standards.
- The link between the WTO obligations and standards and conformity assessment procedures is weak compared with regulations since private bodies cannot per se be subject to the TBT agreement. That is why the Standards Code of Good Practice has been incorporated into the TBT Agreement. Yet many private standard setting bodies are not bound by the Code of Good Practice. As technical details are often left to "private" standards and conformity assessment procedures, we need stronger obligations and incentives to

coordinate these systems internationally and to create a stronger link to the WTO in order to guarantee transparency and harmonisation/equivalence.

- The WTO / TBT notification system is intended to provide regulatory transparency and serve as an early warning for TBT. However, it is up to the Members to decide whether or not proposals have a “significant effect” on trade. This gives too much room for discrepancies and interpretation.
- Many TBTs cannot be removed without extensive bilateral regulatory cooperation, often on a sector basis. It is therefore a weakness that the TBT Agreement does not contain stronger incentives for regulatory cooperation and best regulatory practice including the goal of harmonisation and equivalence.
- One of the most important means of addressing TBT is to ensure a more efficient implementation and functioning of the TBT Agreement and Standards Code of Good Practice. A more clear definition of what is an international standard is needed.

2.3. Business proposals to remedy TBT issues

2.3.1 Sharpening the TBT Agreement to facilitate market access and trade

UNICE recognizes that the TBT Agreement goes beyond the traditional GATT non-discrimination principle and obliges the membership to ensure that technical regulations do not become unnecessary obstacles to international trade. However, while the TBT Agreement’s notification requirements ensure transparency, they leave the membership with a (too) wide margin of discretion. The TBT Agreement falls short of requiring harmonisation or obliging its members to facilitate market access and trade when regulating.

UNICE believes that the ambition needs to be raised encouraging members to regulate with the purpose of facilitating market access and trade. This means that regulations, standards and conformity assessment procedures should be designed and implemented not only with the aim of avoiding “unnecessary obstacles to trade” but also keeping in mind the WTO obligations of necessity, proportionality, least trade-restrictiveness and the use of international standards. Reinforcing this dimension will enable the WTO to deal with TBT more efficiently and will strengthen the key WTO/TBT obligations with a preventive approach. This should also encourage regulatory cooperation aiming at harmonisation/equivalence.

UNICE therefore supports the proposal put forward in the European Communities communication on market access for non-agricultural products that WTO members put in place or maintain procedures and criteria, in the context of their domestic regulatory process, to examine regulations affecting market access. Such a proposal would necessitate a modification of the TBT Agreement.

Although the TBT Agreement has not been tested in many WTO dispute settlement cases, UNICE calls on the WTO membership to improve the TBT Agreement both substantially and procedurally, in order to meet the needs of business.

2.3.2 New mechanisms for addressing TBTs in WTO

- *New TBT problem-solving mechanism*

There is little WTO case law giving guidance and clarification on the TBT Agreement. There is no mechanism below the level of formal WTO dispute settlement procedure that can deal with the lack of implementation and barriers.

To resolve technical problems swiftly and without disproportionate bureaucratic burden, UNICE strongly urges the EU, within the new round, to propose a new TBT problem-solving mechanism, below the level of formal WTO dispute settlement that can deal with the lack of implementation and barriers.

- *Private right of action for filing complaints under the TBT Agreement*

The WTO should consider the weakness in the present system where it is not possible for other parties than Member States to notify infringements under the Agreement. This leaves the WTO TBT Agreement inaccessible to business even though companies have the best knowledge of TBTs and their effects on trade and competitiveness. Furthermore, today's trans-national trade and structure of many companies, even SMEs, makes the WTO procedure for filing complaints via Member States insufficient. A comparison could be made with the situation in the EU, where companies can notify infringements of free movement to the Commission.

2.3.3 Strengthening the implementation of the “Standards Code” and clarifying the definition of “International Standard”

Incentives for signing on to the Standards Code of Good Practice: The TBT Agreement needs to be implemented more forcefully by giving stronger support for the use of international standards. The EU should consider proposing new mechanisms for strengthening the incentives for signing on to the Standards Code of Good Practice.

Clarification of the definition of “International Standard”: In order to achieve an efficient application of the Agreement, a consistent view of WTO members on how to define the term “international standard” is needed taking the following into account:

- The definition should be clarified with the aim of facilitating market access and trade.
- Reflecting the privilege given to international standards by the Agreement, accountability towards a broad range of interests is a key requisite for international standardising bodies. A common understanding of international standards should therefore build on the WTO-accepted principles² for international standardisation, notably the principles of openness, transparency, impartiality and consensus.
- UNICE also considers that the principle of participation through one national delegation representing all relevant standardising bodies in a WTO member country, as referred to in lit. "G." of the Standards Code of Good Practice,³ is essential for ensuring the accommodation of all relevant interests and should be forcefully promoted by the Commission. Granting an equal voting right to each delegation, the national delegation principle is designed to:

² WTO/G/TBT/9 of 10 November 2000 and Annex 4 thereof; Commission Staff Working Paper on "European Policy Principles on International Standardisation", SEC(2001)1296.

³ WTO/G/TBT/9 of 10 November 2000 and Annex 4 thereof; Commission Staff Working Paper on "European Policy Principles on International Standardisation", SEC(2001)1296.

- Ensure that participation in the work of an international standardising body is on equal terms and without discrimination as to nationality. In fact, the openness principle would be ineffective and void if its scope were limited to merely providing a membership option to WTO members without ensuring that every participating party actually has a say and a vote in the matter. Consideration of comments submitted by participating members, as required by the transparency principle, will be significantly promoted if members have a voting right. Also, equal voting rights for delegations plays a key role in making sure the principles of impartiality and global consensus in the standards preparation and decision-making processes are properly observed;
- Encourage participation of developing countries in the international standardising process. This specific concern of the Doha mandate should be highlighted in upcoming WTO platforms since it is through the national delegation principle that developing countries will be able to effectively influence and shape international standards work in order to ensure that their interests are accounted for in the outcome.

In conclusion, in order to fully leverage the above principles and in view of their significant potential to facilitate global trade, UNICE urges the Commission to strive for *an explicit and exemplary reference* to be made, in the text of the TBT Agreement, to international standardising bodies that have implemented all of these principles, including in particular the national delegation principle, *such as ISO, IEC, and ITU-T*. A starting point could be to develop a formal relationship between the WTO and these major international standard bodies to provide a common platform and to facilitate dialogue.

- **2.3.4 Best regulatory practice**

Analogue to the EU new approach to technical regulations, UNICE proposes that regulators should focus on regulating *essential requirements* for public health, safety and environment, leaving technical details to market-driven *international standards*, bearing in mind that compliance with standards is voluntary. Regulators should use the least trade-restrictive mode of conformity assessment, i.e. *Suppliers Declaration of Conformity (SDoC)*, as the preferred option.

- **2.3.5 Promote a Code regarding conformity assessment procedures**

Along the same lines as the Standards Code of Practice, UNICE would welcome a Code of Good Practice for Conformity Assessment to be developed under the TBT Agreement, to foster acceptance of foreign conformity assessment results. The aim should be to ensure the same understanding of accreditation globally as the last level of control of technical competence. Regulators should align their work on ongoing work in existing fora for harmonising conformity assessment procedures (IAF and ILAC), which have set up international multilateral agreements based on peer evaluation.

2.4 Eco-Labeling

The Agreement on Technical Barriers to Trade (TBT) covers voluntary eco-labels awarded on the grounds of product-related PPMs (process and production methods). However, there is a strong controversy among WTO members as to whether the TBT or the General Agreement on Tariffs and Trade (GATT) applies to voluntary eco-labelling schemes based on non-product-related PPMs. In order to obtain legal certainty UNICE expects the Cancun WTO Ministerial

Conference to start negotiations on eco-labelling. Industry wants clarification on the extent to which the TBT or the GATT applies to voluntary eco-labelling schemes, which are awarded on the basis on non-product-related PPMs.

Whichever agreement finally applies, the TBT Agreement as well as the GATT provide for non-discrimination and most-favoured nation treatment. The principle of non-discrimination requires equal treatment of a product carrying an eco-label and a like-product not carrying an eco-label.

Various approaches can be used to prevent eco-labelling schemes from becoming an unnecessary trade obstacle, including equivalency, mutual recognition of eco-labelling schemes, development of international standards and notification of voluntary eco-labelling schemes under the TBT Agreement. The notion of ecological equivalence is crucial for minimising trade-distorting effects; it means that foreign producers' efforts and achievements are recognised as equivalent to the fulfilment of the legitimate domestic policy objectives and that differing domestic policies and priorities are taken into account whenever these objectives are fulfilled by different but equal methods.⁴

UNICE expects the WTO Ministerial Conference in Cancun to start negotiations on eco-labelling. Industry would like clarification of the extent to which the TBT or the GATT applies to voluntary eco-labelling schemes, which are awarded on the basis of non-product related process and production methods (PPMs).

3. EU's external TBT - regional and bilateral

3.1 Better strategic coordination between regional initiatives.

The Commission has had high regional and bilateral ambitions in the external TBT area, initiating several specific Agreements between the EU and US, a trade facilitation agenda with its ASEM (Asia-Europe Meetings) partners and bilateral and sector-specific Mutual Recognition Agreements in the conformity assessment area. Technical regulations and standards are the thrust of the PECA (Protocol to the European Agreement on conformity assessment and acceptance of industrial products) Agreements between the EU and European candidate countries extending the Internal Market and rules for free movement of goods to these countries. Lastly external TBT is a part of the EU's Trade Agreements with e.g. Mexico and Chile.

From a business perspective, it is difficult to have an overview of all the different EU external TBT initiatives and agreements. There are quite different "packages" and prerequisites depending on region, country and sector.

UNICE would therefore like to see better strategic coordination behind all the different regional initiatives in this area along with better transparency, coordination and stakeholder follow-up. For instance, there should be better strategic coordination and comparison of what EU is doing in its regional dialogues – e.g. transatlantic, ASEM, Mercosur. Also, there should be better coordination with what the EU is doing on a sector-specific level.

⁴ For example, in some industrialised countries the reduction of SO₂ emissions which lead to acid rain is an important goal but may be less important for developing countries. A country suffering from desertification may, on the other hand, award eco-labels for water-saving production techniques. Eco-labelling schemes therefore have to be flexible enough to take into account the regional variations in environmental policies and conditions (criteria of ecological equivalence).

3.2 Putting priority on coordinating regulatory objectives for environment, health and safety

Regulatory cooperation, specifically aimed at coordinating the objectives of environment, health and safety, needs to be better coordinated between the EU and other main trading partners. This coordination needs to be done on a sector-specific and agency level. Most important is enhanced regulatory cooperation between the EU and US.

There is also a serious concern among business that the development of environmental legislation within the EU threatens to fragment the “New Approach” and global alignment of the EU regulatory system. See also section 4.2. With this in mind, EU-US coordination of regulatory objectives in the environmental area is critical.

An end goal for regulatory cooperation between the EU and its counterpart should be to achieve harmonisation or functional equivalence of product requirements, standards and conformity assessment, including labelling schemes. This goal can only be achieved in areas where there is agreement on regulatory objectives.

3.3 EU-US regulatory cooperation – implementing the Guidelines on Regulatory Cooperation and Transparency

The EU and US now have several agreements addressing regulatory issues and regulatory cooperation:

- The EU/US Mutual Recognition Agreements (MRA) addressing duplicative testing for sectors like pharmaceuticals, medical devices, telecom and electrical safety
- The 1999 EU-US Transatlantic Economic Partnership Agreement, which contains important provisions for addressing regulatory cooperation and harmonising product requirements
- The EU-US Guidelines for regulatory cooperation and transparency

In practice we have seen very little come out of these agreements to make life easier for business in the product requirement area, with the exception of the Telecom MRA, which has led to a deregulation both in the EU and the US and hopefully will lead to further facilitation for the ICT business with a switch to Suppliers’ Declaration in low-risk areas.

In the US, on an agency and lower government level, we have seen little commitment to implement the above agreements and improve the EU-US regulatory cooperation. In addition, since many requirements are delegated to private standards and conformity assessment bodies, both the EU and US government will have difficulties implementing the Agreements to have effect on this final level which is critical for business market access. UNICE is especially concerned that the US government, i.e. USTR and DoC, does not have the power to implement agreements calling for regulatory cooperation and harmonisation on lower government levels. The EU needs to take this into account when negotiating future agreements with the US and work around these legal and systemic difficulties.

Regarding EU-US cooperation on international standardisation, UNICE considers it very *important that the US is more active within ISO, IEC and ITU, working within these international bodies to deal with international standards and implementing the results in the US.* The current US strategy of promoting the “US system” does not facilitate market access and trade and is not sustainable for business in the long run since it risks fragmenting the global marketplace.

The EU and US need to rebuild the momentum for EU-US regulatory cooperation. A starting point is moving forward within the TEP in the regulatory and TBT area and implementing the EU-US Guidelines for Regulatory Cooperation and Transparency. The implementation should enable regulatory agencies and other governmental and non-governmental bodies involved in

the regulatory process to use the Guidelines. Using the Guidelines for Regulatory cooperation and nominating pilot projects within these guidelines should be a key priority for the EU. Implementation of the EU-US MRA should be followed through. (see separate section on MRA below).

3.4 Strengthening ASEM work on TBT

UNICE strongly supports the work achieved within ASEM, where key emphasis has been placed on improving alignment on international standards on a sector-by-sector level. An inventory of standards and conformity assessment-related organisations has also been created and is updated at regular intervals. Specific guidelines on “Best Regulatory Practices” and for technical cooperation related to standards, testing, certification, accreditation and technical regulations have been agreed.

The cooperation within ASEM should be seen in the perspective of the US strategy of promoting US rather than international standards which risks fragmenting the market globally and weakening the WTO TBT Agreement. It is thus important for the EU to work within ASEM, counterbalancing US policy.

4. EU’s external TBT - comments on specific priorities and instruments

4.1 Less focus on new MRAs

The EU has negotiated bilateral Mutual Recognition Agreements (MRA) with several key trading partners. These agreements are sector-specific and address conformity assessment with the goal of eliminating double testing. However, several of the agreements have proved difficult to implement and have had little effect on facilitating trade and cutting business costs for conformity assessment. The agreements have nevertheless proved valuable for improving regulatory cooperation.

UNICE urges the Commission to put less focus on initiating new MRAs and make better use of experience with the MRAs to improve regulatory cooperation. The EU suspension of the EU-US MRA electrical safety annex is therefore unfortunate and needs to be compensated by an alternative initiative from the Commission on regulatory cooperation - maybe by nominating this area as a pilot project within the EU-US Guidelines for Regulatory Cooperation.

Better coordination with private MRAs. Private MRAs between testing houses are increasing and may be a more efficient way of improving business market access. The Commission should be better coordinated with the conformity assessment bodies on these private MRA initiatives to minimise double work.

4.2 Promoting “New Approach” internationally and concern over EU fragmentation

Promotion of New Approach internationally has become an important part of the Commission’s External TBT trade policy. Business gives full support to this work. However, this strategy for global alignment only works as long as the EU and other countries use international standards as a base for regulating or giving equivalence to each other’s regulatory objectives and standards. These aspects should be taken into account when promoting and developing the New Approach.

New Approach covers only part of the sectors and products regulated by the EU. It is important to have a global strategy for aligning sectors outside “New Approach”.

At the moment there is serious concern among business that environmental legislation will harm the Internal Market and fragment "New Approach". New EU legislation in the environmental area, whether it is made under "New Approach" or not, is difficult to align internationally. Also, the EU is moving faster than most regions in this area, regulating the environment on a product-specific level. UNICE is therefore seriously concerned that environmental legislation will harm the Internal Market, fragment and reverse the positive effects of the New Approach and lead to serious market access problems both within and outside the EU.

4.3 Technical assistance - better focus, transparency and follow up

Developing countries have had great difficulty implementing and applying the WTO/TBT Agreement and Standards Code of Good Practice. As highlighted by the TBT Committee survey carried out in view of the development of a "demand-driven Technical Cooperation programme", assistance needs have mostly been expressed for the implementation of the TBT Agreement, as well as for information and training on quality infrastructures, and for international contacts and co-operation. Referring to an ISO survey which is in the pipeline on developing countries and the problems they face in standardisation, it is clear that a big problem is the lack of test facilities and lack of awareness of international standards.

- UNICE considers that technical assistance is of utmost importance to assist developing countries in their strive for implementation and application of the WTO/TBT Agreement. *This assistance should be focused on building an efficient and balanced infrastructure for standardisation and conformity assessment, including market surveillance, and on strengthening the application of international standards in accordance with the TBT Agreement and Standards Code of Good Practice.*
- From an industry perspective it is, however, important to give assistance to the building of an infrastructure which works *towards "One standard, one Test, accepted Everywhere" and "Approved Once, Accepted Everywhere"*, i.e. to ensure that new infrastructure does not lead to bureaucracy and barriers to trade in these developing countries, hindering both their own business and foreign competition. UNICE considers that the concept of good regulatory practice for the preparation, adoption and application of technical regulations through the use of international standards should play a key role in this context.

European Industry has been actively involved in a variety of technical assistance projects and programmes, providing consultancy and know-how to less developed countries, either directly or indirectly (e.g. through workshops and programmes organised by the European standardisation organisations, such as CENELEC's "Global Forum"). We welcome and appreciate the Commission taking fulfilment of its commitments in the TBT technical assistance area seriously.

- Looking at the considerable amount of Commission and Member State funded technical assistance programmes / projects in the TBT field (the latest version of the list submitted to the TBT Committee has around 150 entries) and also in view of their effective and efficient development, *UNICE believes that there is a need for more transparency and regular follow-up of allocated resources and how they are geared to TBT.*

Also, as has been stressed by the second triennial review, coordination and cooperation of donor countries and organisations is the key for successful technical assistance. In this regard, UNICE welcomes the developing role of the TBT Committee and suggests its further strengthening in order to more effectively organise the necessary coordination and cooperation and also make sure there is a consistent verification of the progress made.
