



# Establishment of conformity assessment schemes in developing countries

Otto Loesener Diaz - Gerardo Pataconi  
Trade Capacity Building Branch – UNIDO



## Specific LDCs problems

- Poor **physical** facilities/infrastructure
- Limited **academic and research** capabilities and **technical/scientific** know-how/skills
- Inefficient **institutional set up** (Standards and conformity assessment functions, when exist, are scatters among too many institutions)
- Early focus on **mandatory standards** and **inspection**
- **Revenues** generated could not be retained due to the public law status



## Specific LDCs problems

- **Labs** established (even with donor support) **not sustainable** nor related to **demand**
- **Donation of equipment** with poor planning, training, and lacking adequate local physical infrastructure/staff, absorption capacity
- **instability**
- Lack of **funding**
- Lack of **demand**
- Low-level of **manufacturing** due to focus on **commodities**
- Exposed to **barriers to trade** especially **SPS** measures





## Specific LDCs problems

- Poor and uneven **quality** of local products
- National quality infrastructure lacks **credibility** and tests and certificates by local laboratories **not recognized** in export countries.
- Inability of LDCs to utilize **preferential treatment/ market access concessions** <sup>(2)</sup>



(2) A report from the WTO secretariat to the LDC Sub-Committee emphasizes the extremely low level of utilization of market access preferences due to problems with the supply side)



# CONFORMITY ASSESSMENT INFRASTRUCTURE IN DCs

**Is needed?**

**Is there a minimum requirement?**

**Return on Investment?**

**Public vs. Private?**

**National/Regional/Foreign?**







## WHY A CA INFRASTRUCTURE IS NEEDED FOR DCs

- To reduce risk that domestic market could easily be the **dumping ground** for sub-standard and unsafe products.
- To ensure protection of the **environment** and achieve higher **social** responsibility
- To allow the performance of **consumer safety** function (availability of testing facilities, particularly microbiology and chemical testing laboratories and legal metrology).





## WHY A CA INFRASTRUCTURE IS NEEDED FOR DCs

- To **facilitate trade**, access to export markets and generate hard currency
- To increase **custom revenue** generation.

(i.e. Trade and revenue are based on standards and ability of ascertaining the quantum of trade through measurements (weight, volume etc.). National capacity in the area of standards and metrology are the necessary pre-requisites).

- To overcome **risk of rejection** of products in export markets due to lack of conformity (**TBS and SPS**).
- To prevent **unscrupulous traders** from taking advantage of a poor QC infrastructure enforced legal system for inspection, custom control.





## WHY A CA INFRASTRUCTURE IS NEEDED FOR DCs

- To allow **integration** of producers/traders in the global economy
- To help **private sector** to solve quality, compliance and certification problems hampering its aspiration to gain access to export markets and avoid **multiple testing**.
- .....
- To reach **rural areas** where there is no system to test or conduct even basic quality control.
- To facilitate **(re)construction of physical infrastructure**

(i.e. utilization of safe construction materials complying with country defined “standards”, use of accurate measuring devices and testing facilities reducing also vulnerability of houses and physical infrastructure to natural events).







## WHY A CA INFRASTRUCTURE IS NEEDED FOR DCs

- Is there a minimum requirement?
- **Return on Investment?**
- Public vs. Private? (public good?)
- **National/Regional/Foreign?**
- In-house/outsourced
- **What variables should be selected for making the right choice?**



UNIDO is carrying out a research project to develop a model for determining size, cost and impact of the quality infrastructure in developing countries



## LDCs in the international scene

**27** out of 50 LDCs are **members of ISO** – just **4** are full members.

**3** out of 50 LDCs are **members of OIML**

**No LDC is member of ILAC or IAF**

Only the SADC is a special recognition regional group through its Southern African Development Community in Accreditation (SADCA): *Angola, Lesotho, Malawi, Mozambique, Tanzania, and Zambia.*

**31** out of 50 are **members of the WTO** and just **9** have adopted the *code of practice on Standards* of the TBT agreement





# UNIDO IN ACTION



## UNIDO APPROACH

- SUPPLY CAPACITY /  
DIVERSIFICATION:

- **ABILITY TO COMPLY WITH  
REQUIRED STANDARDS AND  
REGULATIONS: TO SECURE  
GREATER MARKET ACCESS:**

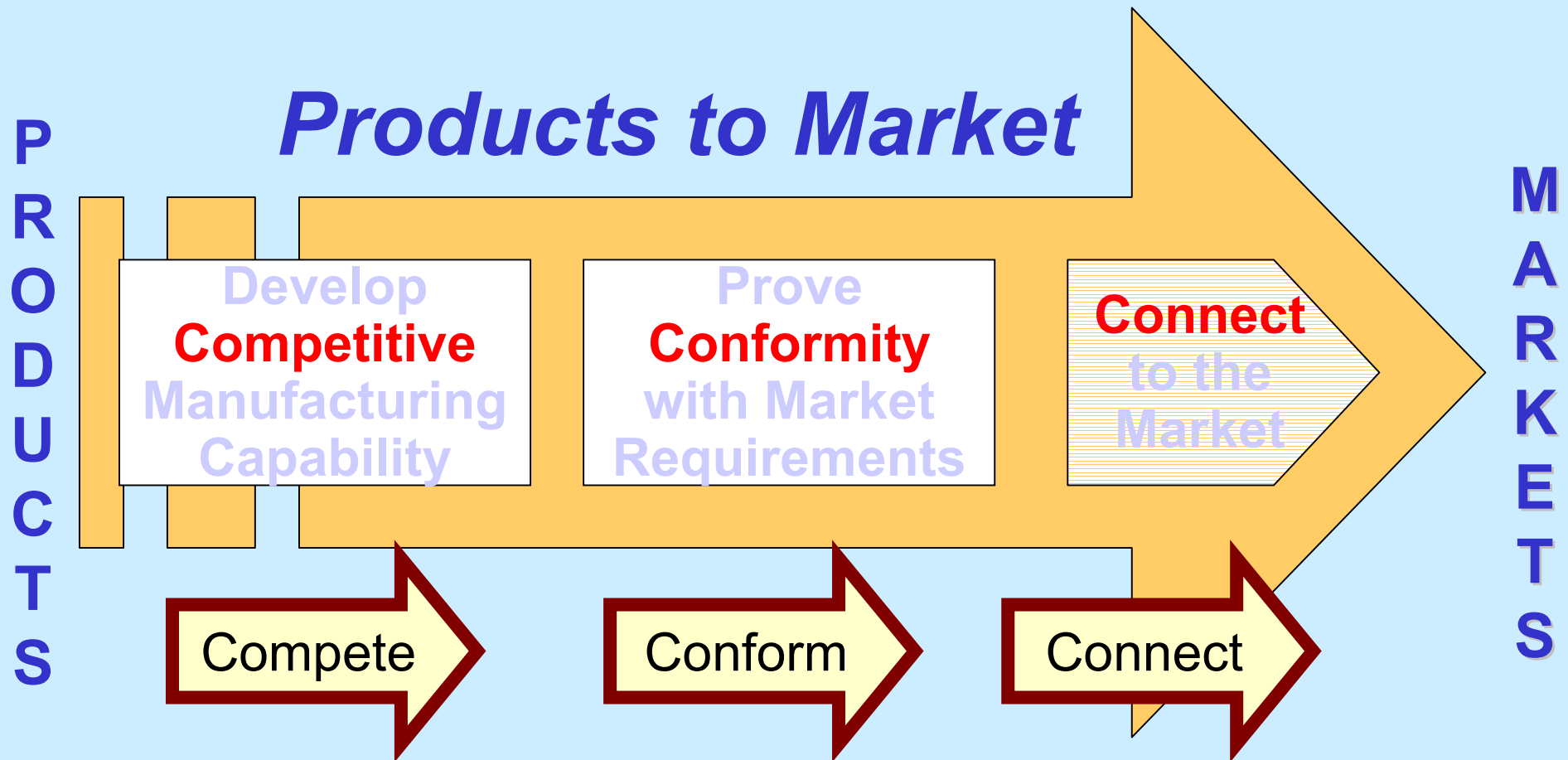
- OVERCOME BARRIERS TO  
TRADE:

- Assist selected productive sectors (export-oriented)

- Upgrading of the Technical, physical and institutional infrastructure: Standards and Conformity Assessment

- Analysis, advice and technical solutions to TBT and SPS problems of developing countries

# TRADE CAPACITY BUILDING

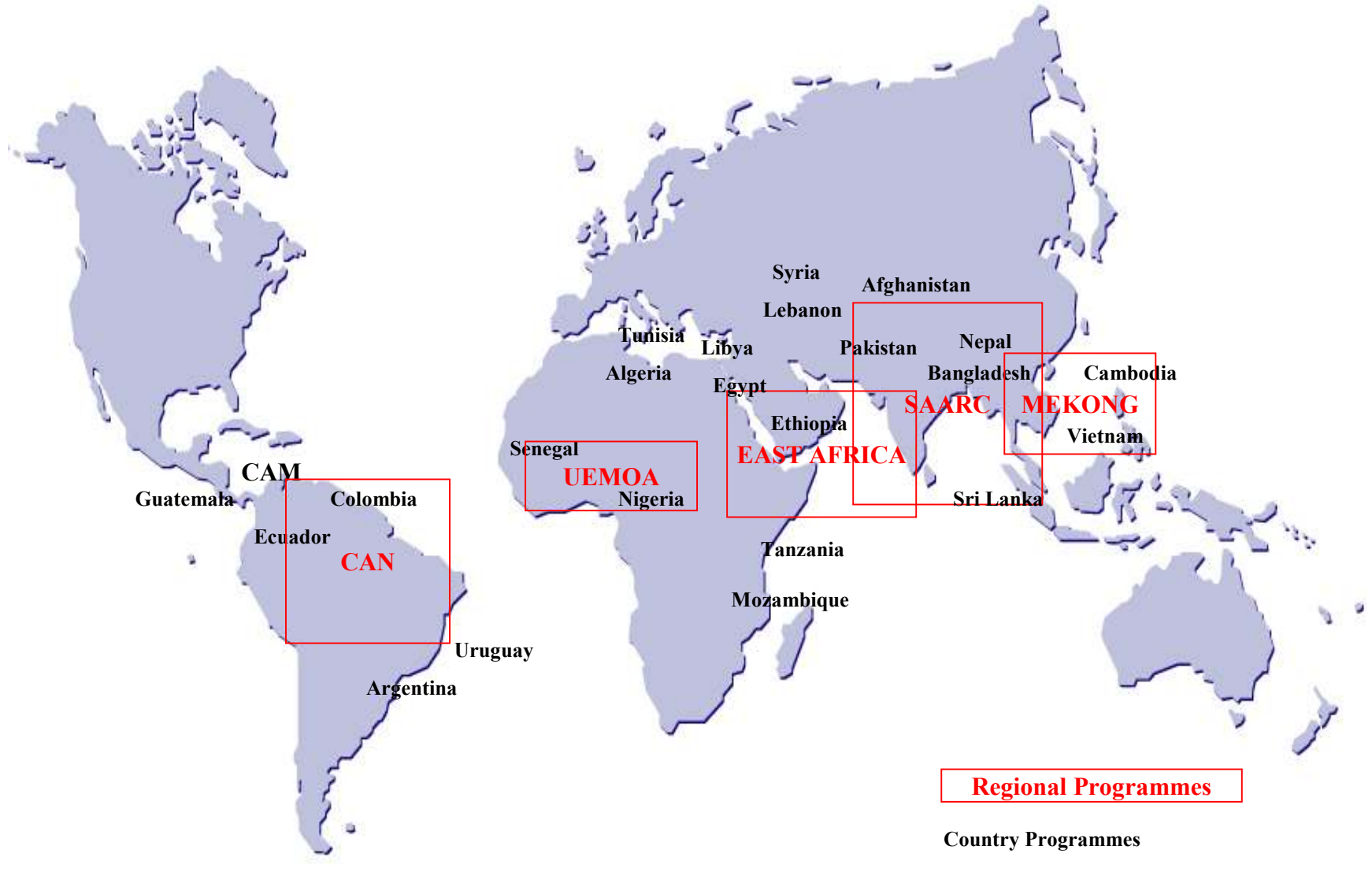


....by upgrading supply capacities and CA infrastructures





# UNIDO ongoing TCB Projects





# UNIDO Funding 2001-2006:

TCB projects implemented by UNIDO have increased from **\$7.6 of 2002 to almost \$40 million in 2004** as reported by the OECD/WTO Doha Development Agenda Trade Capacity Building Database (TCBDB).

TRTA/CB commitments (US\$ million)	2002	2003	2004
Trade Policy and Regulations	2.3	6.4	15.0
Trade Development	5.3	4.6	24.8
Trust Funds	0.0	0.0	0.0

**In 2006, funds reached \$71 million.**



The TCBDB shows UNIDO's main focus on upgrading standards and conformity assessment infrastructure and supply-side capacity to foster access to export markets

## Trade Capacity Building Programme

### **The Challenge:**

No accreditation bodies, and the quality and conformity assessment infrastructure that did exist, was in a precarious situation. Testing laboratories did not comply with international standards and health and safety regulations. No regional harmonization of standards.

### **Specific objective:**

To enhance participation in regional and international trade, by improving capacities in accreditation, standardization and quality promotion, thus enabling the regional harmonization of standards and technical regulations, and international recognition of laboratories.

### **Results:**

- Regional databases, one each on laboratories, standards, and quality have been set up and are available at the national level in all UEMOA Member States;
- Three UEMOA regional conformity assessment bodies: the West African Accreditation System (SOAC); the Regional Secretariat for Metrology (SRM); and the Regional Committee for Quality Coordination (CRCQ);
- Lifting of the ban on shrimp exports from Benin and Togo to the European Union;
- Development, in cooperation with SOSEA and the African Cotton Association, of a cotton standard for Western and Central Africa and upgrading testing labs/classification;
- The programme is strengthening the capacities of some 50 laboratories. Six standards bodies have been assisted. This includes the formulation, adoption and dissemination of around 500 harmonized national standards for specific products;

## Trade Capacity Building Programme

### **The Challenge:**

Export capacity hindered by weak conformity assessment infrastructure

### **Specific objective:**

Help develop the capacity to fulfill international commitments and overcome the technical and other non-tariff barriers that hinder the dynamic expansion of export trade, particularly in third markets.

### **Expected Results:**

- Capacity building in the area of standards, metrology, testing and accreditation to overcome TBT/SPS constraints;
- Enhancing the competitiveness of enterprises through quality and productivity improvements, and supporting the development of mechanisms to assist them in accessing global subcontracting and supply chains and networks.

## Enhancing the Capacities of the Food Safety and Quality Assurance System for Trade

### The Challenge:

To overcome technical barriers to trade in food products; upgrade the existing food safety and quality assurance system, which is severely underdeveloped; limited maintenance and calibration capacity.

### Specific objective:

Strengthening the national system for food safety analyses, certification and inspection with a view to enhance compliance with international standards as well as with the TBT/SPS WTO agreements.

### Expected Results:

- To establish a food safety system that is compliant with international requirements with special focus on the public institutions;
- To develop and implement the required technical infrastructure (standards, metrology and conformity assessment) suitable for product compliance with market entry requirements.



**Support for Establishing the  
Afghan National Standards, Metrology and Quality Authority (Phase I)**  
*“Emergency Customs Modernization and Trade Facilitation Project”*

**The Challenge:** No standardization and conformity assessment systems to conduct control of imported products or exported goods with serious risks for consumers

**Specific objective:**

To establish the legal and institutional framework for quality standardization, metrology and testing to ensure protection of consumers and of the environment and to facilitate trade (import and export).

**Results:**

- ANSA created and member in ISO, ASTM and bilateral agreements
- Mobile labs for metrology and POL
- Design of labs to serve also customs
- Baseline surveys of fuels (+ cement and pharmaceuticals)/tests outsourced
- Regulatory framework being defined

# Example

- Tanzania exported \$140 million worth of fish in 1998
- Due to hygiene and other safety concerns a major market banned imports, resulting in 50% loss of exports and 60,000 job losses.
- Integrated assistance (cost approx. \$ 700,000) to improved processing/handling, better **quality inspection** and setting up **recognized laboratory services** enabled restart of exports in 1999





# PARTNESHIP





# UNIDO-WTO MoU

WORLD TRADE ORGANIZATION



## Module I

## Module II

## Module III

Remove <b>supply side</b> constraints		Prove <b>Conformity</b> with Technical Requirements		<b>Integrate</b> into the multilateral trading system
Introduce supporting legislation, policies and institutional reform	Strengthen supply capacity to improve competitiveness	<b>Set up accreditation/certification systems</b>	Support compliance with international standards	Strengthen capacity for implementation of the WTO agreements and trade negotiations

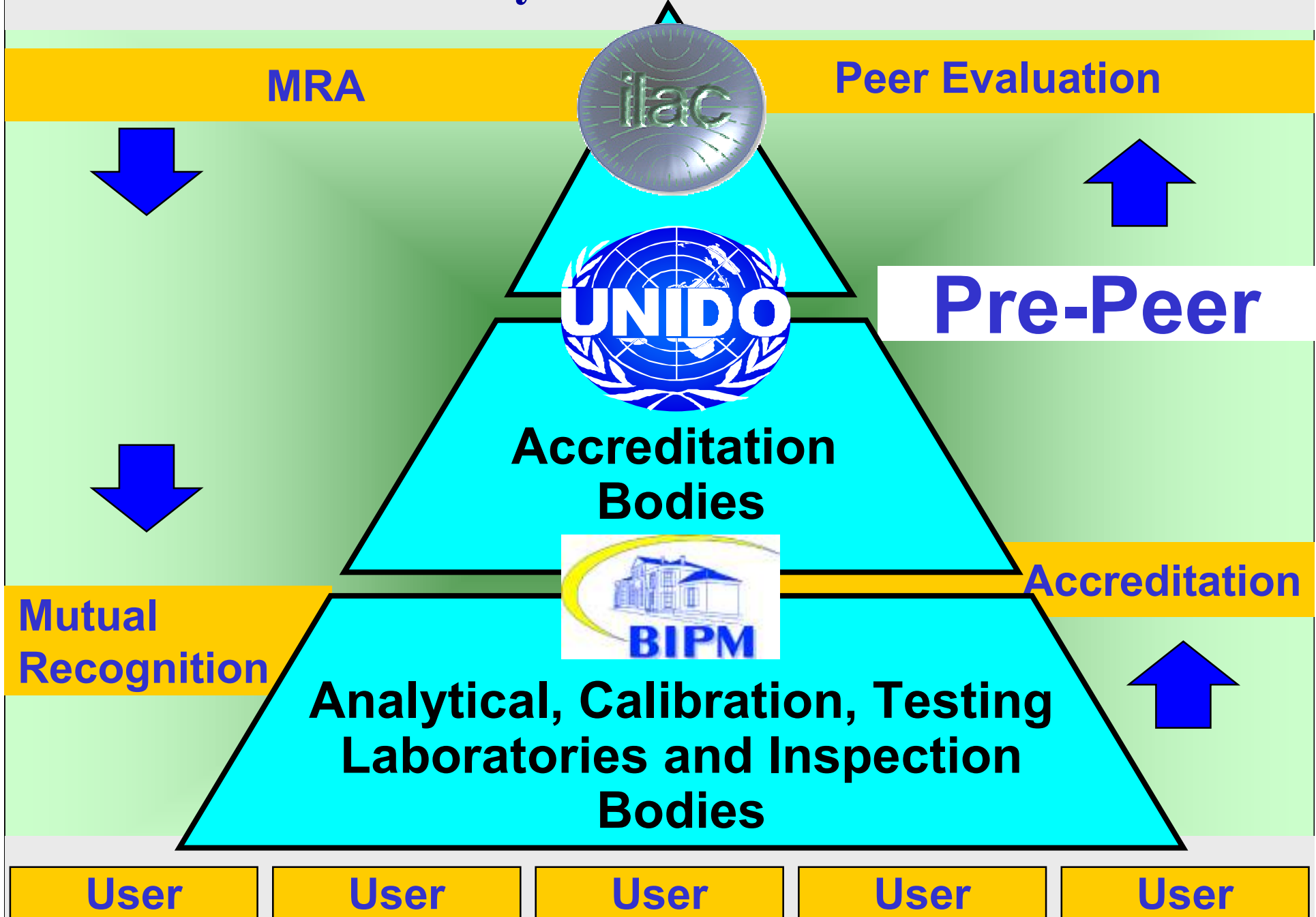
**UNIDO**

**WTO**

**Pilot Countries: Armenia, Bolivia, Cambodia, Cuba, Egypt, Ghana, Jordan, Kenya and Mauritania.**

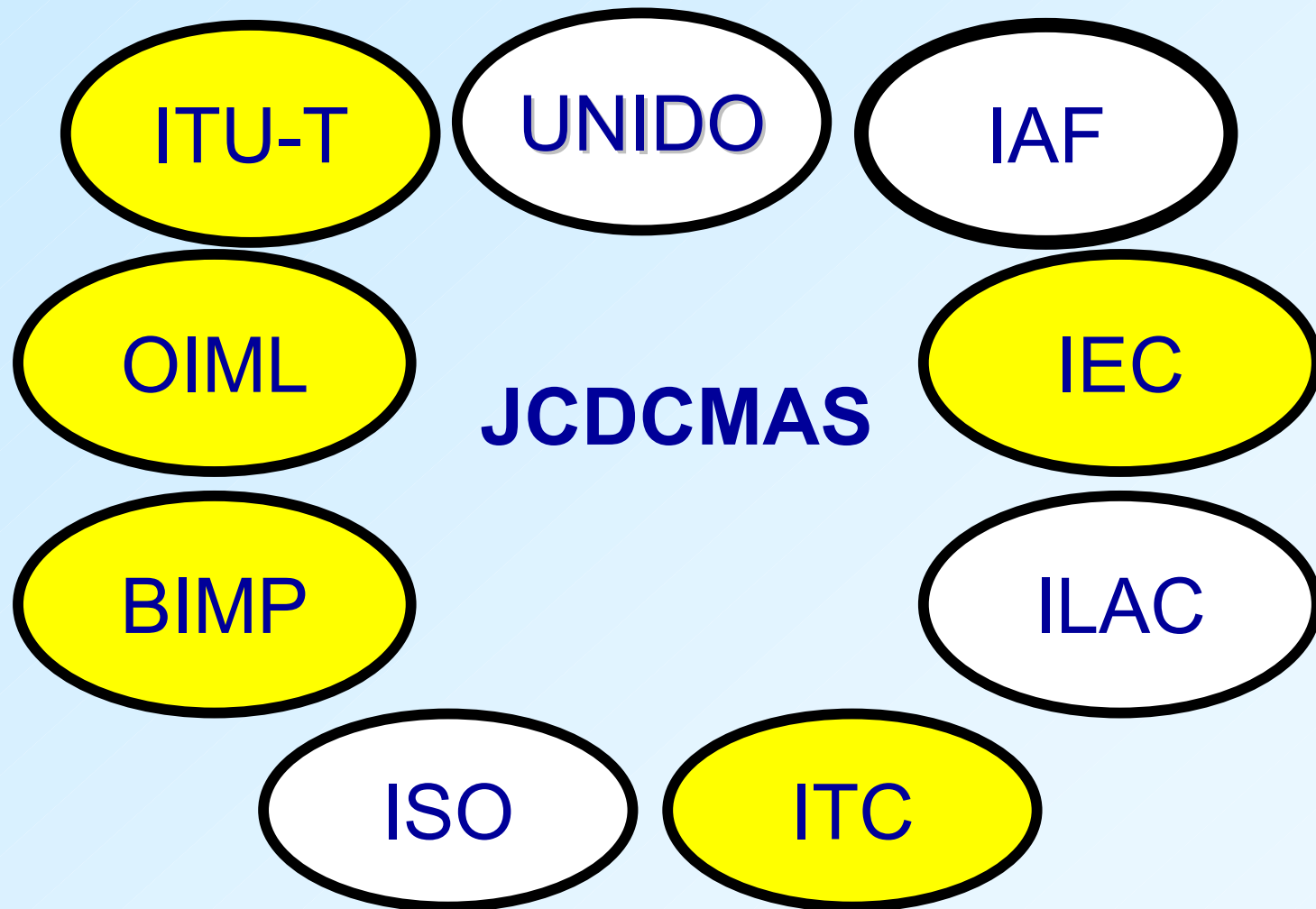
**Plus: The Cotton Initiative**

# Conformity Assessment Structure





# Joint Committee on Coordination of Assistance to Developing Countries in Metrology, Accreditation and Standardization





# JCDCMAS: Building Capacity

National/Regional/Outsourced

- **Needs assessment of all parts of the economy**
- **No ready-made model for the quality/technical infrastructure**
- **Sequencing of assistance is important**
- **Articulation of resources and funding requirements**
- **National quality/technical infrastructure should not preclude bilateral/regional delivery options**





**THANK YOU**



**Trade Capacity Building Branch**

**Tel. (+43) 1 / 26026 – 3605 or 3518 Fax – 6840**

**e-mail: [o.loesener@unido.org](mailto:o.loesener@unido.org) or [g.patacconi@unido.org](mailto:g.patacconi@unido.org)**