Capacity Building in the emerging economies

Session 6 : Harmonization of Standards

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The International Trade Centre

TRADE IMPACT FOR GOOD
About ITC

- Established in **1964** in Geneva, Switzerland
- Joint agency of the United Nations (UN) and the World Trade Organization (WTO)
- Universal membership
Helping small firms to trade internationally

ITC focuses on helping micro, small and medium-sized enterprises (MSMEs) of developing countries to compete in global markets.
Areas of work to help enterprises

- Providing trade and market intelligence
- Building a business-friendly environment
- Strengthening trade and investment support institutions
- Connecting to international value chains
- Mainstreaming inclusive and green trade
- Supporting regional integration and South-South links
Goal of ITC’s Export Quality Management Programme

- Improve competitiveness of enterprises in developing countries/economies in transition by enhancing their capacity to
  - meet technical requirements in export markets and
  - overcome technical barriers to trade.
Standards
An imperative for international trade
Role of standards

• Enabling compatibility
• Increasing reliability
• Ensuring safety
• Improving quality
• Managing risks
• Improving business performance and competitiveness
• Enabling innovation
• Contributing to social and environmental sustainability
Economic benefits of using standards

Company case studies conducted by ISO from 2010 to 2014 covering small enterprises to big conglomerates identify three main types of benefits.

1. **Streamlining** internal operations
   Contributing to the gross profit ranging from 0.15% to 5% of the annual sales revenues.

2. **Innovating** and scaling up operations

3. Creating or entering **new markets**
Growing number of voluntary sustainability standards

- About 75% of them originate from OECD countries

- Trend is shifting: more than one third of new VSS in 2010-2015 from non OECD countries (Brazil, Colombia, India, South Africa)

- Emerging economies play a growing role in VSS

- Larger markets have more VSS implemented
The challenges of enterprises in emerging countries
Understanding the challenges

Demands for conformity assessment

Metrology

Certification body
Inspection body
Testing body

CONFORMITY ASSESSMENT

MARKET

Buyer/Consumer+
Regions + National Government

Requirements

Product / Service

Producer

ITC
TRADE IMPACT FOR GOOD
Technical requirements and conformity assessment constitute half of companies’ complaints.

Source: ITC Businesses Survey on NTMs in PECC (Colombia, Ecuador, Peru, Philippines and Thailand), www.ntmsurvey.org
Common technical issues

- Lack of **information** on foreign market standards, regulations and conformity assessment procedures
- High certification **costs**
- Burdensome certification and inspection **procedures** resulting in **delays** and costs
- **Duplication** of control among different regulatory bodies
- Lack of testing **facilities**
- Local labs. **not recognised** in destination market
- EU technical requirements **too stringent**
Challenges categorized

1. Technical requirements in importing countries difficult to obtain and not well understood
2. Enterprises not able to meet standards, technical regulations and SPS measures
3. Exporters unable to demonstrate compliance with requirements in importing countries at reasonable cost.
4. Weak regulatory and institutional framework to support compliance with standards
Types of assistance
Information is crucial

- Improve access to standards and regulations, and build ability to assimilate
  
  Technical requirements in importing countries difficult to obtain and not well understood

  Guides and bulletins on product-specific standards and market requirements

  Web-based information platforms

  Consultations enable enterprises to be proactive
  Help them participate in standards formulation

  Conduct awareness campaigns

  Build capacity of National Enquiry Points
Guides and bulletins
Online platforms and e-learning

SME Trade Academy

INTRODUCTORY

Standards and Technical Requirements for the Leather Industry

Standards and Certifications for IT and IITES Outsourcing

Next start date: 28, May 2018

ITC MARKET ACCESS MAP
Improving transparency in international trade and market access

Find non-tariff measures

Country applying the regulations *
Importing country

Importing country *
Select country

Exporting country *
Select country

Product *
HS6 National tariff line code

Your roadmap to sustainable consumption, production and trade

ITC SUSTAINABILITY MAP
Your roadmap to sustainable consumption, production and trade

ITC TRADING IMPACT FOR GOOD
Hands-on assistance to enterprises
Enable SMEs to improve quality and apply quality management systems

Implementation of quality improvement programmes
Implementation of food safety systems HACCP, ISO 22000, and QMS ISO 9001, EMS ISO 14000, ISMS 27001, EnMS ISO 50001

Facilitate access to finance
Connect to markets

Enterprises not able to meet standards, technical regulations and SPS measures
Connect to Markets: IT sectors, B2B meetings

Highlights Bangladesh, Kenya, Senegal, Uganda,

06 Sep. 2017 - News
ITC support helps Bangladeshi company land major Swedish deal
Latitude-23 travelled to Stockholm for a B2B meeting and returned to Bangladesh with a 3D furniture-modelling contract for one of the world’s most valuable brands...

02 Mar. 2017 - News
Finnish investor event Slush energizes East African, Bangladeshi IT start-ups
It may have been dark outside, but Slush was a bright event for 10 tech start-ups that used the two-day event in Helsinki to meet innovative entrepreneurs and to connect with potential partners....

11 Jan. 2017 - News
Shopfront helps automate social commerce in Bangladesh
Bangladeshi start-up company Shopfront aims to make social commerce affordable for small and medium-sized businesses...
Small successes lead to big business

Sweet results for Fijian chocolate exports
“After certification we got large department store’s orders from Japan, as well as good sales lead from USA. More distributors are starting to approach us from all over the world.” – Owner, Adi Chocolates, Tomo Zukoshi

Going nuts
Gambian cashew producers’ exports rose by 50,000 tonnes.

Kenyan snacks win regional markets
Sous-Chef products are now in every store of the largest chain supermarket in East Africa. Its products are enjoyed in some of the largest five star hotels in Kenya, as well as crossing borders through its supplies to airline suppliers.

Taking business to the skies
I’m doing very well. ‘I’m supplying local products for catering on all flights that depart from Nadi.’ - Owner Sima Deo, Fiji
Small successes lead to big business

KENYA
Fruitful trade
Rural mango producers in Kenya increased exports to international markets after ITC training on food safety standards
Strengthen conformity assessment bodies

- Exporters unable to demonstrate compliance with requirements in importing countries at reasonable cost.

  - Assistance to CABs for their **international recognition** (needs assessment analysis, preparation and implementation of action plans)
    - Certification body to become an accredited certification body
    - Accreditation Body: ILAC MRA and IAF MLA
    - Laboratories for testing food and agricultural products to be accredited to ISO/IEC 17025
      e.g. Competent Authority for fishery for its recognition for certifying exports to the EU

  - Establishment of **mutual recognition agreements**
From dumping site to state of the art testing laboratory
4

Develop and implement a National Quality Policy

- Clear roles and responsibilities for institutions
- Establish good coordination among institutions, including regulatory bodies
- Promote good regulatory practices based on the principles of transparency, accountability, engagement, non-discrimination, simplicity and clarity
- Improve consultation between public and private sectors
- Encourage participation of private sector as conformity assessment service providers
- Promote public private partnership for implementation of national quality strategy
Support National Standards Bodies

Build the capacity of the NSBs not only to **develop**, but also **promote** market relevant standards

Follow the Code of good practice of the WTO Agreement on TBT

Develop standardization programme in consultation with all stakeholders based on needs, national development plan and new challenges

Do not re-invent existing standards – use international standards as basis

Make sure that standards do not stay on shelves; Promote their use

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Weak regulatory and institutional framework to support compliance with standards

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The 5 C Approach

- Commitment
- Competence
- Capacity
- Coordination
- Consultation

Connection to Markets

Competitiveness

Compliance
Thank you for your attention

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www.intracen.org/eqm