

# Capacity Building in the emerging economies

Session 6: Harmonization of Standards

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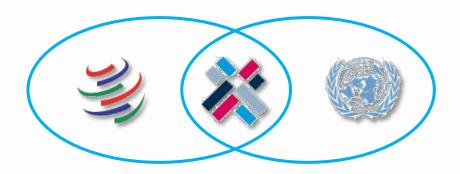
#### The International Trade Centre

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#### **About ITC**

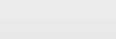


- Established in 1964 in Geneva, Switzerland
- Joint agency of the United Nations (UN) and the World Trade Organization (WTO)
- Universal membership



Arancha González, Executive Director, ITC









#### 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 conglommorates identify three main types of benefits.

- 1. Streamlining internal operations
  Contributing to the gross profit raning
  from 0.15% to 5% of the annual sales
  revenues.
- 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 shitfing: 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





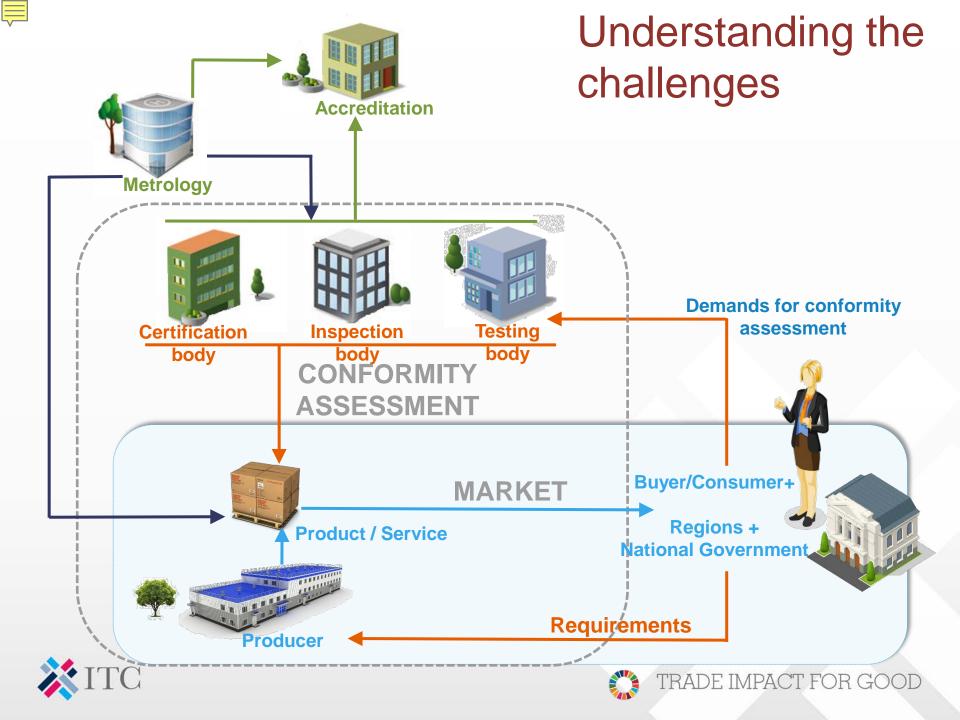


## The challenges

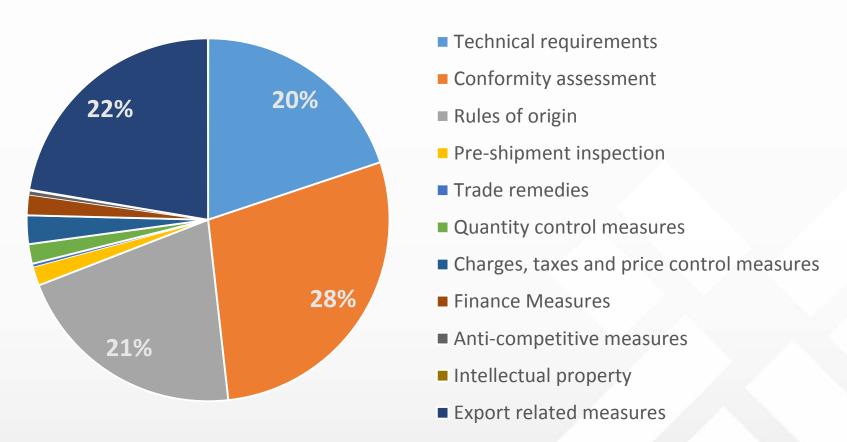
of enterprises in emerging countries







# 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



Technical requirements in importing countries difficult to obtain and not well understood



Enterprises not able to meet standards, technical regulations and SPS measures



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



Weak regulatory and institutional framework to support compliance with standards





## Types of assistance





Technical requirements in importing countries difficult to obtain and not well understood

#### Information is crucial

Improve access to standards and regulations, and build ability to assimilate



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



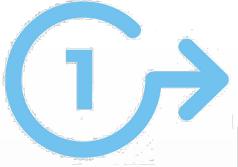
Conduct awareness campaigns



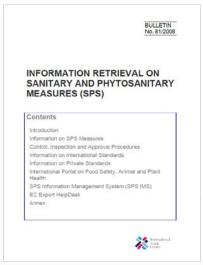
Build capacity of National Enquiry Points





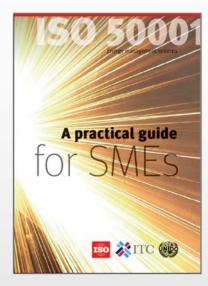


#### Guides and bulletins





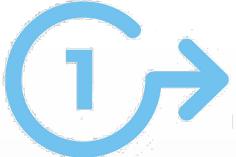








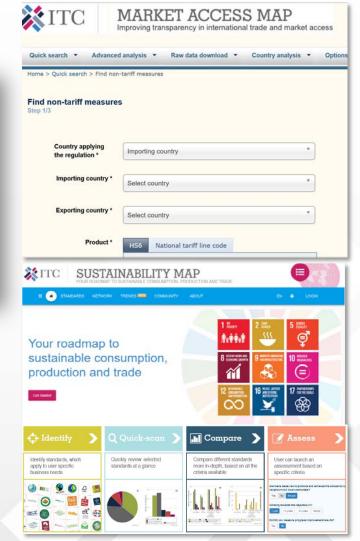




## Online platforms and e-learning









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Enterprises not able to meet standards, technical regulations and SPS measures

#### 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







## Connect to Markets: IT sectors, B2B meetings







06 Sep. 2017 = News ITC support helps Bangladeshi company land major Swedish deal

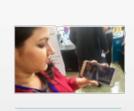
Latitude-23 travelled to Stockholm for a B2B meeting and returned to Bangladesh with a 3D furniture-modelling contract for one of the world's most valuable brands...



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...







Telarc.

Food Safety Inspection Certificate

Adi Chocolate Fiji



## 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 distributers 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









## 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



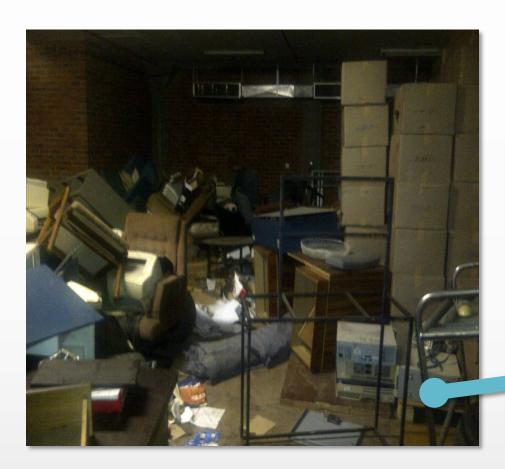








# From dumping site to state of the art testing laboratory









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# Weak regulatory and institutional framework to support compliance with standards

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## 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





Weak regulatory and institutional framework to support compliance with standards

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## **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



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



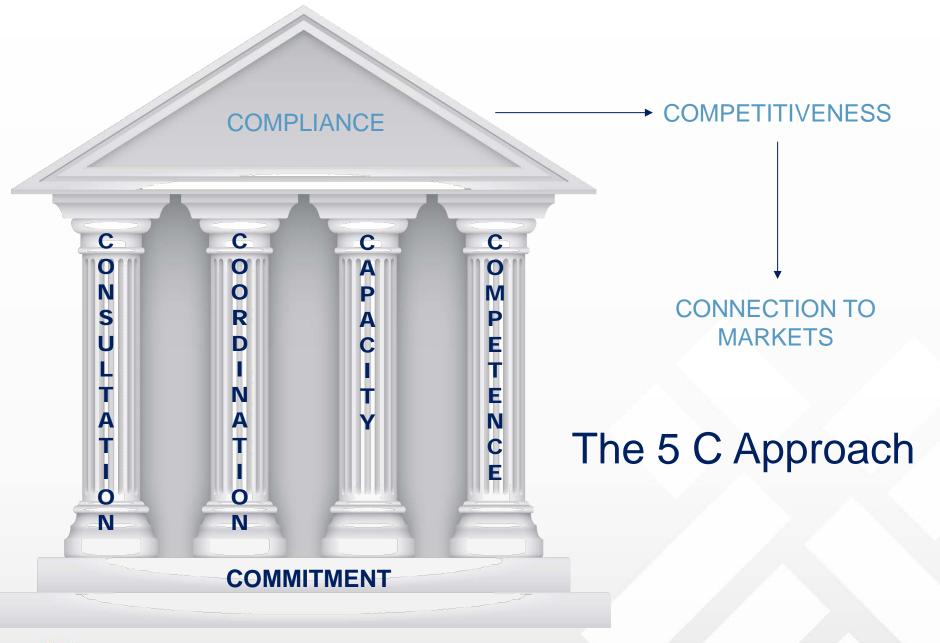
Develop standardization programme in consultation with all stakeholders based on needs, national development plan and new challenges



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











## Thank you for your attention

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