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REPORT OF

THE STANDARDS AND METROLOGY INSTITUTE FOR ISLAMIC COUNTRIES

(SMIIC)

ON

ENHANCING INTRA-OIC TRADE

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A. SCOPE

This report gives basic information about the Standards and Metrology Institute for Islamic Countries (SMIIC) in line with the mandates and objectives defined in its Statute.

B. INTRODUCTION

SMIIC, as affiliated to the Organization of Islamic Cooperation (OIC), is relatively a new institution that actually launched its activities by the beginning of 2012 after the official formation of the General Secretariat.

It can be easily granted that the establishment phase of the Institute has been still ongoing both in terms of technical and administrative issues.

The SMIIC General Secretariat has been continuing to place considerable emphasis on strengthening the infrastructure of SMIIC as well as the coordinating the future relationship and effective cooperation with its Member States and regional/international organizations.

SMIIC has positioned itself, by nature, as a common platform to make possible for the active participation of SMIIC Member States for the cooperation in the domain of standardization, metrology and accreditation.

OIC Member States shall leverage the SMIIC as a forum for discussion and exchange of views and experiences on issues of common interest. It could form part of an array of regional initiatives countries can leverage in their efforts to upgrade quality infrastructure, including through international harmonization and mutual recognition of conformity assessments.

SMIIC's mandate is directly related with the objective of OIC stated in its Charter as "To strengthen intra-Islamic economic and trade cooperation; in order to achieve economic integration leading to the establishment of an Islamic Common Market"

SMIIC is the platform that can help the capacity building of the OIC Member States, especially the LDCs, which have no quality infrastructure in their respective countries in line with another OIC objective states in its Charter as "To enhance and develop science and technology and encourage research and cooperation among Member States in these fields;"

With this respect, it is aimed to provide a general view for the future program and actions of SMIIC from policy perspective.

C. TRADE RELATED ACTIVITIES OF SMIIC

1. Standardization Activities

1.1. The Standardization within SMIIC

The core business of SMIIC is to develop and publish OIC/SMIIC Standards and technical specifications that meet the evolving needs of OIC-wide businesses and other organizations. This important work brings concrete benefits, such as: improving safety, quality and reliability of products, services

It is real fact that, in order to prepare standards, SMIIC has to rely on the knowledge of experts, who participate in various technical activities through a network of national standardization bodies of SMIIC Member States and continuous cooperation with organizations representing different stakeholders.

The SMIIC Standardization Department is responsible for co-ordinating and managing the standards development work that is being carried out in TCs. In addition to overseeing these activities, as well as their related processes, the department is also responsible for evaluating and addressing requests for standardization on new subjects.

1.2 The Standardization Concept

Standards are documents setting out requirements that products, services, or systems must meet in order to be considered as conforming. Conforming to a standard delivers a benefit in the marketplace, as it signals to the consumer or other user that goods, services, or a company's systems are of a particular level of quality and consistency.

Standards cover the below stated subjects:

- Terminology / symbols
- Sampling, analytical and test methods
- Product / service specifications and performance requirements
- Organizational management / processes
- Conformity assessment / product evaluation

Standards are an important source of trade costs for many countries, particularly developing and least-developed countries, including OIC member states. On the one hand, countries with weak standards infrastructure lack the support services necessary to promote competitive, high value added industries in the export sector. In addition, differences in standards design and enforcement between countries can add to trade costs, and effectively keep some developing country producers out of important international markets. Product standards therefore pose two crucial issues for OIC member states: market access, and export competitiveness.

It is free whether or not to comply with voluntary standards from a legal standpoint, even though compliance may be a commercial necessity, particularly when dealing with large distributors (wholesalers and retailers), which need products of consistent characteristics and quality. There is a clear trend in the developed world towards the use of voluntary rather than mandatory standards.

Some OIC member states have relatively high degrees of harmonization with international standards such as those issued by ISO, IEC, and ITU. Others exhibit a lower degree of harmonization. Some countries allow goods into their markets if they comply with international standards and there are no applicable local standards, which is a type of de facto harmonization. However, standards and quality infrastructure remain underdeveloped in lower income OIC member states—a contrast with the situation in higher income countries, where the body of standards in force is significant, and there is evidence of real capacity in this area, including in relation to harmonization.

A lack of effective participation by developing countries in work of organizations like ISO, IEC, and ITU is sometimes cited as a reason why there is a case to be made that many standards are better suited to developed, as opposed to developing, country contexts.

In most of OIC member states, technical assistance and capacity building, largely from outside the region, have played an important role in the development of standardization practice and quality infrastructure. External funding can be important in terms of promoting the participation of lower income countries in international standards bodies, as well as for the development of standardization capacity at home.

One way of dealing with the trade difficulties linked to divergent national standards is to harmonize, i.e. adopt the same standard for two countries or a group of countries. The use of international standards is a special case of harmonization with a wide group—in theory, all of the world that agrees to be part of the international harmonization effort. Under a harmonization strategy, compliance with a single standard gives a firm the ability to access all markets in the harmonization zone.

On its own, harmonizing standards is not enough to fully eliminate the costs that arise from divergent national norms. It is also necessary to address the issue of conformity assessment, i.e. procedures for testing goods to see whether they comply with a relevant standard, and potentially issuing a certificate or mark to indicate compliance. Harmonization on its own does not eliminate the usual requirement that imported products undergo conformity assessment procedures in the importing market, typically in addition to any procedures completed in the exporting market. This requirement leads to duplication of testing costs, which can be substantial, particularly when the import market is a developed country where price levels are much higher than in the exporting developing country. One way of dealing with this problem is through mutual recognition of conformity assessment procedures. Clearly, this approach can be beneficial in combination with standards harmonization, but it requires a high level of trust between regulatory agencies.

Many developing countries experience difficulties in taking part in the work of international standardization bodies, due to lack of technical expertise and financial capacity. In some cases, assistance is available, but developing countries typically participate to a lesser degree in international standardization efforts than do their developed counterparts.

Within this perspective, as the official intergovernmental standardization body of the OIC, SMIIC should be evaluated as the sole authority to provide above stated services and fill the gap on the standardization activities and its related functions.

1.3 Technical Committees (TCs)

Standards are created by bringing together all interested parties such as manufacturers, consumers and regulators of a particular material, product, process or service.

The process of standards creation in SMIIC is carried out in working groups (WGs) under the direction of their parent technical committees (TCs).

The primary duty of SMIIC TCs is the development and systematic maintenance of the OIC/SMIIC Standards according to related activities within a particular scope of work (e.g.: TC1 Halal Food Issues, etc.). A TC is composed of:

- Secretariat (A Secretary and Chairman)
- Participating (P) members
- Observers, including liaisons,

The following TCs have been established under the SMIIC:

- TC1 Halal Food Issues
- TC2 Halal Cosmetic Issues
- TC3 Service Site Issues
- TC4 Renewable Energy
- TC5 Tourism and Related Services
- TC6 Agriculture Products
- TC7 Transportation
- TC8 Leather and Tanning Material
- TC9 Textiles and Related Products
- TC10 Halal Supply Chain
- TC11 Halal Management Systems
- TC12 Dangerous Goods Transportation Requirements
- TC13 Jewellery
- TC14 Petroleum and Petroleum Products

OIC/SMIIC standards are developed by experts, within TCs. TCs are made up of representatives of industry, NGOs, governments and other stakeholders, who are put forward by SMIIC's members. Each TC deals with a different subject.

SMIIC's full members (member bodies) can decide if they would like to be a participating member (P-member) of a particular TC or an observing member (O-member). P-members participate actively in the work and have an obligation to vote on all questions submitted to vote within the technical committee. O-members follow the work as observers; they receive committee documents and have the right to submit comments and to attend meetings, but cannot vote within the committee.

The operation of SMIIC TCs is largely governed by the SMIIC Directives, Part 1 Procedures for the Technical Work.

SMIIC Directives, Part 1 specifies (amongst other things):

- Roles and responsibilities of TCs/SCs/WGs and their members
- The various SMIIC publications and their associated development processes
- The appeals process if something appears to go wrong
- Voting policy

The SMIIC IS, which is an electronic collaborative environment for the work of SMIIC's TC, should be actively used to support the standards development process.

Secretariats of TC are important duties that has to be performed responsibly for the successful administration of standardization process. A member body which has been assigned to the secretariat post, by mutual agreement, has the responsibility for providing technical and administrative services to a TC or SC. Secretary is the person who manages the technical and administrative services provided. Secretaries are responsible for all operation, documentation and future activities of the TCs.

A member body to which a secretariat has been assigned shall recognize that, no matter what arrangements it makes in its country to provide the required services, it is the member body itself that is ultimately responsible for the proper functioning of the secretariat.

So, any member state holding the secretariat of any TC should think of relevant TC as an independent structure and should take utmost actions for the successful outcomes as developing new standards and/or amending the existing ones in line with the business plan of the relevant TC.

1.4 SMIIC Committee on Standards for Conformity Assessment

SMIIC Committee on Standards for Conformity Assessment (SMIIC/CCA) has been establish for preparation of guides/standards on criteria for bodies involved in testing, calibration, certification, inspection, accreditation, their operation and assessment, and other related standards and especially halal conformity assessment and accreditation guidelines or standards.

SMIIC/CCA held its first Meeting in İstanbul, Republic of Turkey on 23-24 March 2016 where it was decided that the SMIIC Technical Committees (TCs), Metrology Committee (MC) and Accreditation Committee (AC) as well as International Islamic Fiqh Academy (IIFA) and Islamic University in Uganda (IUIU) will become liaisons of SMIIC/CCA.

The meeting established a working group (SMIIC/CCA/WG 1) to work on the revision of OIC/SMIIC 2 and 3 standards and also highlighted that relevant standardization procedure may be initiated for conformity assessment of especially the Halal services, products and management etc.

2. Metrology Activities

2.1. Metrology Committee

Metrology is the science of measurement. It includes units of measurement and their standards, measuring instruments and their field of application, and all theoretical and practical problems relating to measurement. It is one of the main field of activities of SMIIC.

Although there is unit under the organization chart of SMIIC assigned to the metrology, a committee was established to create a platform for the national metrology institutes of OIC Member States to gather and take especially technical decisions specific to their fields.

Metrology Committee (MC) was established during the 5th SMIIC BOD Meeting and has commenced its activities, to aid in achieving uniformity in metrology and laboratory testing amongst OIC Member States. SMIIC MC has a total of 34 OIC Member States' membership (including Full and Associate Members and two liaison organisations) as of November 2015.

Basic objectives of MC are;

- Having an inventory of existing calibration standards and establish a chain of traceability reaching reference standards for each basic unit.
- Acting as intermediary, for any unit, for meeting calibration requirements which may arise at any link of the chain to be established. It shall, through its staff of experts, certify the extent of accuracy and precision with which any calibration laboratory offers services.
- Supplying metrology services by making the most efficient use of the existing potentials in the Member States and aid in solving their problems in the field of metrology through coordinated research.

MC organized several trainings programmes on fundamental metrology, legal metrology, scientific metrology such as legal metrology training (Mass and Weighing Metrology, Metrology of Volume and Checking the Net Content in Pre-packages), Pressure Metrology, Dimensional Metrology and Electrical Metrology so far and has the agenda to organize further training and capacity programs in line with the expectations of national metrology institutes.

3. Accreditation Activities

3.1. Accreditation Committee

Accreditation Committee (AC) is responsible for supporting actions for establishing a sound accreditation system OIC-wide and raise awareness of the accreditation concept within the OIC Member States. This Committee is responsible for implementing OIC/SMIIC accreditation standards, performing peer assessment activities and issuing related certificates.

AC was established in the 1st General Assembly (GA) Meeting of SMIIC held on 02-03 August 2010 with a view that accreditation bodies should come together and proceed with the requirements defined in OIC/SMIIC 3 standard.

In OIC/SMIIC 3 standards it is mentioned that standard sets out the rules to be adhered by the organizations providing accreditation services for halal certification bodies which operate in OIC member countries or in those countries trading with OIC member countries or in any other country in which there is a demand for halal certification.

It is also mentioned that standard specifies the general requirements for halal accreditation bodies (HABs) accrediting halal certification bodies (HCBs). Peer evaluation mechanisms have been formulated and targeted at regional and international levels in OIC/SMIIC frame, through which assurance is provided that HABs are operating in accordance with this guidelines. Those who have passed such an evaluation can become members of mutual recognition arrangements within OIC/SMIIC. And it is targeted that this structure which will be established under the OIC/SMIIC will also be recognized by non-OIC member countries all over the world.

So, it is expected from AC to establish the accreditation scheme for Halal products/services with the participation of accreditation bodies of OIC Member States to serve all Ummah as the regulatory structure.

D. COOPERATION AGREEMENTS

1. MoU with ITC, ARSO and AIDMO

A Memorandum of Understanding between SMIIC and International Trade Center (ITC) is signed to provide a framework for cooperation in the area of Halal standards in relation to the continuing development of the Standards Map Database of the ITC, to improve the quality and availability of information on OIC/SMIIC Halal standards and increase opportunities for sustainable trade.

A Memorandum of Understanding between SMIIC and African Organisation for Standardisation (ARSO) was signed on 28 November 2016 to provide a framework for cooperation in standardization and its related fields.

A Memorandum of Understanding between SMIIC and Arab Industrial Development and Mining Organization (AIDMO) was signed on 17 December 2016 to enhance the current level of cooperation between two institutions.

2. Technical Cooperation with ISO, IEC, CEN-CENELEC

Cooperation dialogues have been conducted with international organizations [International Standardization Organization (ISO), CEN (European Committee for Standardization) - CENELEC (European Committee for Electrotechnical Standardization), International Trade Center (ITC), International Electrotechnical Commission (IEC)] in standardization and its related fields in order to increase the recognition of SMIIC at international level.

The cooperation process will be finalized after the necessary internal evaluations of the draft agreements are completed by the mentioned organizations.

E. SMIIC STRATEGY 2016-2020

SMIIC Strategic Plan 2016-2020 as a roadmap for the implementation of the objectives and activities of the Institute, has been approved in the 12th Board of Directors of SMIIC held in 23 May 2016 in Istanbul. Supplementary secondary and tertiary documents to SMIIC Strategy including the Key Performance Indicators (KPIs), initiatives and projects and governance methods have also been prepared for the proper implementation of the Strategic Plan.

F. CONCLUSION

SMIIC, by taking into consideration the needs of OIC Member States will continue to take active position in all related standardization, metrology and accreditation activities in addition to conformity assessment as well as focusing on capacity building, training etc..

SMIIC aims to set common standards that are applied across the whole of the OIC as a single market where SMIIC ensures the protection of consumers, facilitate cross-border trade, ensure the interoperability of products, encourage innovation and technological development, include environmental protection and enable businesses to grow.

While doing that, the Institute will focus on technical improvement and capacity building and play a directive function to guide the investment on laboratory etc. and equal distribution of mentioned plans in OIC Member States.

SMIIC is ready to cooperate with sister OIC institutions which have various mandates with regards to the industry, science and technology, economic development etc. in coordination with OIC General Secretariat.

SMIIC shall be supported in a way that:

- It shall take active position in all related standardization, metrology and accreditation activities in addition to conformity assessment as well as focusing on capacity building, training etc. taking into consideration the needs of OIC Member States.
- It shall have the role of setting common standards that are applied across the whole of the OIC as a single market where SMIIC ensures the protection of consumers, facilitate cross-border trade, ensure the interoperability of products, encourage innovation and technological development, include environmental protection and enable businesses to grow.
- It shall foster the OIC economy in global trading, the welfare of Muslim community and the environment by providing a platform for the development of OIC/SMIIC standards and other technical specifications across a wide range of sectors as well as the metrology and accreditation to verify—against OIC/SMIIC standards—organizations that carry out evaluation services such as certification, verification, inspection, testing and calibration.

- It shall keep up to date its operations and provide proactive solutions in technical field for the OIC Member States which will be mostly the emerging countries in near future by the political support of OIC Member States.
- It shall work on all elements of quality infrastructure as standardization, metrology and accreditation prioritizing the needs of OIC Member States.
- It shall focus on technical improvement and capacity building and should play a directive function to guide the investment on laboratory etc. and equal distribution of mentioned plans in OIC Member States.
- It shall closely work with especially sister OIC institutions which have various mandates with regards to the industry, science and technology, economic development etc.