Contribution of International Standards to Facilitate Trade: UNIDO Perspective

7th Meeting of the COMCEC Trade Working Group

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Outline

1. Inclusive and Sustainable Industrial Development
2. Building Quality Infrastructure
3. Integration into Global Trade – UNIDO Approach
4. Value Chain Analysis – Role of Standards
5. Rejection Analysis

SDG's and Inclusive and Sustainable Industrial Development (ISID)

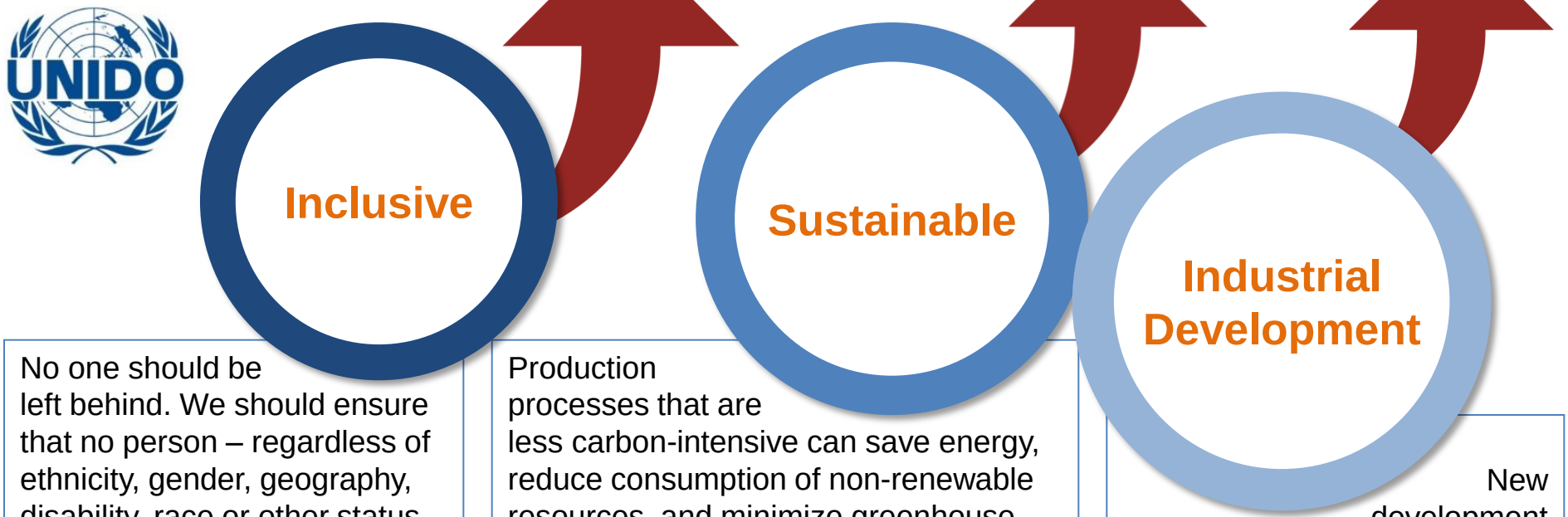
17 Global Goals for Sustainable Development

World Leaders have committed to 17 Global Goals to achieve 3 extraordinary things in the next 15 years.

End extreme poverty.
Fight inequality & injustice.
Fix climate change.

The Global Goals for sustainable development could get these things done. In all countries. For all people.

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



No one should be left behind. We should ensure that no person – regardless of ethnicity, gender, geography, disability, race or other status – is denied universal human rights and basic economic opportunities.

Production processes that are less carbon-intensive can save energy, reduce consumption of non-renewable resources, and minimize greenhouse gas emissions, while also stimulating innovation, technological change, diversification and job creation.

New development approach, which looks at society, economy, industry and the environment as a whole.

Building Quality Infrastructure for Economic Competitiveness

Quality Cosmos

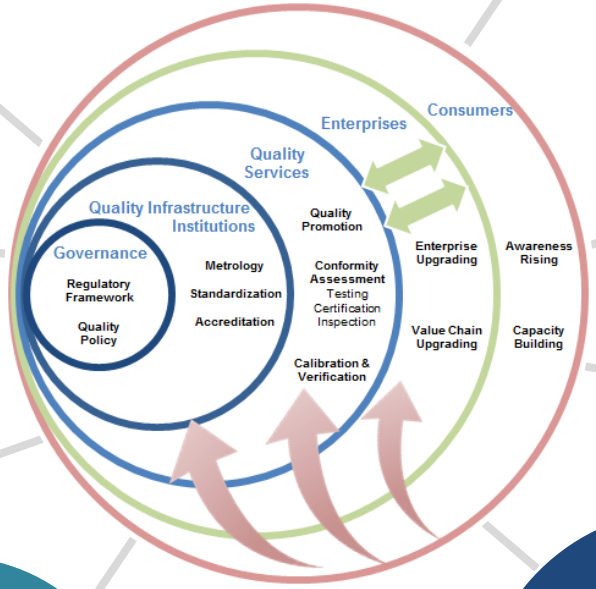
Good Governance

Environment

Food Safety

Trade Facilitation

Energy



Social Inclusiveness

Gender Equality

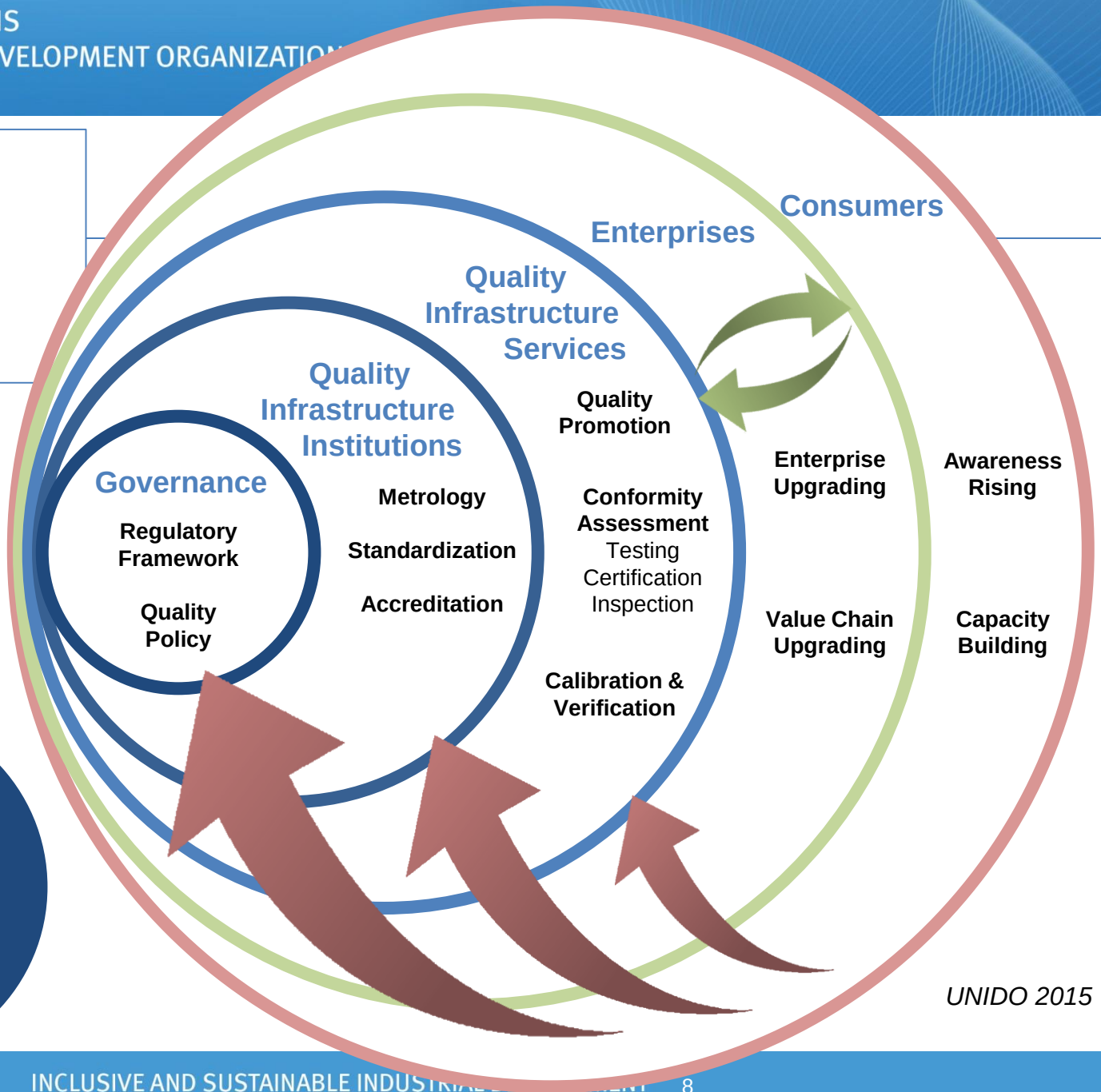
Sustainability

Economic Competitiveness

Quality Infrastructure System

Systemic approach

in line with private sector needs



UNIDO 2015

UNIDO's Approach: Building Quality Infrastructure

Quality starts with the formulation and implementation of the **Quality Policy**, which sets the legal framework within which the Quality Infrastructure operates.

Quality Promotion is the second step, serving to create a quality culture and demand among enterprises (both private and public) for quality services.

Quality Infrastructure (Standardization, Metrology and Accreditation) is vital for internationally recognized conformity assessment of products and services supplied by local enterprises.

UNIDO's Regional Approach: Regional Quality Policy

Achieving good governance and sustainability through quality policy formulation in the ECO region – Phase III

- **Implementing counterpart:** The Economic Cooperation Organization and National standardization-related institutes of ECO Member states
- **Member States:** 10 countries

  Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyz, Pakistan, Tajikistan, Turkey, Turkmenistan, Uzbekistan
- **Project duration:** 3 years (2014-2017)

Achieving good governance and sustainability through quality policy formulation in the ECO region

Objective: Development of a Regional Quality Policy and guidelines for ECO Member states in formulating a National Quality Policy

- Overcome infrastructural barriers to trade
- Strengthen institutional capacity on WTO accession
- Enhance sustainable economic and social development of the region
- Foster international competitiveness and economic growth and development

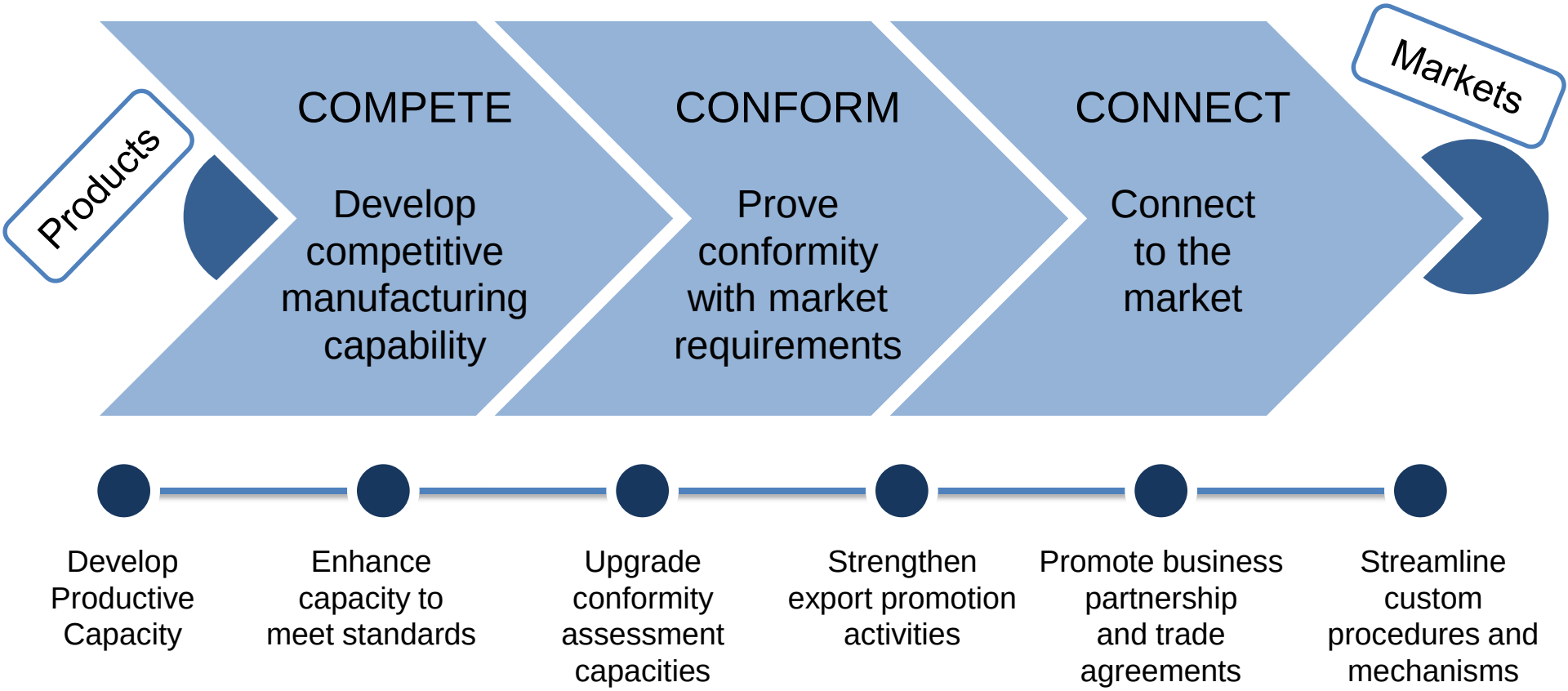
Achieving good governance and sustainability through quality policy formulation in the ECO region – Phase I - III

Phase I [2007]	Phase II [2009]	Phase III [2014-2017]	
SMTQ assessment and recommendations for further cooperation: ▪ Expert group meeting organized at ECO secretariat [Tehran]	**Awareness creation and capacity building for Member States:** ▪ Training courses on standardization, metrology, accreditation [multi-countries] ▪ Needs assessment on standardization, conformity assessment, metrology, testing and quality	**Guidelines on development of National Quality Policy** ▪ Develop guideline document for formulation of NQP for ECO region ▪ Expert group meeting: validation of regional needs [Islamabad] ▪ Regional workshops to promote QI [member states]	**Regional Quality Policy** ▪ High-level awareness workshop [Ankara] ▪ High-level validation workshop [Ankara] ▪ Development of a Regional Quality Policy

Awareness creation, Data collection + Analysis → **Capacity Building** → **National QP Guidelines** → **Regional Quality Policy**

Integration into Global Trade

UNIDO's 3 C-Approach



Challenges for SMEs

Globalization

Compliance with Standards

Quality Infrastructure

SMEs

Standardization Process – UNIDO's approach

Launching a Standardization Process	Stakeholder Engagement	Implementation of Standards	
Bringing SMEs' needs to the standardization process ▪ Collect and disseminate information ▪ Organize Expert Group Meetings (EGMs) ▪ Organize background documents	**Helping SMEs to engage in standardization** ▪ Provide substantive inputs in the standardization process ▪ Facilitate and promote SME participation ▪ Make sure that SMEs views are represented in the standardization process	**Making standards work for SMEs** ▪ Promote and provide technical assistance in the implementation of standards ▪ Organize awareness raising work shops ▪ Support dissemination of standards	**Assessing Conformity to Standards** ▪ Certification ▪ Testing ▪ Inspection

Awareness → **Advocacy** → **Implementation** → **Conformity Assessment**

Standardization Process – UNIDO's approach

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Awareness → Advocacy → Implementation → Conformity Assessment → Evaluation

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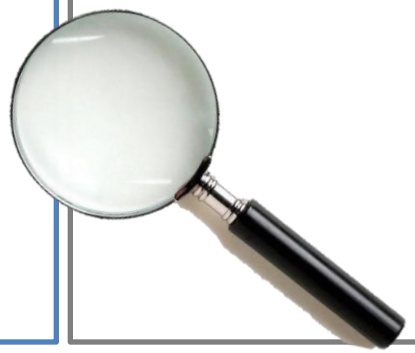


Awareness → Advocacy → Implementation → Conformity Assessment → Evaluation

Value Chain Analysis and Role of Standards

Value Chain Analysis

What does the Quality Infrastructure related Value Chain Analysis tell us?

UNIDO provides **support for the development of a sustainable and targeted quality infrastructure** that ensures competent institutions and guarantees that all processes and products along the value chain conform to international standards and regulations.

Through a comprehensive Value Chain Analysis UNIDO **identifies standardization and testing needs** for each step along the Value Chain.

The Value Chain Analysis allows us to **tackle challenges** in production and help production lines become compliant with international requirements.

Targeted Value Chain Analysis helps **verify compliance** and thus allows producers from developing countries to **participate in global trade.**

Standards along the Value Chain – Coffee in Burundi

Cultivation	Processing	Pulping/ Washing	Drying	Roasting	Export

In any value chain, actors must always consider end-market requirements in terms of the process, product, quality and safety (TBT and SPS measures).

UNIDO Approach

UNIDO provides **support for the development of a sustainable and targeted quality infrastructure** that ensures competent institutions and guarantees that all processes and products along the value chain conform to international standards and regulations.

UNIDO's quality value chain approach ensures that **all stakeholders benefit from value chain** development at each stage of the chain. The best examples of successful programmes addressing the issue of quality and standards in value chains are the cases of Burundi, Ghana and Côte d'Ivoire.

Coffee Value Chain – Challenges

Cultivation

- Access to inputs (high cost)
- Failure of plants (seeds)
- Not suitable fertilizers
- Soil analysis
- Pollination of coffee

Processing

- Low production and cyclical
- Low productivity
- Cramped storage warehouses
- Lack of appropriate knowledge
- Access to finance
- Clear policy on cooperatives
- Traceability

Pulping/ Washing

- Technical waste management
- Using contaminated water
- Incorrect sorting cherries
- Lack of equipment
- Water treatment

Drying

- Insufficient drying
- Inappropriate hulling equipment
- Unsuitable packaging-transportation
- High machining costs

Roasting

- Chemistry analysis OTA
- Physics analysis
- Sensory analysis
- Packaging

Export

- Lack of knowledge on international standards
- Lack of marketing knowledge
- Too many intermediaries
- Local and international marketing
- Quality certifications

Coffee Value Chain – Standards

Cultivation	Processing	Pulping/ Washing	Drying	Roasting	Export

Standards

- Good hygiene practices
- Good agricultural practices
- Biological standards
- Organic Standards
- Fair Trade

- Quality standards for green coffee
- Standards of quality management
- HACCP, Organic, Biological

- Fermentation Process
- Drying condition
- Water treatment
- Storage condition
- Application input standards

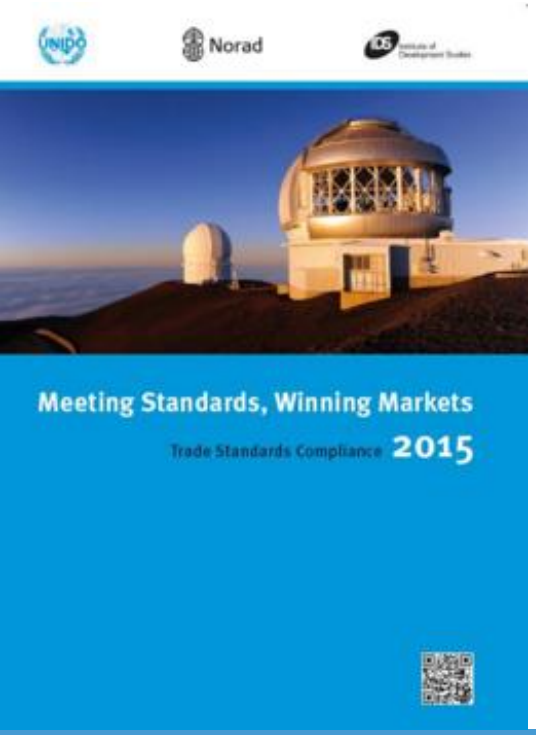
- Country regulations
- Food Safety Modernization Act (FDA)
- OTA 1 EU Regulation
- Pesticide residue
- SPS standards
- Labeling

Coffee Value Chain – Standards

Cultivation | Processing | **Pulping/ Washing** | Drying | Roasting | Export

Standards in Pulping and Washing	
ISO 6666:2011	Coffee sampling
Fair Trade	Work conditions, Environmental protection
Utz Kapeh	Environmental protection, Work conditions
Organic	Organic production
ISO 22000:2005	Food safety management
CAC/RCP 69-2009	Prevention of Ochratoxin-A contamination
HACCP	Food Safety
ISO 9001:2008	Quality management

Analytical Work – Rejection Analysis



Rejection Analysis

What do import rejections tell us?

UNIDO since 2008 works on rejection analysis as a tool for facilitating better policy decisions

Focus:

- Import rejections by world region
- Reasons for import rejection

Analysis by commodity, sector such as fish, fruits and vegetables, nuts and seeds

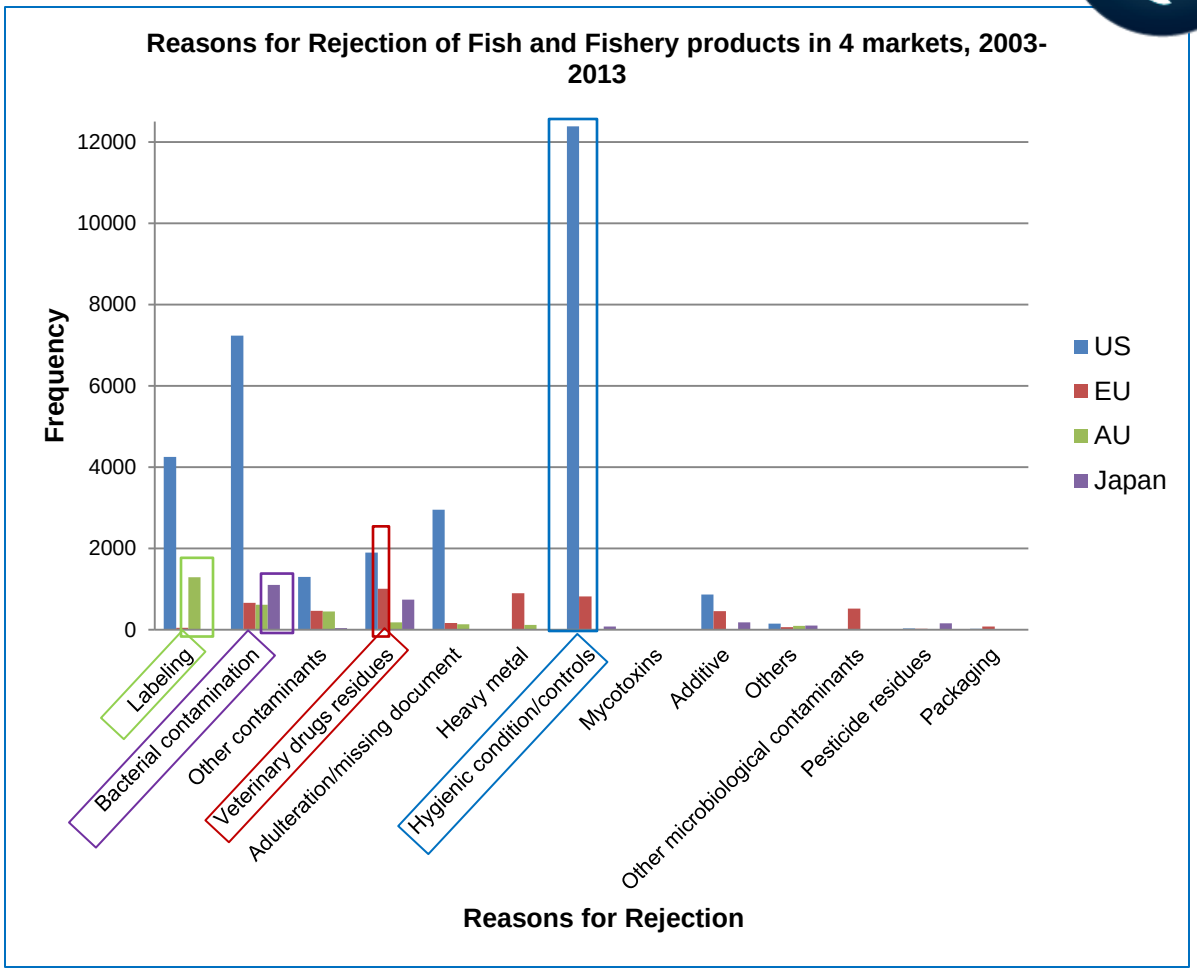
Reasons and rate of rejection varies across markets

Rejections at importing border are a good rough indicator of compliance capacity and for areas where and which improvement is needed

Import rejections have persisted to be a reality for developing country exporters. This indicates that developing country exporters continue to struggle to achieve compliance with SPS and TBT requirements in international markets.

Rejection Analysis

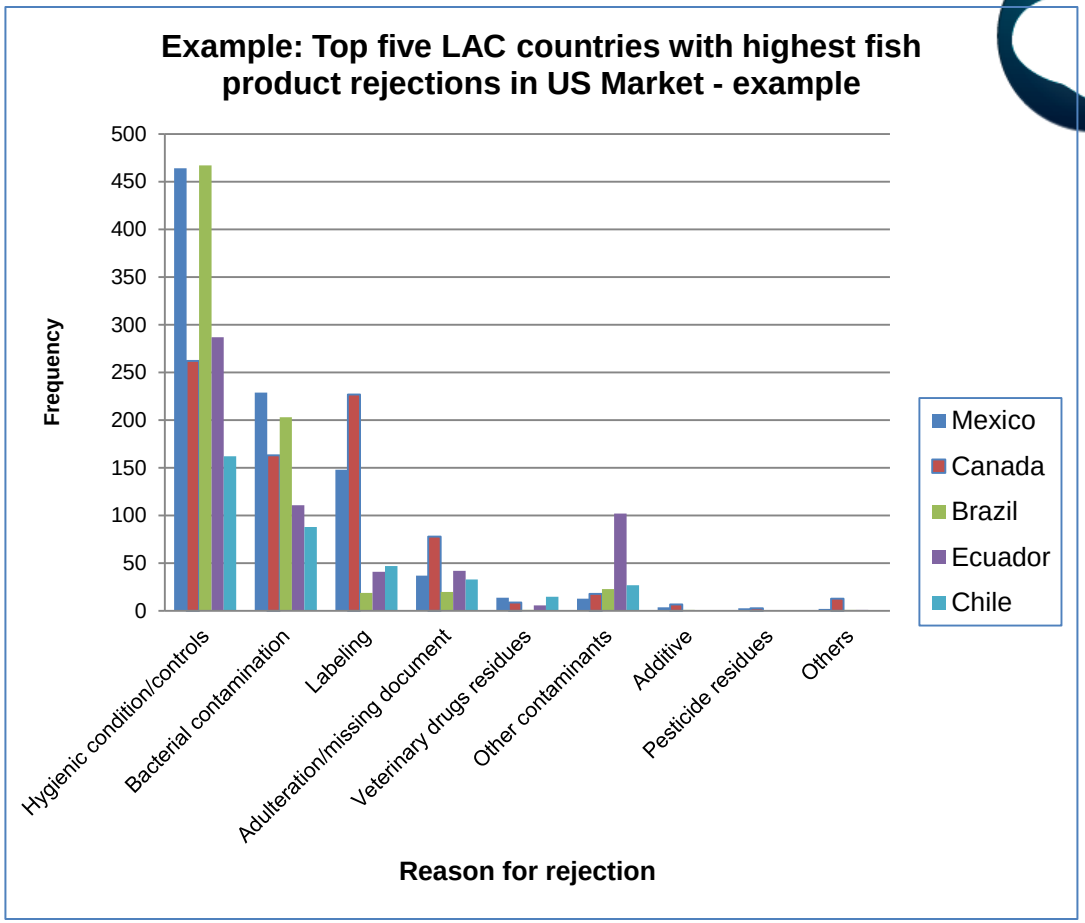
- The rejection analysis data uncovers the most common reason for rejection of fish and fishery products in the US, EU, Australian (AU) and Japanese markets.
- Improved transparency of information to exporters.



Top 5 countries facing compliance issues in Fish/Fishery Products in the Four Markets

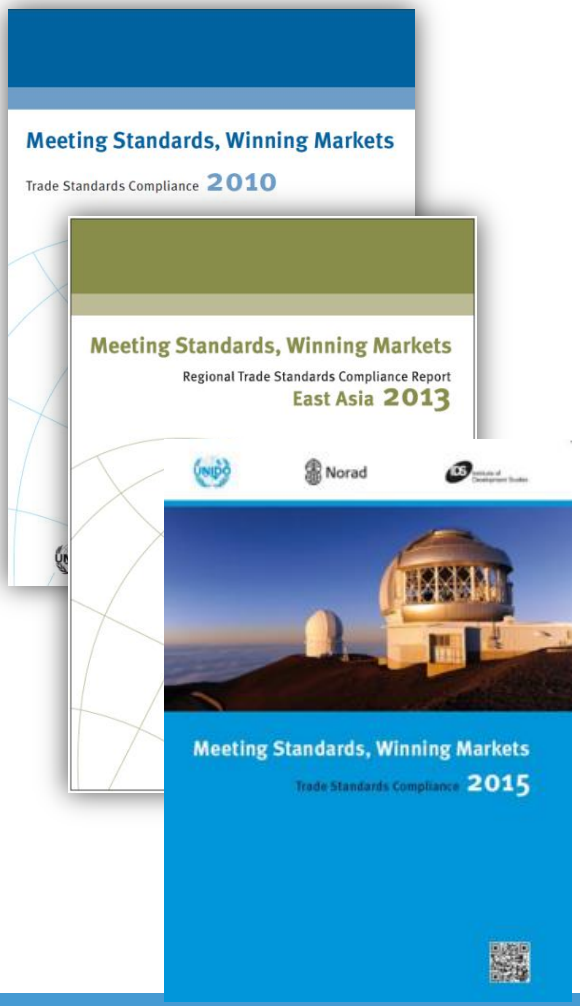
Main candidates in all Four Markets:

- Mexico
- Chile
- Brazil
- US
- Canada
- Ecuador



Analytical Work

More Information:
http://www.unido.org/tradestandardscompliance.html



Meeting Standards, Winning Markets

- EU DG Sanco, US FDA, Australia AQIS, Japan MHLW
- Border Rejection Analysis
- Trade Standards Compliance Analysis

thank you!

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