



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



SUSTAINABLE DEVELOPMENT GOAL 9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

The Role of Standards and Quality Infrastructure in Trade Facilitation



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**FIRST INTERNATIONAL FORUM FOR NATIONAL TRADE FACILITATION
COMMITTEES**

Boosting capacities and partnerships for implementation

23 January 2017

Palais des Nations, Geneva





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Challenges to comply with TFA



Developing countries often lack:

- Harmonized** local certifications/ conformity assessment procedures that is mutually/multilaterally recognized
- Standardized** set of practices and procedures aligned to international market requirements to ensure compliance with international standards.
- Transparent** inspection and certification systems which undermines international recognition (MRA/MLAs managed by BIPM, IAF, ILAC, OIML, ISO)
- Simplified trade environment to fulfil the TFA requirements that relate to SPS/TBT requirements.



Effects of inefficient testing/inspection systems for Trade Facilitation

Border Rejections

Economic distance to markets is higher due to delays in conformity assessment procedures

Higher testing costs for the private sector

Lack of risk management approach associated to border operations & e-commerce



Loss of economic opportunity

Higher transaction costs

Longer time to access export markets.



Why are testing and inspection important to facilitating trade?

Having a product tested/inspected through an internationally recognized accredited laboratory adds value because it:


- Increases the speed at which goods pass through the border
- Ensures conformity assessment certificates are accepted on both sides of the border
- Reduces rejections of goods at the border
- Minimizes the opportunity cost
- Cuts trading costs for private sector, making them more sustainable.

Moreover, due to the importance of testing and inspection, it is a fundamental requirement foreseen by the TFA (Articles 5.3, 7, 8 and 12.1).

- Key to Industry 4.0



UNIDO's Trade Facilitation Approach



UNIDO's Systematic Approach TOOL BOX

1

Analyse why goods are rejected at borders and publish the findings in Trade Standards Compliance Reports (TSCRs) which identify and address the bottlenecks in order to further **facilitate trade**

2

Support the development of a sound country **risk management** system through assisting stakeholders to comply with technical regulations in order to enhance the **transparency of trade procedures**

3

Assist **testing, inspection and certification entities** to achieve internationally recognized accreditation thus enabling them to offer their **services** to clients at **competitive prices**. This results in a **cut in the production costs** of local companies and **reduces delays** at the border

4

Boost existing WTO TBT/SPS **Enquiry Points** active throughout developing regions by feeding in new information on TFA requirements and providing those involved in trading with access to **an accurate and up to date information base**

5

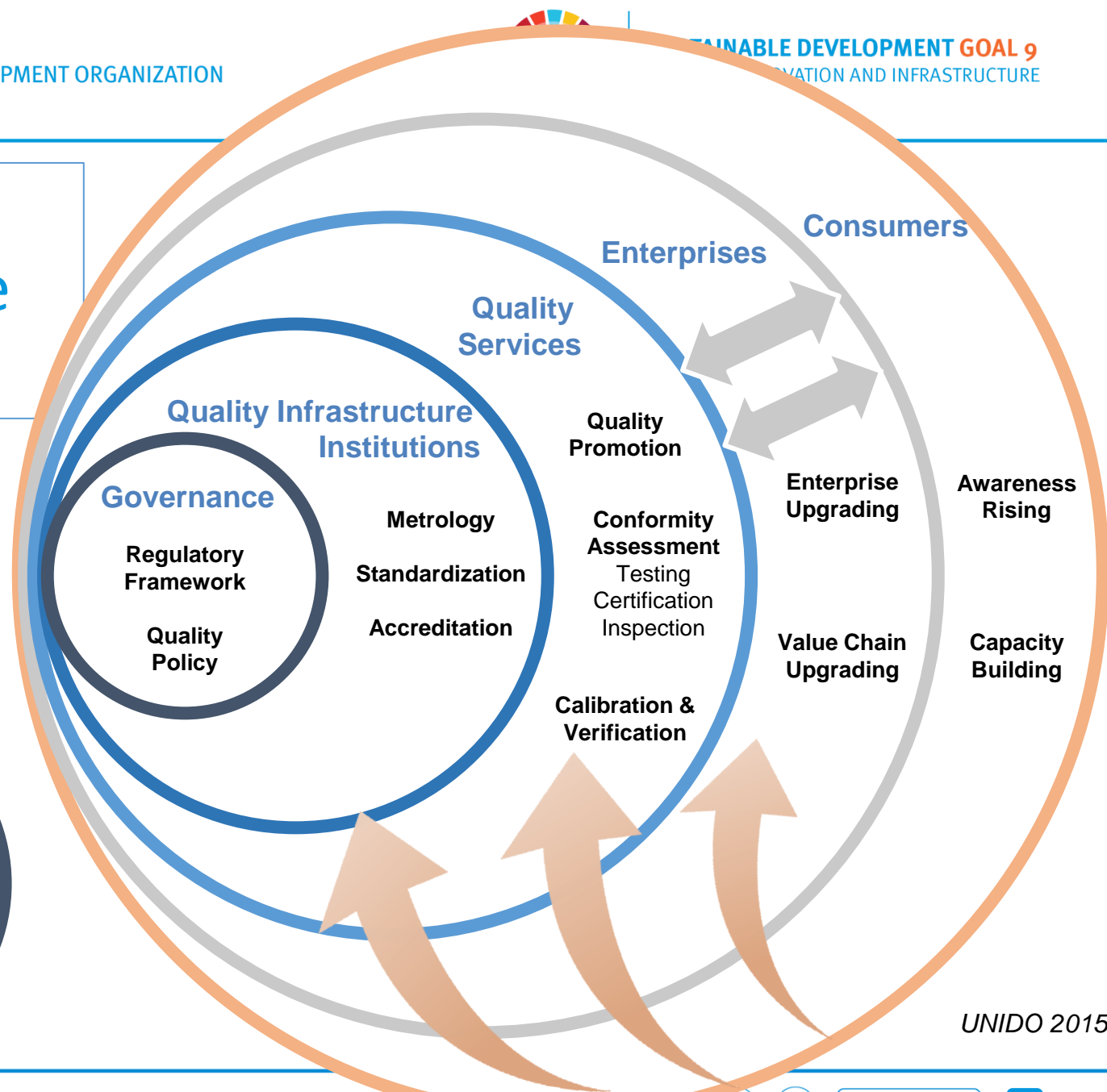
Support **Small and Medium-sized Enterprises (SMEs)** to overcome TBT and SPS-related issues by tackling specific quality requirements in a particular value chain. This **minimizes the economic distance** travelled by goods in order to reach their market.



Quality Infrastructure System

Systemic approach

in line with private sector needs

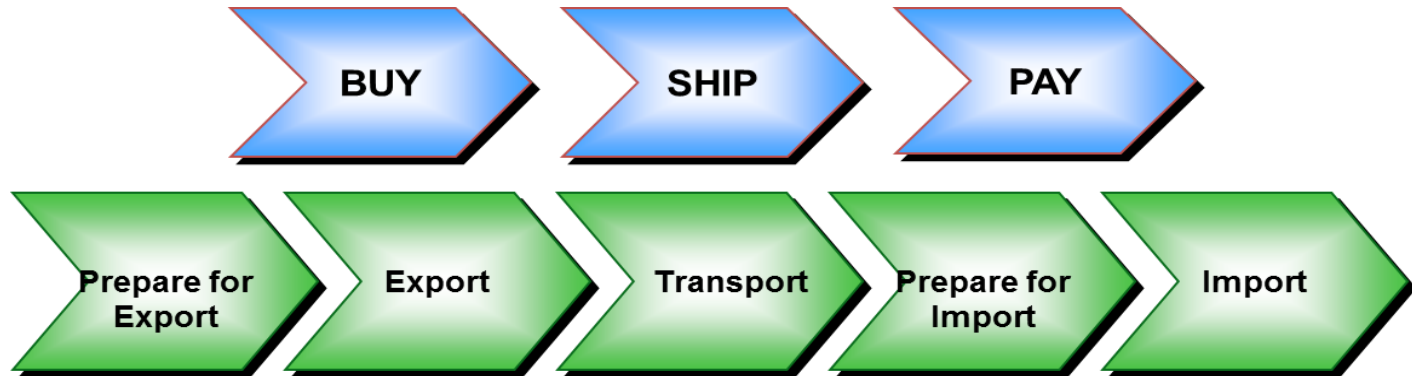


UNIDO 2015



Where does NQI fit into Trade Facilitation?

NQI's
ENTRY
POINT in
Trade
Facilitation



INVOLVES

+ Business
Process
Analysis
+ Trade
Facilitation
Strategic
Roadmap

Commercial Procedures

- Establish Contract
- Order Goods
- Advise On Delivery
- Request Payment
- Packing
- **Inspection**
- **Certification**
- **Accreditation**
- Warehousing

Transport Procedures

- Establish Transport Contract
- Collect, Transport and Deliver Goods
- Provide Waybills, Goods Receipts Status reports etc.

Regulatory Procedures

- Obtain Import/Export Licences etc
- Provide Customs Declarations
- Provide Cargo Declaration
- Apply Trade Security Procedures
- Clear Goods for Export/Import

Financial Procedures

- Provide Credit Rating
- Provide Insurance
- Provide Finance
- Execute Payment
- Issue Statements

Note: UNECE Supply Chain model for TF



Highlights of TF related Projects

African Region

PCP-Ethiopia

Providing technical support to the Government of Ethiopia to improve trade logistics / trade facilitation by:

- Identifying relevant SPS/TBT matters in three priority sub-sectors: agro-industry, leather, textiles; also to improve competitiveness and market access, in partnership with UNCTAD / update of DTIS - ETH
- Conducting a pilot BPA for two products (leather), with a view to develop a sectoral Trade Facilitation Strategic Roadmap, in partnership with UNECE.

Malawi

Enhancing the ability to export goods by:

- Reducing the need for re-testing, re-inspection, re-certification abroad through acceptance of measurements, tests, conformity assessment results issued in Malawi
- Introducing a Risk Management approach in Regulatory Framework
- Cutting the time and costs of moving goods across borders
- Strengthening the Malawi Bureau of Standards and assisting in the implementation of the National Quality Policy and the National Export Strategy.





Highlights of TF related Projects

Asian Region

Pakistan - Regional Trade

- Support trade within the region by increasing visibility on TBT, SPS and TFA related requirements fostering their convergence
- Establish a module in TBT and SPS to complement an existing trade facilitation portal
- Support recognition of equivalence and ultimately the harmonization of compliance requirements and conformity assessment services.

Sri Lanka

- *Build national capacity to comply with food safety and quality requirements along the cinnamon value chain to facilitate export to the regional and global markets.*
- *Contribute towards SPS compliance along the cinnamon value chain through the promotion of Good Manufacturing Practices(GMP) to increase market opportunities/ access to new markets.*

Highlights of TF related Projects

Arab Region

Working with the League of Arab States (LAS) and the Arab Industrial Development and Mining Organization (AIDMO) to strengthen regional cooperation and integration under the Pan Arab Free Trade Agreement by:

- Setting up the **Arab Regional Accreditation Cooperation (ARAC)** to achieve mutual recognition among the Arab States
- Boosting regional trade in food and agricultural products through streamlined and harmonized conformity assessment procedures.





Highlights of TF related Projects

Latin America and the Caribbean

- The Quality Infrastructure Council of the Americas (QICA) is being established as a platform of Regional Organizations (SIM, IAAC, COPANT) involved in quality infrastructure to provide a single point of contact for action and collaboration to support the expansion of national quality infrastructures in the region.

- The objective is to:
 - enhance the mutually supporting activities of standards development, accreditation, and scientific, industrial and legal metrology as the key elements to facilitate trade
 - achieve mutual recognition among the LAC countries
 - harmonize conformity assessment procedures



Testing and Inspection – the missing link for successful implementation of the Trade Facilitation Agreement

thank you!



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