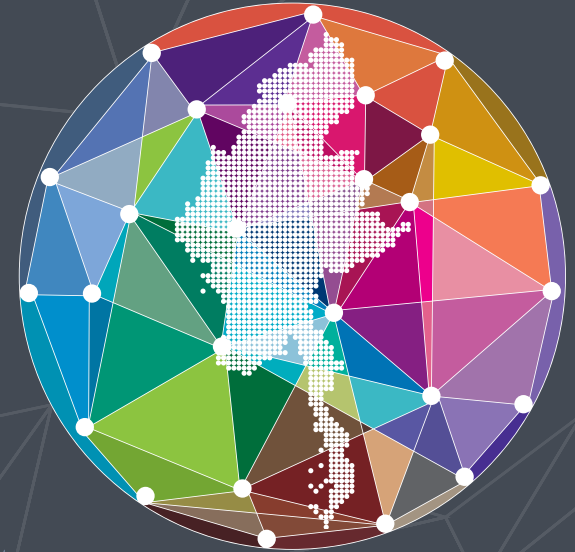


Strengthening Myanmar's Quality Infrastructure for Trade

2014-2018: THE ACHIEVEMENTS





UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

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Overview

HELPING MYANMAR RECONNECT TO THE WORLD ECONOMY

Myanmar's trade, economy and private sector are central to its sustainable development and poverty alleviation agenda. The Union Government has focused on inclusive economic growth through the development of small and medium-sized enterprises (SMEs) and industry. Still, the country's ability to compete successfully on international markets has been impaired by its underdeveloped supply capacities and inadequate conformity assessment (CA). To access international markets, the private sector must be able to rely on a solid quality infrastructure in achieving conformity with international standards, regulations, and CA modalities.

The weak National Quality Infrastructure (NQI) has limited export market access and product development. The key gaps in services to the food industry are:

- › the lack of internationally recognized quality assurance services, including laboratory testing (food safety parameters); and
- › the limited awareness and application of international food safety standards.

BUILDING TRADE CAPACITIES

The ability of countries like Myanmar to exploit their commercial opportunities, compete on global markets and participate in international value chains is often challenged by their difficulties in demonstrating compliance with quality requirements and trade rules. Setting up a Quality Infrastructure System is a key practical step towards a thriving economy as a basis for prosperity, health and well-being.



QUICK FACTS

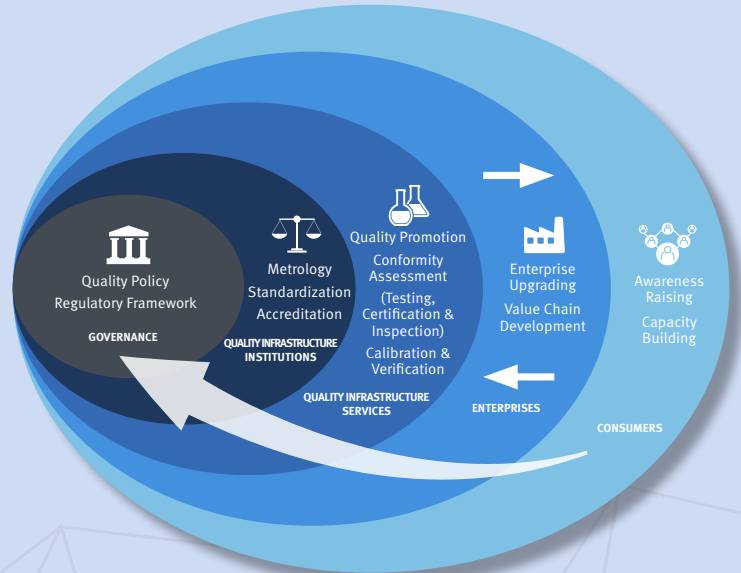
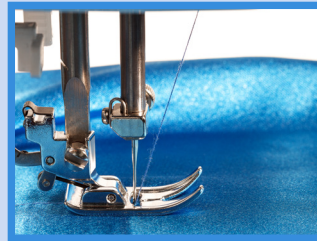
The project “Strengthening National Quality Infrastructure for Trade in the Republic of the Union of Myanmar” helped the national economy to improve the quality of goods and services through strengthening relevant institutional and private sector capacities. The project covered all essential aspects and stakeholders: policy, institutions, and service providers. It fostered the use of international standards and conformity assessment procedures by the private sector to add value to their products. Through the sustainable development of the private sector Myanmar SMEs increased their competitiveness on international markets.

The United Nations Industrial Development Organization (UNIDO) implemented the project between October 2013 and March 2018. The Government of Norway funded this initiative through its Agency for Development Cooperation (Norad). The project budget was € 2,650,806 (including 13% support costs), or € 2,345,846 (excluding support costs). UNIDO implemented the project in close cooperation with the Government of Myanmar, channelled through the Ministry of Education, and with the private sector represented by Myanmar Food Producers and Exporters’ Association. The main beneficiary institutions were the National Standards and Quality Department of the Ministry of Education; the Department of Food and Drug Administration of the Ministry of Health, Youth and Sports; and the Commodity Testing and Quality Management Centre of the Ministry of Commerce. Other beneficiaries included private sector operators (laboratories, inspection bodies, and food businesses).

FOSTERING DEVELOPMENT AND COMPETITIVENESS OF PRIVATE SECTOR COMPANIES IN MYANMAR

The Project strengthened the quality infrastructure and focused on demand-driven development and growth of the Myanmar private sector.





QUALITY INFRASTRUCTURE

National Quality Infrastructure (NQI)

OVERCOMING STRUCTURAL SHORTCOMINGS

The project helped the country to enhance the competitiveness of its private sector by strengthening the NQI. The NQI system comprises organizations (public and private), policies, relevant legal and regulatory frameworks, and practices that are key to maintaining and improving the quality, safety and environmental

soundness of goods, services and processes. Quality infrastructure is required for the effective operation of domestic markets; and its international recognition is important for enabling access to foreign markets. It is a critical element in promoting and sustaining economic development, as well as environmental and social wellbeing¹.

CATALYST FOR COMPETITIVENESS AND MARKET ACCESS

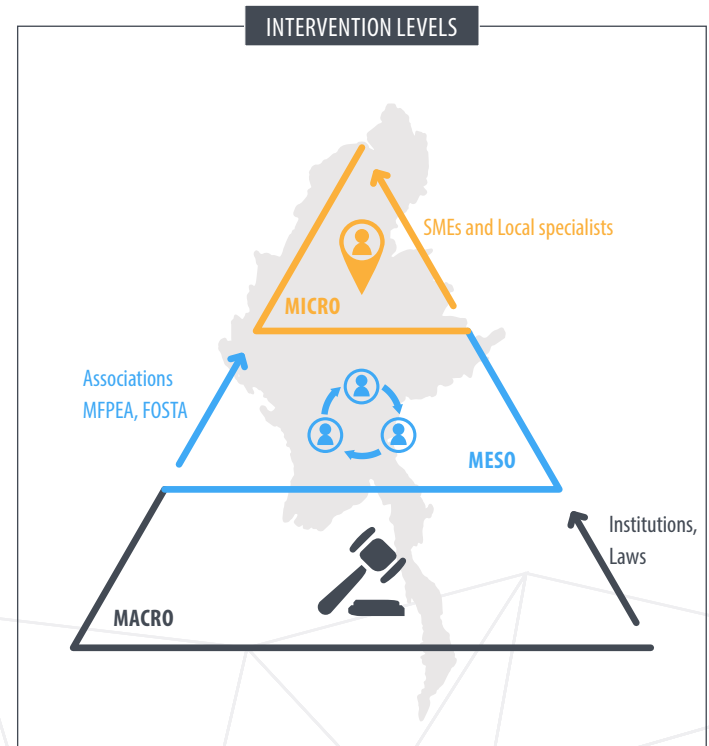
A NQI system is a catalyst for improving the quality of products and services on a national scale. It helps to stimulate the demand for these products and services, resulting in growth of individual businesses and the entire economy. By helping the national industry to meet the requirements of global and domestic markets, the NQI system increases the competitiveness of the nation's economy and its ability to participate in global trade and value chains.

A NQI is a powerful tool for defining, developing and verifying quality requirements for products and services. It assures customers that products and services really meet certain specifications. The use of standards combined with conformity assessment and metrology services shows that quality objectives are met and that goods and services conform with specifications requested by trade operators.

¹) According to the International Network on Quality Infrastructure

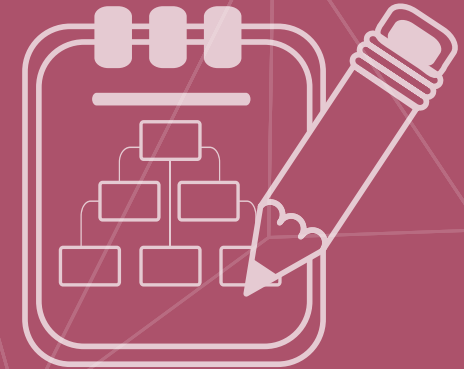
SYSTEMIC PROJECT APPROACH

In Myanmar, the “NQI for Trade” project took an integrated approach addressing deficiencies in four pillars of the NQI:



2) Hazard Analysis and Critical Control Points (HACCP) and ISO 22000 are international standards listing the requirements for food safety management systems.

Quality Policy Formulation



GOVERNMENT INSTRUMENT

The project helped Myanmar formulate its National Quality Policy (NQP), a foundation for effective trade. The NQP is the basic government instrument that sets out the nation's objectives in Metrology, Standardization, Accreditation and Conformity Assessment. It defines the goals of the future quality infrastructure and serves as a road map for setting it up. The development of a quality policy is a chance to increase public awareness of the importance of the Quality Infrastructure System (QIS) and inform national actors of how they can benefit from it. Stakeholder involvement is therefore crucial to ensure that the NQP and QI system meet the needs of the nation.

To develop a sound NQP, the project helped to establish a public-private dialogue involving all NQI stakeholders, including laboratories, private companies, and their

associations, regulators, consumer associations, and universities. The broad national policy dialogue was maintained through a series of national and regional workshops. This helped the project to collect formal comments in line with international good practices.

In addition, an implementation plan for the NQP was developed to accelerate the progress of the National Quality Infrastructure System. The project resulted in the National Quality Policy and Action Plan being finalized and published. They are now ready for implementation.

LEGISLATION

Simultaneously, Myanmar's legislation related to metrology, standardization and accreditation was reviewed to ensure that it is in line with the new policy. The project inputs were instrumental for the Ministry of Education to run a high-level presentation

on Legal Aspects of the NQI for the Members of the National Hluttaw (Parliament). Additionally, the project helped the Government to review other laws, including the Food Law and the Laboratories Law.

GOOD GOVERNANCE

Throughout the project, UNIDO put special emphasis on good governance. To promote good practices in quality infrastructure institutions, the project experts held awareness-raising seminars targeting professionals from the Government, quality infrastructure institutions, laboratories, and related fields. The project raised the stakeholders' awareness of the importance of the regulatory function, which used to be scattered across Ministries contrary to the best international practices.

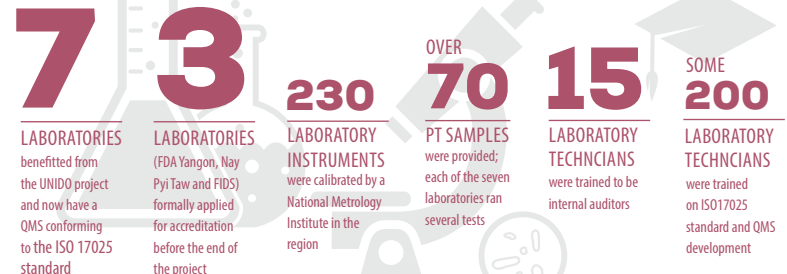
LAYING A CONCEPTUAL FOUNDATION

The concept of a NQI system and effective interaction between its key functions is still new. Myanmar officials and citizens remain largely unaware of these ideas. Project interventions at the policy level provided some clarification and helped build a foundation for a well-defined quality infrastructure system. The project offered the stakeholders clearly defined roles and responsibilities, while highlighting conflict of interest risks and discordance between public institutions and private quality service providers.



The Project facilitated:

- ✓ PUBLIC DIALOGUE AND INCREASED DONOR COORDINATION
- ✓ FORMULATION OF A QUALITY POLICY DOCUMENT
- ✓ DRAFTING A PLAN OF ACTION
- ✓ REVIEWING LEGISLATION
- ✓ PREPARING TECHNICAL REGULATIONS
- ✓ FOCUS ON GOOD GOVERNANCE PRINCIPLES



NQI Institutions Strengthened



The key institutional components of the QIS include high-level bodies responsible for standardization, metrology, conformity assessment and accreditation. The National Standards and Quality Department (NSQD) is the main institution responsible for the

dissemination of standards and quality promotion in Myanmar. The project assisted NSQD in upgrading the country's accreditation, standardization, and calibration services by working closely with the NSQD and developing capabilities of its employees.

ACCREDITATION

Due to UNIDO's assistance, the accreditation division can now deliver conformant accreditation services. Starting from an orientation workshop and a nationwide survey, the project established a roadmap for developing the Myanmar National Accreditation Body (MNAB). UNIDO experts helped the accreditation division to set up a QMS compliant with ISO17011 and trained the body's accreditation officers and 40 laboratory assessors. The accreditation officers participated in the Asia Pacific

Laboratory Accreditation Cooperation (APLAC) General Assembly meeting under mentoring by a project expert. Supported by the project, the Accreditation Division concluded a MOU with the Singapore Accreditation Council. This will allow Myanmar to issue joint accreditations until the MNAB becomes a full member of the APLAC's Mutual Recognition Arrangement (MRA).

STANDARDIZATION

The Standards Division is responsible for coordinating and facilitating the standard-setting process. The project increased its compliance with the WTO's Code of Good Standardization Practices and helped it to implement the National Standardization Strategy (DNSS). The latter was launched by ISO's regional office. As part of this initiative, the project supported the Standards Division in gathering and analysing economic data to set priorities for standards-setting work in Myanmar.

The project team also organized a study tour to the Sri Lanka Standards Institute for senior officials of the Ministry of Education and heads of some technical committees. A week-long exchange visit was a good example of South-South cooperation fostered by UNIDO. The delegates took part in training sessions and laboratory tours to learn how a successful standard body operates.



METROLOGY AND CALIBRATION

A significant part of the technical assistance focused on metrology services. Metrology is the science of measurement applied in our daily lives. Accurate measurements are crucial for protecting health, safety, the environment, and consumers. They are also vital for securing deals between business partners in national and global trade.

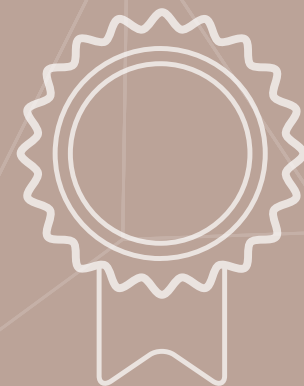
As legal metrology did not exist in Myanmar NQI, NSQD requested UNIDO to develop a roadmap for setting up this function. A project expert delivered extensive theoretical training on the legal and regulatory framework for metrology. Additionally, NSQD staff received support

in developing regulations on weights and measures, non-automatic weighing instruments, fuel dispensers, and pre-packaged goods. This training event also included a practical demonstration of on-site verifications.

Simultaneously, the project helped Myanmar renovate its NSQD metrology laboratories, provided instruments for industrial calibration in the field of mass, temperature, and dimension, and offered stakeholders initial training in calibration. Good coordination with other donors in this field was ensured to avoid overlaps in resource allocation.



Conformity Assessment



DEMONSTRATE COMPLIANCE

Organizations providing conformity assessment services build important links within the NQI. Conformity assessment is needed to demonstrate that products, services, management systems, organizations or their personnel meet specified requirements. Conformity assessment bodies (CAB) comprise testing and calibration laboratories, inspection bodies, and certification bodies. These organizations should have a management system that conforms to international standards to ensure worldwide consistency and cross-border acceptance of results.

UNIDO's support to CABs in Myanmar significantly boosted the capacity of the country's NQI. The technical assistance provided under the project increased confidence of Myanmar laboratories and inspection bodies.

TESTING LABORATORIES' COMPETENCE

The overall capacity of testing laboratories was insufficient to meet the demands of a modern economy focused on connecting its agri-business to global food supply chains. The project developed the capacity of laboratories testing agri-food products to ensure their compliance with increasing requirements of the regulatory authorities to support market surveillance. It also helped the industry to address its routine testing needs. Seven public and private laboratories in the agri-food sector were supported in upgrading their technical and management capacities.

The project provided equipment, reagents, and services such as calibration and proficiency tests, to ensure better reliability of results. Significant assistance targeted human resource development, both at the technical (for methods, competence, internal audit, quality assurance) and management levels (cost recovery, management system). The support provided by the UNIDO project enabled the seven laboratories to seek accreditation in ISO17025 and increased the number of tests they can carry out.

INSPECTION CAPABILITY

Myanmar imports significant quantities of edible oil and exports large amounts of rice, beans, and pulses. Commodity inspection is a crucial aspect of this trade. This responsibility rests with the Myanmar Inspection and Testing Services Co Ltd (MITS). The company received project support for upgrading its inspection tools (sieves, moisture meters, balances, sample dividers, tapes, etc.) and developing a management system conforming to the requirements of ISO17020. This activity entailed an in-depth review of the company's business model and the risks related to its role, ultimately raising its capacity in performing its functions.

The Department of Food and Drug Administration is another agency mandated to carry out inspections. The FDA is responsible for registering and inspecting food processing enterprises and for carrying out its official control of processed food entering the market. FDA asked UNIDO to develop its capacity. Senior project experts trained inspectors on GMP and HACCP, developed their skills in risk-based inspection methods and assisted managers in classifying food businesses and setting up inspection plans. The project also organized mentored inspections of food establishments for a group of inspectors from all the regions of Myanmar.



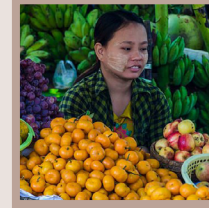
12

SMEs
were audited by an
independent certifier (FS
management systems)



3

COMPANIES
received FSSC 22000
certification



10

**FOOD SAFETY
SPECIALISTS**
qualified to CIEH level 3

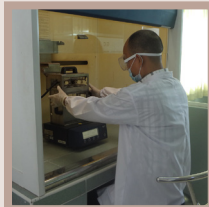


29

FOOD BUSINESSES
were supported through
300 training sessions for
848 female (60 per cent)
and **296** male operators
and managers

35

FOOD INSPECTORS
of the FDA were
trained on inspection
practices



MFPEA's

capacity was raised for it to
start a training unit



FOSTA

training and outreach
capability enhanced



Private Sector Engagement



DEMAND-DRIVEN APPROACH FOR SUSTAINABILITY

All parts of the NQI influence each other strongly. This interaction is particularly intense between enterprises and customers, or consumers. Enterprises offer products and services and receive direct and indirect feedback from consumers in the form of sales volumes and customer satisfaction reports. The emphasis of a strong NQI should therefore be on markets and consumers. In Myanmar however, consumers at large do not appreciate the concept of quality, the price remaining their primary consideration. The UNIDO project targeted the agri-food processing enterprises, which were best suited to introduce mind-set change in the country, namely large retail chains and exporters. The following activities were carried out:

- 1 SUPPORT TO PRIVATE SECTOR ENTERPRISES IN THE IMPLEMENTATION OF INTERNATIONAL FOOD SAFETY STANDARDS;
- 2 CAPACITY BUILDING FOR NATIONAL SPECIALISTS THROUGH TRAINING OF TRAINERS;
- 3 SUPPORT TO LOCAL ASSOCIATIONS ACTIVE IN THE FIELD OF FOOD TECHNOLOGY.

RAISE THE STANDARDS FOR SMEs IN THE AGRI-FOOD SECTOR



The project supported 30 companies in the implementation of food safety standards: GMP, HACCP (Codex Alimentarius Commission), and FSSC22000. The project mobilized a team of six national specialists to deliver continuous capacity building and awareness raising to SMEs personnel. The specialists also assisted SMEs in

developing documents, preparing HACCP plans, and setting up their food safety management systems. Twelve supported companies implemented the selected standards and underwent a stage I audit by an independent local certification body. By the end of the project, three SMEs received FSSC 22000 certificates.

BUILDING CAPACITIES OF LOCAL SPECIALISTS



The project recruited, trained and mentored six national food specialists, five of whom were women. The training and mentoring activities were facilitated by the Chief Technical Advisor (CTA) through group and individual sessions. In addition, the project specialists received communication skills and FS systems training. The project also identified expert trainers from the local specialists' network. Ten expert trainers were trained and assessed by a CIEH certified expert. This core group was thus equipped with recognized FSMS and teaching skills (CIEH level 3).

The project was also instrumental in raising awareness and building capacities of a wider group of food safety specialists. This was achieved by disseminating thematic presentations on food safety at workshops and seminars, and by sharing information on food safety through the project's website and social media.

LOCAL ASSOCIATIONS



The project engaged and supported the Myanmar Food Processors and Exporters Association and the Food Sciences and Technology association (FOSTA). The project CTA worked with MFPEA executives on strategic planning and the development of a service unit. This concept was implemented by MFPEA as a training and resource centre in 2018.

The project CTA regularly participated in MFPEA and FOSTA workshops on issues relevant to the agri-food processing sector. Two or three workshops every year were held within national events or fairs, including Propack, Food & Hotel Myanmar, Myanmar Food Exhibition, the National Conference on the Development of Food Science and Technology in Myanmar, etc.

In addition, the project supported FOSTA in organizing its first conference and roundtable meeting on Higher Education in Food Science and Technology.

These initiatives had a strong positive impact on modifying the perception of quality and safety of products by the private sector, consumers and public at large. Within the project implementation period, a noticeable change was registered in the industry and public alike in levels of their awareness of quality and safety issues. They started showing more interest in the adoption of international practices to ensure better quality and safety of food products.

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