



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



FACILITATING TRADE

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The need to improve the movement of goods across national borders has become ever more important with value chains spanning the globe. The requirements of the new World Trade Organization (WTO) Trade Facilitation Agreement (TFA), which followed the Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Agreements, represent a major challenge as well as a great opportunity for developing countries. Lengthy procedures and border rejections result in major financial losses for the producers, particularly for small and medium-sized enterprises (SMEs), and can damage the reputation of exporting countries. Therefore, effective, efficient and internationally-recognized testing, inspection and certification services that are compliant with WTO agreements are crucial to meeting the standards of external markets.

In this respect, UNIDO's Department of Trade, Investment and Innovation (TII) offers services which aim to:

- » Analyse the trade performance of specific value chains for the exporting economy
- » Offer advisory services to manage risks identified in the trade performance analysis
- » Assist conformity assessment entities to mitigate identified risks
- » Support mutual recognition of conformity assessment procedures between main trading countries for selected value chains
- » Develop enquiry points and connections with single window

UNIDO's flagship programmes and tools include:

- » Trade Facilitation Toolbox
- » Rejection analysis tool which helps identify those systematic deficiencies in countries that prevent compliance with market requirements
- » Lab diagnostic and development tools
- » Laboratory Assessment Tool which helps identify key general gaps
- » A tool which can be used to determine compliance with ISO/IEC 17025, by assessing the level of compliance of the laboratory in line with the requirements
- » Inventory/directory of laboratories which lists laboratories and their scopes
- » Trade facilitation tool which helps to determine technical gaps in requirements for testing and inspection between countries
- » Conformity assessment service diagnostic tool to identify conformity assessment services along a specific product, sector or value chain
- » Labnet, a web-based system with information in the areas of standards and conformity assessment
- » Guideline on Good Governance and Professional Practices for organizations and personnel working in the field of the National Quality Infrastructure (NQI), with samples of tools, forms and checklists that can be used to manage and monitor the implementation of good governance and professional practices within a national institution

Strong partnerships with global players, such as the World Trade Organization (WTO), World Bank, the United Nations Economic Commission for Europe (UNECE), United Nations Conference on Trade and Development (UNCTAD), Global Facilitation Partnership (GFP) and the World Customs Organization (WCO), combined with UNIDO's longstanding experience and outstanding record, offer access to tested diagnostics and methodologies, good practice materials, training and advisory capabilities.

SUPPORT THE IMPLEMENTATION OF THE **REGIONAL ARAB** STANDARDIZATION STRATEGY FOR GREATER REGIONAL COOPERATION

Bearing in mind the increasing importance of standards harmonization, conformity assessment and metrology infrastructure, the Arab Industrial Development and Mining Organization (AIDMO) developed the Arab Standardization Strategy. The strategy, which was adopted by the Arab States in 2008, addresses all components of the Quality Infrastructure (QI), namely standardization, metrology, certification, accreditation, testing and conformity assessment, with a regional focus. In particular, AIDMO and its Member States have been working towards improving national QI capacities to tackle the disparity in quality infrastructure development in the region. Assistance has been provided to strengthen regional QI capacities and services, mainly in the area of accreditation.

MAIN APPROACH

In 2010, UNIDO, in response to a request from AIDMO and with the financial support from the Swedish International Development Cooperation (Sida), developed a technical support programme to assist AIDMO in the implementation of the Arab Standardization Strategy. The main focus has been on regional cooperation with respect to accreditation.

IMPACT AND RESULTS

The broader objective of the project is to support the regional efforts, coordinated by AIDMO, towards regional

integration, harmonization and effective coordination in the quality infrastructure field, while ensuring compliance with international trade rules and regulations. This is to be achieved through the establishment and strengthening of the regional support quality infrastructure for the improvement of quality and for the delivery of support services in standardization, conformity assessment and accreditation in line with international good practices.

FACTS AND FIGURES

- » Regional accreditation body, the Arab Accreditation Cooperation (ARAC), successfully established with UNIDO's assistance to AIDMO
- » ARAC obtained recognition by the International Laboratory Accreditation Cooperation (ILAC)
- » In addition to the ILAC membership, regional cooperation agreements have been signed with peer bodies such as the Inter-American Accreditation Cooperation (IAAC) and the African Accreditation Cooperation (AFRAC)



With the improvement of the quality culture in Africa, particularly in the South African Development Community (SADC), tested and certified products are winning the confidence of the consumers, as these demand better and safer products. To prove and verify the quality of goods, conformity assessment certificates are sought for. However, certificates obtained in the SADC region are often not recognized nationally/internationally, which represents a barrier to trade. Hence, there is a need to enhance the capacity of SADC countries to verify compliance with standards and quality requirements in order to facilitate trade.

MAIN APPROACH

This project consists of two modules:

- » Strengthening the laboratories in the SADC region to offer high quality and reliable testing services for enterprises and regulators to facilitate trade
- » Improving the availability of market-driven quality infrastructure services (testing and inspection) to support trade facilitation

IMPACT AND RESULTS

- » Development of the Laboratory Assessment Tool which helps identify the technical gaps of testing laboratories in the SADC region: on a larger scale, the tool measures the readiness to implement a quality management system of testing laboratories (i.e. ISO/IEC 17025) and has the ability to measure progressively, over time, the efforts of the laboratories towards meeting the requirements of this standard
- » Application of the tool in 11 SADC countries in 2016 and generating responses from 175 laboratories, out of which 124 were testing laboratories, 32 medical laboratories and 19 calibration laboratories
- » Identification of key technical gaps in testing laboratories which need to be addressed

FACTS AND FIGURES

Key findings from the 175 laboratories surveyed

- » **39%** of the laboratories have less than 10 pieces of fully functional equipment
- » **50%** do not calibrate their equipment regularly
- » **59%** do not formally assess the training needs of the laboratory
- » **6** out of **10** laboratories have no system of assessing training needs
- » **3** out of **5** laboratories have some or no validated methods
- » **1** out of **2** laboratories perform some or no verification checks
- » **30%** of the laboratories have no documented management system
- » **65%** of the laboratories implement most quality control procedures
- » **34%** of the laboratories do not perform internal audits
- » **79%** of the laboratories assessed in the SADC region are not accredited



STRENGTHENING THE SUSTAINABLE QUALITY INFRASTRUCTURE SYSTEM IN THE SOUTH AFRICAN DEVELOPMENT COMMUNITY TO FACILITATE TRADE

BUILDING A ROBUST NATIONAL QUALITY INFRASTRUCTURE, TRADE CAPACITY AND MARKET ACCESS SUPPORT FOR AGRO-INDUSTRIAL PRODUCTS IN MALAWI

Presently, Malawi is unable to secure a significant presence on foreign markets due to its limited national quality infrastructure and the absence of an internationally recognized conformity assessment body. As certificates from the Malawi Bureau of Standards (MBS) are only accepted within the region, producers wishing to export globally have no option but to apply for certification overseas, thereby incurring considerable expenses and time delays.

MAIN APPROACH

The EU/UNDP-funded Standardization, Quality Assurance, Accreditation and Metrology (SQAM) project as well as the Market Access and Trade Capacity Building Support for Agro-industrial Products (MATCB) project funded by the Norwegian Agency for Development Cooperation (NORAD) are targeted interventions to reform the national quality infrastructure in Malawi. While the SQAM project addresses the policy and regulatory landscape, the institutional reform of the MBS, the accreditation of conformity assessment services and quality improvement initiatives amongst SMEs, the MATCB project focuses on legal metrology and quality improvement among smallholder farmers.

IMPACT AND RESULTS

- » Development and distribution of the National Quality Policy and Strategy
- » Delivery of trainings on international accreditation requirements, principles of metrology, quality and food safety management to ensure the SPS-related technical competency of MBS laboratory staff
- » Attaining high-level technology equipment for MBS laboratories to reduce the testing time and increase the number of tested samples
- » Strengthening of the aflatoxin testing capability of the MBS to enable participation in the aflatoxin proficiency testing scheme in the SADC region

FACTS AND FIGURES

- » Over **140** MBS officers trained on principles of metrology, conformity assessment for product certification and quality management systems, uncertainty of measurement, as well as food and chemical testing
- » MBS undergoing an accreditation process of **4** scopes of its services based on ISO 17025 testing and calibration laboratories, ISO 17065 product certification and ISO 17021 management system certification
- » **12** farmers' associations engaged in value addition and warehousing supported to improve access to local, regional and foreign markets by compliance with technical regulations, thus impacting **20,000** farming families



The Ethiopian leather industry enjoys significant comparative advantages. The country has one of the world largest livestock populations making the country rank the first in Africa. Although the leather and leather products sector is already one of the most successful of Ethiopia's economy due to its strong backward linkages to the rural economy and its labour intensive nature, the country is falling short of its export targets in leather exports, particularly in finished leather and leather shoes. The country requires assistance to facilitate the export process, achieve its export goals and enable the manufacturing sector to compete on the increasingly globalized market.

MAIN APPROACH

Within the UNIDO Programme for Country Partnership, a Business Process Analysis (BPA) was developed and export processes have been reviewed. The objective was to identify bottlenecks of trade processes and, based on the results, provide practical solutions that can immediately improve the trade environment. The BPA also represents the first step towards a single window environment that will simplify, harmonize and automate trade processes and documents.

IMPACT AND RESULTS

In 2010/11 footwear in Ethiopia generated export earnings of around USD 9 million. Only four years later this figure increased to USD 34.5 million.

Site visits to manufacturers in and around Addis Ababa revealed that many companies are presently operating at around 40-60 % of their production capacity. Such low utilization could harm Ethiopia as a production centre in the long-run. Lower company profits would translate into lower investments and eventually lead to loss of capacity as factories would be closed. Recommendations were developed to rectify this issue through:

- » Facilitating trade by simplifying processes and procedures
- » Liberalizing the payment process through greater flexibility in payment options and scheduling of payments as well as faster and more predictable export and import processing
- » Introducing risk-based inspections in the export process and eradicating on-route checks
- » Making certificates of origin available in Customs branch offices
- » Implementing the delegation of signing authority within agencies
- » Strengthening the supply chain
- » Establishing one-stop-shops and increasing the online presence of services
- » Widening the use of insurance in goods transportation
- » Improving market knowledge and orientation of the private sector
- » Enhancing transparency and dissemination of information



**PROGRAMME FOR
COUNTRY PARTNERSHIP
IN ETHIOPIA
ENHANCING TRADE
PROCESSES FOR EXPORT
COMPETITIVENESS**

