

Facilitating Safe Trade in Agro-Industry: The Role of Quality Infrastructure

Session 1: Addressing Standards-Related Issues in Agriculture Trade



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International Seminar on Trade Facilitation in North-East Asia

13 December 2016

Incheon, Republic of Korea

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.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



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



Inclusive

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.

Sustainable

Industrialization 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.

**Industrial
Development**

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

UNIDO's 3C Approach

**Competitiveness
of SMEs**

**Conformity
with Standards**

Connectivity

**Strengthening
innovation
capacities &
capabilities**

**Enhancing
Competitiveness
of SMEs**

**Improving
business
environment**

**Building
trade
capacity**

**Strengthening
quality
infrastructure
systems**

**Facilitating
trade**

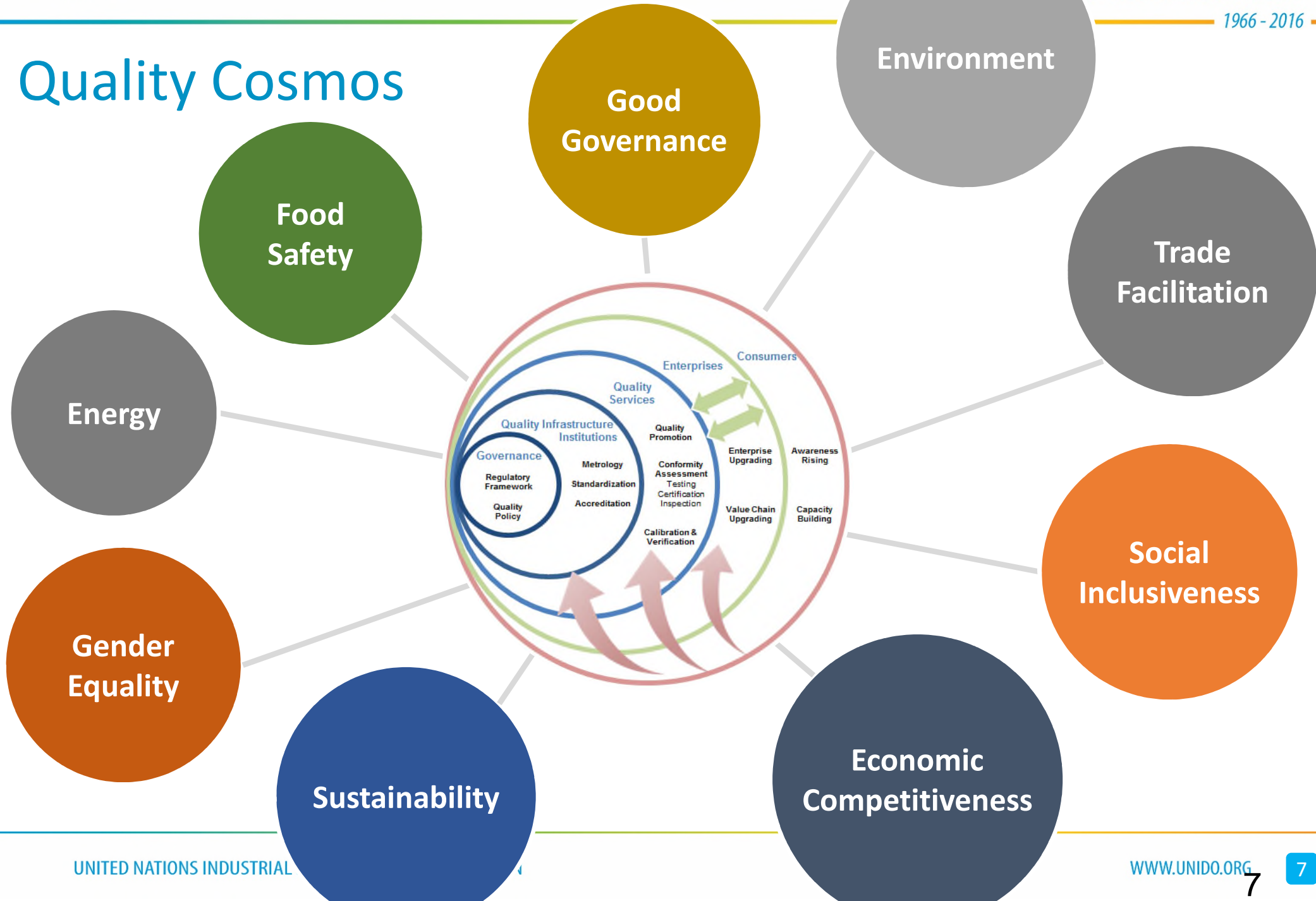
**Building
business
partnerships
& mobilizing
investment**

BUILDING QUALITY INFRASTRUCTURE

FOR ECONOMIC
COMPETITIVENESS



Quality Cosmos

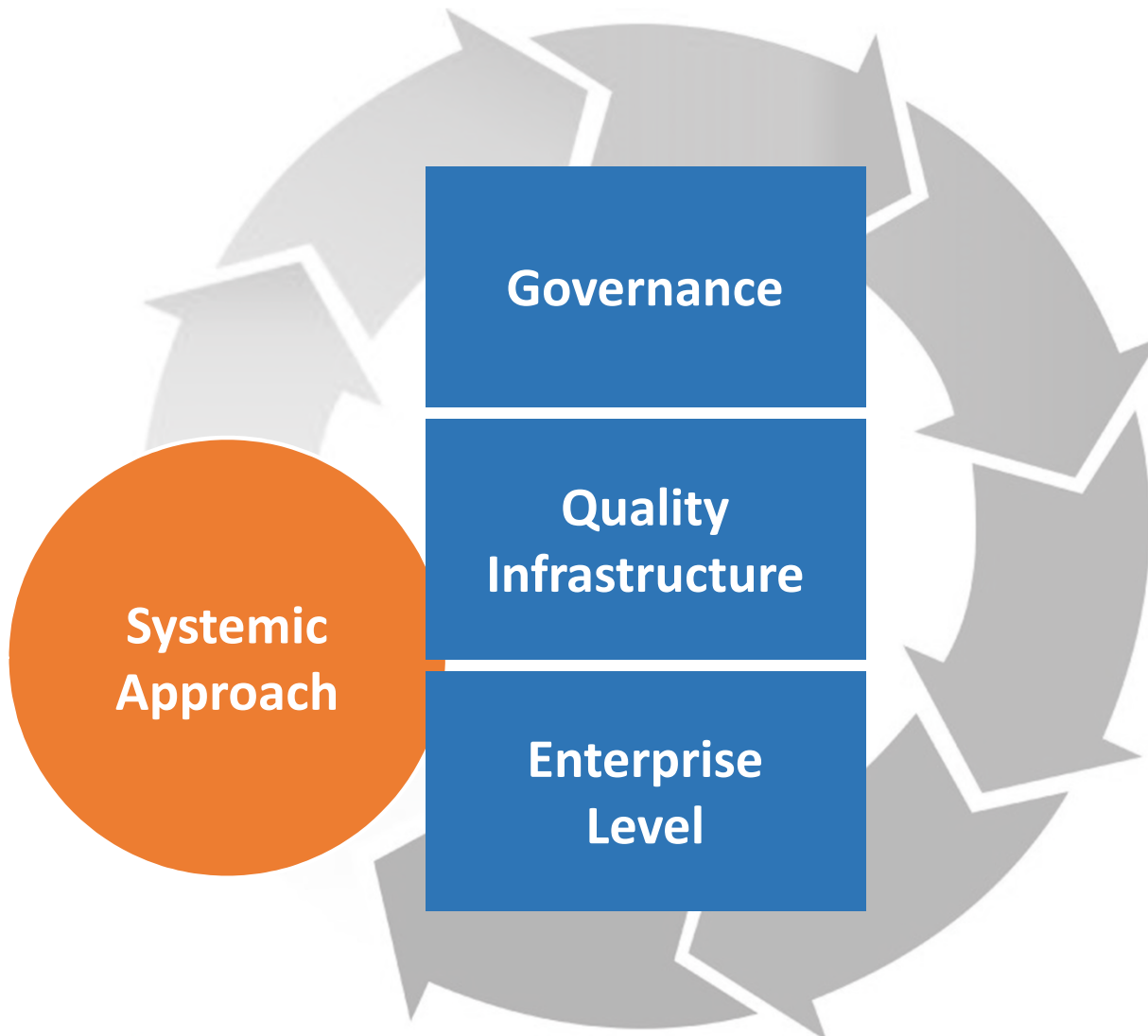


FOOD SAFETY

FOR BETTER BUSINESS
AND CONSUMER
CONFIDENCE



UNIDO's Approach to Food Safety



Considering coherence of all dimensions:

- Align quality infrastructure with food safety regulatory framework
- Improve food safety quality infrastructure services
- Introduction of QM schemes to integrate SMEs into global value chains

UNIDO's Approach to Food Safety: Tools

Tools for Safer Food

Rejection Analysis

Value Chain Analysis

Partnership Building

Needs
Assessment and
Stakeholder
Engagement

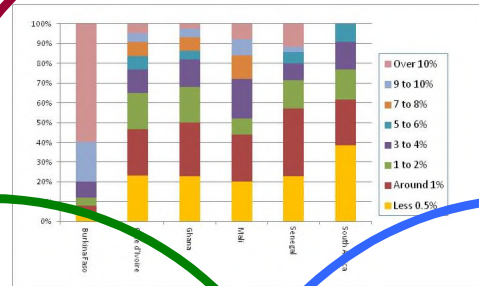
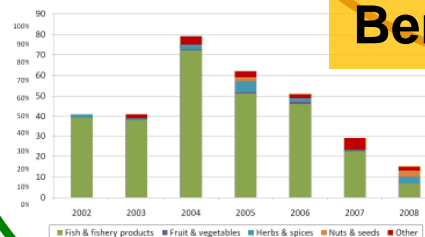


QI considerations in relation to Food Safety

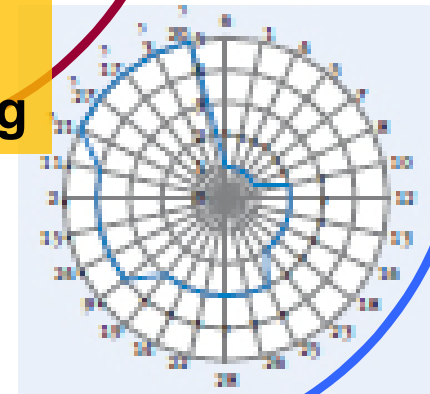
Trade Standards Compliance

**Buyer
Compliance
Confidence
Radar**
250 Global
Buyers

**Import
Rejection
Analysis**
Major markets:
EU, US, Japan,
Australia



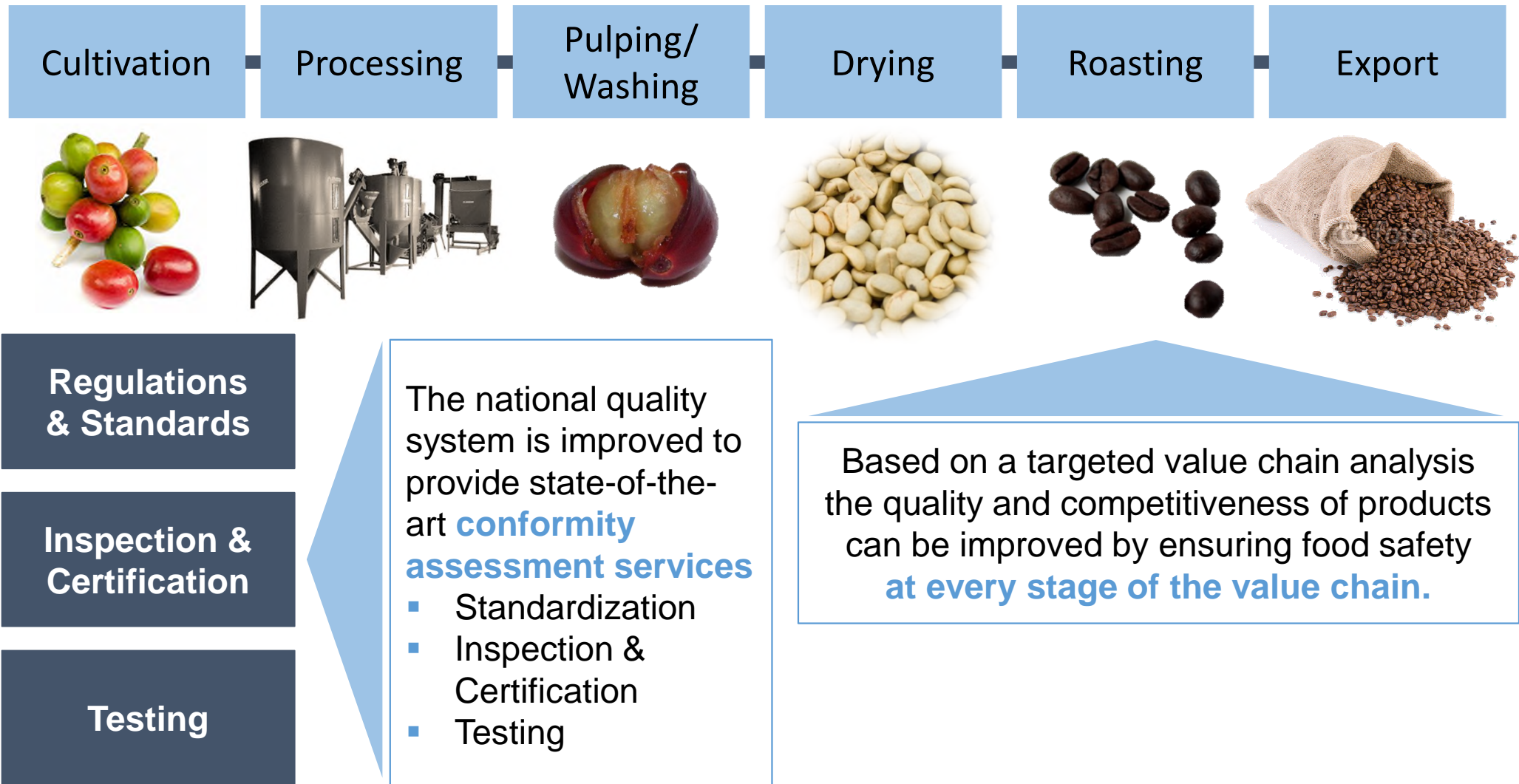
**Trade
Standards
Compliance
Benchmarking**



Meeting Standards, Winning Markets
Trade Standards Compliance **2015**

**Quality
Infrastructure
Performance
Survey**
49 Countries

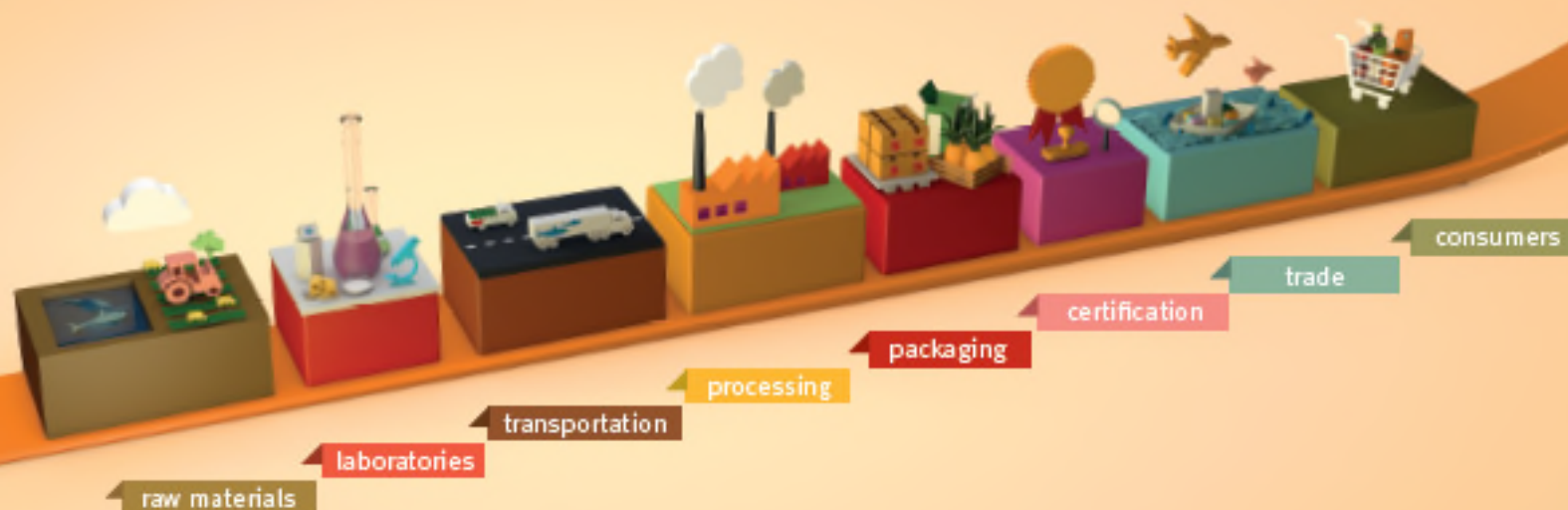
Value Chain Analysis – UNIDO's Approach



Food Supply Chain

from farm to plate, make food safe

Because the food supply chain contains numerous links **‘from farm to plate’**, enhancing food safety can only be assured by aligning the efforts of producers, the food industry and public health authorities. Also, consumers are taking an unprecedented interest in the way food is produced, processed and marketed, bringing governments under mounting pressure for increased food safety and consumer protection.



TRADE FACILITATION

SMOOTHING
THE PATH TO
GLOBAL MARKETS



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 safe trade?

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

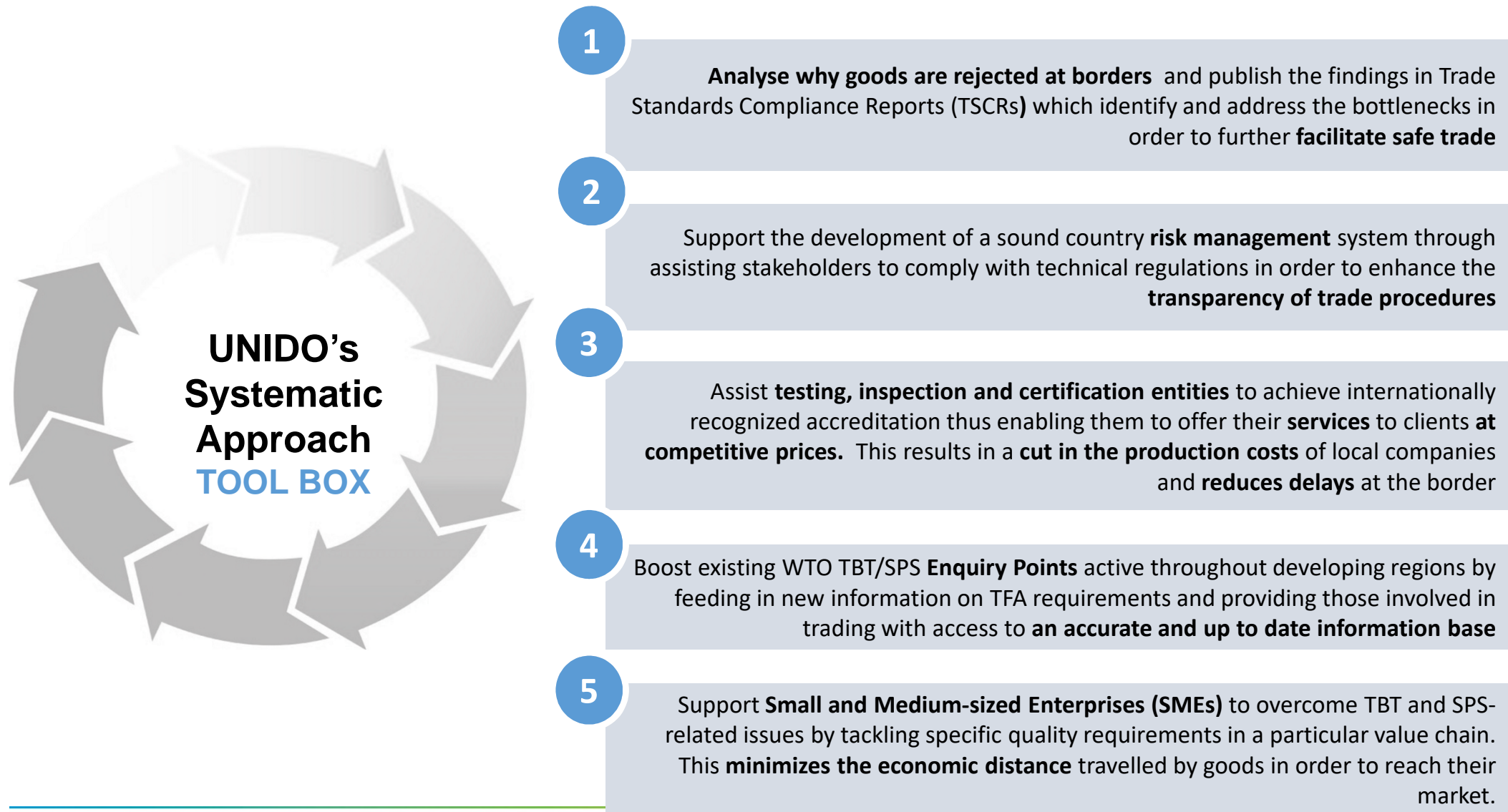
- Increases the speed at which goods pass through the border
- Ensures conformity assessment certificates are accepted on both sides of the border
- Reduces rejections of goods at the border
- Minimizes the opportunity cost
- Cuts trading costs for private sector, making them more sustainable.

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).

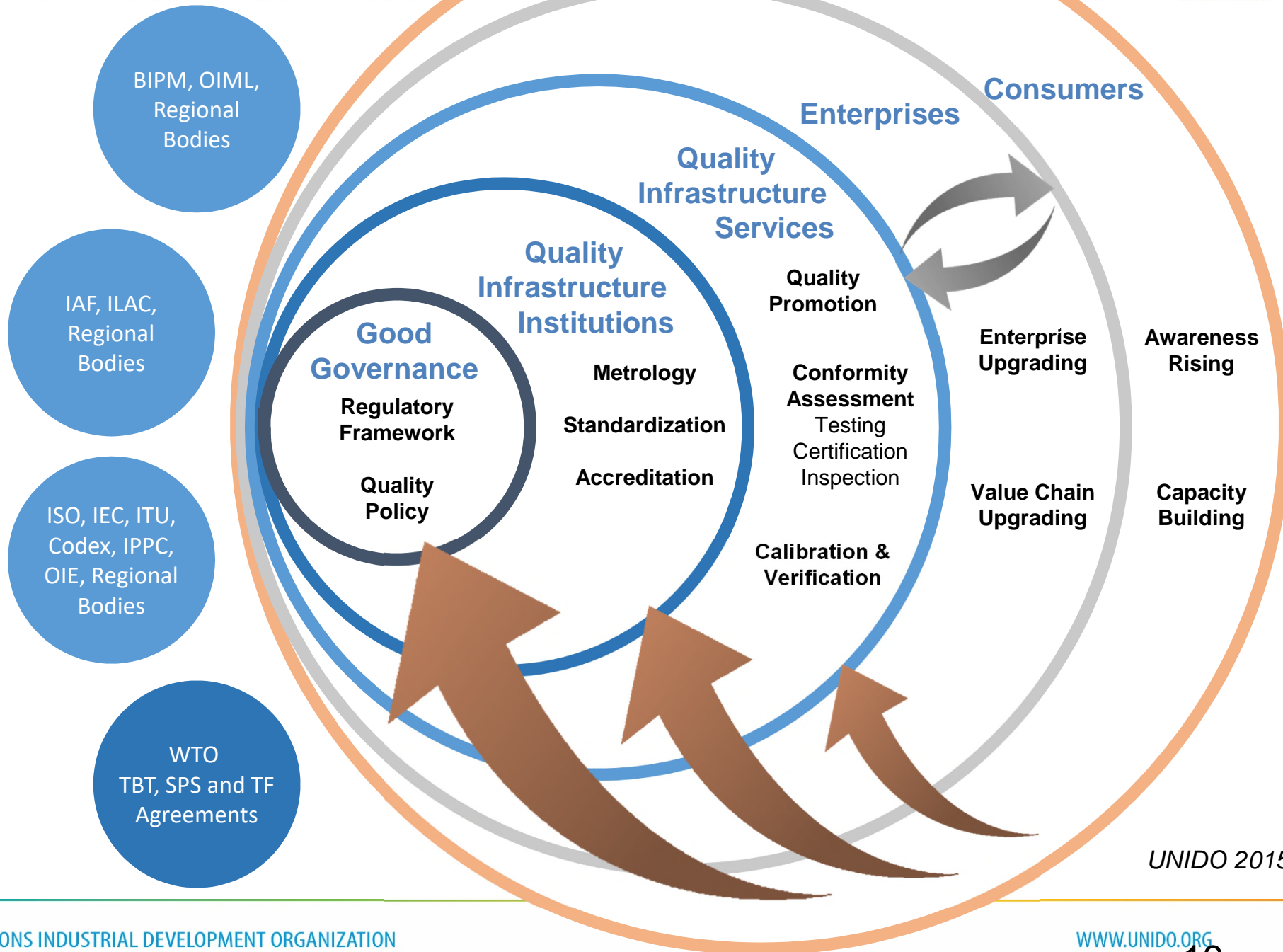
- Key to Industry 4.0



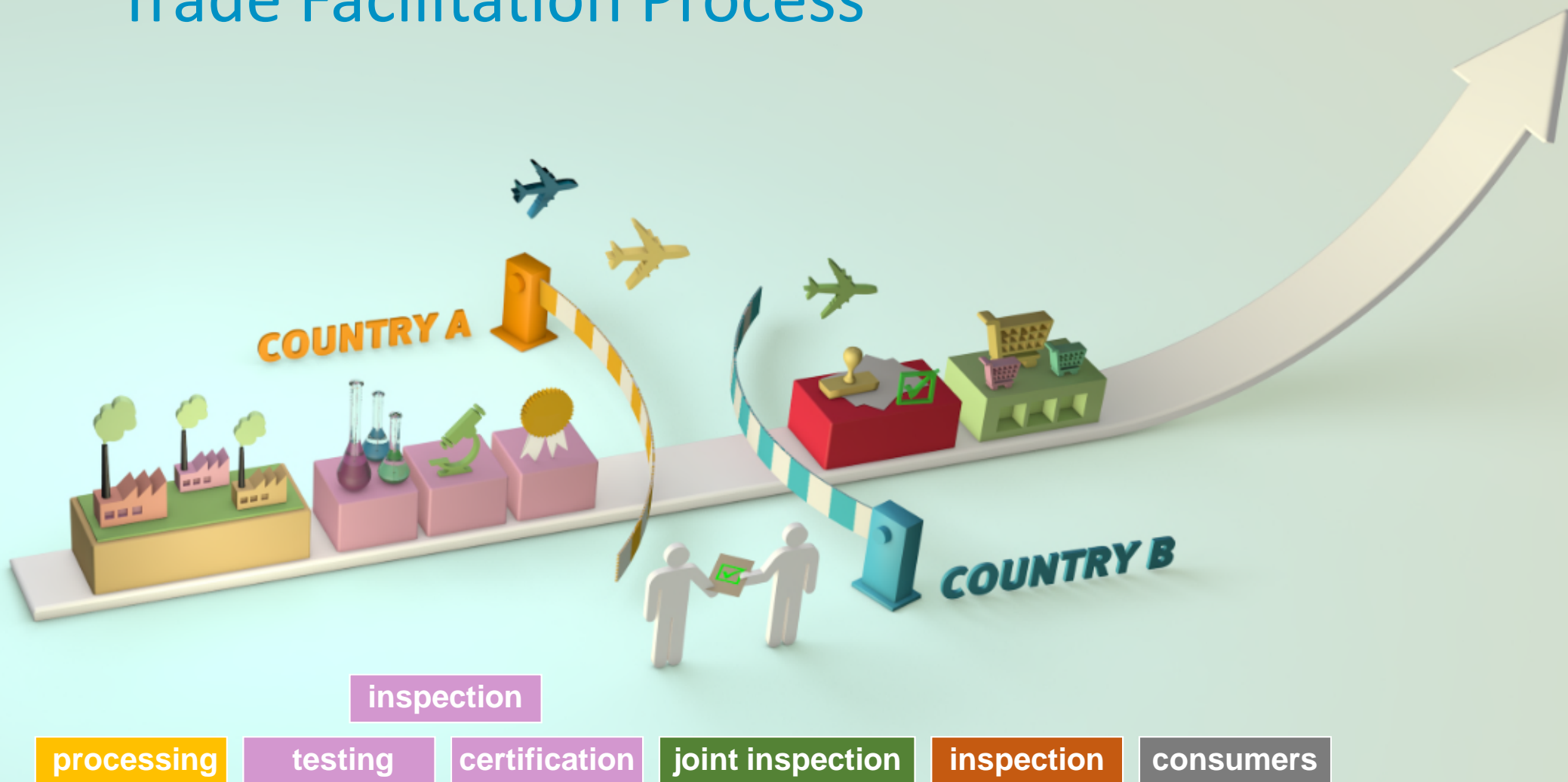
UNIDO's Trade Facilitation Approach



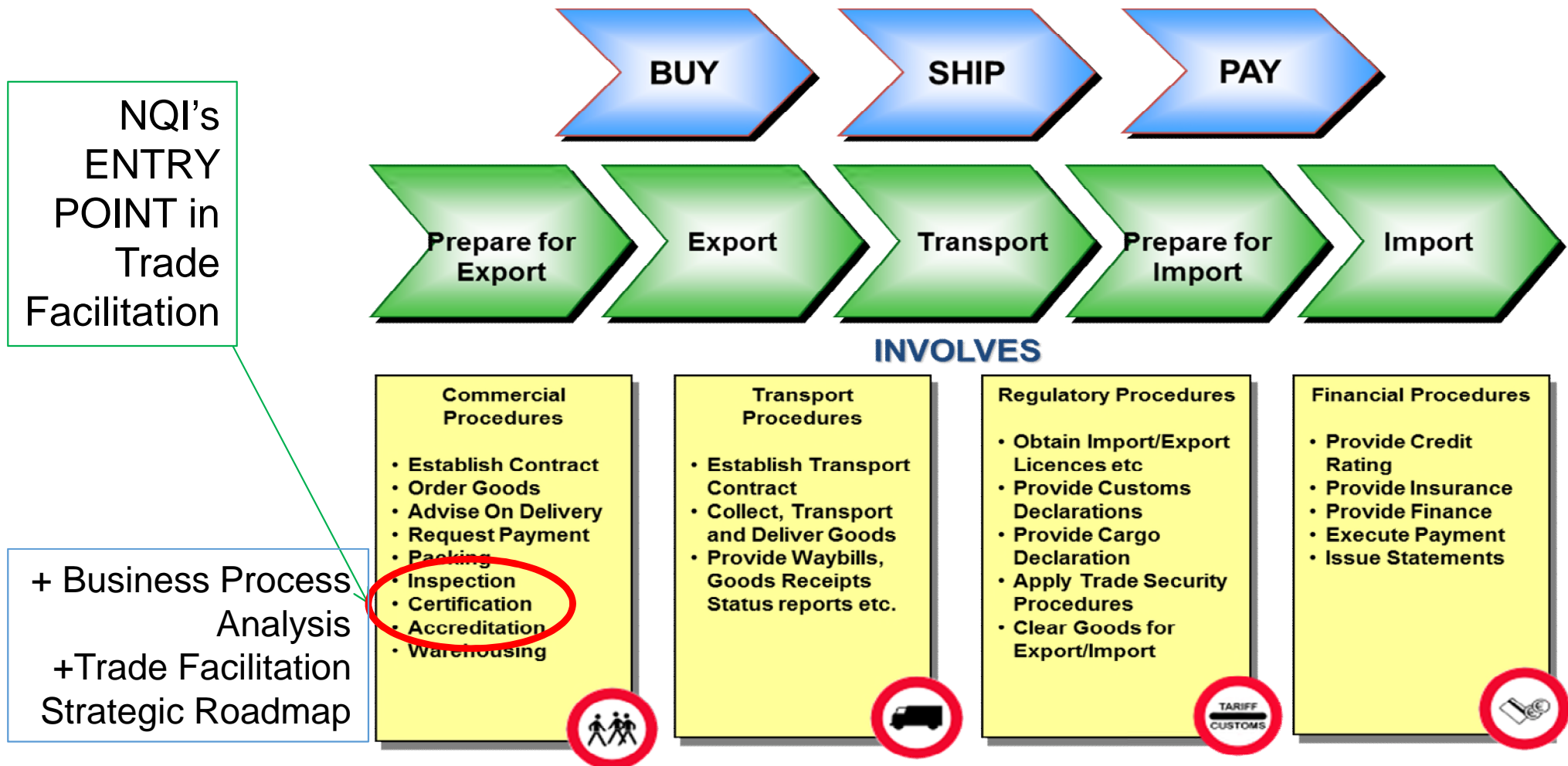
Quality Infrastructure System



Trade Facilitation Process

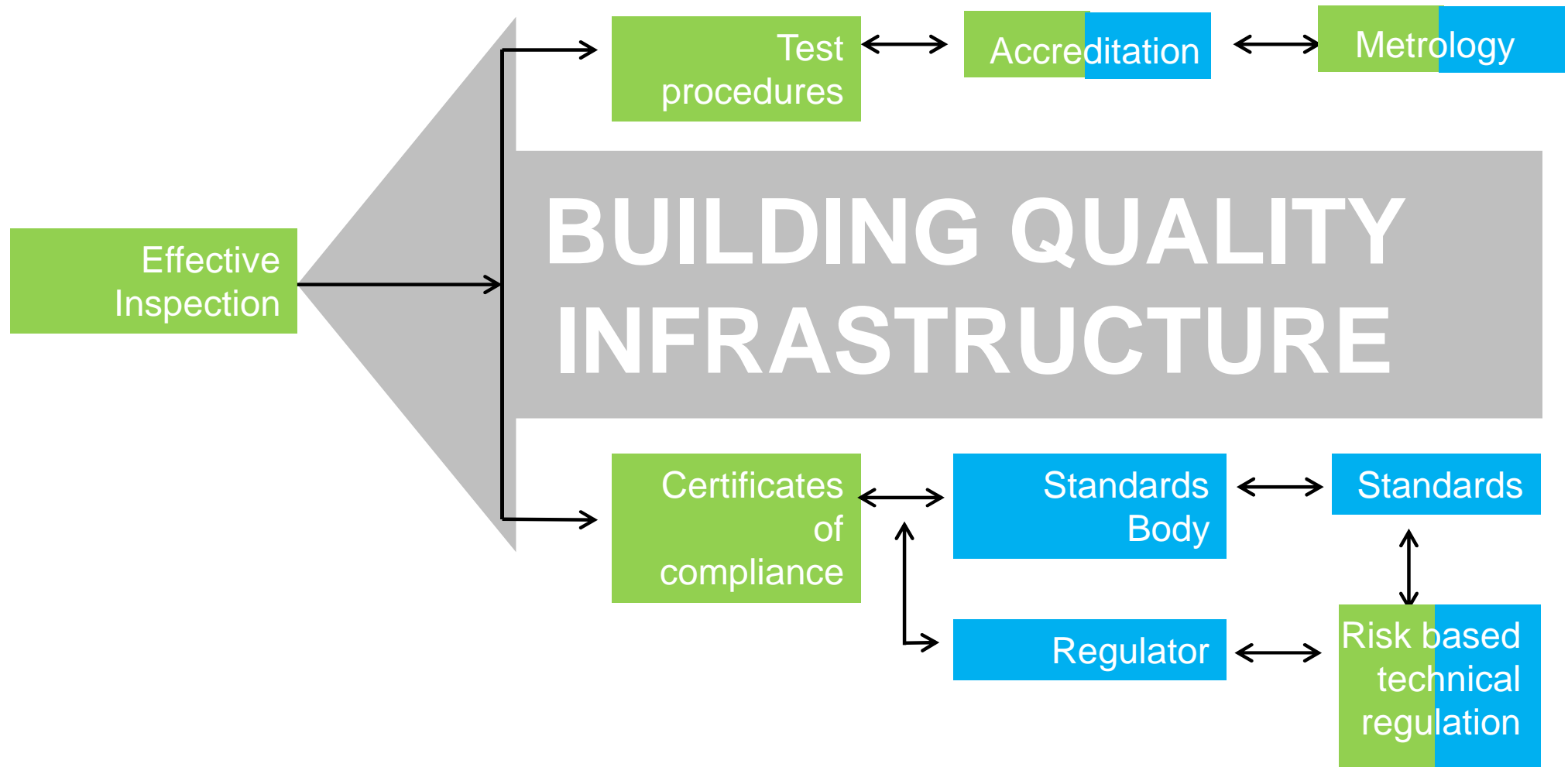


Where does NQI fit into Trade Facilitation?



Note: UNECE Supply Chain model for TF

Enabling a Sustainable and Effective Inspection System for TF



Impact

Effective Inspection can make the difference by:

- Meeting international market requirements
- Reducing economic distance to the market
- Reducing costs
- Improving competitiveness
- Ensuring consumer safety
- Enabling access to international markets



Highlights of TF related Projects (1/4)

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 (2/4)

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 (3/4)

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 (4/4)

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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