



PARTNER FOR PROSPERITY



PARTNER FOR PROSPERITY

www.unido.org



UNIDO's Trade Standards Compliance Activities An Overview

Steffen Kaeser

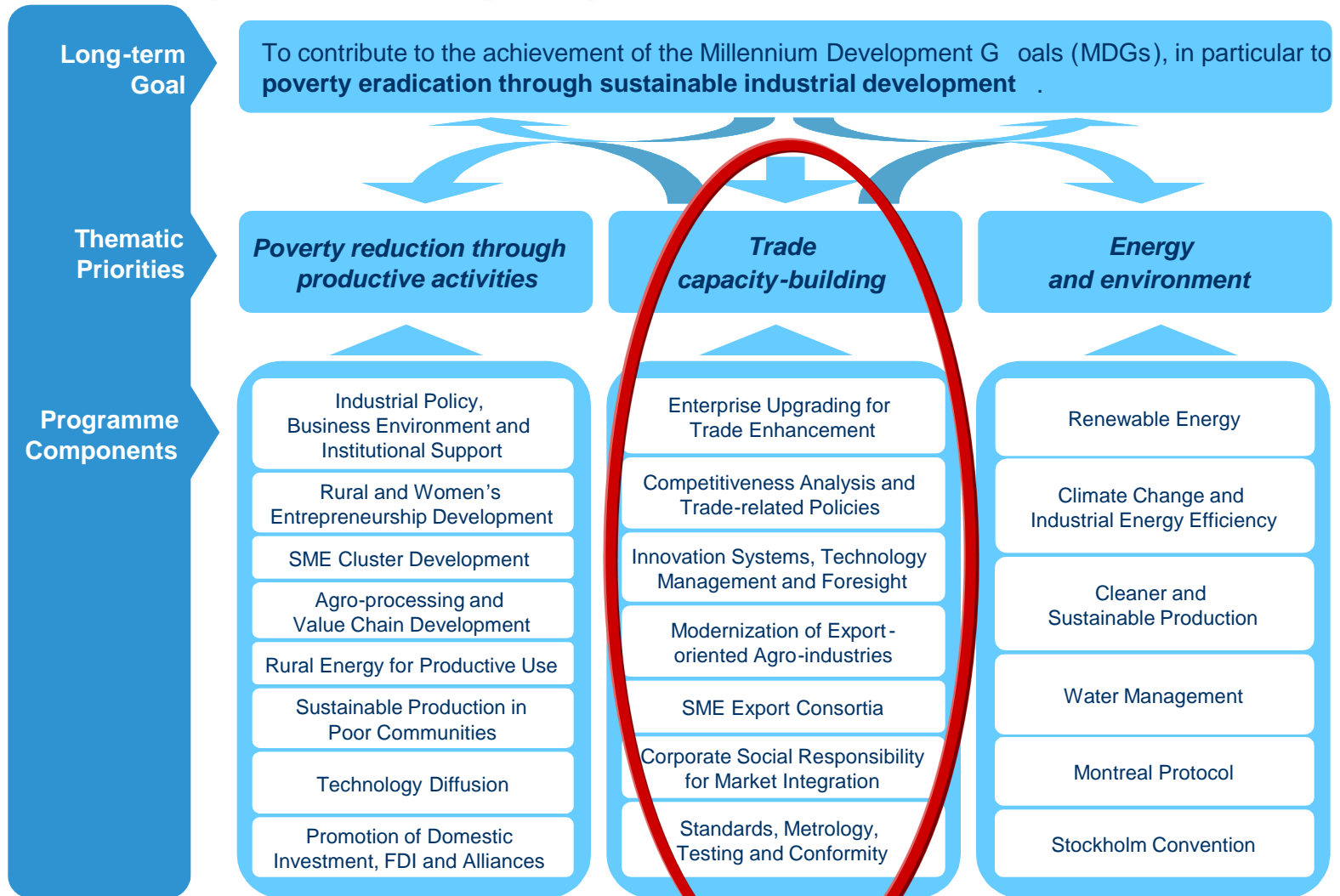
Unit Chief

Quality, Standards and Conformity Unit

Trade Capacity Building Branch

Tokyo, 19 September 2013

UNIDO: UN Specialized Agency with three thematic areas:



Main Trade-related Challenges – TCB/Quality Responses

Food Security and Safety:

- Post Harvest Losses 40-60%
- Dumping of sub-standard products

Trade Integration/Global VC:

- 1% trade = 0.5 % more income
- TBT and SPS compliance challenges
- Export losses through non-compliance, rejections

Resource Depletion:

- Fisheries resources/West Africa, Asia
- Forestry resources/rain forest
- Water

Income/Purchase Power:

- Between 1 and 3 US\$ a Day
- Women/gender inequality
- Frequent use of imprecise weights

Health/Access to Medicaments:

- 60–80 % of fake pharmaceuticals
(mainly in “open markets”)

RESPONSE :

- Improve **competitive** supplies
- Verify **compliance** with market requirements
- Connect** to markets

Succeeding Global Trade Participation: **UNIDO 3Cs Approach**

PRODUCTS



MARKET

- Develop Productive Capacity

- Enhance capacity to meet standards

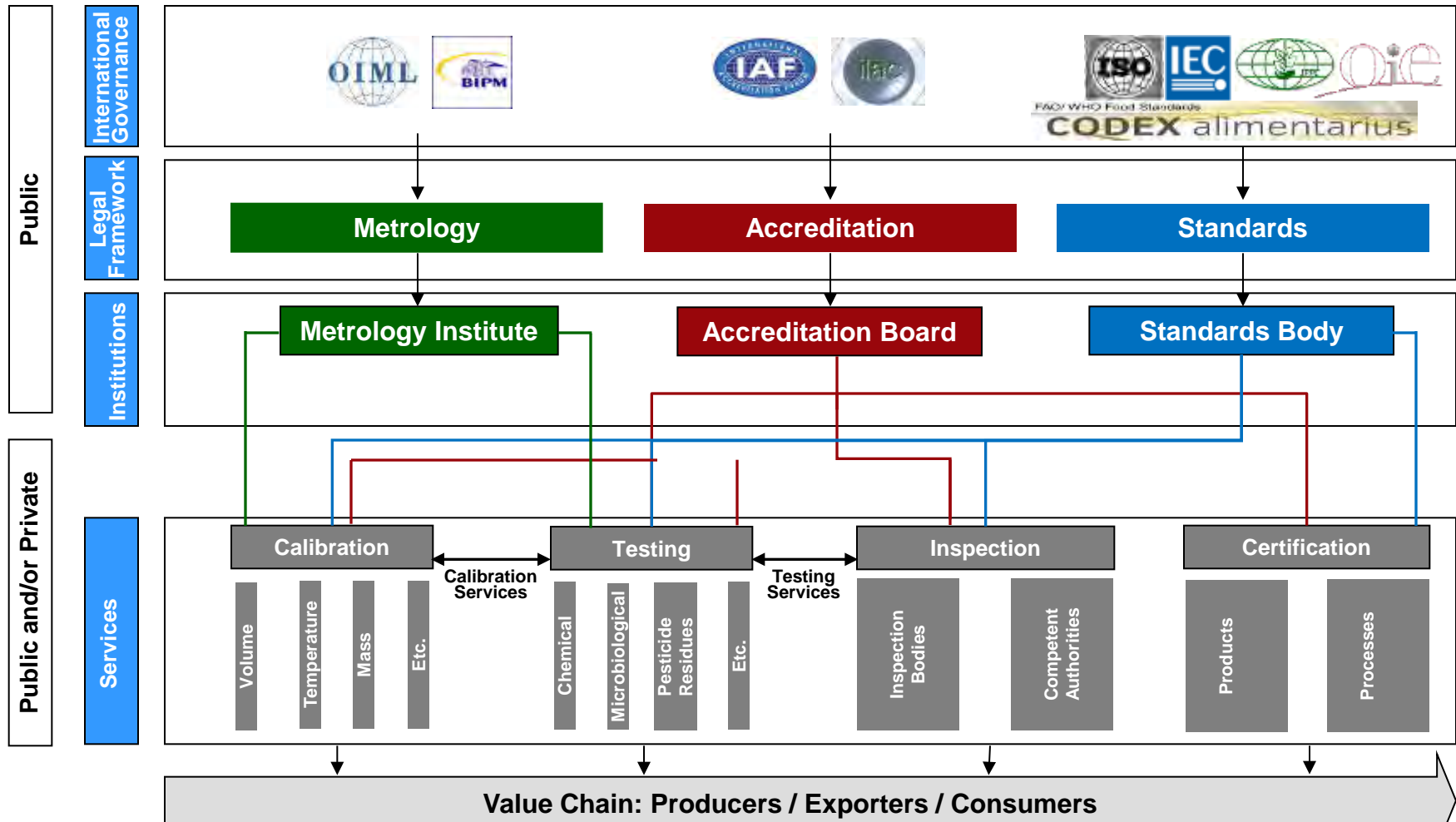
- Upgrade conformity assessment capacities

- Strengthen export promotion activities

- Promote business partnership and trade agreements

- Streamline custom procedures and mechanisms

Quality Assurance Infrastructure



Source: UNIDO

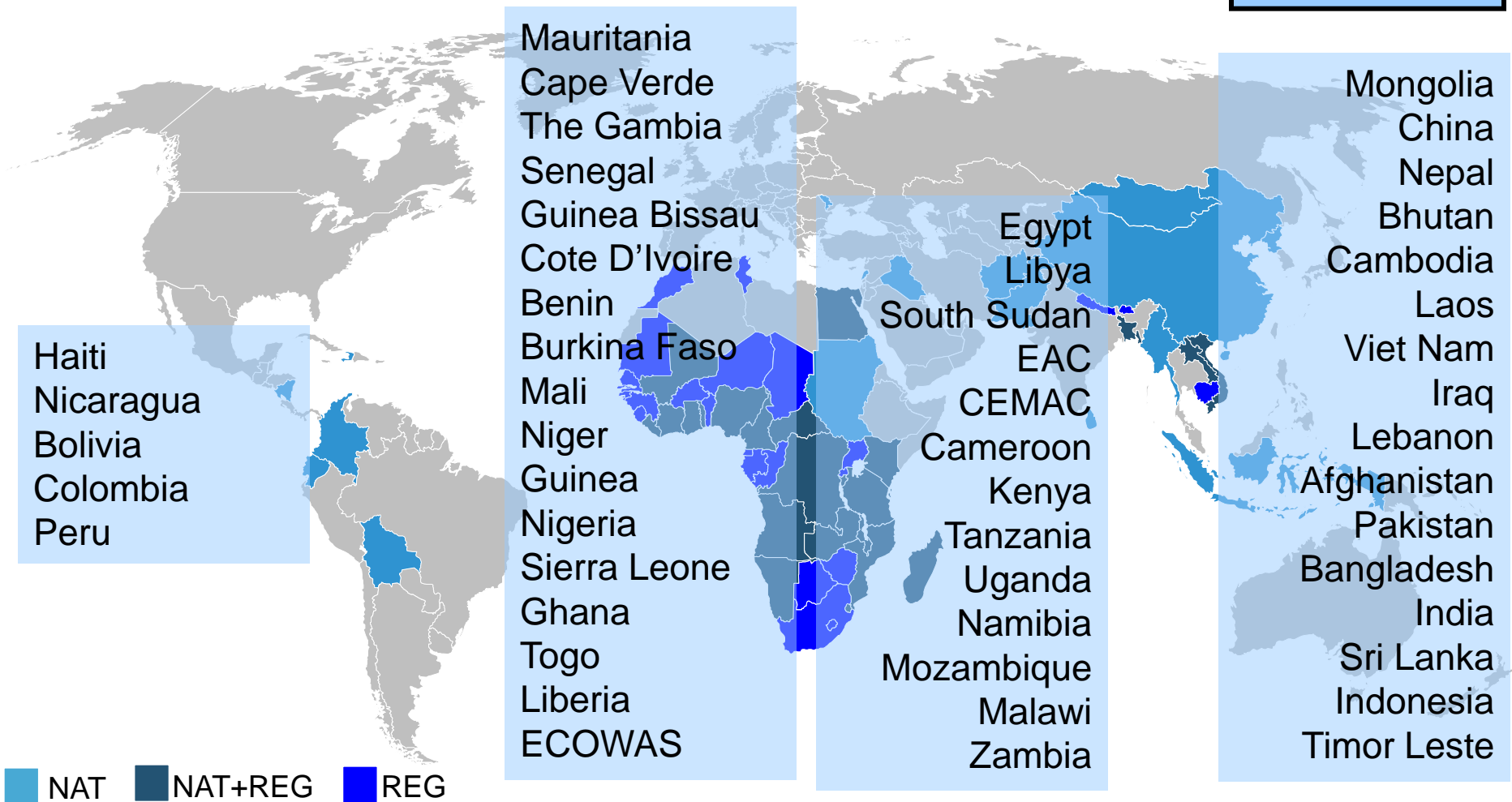


TCB Geo-presence 2007 – 2013

Completed, Ongoing and Pipeline Programmes & Projects

68 % LDCs (35)

61% Africa

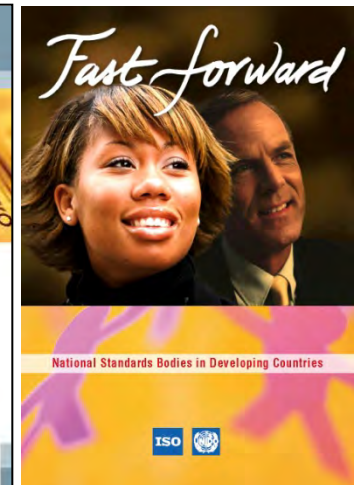
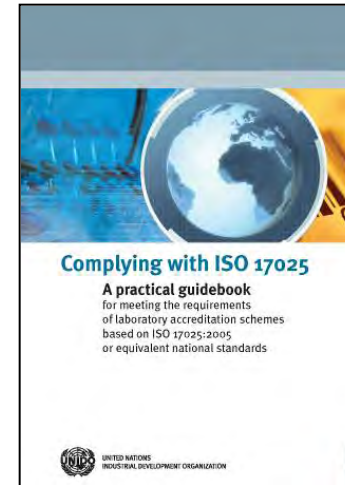


Funding over US\$ 150 Million (2007-2013)

European Union		Bangladesh, Cameroon, Côte d'Ivoire, Nepal, Pakistan, ECOWAS, UEMOA
Norway		East Africa, Mekong, Sri Lanka, Bangladesh; SAARC, Zambia, Uganda, Malawi, GLOBAL FORUM
Switzerland		Vietnam, Tanzania, Ghana, Mozambique, Tanzania, Lebanon, Egypt
Italy		Egypt, Iraq
Sweden		Trade Trust Fund, AIDMO, Iraq
Poland		Ukraine, Moldova
Korea		Mongolia, South-South Metrology Centre
India		South-South Lab Testing Centre, Timor-Leste
Finland		Trade Trust Fund
Spain		China, Egypt
China		Food Quality Safety and Testing Training Facility, Dali

TCB Global Forum and Publications

- ✓ ISO-UNIDO Building Trust (Conformity Assessment)
- ✓ ISO-UNIDO Fast Forward (Standardization)
- ✓ ISO 17025 – A practical guidebook (Accreditation)
- ✓ TCB Resource Guide 2010 (CEB Cluster)
- ✓ Trade Standards Compliance Report (Standardization)
- ✓ Guide to Private Standards (Standardization)
- ✓ ISO 9000 impact in Asia (ISO- IAF-UNIDO)



Get these free publications and more at www.unido.org!!!

Trade Standards Compliance Report (TSCR) 2010 and 2013

Partner: Institute of Development Studies (IDS)

Cooperation:

- Border rejection analysis (4 markets): EU DG Sanco, US FDA, Japan MHLW, AQIS/Australia
- Buyer survey: National/international private sector associations
- Emerging Issues chapter:
 - **TSCR 2010:** FAO, ILO, IPPC, ISO, UNEP, WTO
 - **TSCR 2013:** major retailers (AEON, Kraft Foods, GFSI), certification organizations (Fairtrade, MSC), NGOs (WWF, Oxfam), etc.

Additional activities:

- Regional TSCRs for Asia (with IDE-JETRO) and Latin America and the Caribbean (with Inter-American Development Bank, IDB)
- Web tool/database (with IDB), incl. TSC Footprints

Dissemination:

3,600 copies of TSCR 2010 distributed among trade standards stakeholders, donors, developing countries, development agencies + website: www.unido.org/tradestandardscompliance



Rationale

Objectives of Report:

- Provision of policy guidance for all development partners
- More transparency on trade standards challenges
- Benchmarking of compliance capacity
- Increasing aid efficiency

→ Support for informed development policy decision-making

→ Better (“smarter”) design of technical assistance programmes

Contribution of the Report:

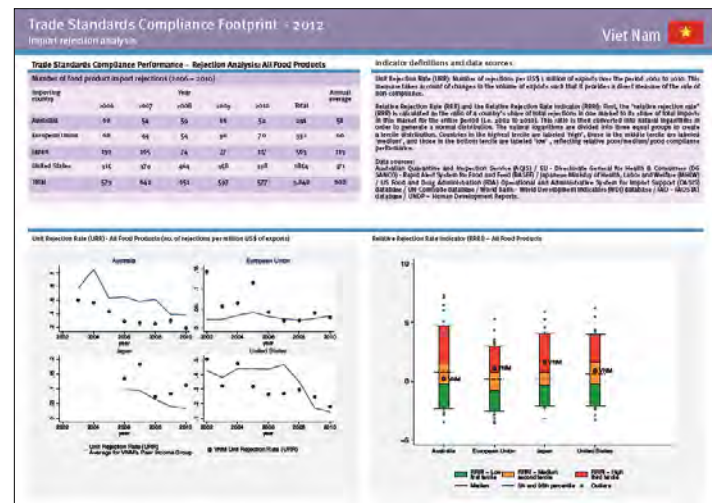
- Analysis of import rejections
- Estimation of export losses
- Identification of developing countries’ ability to assess & prove compliance

Trade Standards Compliance Footprints (TSCFs)

Purpose & objectives of TSCFs:

- TSCFs are country fact sheets
- Based on import rejection data
- Provide a snapshot on selected countries' challenges to comply with export market requirements in agri-food trade
- Allow for benchmarking of compliance capacity
- Target policy makers
- Provide policy makers (and also other stakeholders) with a simple decision-making support tool to guide and inform their setting of priorities for trade capacity-building

<http://unido.org/tscfootprints/>

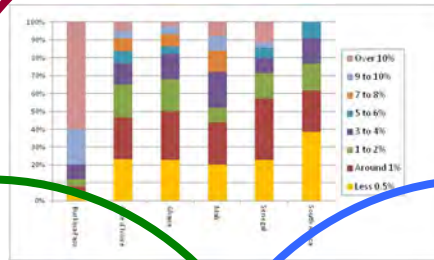


Towards a Trade Standards Compliance Observatory

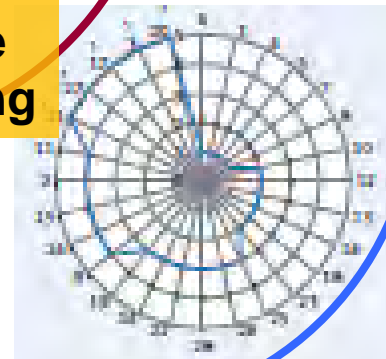
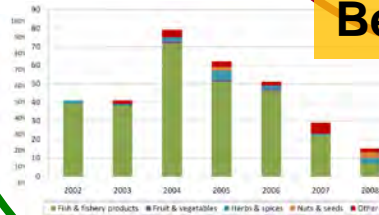
Benchmarking Trade Standards Compliance –

(Work in Progress)

Buyer Compliance Confidence Radar
250 Global Buyers



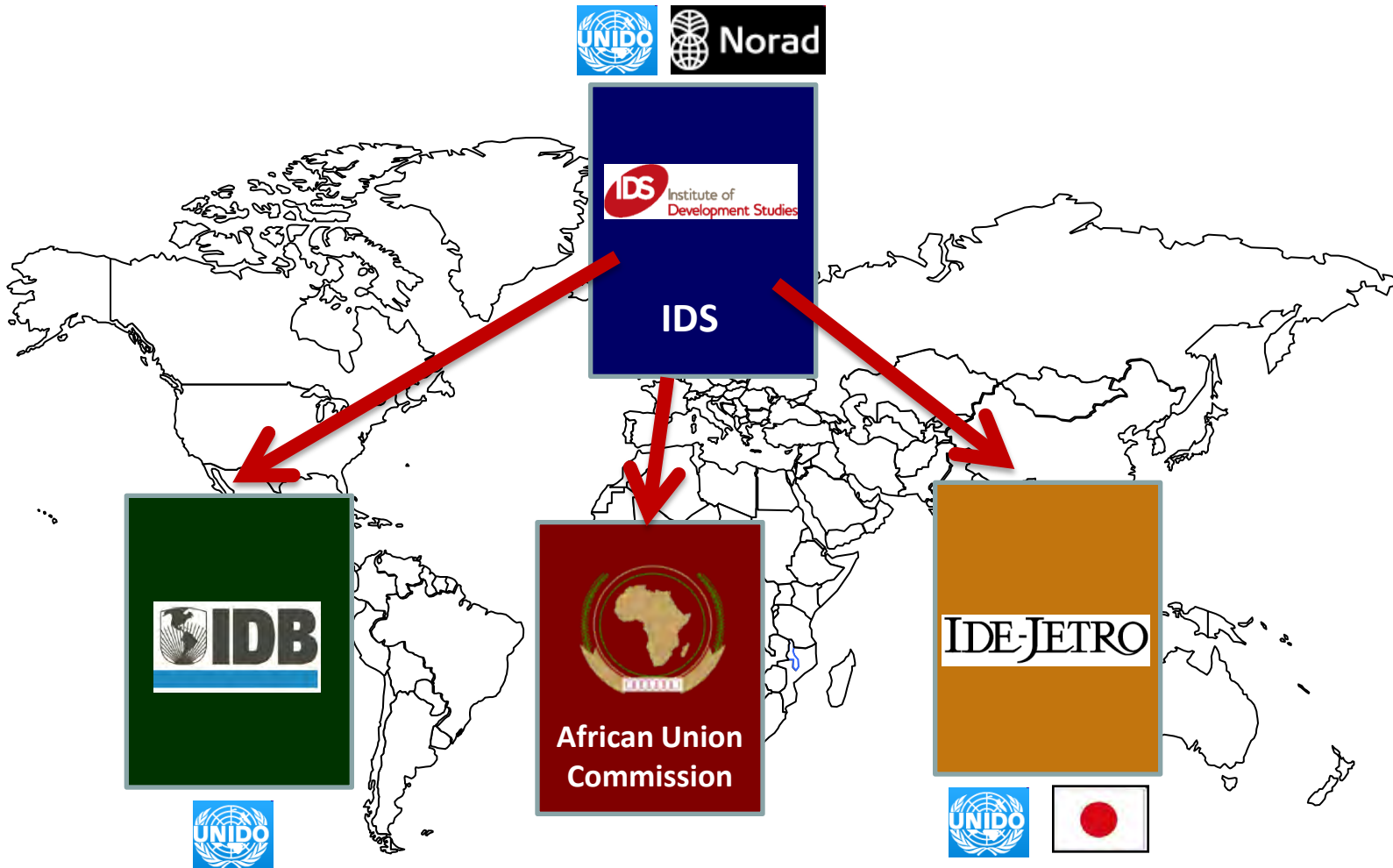
Trade Standards Compliance Benchmarking



Quality and Compliance Infrastructure Performance Survey
49 Countries

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

Regionalizing the Global TSC Report: 2013 ++





PARTNER FOR PROSPERITY

www.unido.org

Thank you!



PARTNER FOR PROSPERITY

www.unido.org



UNIDO's Trade Standards Compliance Activities

An Overview

Spencer Henson

Professorial Fellow, Institute of Development Studies, UK
Professor, University of Guelph, Canada

Tokyo, 19 September 2013

Background

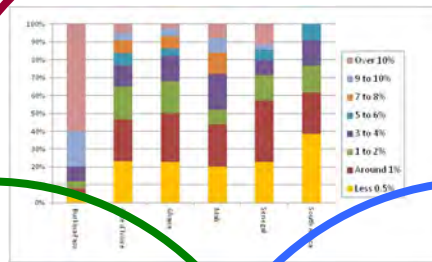
- Concerns about ability of developing countries to comply with food safety and quality requirements in international trade
- Significant levels of national and donor resources being allocated to compliance capacity-building
- But:
 - Levels of resources available small relative to the evident challenges
 - Need for resources that are available to be used more efficiently
- Need for more rigorous and consistent analysis of the problems:
 - Where are the capacity weaknesses most evident?
 - To what extent and where do these capacity weaknesses curtail trade?
 - What impact does technical assistance have?

Aims and Focus of the Report and the Underlying Analysis

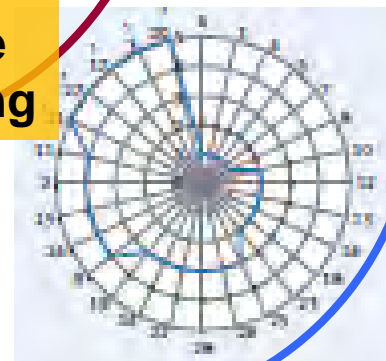
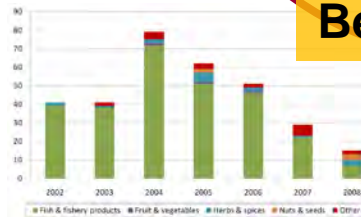
- Provide rigorous and consistent indicators of the compliance capacity challenges faced by developing countries
- Provide regular update of challenges faced by developing countries
- Raise the profile of trade standards compliance amongst policy-makers at the national and international levels
- Enhance the level and effectiveness of technical assistance
- Develop and apply rigorous metrics of the compliance capacity challenges faced by developing countries
- Apply these metrics to assess the scale of the challenges faced by developing countries and how these evolve over time

Key Components of the TSC Analyses and Report

Buyer Compliance Confidence Radar
250 Global Buyers



Trade Standards Compliance Benchmarking



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

Quality and Compliance Infrastructure Performance Survey
49 Countries

Lens 1: Import Rejection Data as a Measure of Compliance Performance

- Have access to import rejection data for:
 - European Union
 - United States
 - Japan
 - Australia
- Provides details of import rejections:
 - Product
 - Country of origin
 - Reason for rejection
 - Volume of product consignments
- Time series of varying length over period 2002 to 2010

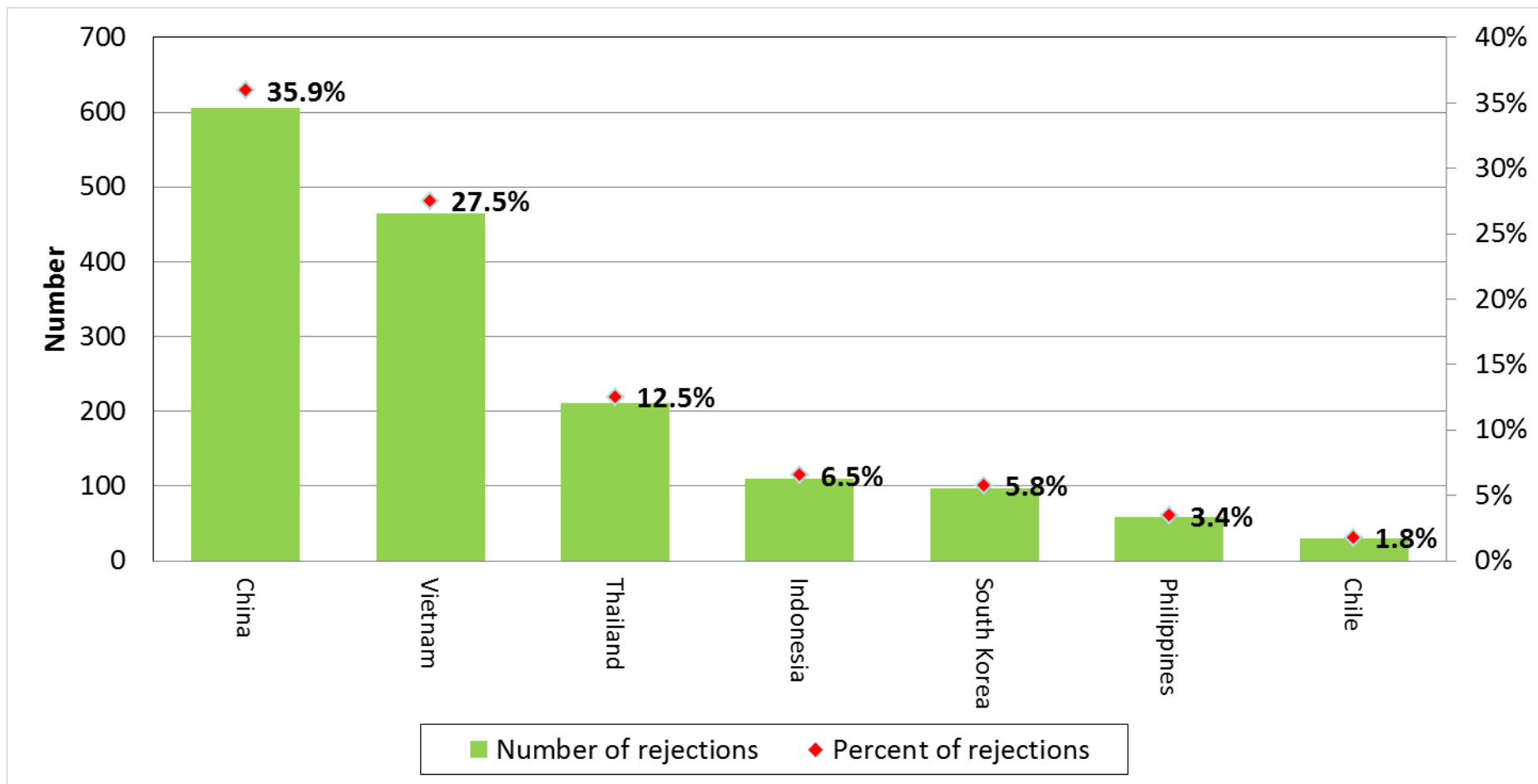
Making Sense of Import Rejection Data

- Great volume of data
- Various factors can influence level of rejections:
 - Rate of non-compliance
 - Level of exports
 - Rate of inspection
- Rejections can take place at different places (at the border, in the market, etc.)
- Different monitoring systems (as applied by different public authorities) are not easily comparable and compatible across markets – which requires harmonization of datasets
- Need consistent summary measures

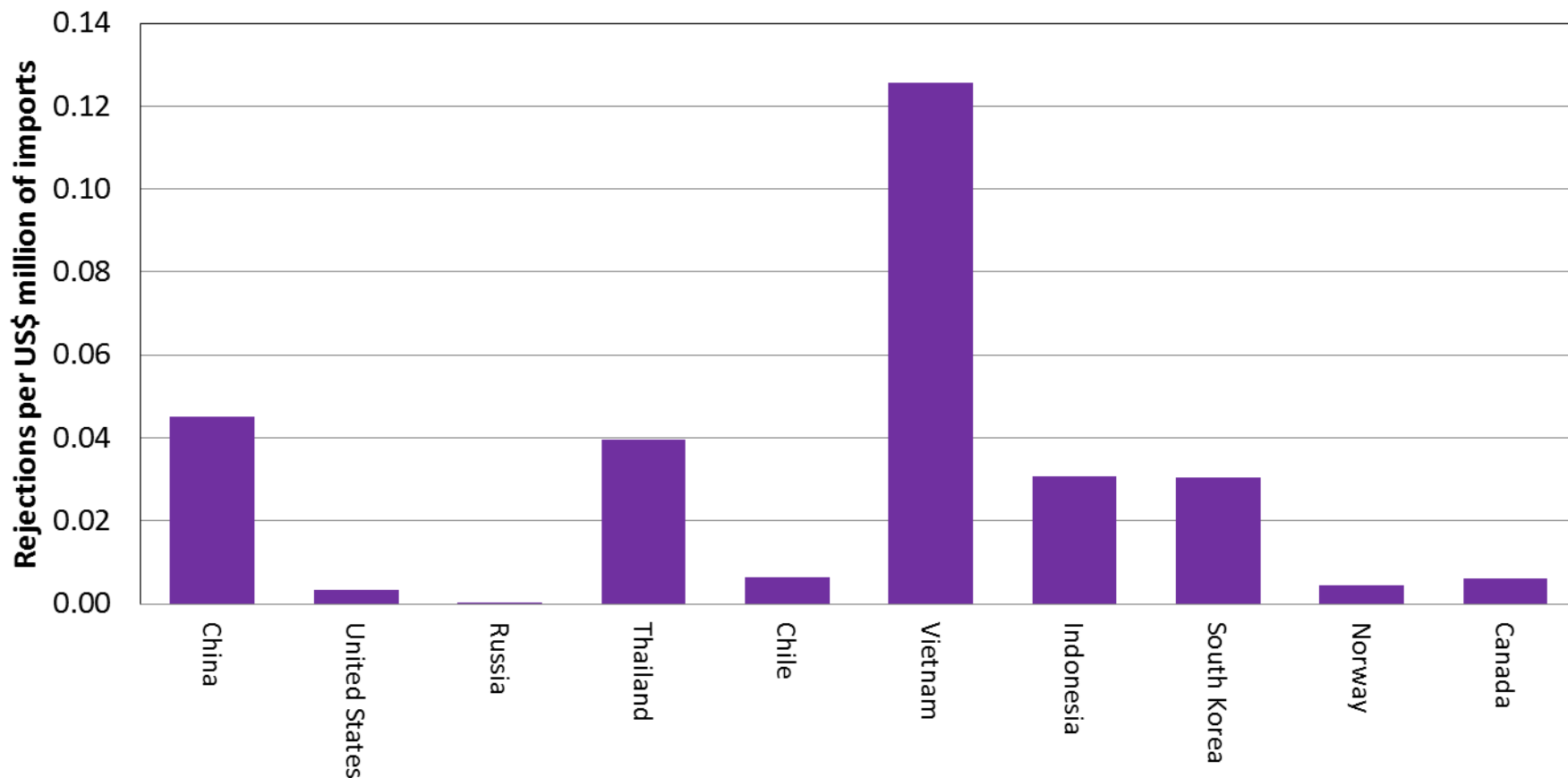
Import Rejection Data – Summary Indicators

Indicators	Description
Number of rejections	Simple sum of number of rejections
Unit rejection rate	Number of rejections per US\$1 million of imports
Relative rejection rate	Ratio of a country's share in total rejections to its share of imports

Japanese Rejections of Fish and Fishery Product Imports, 2006-2010

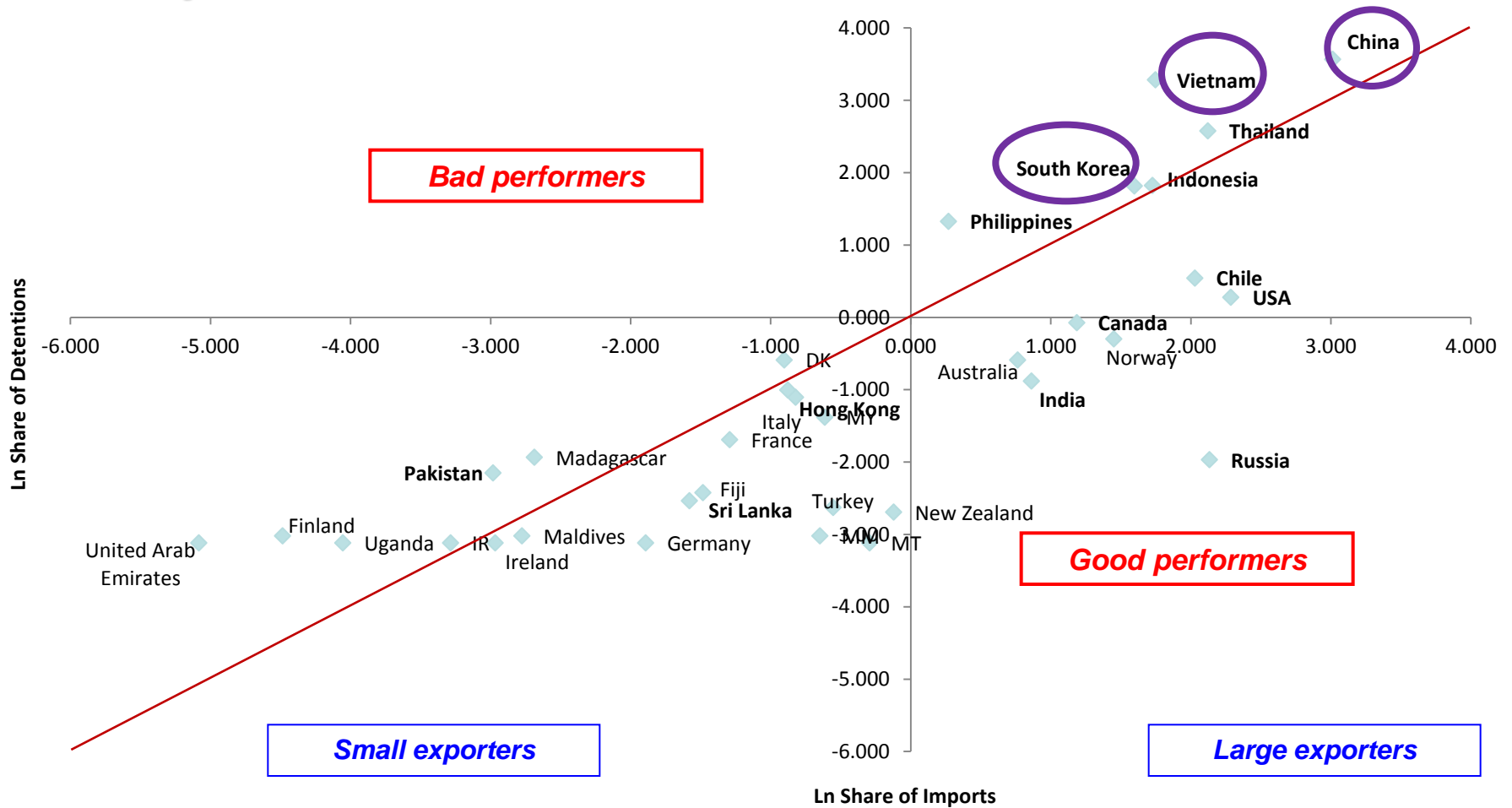


Unit Rejection Rate for Japanese Imports of Fish and Fishery Products, 2006-2010

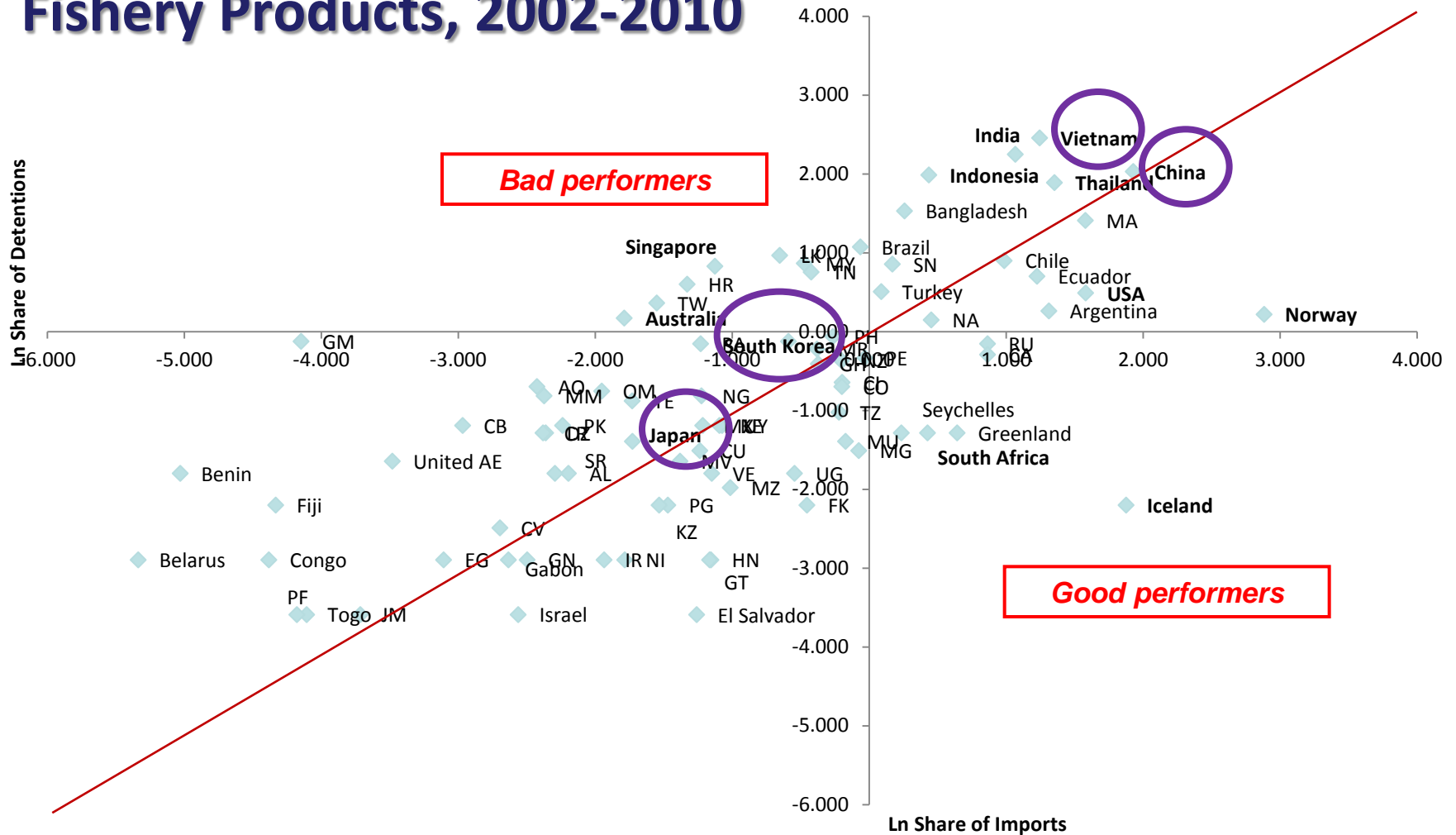


Largest 10 importers in order of declining imports

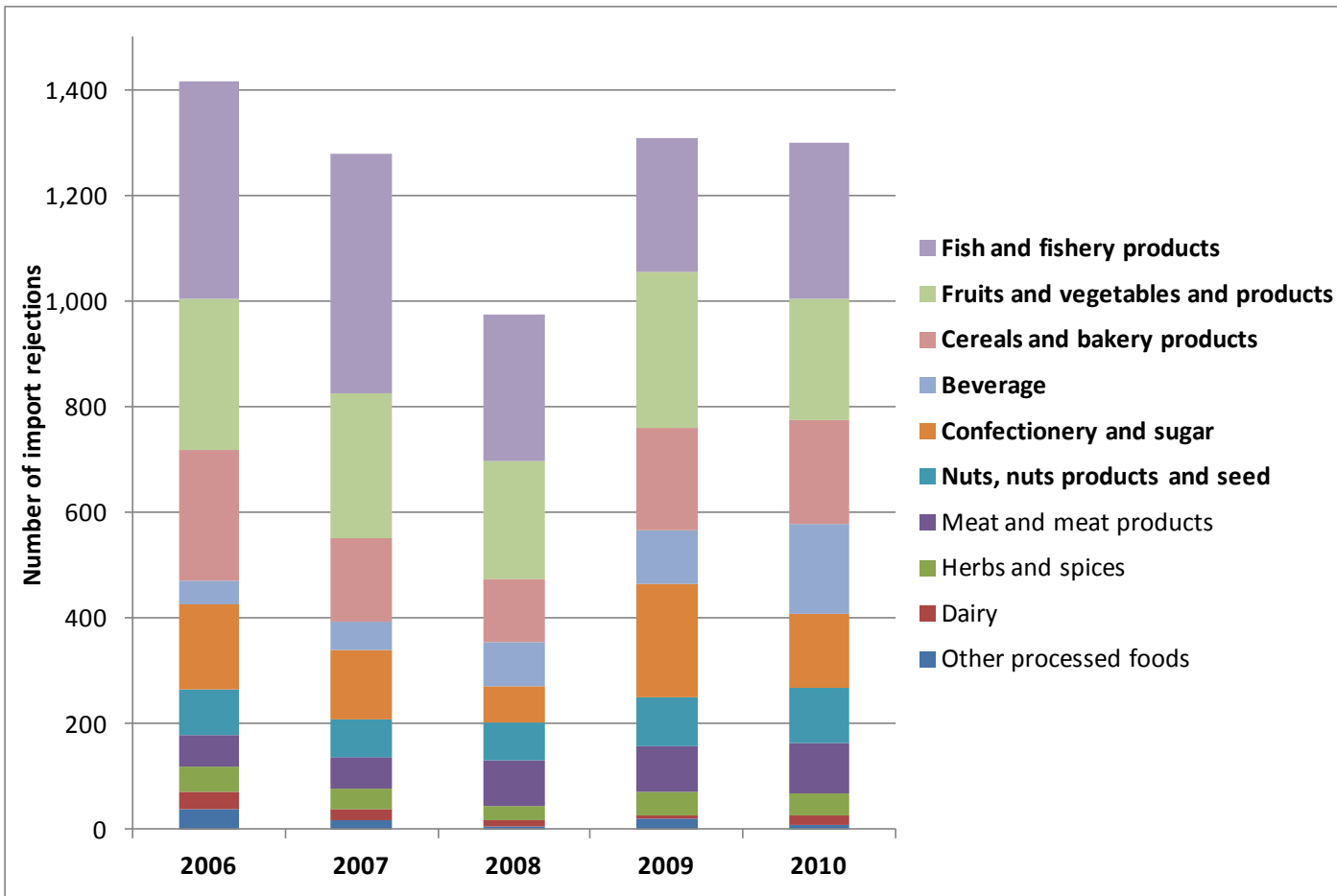
Relative Rejection Rate for Japanese Imports of Fish and Fishery Products, 2006-2010



Relative Rejection Rate for EU Imports of Fish and Fishery Products, 2002-2010

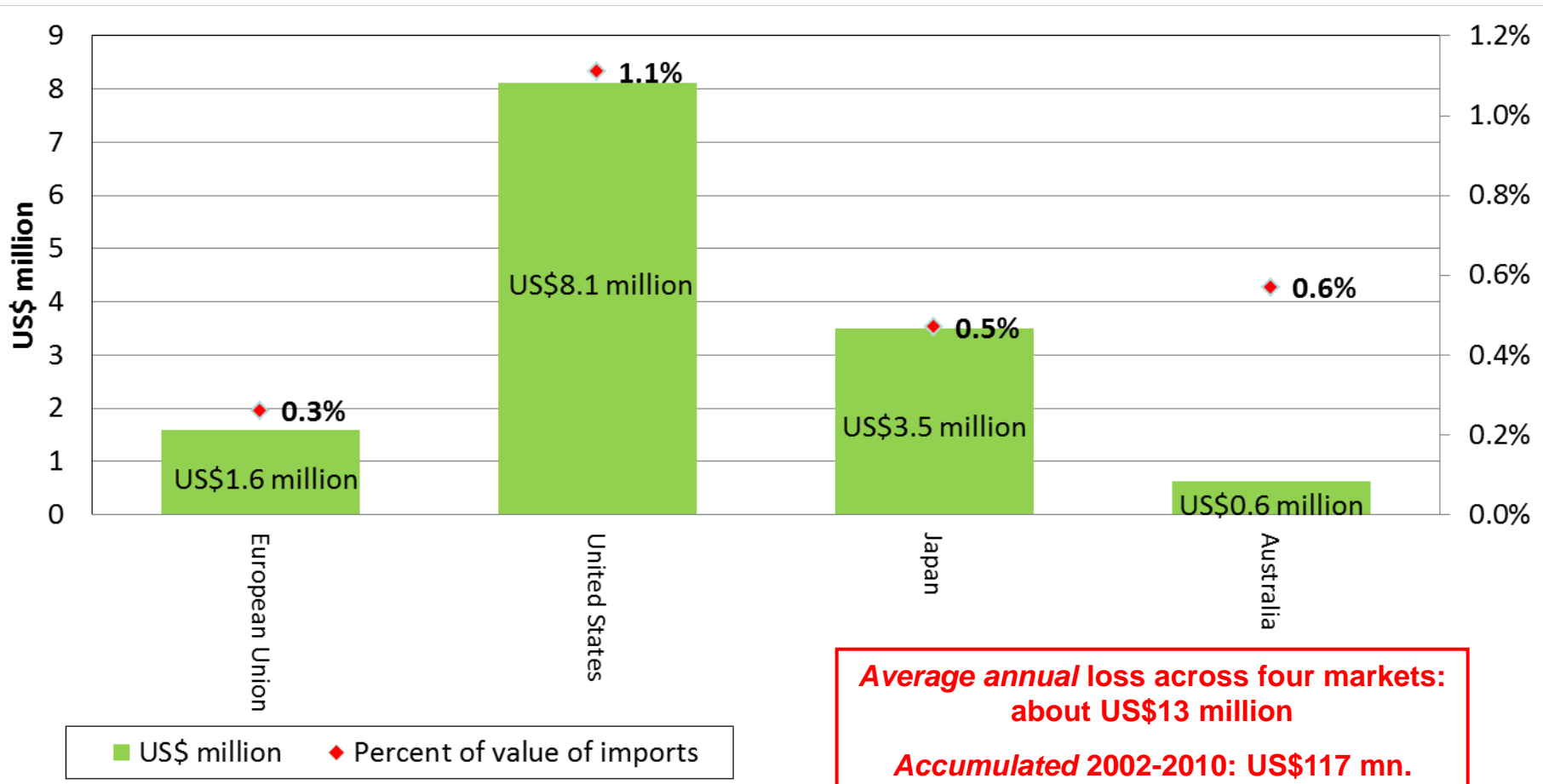


Composition of Japanese import rejections and estimate of average annual value of rejections (“export losses”)

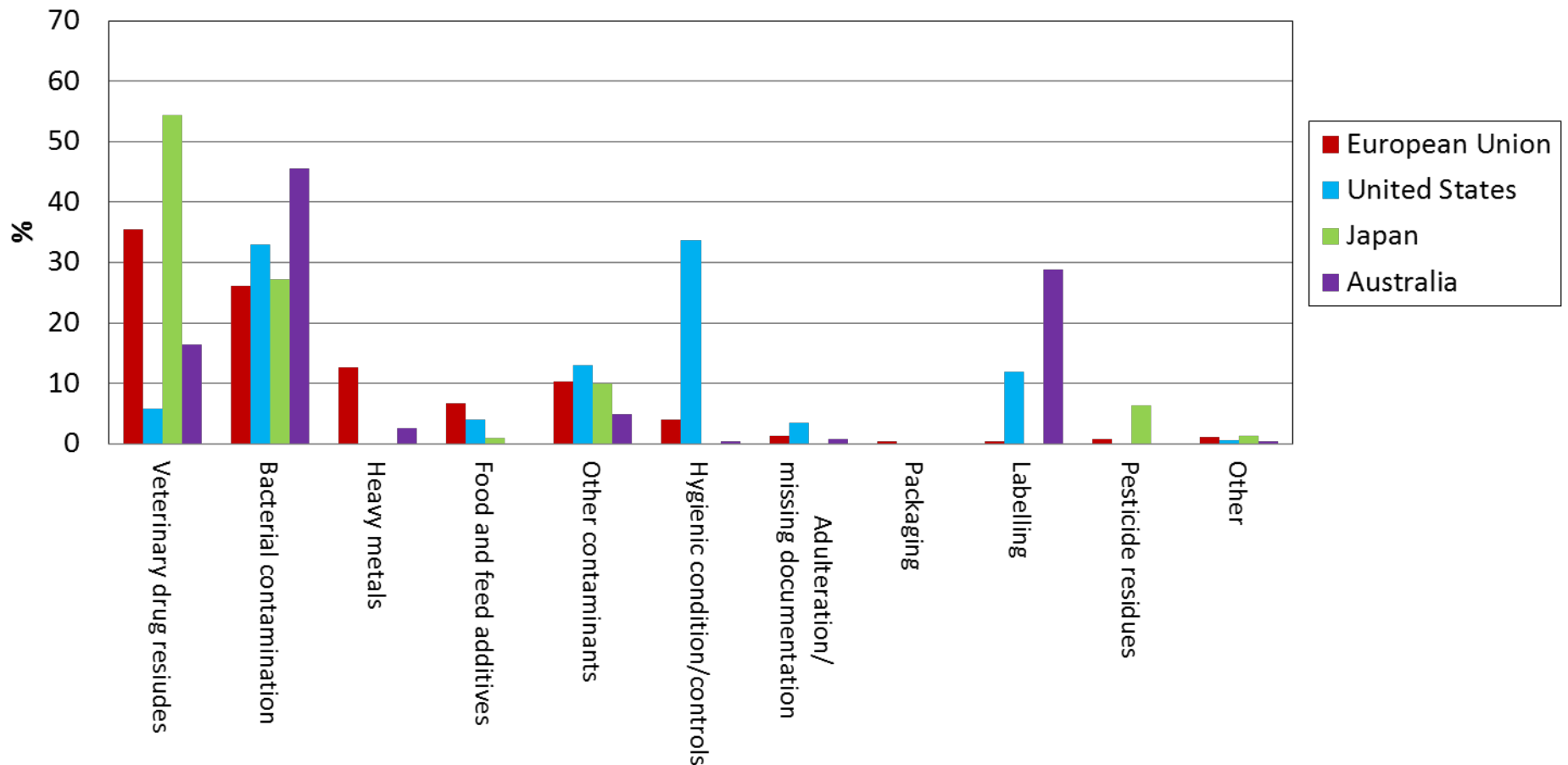


***On average,
every year
Japan rejects
agri-food
import products
worth over
US\$14 million***

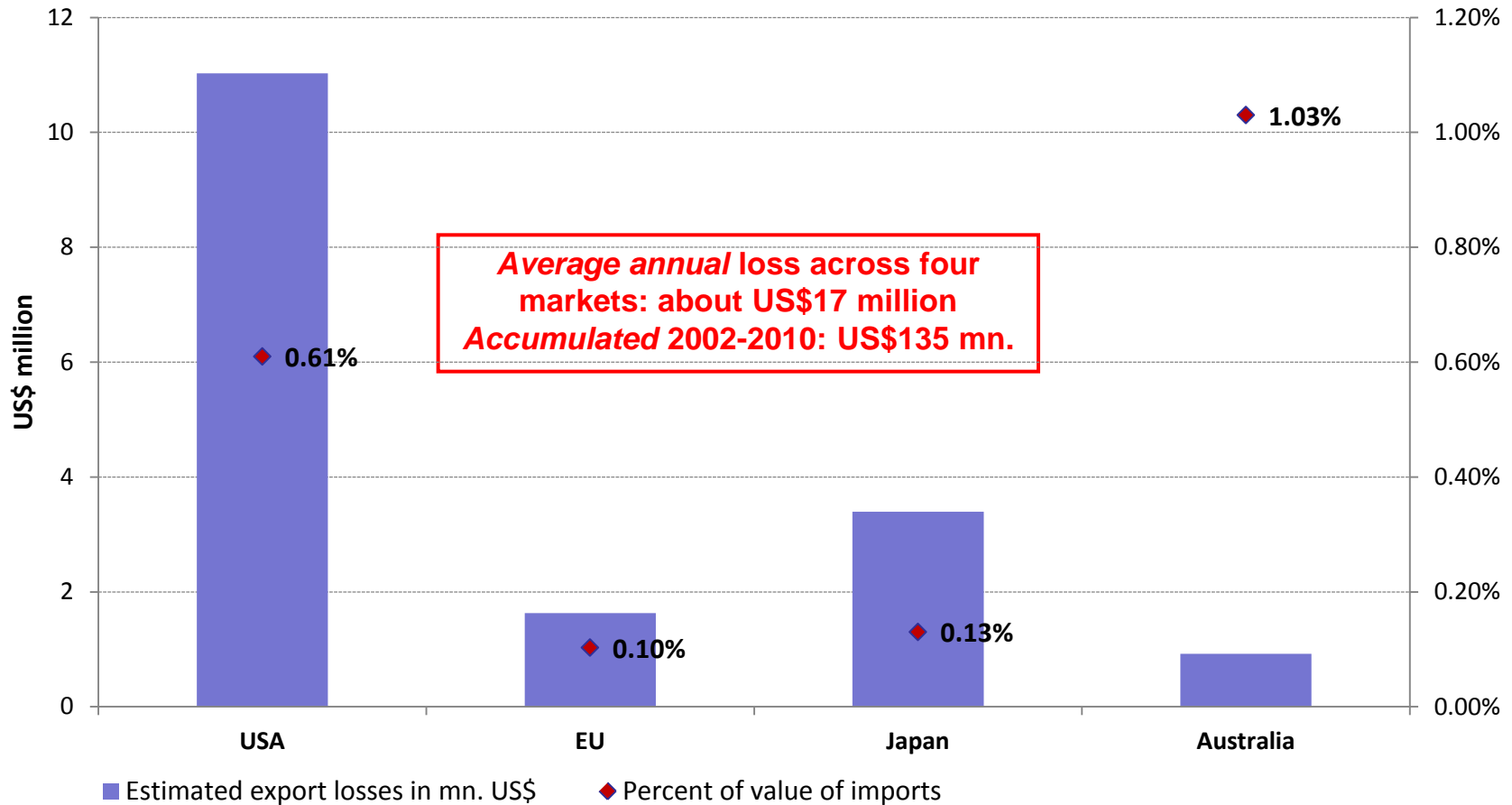
Estimate of “export losses”: Average Annual Value of Vietnamese Fish and Fishery Product Rejections, 2002-10



Reasons for Rejection of Fish and Fishery Product Exports from Vietnam, 2002-2010



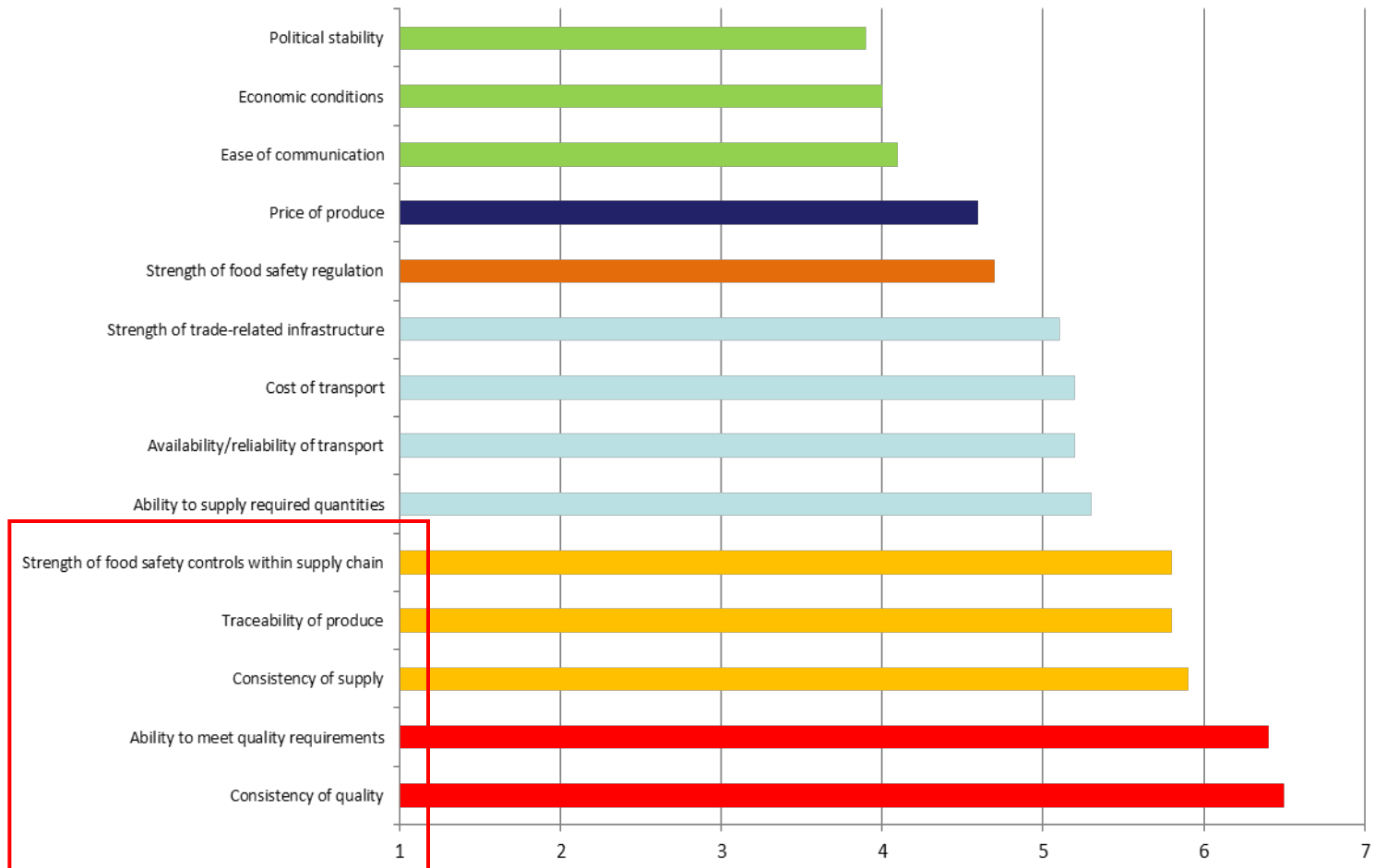
Estimate of “export losses”: Average Annual Value of Chinese Fish and Fishery Products Rejections, 2002-10



Lens 2: Corporate Buyer Compliance Confidence Survey

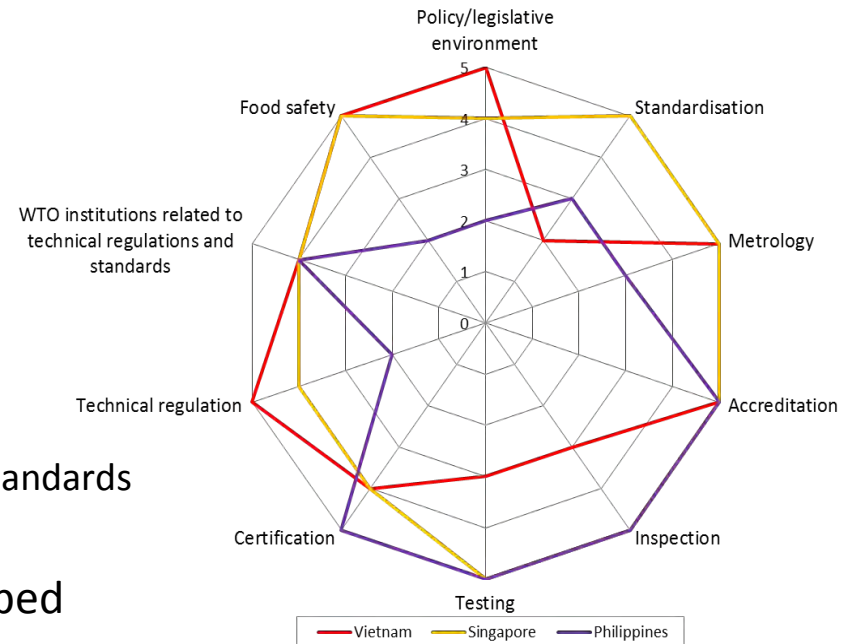
- Aim is to get from buying/importing companies their perceptions on and assessment of compliance capacity and performance of exporting developing countries
- Provides another indicator of compliance problems faced by developing countries in export markets for key agri-food exports
- Complements analysis of rejection data by covering:
 - Official requirements not enforced through border inspections
 - Private standards
 - Where trade does not take place
- Examines food safety compliance in context of other factors influencing export performance
- Survey undertaken among corporate buyers in export markets such as the European Union, United States, Japan, Australia and Canada for:
 - Fish and fishery products (n=159)
 - Fresh fruit and vegetables (n=196)
- Buyers asked for their assessment of compliance capacity of selected pilot countries:
 - ECOWAS + Mauritania
 - South Africa

Importance of Factors in Choice of Where to Source Fresh Fruit and Vegetables



Lens 3: Trade Standards Compliance Capacity Indices

- Get country self-assessment about capacity/performance of its Quality Infrastructure (QI) and related services
- Provide measure of relative capacity in 10 key QI areas / compliance functions:
 - Policy/legislative environment
 - Standardisation
 - Metrology
 - Accreditation
 - Inspection
 - Testing
 - Certification
 - Technical regulations
 - WTO institutions related to technical regulations/standards
 - Food safety
- For each capacity function, an index is developed
- Each index consists of indicators of the underlying ‘assets’
- Data collected through QI survey with responses from 49 countries in Africa and Asia



Conclusions

- Import rejections represent only the ‘tip of the iceberg’
- ‘Export losses’ are relatively small but indicate reputational risk
- Rejection analysis has to be complemented by other measures such as buyer perception surveys and QI performance assessment
- Combination of different ‘lenses’ constitute a “TSC Observatory”
- TSC Observatory would allow for good policy guidance
- Global TSC Observatory work can be complemented with more in-depth regional and national analyses
- TSC Observatory helps to diagnose compliance challenges – but the essential question is how to overcome them
- In-depth value chain studies can indicate how to improve compliance performance → importance of IDE-JETRO analyses



PARTNER FOR PROSPERITY

www.unido.org

Thank you!