

**REPORT OF THE INTERNATIONAL TRADE CENTRE (ITC)
(JULY 2009-FEBRUARY 2010)**

Meeting of 17-18 March 2010

The following communication, received on 10 March 2010, is being circulated at the request of the ITC.

PROJECTS:

A. BANGLADESH QUALITY SUPPORT PROGRAMME¹

1. ITC has completed its activities in Bangladesh in December 2009 to strengthen national capacity to design and implement sanitary and phytosanitary (SPS) measures in accordance with the relevant WTO rights and obligations.

1. Workshops on "The WTO/SPS Agreement: A Business Perspective", conducted by local trainers

2. The local trainers, who have customized the generic ITC training material on "*The WTO SPS Agreement: A Business Perspective*" to take into account the specific situation in Bangladesh and the specific needs related to fisheries, horticulture and agro-processing, have conducted the following workshops:

- One two-day SPS workshop on Fisheries in Chittagong (8-9 October 2009);
- One two-day SPS workshop on Fisheries in Khulna (15-16 October 2009);
- One two-day SPS workshop for Horticulture/Agro Processing in Chittagong (12-13 December 2009).

2. Food Safety Management System (FSMS) - ISO 22000

3. Direct assistance to implement FSMS based on ISO 22000 in six agro-processed food enterprises and hands-on training of selected Trainers-cum-Counselors (TcCs) on ISO 22000 has been completed in December 2009. The review of the ISO 22000 documentation in the six enterprises and final recommendations to improve the FSMS was provided in October 2009, together with a two-day

¹ The Bangladesh Quality Support Programme (BQSP) was funded by the European Union with contributions from UNIDO and ITC and in kind contribution from the Government of Bangladesh. ITC implemented Component 2 "Supporting Export Diversification" of the BQSP. The project ended in December 2009.

training workshop on "Internal Audit on FSMS – ISO 22000" and a one-day awareness workshop on "Implementing Food Safety Management Systems – ISO 22000" conducted by the trained local TcCs. Trained TcCs have conducted final internal audits of the enterprises and guided them with corrective actions for closure of the nonconformities identified. The six selected enterprises have quickly implemented the project recommendations and at least three of them may be able to reach certification in a few months. At least two TcCs are extremely committed and have significantly improved their skills in the area of ISO 22000; they may be considered as valuable local resources for any future initiatives in this area.

3. Export Diversification and Strengthening the International Competitiveness of Enterprises within the Horticulture Sector

4. The ITC assistance in the horticulture sector has been completed; it focused on improving the understanding of the exporters in Bangladesh of the demands of the export markets particularly the quality, packaging, certification requirements and training exporters to organise and manage an effective supply and procurement chain including post-harvest, contract farming, cold store and pack-house management.

5. Specific training workshops and advisory services, led by experts from Thailand, (18-23 October 2009) were conducted to improve quality, food safety and packaging compliance of Bangladeshi horticulture products with market requirements along the value chain. A match-making, marketing tour to the Middle East was conducted for exporters from Bangladesh in October 2009 to expose them to the market requirements and establish personal contacts with major importers in the UAE. Ten exporters have formed Bangladesh Agro Produce Exporting Company, BAPEXCO Ltd in a joint venture to adopt and apply all the recommendations of the BQSP programme in the area of quality, packaging, operations and marketing. BAPEXCO is willing to introduce Integrated Pest Management (IPM) and Good Agricultural Practice (GAP) to their contracted growers.

B. PROJECT STDF 69: "IMPROVED CAPACITY FOR ENSURING THE QUALITY AND SAFETY OF YEMENI SEAFOOD PRODUCTS"

6. ITC has completed its close supervisory assistance to the Yemeni Seafood Exporting Association (YSEA) in December 2009. The fourth progress report was submitted to the STDF Secretariat in October 2009 while the final report is in progress. Project STDF 69 is an example of a project applying the principles of the Paris Declaration for Aid Effectiveness, by bringing together components such as the private sector, national ownership and implementation and supervision by an international agency such as ITC.

7. An ITC monitoring mission was conducted from 6 to 13 November 2009 on the occasion of the final workshop of the project on 9 November 2009. The workshop was attended by more than 40 key representatives of private and public sectors and donors (i.e. EU, JICA) and focused on the main achievements and outputs of the project and recommendations for implementation of the SPS Strategy.

8. Besides reaching the stated project outputs, project STDF 69 has supported YSEA to establish itself, in a relatively short period of time, as a key institution in the Yemeni fisheries sector. Although there is still a long way to go, the association has undoubtedly been instrumental in bringing the seafood industry closer together.

- YSEA is now recognized as an industry association in Yemen and a key stakeholder in the development of the national sector strategy led by the European Union;

- YSEA's international cooperation has been strengthened through the development of an MoU with VASEP, the Viet Nam Association of Seafood Exporters and Producers²;
- Yemeni fishery products have gained higher visibility in international markets through participation of YSEA and exporters to international expositions (i.e. EU, Dubai, Viet Nam);
- The project outputs are being made available to improve the quality and food safety of the fisheries products in Yemen and represent useful inputs for policy framework development. The outputs of the project have helped to raise the awareness of the SPS issues covered. They have also raised the profile of YSEA as an honest broker acting in the interest of all stakeholders in the Yemeni fishery sector, thus contributing to the future sustainability of the organization.

9. Most importantly, the process of developing the National SPS Strategy for the Fishery Sector has contributed to a national policy debate and subsequent amendment to the fisheries by-laws regarding introduction of market principles in the management of fish landing sites and strengthened sanitary controls on regional exports.

10. The YSEA strategy (2009-2015), developed under the project STDF 69, along with a number of key initiatives/work packages have been identified as crucial for the development of the association enabling it to gain further acceptance within the seafood sector in Yemen and contribute to increase the quality and safety of seafood from Yemen.

11. There is now a need to ensure sustainability of the results achieved under the project STDF 69 by ensuring additional Technical Assistance and funding support to YSEA and the private sector in the fishery sector. Failing to receive additional external support would result in a significant reduction of activities that may be carried forward by YSEA itself and would most likely jeopardise the ambitious plans for implementation of the YSEA formulated strategy under the project STDF 69 in the short to medium term.

C. PROJECT STDF/172: "EXPANDING NIGERIA'S EXPORT OF SESAME SEEDS AND SHEANUT/BUTTER THROUGH IMPROVED SPS CAPACITY BUILDING FOR PRIVATE AND PUBLIC SECTOR"

12. ITC has been appointed by STDF as the preferred supervisory agency of the above-mentioned project. The Nigeria Export Promotion Council (NEPC) will be the implementing agency and will be responsible to supervise all the local organizations involved in providing technical inputs to the project. NEPC is finalizing some outstanding issues in the project document and budget, previously raised by ITC and STDF. A Letter of Agreement will be signed between WTO and ITC. Project activities are due to start in the second quarter of 2010.

D. CENTRAL ASIA (KYRGYZSTAN AND TAJIKISTAN)

13. The projects in Kyrgyzstan and Tajikistan, funded by SECO, have started their third phase in September 2009. The overall objective of this project is to contribute to the sustainable expansion and diversification of SMEs' exports in Tajikistan through increasing the competitiveness of the textile and clothing industry and improving the quality management infrastructure of the country.

² The MoU is aimed at enhancing collaboration in the areas of training, technological cooperation, the development of investigations, and technological transfer, for the benefit of both institutions and of society.

14. The specific objective in the areas of SPS and TBT, is to improve the capacity of the Standards, Quality Assurance, Metrology and Accreditation (SQAM), TBT and SPS bodies and the regulatory infrastructure. In particular:

- Two Tajik laboratories dealing with products in the agro-processing sector and complying with the requirements of ISO/IEC 17025 will be assessed for accreditation by a full member of the International Laboratory Accreditation Cooperation (ILAC);
- The Kyrgyz Accreditation Centre (KAC) will be assisted to become a full member of ILAC;
- Assistance will be provided for the establishment of the National Notification Authority (NNA) and the National Enquiry Points (NEPs) for SPS and TBT in Tajikistan;
- The NNA and the NEP for SPS in Kyrgyzstan will be assisted to become operational; and
- The SPS infrastructure will be streamlined to cater to the country's needs in the area of food safety, animal health and plant health with regard to imports, domestic production and exports

E. BENIN

15. An ITC workshop was organized in August 2009 to inform stakeholders in the cashew nut sector about issues related, to operations management, quality and packaging. This was followed by advisory visits to a selected number of enterprises. An analysis of the opportunities for the organic certification of cashew nuts was conducted.

OTHER ITC PROJECTS OF INTEREST:

1. Regional Consultation on "Quality Management: Linking TPOs and NSBs for Export Success", 1-3 December 2009, Kuala Lumpur, Malaysia

16. ITC and ISO have jointly organized a consultation aimed at providing a framework for National Standards Bodies (NSBs) and Trade Promotion Organizations (TPOs) to find the best approach to develop and strengthen their cooperation to support the international competitiveness of small and medium enterprises (SMEs), given the limited resources, and constraints in developing countries. More than 35 representatives from 16 countries³ in Asia, and among decision-making level practitioners and professionals in the field of standards and trade promotion, actively participated to the consultation. The consultation helped clarify roles and mandates of NSBs and TPOs and related inter-linkages and identify possible areas of cooperation to help enterprises meet standards and overcome technical barriers to trade and, particularly, to influence the development of international standards for export products of interest.

17. Besides the important actions identified by the participants as follow up at national level, the consultation is expected to produce in the second quarter of 2010:

- (a) A publication emphasizing linkages between NSBs and TPOs based on a consultation which will, *inter alia*, incorporate the key issues, solutions and "best practices" elaborated in the consultation documentation and discussions; and

³ Bangladesh, Bhutan, Fiji, India, Indonesia, Iran, Macao China, Malaysia, Myanmar, Nepal, Pakistan, Papua New Guinea, Philippines, Sri Lanka, Thailand and Viet Nam

- (b) Updated export strategy formulation methodology with a reinforced module on Quality Management.

For more information on the consultation, please visit <http://www.intracen.org/eqm/events/welcome.htm>

NON-TARIFF MEASURES PROJECT:

18. ITC is engaged in a multi-agency initiative on Non-Tariff Measures, which was initiated by the UNCTAD Secretary General in September 2007 with the objective to increase transparency and understanding about NTMs through the systematic collection, classification and dissemination of NTM-related data. In this context, ITC assists countries to better understand the obstacles to trade experienced by their business sectors when complying with non-tariff measures. Further to a pilot project executed in collaboration with UNCTAD in seven developing countries in 2008-2009, ITC will implement a representative survey on NTMs - with a focus on SPS and TBT - in around 30 developing and least developed countries during 2010-2012. The surveys identify at product, sector and partner country-level the predominant obstacles that the business sector faces when complying with NTMs, including those that are related to potential bottlenecks at the national level with regards to the capabilities and technical facilities to meet regulations and demonstrate compliance. Exporting and importing companies are screened through phone interviews and surveyed through in-depth face-to-face interviews. The survey contributes to a better understanding of the specific needs of the business sector, enabling targeted capacity building and better formulation of national strategies and policies.

For more information on the NTM project: Mondher Mimouni, ITC, Officer in Charge, Market Analysis and Research; Tel: +41 22 730 0371 - Fax: +41 22 730 0577 - E-mail: mimouni@intracen.org

1. Trade for Sustainable Development (T4SD)

19. Trade for Sustainable Development (T4SD) is a partnership-based effort led by the ITC to enhance transparency on voluntary standards and to increase opportunities for sustainable production and trade. The main project output will be a web-based tool that centralizes, organizes and disseminates information on voluntary sustainability standards and related research results to strengthen the capacity of producers, exporters and buyers to participate in sustainable production and trade. T4SD will:

- Systematically integrate comprehensive, recent and comparable information on voluntary sustainability standards;
- Provide research and case studies that complements this information, such as impact assessment, market data, how-to guides and best practice(s) examples; and
- Allow information tailoring through customized front ends addressing users' specific needs, ensuring direct access to relevant information and intuitive web navigation.

20. The T4SD database currently contains 12 standards including, Fairtrade (FLO), Rainforest Alliance (Sustainable Agriculture Network), UTZ Certified, GlobalGAP, 4C Association, the Marine Stewardship Council (MSC), the Forestry Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), the Better Sugarcane Initiative (BSI), the Roundtable on Sustainable Biofuels (RSB), Social Accountability International (SAI), and the International Federation of Organic Agriculture Movements (IFOAM). Discussions with additional standards are ongoing.

For more information about T4SD, please contact Mr. Joseph Wozniak, Programme Manager (wozniak@intracen.org).

For more information on the ITC work in the area of Standards and Quality Management:

Shyam K. Gujadhur, ITC Senior Adviser on Standards and Quality Management
Tel: +41 22 730 03 96 - Fax: +41 22 730 05 76 - E-mail: gujadhur@intracen.org

Ludovica Ghizzoni, ITC Adviser on Enterprise Value Chain-Export Quality Management
Tel: +41 22 730 06 38 - Fax: +41 22 730 05 76 - E-mail: ghizzoni@intracen.org

Web address: <http://www.intracen.org/eqm>

E-mail address: quality@intracen.org
