

**JOINT PROJECT BETWEEN THE COMMONWEALTH SECRETARIAT AND THE
INTERNATIONAL TRADE CENTRE ON CASE STUDIES TO DETERMINE
TECHNICAL ASSISTANCE NEEDS IN THE AREA OF TECHNICAL
REGULATIONS, SANITARY AND PHYTOSANITARY MEASURES**

Communication from the International Trade Centre (ITC)

A. GENERAL

1. The WTO Agreements on Technical Barriers to Trade (TBT) and on the Application of Sanitary and Phytosanitary Measures (SPS) require countries to base their technical regulations, sanitary and phytosanitary measures on international standards. The two agreements further lay down that there shall be presumption that such regulations/measures do not cause barriers to trade if they are based on international standards. The TBT Agreement does not define what constitutes international standards, but generally states that the standards prepared by international standardizing bodies shall be treated as international standards. The main bodies which are at present responsible for the preparation of international standards in the context of the two agreements include:

International Organization for Standardization (ISO);
International Electrotechnical Commission (IEC);
International Telecommunication Union (ITU);
Codex Alimentarius Commission (CAC);
Office international des épizooties (OIE)
International Plant Protection Convention (IPPC).

2. Further, in order to ensure that international standards are used to the maximum extent possible by countries in adopting their technical regulations and SPS measures, the two agreements urge countries to "play full part, within the limits of their resources" in the preparation by international standardizing bodies of international standards for products for which they have either adopted or expect to adopt such regulations/measures.

B. PROBLEMS FACED BY DEVELOPING COUNTRIES IN PARTICIPATING IN INTERNATIONAL STANDARDIZATION ACTIVITIES

3. Even though these two Agreements thus lay down an obligation on the Members to use international standards in their technical regulations and SPS measures and call on them to take an active part in international standardization activities, only a few of the developing countries are able today to participate in the work at international level on developing standards. The participation of these limited number of countries is not also in most cases "effective", as it is not supported by "background research and analysis" that is required to ensure that technical specifications and production processes used in their manufacture and production are adequately taken into account in developing standards.

4. In most of the industrialized countries, research and analytical work required for this purpose is undertaken either by the association of industries or of agricultural producers, or sponsored by them by making financial support available to a research agency. Barring a few cases, industries and the business communities in most of the developing countries are not as yet fully aware of the contribution which they have to make through supporting research and analysis in order to ensure that international standards that are accepted take into account adequately, in respect of products of export interest to them, the "product" standards which they apply and where relevant, the "process and production method (PPM)" standards which they use in their production.¹

5. The inability of a large number of developing countries to participate "effectively" in international standardization activities because of the reasons mentioned above poses serious actual and potential problems to the trade of these countries. For products where an importing country in its technical regulations and SPS measures uses international standards, exporting enterprises would have to change their standards to bring them in conformity with such mandatory regulations if the product specifications in the standards they use are not reflected in international standards. Otherwise, they would not be able to market their products to that country. Even where international standards are not applied on a mandatory basis, exporting enterprises would find it difficult to market such products, as consumers generally prefer to buy products which meet international standards.

C. PROBLEMS FACED BY DEVELOPING COUNTRIES IN MEETING TECHNICAL REQUIREMENTS IN EXPORT MARKETS

6. Even when technical regulations are based on international standards, it may be a difficult and costly process for exporters from developing countries to meet these requirements and demonstrate compliance with them. Firstly, they may have to modify their production technology to meet the requirements of the relevant international standard. Secondly, they may have to rely on the services of foreign certification bodies at high cost since the national infrastructure for conformity assessment may not be adequate. National conformity assessment bodies may not be accredited, or they may be accredited by the national accreditation body which is not a member of the multilateral mutual recognition agreement of the International Accreditation Forum or not have mutual recognition agreements with members of the International Laboratory Accreditation Co-operation.

7. Consequently, the certificates issued by these national conformity assessment bodies may not be recognized in overseas markets, leading to recertification in the importing country.

D. WIDE DIFFERENCES IN DEVELOPMENT OF STANDARDIZATION AND CONFORMITY ASSESSMENT ACTIVITIES

8. In this context it is important to note that there is a wide gap in the extent to which standardization and conformity assessment activities are developed in different developing countries. From this point of view, it may be possible to divide countries into three groups. In the first group would fall many least developed countries and some other low-income countries where work at

¹ Some of the basic features of the procedures adopted for development of international standards also put developing countries in a disadvantageous situation in participating in international standardization activities. The work on standardization is not undertaken at the headquarters of the international standardization bodies. The responsibility for developing them rests with countries, which agree to provide "secretariat" for work on development of the standard for a particular product. The country which has agreed to provide the secretariat facilities carries most of the financial burden associated with coordination of the work on research and on cost of arranging meetings. Because of the financial costs involved, only a few developing countries have been able to request for and get the right to provide such secretariat facilities in respect of products in which they have vital trade interest. The international standardization bodies have been, however, in recent years taking steps for facilitating and improving participation of developing countries in the work on international standardization.

national level in the area of standardization and conformity assessment is at a nascent stage. Some of these countries do not yet even have national standards bodies. In the second group would fall a number of developing countries that have now been able to make some progress in work on standardization and conformity assessment by establishing national standards bodies and conformity assessment bodies. The capacity of these countries to participate in international standardization activities is at present at least somewhat limited. In the last group would fall the limited number of developing countries which now have well-developed national institutions engaged in standardization and conformity assessment activities. Most of these countries are taking active interest in international standardization activities. For reasons mentioned above, their participation in these activities is however, far from effective.

E. ASSESSMENT OF THE NEEDS FOR TECHNICAL ASSISTANCE IN STANDARDIZATION AND CONFORMITY ASSESSMENT

9. It is evident from what is stated above that this is an area where developing countries would need technical assistance. The type of assistance that would be required would, however, vary considerably according to the stage reached in the development of standardization and conformity assessment activities by countries in each of the three groups. The first step would therefore have to aim at identifying the type of assistance that is needed by countries falling in each of these groups. For this purpose it is proposed to undertake case studies in two selected countries in each of the groups mentioned above.

10. The aim of these case studies would be to provide a basis for identification of the technical assistance needs of developing countries, both in the immediate and long term period, for their improved and effective participation in international standardization activities and for developing effective national infrastructures for conformity assessment. Towards this objective these case studies shall, inter alia, examine the need for assistance of countries in each of the groups for:

- (a) further development of activities for developing/adopting standards for products of export interest;
- (b) developing technical regulations and SPS measures based on international standards;
- (c) for creating greater awareness among industries (producing both goods and services) and their associations of the need to undertake background research and analytical work that is necessary for:
 - (i) their effective participation in standardizing activities at national level, and
 - (ii) assisting the national standards bodies and/or the government in participating in the work at international level on developing international standards, taking into account
 - the existing rules, procedures and practices adopted by the international standardizing bodies (e.g. ISO and Codex Alimentarius Commission) in formulating and establishing international standards, and
 - the steps which the international standardizing bodies are taking for facilitating improved and effective participation of developing countries in the development of such standards
 - (iii) developing/strengthening national infrastructures for demonstrating compliance with technical regulations and SPS measures in export markets.

11. The case studies shall also examine the problems and difficulties, if any, which are being encountered as a result of the technical regulations and SPS measures applicable in the main export markets of the countries covered by them.

F. MODALITIES

12. The work on the preparation of case studies would be undertaken jointly by the International Trade Centre and the Commonwealth Secretariat by using the services of consultants having expertise in this area. To ensure that uniform approach is adopted in the preparation of case studies, two consultants would be given the responsibility for the preparation of a background paper containing inter alia:

- description of the procedures and practices which are followed by the international standardizing bodies in developing and accepting standards, and
- the elements that should be covered in the case studies.

13. The responsibility for guiding the work at technical level would rest with the Senior Adviser on Export Quality Management at ITC and with the Adviser on WTO matters from the Commonwealth Secretariat.

14. Taking into account the result of the case studies, the two organisations shall prepare for providing both jointly and separately, technical assistance to developing countries for:

- capacity building at national level, and
- dissemination of information on the results of the case studies by arranging regional workshops.

G. IMPLEMENTATION

15. The first phase was conducted by two consultants (one for TBT and one for SPS) in July 2001. It focussed on procedures for the preparation of standards by international standards bodies and the elements to be covered in the case studies.

16. The second phase was conducted in September/October 2001. The countries covered were Kenya, Mauritius, Uganda, Namibia, Jamaica and Malaysia. Six consultants went in teams of two to two countries each.

17. The case studies will be published in a joint publication on TBT and SPS by the Commonwealth Secretariat and the International Trade Centre.
