

Regional Trade Capacity Building Training Programme: Caucasus and Western CIS

Content of the Course

Modules

Module 1: Setting the baseline

1. Global trade liberalization and trade opportunities

Global trade has increased significantly over the last decades after years of trade related negotiations, the Uruguay round, culminating in the establishment of the World Trade Organization (WTO) and the conclusion of a series of agreements on tariffs and trade. All the reductions in and eliminations of tariffs and quotas led to trade liberalizations and increases in international trade flows, mostly among the industrialized countries. The impact of those actions on developing countries' exports and economies has been limited, eventually leading to their marginalization despite the fact that due to their good competitive standing they should have benefited from the opening up of the developed countries' markets. This brings us to the conclusion that merely opening economies does not suffice in a world driven by innovation, technical change, consumer demand and safety concerns.

2. WTO Technical Barriers to Trade / Sanitary and Phytosanitary (TBT/SPS) agreements and implications

Though standards and regulations may enhance the free flow of goods and services, experience has shown that they can also be used to create unnecessary obstacles to trade and protectionism, often disadvantaging developing countries. In order to prevent countries from exploiting standards as unnecessary barriers to trade, the WTO, as the global organization dealing with the rules of trade between nations, requires its members to adhere to the WTO Agreement on Technical Barriers to Trade (TBT) and to the WTO Agreement on Sanitary and Phytosanitary Measures (SPS).

3. Developing a Quality Policy

Experience suggests that there is a logical path for developing a quality infrastructure. The best way to commence developing a quality policy is by having the government develop and approve it by giving details of the quality infrastructure components and their relevant responsibilities. This would facilitate a proper division of work. The quality policy should also detail the relationship of the quality infrastructure with the country's technical regulations, e.g. if it provides services related to the technical regulations.

4. Building Quality Infrastructure

Building a quality infrastructure that will enable enterprises to meet the demands of a multilateral trading system—to ensure and to prove that their products conform to international standards, both of private buyers and of regulatory authorities—is a complex challenge that has to be met in several organizational dimensions. The typical building blocks of a quality infrastructure are standards, metrology, accreditation and conformity assessment. Conformity assessment includes the key components of inspection, testing and certification.

Module 1: Learning points

- Knowledge of the most important global agreements on tariffs and trade.
- Fostering competitiveness beyond mere market liberalization.
- Understanding of the WTO SPS/TBT agreements and of the obligations and requirements imposed by the WTO SPS/TBT agreement.
- Understanding that national quality policies and quality infrastructures need to be WTO compliant.
- Awareness of the role and importance of quality infrastructure for countries and their economies.
- Knowledge of the functions of quality infrastructure, awareness of the potential conflict of interests and, therefore, the need for separation of certain functions

Module 2: Quality infrastructure building blocks

1. Standards

A standards institution publishes standards, i.e. formal documents that are generally developed by consensus, which contain the requirements that products, processes or services should comply with. Standards are, in themselves, voluntary, i.e. suppliers can choose whether to use them or not. For example, it is only when they form part of a contract or are referenced in technical regulation that compliance with them becomes legally binding. Typical standards institutions are national standards bodies, sectoral standards development organizations and industry-based standards organizations. Although most national standards bodies are public organizations, there are a few private ones.

2. Metrology

Metrology is the technology or science of measurement. It can be subdivided into scientific metrology (the highest level of measurement standards), legal metrology (the assurance of the correctness of measurements that affect the transparency of trade, law enforcement, health and safety) and industrial metrology (the satisfactory functioning of measurement instruments used in industry, production and testing). Typical

metrology institutions are a national metrology institute, a national calibration service, calibration laboratories (public or private) and a legal metrology department. The national metrology institutes are invariably public organizations as are, by definition, the legal metrology departments. Calibration laboratories may be public or private.

3. Accreditation

Accreditation provides independent attestation of the competence of an individual or an organization to offer specified conformity assessment services (e.g. testing, inspection or certification). The typical accreditation institution is the national accreditation organization. This is usually a public body with a defined monopoly

4. Conformity assessment

The following items are the most common conformity assessment activities:

- Inspection - the examination of a product design, product, process or installation and the determination of its conformity with specific requirements or, on the basis of professional judgment, with general requirements. Inspection is often conducted on consignments, for example import inspection, to ensure that the whole consignment is equivalent to the product sample tested.
- Testing - the determination of a product's characteristics against the requirements of the standard.
- Certification - certification by a certification body formally establishes, after evaluation, testing, inspection or assessment, that a product, service, organization or individual meets the requirements of a standard.

Module 2: learning points

- Understanding the meaning and main functions of the quality infrastructure building blocks; standards, metrology, accreditation, and conformity assessment and their linkages.
- Knowledge of how to build a quality infrastructure which will meet the demands of the multilateral trading system.
- Understanding that there is no one ready-made model for the building of quality infrastructure and that specific requirements need to be taken into account when planning the design of the quality infrastructure for respective country.

Module 3: UNIDO trade capacity building approach

The development of trade is a multidimensional process. It requires effective policies and governance systems that will create a stimulating environment for trade, and a wide diffusion of knowledge, information, skills and technologies across economic agents and institutions to ensure that trade growth is diversified and sustainable and

contributes to the creation of an equitable society. To effectively address the many complex factors underlying successful industrial exports, UNIDO has adopted a holistic approach to trade capacity building that takes into account the whole “product to market” chain. UNIDO has dubbed this its “3C” approach: compete, conform, and connect. The first two links, “compete” and “conform”, are at the core of UNIDO’s mandate and address, respectively, the capacity shortfalls of supply and proof of conformity with standards. The third link, “connect”, addresses shortfalls in connecting to the market and is primarily the domain of other development partners.

Module 3: learning points

- Understanding the scope and logic of UNIDO’s trade capacity building approach.

Case studies

Throughout the face-to-face part of the course the participants will work in groups on the case studies in which they will have to apply the topic and concepts learnt during the lectures.