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Q1: Respondent details

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|---------------|------------------------------------|
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Q2: Country or Customs territory

KENYA

Q3: Organization

NGO

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Q4: Title of case story

Contribution of standards harmonisation and certification towards reduction in the conformity assessment clearance time and cost of testing-the case of the EAC

Q5: Case story focus

Trade Facilitation.

Q6: Case story abstract

In a regional economic block committed to the free movement of goods like the East African Community, disparate product standards poses a challenge to trade as manufacturers need to comply with different requirements for different markets represented by the Partner States. This adds to the cost of doing business as there is an increase in the fixed and variable costs needed to meet these disparate standards. Harmonisation of standards one way to address the challenge posed by disparate standards, and is an important intervention in the improvement of doing business in the region. TradeMark East Africa's (TMEA) Standards Harmonisation and Conformity Testing Programme was launched in 2011 to support the National Standards Bureau (NSBs) in achieving regional harmonization of standards and improving their testing capacities. The programme aims at improving trade competitiveness in East Africa by reducing the time and cost of testing in the region which could ultimately contribute to increased regional trade. Under the East Africa Community (EAC) Customs Union Protocol Article 13 partner states commit to eliminating tariffs, non-tariff and technical barriers to trade, harmonise and mutually recognize standards and implement a common trade policy for the community.

Q7: Who provided funding?

Other (please specify)
TradeMark East Africa with from USAID

Q8: Project/Programme type

Regional

Q9: Your text case story

a. Background

The East African community (EAC) comprises of five countries namely: Burundi, Kenya, Rwanda, Tanzania, and

The East African Community (EAC) comprises of five countries namely: Burundi, Kenya, Rwanda, Tanzania, and Uganda with a total population of about 145.5 million people with a GDP of US\$147.5 billion as of 2015. The East African Community Standards Quality Assurance Metrology and Testing Act (EAC SQMT Act), enacted in 2006, was legislated to support the implementation of the Common Market Protocol. The aim of the EAC SQMT Act is to facilitate the removal of standards-related technical barriers to trade, and ensure that products produced within the EAC area are easily traded among the EAC Partner States.

b. Issue

Disparate standards and duplicate conformity assessment procedures such as inspection and certification hamper trade, causing delays and increasing the cost of doing business. TMEA noted that while standards and the conformity assessment procedures are vital in safeguarding the health and safety of the consumers and the environment as a whole, their application could limit trade. Harmonised Standards would cut the cost and time of doing business. It is against this background that TMEA supported the EAC Partner States in standards harmonization and quality infrastructure in order to improve on the conformity assessment procedures so as to provide benefits for manufacturers, consumers, government regulators, and the general public. Conformity is assessed against standards and the World Trade Organisation (WTO) Agreement on Technical Barriers to Trade (TBT) call on Member governments and their standardizing bodies to participate in the development of international standards in “appropriate international standardizing bodies in areas covered by existing or proposed technical regulations and standards so as to harmonize requirements on as wide a basis as possible”.

c. Approach

TMEA supported the standards harmonization process that involved the preparation, approval, gazetting and adoption of the standards by the different national standards bodies in the EAC Partner States. TMEA supported the standards harmonization for the most commonly traded and priority products in the region so that they could cross borders unimpeded. The priority and most-traded products that TMEA targeted in the EAC for standards harmonization included: sugar and sugar confectioneries, cereals, pulses and related products, essential oils and cosmetics, iron and steel related products, alcoholic beverages, edible fats and oils. In order to provide a comprehensive and coordinated approach to regional harmonization of standards, TMEA first supported the implementation of the EAC Procedures for Development of Standards (2012), which includes international best practices on standards development and harmonization. TMEA also supported the provision of capacity building to NSBs representatives involved in standards harmonization and then supported the regional harmonization of standards. This approach promoted acceptability of the harmonized standards by the EAC Partner States. To complement the harmonized standards, at the national levels, TMEA strengthened the conformity assessment procedures by supporting the EAC Partner States with the provision of laboratory testing equipment and capacity building to the NSBs in order to assist them in carrying out their duties in an efficient and effective manner.

d. Results

In the EAC there are two major categories of products crossing the borders, these include certified and uncertified products. The programme directly increased the number of harmonized East African Standards (EAS) by an additional 79 EAS, equivalent to a 28% increase. TMEA support towards harmonizing standards in the EAC contributed to the reduction in the conformity assessment clearance time from 38 days in 2010 to 10 days in 2014 for products without notified certification marks and to 0.5 days for products with notified certification marks based on harmonized standards. In addition the programme improved the efficiency and effectiveness of the NSBs through widening their testing scope by an average of 32 additional testing parameters which resulted in reduced average testing cost per sample from US\$ 500 in 2010 to US\$ 205 in 2014. Products with notified certification marks based on harmonized standard in the EAC no longer suffer clearance delays at the borders as shown in the table 1 below.

Table 1: Average Conformity Assessment Clearance Time and Testing Cost in the EAC

| Average Conformity Assessment Clearance Time (Days) | | Average Testing Cost (US\$) | |
|---|------|-----------------------------|------|
| 2010 | 2014 | 2010 | 2014 |
| Without Notified Certification Mark | | 500 | 205 |
| 38 | 10 | 0.5 | |

The other benefit of complying with the harmonized standards was that consignments originating from the EAC that had certified products based on harmonized standards was reduction in the cost of complying with multiple standards through re-testing from an average US\$205 to almost zero. As a result, companies with certified products in the EAC are having a competitive edge over those whose products are not certified.

e. Impact

For the products where standards are harmonized, the manufacturers and the business community are having one harmonized standard for a product in the EAC which has eliminated technical barriers to trade by complying with only one standard for a product. This has reduced the time and cost of doing business in the region because one standard is used which is facilitating free movement of goods, increased regional trade and increasing efficiency in business. Regional harmonization of standards has also lowered the cost of production by not requiring different lines of products to conform to different standards required by different countries in the EAC.

In-set are some of the processed products that got certified with support from TMEA through the Rwanda Standards Board (RSB) in Rwanda. On the right is the picture of packaged instant coffee processed by Rwashosco Limited and left is super fine maize flour that is processed by Minimex in Rwanda. These products have a standards mark (S-mark) awarded by RSB which shows that the products are of quality and meet the requirements of their respective standards.

f. Challenges

Standards harmonization is a relatively time consuming and expensive process. However, the programme has reduced this challenge by building the capacities of the NSBs.

g. Who benefits

The harmonization of standards in the EAC has benefitted several stakeholders. The manufacturers and traders have benefitted by complying with only one common standard; regulators have benefited by assessing the products based on one standard which is resource saving; EAC Partner States have benefited because of improved trade facilitation through lower cost and reduced clearance time for producers, exporters and traders.

h. Sustainability

The development of standards, harmonisation, adoption and implementation as well as the provision of equipment to NSBs is an expensive undertaking. The management of costs under this project has been challenging due to the great number of product standards that need to be developed as well as equipment provision to the NBS. Some of the ways to reduce these costs would be through the training of officials to ensure the continued use of purchased equipment, more government resources committed as well as continued donor support in these areas.

Q10: Lessons learnt

1. Programme Results: The sustainability of quality infrastructure in NSBs greatly depends on the industrial development of a country. The financial sustainability of the quality infrastructure of NSBs in the region depends mostly on the country national budget and the quality and number of conformity assessment services offered to the public. Given the EAC Partner States different levels of economic development and quality infrastructure, it is likely that the NSBs will continue to require government and donor support in the future
 2. The TMEA programme procurement process: The TMEA procurement process has enhanced ownership and relevance of the programme intervention in addressing the needs of stakeholders. The procurement process played an important role in the purchase of equipment for the NSBs. The NSBs provided the specification of what they need and TMEA procured, delivered and installed the equipment in a timely and efficient manner.
 3. Use of Modern Information and Communication Technology (ICT) platforms (e-portal) to provide information on conformity assessment activities such as inspection, auditing and testing improves efficiency, accountability, transparency and service delivery of NSBs.
 4. Harmonizing standards and improving technical capacities of NSBs: promotes the use of a common standard across the region for a product and improves the efficiency and effectiveness of the NSBs. The lesson learnt is that this eliminates the challenges of complying with multiple standards which ultimately reduces the time and cost of doing business.
 5. Awareness creation: on quality, standards and the role of NSBs in trade facilitation eliminates the mistrust between the business community and the NSBs. The lesson learnt is that this leads to increased transparency and cooperation among the stakeholders and the NSBs which leads to more access to the conformity assessment services such as testing and certification hence producing quality products that meet standards and are able to access markets.
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