

# Comparative Advantages

**QI reforms cut across WBG thematic pillars throughout different GPs, helping to:**

- Reduce barriers to trade and entrepreneurship, and expand market opportunities
- Reduce the cost and burden on the private sector and enhance the investment climate
- Contribute to innovation and technology upgrading, and facilitate global technical cooperation
- Enhance the competitiveness of priority sectors and their environmental and social standards

## **Value added by WBG**

Building on complementary range of analytical products and financial instruments, we can:

- Help clients identify constraints and prioritize QI reform options
- Leverage diverse technical expertise to suggest a package of QI reform solutions that would enhance competitiveness of the whole economy and promote innovation in priority sectors
- Build capabilities of QI stakeholders in the private and public sectors
- Provide financial resources needed for reform implementation and public investments
- Partner with relevant international organizations and key players in the private sector (especially multinational corporations)

# WBG Approach to QI Reforms

Results measurement framework

Key performance indicators

Program design and plan

Implementation support

The relevant and necessary QI reforms that serve countries' priorities

Monitor and Review

Develop and Implement

Assess Gaps  
Set Priorities

Demand for QI

Priority sector(s)  
Target market(s)  
Technical regulations

QI Supply  
Diagnostics

Availability of QI services  
Institutional and human capacity

- Market-Driven Approach
- Establishing the process for QI reforms
- Transparency
- Justify public interventions/funding
- Stakeholders Engagement (private sector, development partners, academia)

# Quality Infrastructure Solution Package

	Constraints	Work Streams	Outcomes
Diagnostics	<ul style="list-style-type: none"> <li>• Understanding of market demand</li> <li>• Understanding of the extent and competency of existing QI institutions and service providers</li> </ul>	1. Diagnostics/Gap Assessment	<ul style="list-style-type: none"> <li>• Reform priorities identified</li> </ul>
Supply-Side	<ul style="list-style-type: none"> <li>• Legal, institutional, and regulatory barriers related to over-regulation or low capacity to enforce quality requirements and ensure health, safety, and environment safeguards;</li> <li>• Low capabilities to provide quality assurance services;</li> <li>• Mismatch between domestic and international quality requirements.</li> </ul>	<ol style="list-style-type: none"> <li>2. Reforming QI legal and institutional framework</li> <li>3. Developing competent quality assurance service providers (national or regional)</li> <li>4. Streamlining and harmonizing technical regulations and standards with target markets</li> </ol>	<ul style="list-style-type: none"> <li>• Reduced unnecessary burden (e.g. compliance cost);</li> <li>• Improved efficiency of NQI institutions</li> <li>• Increased number of accredited quality assurance service providers (e.g. labs);</li> <li>• Reduced/rationalized number of mandatory technical regulations;</li> <li>• Reduced consignment rejection rate by recipient country</li> </ul>
Demand-Side	<ul style="list-style-type: none"> <li>• Investment and reputational risks for multinational corporations;</li> <li>• Inability to access and compete at targeted markets (e.g. cost of technology upgrade, testing and certification costs)</li> <li>• Lack of information about the quality requirements, standards, and services</li> </ul>	<ol style="list-style-type: none"> <li>5. Complying with industry standards through FDI and GVC</li> <li>6. Enabling innovation and a higher quality of domestic products to meet standards, including training and information campaign</li> </ol>	<ul style="list-style-type: none"> <li>• Increased export volume;</li> <li>• Increased participation in new markets;</li> <li>• Increased investment in priority sectors;</li> <li>• Enhanced firms' productivity and innovation</li> </ul>

# QI Work Streams (1/3)

Work Stream	Activities	Example
Diagnostic	<ul style="list-style-type: none"> <li>a) Identify Priority Sectors</li> <li>b) Assess Demand for Quality Assurance Services</li> <li>c) Assess QI Related Constraints</li> <li>d) Perform QI Gap Analysis</li> </ul>	<p><b>Ethiopia:</b> Identified three priority sectors for the export growth, i.e., (i) leather and leather products; (ii) textile and garments; and (iii) agro-processed products, particularly fruits and vegetables.</p>
Reforming QI legal and institutional framework	<ul style="list-style-type: none"> <li>a) Conduct institutional mapping</li> <li>b) Update regulations</li> <li>c) Streamline the institutional structure</li> <li>d) Build capacity to participate in setting standards</li> <li>e) Support private sector engagement and consultation</li> </ul>	<p><b>Germany*:</b> The accreditation system prior to 2009 was fragmented and costly as it consisted of 20 accreditation bodies in both the public and private sectors. The new accreditation organization, DAkkS, was established in 2009 to replace all the accreditation bodies.</p>

# QI Work Streams (2/3)

Work Stream	Activities	Example
Developing Competent Quality Assurance Service Providers (national or regional)	<ul style="list-style-type: none"><li>a) Modernize laboratories</li><li>b) Train technicians</li><li>c) Streamline internal processes</li><li>d) Support international recognition</li></ul>	<b>Jamaica*:</b> Laboratory for mass and volume and Trinidad and Tobago laboratory for temperature work to become internationally recognized and to serve as reference laboratory for 12 standard bodies in the Caribbean region.
Streamlining technical regulations and standards and harmonizing with target markets.	<ul style="list-style-type: none"><li>a) Distinguish between technical regulations and standards</li><li>b) Eliminate excessive technical regulations</li><li>c) Harmonize with international standards</li><li>d) Harmonize technical regulations with key markets</li></ul>	<b>Jordan:</b> Harmonize Jordanian standards and labeling schemes for energy efficiency equipment with EU eco-design standards in order to facilitate trade and improve energy use in the country.

# QI Work Streams (3/3)

Work Stream	Activities	Example
Complying with Industry Standards through FDI and GVC	<ul style="list-style-type: none"> <li>a) Remove legal or administrative barriers to market entry for NEMs</li> <li>b) Target and facilitate investment by anchor investors &amp; foreign suppliers</li> </ul>	<p><b>Yum Brands*:</b> Mandates that all of its brands needs to comply with the new U.S. Food and Drug Administration (FDA) guidelines to minimize antimicrobial resistance.</p>
Enabling innovation and improving quality of domestic products to meet standards	<ul style="list-style-type: none"> <li>a) Awareness raising</li> <li>b) Provide matching grants to target firms</li> <li>c) Reduce costs to certified firms</li> <li>d) Conduct training programs</li> </ul>	<p><b>Cambodia:</b> Firm level support in the agriculture sector to improve their ability to meet technical regulation and standards, with an initial focus on Sustainable Rice Platform (SRP) standards.</p>