Third party certification and the TBT Agreement

ITC Standards Map

Benchmarking Standards, Codes & Audit Protocols
“As an agency of the United Nations, ITC enables business export success globally by providing, with partners, trade development solutions to the private sector, trade support institutions and policy-makers”
Voluntary standards – 3rd party certification & international trade

Principles on standardization and main standard setting bodies
Terminology

* International and domestic trade

«International Trade is the exchange of goods or services along international borders. This type of trade allows for a greater competition and more competitive pricing in the market. The competition results in more affordable products for the consumer. The exchange of goods also affects the economy of the world as dictated by supply and demand, making goods and services obtainable which may not otherwise be available to consumers globally»

«Domestic Trade is the exchange of domestic goods within the boundaries of a country»
**International Trade and the World Trade Organization - WTO**

The World Trade Organization — the WTO — is the international organization whose primary purpose is to open trade for the benefit of all. It provides:

- A forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development.

- A legal and institutional framework for the implementation and monitoring of these agreements, as well as for settling disputes arising from their interpretation and application. The current body of trade agreements comprising the WTO consists of 16 different multilateral agreements (to which all WTO members are parties) and two different plurilateral agreements (to which only some WTO members are parties).
What does standardization mean in WTO TBT Agreement?

Paragraph 2 of Annex I of the TBT Agreement defines the term ‘standard’: “A document approved by a recognized body that provides for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.”

The Explanatory Note accompanying this definition provides that ...Standards as defined by ISO/IEC Guide 2 may be mandatory or voluntary. For the purpose of this Agreement, standards are defined as voluntary and technical regulations as mandatory documents...”
Typology of standards

By differentiating the institutional setting of standard setting (public or private) and the global selection/adaptation process (market-based or nonmarket-based).

Source: Büthe & Mattli 2011
Public standards / Private standards

Let’s first define the meaning of “technical regulations”, “standards” and “conformity assessment procedures”:

* **Technical regulations and standards** set out specific characteristics of a product — such as its size, shape, design, functions and performance, or the way it is labeled or packaged before it is put on sale.

* **The difference between a standard and a technical regulation** lies in compliance. While conformity with standards is voluntary, technical regulations are by nature mandatory.

* **Conformity assessment procedures** are technical procedures — such as testing, verification, inspection and certification — which confirm that products fulfil the requirements laid down in regulations and standards. Generally, exporters bear the cost, if any, of these procedures. Non-transparent and discriminatory conformity assessment procedures can become effective protectionist tools.
Public standards / Private standards

- Protection of human safety or health
- Protection of animal and plant life or health
- Trade facilitation
- Protection of the environment
- Quality, technical harmonization
- Prevention of deceptive practices

OBJECTIVES
Public standard (technical regulations) setting

While tariffs and quotas have been reduced significantly since the creation of the WTO the rise in public and private standards is one element contributing to the growing amount of non-tariff measures. So as to counter a trade impeding impact of non-tariff measures, a number of agreements were developed.

- **Sanitary and Phytosanitary (SPS) Agreement**
  - It lays out the basic rules for food safety and animal and plant health standards.

- **Technical Barriers to Trade (TBT) Agreement**
  - It aims to ensure that regulations, standards, labeling, customs forms, testing, certification procedures and other technical aspects do not create unnecessary obstacles to trade.
Public standard (technical regulations) setting

A key area regulated by public standards is food safety and quality and environmental protection.

- It introduced global minimum standards for protecting and enforcing intellectual property rights in international trade.

Trade Related Intellectual Property Rights (TRIPS) Agreement
Private standard setting
Drivers for the development of private standards are numerous. They include:

* Increased consumer awareness of the impact of food on health.
* Food quality and due diligence requirements assigned to food chain operators.
* Growing societal and consumer demand for more responsibly produced goods and information about the production and processing conditions of products. The latter resulted in an increasing number of consumers and companies basing purchasing decisions on ethical criteria and a notion of corporate responsibility.
Private standard setting

Types of private standards:

* **Numerical standards** defining required characteristics of products such as contaminant limits or maximum residue limits.

* **Process standards** prescribing the production processes (including performance objectives) or pertaining to management system and documentation requirements.

Private standards *schemes*: It is term that not only comprises the standard itself but also covers standard setting procedures, adoption and implementation practices, and conformity assessment and enforcement. Examples for such schemes are: Fairtrade or the Forest Stewardship Council (FSC) and for food/feed safety standards the British Retail Consortium (BRC), International Food Standard (IFS), FAMI QS, GMP+ International or the GLOBALG.A.P. Fruit and Vegetables scheme.
Legitimacy of private standards

The question of legitimacy is related to the wider discussion about private versus public standard setting.

- Legitimacy is all about trust and the factors that enhance or deter this trust both for the users of the standards and for third parties and society in general. They can be imposed by an external group or, as it has been the case with private standards, a self-regulatory mechanism to support the credibility of the standards.

- Still, a number of approaches coexist aiming to define what makes a legitimate standard, designed by a mix of private and public institutions such as:
  - WTO Technical Barriers to Trade (TBT) Agreement Annex 3;
  - ISEAL Codes of Good Practice for Setting Social and Environmental Standards.
Legitimacy of private standards

There is a list of the main elements of legitimacy of private standards, according to a literature review done by ITC in this regard:

- The influence of value chain stakeholders on the standards-setting process.
- A transparent standard-setting process and standards implementation process.
- The inclusion of developing country interests.
- The scientific foundation on which they are based.
- A clear market benefit resulting from the compliance with the standard.

The different notions of legitimacy found in the literature revolve around the three concepts of transparency, inclusiveness and accountability and the different stages of (i) standards setting, (ii) standard implementation and the certification process, (iii) standard monitoring, and (iv) the impacts of standards.
The key elements of legitimacy, according to which these stages are scrutinized include: the assurance of a transparent process, the inclusion of diverse interests (inclusiveness), the scientific foundation of requirements, and the accountability of standard organizations.

The concepts of legitimacy tend to focus on one or two stages that are analysed according to one or several elements of legitimacy. It is important to note that concepts such as accountability, transparency and inclusiveness are overlapping as for one of them to fu
The Ministerial Decision on the Review of the ISO/IEC Information Centre Publication adopted in Marrakesh on 15 April 1994 states that the Committee on Technical Barriers to Trade shall:

"at least once a year review the publication provided by the ISO/IEC Information Centre on information received according to the Code of Good Practice for the Preparation, Adoption and Application of Standards in Annex 3 of the Agreement, for the purpose of affording Members opportunity of discussing any matters relating to the operation of that Code.

In order to facilitate this discussion, the Secretariat shall provide a list by Member of all standardizing bodies that have accepted the Code, as well as a list of those standardizing bodies that have accepted or withdrawn from the Code since the previous review."

........ What is the “Code of good practice”?
What is the “Code of good practice”?  
* Product standards can be prepared by governmental or non-governmental standardizing bodies. Over the years there has been a proliferation of private standardizing bodies. The Code of Good Practice, contained in Annex 3 of the WTO TBT Agreement provides disciplines, including those related to transparency, for the preparation, adoption and application of standards by all central governmental, local government, non-governmental and regional standardizing bodies.

Who can accept the Code?  
* The Code is open for acceptance to any standardizing bodies, whether central government, local government or non-governmental and regional standardizing bodies. The Code of Good Practice contained in Annex 3 of the WTO TBT Agreement seeks to bring all standards within its purview and provides for [and gives] transparency in the preparation, adoption and application of standards.
Principles on standardization and main standard setting bodies – main points

• One of the main activities of the WTO is:
  “...negotiating the reduction or elimination of obstacles to trade (import tariffs, other barriers to trade) and agreeing on rules governing the conduct of international trade (e.g. antidumping, subsidies, product standards, etc.)...”

• Standardization is the process of developing and implementing technical standards.

• Paragraph 2 of Annex I of the TBT Agreement defines the term ‘standard’:
  “A document approved by a recognized body that provides for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.”

• The classification of standards can be done by differentiating the institutional setting of standard setting (public or private) and the global selection/adaptation process (market-based or nonmarket-based).
**Principles on standardization and main standard setting bodies – main points**

- The difference between a standard and a technical regulation lies in compliance. While conformity with standards is voluntary, technical regulations are by nature mandatory.
- The objectives of the establishment of standards according to their scope: Protection of human safety or health; Protection of animal and plant life or health; Protection of the environment; Prevention of deceptive practices; Quality, technical harmonization; Trade facilitation.
- As to counter a trade impeding impact of non-tariff measures, a number of agreements were developed: SPS, TBT, TRIPS.
- Private standards schemes not only comprise the standard itself but also covers standard setting procedures, adoption and implementation practices, and conformity assessment and enforcement.
- The key elements of legitimacy, according to which these stages are scrutinized include: the assurance of a transparent process, the inclusion of diverse interests (inclusiveness), the scientific foundation of requirements, and the accountability of standard organizations.
ITC – Standards Map & Benchmarking

Rationale

• **Sustainability concerns** in global supply chains;

• **High demand from SMEs** for transparency on voluntary standards;

• **Confusion** among SMEs, TSIs and governments around the proliferating voluntary standards applied in international markets;

• **Lack of credible, central & neutral repository** for standards information.

Components

• **Standards Map**: over 120 sustainability standards covering 80 sectors and applicable in 180 countries; summary reviews of each standard and code; interactive search functionality per sector/product, region/country or specific criteria; comparisons of standards and self-assessment tool for producers and suppliers;

• **Research & resources center**: Publications, business guides and online resource center;

• **Capacity building**: Bringing intelligence about what the market demands vis-à-vis voluntary standards, integrated with other ITC tools.

Support
SECO, BMZ, European Commission
Over 130 sustainability standards & codes
Welcome to Standards Map

Standards Map provides information on over 130 standards, codes of conduct, audit protocols addressing sustainability hotspots in global supply chains.

Not registered yet?

- Take a tour
- Free Registration

Login or register

- Email address: 
- Password: 
- Remember me.
- Forgot your password?

Identify
Quick-scan
Compare
Self-Assess
Identify voluntary sustainability standards which apply to your business.

Quickly review selected standards at a glance.

Compare voluntary sustainability standards' hotspots.

Assess your business’ sustainability profile and roadmap to sustainable trade.
Overview

Short description of the sustainability standard

FAMI-QS is the Quality and Safety System for Specialty Feed Ingredients and their Mixtures. Since 2004, representatives of the Feed Additives and Premixtures industry have worked together to devise FAMI-QS, the first code aimed at this sector of the animal feed industry.

The FAMI-QS Code addresses safety, quality and regulatory compliance of specialty feed ingredients and their mixtures.

- minimizing the risk that unsafe specialty feed ingredients and their mixtures enter the feed and food chain;

- enabling an operator to implement the objectives of the Feed Hygiene Regulation (183/2005/EC); and

- providing measures to ensure that other feed safety regulatory requirements are met.

FAMI-QS is a pioneer in its field as it is the only certifiable code specifically aimed at specialty feed ingredients and their mixtures. It was also the first Community Guide to Good Practice to obtain official recognition from the European Commission as foreseen in the Feed Hygiene Regulation.

The FAMI-QS code is designed for international validity; thus, participants in FAMI-QS can be found all over the world. Today, certified companies are spread across more than 45 countries. Furthermore, FAMI QS has a worldwide network of certification bodies which allows the implementation of FAMI-QS in any part of the globe.
## Quality Management System

<table>
<thead>
<tr>
<th>Description</th>
<th>Timeframe</th>
<th>Threshold</th>
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<tbody>
<tr>
<td>Top management must ensure that the feed safety policy: a. is appropriate for the production and maintenance of safe feed; b. is matched to the requirements of customers as established within the framework of chain programmes; c. prescribe that the organisation works in accordance with the requirements of the feed safety system; d. offers a framework for the establishment and assessment of feed safety objectives; e. is made known and is understood within the organisation; and, f. is reviewed for continuing suitability and improvement. More information</td>
<td>For immediate action</td>
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<tr>
<td>The participant must draw up and make use of a production order whereby the feed (end products) comply with the residue standards in GMP+ BA1 Product Standards. More Information</td>
<td>For immediate action</td>
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<td>7.11.2 Maintenance of the product: The participant must ensure during internal processing and delivery to the proposed destination that the feed continues to comply with the requirements set. This maintenance must include identification, handling, packaging, storage and protection. More information</td>
<td>For immediate action</td>
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<td>4.2.2 Quality manual: The participant must set up and update a quality manual which includes: a. the scope of the feed safety system, including the details of and clear justification for any exclusions; b. the documented procedures as required as a minimum under the GMP+ standard(s) which have been established for the feed safety system or a reference to them; c. a description of the interactions between the processes of the feed safety system; d. the structure of the documentation. More information</td>
<td>For immediate action</td>
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<td>4.2.1 The participant must maintain a register of the documentation relating to the production process and the controls. The participant must have a documentation system for the description of the critical points in the production process and for the drawing up and implementation of a quality management plan. 4.2.3 Documents which are required by the feed safety system must be controlled. There is a documented procedure in which the authorities related to the approval, issue and control of documents and data are regulated. More information</td>
<td>For immediate action</td>
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## Standards Map – Benchmarking

### Collaboration with the Feed Schemes Observatory

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<tr>
<th>Standard</th>
<th>Standard 1</th>
<th>Standard 2</th>
<th>Standard 3</th>
<th>Standard 4</th>
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<td>Food &amp; Feed production: Personnel requirements</td>
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Generating graphs and analyses
Reviewing what standards have in common (shared criteria & issues)
Reviewing what standards have in common versus differentiators

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Generate graphic representations of standards’ scope
For more information on Standards Map, please visit

www.standardsmap.org

Do not hesitate to contact us at ITC

Standards Map team

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