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REGIONAL QUALITY POLICY FOR THE ECO REGION

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*Achieving good governance and sustainability
through quality policy formulation in the ECO region*
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Executive Summary

Economic Cooperation Organization (ECO) is an intergovernmental regional organization established in 1985 by Iran, Pakistan and Turkey for the purpose of promoting economic, technical and cultural cooperation among the Member States. In 1992, the Organization was expanded to include seven new members, namely: Islamic Republic of Afghanistan, Republic of Azerbaijan, Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Turkmenistan and Republic of Uzbekistan. As a group the ECO Member States are committed to coordinating with one another to improve the individual and collective quality infrastructure that will reduce the barriers to trade between the Member States and to improve the access of products and services from the region into competitive international markets.

The Regional Quality Policy for the ECO region is proposed to significantly raise the wellbeing and quality of life in each of the Member States and the levels of trade in ECO region by coordinating the national quality infrastructure in each country and by removing technical barriers to trade among the Member States. The policy includes: encouraging members to improve **existing** regulations and adopt international standards; assisting in establishing **quality and conformity assessment infrastructure** required for product/process innovation and export growth; **helping selected sectors** and the private companies to be supported to comply with international standards and regulations and; coordinating a programme of aligning and **improving capacity in the different institutions**.

This policy is also intended to stimulate discussion at the domestic level on the development of suitable national quality policies coherent with the regional quality objectives and to pave the way for the possible establishment of regional coordinating structures intended to, where appropriate, coordinate programmes to further assist alignment and development of capacity.

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Abbreviations and Acronyms

AB	Accreditation Body
BIPM	Bureau International des Poids et Mesures
CAB	Conformity Assessment Body
CASCO	Conformity Assessment Policy Committee (of ISO)
CB	Certification Body
CIPM	Comite International des Poids et Mesures
ECO	Economic Cooperation Organization
ECOTA	ECO Trade Agreement
EEC	European Economic Community
EU	European Union
FTA	Free Trade Agreement
IAF	International Accreditation Forum
ILAC	International Laboratory Accreditation Cooperation
IEC	International Electrotechnical Commission
ISO	International Organization for Standardization
NAB	National Accreditation Body
NQP	National Quality Policy
NSB	National Standards Body
NMI	National Metrology Institute
NTB	Non-Tariff Barrier (to trade)
OECD	Organization of Economic Cooperation and Development
OIML	International Organization for Legal Metrology
QI	Quality Infrastructure
RISCAM	Regional (ECO) Institute for Standardization, Conformity Assessment, Accreditation and Metrology.
RQP	Regional Quality Policy
SMTQ	Standardization, Metrology, Testing and Quality
TBT	Technical Barrier to Trade
UNECE	United Nations Economic Commission for Europe
UNIDO	United Nations Industrial Development Organization
WTO	World Trade Organization
WTO TBT	World Trade Organization Technical Barrier to Trade Agreement

Introduction

The ECO Regional Quality Policy (RQP) was developed in consultation with representatives of eight ECO Member States and is based on current best practices in the field. Recognizing that the initial discussions on the topic of a regional quality policy were not exhaustive and many key stakeholders at the respective national levels were not consulted during development of the first draft of the policy at the end of the first workshop in February 2015, it was further refined by stakeholder engagement at the national level, followed by a validation workshop in September 2015, where specific action plan for the realization of the policy was also formulated.

The ECO RQP provides a strategic direction that the quality-related technical infrastructure in the ECO Region should take and provides for opportunities for collaboration and coordination among the ECO Member States in order to make more effective use of available resources and capacity in the region.

Taking into account that the ECO Member States have:

- already committed to the ECO Trade Agreement (ECOTA);
- proposed establishment of a Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology (RISCAM) and currently waiting for ratification to be effective. The RISCAM will work on improving capacity in national Quality Infrastructure (QI) institutions and harmonizing outputs and processes in order to begin reducing barriers to trade and raising quality levels.

The ECO RQP recognizes the need to better coordinate the regional and domestic activities with a set of visions, which are:

- contribution to an increase in regional and international trade;
- enhancement of the quality and safety of products and services;
- opening up markets and opportunities for products and services emanating from ECO Member States, and;
- promotion and coordination of the effective participation by ECO Member States in relation to international activities.

With this set of visions, the ECO RQP identifies several policy statements, further breaks these down into policy objectives and suggests a number of possible activities that can be undertaken

in order to achieve the visions.

In order to facilitate the progress on the implementation of the RQP it is proposed that in the absence of formal structure the ECO Member State consider establishing a working group or committee to realize the actions identified in the implementation matrix appended to this policy.

The Benefits of a Regional Quality Policy

The ECO RQP provides the context for several activities aimed at the development of capacity in the field of quality infrastructure at both the regional level and national level in ECO Member States. The policy is outward, inward and forward looking in that it takes into account the international legal environment while being relevant to the realities of the ECO as a regional trade block with its own ambitions to increase intra-regional trade and seek advantages for collaboration. The ECO Member States are at significantly different levels of competence and development both in terms of their quality infrastructure as well as the sophistication of their market. The ECO RQP is made flexible enough to allow for national differences while providing for significant development opportunities where these are identified. Finally, the RQP is forward looking enough to provide a relevant pathway for development to allow national members to use it as the basis for development of their own National Quality Policies (NQP) and to provide the framework and possible mandate for regional coordinating structures to coordinate technical activities among Member States.

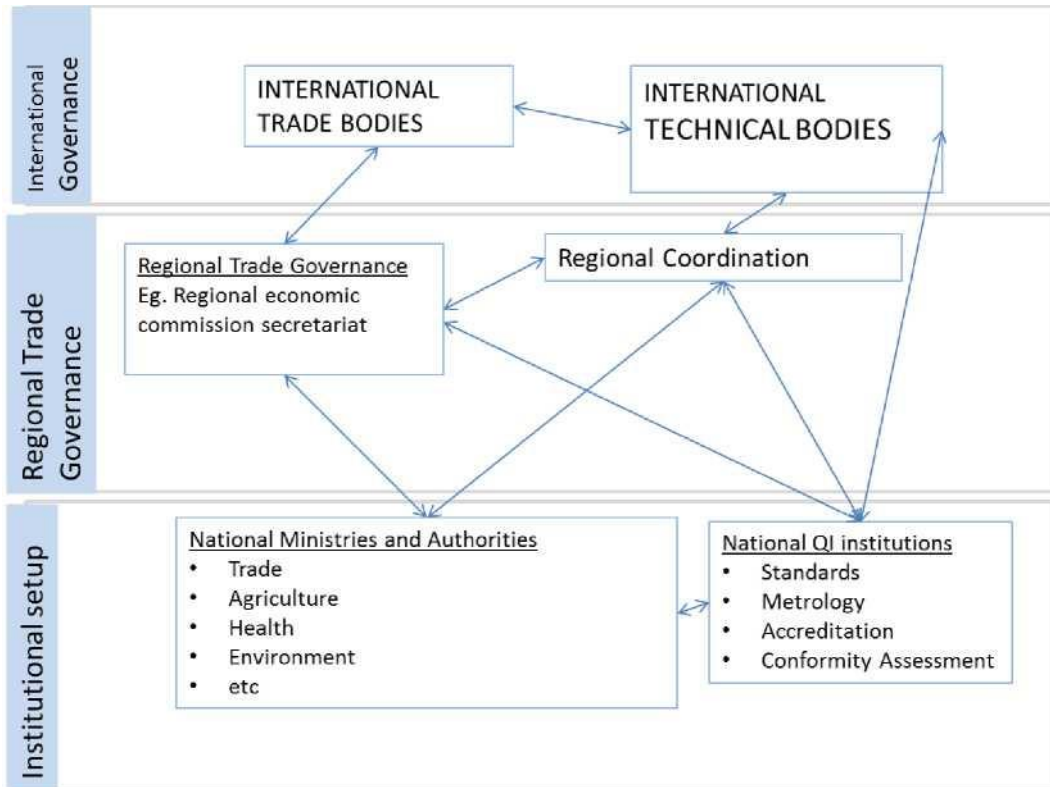


Figure 1 The context of the Regional Quality Policy

The focus of the RQP in the ECO region will be to coordinate and strengthen the quality infrastructure at the country level but to do so in a way that contributes positively through interaction, cooperation and integration among Member States in the field of quality. It is recognized that in the long term, regional structures can help to coordinate integration programmes by facilitating the sharing of information and skills as well as the development of institutional capacity in QI in all ECO Member States. However, at this stage, the structures envisaged are unlikely to be functional. A common vision of alignment with international standards, recognition and measurements is proposed. Where some coordination is required at regional level, the action plan has taken note of the offers of assistance by Member States who are willing to provide some resources and platforms to share the required information.

The Member States agree that there are benefits in having a coordinated regional quality policy as this will drive and coordinate activities at the national level and help to focus and coordinate initiatives at the regional level that are aimed at developing capacity.

The ECO Member States have since 1985 been moving along a path of regional harmonization and cooperation with the aim of improving stability, trade and prosperity in the region. In 2003 the ECO Member State committed to ECOTA in which they committed to amongst other things to increase intra-regional trade in goods and services and improving the wellbeing of the people in each of the Member States through a lowering of tariffs on traded commodities and a reduction of non-tariff barriers to trade, including technical barriers. In the preamble to ECOTA the ECO

Member States recognized the benefits of better cooperation in order to promote stability and prosperity in the region.

The ECO Member States committed to adhering to international trade practices such as those of the WTO in terms of reducing barriers to trade and liberalizing the trade environment in order to grow trade and increase prosperity. The parties who were not members of the WTO at the time committed to never-the-less pursue the WTO processes in terms of trade practices among fellow ECO Member States while at the same time committed to the WTO accession process in order to become fully fledged members of the WTO.

The ECO RQP brings into effect some of the objectives of the ECOTA and provides a framework for the coordination of activities at the regional level to achieve these objectives. The RQP also provides the overarching framework to each of the ECO Member States to develop, refine and implement their own NQP knowing that they will be able to achieve their own quality objectives while at the same time being consistent with the direction and objectives of the other ECO Member States.

Vision

The ECO RQP is developed in support of ECOTA which has stated a vision that the members of the ECO region work together in order to increase trade and improve the wellbeing of all Member States and increase their share of global trade attributable to the ECO region. In order to achieve this, the ECOTA is true to the following key principles¹:

- a) To be based on and apply the principles of reciprocity and mutuality of advantages in such a way as to benefit the equitability of the contracting parties;
- b) To take into account the different levels of the respective parties and to put in place measures and concessions reviewed periodically to ensure that the processes are open to all parties;
- c) To promote through trade the harmonious economic relations between the parties;
- d) To provide fair conditions of competition for trade among the contracting parties;
- e) To contribute to an increase in intra-regional trade and an expansion of world trade between the region and the outside world, and;
- f) To provide for an increase in trade-related investment opportunities in the territories of the contracting parties.

¹ Source - ECO Trade Agreement: <http://wits.worldbank.org/GPTAD/PDF/archive/ECO.pdf>

In support of this vision and to facilitate better coordination of Standardization, Metrology, Testing and Quality (SMTQ) activities in the region, the ECO Member States in 2009, drafted a set of statutes to establish a body, titled the Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology (RISCAM), to coordinate and drive the process of aligning activities and reducing barriers to trade among Member States. These statutes are still awaiting for ratification, by a minimum number of ECO Member States, to be effective. It is acknowledged that if the RISCAM structures become operational, they could play a significant role in coordinating regional activities. However, in the absence of RISCAM being formally established, the RQP will focus on the ECO Member States to align with international standards and practices and to assist one another in developing capacity in the SMTQ field. The activities in each ECO Member State should be coordinated nationally and each Member State should nominate a national focal point to facilitate communications with other Member States on matters related to SMTQ harmonization.

The vision of the RQP complements these objectives as follows:

Vision of the Regional Quality Policy

The ECO RQP will **contribute** to an improvement in wellbeing through regional and international trade by:

- **Enhancing** the quality and safety of products and services;
- **Opening up** markets and opportunities through aligned, competent and recognized standardization, conformity assessment and metrology in the region, and;
- **Promoting** and coordinating the effective participation by ECO Member States in related international activities.

Legal Framework

The ECO Member States are all either members of the WTO or are currently in the process of accession. The Members are therefore committed to abide by the WTO code of Good Practice for the development of national standards as laid out in Article 4 of WTO TBT Agreement and its Annex 3, as well as the provisions related to the principles of good regulatory practice contained in Articles 2 and 3 and the use of conformity assessment contained in Articles 5 and 6 of WTO

TBT Agreement.

Many of the ECO Member States are also members of several other treaty organizations or trade agreements. While these differ in their mandates, most are (in accordance with the guidelines of the WTO TBT agreement) committed to the alignment of regulatory practices along the lines of the recommendations of the United Nations Economic Commission for Europe (UNECE). As a consequence the ECO RQP also takes into account that the ECO Member States commit to a model of regulatory best practice proposed by the UNECE and the WTO and proposes those as the basis for good regulatory practices in the region.

While no single function exists at the regional level to coordinate a process of aligning technical regulations and reducing barriers, the exchange of information among ECO Member States in the region can be a significant contribution to improving transparency and awareness of technical regulations in each country.

Objectives of the ECO Regional Quality Policy

The ECOTA forms the basis of cooperation in the region towards a preferential trade zone as well as the basis of negotiations on quotas, the reduction of tariffs and other measures among Member States. Therefore the elimination of technical barriers to trade also remains a fundamental focal point of the ECOTA process.

In the preamble to the ECOTA, the contracting parties commit to promoting regional cooperation for the prosperity and stability of the region with a spirit of mutual accommodation but at the same time respecting the sovereignty of each of the Member States. The goals of the ECOTA therefore remain to liberalize trade and reduce non-tariff barriers to trade and seek ways to cooperate in the region.

In order to achieve this, the goals of the ECO RQP include:

1. Continued commitment to improving quality and reducing barriers to trade;
2. Harmonization of national standards among ECO Member States;
3. Harmonization of conformity assessment procedures;
4. Coordination and harmonization of accreditation;
5. Harmonization of metrology practices, and;
6. Common and coordinated approach to best practice in implementing technical regulations.

Thematic Areas

1. Continued Commitment to Improving Quality and Reducing Barriers to Trade

Policy statement

ECO Member States commit to continue to systematically remove technical barriers to trade among Member States to improve intra-regional trade and to continue to develop capacities to raise the levels of quality and support improved access to competitive international markets.

The Member States should remain committed to working with, and aligning to, international standards development bodies and to recognize international conformity assessment systems for the demonstration of conformity to specified requirements of products, services or processes.

Policy measures

- 1.1 All members commit to reducing technical barriers to trade in the region.

2. Harmonization of National Standards among ECO Member States

Policy context

In many respects national standards have a pivotal role to play in the quality infrastructure of a country as they form the basis of quality, measurement and technical regulations. Alignment and harmonization of national standards among the contributing Member States therefore plays an important part of RQP.

Policy statement

ECO Members should commit to:

- develop standards following the recognized code of good practice for standards development such as annex 3 of the WTO TBT agreement;
- harmonize their collections of standards;
- increase the degree to which national standards are aligned with international standards,. The use of international standards is encouraged, and these standards are widely taken up in the region;
- collaborate and cooperate in order to more effectively participate in international and regional standards setting forums and to ensure that international standards reflect the needs of the stakeholders in the ECO region, and;

- communicate on issues related to the development and intended development of standards through the mechanisms as described in the Code of Good Practice of WTO for standards development.

Policy measures

- 2.1 All Members should develop and approve national standards in accordance with common Code of Good Practice for standards development.
- 2.2 Harmonize collections of standards.
- 2.3 Collaborate and cooperate to more effectively participate in international and regional standards setting forums.
- 2.4 Communicate on issues related to the development and intended development of standards through the mechanisms as described in the WTO TBT Code of Good Practice for standards development.

3. Harmonization of Conformity Assessment Procedures

Policy context

The assessment of conformity to standards is an important part of the implementation of those standards regardless of whether they are applied in a mandatory or voluntary context.

Reliable, competent, widely recognized conformity assessment such as testing and certification allows products, systems and services to be recognized as conforming to the requirements of standards both inside a country and in target markets. This can assist sellers to get their products and services accepted by buyers and for buyers to be assured that key performance criteria or other characteristics are met.

Similarly, regulators of products or services, with evidence provided by trusted conformity assessment bodies, are assured that important criteria or characteristics are met when granting approval or pursuing other actions associated with enforcing their regulations.

The provision of such services is an increasingly competitive in the market and several players are active in most economies, providing the services on commercial basis. Standards for conformity assessment and the accreditation of the bodies by competent authorities, provides a level of trust that is required to ensure that the services are reliable.

The RQP therefore seeks to ensure that capacity is developed among conformity assessment

service providers in both the private and public sectors of each country and that the ECO Member States work towards rationalizing the types of conformity assessment services offered in different countries in order to ensure that certificates of conformity are widely recognized based on common systems being adopted.

Policy statement

ECO Member States should commit to:

- promoting the use of accredited conformity assessment as per the approach of the ISO CASCO toolbox, and;
- develop capacity in the fields of testing, measurement, calibration, inspection and certification so that industries in the region have access to reliable, recognized and relevant conformity assessment services.
- Creating widely recognized certification systems among Member States

Policy measures

- 3.1 Member States should where possible commit to develop local capacity in offering services in line with the ISO CASO toolbox of conformity assessment services.
- 3.2 Implement programmes to develop capacity in areas of conformity assessment which are important for supporting trade and regulations in key areas in different ECO Member States where such capacity is lacking.
- 3.3 ECO Member States should commit to using accredited conformity assessment (typically following the ISO CASCO toolbox approach) as the required evidence of conformity.
- 3.4 ECO Member States should consider adopting a common approach to promoting, implementing and certifying Management System Standards.

4. Coordination and Harmonization of Accreditation

Policy context

The formal recognition of competence is a fundamental aspect of ensuring that the assurance provided by test laboratories of certification bodies is widely accepted.

The framework of accreditation provided by the International Laboratory Accreditation

Cooperation (ILAC) and its Mutual Recognition Arrangement (MRA) offers a network of recognition of test reports, which extends to many economies around the world with several thousand laboratories already forming part of the community.

In a similar way, the International Accreditation Forum (IAF) and its Multilateral Recognition Agreement (MLA) provide a network for the recognition of certification bodies around the world - these bodies include both certifiers of product certification schemes under the ISO I EC 17065:2012 *Conformity assessment - Requirements for bodies certifying products, processes and services*, the system certification schemes under ISO IEC 17021:2011 *Conformity assessment - Requirements for bodies providing audit and certification of management systems*, personnel certification schemes using *ISO/IEC 17024:2012 Conformity assessment - General requirements for bodies operating certification of persons*, and the inspection services using *ISO/IEC 17020:2012 Conformity assessment -Requirements for the operation of various types of bodies performing inspection*.

The accreditation function not only provides a formal, widely accepted mechanism for recognition of competence but also provides for a process for the NAB seeking to enter into mutual recognition agreements and multi-lateral arrangements whereby competence can be recognized and assured in more than one area. As a consequence of these arrangements, markets for the products or services are opened up. As part of RQP, the NABs should seek to gain competence in the field of recognizing competence and should themselves be peer evaluated in this field (following ISO IEC 17011:2004 *Conformity assessment - General requirements for accreditation bodies accrediting conformity assessment bodies*). The NABs should also seek to enter into recognition agreements and arrangements in order to expand the extent of recognition, especially in technical areas identified as being important for trade.

Some of ECO Member States have already established National Accreditation Bodies and have joined both I LAC and the IAF and have accredited laboratories and certification bodies in their territories. The establishment of an accreditation body requires resources as well as a pool of competent human resources to physically verify the competency of CBs and Testing Laboratories in the country and to administer the schemes. Since a relatively large pool of national accreditation capacity already exists, the ECO Member States have decided to continue with the development of National Accreditation Bodies in each Member State but have committed, as part of the RQP, to work closely together to ensure a more cohesive network of accreditation across the region.

Areas of possible cooperation can include:

- a) Development of capacity in areas where NABs are required;
- b) Training and development of a pool of competent assessors in technical areas needed

in different countries;

- c) Cross border accreditation of facilities and products when a partner Member States do not have the capacity to accredit these facilities themselves;
- d) Sharing of experts and assessors among accreditation bodies in order to support ABs when they might not have the required capacity in house or at their disposal nationally, and;
- e) Recognition of the sovereignty of NABs and commitment to support rather than compete with fellow NABs in order to develop national capacity in all Member States.

Policy statement

The ECO Member States should:

- commit to developing accreditation infrastructure in each Member State, and;
- seek to become accredited and should seek to increase the level of recognition by successfully entering into MRA/MLA agreements with international bodies like ILAC and IAF.

Policy measures

- 4.1 Each Member State establishes a national accreditation function within the country.
- 4.2 Develop capacity of NABs in ECO region.

5. Harmonization of Metrology Practices

Policy context

5.a. Legal Metrology

ECO Member States should effectively regulate the legal use of measurements related to products and services in the market by developing capacity in the provision of accurate measurement standards and by harmonizing practices related to enforcement of measurement practices.

Practices in the area of legal metrology should be harmonized in order to reduce unnecessary barriers to trade so that measurements can be made once and accepted widely. In order to achieve this, members should seek membership of international forums and adopt

internationally agreed conventions as national legislation or similar appropriate instruments.

Formal recognition of measurement results from trading partners is an important factor for trade. In order to facilitate trade the alignment of approach and regulations will assist greatly so that measurements can be conducted once and accepted by all parties. Alignment therefore of technical regulations in this field and common sets of definitions and units will greatly assist in reducing barriers.

5.b. Scientific Metrology

There is a need across the region to develop capacity in the provision of traceable measurement for industry at levels of accuracy that are appropriate to the market needs. The realization and traceability of measurement is an important pre-condition for the confidence (and hence formal recognition) of results of conformity. Coordination and development of capacity is needed in this area, including measurement standards, reference methods, reference material, guides and schemes, to ensure that reliable measurement traceability is available in the region across all industry sectors and national borders.

Most countries already have some capacity in this area and it is not proposed that a single regional metrology function is created. In order to best utilize capacity and resources, however, the region could consider coordinating with one another to create possible regional centers of excellence in certain areas providing the traceability to all ECO Member States from a single body rather than duplicating efforts in all countries.

For the existing facilities to develop and maintain competence, reference material and Proficiency Testing (PT) schemes can be developed and operated, which are open to calibration and measurement facilities in the region and neighboring economies. These schemes provide an ongoing way to support the facilities to form an integral part of demonstrating competence internationally.

Policy statement

The rights for the ECO Member States to regulate legal metrology in their own jurisdictions is acknowledged and respected while ECO Member States should commit to:

- seek membership of appropriate international legal metrology organizations (OIML), and;
- align their technical regulations related to legal measurements with international model regulations.

Recognizing the importance of having access to recognized, traceable and sufficiently accurate measurement, members of ECO should:

- coordinate their efforts in developing capacity to obtain the traceability in need at required accuracy to support industrial activity in the region;
- seek membership of international organizations in order to obtain and maintain the desired traceability of measurement (BIPM);
- develop individual and organizational capacity in metrology in order to better serve domestic and regional markets, and;
- obtain formal recognition of the competency of national measurement laboratories to provide traceability, through seeking and maintaining accreditation and by formal registration of measurement capability through the CIPM mutual recognition (CIPM MRA) programme.

Policy measures

The ECO Member States should commit to:

5.1 Align legal metrology regulations and practices in the region.

5.2 Develop capacity in order to provide traceability of measurement to the accuracies needed.

5.3 Seek ways to assist fellow Members to develop capacity and recognition of measurement capabilities in the region.

6. Common and Coordinated Approach to Best Practice in Implementing Technical Regulations

Policy context

The harmonization of standards and technical regulations is an important factor in the development of international trade as well as in ensuring industrial, scientific and technical cooperation. The ECO Member States are therefore committed to reducing technical barriers to trade in accordance with the objectives of the ECOTA.

The alignment of regulations in the region is therefore intended to assist in:

- expanding the mutually-advantageous exchange of goods and services and

- facilitating the conclusions of mutual recognition agreements;
- developing and deepening industrial cooperation;
- jointly solving technological and scientific problems;
- improving and assuring product quality;
- reducing the consumption of materials and energy resources;
- improving labour protection, health protection and safety, and
- improving environmental protection.

Policy statement

The ECO Member States should consider adopting a common approach to the development and formulation of technical regulations. This approach should be consistent with WTO TBT recommendations and consistently applied across all regulators in the ECO Member State. The approach should:

- refer to National Standards (or National Adoptions of International Standards) for the technical requirements of the regulations;
- make use of evidence-based assessment of conformity following appropriate international standards for conformity assessment; and
- allow for the acceptance of evidence of conformity by competent Conformity Assessment Bodies (CAB).

Policy measures

ECO Member States should:

- 6.1 Adopt a common approach to technical regulations in the region.
- 6.2 Align the technical requirements of technical regulations.

Summary

The ECO Regional Quality Policy (RQP) provides a platform for coordination of the development of quality infrastructure in the region and an alignment of technical regulatory practices as it relates to the use of quality infrastructure.

The ECO region has a vision to build prosperity and raise the quality of life of all of the citizens of the region through an increase of regional trade and by increasingly exploiting opportunities in foreign markets in order to achieve this. The RQP vision is consistent with these sentiments and seeks to contribute to an improvement in wellbeing of ECO region, through promoting regional and international trade by enhancing quality and safety of products and services, opening up markets and opportunities with aligned, competent and recognized standardization, conformity assessment and metrology in the region, and promoting and coordinating the effective participation by ECO Member States in related international activities.

The RQP recognizes the importance of RISCAM structures that have been proposed by ECO and believes that that these can, in time, act as the fulcrum to develop and coordinate activities in ECO region. However, given the fact that the RISCAM statutes have not been signed and ratified by sufficient ECO Member States and that the body exists only in theory, it remains a possible long-term solution. In order to progress with the regional quality policy, it is envisaged that the ECO Member States should commit to a common vision and, where possible, align with international practices to ensure common alignment domestically. The RQP creates several opportunities for collaboration and support between ECO Member States to the extent that implementation of the plan will rely on the assistance of more established Members across along with the donor community.