Panel Discussion:
Implementing the future WTO commitments on trade facilitation

Geneva, 5 July 2010

International Standards, ISO and the WTO

by

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UNCTAD Panel discussion

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Outline

- International standards and trade
- The ISO System
- International standards and the WTO
- ISO and developing countries
- Annex –
  - Conformity assessment
  - Examples of standards on key issues
Standards help business thrive

- Important link in the global supply chains
- Underpin international trade and access to markets
- Help reduce technical barriers to trade - support Multilateral Trading System
- Important to renewing confidence and promoting economic recovery

In business, there are many things a Manager must consider. What and where are the risks / opportunities? In all these areas, ISO standards can assist.
The World Standards Cooperation

- Established in 2001
- International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC) and the International Telecommunication Union (ITU)
- To strengthen and advance the voluntary consensus-based international standards systems of, ISO, IEC and ITU.

The ISO System

- 163 national members
- 98% of world GNI
- 97% of world population
- Collection of 18,083 ISO Standards
- 1,038 standards produced in 2009
- 195 active TCs
- 3,238 technical bodies
- 50,000 experts
- Central Secretariat in Geneva
- 153 FTE staff
Distribution of ISO members per continent (as of 3 June 2010)

- MB distribution per continent:
  - Oceania: 29
  - Europe: 38
  - Americas: 17
  - Africa: 19
  - Asia: 3
  **Total: 106**
  *(95 in 2003)*

- MB+MC+MS distribution per continent:
  - Oceania: 44
  - Europe: 43
  - Americas: 28
  - Africa: 44
  - Asia: 4
  **Total: 163**
  *(147 in 2003)*

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ISO’s global networking

- WTO: observer status and collaboration
- UN and UN agencies: CODEX, ILO, IMO, ITC, UPU, UN/ECE, UNIDO, WHO, WMO, WTO-Tourism…
- 700+ liaisons and partnerships with international and regional organizations in technical work
- Links with seven regional bodies
- Key agencies: Consumer, Industry, Govt
- Standards and conformance groups
**Scope of ISO’s work**

- Over 40 new bodies established since 2005
  - Information and societal security
  - Response to climate change
  - Energy efficiency and renewable resources
  - Sustainable building design and operation
  - Water services
  - Nanotechnologies
  - Intelligent transport systems
  - Food safety management
  - Health informatics
  - Social responsibility
  - Tourism and related services
  - Fisheries and aquaculture

**Emerging areas for standardization**

- Sustainability
- Energy
- Climate change
- Services
- Social responsibility
- **Future development**
  - Finance
  - Biotechnology
  - Water
Different types of ISO International Standards

- Terms and definitions
- Graphical symbols, pictograms and labeling
- Measurement, analysis and test methods
- Interoperability requirements
- Processing, validation and exchange of data
- Performance characteristics for safety, security, health, environmental requirements
- Organizational and management practices
- Packaging and labeling
- Conformity assessment

ISO Standards support public policies

- Technical regulations
- Public procurement
- Government policies on: environment, energy, transportation, building, healthcare, security, consumer protection, occupational health and safety…
- Research, development and investment
- Public communication and guidance
Using and referencing ISO/IEC standards in technical regulations (information document)

International standards

- The TBT Committee adopted a decision containing a set of principles it considered important for international standards development, namely concerning transparency, openness, impartiality and consensus, relevance and effectiveness, coherence and development dimension.

- The Committee noted that international standardization was an area where developing country participation was still limited and constrained.
  - Second Triennial Review on TBT, 2000

- The Committee encourages the full application of the above principles and underlines that broader stakeholder involvement helps ensure an open and transparent process in the development of international standards. It recognizes advances made in developing country participation in the process but notes that challenges still exist, both financially and technically.
  - Fifth Triennial Review on TBT, 2009

- ISO technical assistance contributes to the objectives of the TBT and is fully in line with the findings of the 5th Triennial review of the Agreement on TBT.
International Standards and “Private Standards”

- Trade, public policies and international standards
- WTO disciplines and decisions:
  - Code of Good Practice for Standards (in TBT)
  - TBT Decision on Principles for International Standards
  - WTO SPS principles and “3 sisters”
- Private standards in the ICT sector, in agri-food and on social/environmental issues
- Claims, labels, certification, schemes and compliance

Formal International Standardization

Some key principles

- Transparency *
- Openness *
- Consensus and impartiality *
- Market relevance and effectiveness *
- Coherence *
- Development dimension *
- Stakeholder engagement
- Due process
- National implementation/ adoption

* explicit principles for the “development of international standards, guides and recommendations with relation to articles 2, 5 and Annex 3 of the WTO/TBT agreement"
**Transparency** *

- Visibility of work programmes and catalogues
- Communication to members on scope, objectives and rationale for proposals
- Availability upon request of drafts
- Processes for consideration of interested party comments
- Prompt publication and dissemination

**Openness** *

- No discrimination of representative organization from any countries wishing to participate
- Meaningful opportunity to participate at governance and technical levels
- National coordination and representation
- Open and fair inclusion of technologies possible without discrimination (e.g., ISO/IEC/ITU common patent policies)
**Consensus and impartiality** *

- Impartiality of leaders, managers, process for all participants, in every phase of development
- Consensus embodies:
  - general agreement
  - absence of sustained opposition to substantial issues by any important part of the concerned interests
  - process seeking to take into account views of all parties concerned
  - need not imply unanimity
- Result reflects a double-level of consensus: amongst experts & amongst members

**Market relevance and effectiveness** *

- Respond to global needs and not distort
- Review and continued relevance (e.g., 5 year systematic review of Standards)
- Not give preference to specific countries’ or regions’ characteristics – (e.g., global relevance policies and approaches of ISO and IEC)
- Performance-based rather than based on design or descriptive characteristics
- Business plans, strategic policy statements, etc. expressing market context and relevance
Coherence *

- ISO/TMB management and avoidance of duplication and overlap within work programme
- Coordination and cooperation between other international bodies
- ISO-IEC-ITU World Standards Cooperation
- ISO/IEC/ITU common text Standards on ICT
- MoUs, agreements (e.g., PSDO), liaisons with international organizations
- Institutional coordination with IGOs, international trade organizations, civil society (e.g., more than 700 in ISO)

Development dimension *

- Tangible ways to facilitate developing country participation in development
- ISO DEVCO and the Developing Countries Action Plan
  - Develop capacity
  - Improve awareness
  - Increase national and regional cooperation
  - Develop electronic communication and expertise in IT tools
  - Increase participation in governance and technical work

* ISO development funding providing technical assistance (last 5 years)
Stakeholder engagement

- Necessity to involve players that may be materially affected by the Standard’s implementation (industry, government, consumers, NGOs ..)
- Role of Members complemented by ‘direct’ engagement of relevant international organizations
- ISO Code of Ethics

Due process

- Transparency and credibility founded on established and publicly available policies and procedures (Directives, etc)
- Explicit criteria for the progression of work with decisions that are documented and refutable
- Recourse and appeals mechanisms inherent to the process
National implementation/adoption

- Possibility to transform International Standard into national implementations through adoption
- ISO/IEC Guide 21 indicates rationale, considerations and mechanisms to adopt at national and also regional level
- Scrutiny and validation through national adoption or implementation mechanism may be criterion for regulatory use

Going forward with Private Standards/Schemes

Partnerships to optimize benefits

- TBT-ISO cooperation
  - Communication/explanation of linkages
  - Coordinate capacity-building
  - Implementation of International Standards
  - Confidence mechanisms (auditing, competence)
- Needed harmonization - too few resources - too many standards
Objectives

ISO Action Plan for developing countries 2005-2010

1. Improving awareness
2. Developing capacity
3. Increasing regional cooperation
4. Developing electronic communications
5. Increasing participation

Type of activities undertaken through Action plan

- Awareness seminars and workshops at national, regional and global levels
- Training of trainers at national, regional and global levels
- Pre-TC workshops at regional or global levels to prepare participants to participate in TC meetings (TC 223, SR)
- Publications of manuals and handbooks
- Delivery of training and equipment for ICT
- Support to participation in TCs/SCs and WGs
- Joint training workshops with regional and sub-regional organizations
- Joint training workshops with international organizations
**Implementation of Action Plan 2005-2010**

- Over 250 activities carried out between 2005 and 2009 covering Action Plan objectives

- More than 12’000 NSB staff and stakeholders from ISO developing country members participated

- Funding increased from 575’000 CHF (2005) to 2’260’000 CHF (2009), almost four-fold

- 6 million CHF spent directly on the Action Plan from 2005 to 2009 (excluding running costs of the DEVT unit within ISO/CS that implements the Plan, around 1.5 million CHF per year)

- The ISO Council has allocated own resources for developing countries in 2011 (1.16 million CHF)

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**Funds directly spent on Action Plan**

[Graph showing funds spent on technical assistance to developing countries from 2005 to 2010.]

- 575 CHF in 2005
- 950 CHF in 2006
- 980 CHF in 2007
- 1’500 CHF in 2008
- 2’260 CHF in 2009
- 1’500 CHF in 2010

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Example of standardization on key issues

Responding to climate change

- Environmental management: the ISO 14000 series
- Others in ISO 14000 series on environmental management, lifecycle assessment, labelling …
- “Carbon Footprint” investigations underway
- FAO/WMO with ISO/TC 211 to help track ‘essential climate variables’
- ISO at Bali UNFCCC, at COP 15 in Copenhagen
- Expanding cooperation with UNEP
Example of standardization on key issues

Energy
- Over 20 ISO Technical Committees involved in aspects of energy efficiency and renewables
- ISO SAG on Energy efficiency and renewable sources (SAG-E)
- Joint ISO/IEC PC on international terminology for energy efficiency and renewable energy sources
- Significant progress on energy management systems (ISO 50001, ISO/PC 242)
- Industrial energy efficiency (SAG-E recommendation)
- Increase of efficiency and emission reduction of road vehicles (ISO/TC 22, partnership with UNECE WP 29 and ITF)
- Sustainability in construction and energy efficiency of buildings
- New committees on biofuels including sustainability of biofuels
- Cooperation with IEA, WEC, IEC, ITF and UNIDO

Updated Sept. 2009

Example of standardization on key issues

The water challenge
- ISO/TC 30 – important work on “water metering” in closed conduits in close collaboration with CEN and OIML
- ISO/TC 113, Hydrometry: open channels & groundwater: assessment of water resources possible only by its proper measurement
- ISO/TC 147, Water quality – 245 published standards: sampling and measurement of physical, (bio-)chemical, (micro-)biological water characteristics
- ISO/TC 224, Water treatment and drinking water – quality of services – providing confidence in areas of public/private transition
- NWIP on “Treated wastewater reuse implementation” accepted

Updated Sept. 2009
Example of standardization on key issues

Food, agriculture and nutrition

- ISO/TC 34, Food products
  - 756 standards
  - Food safety (ISO 22000 series)
  - Detection of GMOs
  - Food traceability systems
  - Good manufacturing practices
  - Quality management systems for crop production
  - Irradiation of food
  - Microbiological examination methods
  - Many test methods for seeds, fruits and vegetables, cereals, milk, meat and poultry, spices, coffee, tea ..
- ISO/TC 93 on starch – established test methods
- ISO/TC 234 on fishery and aquaculture – ensuring sound ‘farmed fish’ production
- Relations with WHO/FAO (Codex Alimentarius ), OECD, UN-ECE + WTO/SPS + Retailers + Consumers

Example of standardization on key sectors

Services

- Financial services : ISO/TC 68
- Tourism : ISO/TC 228
- Water services : ISO/TC 224
- Education and training : ISO/TC 232
- COPOLCO Guide on services to consumers
Example of standardization on key issues

Consumer information and protection

- Safety, quality, comparability of consumer products and domestic appliances
- Integrity of claims and informative labelling (quality, safety, environment, ethical trade, and others)
- COPOLCO as catalyst for new policy and standardization areas:
  - Social responsibility
  - Needs of vulnerable populations: elderly, persons with disabilities, children
  - Product recall
  - Customer service (codes of conduct, complaints handling, dispute resolution)

Example of standardization on key issues

Social responsibility

- SR/WG under TMB
- 436 participating experts and 195 observers of
- 99 member countries
- 42 public and sector organizations in liaison
- Plenary meeting Copenhagen 15-22 May 2010
- ISO 26000: Standard target publication date 2010-11-30
- Special awareness and training programme for developing countries. From 2005 to date:
  - 38 regional and global workshops,
  - 13 national events,
  - in total involving more than 3800 participants

Updated June 2010
Example of standardization on key issues
Quality Management

- Sector implementations of ISO 9000: automobile, aeronautics, telecoms, railways, medical devices...
- Market surveillance of certification to ISO management system standards

ISO/CASCO:
The ISO Conformity Assessment Committee

- The CASCO toolbox consists of 26 documents covering: vocabulary, principles and common elements of conformity assessment, code of good practice, product certification, system certification, certification of persons, marks of conformity, testing, calibration, inspection, supplier’s declaration of conformity, accreditation, peer assessment, and mutual recognition arrangements
- 111 ISO members are represented in CASCO, of which 69 are participating members and 42 observers
- 17 international organizations are liaison members of CASCO: BIPM, CAC, CEOC, EOQ, Eurolab, IAF, IFAN, IFIA, IIOC, ILAC, INLAC, IPC, IQNet, ITU-T, OIML, UNFCCC and UILI
Topical issues related to conformity assessment

- Product and service certification (ISO 17065)
- Requirements on inspection bodies (ISO 17020)
- ISO’s neutrality policy
- Qualification of assessors
- Market surveillance