



## Economic development and employment

# Quality infrastructure and consumer protection

### The challenge

Quality infrastructure (QI) includes standardisation, accreditation, conformity assessment (such as certification and testing services), and metrology. It is a prerequisite for the participation in international trade, product traceability, environmental and health protection, product compatibility, and supports consumer and supplier confidence in products. Burgeoning global trade, increasing economic integration, and growing awareness of quality issues on the part of consumers, trade participants and legislators are placing ever-increasing demands on the quality of goods, services and processes. Product quality is therefore a key competitive factor and an adequate QI to improve it is crucial for any modern economy. However, many developing countries and emerging economies do not have a functioning QI.

### Our approach

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH advises its partner countries on developing a functioning QI system. This may involve supporting the development of a technical and institutional framework for introducing state and private sector quality services, facilitating compliance with international standards, or driving modernisation of the statutory framework (e.g. convergence with the EU criteria, WTO membership, etc.). Closely linked to that, GIZ also supports measures to promote consumer protection and thereby strengthens the role played by consumers in their relationship with the state and manufacturers. In its partner countries, GIZ advises relevant ministries and other agencies on improving regulation, consumer policy and market surveillance. Furthermore, we work together with consumer associations in order to facilitate access to new and improved consumer services.

GIZ applies a **multi-level approach**, working in various areas within a country's economy to improve the policy framework, strengthen intermediary organisations, advise small and medium-sized enterprises (SMEs), and raise con-

sumer awareness. By supporting the private sector and promoting consumer protection in developing countries, GIZ is also boosting demand by businesses for QI-related services which represent a pre-condition for international trade.

### Services

GIZ's services in the area of QI and consumer protection include the following aspects:

**Improving the QI policy framework.** This includes the essential international recognition of institutions and the formulation of QI-specific economic, trade and environmental policies. GIZ provides support for countries' development of a national QI strategy, boosts the QI capacity of state institutions, and advises on regulatory issues. It also supports the formulation of an adequate competition policy and improvements in market surveillance systems. A key element thereby is the involvement of relevant actors through public-private dialogue and networks. In appropriate cases, GIZ also cooperates with the Physikalisch-Technische Bundesanstalt (PTB), Germany's national metrology institute, which is an internationally recognised specialist QI institution involved in development cooperation.

**Developing private and governmental consumer protection institutions.** GIZ helps to establish and improve consumer services on an ongoing basis. Alongside involvement in standardisation processes, this includes, inter alia, the introduction of consumer protection legislation and advisory services, comparative product testing, and sustainability labelling.

**Standard setting and standardisation.** In this area, GIZ advises on developing national standards institutions and promoting their membership of and involvement in European and international standards bodies. We also support



the processes of international harmonisation, i.e. the adoption of European and international standards. In this role, GIZ actively promotes multi-stakeholder dialogue so that newly formulated and adopted standards are based on a broad social consensus.

**Conformity assessment.** GIZ supports conformity assessment bodies and their accreditation, enabling them to demonstrate their competence at international level. Its measures include implementing certification, inspection and testing, advising industrial laboratories, and providing initial and continuing training for technical and laboratory staff.

**Quality management.** At individual company level, but also within partner organisations, including chambers of trade and industry and patent authorities, GIZ promotes the introduction of quality management systems for process orientation and sustainable management.

### The benefits

Functioning QI and consumer protection systems are crucially important because they

- Create a vital basis for participation in international trade, the dismantling of non-tariff trade barriers, and access to international markets (e.g. European single market) in the framework of the global harmonisation processes of standards and norms.
- Provide an effective means of improving market transparency on both the supply and the demand side, boosting efficiency and driving down transaction costs, and facilitating product and service compatibility.
- Fulfil important protection functions for consumers and employees in relation to the trade in goods, food quality, accident prevention, and consumer safety.
- Create the precondition for improving the quality and environmental sustainability of industrial manufacturing processes and of products as well as for enhancing the resource efficiency.

### An example from the field

Since 2012, Serbia has been a candidate for membership of the European Union (EU). In 2014, negotiations got under way on the individual chapters of the *acquis communautaire*, the body of EU laws, rules and policies with which all EU Member States must comply. Serbia hopes that its convergence with and subsequent integration into the EU will bring about an upturn in its economy and, in particular, improve the country's precarious employment situation. After many years with a state-controlled economy, however, Serbia lacks private sector impetus, internationally competitive businesses, and a modern industrial structure. To make use of Serbia's economic potential and to ensure that its SMEs succeed within the European single market, GIZ is supporting the country through the 'Assistance to competitiveness and compatibility with the EU of Serbian SMEs' programme.

Besides providing policy and strategy advice to improve the economic framework, the programme focuses particularly on strengthening Serbia's national QI and its QI service provision for SMEs. Our consultancy services cover QI strategy, standards, and conformity assessment. To create synergies, especially in the areas of accreditation and metrology, GIZ is cooperating closely with a PTB programme.

The national QI strategy and the action plan formulated have already seen initial successes, including recognition of the Accreditation Body of Serbia (ATS) and of certificates issued by more than 500 conformity assessment bodies, adoption of 94% of all harmonised European standards by the Institute for Standardization of Serbia, development of new QI services by public and semi-public conformity assessment bodies, and EU recognition of the Serbian Organic Control System. This has helped both to support the process of EU integration and to make Serbian SMEs more competitive.

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