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ETHIOPIAN NATIONAL ACCREDITATION OFFICE



How Quality applies in the Ministry of Trade and Industry and its Institutions

Concept Note

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1. Introduction

Quality infrastructure can be described as a network of elements and resources that work together to support economic actors in producing products and services that meet all relevant requirements, be they demanded by authorities or the market place. This support includes the capacity to provide evidence that these requirements are indeed met.

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An effective quality infrastructure helps

- ensure the competitiveness of companies,
- avoid and eliminate technical barriers to trade,
- achieve the goals of environmental, health, safety and occupational safety and general consumer protection policies,
- Support on technology transfer
- support SMEs for quality based competition
- enhance for the acceptance of research results

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2.1 Quality Related issues in the Ministry of Trade and Industry, Technical Regulation Directorate.

Current Activity :

. The department is under the process of establishment of its system, requirement and criteria for the delegation of conformity assessments and cooperation work with region.

International practice:

1. Technical regulations is a lay down compulsory requirements for product or service characteristics or their related processes and production methods.
2. Technical regulation has specific administrative provisions and conformity assessment requirements with which compliance is mandatory for safety, health, environmental control and consumer protection.
3. The obligation of conformity assessment for a product is determined by the technical regulation prior to placing the product on the market or putting it in use

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- .4. The procedure for product conformity assessment determines by the standard to which the technical regulation is referring.
5. The bodies for conformity assessment shall have the professional competence of persons conducting conformity assessment; appropriate equipment and premises; the independence and impartiality in the conformity assessment procedure; confidentiality and liability to its activity.
6. The delegated conformity assessment body must not be the supplier of the products that are being assessed, directly involved in designing, production, make, assembling, usage and maintenance of the product.
7. The body for conformity assessment that has a certificate of accreditation is considered to have fulfilled all the stipulated requirements to the extent these requirements are entailed in the scope of accreditation

2.2 Quality Related issues in the Ministry of Trade and Industry, Legal metrology Directorate

Current Activities

The mandate and scope of legal metrology is:

- legally responsible to correspond with OIML and participate in international conferences.
- support regions on capacity development and providing reference material which is high in accuracy than the measurement under service in the market in collaboration with NMI.

regulation scope

1. on measuring instruments Mass, Balance and fuel dispenser
2. Consumable items and packaging

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International practice

Metrological control or regulation includes:

1. type or pattern approval:- In a type or pattern approval scheme, one or more instruments of the same pattern are subjected to rigorous tests prescribed under the law. The objective of all such tests is to ensure that the instruments of the pattern concerned comply with the relevant statutory requirements and are suitable for use in the regulated area in such a way that they are expected to provide reliable measurement results over a defined period of time and under varied conditions of use.
2. initial verification: means the verification of a measuring instrument which has not been verified previously. Under the law, every such item to be used in regulated areas has to be verified and stamped before being released for use or even sale to the user.
3. subsequent verification: means any verification of a measuring instrument after an initial verification that can be periodical verification, and verification after repair.

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4. inspection or supervision is the control exercised in respect of the manufacture, import, installation, use, maintenance and repair of measuring instruments, performed in order to check whether the metrology law and regulations are properly complied with. It includes the checking of correctness of quantities indicated on and contained in prepackages

Recommendation

1. There shall be clear criteria, requirement and procedure to Control on the manufacture, import, repair and sale of measuring instruments of prepackaged commodities like labeling requirements, standardization of pack sizes, metrological control, and prevention of deceptive packaging
2. there shall be clear delegation criteria and procedure to be handled the conformity assessment by competent bodies.
3. There shall be clear responsiveness demarcation among federal and regional regulating activities.

2.3 Quality Related issues in the Ministry of Trade and Industry, Import - export

Directorate

Current Activity :

Conduct inspection for import items on arrival and -export Items before shipment. They use normally ECAE laboratory for inspection that requires verification by testing .

International Practice

Pre-shipment inspection (PSI) :

is part of supply chain management and an important quality control method for checking the quality of goods bought from overseas suppliers. Pre-Shipment Inspection maximizes duty collections.

By undertaking duty assessment in the country of export, Importers have no opportunity to pressurize customs to assign lower rates.

Compliance with the World Trade Organisation (WTO) Agreement on Customs Valuation is now mandatory for all members. Without PSI, countries introducing the Agreement invariably experience a reduction in revenue collections. PSI ensures that the Agreement is fully implemented as required by the WTO, and in a way that maintains duty revenue collections.

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Trade facilitation: inefficient Customs administrations and the failure of importers to comply with import procedures can both delay trade. PSI certificate ensures rapid Customs clearance, by undertaking the necessary physical and documentary inspections before the consignment is dispatched.

PSI deters capital flight in countries where exchange controls exist by preventing deliberately inflated invoicing. This can deplete foreign exchange reserves, which can also reduce the taxable income declared by multinational companies.

PSI significantly reduces the incidence of illegal imports, such as radioactive waste, by inspecting shipments in the country of export before dispatch.

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PSI programme takes effect, so a vast database of vital trade information is created, which can be supplied to the Client Government in a variety of formats, as an aid to economic decision making and to induce confidence in donors

Recommendation:

- There shall be selection criteria for pre-shipment inspection service provider outside the country;
- The scope of the inspection shall be defined ;
- There shall be a system and selection criteria for the delegation of conformity assessment activities for cross checking the pre-shipment inspection;
- There shall be an agreement protocol with pre-inspection body including where the arbitration carried out;
- There shall be Professional indemnity to be presented by the pre inspection body for incase problems that comes from inspection failure ;
- There shall be a directive for Items that needs export inspection

2.4 Quality Related issues in the Ministry of Trade and Industry, Factory and Marketing Inspection Directorate

Current Activity :

Conduct factory as well as market inspection to protect consumer's safety and healthy and protect the environment

There are some uncertainty Issues to be consider :

- In this department there is no clear inspection scope what, when, who, where to conduct factory as mandatory inspection (in the international practice there is mandatory inspection like machinery installation, boiler operation, pressurized gases, utilities and processes that has high risk; food , or if the product certification in the regulated product mandates the production process to be inspected, etc.) Therefore, there shall be
- clear scope of mandatory inspection
- Who to do the inspection (as of delegation to accredited inspection bodies)
- Develop directive of inspection that serves to regions
- Develop delegation criteria and process for inspection to inspect on behalf of the organization.

3. Industry research Institutions

Current activities :

- Reflecting problems of the industry especially challenges facing infrastructure in the industry like Electric, water road access, Letter of credit, etc.
- Prevail data on opportunity for employment; generating hard currency to the nation, etc.
- Assess resource shortage to industry like salt,

International practice on Quality

1. External Quality assurance like (providing competence base conformity assessment activities; produce, distribute and analyze proficiency testing PT)
2. make the industries competitive by doing assessment or research on high cost encoring on the production process, and marketing cost and strive possible optimization solution makes the industry competitive in the market

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3. develop new product that is completely tested and verified prototype technology and supply to industries and SMEs.
4. provide competency based short term training based on the profile demand on the industries and SMEs.
5. develop and provide the situation of handling, storing and period of products stability (expiry date, labeling of the product, etc.)
6. Develop, adopt or adapt relevant and globally acceptable schemes to facilitate and boost the export potential of the nation

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Recommendation

1. This shows they have to have an accredited laboratory for this they need international acceptable calibration service from NMI / calibration bodies;
2. The technical regulation shall have transparent delegation system and requirement so that if the research industry institutions can comply they can participate to provide the conformity assessment services.
3. Because of the limited resources the research approach shall be from top to bottom hence, the relationship of Industry institutions with their stake holders shall be on the prioritization of research activities
4. Especially food related items has different international schemes, therefore, the intuitions shall identify, adopt or adapt schemes along the whole value chain

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5. The biggest resource for Non Distractive Test is found in Metal and manufacturing Institution therefore, the service shall be accredited to use it either for inspection or testing purpose.

6. There shall be a system or coordination work with center of competency (CoC) that enables to provide personnel certification for different expert profiles that has been trained in the institutions. And this requires accredited personnel certification bodies

4. Trade Computation and Consumer Protection Authority

Objective 2 of their proclamation says " ensure that consumers get goods and services safe and suitable to their health and equivalent to the price they pay"

Trend of implementation for this particular objective is mostly focus on

- Price regulation
- Service warranty
- deficit of demand and supply

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The global practice is beyond what Trade Computation and Consumer Protection Authority is doing.

- Normally they develop requirement or they referred a certain standard the product shall comply to protect healthy and safety of consumers
- Some of them have their own laboratory used to verify the compliance of the product with the stipulated requirements. But most of the Trade Computation and Consumer Protection Authority haven't Laboratory rather they have a delegation system and criteria for conformity assessment bodies to serve as verifier (conformity assessment bodies) the Regulatory can take action based on the outcome of the conformity assessment results
- The authority shall have sampling procedure
- The authority shall have a compliance and appeal procedure

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Recommendation

1. The Trade Computation and Consumer Protection Authority shall develop and implement a system that can serve to select conformity assessment bodies to do the compliance of products and / or services
2. The Authority shall develop a system and criteria for sampling
3. The Authority shall have a compliance and appeal procedure to entertain any clam that comes from consumer and / or producer against the outcome result of conformity assessment bodies.
4. Induce or refer standards that products shall comply
- 5 defined and endorse certification that can be accepted as quality certificate (quality mark, system certification, product certification, certification schemes like GMP)

5. Ethiopian Commodity Exchange (ECX)

Current Activity on Quality:

- survey for agricultural products to include in the ECX system
- The Authority body is doing the inspection and grading and this working system has great conflict of interest. If the given grade and quality is not as the inspected report / result, there is no clear mechanism how the inspection body re-dresses the lose

Recommendation

1. There shall be a system either to delegate the conformity work to other competent inspection bodies or the organization shall accredit its inspection activities.
2. There shall be professional indemnity for the experts or organization for its inspection service that gives confidence for suppliers and exporters to get warranty of re-dressing to the problem that comes from professional inspection failure.

6. Small and Medium Industry Development Authority

The Authority is aimed on :

- the support of small and medium manufacturing industry expansion
- Support on system and technical capacity development in collaboration with regions , industries, institutions and TVETs.

International practice

- Develop prioritized technology transfer plan to be picked by SMEs especially on the area of import substitution.
- Create market linkage
- Create supply linkage
- Provide training in collaboration with cooperative partners on technology transfer.
- The authority shall have communication platform with NQI to support the SMEs

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Recommendation : The Authority support shall be also focused on :

1. In collaboration with Universities and industry research institutions characterize the physical and chemical property of the technology we seek to transfer;
2. Develop recipe and process that helps to follow to produce the technology;
3. Following the developed recipe to produce proto type product and insure the quality of the proto type by competent conformity assessment bodies;
4. promote and Market the proto type to SMEs or any interested body;
5. develop value chain schemes that supports for technology transfer;
6. Evaluate product certification schemes for better competitiveness in the national and international market;
7. engage the graduates / SMEs on conformity assessment activities.

7. Ethiopian Industrial Inputs Development Enterprise

Current Activity :

- Import and supply industrial input materials.
- Develop technical requirements or refer standard requirements for the imported items

Its practice is not clear like how the compliance of the requirements checked.

Recommendation

1. There shall be a delegation criteria to ensure the compliance of the requirements by the imported items before shipment;
2. there shall be clear requirement or reference standard to be referred as quality compliance indicator Like product certification, system certification, GMP, etc.);
3. there shall be clear delegation system and criteria for conformation for the pre-shipment inspection quality declaration locally before distribution.

8. Conclusion

The Ethiopian NQI is at the level of development, there are positive steps taken by the government to support the sector by allocating more than birr 2Billion for NQI's office building and infrastructure and support for the National Quality Infrastructure Development Project for upgrading their institutional capacity building by providing scientific laboratory equipment, upgrading their system and capacitating experts.

On the other side there are issues that need additional attention and intervention.

1. The NQI strategy is not periodically reviewed and shall be reviewed, by considering the national service need and the international and regional technological development. Therefore, NQI draft policy needs to be finalized and the strategy should be reviewed by considering:

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- Economic policy of the government,
- National economy Priority sectors,
- National Comparative advantage to market goods and services within the continental free trade area,
- Regulatory requirement of potential recipient countries or regions,
- WTO requirements,
- Accessibility to the higher national body for better resource allocation and for the fundamental support,
- NQI policy guideline developed by UNIDO, etc.

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2. There is no policy and strategy for Conformity assessment services testing, inspection, product certification and system certification. Therefore, there must be a body responsible to develop and implement a system that supports for regulatory in their regulation, criteria to delegate conformity for system certification and sanction for any fraudulent behavior.
3. There should be delegation practices for the development of sector-specific standards.
4. It needs to develop quality mark for voluntary standards, Technical Regulation Mark should be administered by Technical Regulation Department or the Technical Regulator should give formal delegation to ESA to administer the mark.

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5. Most ECAE board members are from regulatory bodies, this representation can't create fair and equitable access to all conformity assessment bodies to participate in the regulatory conformity market.
6. For continual support by NQI to SMEs, there should be a platform that creates communication environment among SMEs and NQI units
7. There shall be a delegation strategy for a certain specific NMI service to the organization that have better resources
8. Standard agency shall has a delegation strategy for the development of standards by a specific organization that has better experts and used mostly for that organization and enclosed in the national standard

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Thanks

