



## CONFORMITY ASSESSMENT BUILDS TRUST BY MAXIMISING BENEFITS AND MINIMISING BARRIERS



EUROPEAN  
UNION



THE FEDERAL  
GOVERNMENT OF NIGERIA



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

## THE NATIONAL QUALITY INFRASTRUCTURE PROJECT FOR NIGERIA (NQI)

The National Quality Infrastructure (NQI) project for Nigeria supports the enhancement of the nation's quality infrastructure. It aims to improve quality, safety, integrity and marketability of Nigerian goods and services by removing technical barriers to trade and building adequate and sustainable systems for quality infrastructure. The NQI system will operate in accord with regional and international principles to ensure premium quality products and services are available to all organisations and individuals within Nigeria. As a result, the NQI Project will lead to increased trust in the Nigerian trade sector and also enhance Nigeria's competitiveness in the global market towards greater trade benefits and sustainable socio-economic development.

The project objectives will be secured through:

- ✓ The promulgation of a National Quality Policy and key laws to support the national quality infrastructure;

- ✓ The establishment of a National Accreditation Body;
- ✓ The development of a National Metrology Institute;
- ✓ The improved patronage of the NQI by the Organised Private Sector (OPS) and also of the OPS capacities to create and support CABs.
- ✓ An enhanced regulatory mandate to enforce consumer protection on quality issues, and increased capacity of consumer associations to lift up the quality culture of Nigerian enterprises.

Conformity Assessment Bodies (CABs) are generally established to provide testing, calibration, inspection and certification services for products, management systems or persons. Such bodies also focus on developing conformity structures that are internationally recognised and harmonised, and supported by international accreditation.



## CONFORMITY ASSESSMENT BODIES: BENEFITS



Conformity assessment involves a set of processes that show that a product, service, person or system meets the requirements of a standard.

Ensuring an efficient and trustable conformity assessment process has a number of benefits:

It builds confidence between **consumers** and other stakeholders, such as **suppliers**. It offers a basis for products or services selection – for the simple reason that products or services bearing a **mark** or **certificate** of conformity give more confidence to buyers.

It provides a **company** with a competitive edge in the market. **Manufacturers and service providers** need to ensure that their products and services meet the right specifications and deliver on their customers' expectations. When a company assesses its products and services in accordance with relevant **standards**, this helps the company to adapt to the latest market trends regarding quality – and avoid the costs related to product returns, buyer complaints, and loss of goodwill in local, regional and international markets.

For **regulators**, conformity assessment is the primary way to ensure that health, quality, safety or environmental requirements are met. As public

health and safety, as well as environment protection are critical issues, conformity assessment is often made obligatory by government regulations. Without appropriate assessment and approval, products may be banned from sale, or suppliers could be disqualified from submitting tenders for government procurement contracts.

Conformity assessment services enhance export and integration in international trade. Harmonizing conformity assessment procedures has far-reaching benefits for international trade by eliminating the costly, multiple demands for testing or certifying products, and related barriers. Finally, it provides **civil society** at large with a mechanism for advancing ethical concerns within industrial and economic activity. Generally related to decent working conditions and minimum environmental protection, private standards - including social accountability initiatives, fair trade organizations or organic farming labelling – are important drivers of business decisions and consumption patterns in international markets today.

ISO released results of its 2013 Survey of Certifications with a record of the number of certificates issued to management system standards in 2013. This result also illustrates the growing success of the ISO 9001 standards and other management system standards, such as ISO 14001 and ISO 22000 with a significant increase in the number of countries where ISO 9001 is being implemented. In 2013, at least 1,129,446 certificates had been issued in 187 countries and economies, a 3% increase from the year before.

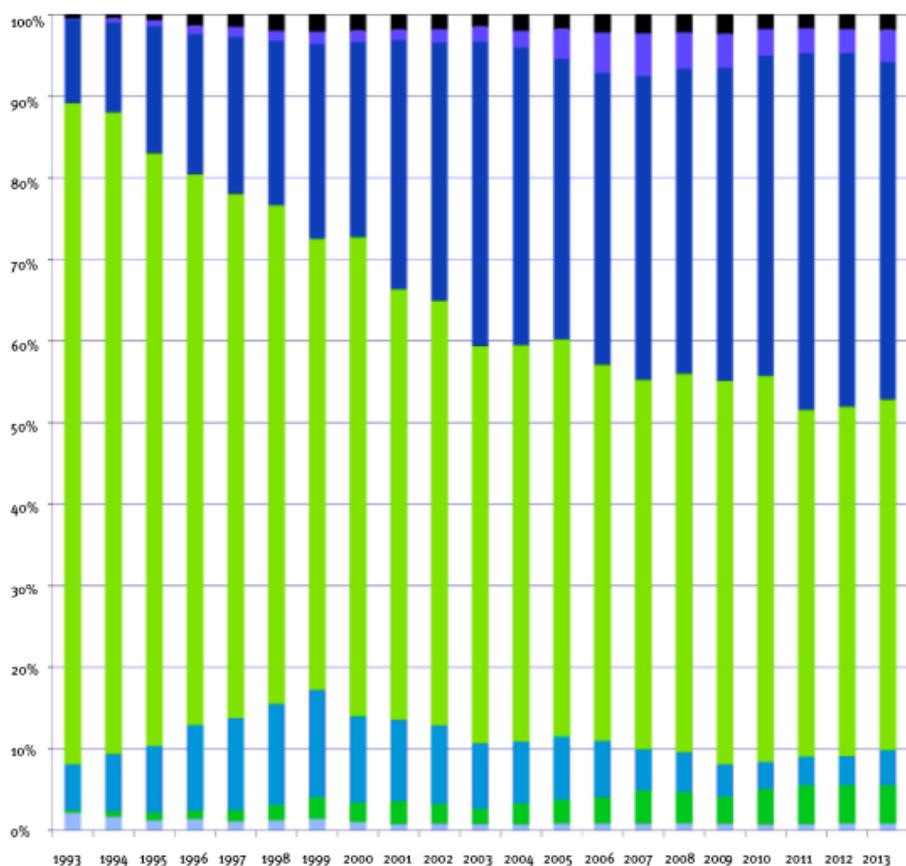
The top three countries with the highest total number of certificates issued were China, Italy and Germany; while the top three with an increase in the number of issued certificates were Italy, India and the USA. Similarly, at least 301, 647 certificates for ISO

14001:2004 were also issued in 171 countries, 4% more than the previous year. In Africa, 9,856 certificates for ISO 9001 were issued, and the top three ranked countries include South Africa with 3,565 certificates, Egypt with 2,133 certificates and Tunisia with 838 certificates. All three countries have accreditation systems that are recognized internationally.

For Nigeria, the ISO survey report recorded 65 organizations certified to ISO 9001, and 19 organizations certified to ISO 14001, in 2013. This reveals that Nigeria, being the biggest economy in the continent, has huge business opportunities to promote and implement the quality management standards (QMS) and thereby reap economic and functional benefits off them.



## ISO 9001 REGIONAL SHARE



### LEGEND



Source: ISO 2013 Survey

## THE NEED FOR QMS AND PERSONNEL CERTIFICATION BODIES IN NIGERIA

In most developing countries, including Nigeria, conformity assessment activities are at a low level when compared to industrialised countries. This imbalance represents a serious handicap to the global competitiveness of the industries, private sector and exporters in developing countries.

All countries are dependent on conformity assessment, but many developing countries face particular challenges in establishing and maintaining viable conformity assessment bodies and services. This inadequacy is made even more challenging in this era of globalisation, where national laws, institutions and services that guarantee product quality and compatibility in a country need to be aligned with the general requirements of international institutions for trade, primarily the World Trade Organisation (WTO).

Developing countries need to urgently improve their conformity assessment infrastructure and to demonstrate that their goods and services comply with standard requirements in an acceptable manner. To achieve a successfully organized system, businesses would need to be aware of the different types of conformity assessment activities

that exist, and the required steps to establish and operate such services in an acceptable way in their countries and on a wider scale for global markets.

This improvement needs to be aligned with international trade integration by removing excessive barriers to trade (including administrative barriers), and supporting SMEs and marginalised sectors and producers to offer products that comply with standards in order to create a fully-operational and efficient national quality infrastructure.

In Nigeria, the top-level management of the organised private sector is quite aware of the gaps in the quality aspects needed for the conformity assessment infrastructure. This group with the support of the NQI Project is willing to take rational and economically-justified steps through increased ownership and operation of the key certification organisations. The results of a comprehensive business plan study will provide guidance to business startups that wish to certify their management system and personnel.





ISO 9001 is the success story of system certification. Indeed, the number of certifications to this standard has grown remarkably during the last decade. The ISO 9001 certificate is now considered as a basic requirement for any company wishing to export products or secure commercial contracts. There is also evident, an increasing demand for accredited certification bodies that certify management systems and persons according to internationally recognized Standards.

Establishing a conformity assessment body in a developing country has cost implications. Therefore, the question arises – *how do we measure the impact or the cost and benefits of an internationally recognized compliance infrastructure (including services provided locally), against outsourcing such services to quality infrastructures based in foreign economies?*

The results of some earlier cost-benefit studies on local creation versus foreign provision of compliance related services concluded that: CABs developed for the

domestic market led to a **significant cost reduction** when compared against the costs associated with soliciting the same services from commercial providers or partners based abroad.

It is important to mention that local CABs avoid costs that arise from the time delay in obtaining the certificates issued by foreign CABs. Indeed, when the service is outsourced, the local business owners pay for high costs related to travel, accommodation, and salaries of foreign-based personnel from the outsourcing company. However, implementing local quality infrastructure and developing local compliance capacity result in a significant reduction of the conformity costs incurred by exporters. In addition, the reduced cost of compliance is also an avenue for market entry for potential small and medium exporters.

## CASE STUDY

The lack of a local body for management system certification was considered a gap in Bangladesh. This gap was then assessed as an important element of the quality infrastructure with great potential to upgrade the operations of exporting enterprises and to increase Bangladesh's share of business in the international market.

Technical assistance was provided to build the private sector capacity and develop an operational certification body for management system. The technical assistance covered key actions to design, establish and implement the system. The new body was also able to obtain accreditation as a certification body in a short time-frame, which enabled it to award certifications with appropriate credibility. The certification body created was able to receive early applications for certification right after the public announcement of the new management systems certification scheme.

Exporting companies, particularly enterprises in the textile sector and fisheries sector - major exporters - now have a chance to provide to their foreign clients the proof of conformity with management system requirements and also enjoy better connectivity to the global network of markets.





The objective of the NQI Project, funded by the European Union and implemented by UNIDO, is to develop missing Quality Infrastructure in Nigeria, including the creation of an accredited certification body. The OPS who are well aware of the gap in this regard are in agreement to patronise the creation of the CABs to certify management systems and persons.

A business plan study will provide the techno-economic viability of establishing certification bodies to certify management systems and persons in Nigeria. This will be based on an overall business scanning, determination to boost the demand for certification, supply and demand analysis, improving the business climate and revenue potential of the certification bodies.

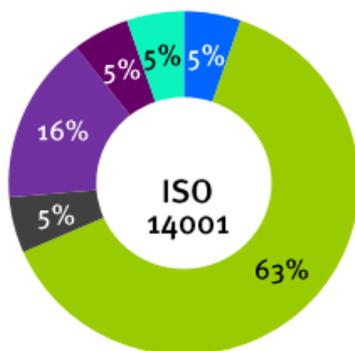
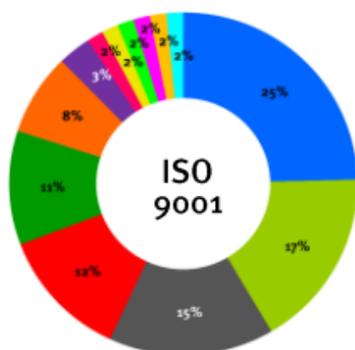
Furthermore, the business plan addresses opportunities for certification services, the size of the market demand and the financial analysis. This includes cost estimates for

both fixed and variable cost with a detailed cash flow, and profit and loss accounts needed to complete the business planning aspects – and to understand the short, medium and long term financing requirements.

In line with the results of the business plan, the OPS and the NQI Project will work to ensure the creation and functioning of accredited CABs in Nigeria. Consideration will be given to initiatives that promote the ownership and management of CABs by women entrepreneurs.

The creation of the CABs contributes to the realisation of the objective of the NQI project - development of missing conformity assessment bodies in Nigeria helps to enhance the competitiveness of Nigerian products in the global market, leading to enhance sustainable socio-economic growth and the development of the country.

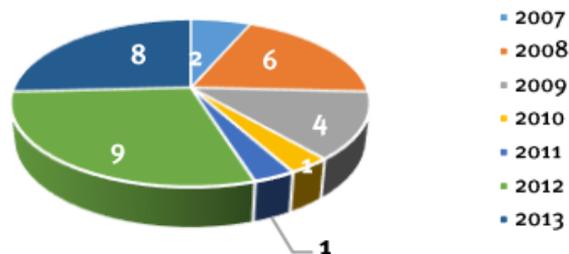
# ISO SURVEY OF CERTIFICATIONS 2013 - INDUSTRIAL SECTORS IN NIGERIA



## LEGEND

- Basic metal & fabricated metal products
- Food products, beverage and tobacco
- Other Services
- Construction
- Transport, storage and communication
- Engineering services
- Mining and quarrying
- Chemicals, chemical products & fibres
- Machinery and equipment
- Shipbuilding
- Financial intermediation, real estate, renting
- Information technology
- Health and social work
- Electricity supply
- Water supply

Number of companies certified to ISO 22000 in Nigeria



Source: ISO 2013 Survey



Businesses, customers, consumers and public officials have an interest in finding out whether a particular product, service, management system or expert meets their expectations.

*Does the product do what I expect? Is that expert competent to carry out the work I want her or him to do? Will this organization provide reliable service in an efficient and consistent manner? Do I receive safe, reliable, compatible and environmentally sustainable products and services that can be used without harm to me or my property? What are the guarantees that I can use this product or this service safely?*

Compliance with the requirements of **standards** or **technical regulations** is one of the techniques used to allay increased concerns for health and security on international markets, on one side; and greater consumer awareness for labor rights

and environmental protection, on the other. The process for demonstrating that the features of a product, person or service meets the requirements of standards, regulations and other specifications is known as **conformity assessment**.

Basically, conformity assessment helps to ensure that products or services deliver on their promises. It builds trust by eliminating the need for buyers to directly verify that the products they acquire meet the required specifications. It also facilitates trade at both national and international levels. This process allows consumers or producers to make their buying decisions in favour of products or services stamped with a certificate issued by accredited certification bodies. Conformity assessment procedures instill confidence and guarantee that consumers/users expectations will be met.

The NQI Project is funded by the European Union and executed by UNIDO.  
[www.nqi-nigeria.org](http://www.nqi-nigeria.org)



**FEDERAL MINISTRY OF INDUSTRY,  
TRADE AND INVESTMENT**

Old Federal Secretariat,  
Area 1, P.M.B. 88,  
Garki-Abuja,  
Nigeria  
[www.fmti.gov.ng](http://www.fmti.gov.ng)



**EUROPEAN UNION**

The Delegation of the European Union to Nigeria  
and ECOWAS  
21st Crescent, Off Constitution Avenue,  
Central Business District  
P.M.B. 280, Garki-Abuja  
Nigeria  
Tel: (+234) 9 4617800  
[delegation-nigeria@eeas.europa.eu](mailto:delegation-nigeria@eeas.europa.eu)  
[www.delnga.ec.europa.eu](http://www.delnga.ec.europa.eu)



**UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION**

UNIDO Regional Office in Nigeria  
UN House Plot 617/618  
Central Area District  
Garki-Abuja  
Nigeria  
Tel: (+234) 9 2205009  
[office.nigeria@unido.org](mailto:office.nigeria@unido.org)  
[www.unido.org](http://www.unido.org)