

# AID-FOR-TRADE CASE STORY

## SWEDEN

### Quality Infrastructure Development in Sri Lanka

**Date of submission:** 2011-01-17

**Region:** South Asia

**Country:** Sri Lanka

**Type:** Project. Institutional cooperation between Sri Lanka Accreditation Board for Conformity Assessment (SLAB) and the Swedish Board of Accreditation and Conformity Assessment (SWEDAC). CRS code 33110 (Trade policy and administrative management/Technical Barriers to Trade)

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### EXECUTIVE SUMMARY

This case study focuses on a Sida funded project to support the development of quality infrastructure in Sri Lanka. It was a 3 year project based on close cooperation between the Ministry of Science and technology through the Sri Lanka Accreditation Board for Conformity Assessment, SLAB, the Sri Lanka Standards Institution, SLAB and the Swedish Board of Accreditation and Conformity Assessment, SWEDAC, supported by external consultants. The project was highly successful; it allowed the SLAB to gain international recognition for its accreditation schemes much earlier than expected and promoted the accreditation process to a substantial number of local laboratories and supported the Sri Lankan authorities in reviewing the National Quality Policy. The project illustrates the importance of strong national ownership, continuity of donor support, technical expertise and institutional backing within the implementing agent, active local project management and donor capacity to understand and appreciate the subject at hand, in this case adoption to the international trade regime embedded in the WTO principles and requirements, in particular the agreements on Technical Barriers to Trade (TBT) and the agreement on Sanitary and Phyto Sanitary Measures (SPS).

### ISSUES ADDRESSED

The main objective of this programme was to establish an internationally recognised accreditation body for conformity assessment in Sri Lanka. Conformity assessment is necessary to ensure that products fulfil national mandatory requirements and the requirements of international trading partners. The role of an accreditation body is essential in this respect, by assessing the technical competence of laboratories, certification bodies and inspection bodies. By using international assessment standards Sri Lanka can ensure that its products gain international recognition, thus facilitating trade and protecting its population. The programme further supported a number of laboratories in fulfilling the requirements of accreditation and supported in reviewing the National Quality Policy.

## OBJECTIVES PURSUED

The project aimed to further align the regulatory and quality infrastructure in Sri Lanka to WTO and EU requirements and increase trade, within a framework of economic development and poverty reduction. More specifically, the original project objectives were:

### Overall objective

To adapt the national regulatory and quality infrastructure in Sri Lanka to the new requirements of international trade and best practices for conformity assessment, including accreditation and laboratory testing, to increase the competitiveness of Sri Lankan products on national and international markets and to enhance the competence of the health care services to the general public through the use of accreditation.

### Immediate objectives

- (i) To establish and operate the Sri Lanka Accreditation Board for Conformity Assessment
- (ii) To review of the National Quality Policy
- (iii) To enhance the operations of laboratories, including medical laboratories.

## DESIGN AND IMPLEMENTATION

The project was a follow-up to a previously Sida funded programme in Sri Lanka in the area of quality policy and infrastructure implemented between 1995 and 2003. The previous programme was successfully implemented and the main objectives were achieved, with the exception of the establishment of an independent accreditation body. However the necessary legislation regarding accreditation was drafted. The Act for the establishment of the SLAB, was passed by Sri Lanka Parliament in July 2005.

Once SLAB was legally established, the Sri Lanka Ministry of Science and Technology requested Sida to continue supporting the development and strengthening of the national quality infrastructure. SLAB engaged the Swedish Board of Accreditation and Conformity Assessment to prepare a project of institutional cooperation between SLAB and SWEDAC. In April 2007 a contract for the delivery of consulting services was signed between the Ministry of Science and Technology in Sri Lanka and SWEDAC.

The project period was 3 years until May 2010. Sida allocated SEK 7.7 million (EUR 0.83 million) to the project, of which 82% was utilised. The project was supervised by a Project Management Steering Committee with representatives from SWEDAC, the Ministry of Science and Technology and SLAB. A final project report was produced in August 2010.

The project activities were performed through consultancy visits by Swedac, joint development work and exchange by e-mail, training events and study visits in Sweden. The activities covered the work areas specified by the project objectives:

### 1. Support in the establishment and development of SLAB

- Development of quality manuals, procedures and methods of SLAB
- Training of assessors for SLAB accreditation schemes
- Joint assessments of laboratories with participation of SWEDAC and SLAB performed in Sweden and Sri Lanka
- Participation of a selected number of SLAB officials in Sida's international training programme on 'World Trade and Conformity Assessment, Quality Infrastructure Development'
- Support to SLAB in developing need analysing and procuring a local service provider to develop and

install a computerised system to manage accreditation activities and a public website ([www.slab.lk](http://www.slab.lk))

- Support in participating in international and regional laboratory accreditation cooperation bodies

## **2. Support in updating national quality policy**

- Participation by SWEDAC consultants as resource persons in activities aimed at updating the national quality policy

## **3. Support to laboratories in fulfilling requirements of accreditation**

- Support to the Sri Lanka Association of Testing Laboratories to promote good practices and training
- In house consultancies and training for Laboratories

## **PROBLEMS ENCOUNTERED**

The project did not encounter any significant problems, but there are lessons to be learnt that are outlined below.

## **FACTORS FOR SUCCESS**

The project built on a number of strengths that contributed to the very favourable results. One key factor was that the law formally establishing SLAB was passed ahead of the project. In fact, this was a condition from Sida to continue providing support to regulatory and quality infrastructure development in Sri Lanka following. Another key factor was the strong ownership on the Sri Lankan side in the form of ministerial commitment, active participation from SLAB and high awareness among other key actors such as local laboratories. Sida contributed effectively to this strong ownership through the activities in the previous project, such as the development of a National Quality Policy.

The project itself had very specific and realistic objectives, building on the previous project. Project management at SLAB was very active, which contributed among other things to very effective participation in international accreditation cooperation. The implementing agency – SWEDAC – is the Swedish counterpart to SLAB and could thus provide hands-on support and sharing of experiences. SWEDAC strong previous knowledge of Sri Lanka and the important actors involved in technical regulations.

## **RESULTS ACHIEVED**

The project achieved and surpassed the initial objectives. One of the main project objectives was to prepare SLAB for international accreditation to be achieved at a later stage. However, during the project itself, in December 2009, SLAB was admitted as a signatory to the Mutual Recognition Arrangements of the Asia Pacific Laboratory Accreditation Cooperation (APLAC) and International Laboratory Accreditation Cooperation (ILAC). Through these arrangements, SLAB has gained international recognition for its accreditation schemes much earlier than expected. The SLAB now operates accreditation schemes for laboratories including medical laboratories, certification bodies and inspection bodies in accordance with international principles and standards.

By August 2010, SLAB had accredited 23 testing laboratories, 5 medical laboratories and one certification body. More than 20 conformity assessment bodies worked with the SLAB in the process of obtaining accreditation at different stages. The project was able to assist many more laboratories than foreseen in the original project plan: 30 laboratories benefited from consultancy services from the project, of about 21 laboratories had completed their manuals and other documentation and 9 laboratories worked with the SLAB in the accreditation programme by the time the project ended.

In addition, the SLAB has now developed a well trained staff with an external pool of about 75 trained assessors. Finally, the SLAB website was developed and the operations of SLAB activities were computerized.

So far no impact evaluation has been done of the project, but the benefits in terms of trade and economic activity are potentially great. Exports of Sri Lankan products tested by accredited laboratories should gain access to external markets. Overall, the national business environment should improve by the adoption of more transparent and neutral technical requirements based on legislative decisions. This is likely to lead to increased competition and enhanced safety standards for consumers in the national market.

## LESSONS LEARNED

There are a number of lessons to be learned from this project that is of interest in a wider Aid for Trade context:

1. **Ownership.** The project illustrates the importance of strong local ownership and ensuring that the right local pre-conditions are in place. This is exemplified by the existence of a national quality policy, the passing of necessary legislation, strong ministerial ownership and high awareness among national stakeholders when the project was started.
2. **Continuity of support.** The project built on previous Sida supported projects in the area implemented by SWEDAC. This meant that Sida head-quarters, Sida staff at the Swedish Embassy in Colombo and SWEDAC all had good knowledge of the development of the infrastructure for technical regulations in Sri Lanka. Sida was able to withhold support to SLAB until the necessary legislation was in place.
3. **Project implementation.** Implementation was based on very active participation and ownership in SLAB and SWEDAC's strong expertise. Being an agency itself, SWEDAC could provide hands-on experience and institutional backing which would have been impossible for a consultant. In fact, there is now a strong relationship between SLAB and SWEDAC based on the relationships that developed during the project. This relationship is informal and may erode over time, but gives SLAB access to SWEDAC expertise for questions and feed-back even though the project itself is terminated.
4. **Donor capacity.** The project benefitted from the active involvement and logistical support from the Swedish Embassy in Colombo, which allowed Sida to monitor the project in the country. Another important factor in the project was the high-level of knowledge and understanding of the importance of SPS/TBT in Sida head-quarters. Recent reorganisations at Sida have tended to erode this kind of in-house expertise, which may constitute a threat to similar projects in the future.

## CONCLUSION (applicability to other programmes)

The importance of strong ownership, continuity of support, technical expertise, active project management and donor capacity should come as no surprise. These factors are in accordance with experience and best practice that has developed over the year in development cooperation in general and Aid for Trade in particular.

The project presented here shows that high specific and technical interventions can be very effective in developing trade-related infrastructure under the right circumstances. An extension of this approach could be to support "mentoring" or "twinning" activities. However, in countries where the awareness and institutional framework is less developed than in Sri Lanka a more comprehensive approach that addresses fundamental constraints in the business and trading environment – such as Making Work for the Poor, M4P - may be warranted. Another issue to reflect upon is how the type of bilateral, highly focused activities as the

one presented here relate to the Paris Declaration and Accra Agenda for Action and their call for donor harmonisation.

## REFERENCES

Quality Infrastructure Development in Sri Lanka, Final Progress Report, 2010-08-31

Sida, Quality Infrastructure Development in Sri Lanka, Full Assessment Memo, 2007-01-07

Interviews with project participants