

National Quality Policy

1. Policy Name

National Quality Policy

2. Rationale/ Purpose/Objective

Under the visionary leadership of our Kings, the Royal Government of Bhutan (RGOB) has adopted Gross National Happiness (GNH) as the Kingdom's development goal. The RGOB recognizes that quality is a vital element of the four pillars of GNH: the good governance, preservation and promotion of culture, environment conservation and sustainable economic development including promotion of trade. It is also recognized that quality assurance can provide a vital link to global trade, market access, export competitiveness of Bhutanese products and services at the same time meeting the consumer confidence on safety, quality, protection of health and the environment.

Globally, the world trading system is continuously developing and creating an array of good practices by international Quality Infrastructure (QI) institutions to ensure quality of life including safety and health of lives of people, the fauna and flora and the environment.

Irrespective of the size of their economies, countries benefit by meeting the international trading requirements and good practices. Bhutan can meet these requirements by developing its National Quality Infrastructure System (NQI) entailing among other things, reorganization of the responsibilities of the QI institutions and regulatory bodies and developing their capacity as per the best international practices and in keeping with the present NQI situation of the Kingdom as summarized below: (The detailed context of the situation is presented as an Annexure 1)

2.1.1 Inadequate and/or inconsistent policies and regulatory framework created ambiguity of responsibilities among NQI institutions weakening enforcement mechanism to ensure quality of products and services in almost all the sectors of the economy. This also adversely affected coordination and collaboration amongst the relevant NQI institutions.

2.1.2 Limited institutional capacity of quality infrastructure due to an array of demands for limited resources. Duplication of responsibilities amongst the NQI institutions needs to be resolved to channelize the limited resources.

2.1.3 Lack of institutional autonomy adversely affects the efficiency and effectiveness of QI service providers including the regulators.

2.1.4 Low public awareness, participation and compliance by the industries and consumers undermine the importance of NQI services.

2.1.5 Ineffective Quality Assurance Stipulations for Import and Sale of Products in the Kingdom

2.1.6 Sub-standard Goods and Services are proliferating due to an ineffective market surveillance in the kingdom both for imported and locally manufactured goods and services.

The Context also highlights the need for a National Quality Policy (Policy) to serve as the national path connecting the NQI system and serving as the foundation pillars of GNH. As the tenets of NQI pertains to Standards, Metrology, Conformity assessments, Accreditation (SMCA), and technical regulations constitute the International Agreements on Technical Barriers to Trade (TBT), a well-functioning NQI system will prepare Bhutan to meet its international and regional obligations among others, as a member of South Asia Regional Standards Organization(SARSO); the possible future plan of accession to World Trade Organization (WTO) and as members to other international QI institutions.

3. Definitions

Accreditation – the formal recognition by an independent body, generally known as an accreditation body, that a conformity assessment body operates according to international standards.

Certification - Certification is the provision by an independent body of written assurance (a certificate) that the product, service or system in question meets specific requirements. Certification is also known as third party conformity assessment.

Conformity Assessments - Demonstration that specified requirements relating to a product, process, system, person or body are fulfilled or processes and procedures that are used to demonstrate that a product or a service, management system, an organization or personnel meets specified requirements. These requirements are usually stated in international standards developed by organizations such as ISO (International Organization for Standardization)

Inspection - Inspection describes the regular checking of a product to make sure it meets specified criteria.

Metrology - metrology is the science of measurement, embracing both experimental and theoretical determinations at any level of uncertainty in any field of science and technology.

National Quality Infrastructure - The system comprising the organizations (public and private) together with the policies, relevant legal and regulatory framework, and practices needed to support and enhance the quality, safety and environmental soundness of goods, services and processes.

Quality Infrastructure System - A Quality Infrastructure System (QIS) is a combination of initiatives, institutions, organizations, activities and people. It includes a regulatory framework, a national quality policy and institutions including parliament, policy and regulatory bodies, quality service providers, enterprises, customers and consumers (who include citizens as “consumers” of government services)

Standards – Documents, established by consensus and approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for activities or their result, aimed at the achievement of the optimum degree of order in a given context (ISO Guide 21-1, 2012).

Technical Regulations - a document which lays down product characteristics or their related processes and production methods including applicable administrative provisions, with which compliance is mandatory.

Testing - Testing is the determination of one or more of an object or product’s characteristics and is usually performed by a laboratory.

See Annex A for Acronyms.

4. Policy Objective

The policy objective is to foster and promote National Quality Infrastructure (NQI) as a means of advancing the national economy, benefiting the health, safety and welfare of the public, assisting and protecting consumers, protecting our national environment, promoting industrial efficiency and development, facilitating domestic and international trade.

5. Policy Statement

Aligning with the background and the objective to ensure all products and services traded in Bhutan or for export are fit for the purpose and meet the national quality requirements including safety, protection of health of populations and environment, the RGOB shall:

- 5.1 harmonize relevant policies, laws, and regulations providing clarity of roles and responsibilities of the governance of the NQI system;
- 5.2 strengthen the efficiency and reliability of QI institutions by establishing transparent structures and processes;
- 5.3 create a multi-faceted partnership of relevant entities from public and private sector to support the implementation of this policy;
- 5.4 ensure the implementation of Quality Assurance Strategy for Import and Sale of Products in the Kingdom; and
- 5.5 create a nation-wide awareness on the importance of this policy and the NQI system.

6. Legislative Compliance

Bhutan Standard Act 2010 reinforces the above policy statements. More specifically Clause 11 of this Act states that the Bhutan Standards Bureau (BSB) Board can:

11(a) - frame polices and directives on standardization and conformity assessment for promotion of quality and international competitiveness of goods and services.

11(e) - formulate policy for compulsory enforcement of Bhutan Standards.

11(k) - permit, coordinate and facilitate accreditation of laboratories and certification bodies in the country, and to foster cooperation with such facilities in other countries.

Further, Chapter 1, Section 2 of the Bhutan Standard Act 2010 states that:

This Act shall repeal all other laws, by-laws, rules, regulations or directives the provisions of which are inconsistent with this Act.

An analysis of other RGOB Acts has been conducted by the BSB and none of the Acts have been found to be contradictory to the policy statement. However, the RGOB shall direct OAG to review the relevant Acts to ensure the effectiveness, efficiency and optimization of Bhutan's National Quality Infrastructure Systems.

7. Implementation Procedure

The responsibilities of the following ministries and agencies is summarised below and described in detail in the attached implementation plan:

- (1) **Office of the Attorney General (OAG)** in consultation with BSB, the relevant ministries, agencies and organizations to review and propose amendment to the existing Acts that are inconsistent with Bhutan Standard Act 2010 and this policy, and ensure future Bills referencing QI system are also consistent with this policy.
- (2) **Ministry of Economic Affairs (MoEA)** in collaboration with BCCI and other stakeholders to introduce incentives to encourage industries and enterprises to implement this policy by adopting relevant quality assurance schemes. MoEA to continuously review the implementation of this policy and recommend changes to the RGOB including redefining of annual objectives, amending or improving this policy, or providing directives to QI institutions and other relevant technical and regulatory agencies wherever deemed appropriate.
- (3) **Ministry of Finance** in collaboration with BSB to implement this policy to prohibit the import of substandard products not conforming to mandatory conformity assessment requirements as per existing law.
- (4) **Gross National Happiness Commission (GNHC)** to ensure all existing and future policies referencing the NQI system are consistent with this policy.
- (5) **Royal Civil Service Commission (RCSC)** to review and reengineer the roles of regulatory authorities and conformity assessment bodies consistent with this policy and incentivise public sector organisations adopting quality management systems.
- (6) **Bhutan Standard Bureau (BSB)** to:
 - a) work towards the establishment of a National Accreditation Body;
 - b) develop its organizational development strategy to strengthen its capacity at par with regional and international institutions and report annually to the RGOB on its achievements; and
 - c) prepare and submit a corporate plan to establish BSB as a financially sustainable organization as per Bhutan Standards Act 2010.
- (7) **Bhutan Chamber of Commerce and Industry (BCCI)** in collaboration with MoEA and other stakeholders to establish an enabling environment to encourage and promote participation of private enterprises in provision of quality infrastructure services. BCCI will also encourage relevant private sectors and non-government organizations and associations to commit resources in:
 - a) representing in the governance of the NQI institutions;

- b) representing in the relevant technical committees of the NQI institutions;
 - c) developing products and services meeting national, regional and international standards including technical regulation requirements;
 - d) upgrading facilities, equipment and competence of staff meeting standards; and
 - e) participating in advocacy and other quality related publicity events.
- (8) **Industries and enterprises** shall be obliged to avail the QI services and have their products and services certified as per relevant national or international standards.
- (9) **Tertiary academic and technical intuitions** shall be encouraged to incorporate curricula on standards, conformity assessment, metrology and accreditation.
- (10) **Media Houses**, as a corporate social responsibility, including the National Broadcasting Services (Bhutan Broadcasting Service), Kuensel and other private media organizations are encouraged to participate in the dissemination of information related to the NQI system and services financed by the RGOB.
- (11) **International development partners** shall be invited to support capacity assessment and development of the NQI system mainly in the areas of:
- a) transfer of quality-related technology into the country;
 - b) transfer of knowledge and information for the development of an adequate quality and technology infrastructure;
 - c) country's participation in the regional and international quality fora;
 - d) train the country's technology professionals within the QI system and technical regulation regime; and
 - e) develop QI awareness materials.

8. Monitoring and Evaluation

- 7.1 Relevant agencies shall monitor the activities of the action plan and its indicators periodically.
- 7.2 GNHC shall continuously monitor the implementation of this policy and recommend changes to the RGOB.
- 7.3 GNHC shall evaluate the impact of the policy at the national level as per Evaluation Protocol and Guidelines.

9. Approval Dates

Indicate the date on which the policy was approved. (To be included once the policy is approved from the Lhengye Zhungtshog)

Annex A Acronyms

BBS - Bhutan Broadcasting Service

BCCI - Bhutan Chamber of Commerce & Industry

BSB - Bhutan Standards Bureau

CABs – Conformity Assessment Bodies

GNH - Gross National Happiness

GNHC - Gross National Happiness Commission

MoEA - Ministry of Economic Affairs

NQI – National Quality Infrastructure

NQP - National Quality Policy

OAG - Office of Attorney General

QI - Quality Infrastructure

RCSC - Royal Civil Service Commission

RGOB - Royal Government of Bhutan

SARSO - South Asia Regional Standards Organization

SMCA - Standards, Metrology, Conformity assessments, Accreditation

TBT - Technical Barriers to Trade

WTO - World Trade Organization