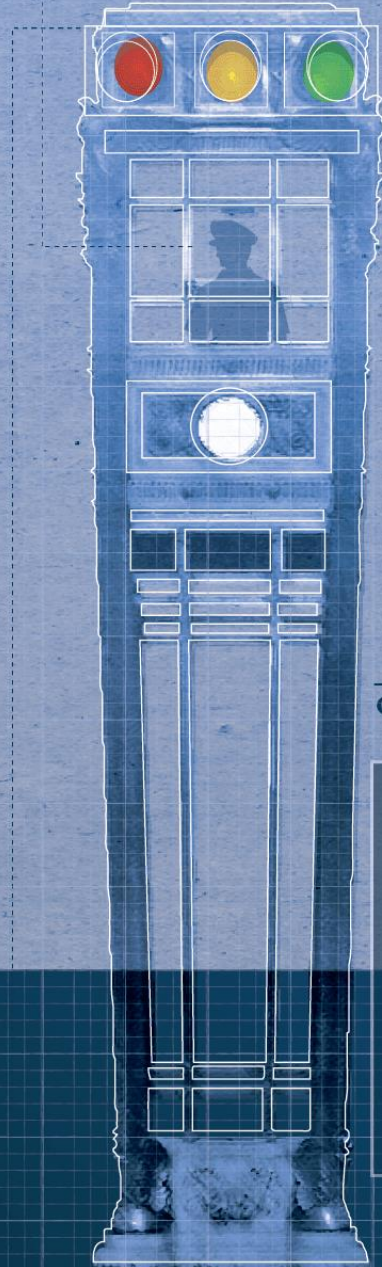


Police officer glass cab



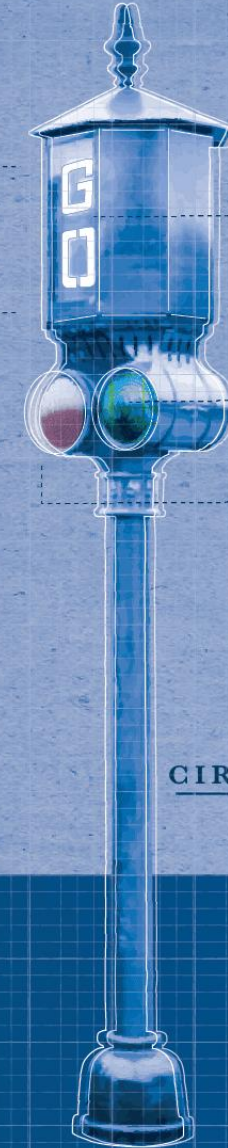
23 feet

CIRCA: 1920



Three-light structure

ADOPTED: 1968-Present



Display

Go

Stop

CIRCA: 1927

STANDARDS *for* DEVELOPMENT

WDR Key Findings

Standards are **critical for development**, but they remain largely **overlooked**.

Meeting standards is becoming more challenging for developing countries.

Developing countries remain **underrepresented in shaping international standards**.



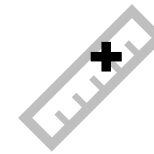
Three types of standards, defined by their core function



**Measurement
Standards**



**Compatibility
Standards**

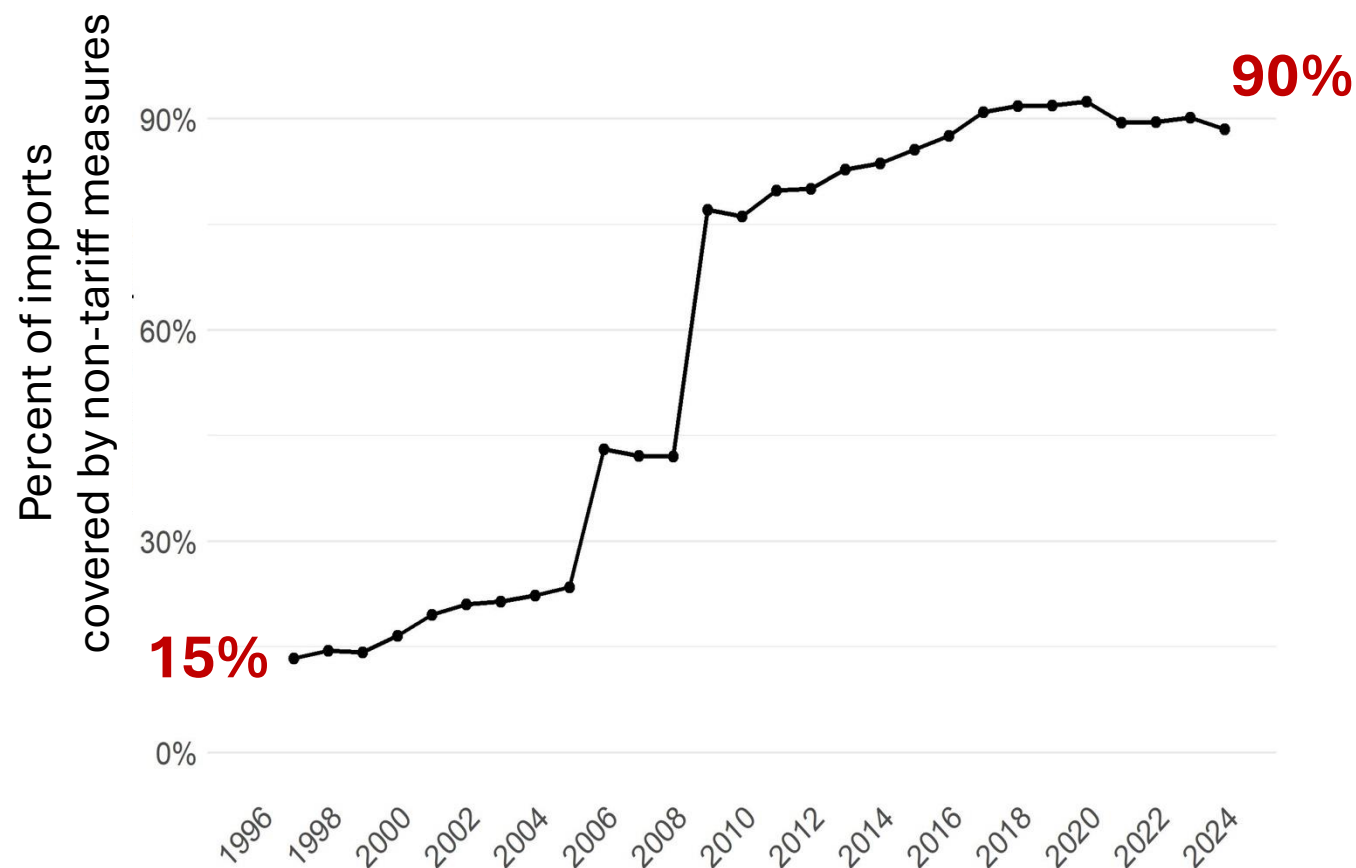


**Quality
Standards**

It's not tariffs, it's standards!



Standards govern almost all imports today



Sources: WDR 2025 team calculations, based on data from TRAINS [Trade Analysis and Information System] (portal), United Nations Trade and Development, <https://trainsonline.unctad.org/home>; WITS: World Integrated Trade Solution (database), World Bank, <http://witsworldbank.org/WITS/>.

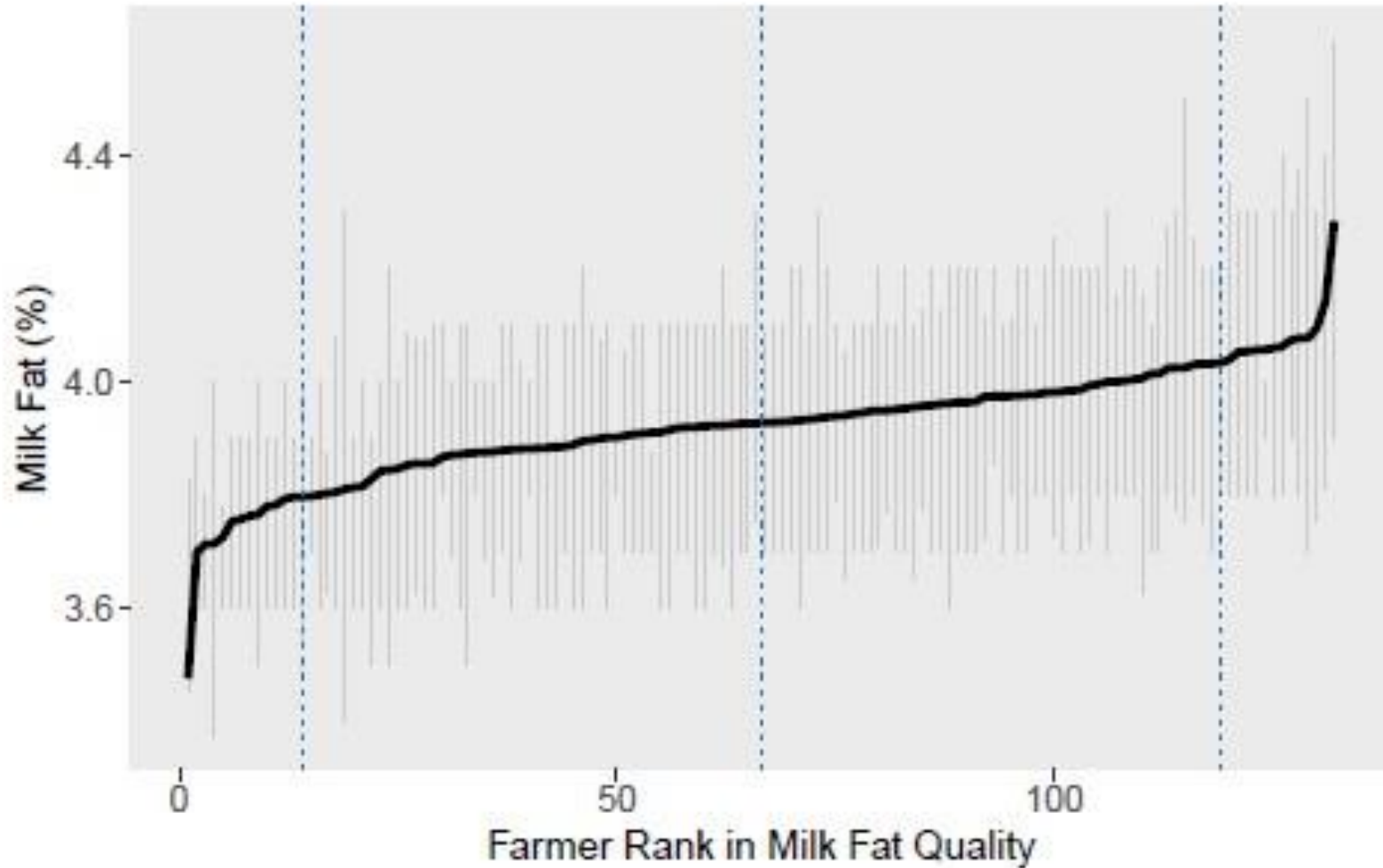


Standards, the quiet catalyst for growth



Standards can enhance quality and consistency

Figure: Variation of milk quality occurs both within and across dairy farmers

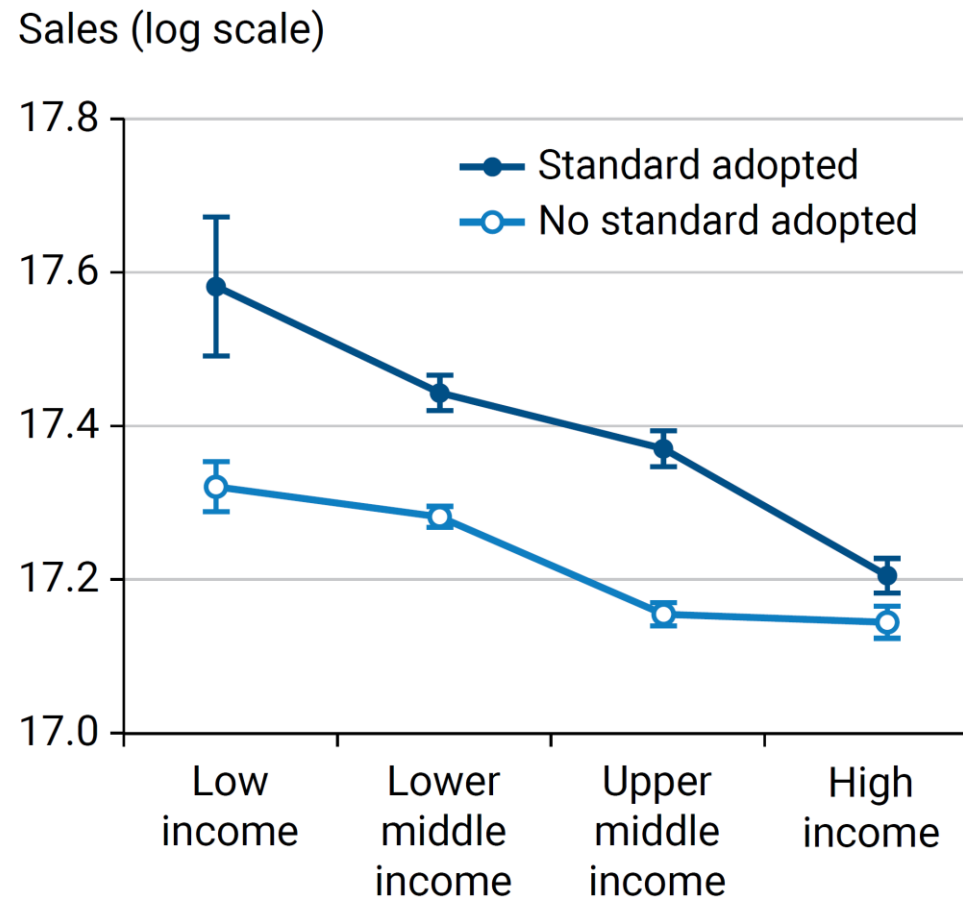


Source: Van Campenhout et al. (unpublished)

Firms that adopt standards grow faster and export more

Firms that adopt voluntary international standards have **higher sales**.

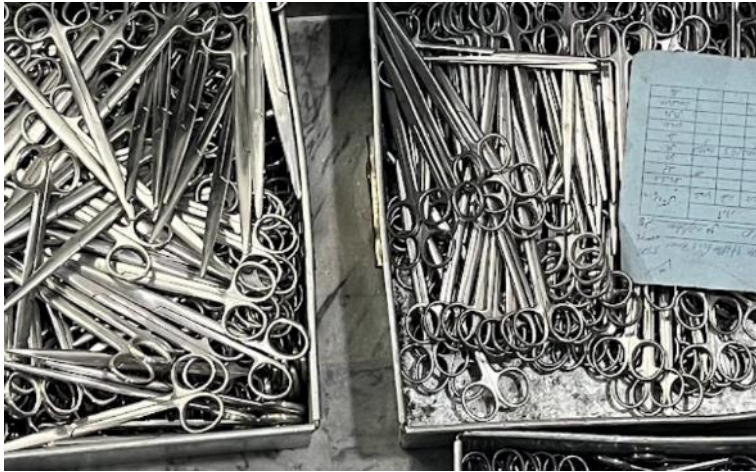
The sales premium is **largest in lower-income countries**.



Source: WDR 2025 team, based on World Bank Enterprise Surveys (dashboard), World Bank, <https://www.enterprisesurveys.org/en/data>.



Compliance costs can be high



In **Pakistan**, manufacturers of **surgical instruments** face costs of up to **EUR 200,000** in the first year of compliance with mandatory standards of the **EU's Medical Device Regulation**.

For agricultural firms in **East Africa**, compliance with a **voluntary sustainability standard** such as GLOBALG.A.P. may range from **US\$2,000 to US\$15,000** for audits alone.

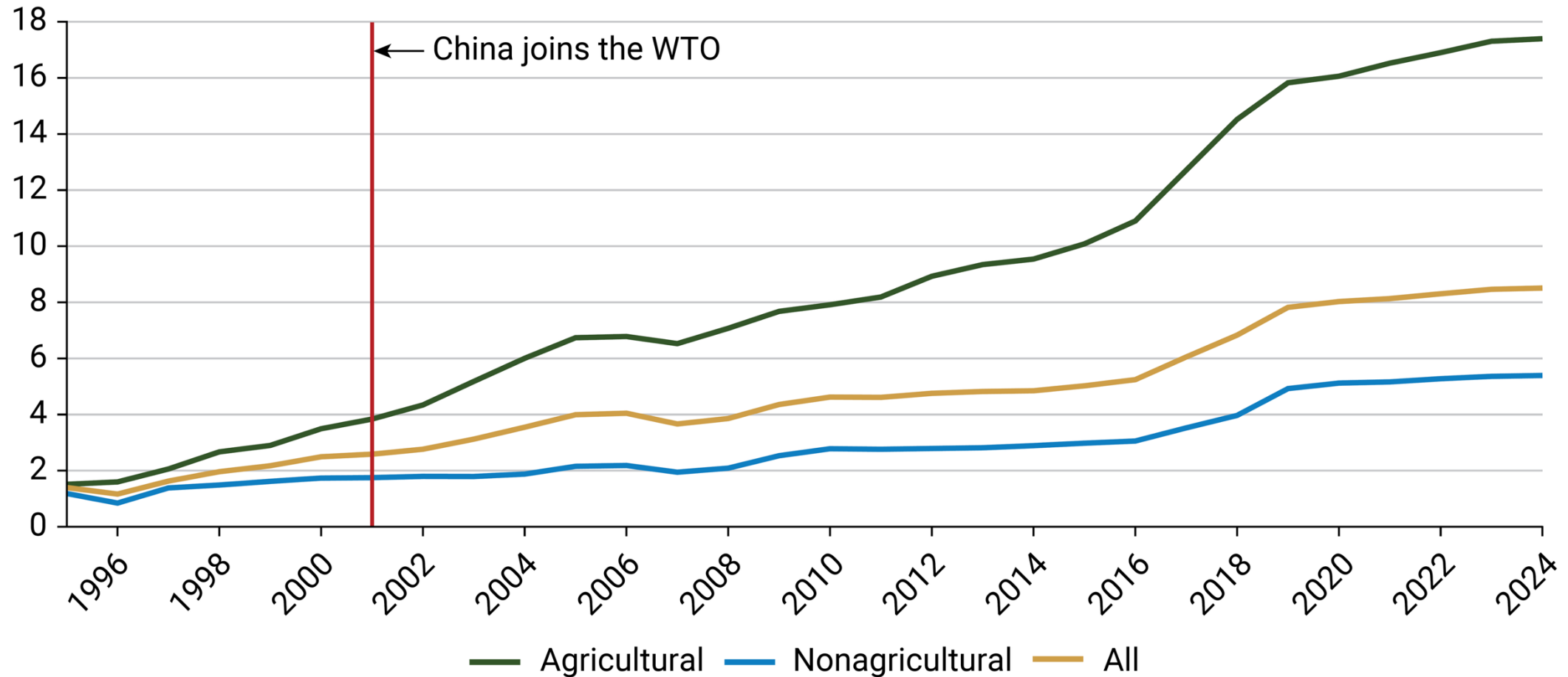


Agrifood Standards

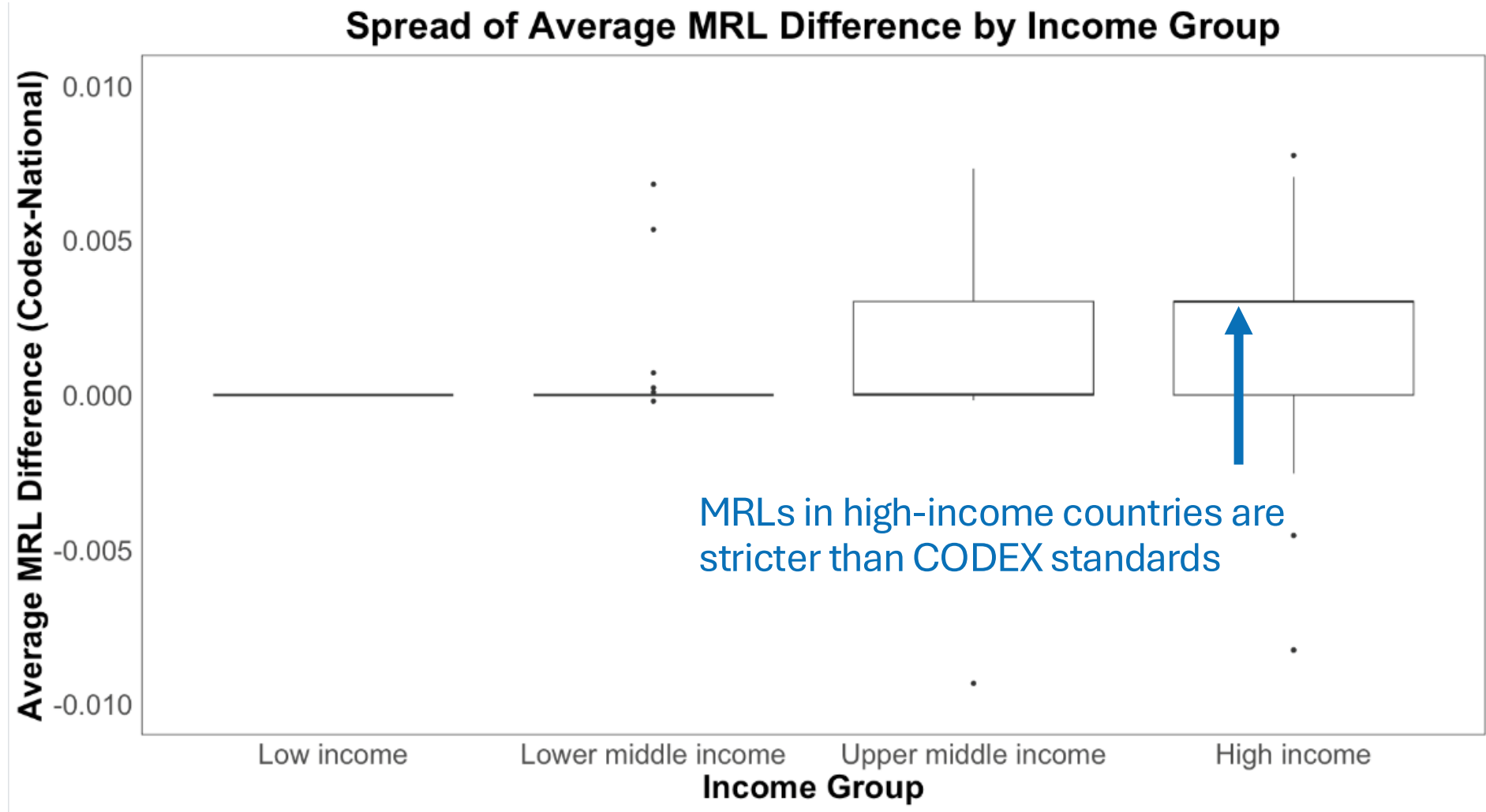


Developing countries face many more technical regulations than developed countries because of the nature of their exports

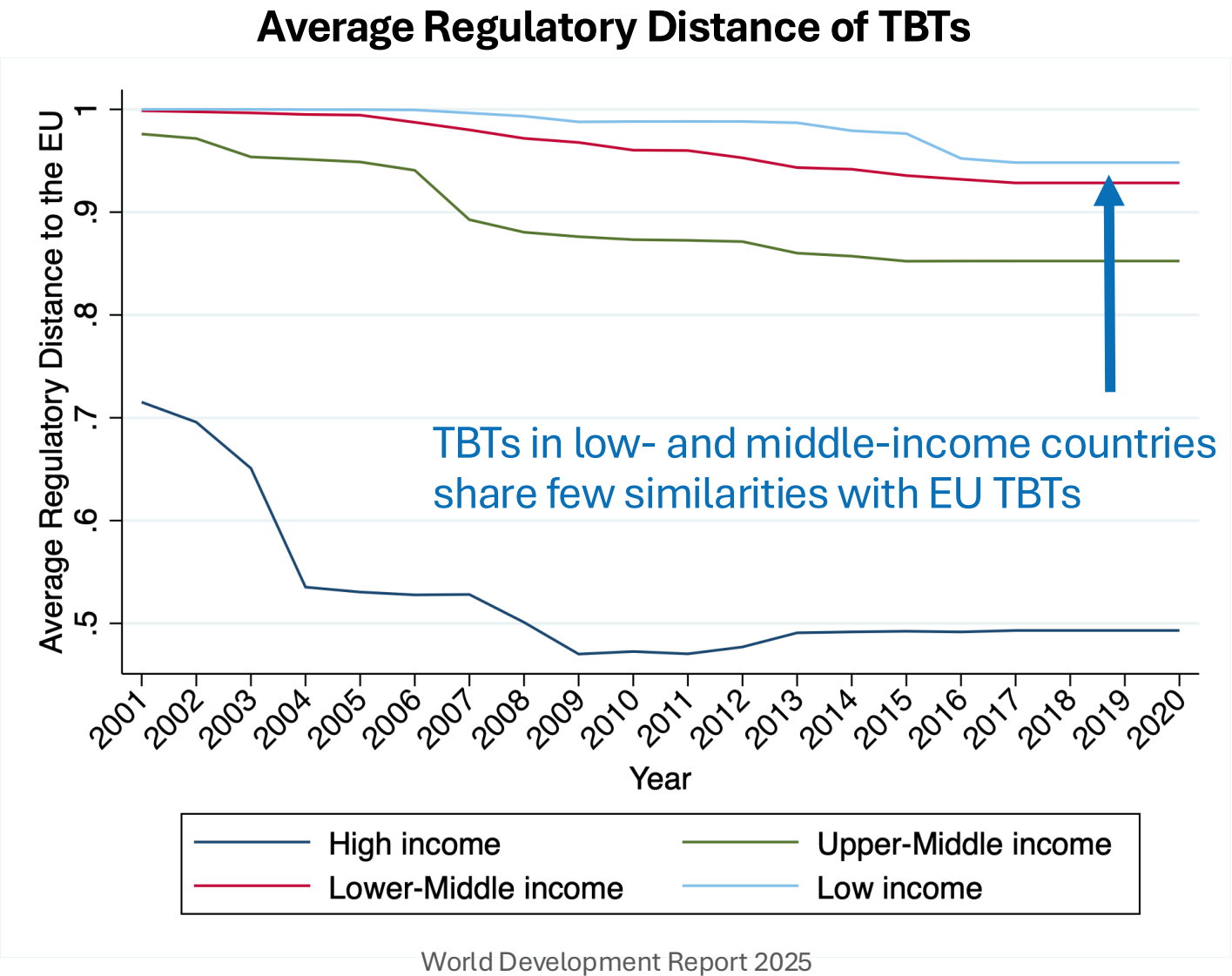
Average number of nontariff measures



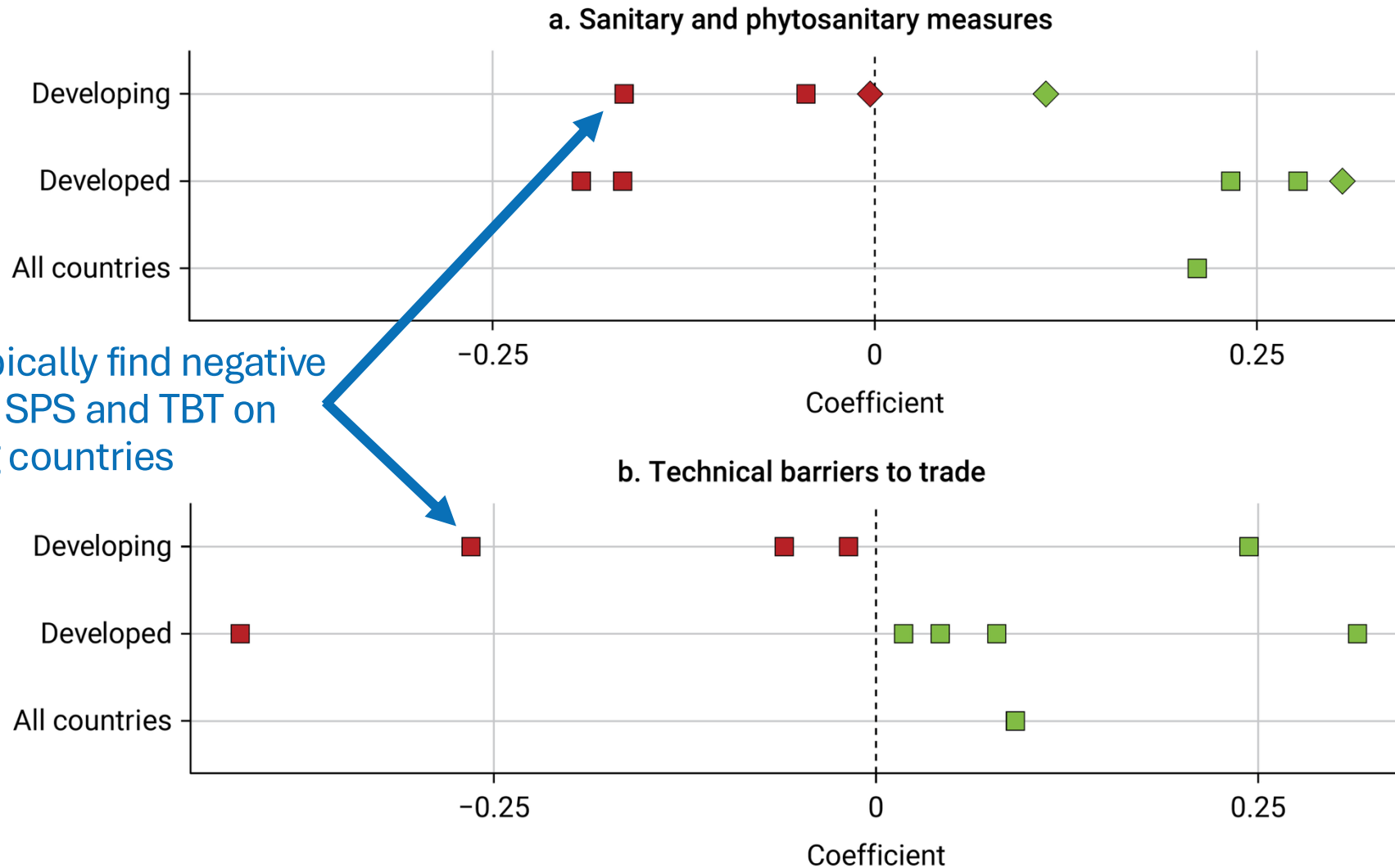
Developing countries face **stricter MRLs** in developed countries than the standards they impose domestically



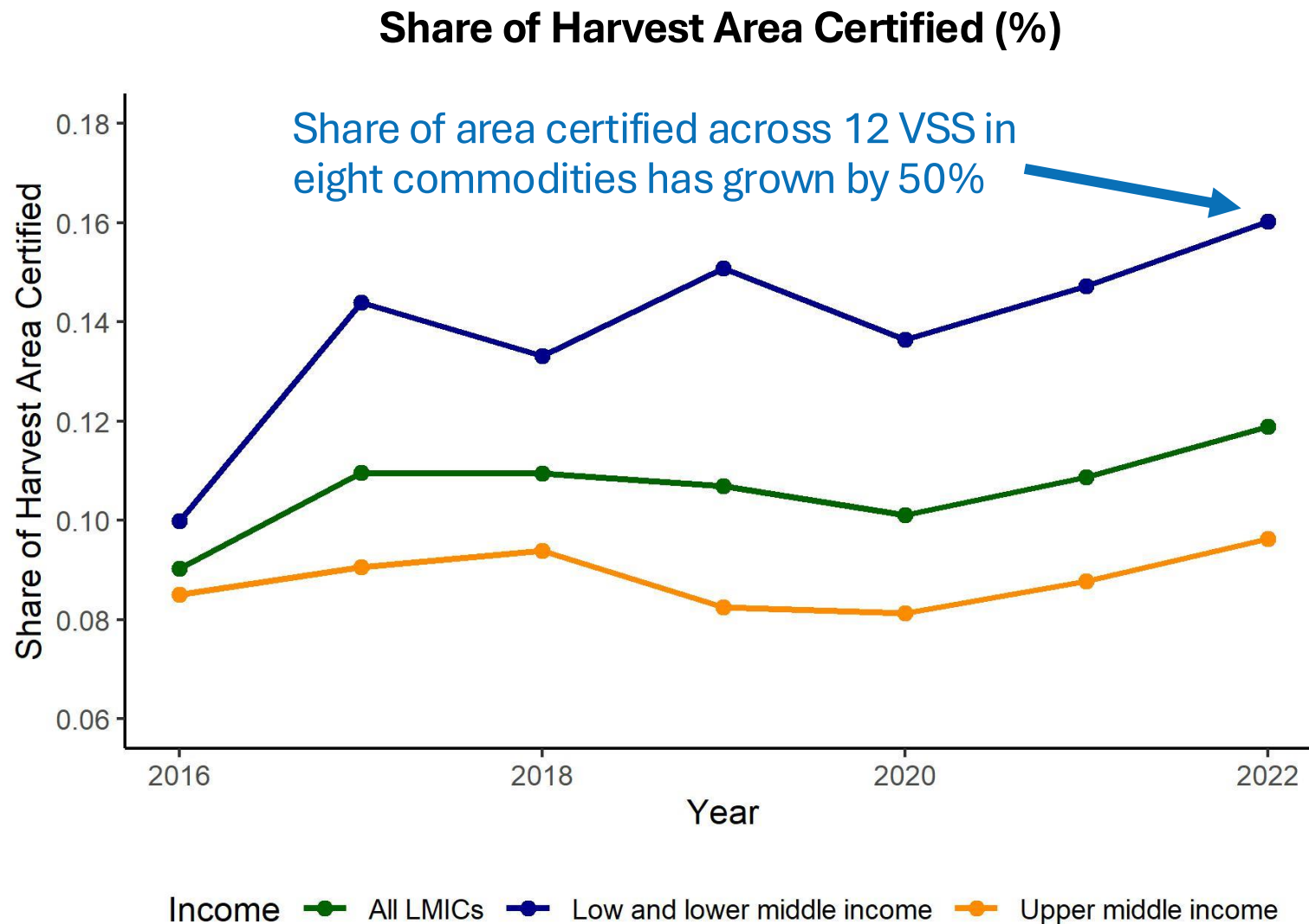
Developing countries face **stricter TBTs** in developed countries than the standards they impose domestically

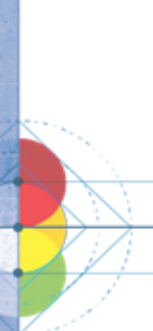


Technical regulations can increase export demand, but the benefits tend to favor developed countries



Adoption of voluntary sustainability standards is rising, especially in developing countries





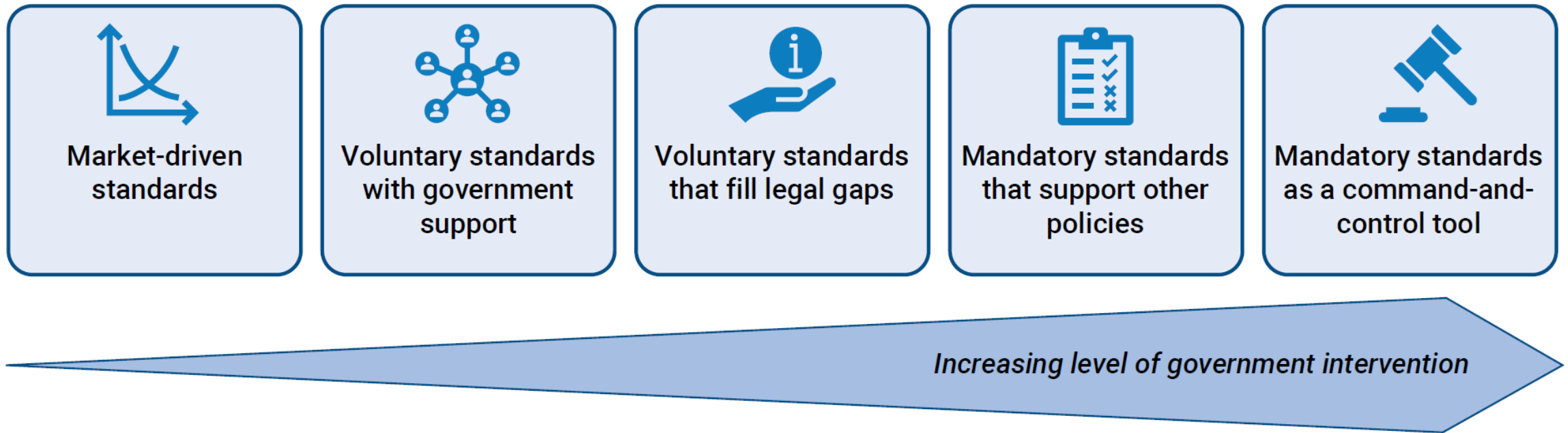
The demand benefits of private standards can be large, but the compliance costs can be even larger, especially for SMEs

- For SMEs in the East African coffee and cocoa sectors, auditing costs for VSS **can range from US\$2,000-US\$15,000.**
- Upgrading social and environmental practices to meet the standard **can cost an additional US\$12,000.**
- Each VSS considers hundreds of criteria. **Fewer than half of these overlap between two standards** in the same commodity.
- SMEs must choose between **maintaining multiple costly certifications or focusing on a single market.**

Setting Standards



Use the full toolbox of standards for policy, not just the hammer

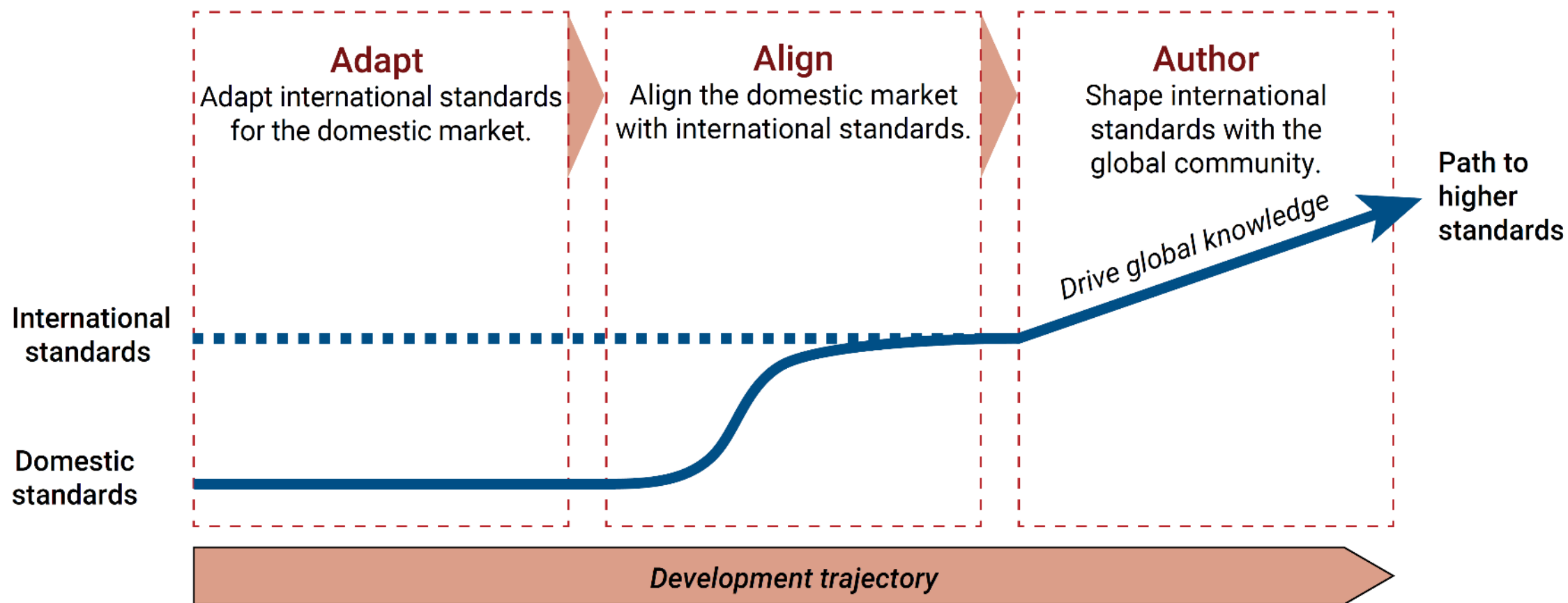


Source: WDR 2025 team.



Use standards as a catalyst, not a cudgel

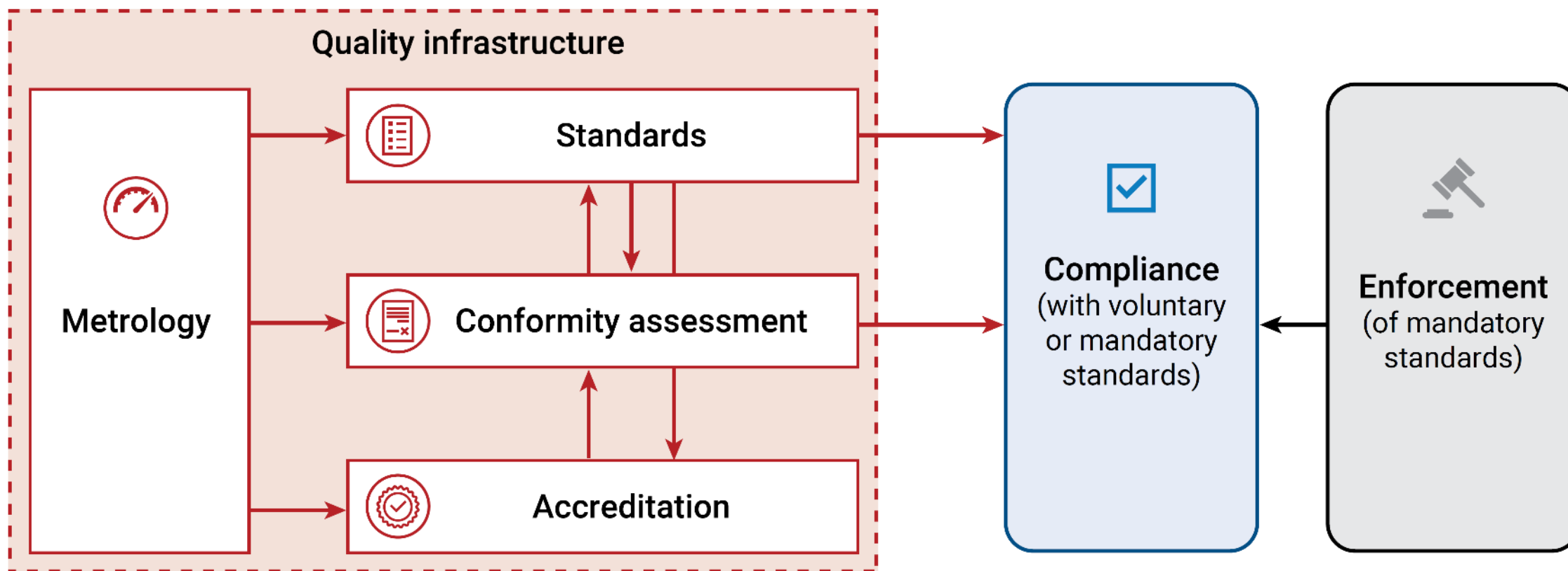
Adapt standards in line with the compliance capacity



Source: WDR 2025 team.



Install quality infrastructure—the payoff is immense

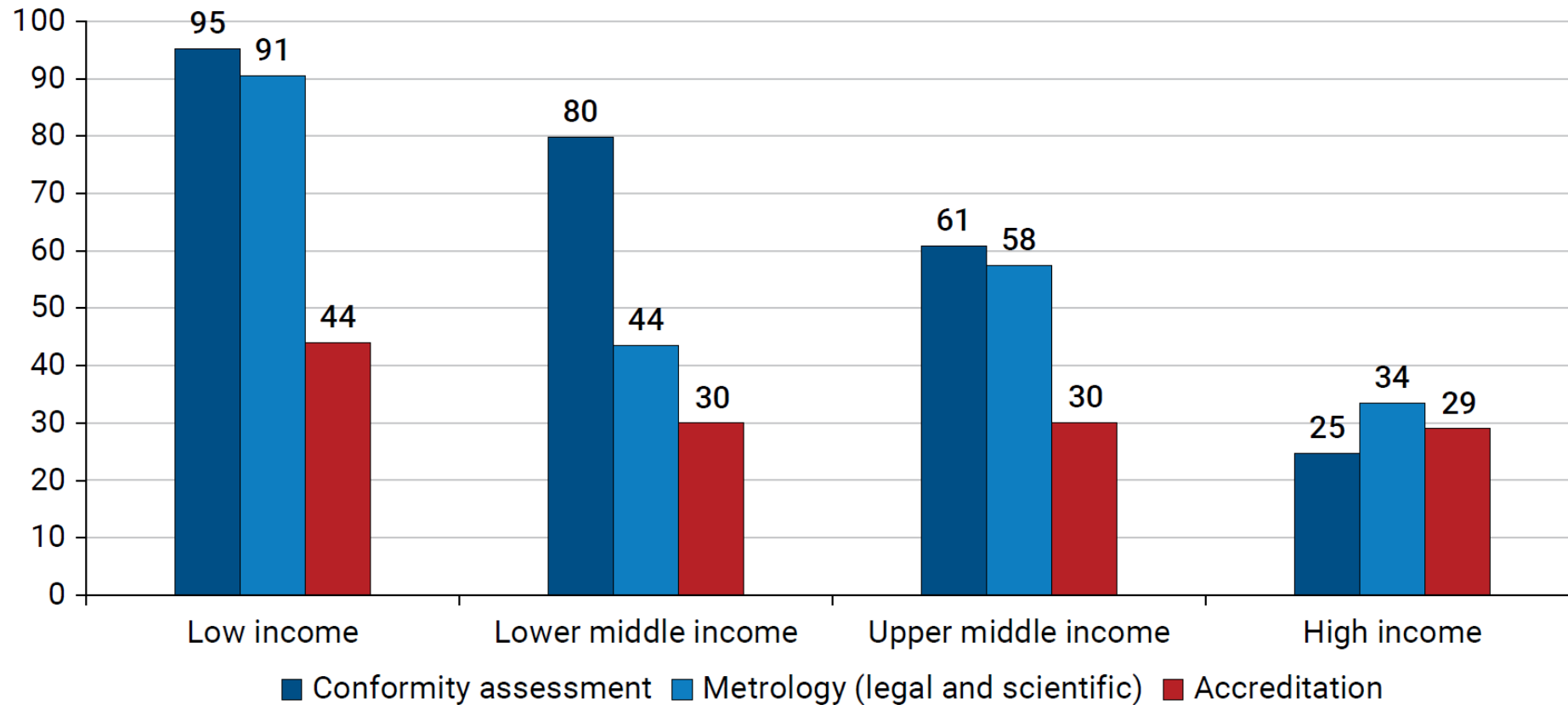


Source: WDR 2025 team.



National standards bodies in less developed economies tend to offer more quality infrastructure services than their higher-income peers

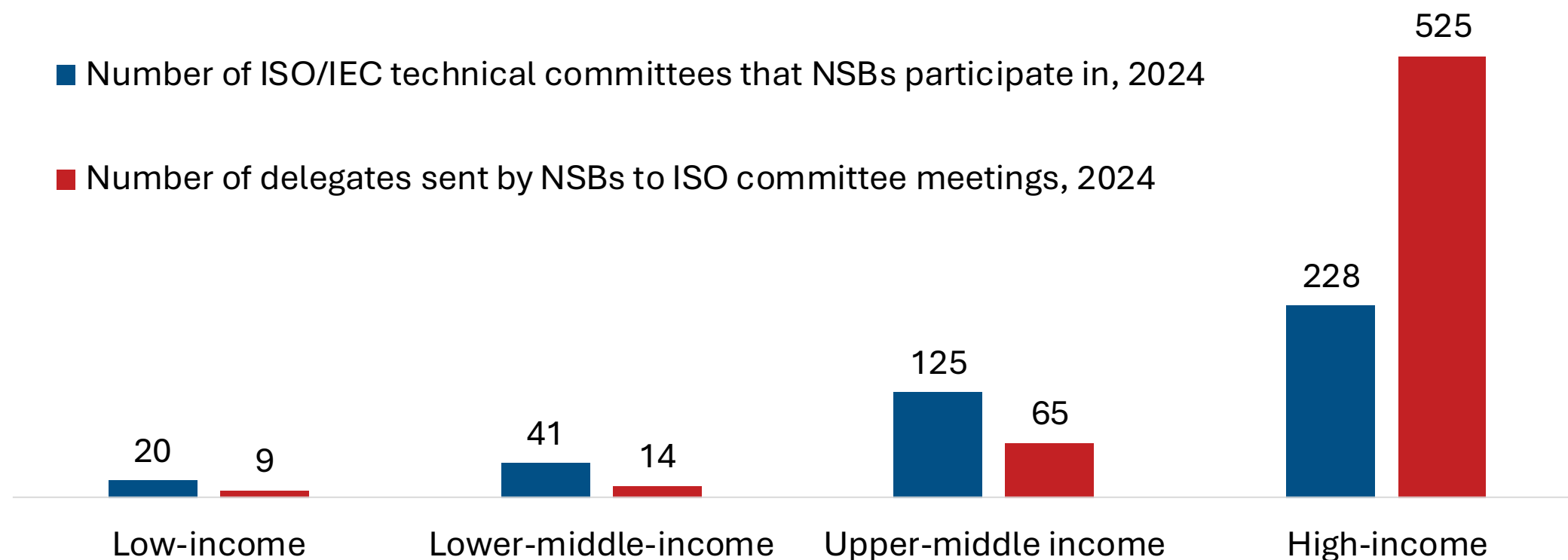
Share of NSBs that offer a given service, 2025 (%)



Source: WDR 2025 team, based on World Bank and ISO 2025.

Low and middle-income countries are underrepresented in international standards development

Figure: Participation by national standards bodies in development of international standards



Source: WDR 2025 team, based on World Bank and ISO 2025.

Note: The survey sample includes 116 national standards bodies (NSBs): 13 in low-income countries, 28 in lower-middle-income countries, 34 in upper-middle-income countries, and 41 in high-income countries. Survey data were collected between March and June 2025. The share of national standards bodies presented in the table is based on the number of such bodies that responded to the survey.

Policy recommendations for developing economies

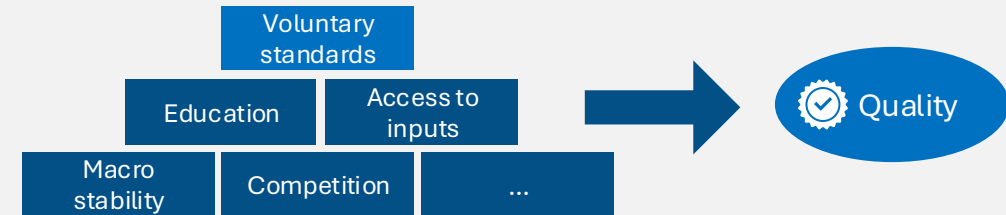
(that other countries may also want to consider)

Examples of recommendations



Use standards as a catalyst for development, not as a cudgel.

Create the **conditions** needed for **firms to upgrade quality**; don't enforce such upgrading with mandatory standards.

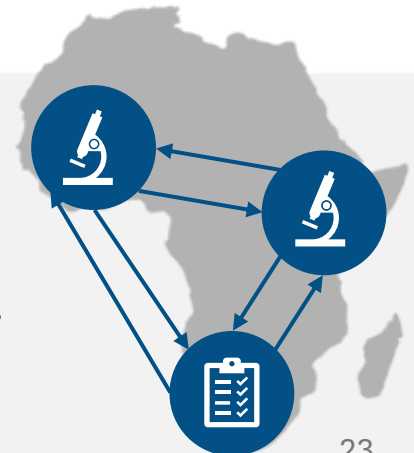


Learn to use the full toolbox of standards for policy, not just the hammer.



Use quality infrastructure to realize the full potential of standards.

Focus on the **availability** of quality infrastructure, **not the location**.



Policy recommendations for the global community

Examples of recommendations



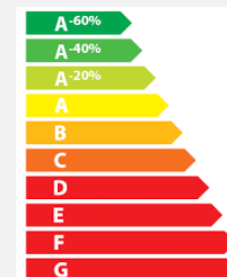
Develop international standards that better serve low and middle-income countries.

Support developing countries in the **process of developing international standards** — or risk low uptake.



Ensure that well-intended standards do not become barriers to development.

Promote **tiered standards** to match different capacities.



Tackle global challenges.

Deepen **international regulatory cooperation.**

- ✓ Shared terminologies
- ✓ Common measurement standards
- ✓ Aligned compliance approaches
- ✓ Mutual recognition

Explore the World Development Report 2025: *Standards for Development*

Scan to download



www.worldbank.org/wdr2025

