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Development Organization

Trade Related Technical Assistance (TRTA II) Programme

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PROGRESS REPORT

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Associated Agencies



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1 Context of the Action

- 1.1 Trade is identified as one of the principal instruments of poverty alleviation, where export-led growth has resulted in increased household incomes and employment opportunities signifying a positive trade poverty-nexus in development process. The overall objective of the TRTA II programme is to contribute to poverty reduction and sustainable economic development. The programme purpose is increased exports and economic integration of Pakistan into the global and regional economy. The TRTA II programme objectives are to be achieved through three programme components dealing with (i) trade policy capacity building; (ii) export development by improving the quality infrastructure and (iii) strengthening the intellectual property rights (IPR) regime.
- 1.2 **Component 1** is aimed at the Ministry of Commerce (MoC) and Government of Pakistan in developing a coherent trade policy and attendant regulations for export competitiveness. This is to be achieved by strengthening the skills of government officers (in Ministries and implementing agencies) on trade policy and regulatory related issues and international trade negotiations. Moreover, it will promote a comprehensive, regular and well informed public private dialogue (PPD) among government, the private sector and civil society as a basis for a coherent national trade policy and interventions.
- 1.3 The overarching objective of **Component 2** is export development through improvement of quality infrastructure. This is to be achieved through (i) support to strengthen sanitary and phytosanitary (SPS) management systems; (ii) support to improved quality, value addition and compliance with market requirements of supply chains of selected sectors (fisheries, horticulture and industrial products); and (iii) support to improve conformity assessment infrastructure and services.
- 1.4 **Component 3** is aimed at building the capacity of Pakistan to implement a modern IPR regime which is robustly integrated to the global IP system. This will be achieved by strengthening IP institutions as well as the IP legislative and policy framework. Support will also be provided to achieving more effective enforcement of IP rights and enhanced capacity of business and research institutions to use the IP system.
- 1.5 It is extremely essential that activities in each of the above three components are synergized to achieve coherence in implementation of the programme. Hence, Component 1 institutions will, in particular, develop capacity and undertake trade policy research and analytical studies relevant to activities carried out by Components 2 and 3, and especially in relation to identification and investigation of technical barriers which have the greatest economic impact on trade performance. Similarly, Components 2 and 3 will correspondingly address the implementation of quality and productivity improvements and IP protection in areas where trade policy research suggest that interventions measures could be optimally applied.

2 Activities Carried Out

2.1 Programme Management Office (PMO)

2.1.1 The PMO continued to provide support for the successful conduct and implementation of the field operations of TRTA II programme by:

- Providing technical and logistical support to international experts fielded under the programme
- Following up on actions and issues identified by the international experts
- Maintaining continuous interactions and dialogue with key stakeholders and partner organisations in the public and the private sector
- Supporting PITAD in conducting continuous monitoring of implementation of the programme
- Establishing linkages with other donor led interventions in similar areas of TRTA II programme to avoid duplication and building synergies
- Supporting wide visibility of the EU and the TRTA II programme through newsletters, news briefs and website.
- Providing administrative and operational support for smooth running of TRTA II programme activities.

2.2 Component 1: Trade Policy Capacity Building

2.2.1 A comprehensive needs assessment of PITAD in terms of books for their library and hardware tools & software was conducted and jointly finalised by PITAD, WTC and ITC.

2.2.2 After the assessments carried out earlier in the year, WTI and PITAD agreed on seven modules of the Specialized Training Course (STP) to be developed in 2011 on different trade policy areas as listed below:

- Regional Integration- A Comparative legal Framework
- Regional Integration- Impact assessment based on the Sussex University methodology (ex-anti and post-anti evaluation)
- Trade policy formulation
- Trade Policy Competitiveness analysis
- Trade in services - Law and economics and Pakistan sectoral priorities
- Trade in Agriculture (SPS, GMOs, organic food, subsidies, food security, exports taxes, etc.)
- Techniques of international trade negotiation

2.2.3

The following seven master trainers from local institutions worked under guidance of mentors provided by WTI for development of new course modules:

Name/Position	Organization	Mentor	Course Module
Mr. Naved Ahmad Associate Professor	Institute of Business Administration (IBA)	Dr. Robert Rogowski Former Chief Economist, US International Trade Commission	Trade Policy Analysis <i>(Competitiveness analysis)</i>
Mr. Omar Hameed Director	Trade Development Authority of Pakistan (TDAP)	Dr. Robert Rogowski Former Chief Economist, US International Trade Commission	Techniques for International Trade Negotiations
Mr. Shehzad Ahmad Khan Director	Trade Development Authority of Pakistan (TDAP)	Dr. Jane Drake Brockman Consultant, Hong Kong (former senior Australian trade official)	Regional Integration <i>(Comparative Legal Framework)</i>
Mr. Shafiq A. Shahzad Director	Pakistan Institute of Trade and Development (PITAD)	Prof. Pierre Sauve World Trade Institute, Bern, Deputy managing Director and Head of academics	Trade in Services - Law and economics and Pakistan's Sectoral Priorities
Mr. Khalid Hanif Deputy Director	Pakistan Institute of Trade and Development (PITAD)	Dr. Jane Drake Brockman Consultant, Hong Kong (former senior Australian trade official)	Trade policy Analysis <i>(Trade policy Formulation)</i>
Dr. Mushtaq Khan Assistant Professor	Lahore University of Management Sciences (LUMS)	Dr. Anirudh Shingal, World Trade Institute, Bern	Regional Integration Impact assessment based on the Sussex University methodology (ex-anti and ex- post evaluation)
Mr. Nauman Aslam Director	Trade Development Authority of Pakistan (TDAP)	Dr. Christian Haerberli Former chief negotiator for agriculture, Govt. of Switzerland	Trade in Agriculture (SPS, GMOs, organic food, subsidies, food security, export taxes, etc.)

2.2.4

All the master trainers worked on developing their respective modules in consultation with the mentors after studying recommended readings, case studies and discussions with the mentors before their departure to Bern for training in July 2011.

2.2.5

In the second phase (Bern Training), all the seven master trainers were sent to WTI, Bern from 4 July – 22 July 2011 for a three week training course in which their respective modules were taught with special attention given to the pedagogical methods for module delivery. Additionally face to face interactions with their mentors to fine tune the module outlines occurred, to address the gaps in the modules.

- 2.2.6 After the Bern training in July 2011, the master trainers continued writing their respective modules under the guidance of their mentors. A proforma was developed in collaboration between the master trainees and mentors to capture the progress on module development on weekly basis. The completed proforma was shared with all concerned on weekly basis. The master trainers have now almost completed and finalized their course module development.
- 2.2.7 A three day training course on trade policy formulation and competitiveness analysis was conducted at PITAD from 26-28 September, 2011 for benefit of participants from various government ministries and organisations. This training course was jointly organized by ITC and PITAD with technical assistance from the Switzerland based WTI. Master trainees from PITAD and IBA trained under Component 1 conducted the said training course, with the contribution from mentors from WTI who delivered lectures and provided support to the trainers through video conference.
- 2.2.8 The second training on Regional Integration – “A Comparative Legal Framework” was held from 16-17 November 2011 at PITAD jointly organized by ITC and PITAD with technical assistance from WTI. The purpose of the training course was to build the capacity of the officers working in various ministries and government departments regarding the importance and different approaches to regional integration. The training focused on the process of Regional Trade Agreement (RTA) negotiations, standardization of RTAs for Trade in Goods and Trade in Services, evaluation of various FTAs concluded by Pakistan, defensive and offensive Strategy for RTAs, rules of origin and WTO plus issues in RTAs. The training gave an opportunity to the relevant stakeholders to identify the areas where they can contribute during the RTA negotiations and implementation. The training was conducted by master trainees from TDAP trained under the Component 1 and was supported by his mentor from WTI through video conference lecturing.
- 2.2.9 In order to institutionalize the consultative mechanism among public sector, private sector and civil society for coherent and inclusive trade policies formulation and implementation; the ministry of commerce approved the creation of a PPDSC under Component 1 earlier this year. Orientation on the PPD framework/methodology for export development strategy was provided to the PPDSC during its first meeting held on 13 April 2011. Strategic decisions regarding the creation of Executive Committee of PPDSC and strategy for PPDs during 2011 were heavily debated.

2.2.10 The Executive Committee of the Public Private Dialogue Steering Committee (PPDSC) selected topics for the two PPDs and research studies to feed into those PPDs during their first meeting in April 2011. The topics selected are detailed as follows:

- **Services sector Export Development Strategy for Pakistan:** The following three research studies targeting three services sectors were commissioned for this PPD
 - Challenges and enhancing export potential of Pakistan in Computer and Related Services
 - Challenges and enhancing export potential of Pakistan in Professional Services
 - Challenges and enhancing export potential of Pakistan in Transport Services

- **Regionalism and Increased Trade Opportunities:** The following two research studies have been commissioned for this PPD
 - Prospects of benefiting from Trade with ECO countries for Pakistan
 - NTBs and trade facilitation measures affecting exports of textile made ups and light engineering goods to ECO countries

2.2.11 Following rigorous selection process and based on the recommendations of the Executive Committee the following five research researchers were selected to conduct five studies:

Research Study	Name of Researcher
Challenges and enhancing export potential of Pakistan in Computer and Related Services	Mr. Muhammad Shahzad Khalid Senior Consultant IBM Italia S.P.A Pakistan
Challenges and enhancing export potential of Pakistan in Professional Services	Mr. Saifullah Khan Managing Partner S .U. Khan Associates
Challenges and enhancing export potential of Pakistan in Transport Services	Mr. Muhammad Ali Noor Independent Consultant
Prospects of benefiting from Trade with ECO countries for Pakistan	Mr. Shahid Waheed Seheik Independent Consultant
NTBs and trade facilitation measures affecting exports of textile made ups and light engineering goods to ECO countries	Mr. Adil Khan Miankhel Director, PITAD

2.2.12 The First PPD on “Services Sector Export Development Strategy for Pakistan,” was organised to be held in Islamabad on 27 October 2011. The PPD was aimed at defining policy recommendations on domestic regulatory reform for the development of services trade in Pakistan in the selected three sectors namely Transport Services, Professional Services and Computer Related Services. Summaries of the three research studies were communicated to the invitees of the PPD before the session to promote a stronger debate on issues and recommendations concerning the three sectors to be presented during the dialogue.

- 2.2.13 About 350 letters along with PPD brief and other documents were also sent to various stakeholders for their involvement in the process whereas those documents were sent to some other stake holders (about 400) through emails. The process and prospects of PPD for the development and implementation of trade policies were explained to them and were requested to provide their input concerning the selected sectors for PPD during 2011. The response was encouraging and a lot of stakeholders showed their keen interest in the process.
- 2.2.14 In order to create synergies with the two other Components of the TRTA II programme, the stake holders and counterparts engaged thereof were also involved in the sessions of the first PPD held on 27 October 2011. Similarly, the counterparts of other UNIDO projects working in Pakistan were also invited in order to develop synergies.
- 2.2.15 The Chairman of Working party on Domestic Regulations, World Trade Organization, also participated in the two technical sessions of the first PPD on Computer Related Services and Professional Services through video conference from ITC Headquarters in Geneva. A WIPO expert also participated in the Computer Related Services technical session through video conference.
- 2.2.16 Summaries of the technical sessions along with the research studies will be printed and widely circulated while the issues and policy proposals concerning the three sectors received as a result of the First PPD would be presented to the Government through the channel of the PPDSOC for consideration in the form of a policy recommendations proposal.
- 2.2.17 The second PPD on regional trade with ECO countries is scheduled for 21 December 2011.

2.3 Component 2: Export Development through Improvement of Quality Infrastructure

2.3.1 Component 2.1: Strengthening SPS Management System

- 2.3.1.1 During the reporting period, three missions of International Experts were launched in SPS and food safety systems. The details of the International Experts that were fielded are as follows:

Name of Expert	Country	Post/Activity Area	Duration (Weeks)	Dates in Field
Ian Goulding	UK/Portugal	SPS-Food Safety	2 weeks	26 June – 9 July
Dr. Simon Derrick	UK	Sanitary Controls of Fisheries Products	2.5 weeks	01-19 May
Mr. Andrew Mathieson	UK	Training Facilities for Food Inspectors	2 weeks	05-20 July

- 2.3.1.2 Technical advice was provided to NAPHIS regarding its further re-organisation to ensure that the SPS functions are held under a single body whilst the new legislation is enacted. One option discussed was to create a Food Security, Food Safety & Agriculture Research Division under the Cabinet, to which all of the above departments may be transferred. Advice was also provided on the internal structure of the national Food safety and Plant Health Regulatory Authority.
- 2.3.1.3 Technical support was provided to Marine Fisheries Department (MFD) in complying with the sanitary conditions for export in order to enable MFD prepare a Dossier for approval by DG SANCO to resume trail shipments of fishery products to the EU. A complete review of Inspection Manual, procedures, checklists and reporting forms; to introduce upgraded control and inspection system was undertaken using both the paper and the electronic versions provided by the MFD. The review compared these documents with a checklist of expected components based on the Manual of Sanitary Inspection by CAs in the Third Countries produced as part of the EU ACP/OCT funded Strengthening Fisheries Program.
- 2.3.1.4 Recommendations and support for the implementation of a non-compliance record keeping system in the fisheries sector, with provision for corrective actions and flow up was also provided after reviewing the existing inspection procedures and extensive discussions with DG MFD and the lead fishery inspectors.
- 2.3.1.5 Advice and assistance was also provided to MFD in the further development of their approach to inspections and control of traceability systems in the supply chain. This advice resulted after a comprehensive review of existing procedures and documentation and having conducted site and inspections at the K1 landing sites and Fisheries Business Operators (FBOs).
- 2.3.1.6 Assistance was also provided to the CA to conduct an audit of current HACCP plans and their implementation and also to identify any non-compliance. This was achieved by running a 1 day practical training with the inspectors of the MFD.
- 2.3.1.7 A five day training was provided to the inspectors from the CA. The workshop was conducted at the MFD on the 11th – 14th and 16th of May 2011 and was attended by all the inspectors of the MFD as well as representatives from the fish processing industry, the K1 auction operators (FCS) and the Karachi Fish Harbour Authority. Moreover, at the request of DG MFD a training course on introduction to HACCP and Traceability Systems was delivered to representative from the fishmeal processors.
- 2.3.1.8 Meetings were also held with Secretary Fisheries, Government of Baluchistan, to discuss recent developments on the IFAD project proposal on ‘Gwadar-Lasbela Livelihoods Support Project’. Subsequently, the Secretary Fisheries have officially requested TRTA II to provide support for:
- Rehabilitation of Pasni Fish Harbour
 - Construction of Laboratory at Gwadar
 - Provision of engines/nets to fishermen of Balochistan coast

- Construction of hatchery at Subakzai Dam
- Fisheries Training Center at Gwadar
- Gwadar-Lasbela livelihood support project funded by IFAD
- Stocking of fish fingerlins in various reservoirs & dams

2.3.1.9 Further discussions and meetings were held with senior officials of the Government of the Punjab (Secretary Food, Secretary Livestock & Dairy Development and Secretary Agriculture) on the launch of the Food Safety and Standards Authority of Punjab. A broad gap analysis was conducted on the 2007 Pure Food Rules. The analysis showed that 68 areas have to be covered by a modern food safety regulatory framework and the current set of rules was found adequate only in 6 areas. The option of establishing the Punjab Health Authority was also discussed with Secretary Livestock, Punjab. An MOU has been developed and shared with Secretary Food to formalize the support of TRTA II to Punjab Government. The Government of Punjab also agreed to receive support of TRTA II to revise these Pure Food Rules.

2.3.1.10 The PMO staff conducted an in-depth review of the local capacity of training institutions and universities to assess their capacity in providing the necessary academic and structural support to produce high calibre graduates capable of providing the skills and knowledge required by the new national and provincial food standards and safety authorities. As a result of this exercise, three institutions, which included University of Animal Science (UVAS), University of Agriculture, Faisalabad and University of Karachi were shortlisted. The assessment done by the PMO staff was validated by the international expert.

2.3.1.11 A presentation on the TRTA II programme was given at the National Food Safety conference organised by the University of Agriculture, Faisalabad (UAF). Similar presentation was also made to senior academics at UAF along with the expert of United States Department of Agriculture (USDA) also working in the area of strengthening HACCP and SPS understanding in Pakistan and Afghanistan.

2.3.1.12 A study tour for the following three officials was organised to attend the World Seafood Congress, a 2- day Seafood HACCP Course and the Asia-Pacific Network Meeting in the USA from 29 September – 07 October 2011.

Sr. No	Name	Designation	Organisation
1.	Mr. S. M. Tarique	Managing Director	Korangi Fish Harbour Authority (KoFHA)
2.	Mr. Shaukat Hussain*	Director General	Marine Fisheries Department (MFD)
3.	Mr. Mujahid Aleem*	Inspector	Marine Fisheries Department (MFD)

**These officials did not travel to attend the World Seafood Congress because their US visas were not granted.*

2.3.1.13 As part of the Study Tour to the USA, the World Seafood Congress also arranged a Technical Tour for the participants to visit a seafood processing plant in Baltimore. The delegation visited the Phillips Food Inc a company that deals with making ready to eat crab cakes. They have set up many mini-plants in Vietnam, Indonesia and Thailand and are thinking of setting up plants in Sri Lanka & Mozambique. Steve Phillips the owner of Phillips Food Inc has showed great interest in setting up a joint-venture with processors in Pakistan to import crab meat into the USA. The possibilities of setting up mini-plants in Pakistan as joint ventures were also discussed.

2.3.1.14 A second study tour on SPS was organised to UK and Brussels from 13-27 November 2011 for the following ten delegates:

Name	Designation	Organization/Ministry
1. Mr. Malik Zahoor Ahmad	Team Leader Director General	National Animal & Plant Health Inspection Services (NAPHIS)
2. Mr. Aamir Nazir Gondal	Joint Secretary (Adm. Ins)	Ministry of Commerce (MoC)
3. Mr. Ruhail Muhammad Baloch	Secretary	Fisheries Department, Government of Balochistan
4. Mr. Zahir Alam	Additional Secretary	Health (Dev) Khyber Pakhtunkhwa
5. Mr. Adil Rashid Khan	Deputy Secretary	Food Department, Government of Punjab
6. Mr. Rafiq Ul Hassan Usmani	Animal Husbandry Commissioner	Ministry of Commerce (MoC)
7. Mr. Iftikhar Ahmad Tabassum	Project Director	Establishment of Quarantine Offices, Ministry of Commerce (MoC)
8. Mr. Ghulam Rasool	Legal Specialist	National Animal & Plant Health Inspection Services (NAPHIS)
9. Mr. Itrat Rasool Malhi	Plant Specialist	National Animal & Plant Health Inspection Services (NAPHIS)
10. Ms. Shazia Hussain	National/International Coordinator	National Animal & Plant Health Inspection Services (NAPHIS)

2.3.1.15 The study tour covered meetings and interactions with relevant UK institutions such as Food Standard Agency, Department of Environment and Food, Pesticides Agency, Meat Hygiene Services, Government Chemist, Border Inspection Post as well as EC officials (Particularly DG SANCO), International Office of Epizooties (OIE) and Commercial Representation of Pakistan in Brussels.

2.3.2 Component 2.2: Improved quality, value addition and compliance in fishery, horticulture and industrial sectors

2.3.2.1 Four missions of international experts were launched during the reporting period on value added productivity and benchmarking. The details of the expert missions are as follows:

Name of Expert	Country	Post/Activity Area	Duration (Weeks)	Dates in Field
Shaun Hannah	UK	Benchmarking	3 weeks	19 June – 10 July
Mr. Kit Chan	Malaysia	Good Agriculture Practices (GAPs)	4 weeks 3 weeks	02-30 May 10-28 October
Professor Mike Dillon	UK	Value Addition & Productivity	1 week	14-21 November
Mr. John Heap	UK	Lean Manufacturing & Trade Corridor	1 week	20 – 27 November

2.3.2.2 Throughout April and May 2011 data collection activity was performed in cutlery sector located in Wazirabad and the fan sector located in Gujrat and Gujranwala. Data was collected at two levels. One set of data was collected at the sectoral level for the competitiveness benchmarking tool and it included data collection from over 250 companies in the fan and the cutlery sector. This data was collected by a local data collection firm and the data collection was supervised and coordinated by Programme Officer in Benchmarking, Monitoring and Coordination. The other set of data collected was for the purpose of calculating Overall Effective Efficiency (OEE) of production for lean management. This data was collected from 30 companies in total from the cutlery and the fans sector by the Programme Officer in Benchmarking, Monitoring and Coordination.

2.3.2.3 Three staff members of National Productivity Organisation (NPO) accompanied the process of data collection for OEE purpose. The TRTA II programme provided logistical support and also technical training to these three staff to spend time in field on factory floors to collect real time production flow data to carry out OEE analysis.

2.3.2.4 International Expert (IE) in Benchmarking was fielded during June and July once the data collection on benchmarking was complete and all data sets were cleaned for analysis. The expert's mission started by verifying the data collected on OEE in the field by visiting all the factories where OEE was piloted. The data collected on OEE was verified and the key bottlenecks identified by the PMO staff were evaluated.

2.3.2.5 The sectoral level data collected in over 250 firms was used to develop the Competitiveness Benchmarking System (CBS) Tool. The International Expert in benchmarking used the data collected to develop and finalise the CBS tool and generate relevant outputs indicating the overall performance, strong areas and critically weak areas in the cutlery and the fan sectors.

- 2.3.2.6 The International Expert in on Benchmarking also conducted a four day training course at NPO on CBS tool from 05-08 July 2011. The training course consisted of a guidance user manual and live training exercises for participants (with answers if appropriate). Moreover, a training version of the CBS Benchmarking Tool was presented and NPO staff was fully trained in running dummy exercises.
- 2.3.2.7 The CBS tool was modified into installable CD software such that NPO can easily employ the software in their systems and can also make required changes to adapt the software to cover other sectors to replicate the benchmarking exercise.
- 2.3.2.8 Visits were also made to TEVTA service centre in Wazirabad to develop linkages with the benchmarking activity under the TRTA II programme. The service centre has been recently upgraded with assistance from the Chinese, however lacks connectivity with the private sector. The programme facilitated meetings between the sector and the centre to better use its facilities for demonstration purposes. These linkages will become more important once the programme starts to work with developing vocational skill strategy with TEVTA.
- 2.3.2.9 The polishing works in the cutlery sector are of concern in terms of health and safety of workers and the environmental suffocation that is created as a result of manual polishing. A complete analysis of the polishing section was conducted and alternative methods were analysed. The International Expert and the PMO team met with manufactures of vibrator polish machines in Sialkot and took demonstrations as to how the use of these machines can alleviate the environmental and health and safety hazard in the exiting polishing techniques.
- 2.3.2.10 NPO was also supported to replicate the benchmarking process in the surgical sector. The training provided assisted NPO in rolling out the benchmarking activity in the surgical sector. The PMO envisages working and supporting NPO until full replication of benchmarking activity is made in the surgical instruments sector.
- 2.3.2.11 The PMO staff also worked with NPO to formulate a PC-1 for the cutlery sector which will fund mechanical upgradation identified by the TRTA II benchmarking activity addressing the adverse condition and performance in the polishing section of cutlery works.
- 2.3.2.12 Sector reports and the firm level intervention reports in the fan and the cutlery sector have been shared with all relevant stakeholders and beneficiaries and PMO is currently compiling feedback on this reports submitted to firms, sector associations and NPO.
- 2.3.2.13 NPO was also supported by providing a technical speakers to speak on the “productivity and competitiveness’ conference organised by the Asian Productivity Organization in Islamabad on the 17 and 18 of November 2011.
- 2.3.2.14 Six of the benchmarked factories in the cutlery sector and five of the benchmarked factories in the fan sector were provided direct support on improving their lean manufacturing.

- 2.3.2.15 Development of COPs along the critical points of supply chain was identified as major activity in the inception report of TRTA II programme to provide comprehensive guidelines to farmers, processors, exporters and other stakeholders involved with the aim to increase production, maximize profit, improve quality and reduce losses. In this connection, Terms of Reference were prepared for the development of COPs by the Project Management Office (PMO) and various potential institutions were assessed by International Experts fielded under TRTA II programme.
- 2.3.2.16 Subsequently, national institutions such as Citrus Research Institute (CRI), Sargodha Mango Research Station (MRS), Multan and University of Agriculture, Faisalabad (UAF) having expertise for the development of COPs were identified and their proposals were evaluated.
- 2.3.2.17 The International Expert in GAP developed the framework and other guiding documents for the development of COPs including the time bound work plan for each of the three institutions in consultation with all the stakeholders involved. The framework and detailed action plans for the development of COPs were discussed at the horticulture stakeholders meeting held at PHDEC office in Lahore on 27 October 2011 which was attended by all the stakeholders from private and public sector participated. The representatives of donor agencies such as USAID/FIRMs, ASLP and Star Farm also participated.
- 2.3.2.18 Support was provided under TRTA II programme, to PHDEC in the Development of PAKGAP (Pakistan Good Agricultural Practice) Standard, where the Government of Pakistan has allocated Rs 550 million for the implementation of PAKGAP standard under the Strategic Trade Policy Framework 2009-2012. Pakistan Horticulture Development and Export Company (PHDEC) had developed PC-1 for the development of PAKGAP standard. TRTA II programme reviewed the draft PC1 document and various deficiencies were identified, following which TRTA II fielded an International Expert in Good Agricultural Practice (GAP) to revise the PAKGAP PC-1 and provide implementation plan in consultation with all stakeholders.
- 2.3.2.19 The International Expert under the TRTA II programme carried out detail economic analysis and provided cost benefit analysis for the PAKGAP scheme. In this connection a report on Qualitative assessment of selected GAP schemes practiced in Asia and Pacific region was prepared to support PAKGAP scheme in Pakistan.
- 2.3.2.20 Advertisement was made in the daily Newspapers for the Expression of Interest for the conduct of pre-feasibility studies for the upgradation of landing sites and development of Business Park at Korangi Harbour. Subsequently, four proposals were received from reputable local institutions. The proposal were reviewed and evaluated by PMO against the TORs.
- 2.3.2.21 National Engineering Services Pakistan (NESPAK) has been shortlisted as potential institute to prepare pre-feasibility studies for upgrading Korangi Landing Site and developing Korangi Business Park and work is expected to start in December 2011.

2.3.3 Component 2.3: Conformity Assessment Infrastructure and Services

2.3.3.1 During the reporting period, two International Experts were fielded covering the area of conformity assessment. The details of the expert missions are as follows:

Name of Expert	Country	Post/Activity Area	Duration (Weeks)	Time in Field
Upali Samarajeewa	Sri Lanka	Laboratory Accreditation	1.5 weeks	18-28 September
Dr. Anwar El-Tawil	Egypt	Standardization and Technical Regulation	1.5 weeks	10-30 April

2.3.3.2 A series of 3 one day Consultative Workshops were organized in Islamabad, Lahore and Karachi on 13, 18 and 20 April 2011 by TRTA II programme in collaboration with PSQCA. The Consultative Workshops provided participants with an insight into the principles of establishing consensus-based voluntary standards and mandatory technical regulations in line with internationally accepted practices. The Workshops discussed current practices of standardization, setting technical regulations and conformity assessment procedures in Pakistan and how to align those practices with accepted international ones.

2.3.3.3 To sum up the results of the three consultative Workshops, a National Conference was held in Islamabad on 27 April. At the National Conference the International Expert in Standardization fielded under TRTA II programme, presented the recommendations on standards, technical regulations and conformity assessment based on the Consultative Workshops held in Islamabad, Lahore and Karachi. The presentations were followed by discussions which resulted in the adoption of a set of recommendations of the National Conference.

2.3.3.4 Following the events of the National Conference, the International expert in Standardization conducted two days training programme for the staff of PSQCA on setting national strategies and assessing priorities for standardization from 21-22 April 2011 at PSQCA premises in Karachi.

2.3.3.5 The International Expert in Standardization also provided advice and training to staff members of PSQCA associated with TBT/WTO National Enquiry Point established with support of TRTA I programme during 2006-07. Specific tasks were assigned to the PSQCA staff to operationalize the National Enquiry Point (NEP). Action plan was developed in consultation with PSQCA staff to operationalize the NEP. The Director General of PSQCA approved the action plan and assured his full cooperation and support in the implementation of the action plan.

2.3.3.6 Support was provided by TRTA II programme to Pakistan National Accreditation Council (PNAC) to participate in the mandatory meetings of Asia Pacific Laboratory Accreditation Cooperation (APLAC) to sustain the MRA signatory status with APLAC/ILAC. Hence, the following two officials of PNAC participated in the Asia Pacific Laboratory Accreditation Cooperation (APLAC) General Assembly, MRA Council and Technical Meetings held in the Philippines from 12-16 September 2011:

- Engr. Najam-ud-Din Acting Director General of PNAC
- Mr. Azhar Iqbal, Deputy Director of PNAC

2.3.3.7 The Mass Laboratory of NPSL was assessed by PNAC in October 2011 to verify if the non-conformities raised earlier by the Norwegian Accreditation (NA) were fully addressed for accreditation to ISO 17025. The TRTA II programme continued providing support to Mass Laboratory in upgrading documentation for accreditation to ISO 17025 and achieves international recognition in its measurement services. NPSL signed MRA with BIPM/CIPM through continued support of TRTA II programme

2.4 Component 3: Strengthening of the Intellectual Property Rights System

2.4.1 The Inter-Agency Agreement between UNIDO and WIPO was finalized and signed in May 2011 and the funds for the first year of Component 3 were transferred in June 2011.

2.4.2 Implementation of Component 3 activities started from July 2011. The work plan was reviewed and adjusted to accommodate the delayed start. Wherever feasible, some activities would either be combined, or undertaken in parallel, to ensure completion of Component 3 within the timeframe of the TRTA II Programme.

2.4.3 An international consultant was recruited at WIPO Headquarters starting July 2011. The consultant will be responsible for the management, planning, coordination and implementation of Component 3 activities in accordance with the work plan and budget defined in the TRTA II Inception Report. Implementation of IPR activities is being closely coordinated with the main stakeholders, in particular, the Intellectual Property Organization (IPO) of Pakistan.

2.4.4 Activities are also closely coordinated with the other TRTA II components being implemented by UNIDO and ITC to develop and exploit potential synergies. Working with Component 1 (ITC), a topic was identified where an IP expert would be provided for the Public Private Dialogue on Services Sector Export Development Strategy for Pakistan.

2.4.5 First part of the on-site review of the IT infrastructure of the Intellectual Property Organization (IPO) of Pakistan was undertaken in July 2011. This first review highlighted the importance of the development of an ICT strategic plan, integration of operations, inter-office connectivity, establishment of a consolidated data centre, a

core IT team, upgraded technical skills and use of international IP standards. These are to be implemented by the IPO to support the modernization project. The next and final part of the ICT infrastructure review is planned for 2012 and will focus on information security and disaster recovery mechanisms to support online services.

2.4.6 IPO staff members received training at WIPO Headquarters in Geneva from 12-16 September 2011 on International IP Classifications for patents, industrial designs and trademarks. The use of these standard classification systems (IPC for Patents, Locarno for Industrial Designs, Nice and Vienna for Trademarks) is essential for effective search of the respective IP records and provides a uniform tool that can be used by the IP offices and IP community around the world, independent of language and systems. The training included presentations, demonstration of classification tools, case studies, hands-on practical exercises, and handling of exception cases. The four trainees included the following:

Sr. No.	Name	Designation	Organization
1.	Mr. Muhammad Rizwan Khan	Assistant Director, Patent Office,	IPO-Pakistan
2.	Mr. Kashif Latif Malilk	Assistant Director-IT	IPO-HQs IPO-Pakistan
3.	Mr. Abdul Basit	Patent Examiner, Trademarks Registry	IPO-Pakistan
4.	Muhammad Jabir Salman	IT Assistant, Copyright Office	IPO-Pakistan

2.4.7 Training on digitization of IP records was conducted at WIPO Headquarters in Geneva from 19-23 September 2011. The training covered all aspects of digitization, including the relevant technical standards, formats, document management systems, scanning solutions, indexing, optical character recognition (OCR), available WIPO tools and systems and the specifications of the required IT infrastructure elements to support digitization. The training comprised of presentations and demonstrations by experts, hands-on practical exercises and discussions on customized solutions for IPO. Guidelines were also provided for preparation of documents required for the tendering and procurement of local contractual services for the actual digitization of IP records at the IPO. The four trainees included the following:

Sr. No.	Name	Designation	Organization
1.	Mr. Muhammad Rizwan Khan	Assistant Director, Patent Office,	IPO-Pakistan
2.	Mr. Kashif Latif Malilk	Assistant Director-IT	IPO-HQs IPO-Pakistan
3.	Mr. Abdul Basit	Patent Examiner, Trademarks Registry	IPO-Pakistan
4.	Muhammad Jabir Salman	IT Assistant, Copyright Office	IPO-Pakistan

2.4.8 A WIPO expert and a national IP expert participated in the Public Private Dialogue on the “Services Sector Export Development Strategy for Pakistan” that was organized by Component 1 (ITC) in October 2011. Under the PPD Session for “Computer and Related Services (CRS)”, these experts and other speakers presented and discussed how IP policies, strategy, systems and enforcement mechanisms can be strengthened and exploited to help the CRS sector boost its exports which is currently much below its potential.

2.4.9 Training on Geographical Indications (GIs) was conducted in Geneva from 17 October to 2 November 2011 by experts from InterGI, a GI consulting firm based in Switzerland. The interactive training included expert presentations, legal framework, case studies, implementation policy, examples of national GI administration practices, field visit to selected GI producers in Switzerland, exchange of experiences and class room discussions. The four trainees included the following:

Sr. No.	Name	Designation	Organization
1.	Mr. Umad Dad Afridi	Executive Director	IPO-Pakistan
2.	Mr. Asfand Ali	Deputy Director	IPO-Pakistan
3.	Mrs. Nadia Zubair Shah	Deputy Director	IPO-Pakistan
4.	Mr. Muhammad Rafiq Tahir	Assistant Registrar	Trademarks Registry, IPO-Pakistan

2.4.10 A WIPO patent expert undertook a mission to the Patent Office in Karachi from 10-19 October 2011 to review the patent administrative procedures and train the patent examiners. The training was tailored for Pakistan and focused on topics identified by the patent examiners and on the challenges faced by them in examining national and international patent applications and in interpreting the international search and preliminary examination reports.

2.4.11 The business process review for automation of IP administration at the Patent Office and Trade Marks Registry is currently in progress. WIPO experts are working with these offices in generating workflow process definitions that will be used in the implementation of the upgraded automation system (WIPO IPAS Java).

2.4.12 Along with the business process review, basic training is also being provided by WIPO experts to the IPO IT team on the configuration and installation of a test version of the new IPAS Java system. This training is provided through a series of video-conferencing sessions along with remote system support, as required. This initial training will be followed after some months by more advanced training that will lead to the customization, deployment and rollout of the IPAS Java system at the IPO.

- 2.4.13 An advisory mission by a WIPO expert has started on the design and development of an IP web portal which will serve as a single point of access to the IP systems, services, databases and information coming from the IPO and also serve as a gateway to relevant IP web resources elsewhere in the world. This mission will assist IPO in identifying the elements and requirements for preparing a TOR for web portal development. This TOR will subsequently be used for procurement of contractual services through an RFP process for implementation of the web portal.
- 2.4.14 An updated feasibility study has started in November 2011 by an international expert on collective management organizations (CMOs) for establishment of an effective CMO in Pakistan. This would contribute to measures that may be taken by the government to strengthen the music industry in the country for distribution of royalties to rights owners.
- 2.4.15 Following the training on digitization of IP records and documentation provided to them by WIPO, the trained IPO staff is preparing the draft terms of reference (TOR) for procurement of local digitization services and the required digitization equipment. The draft TOR is expected to be finalized by end of December 2011.
- 2.4.16 The IPO staff trained at WIPO on International IP Classifications for patents, industrial designs and trademarks have conducted their own training sessions to pass on the knowledge acquired to their colleagues at the Patent Office and Trade Marks Registry in Karachi.
- 2.4.17 Consultations were held with officials of enforcement agencies on implementation of enforcement activities in a manner so as to achieve the TRTA II Programme objective of building capacity of these agencies to undertake IP training programs on their own.

2.5 Implementation Monitoring and Impact Assessment

The TRTA II Programme Steering Committee (PSC) approved at its second meeting in April 2011, the Implementation Monitoring Guide and also the Implementation Monitoring Schedule that was prepared jointly by PITAD and PMO. Following approval of the reporting templates and methodology, PITAD and PMO have jointly produced three quarterly monitoring reports covering the period from January 2011 to September 2011. However, PITAD was of the view that activities should be reported as complete or in progress. To address this concern PMO developed a revised monitoring template, which is much simpler than the one presented in the last PSC meeting.

2.5.1 In addition to the monitoring work, PMO also worked on developing a roadmap for assessing impact of the TRTA II programme. The framework compiles a holistic approach to assess the common impact of all the three components and also identifies the key indicators that can be used to assess the impact. This framework and the set of indicators are expected to be finalised during December 2011.

2.6 Donor Coordination

2.6.1 PMO in collaboration with PITAD identified a list of 24 agencies to be invited for the Donor Coordination meeting. The Secretary MoC agreed with the Donor Coordination meeting to be held on 28 October 2011. Invitations were sent to all participating agencies and were requested to provide information on their programmes in a specific format. The information received from the agencies is to be compiled into a presentable map of trade related donor activities in Pakistan.

2.6.2 However, due to some unforeseen reasons, the Secretary MoC had to postpone this meeting and no further date has yet been communicated. Nevertheless, PMO will continue to work with PITAD to convene the Donor Coordination Meeting at the earliest convenience and availability of Secretary MoC.

2.6.3 The field implementation of TRTA II interventions required synergy of complimentary activities of other donors' programmes so as to optimize outputs and results. Hence, discussions and meetings were conducted with other donors providing development assistance in sector interventions, particularly fisheries and horticulture sectors, and agreements were reached to coordinate specific activities and donor support in said sectors. These included the field interventions of the EU-TRTA, AUSAID and USAID in the horticulture sectors and the EU-TRTA, IFAD and PIDSA (Pakistan Italian Debt Swap Agreement) planned for the fisheries sector in Balochistan.

2.7 Visibility

2.7.1 The TRTA II website, since its launch in February 2011 continues to be updated on a regular basis to cover:

- Latest News
- Component Activities
- Newsletters
- Specific material relevant to Component 1
- Workshop / Trainings / Conferences reports
- Advertisements
- Pictures and Video

2.7.2 SPS is a major intervention area under TRTA II and of significant importance for the Government of Pakistan. Its concepts and operations require to be well explained and understood by all. In order to keep a wide variety of stakeholders and interest group abreast with the programme activities and international news on the SPS, TRTA/PMO is producing and issuing a bimonthly SPS e-newsletter. So far, three issues have been released and the fourth issue is in progress, covering the areas of:

- Approach to SPS Capacity Development in Developing Countries
- Efforts underway for resumption of fisheries export to the EU
- Dioxin Risks in Food and Feed Stuff
- Upgrading of Pakistan’s National Reference Laboratory for Poultry Diseases
- Food Safety Risk Assessment
- The Punjab Pure Food Rules 2011
- Survival and distribution of Aflatoxin M1 in processed milk and milk products
- National Food Safety Congress in Pakistan
- Food more often bites back in summer

2.7.3 **Trade Time**, the quarterly Newsletter of TRTA II programme, contains articles and write-ups covering areas such as programme highlights, programme interventions at the policy and field levels, news and views on conferences, workshops and trainings, stakeholders forum, upcoming events, press coverage, etc. A total of three issues of Trade Time have been published so far.

2.7.4 The PMO has also been proactively engaging the media to publicize TRTA II programme activities and achievements. During the reporting period, six official press releases have been issued, covering the following key events under TRTA II:

- Press release covering the series of 3 one day Consultative Workshops on Standards, Technical Regulations and Conformity Assessment held in Islamabad, Lahore and Karachi on 13, 18 and 20 April 2011.
- Press release on Public Private Dialogue Steering Committee (PPDSC) meeting held on 13 April 2011
- Press release on National Conference on Standards, Technical Regulations and Conformity Assessment in Islamabad held on 27 April 2011
- Press releases on “Workshop on Document Preparation to Establish Laboratory Quality Management Systems” held on 22 September 2011
- Press release on “Three-day Training Course on Trade Policy Formulation and Competitiveness Analysis“ conducted at Pakistan Institute of Trade and Development (PITAD) under the Trade Related Technical Assistance (TRTA II) programme” issued on 28 September 2011
- Press release for the first Public Private Dialogue (PPD) held on 27 October 2011

2.7.5 A number of articles highlighting TRTA II activities were also featured in the print media. The articles provided strong publicity of TRTA II interventions and acknowledged the positive contributions and efforts of the programme, the EU and implementing partners. Some of the recent headlines include:

- Trade-related technical assistance moot on 27th April
- PPDs tool for coherent trade policy
- Sustainable development through enhanced trade
- Exports to be enhanced through systemic development of standards and conformity assessment services
- GAP certification vital to achieve good farm practices
- Training course for policy makers starts under TRTA II programme
- Workshop on document to establish laboratory quality management systems
- Workshop to improve Pak lab standards
- European Union assures support for services sector
- EU supports Pak services sector exports

2.7.6 A Brochure on TRTA II Programme highlighting the concept, genesis and inception of the programme as well as its activities and successes has been developed, printed and issued in November 2011.

2.7.7 The programme maintained compliance with EC guidelines for visibility in all its publicity efforts. The EU logo as well as those of GoP and implementing partners were displayed at conferences and workshops including publications, Newsletters and material produced under the TRTA II programme.

3 Key Achievements

3.1 Component 1: Trade Policy Capacity Building

- 3.1.1 Twinning arrangements between WTI and PITAD for the enhancement of PITAD's institutional capacity, signed through an MOU on 17 February 2011, were operationalized and conduct of activities have commenced under the MoU.
- 3.1.2 The procurement of the recommended necessary equipment (books, hardware and software) for PITAD is near completion.
- 3.1.3 Seven officers/officials from PITAD, IBA, LUMS and TDAP were trained in respective modules at University of Bern, Switzerland. Five of the master trainers have submitted final course modules and the remaining two are in the process of being finalised. These master trainers will now run training courses on a continuum basis at PITAD, hence developing sustainable capacity at PITAD.
- 3.1.4 Master trainers from the Institute of Business Administration (IBA), Karachi, and PITAD trained 32 policy makers on trade policy formulation and competitiveness. This demonstrated the sustainable capacity built for trade policy formulation at PITAD. Moreover, the training course was run and managed over video conference; a new capacity built at PITAD under the TRTA II programme.
- 3.1.5 Thirty five (35) officers and researchers from various ministries, research organizations and provincial departments were trained on Regional Integration -- A Comparative Legal Framework by the master trainer from TDAP. The quality and delivery of the course resulted in a demand from Mr. Nabeel Javed, Additional Secretary Department of Industries, Commerce and Trade Government of Punjab, requesting to run the course for their master trainers.
- 3.1.6 In order to create awareness among the stakeholders about the process of PPD and invite their active participation in the process, about 350 letters along with PPD brief and other documents were sent to various stakeholders. It is expected that the stakeholders are now adequately aware of the process and its potential benefits for the development of coherent and inclusive trade policies.
- 3.1.7 The first meeting of the Public Private Dialogue Steering Committee (PPDSC) held on 13 April 2011 resulted in formulation of an Executive Committee to take swifter and more informed decisions on matters relating to PPDs. The Executive Committee decided three services sectors for first PPD and two goods sectors for regional trade with ECO countries for the second PPD to be held during 2011.
- 3.1.8 Three research studies presented in the first PPD and have been finalised, whereas the remaining two are in the process of finalisation.

3.1.9 The PPD of 27 October 2011 resulted in strong evidence based policy outcomes for trade enhancement in the services sector. The high level and number of participants in the PPD is a testimony regarding positive development towards institutionalization of the PPD process given that no travel, accommodation or subsistence allowance was provided to the participants.

3.1.10 The whole process of the PPD was steered by the Executive Committee of PPDS. Letters of invitation and other communications with the stake holders were initiated by the Co-Chair PPDS with the letterhead carrying logos of PITAD and Ministry of Commerce. This indicates the commitment and ownership of Ministry of Commerce and other stake holders for the process of PPDs.

3.2 Component 2: Export Development through Improvement of Quality Infrastructure

3.2.1 Component 2.1: Strengthening SPS Management System

3.2.1.1 The draft of the NAPHIS Bill and the recommendations on the proposed institutional structure of NAPHIS are ready to be presented to the Cabinet.

3.2.1.2 MOUs have been developed for three universities/institutes (UVAS, NFSAT at UAF and Karachi University) to establish a Post Graduate training diploma for food inspectors in Pakistan. This will result in around 500 inspectors trained over the next two years and will build a sustainable capacity within the country.

3.2.1.3 Ten (10) delegates from relevant ministries and attached government bodies met with several food safety and SPS management agencies in the UK and DG SANCO in Brussels to learn and exchange ideas on SPS and develop strategic linkages during study tour to UK from 14-25 November 2011.

3.2.1.4 Ten (10) participants from fish processing plants were trained in HACCP and traceability systems, and 28 participants from the Marine Fisheries Department and Karachi Fishery Harbour Authority were also trained in hygiene controls along the supply chain.

3.2.1.5 Capability of MFD on inspection and control of traceability was enhanced through development and use of landing site inspection form.

3.2.2 Component 2.2: Improved quality, value addition and compliance in fishery, horticulture and industrial sectors

- 3.2.2.1 The Competitiveness Benchmarking Tool was piloted in two key industrial sectors, namely cutlery and fans. The tool is available as a downloadable user friendly software.
- 3.2.2.2 Eleven (11) key staff members of NPO were trained in the application of the CBS tool. The training included both field data collection and in-house analysis by engaging the CBS tool.
- 3.2.2.3 Sector benchmarking reports highlighting key productivity bottlenecks for cutlery and fan sectors were produced and finalised. NPO has agreed with the key recommendations and they will be taking it forward as evidence for policy formulation process.
- 3.2.2.4 Twenty Two (22) firm level productivity enhancement intervention reports were produced and finalised with relevant enterprises to move forward in implementing the recommendations.
- 3.2.2.5 A PC-1 has been developed and put up for approval by NPO to implement recommendations made in the benchmarking report to fund mechanical upgradation of the polishing process in the cutlery sector.
- 3.2.2.6 The International Productivity Congress held in Islamabad on 17-18 November 2011 proved to be useful and invaluable for establishing international attire and linkages of NPO.
- 3.2.2.7 Fellowship awards were presented to five individuals from Pakistan by World Academy of Productivity Sciences (WAPS) arranged under TRTA II programme.
- 3.2.2.8 The finalized PC-1 for PAKGAP has been submitted by PHDEC for approval to Ministry of Commerce.
- 3.2.2.9 Three Local technical institutions Citrus Research Institute (CRI) in Sargodha, Mango Research Station (MRS) in Multan and University of Agriculture (UAF) in Faisalabad have been engaged to develop Codes of Practice (COPs) along the critical points of the supply chains in the kinnow and the mango sectors. This demonstrates development of sustainable local capacity under TRTA II to work on the supply side issues of horticulture in Pakistan. This is also expected to bring in a greater buy-in and ownership of key stakeholders.

3.2.3 Component 2.3: Conformity Assessment Infrastructure and Services

- 3.2.3.1 Consensus was achieved on practices of standardization, setting technical regulations and conformity assessment procedures in Pakistan through three Consultative Workshops and a National Conference held at Lahore, Karachi and Islamabad from 20-27 April 2011 in collaboration with PSQCA.
- 3.2.3.2 Twenty Seven (27) PSQCA staff members were trained on the subject of setting national strategies and assessing priorities for standardization.
- 3.2.3.3 Eleven (11) staff members of PSQCA associated with TBT/WTO National Enquiry Point (NEP) were trained on its operations and functions. Action plan to operationalize the NEP was developed and approved by DG PSQCA.
- 3.2.3.4 NPSL achieved, with continued TRTA II support, international recognition in its measurement services and signed MRA with BIPM/CIPM.
- 3.2.3.5 The Mass Laboratory of NPSL was assessed by PNAC in October 2011 for accreditation to ISO 17025.

3.3 Component 3: Strengthening of the Intellectual Property Rights System

- 3.3.1 Four (4) IPO staff was trained on digitization during September 2011. This will result in conversion of thousands of paper files to electronic form. This digitization of IP records is indispensable to the upgrade of the IPO automation systems and services planned under the TRTA II.
- 3.3.2 Following the recommendations resulting from the IT infrastructure review, IPO Pakistan established a project management team and core teams (e.g. an IT team) that will follow and assist in project implementation over the period of the project.
- 3.3.3 Four (4) IPO staff members were trained on IP Classifications for patents, industrial designs and trademarks in September 2011 in Geneva.
- 3.3.4 Four (4) IPO staff members were trained on digitization of IP records in September 2011 in Geneva.
- 3.3.5 An IP expert contributed greatly at the the Public Private Dialogue on the “Services Sector Export Development Strategy for Pakistan” on 27 October 2011.

- 3.3.6 On-site review of the patent administrative procedures was carried out and completed.
- 3.3.7 The patent examiners in Karachi Patent office were trained by a WIPO Patent Expert in October 2011 in Karachi.
- 3.3.8 Training of four IPO officials on Geographical Indications (GIs) was completed in October/November 2011 in Geneva.

3.4 Implementation Monitoring and Impact Assessment

- 3.4.1 Monitoring reports for the three quarters from January 2011 to September 2011 produced in the revised template jointly with PITAD.
- 3.4.2 A roadmap for assessing impact of the TRTA II programme has been prepared.

3.5 Donor Coordination

- 3.5.1 Invitations together with working papers elaborated jointly by PITAD and PMO were extended to 24 key donors providing technical and other forms of support to Pakistan to attend a meeting on Donor Coordination on 28 October 2011. However, the meeting had to be postponed again on specific request of the Secretary MoC.
- 3.5.2 Initiatives were taken by TRTA to coordinate activities of other donors such as IFAD/PIDSA, ASLP (AUSAID), FIRMS (USAID), NORAD and DFID in respect of interventions in fisheries and horticulture sectors as well as impact assessment of programme results.

3.6 Visibility

- 3.6.1 TRTA II website is being continuously updated with new materials and reporting on progress made in implementation of the activities – <http://trtapakistan.org>
- 3.6.2 The third SPS e-Newsletter has been issued and the fourth issue is under finalization.
- 3.6.3 The second and third quarterly issues of the TRTA II Newsletter (Trade Time) have been published and issued during the reporting period.
- 3.6.4 Six press releases on TRTA II activities were issued.
- 3.6.5 Over 10 press coverage/articles on TRTA programme appeared in the national Newspapers.
- 3.6.6 A Brochure on TRTA II Programme has been published and issued.

4 Difficulties Encountered and Measure Taken to Overcome Problems

4.1 Component 1: Trade Policy Capacity Building

4.1.1 Difficulties were experienced in getting a response from the public and private stakeholders for attending the PPD. Some of the respondents preferred not to respond despite repeated telephone requests. Efforts were continuously made to solicit wide participation of stakeholders in the PPDs.

4.1.2 There has been delay in creation of a link at the TRTA II website regarding PPDs so that stakeholders would have access to all information regarding PPDs online with the facility for them to register for participation in the PPD and sharing of policy recommendations through the website. The technical difficulties to initiate and launch this facility has to be resolved as expeditiously as possible.

4.2 Component 2: Export Development through Improvement of Quality Infrastructure

4.2.1 Component 2.1: Strengthening SPS Management System

4.2.1.1 The NAPHIS Bill is still in draft form and has not been presented to the Cabinet for approval. Until the NAPHIS Bill is approved and the revised structure of NAPHIS is adopted, the SPS Component of TRTA II will lag on its planned activities. PMO is regularly meeting with NAPHIS and observing the changes in institutional arrangements at the national level (devolution) and restructuring at the ministerial level to get things moving in this aspect.

4.2.1.2 The capacity and speed of operation of the identified institutions to offer training in food safety and SPS is challenging, which has the potential to slow down progress in implementation of SPS measures. However, PMO has developed MOUs which set the terms of reference to deliver the agreed outputs in the stipulated action plans.

4.2.1.3 The resumption of fisheries exports to the EU is still a serious challenge. TRTA II will provide technical support to MFD and processing plants to address the deficiencies with a view to approval of trial shipments of fisheries products to the EU by DG SANCO based on accepted Dossier of objective evidences to be submitted by MFD with TRTA II support.

4.2.2 Component 2.2: Improved quality, value addition and compliance in fishery, horticulture and industrial sectors

- 4.2.2.1 The critical difficulty in determining the Overall Effective Efficiency (OEE) of firms resulted from reluctance of firms to share data and open up their factory floors for observations. OEE cannot be done without the entrepreneur's complete willingness to allow free open access to all parts and processes of the plant. To address this issue, PMO involved NPO and Sector Associations to select pilot firms, which are willing to fully share their data with the Benchmarking Experts fielded under TRTA II. This approach has been successful in addressing this issue to a great extent. All the data has now been collected from selected firms.
- 4.2.2.2 The PAK GAP PC-1 has been prepared and the final draft has addressed all the issues raised and now is awaiting approval by the Government. Any delay by the government at this stage can potentially slow down things in implementing the GAP standards. Additionally, the Government of the Punjab is working with Star Farms to introduce Global GAP trainings and promulgation. This has created some rift between the TRTA II approach and the approach taken by the Government of Punjab. However, the relevant discussion with PHDEC and other stakeholders has confirmed that a gradual step-by-step change approach under the TRTA II is more useful and relevant for Pakistan context. It is also expected that if properly implemented both the approached will merge over time as one.
- 4.2.2.3 Delays are being experienced in approval of sub-contracts submitted to the national institutions under Govt. of Punjab for the development of COPs in horticulture sector. This issue is to be resolved through continuous interactions with Government of the Punjab and its institutions concerned.
- 4.2.2.4 There is an initial lack of Initial lack of commitment from the side of the private sector in the fisheries to work on added value export. The mission of the International Expert in value added production in Fisheries sector is expected to address this issue.
- 4.2.2.5 There is no distinct clarity of roles and mandates of provincial and federal governments in the operationalization of Korangi harbour, thereby jeopardizing the success of development initiatives thereof. The commitments of both the provincial and federal government are to be explicitly expressed to proceed with TRTA II interventions.

4.2.3 Component 2.3: Conformity Assessment Infrastructure and Services

- 4.2.3.1 The expeditious development of Business Plan by all the 30 laboratories identified for accreditation to ISO under the TRTA II skill remains a challenge. The continued advice and inputs of the International expert and PMO would be provided to accelerate progress in this regard.
- 4.2.3.2 The MOUs with the laboratories to be supported for accreditation under TRTA II have not been signed by a majority of the laboratories. PMO will actively follow-up and urge conclusion of the MOUs
- 4.2.3.3 The development of Quality Documents by the 30 laboratories is lagging behind. The continued advice and inputs of the International Expert and PMO would be provided to accelerate progress in this regard.

4.3 Component 3: Strengthening of the Intellectual Property Rights System

- 4.3.1 The finalization and the signing of the Inter-Agency Agreement (IAA) between UNIDO and WIPO took much longer than expected which resulted in a delayed start of Component 3 activities. The work plan had to be reviewed and adjusted to accommodate the delayed start. Wherever feasible, some activities would now either be combined, or undertaken in parallel, to ensure completion of this Component within the timeframe of the TRTA II Programme.
- 4.3.2 It is becoming increasingly difficult to find international IP experts to undertake missions to Pakistan even though security clearance could be obtained for them. Knowing the security situation in Pakistan before hand, only a limited number of expert missions were planned to be fielded to Pakistan. Even amongst these only a few may be organized in Pakistan, while the rest may be substituted by some activities (e.g. study visits, training) to be carried outside Pakistan.
- 4.3.3 There has been a change in management at the IPO and the organization is undergoing restructuring. WIPO is in close consultation with the IPO to ensure that there is continuity in the personnel engaged with the TRTA II activities.

4.4 Donor Coordination

The Donor Coordination meeting, to be chaired by Secretary Commerce, could not be convened as scheduled for 28 October 2011 on specific request of the Secretary.

5 Changes in Implementation

There are no changes envisaged in the implementation of the TRTA II programme of activities.

6 Important Next Steps/Actions

6.1 Component 1: Trade Policy Capacity Building

6.1.1 Policy document on the basis of discussions during the PPD on services sector export development strategy for Pakistan, findings of the three research studies and policy proposals received from various stakeholders will be prepared and submitted to the PPDSC for approval and formal submission to the Government for consideration as Government policy for services sector export development in Pakistan.

6.1.2 The training of Government officials in all course modules relating to trade policy will be enhanced and accelerated.

6.2 Component 2: Export Development through Improvement of Quality Infrastructure

6.2.1 Component 2.1: Strengthening SPS Management System

6.2.1.1 The draft NAPHIS Bill to establish a Food Safety, Animal and Plant Health Authority at Federal level has to be finalized urgently and subsequently considered by Government for its enactment by Parliament.

6.2.1.2 The Punjab Food Safety Authority needs to be rendered operational and the Punjab experience and process have to be replicated in other provinces of Pakistan.

6.2.1.3 Capacity building and development of course curriculum for Post Graduate Diploma Courses in Food Safety and SPS to be offered by three selected national institutions needs to be initiated in December 2011.

6.2.2 Component 2.2: Improved quality, value addition and compliance in fishery, horticulture and industrial sectors

6.2.2.1 Technical and hand holding support to NPO to replicate the benchmarking activity in the Surgical Instruments Industry should be continued.

6.2.2.2 An International Expert in lean manufacturing to help implement the productivity interventions identified by the benchmarking expert, via conducting the Overall Effective Efficiency (OEE) and the Competitiveness Benchmarking System (CBS) benchmarking in the fans and the cutlery sector, needs to be fielded in early 2012.

6.2.2.3 Selection of Pilot farms and processing units in Kinnow and Mango sectors for implementation of COPs must be selected as soon as possible.

- 6.2.2.4 The Pakistan specific trade corridor approach for the creation of linkages along the global supply chain in selected product sectors has to be developed as quickly as possible to synergise with the sector benchmarking work being carried out.
- 6.2.2.5 The commitments of the federal and provincial Governments must be received urgently in order to initiate the process for the conduct of pre-feasibility study for Korangi Fish Harbour.
- 6.2.2.6 The consent of the Pakistan Seafood Exporters Association needs to be received in order to field the International Expert in value addition in the fisheries sector.
- 6.2.2.7 The PMO needs to maintain close coordination with MFD in providing TRTA II support for resumption of export of fisheries product to EU countries.

6.2.3 Component 2.3: Conformity Assessment Infrastructure and Services

- 6.2.3.1 Review the progress of PSQCA in respect to the operationalization of National Enquiry Point.
- 6.2.3.2 Plan and arrange trainings programme for the staff of national Enquiry Point of PSQCA
- 6.2.3.3 Fielding of international expert in Conformity Assessment Bodies to advice PNAC in order to achieve the MLA signatory status with IAF for accreditation of Certification Bodies and Inspection Agencies.
- 6.2.3.4 Commission the studies on five selected countries on key challenges and success factors for the establishment, operational and sustainability of national quality infrastructure relating to standards, conformity assessment, metrology and accreditation services, including its socio-economic impact.

6.3 Component 3: Strengthening of the Intellectual Property Rights System

- 6.3.1 An international expert, and a national expert, have been identified and work is planned to start from December 2011 to prepare an analytical paper on the possible elements for protection of utility models. The recommendations of the paper would be made keeping in mind Pakistan's level of economic and technological development.
- 6.3.2 Nominations from the three key agencies involved in enforcement activities (i.e. Police, FIA, Customs) have been received and the study visit to the United Kingdom is planned to start in the first quarter 2012. This study visit would be a first step in setting up IP enforcement training modules in the respective academies of the participating agencies.

- 6.3.3 An international expert has been identified for review of the trademarks administrative procedures and training of trademark examiners of the Trade Marks Registry of the IPO. This activity is planned to be undertaken in the first quarter of 2012.
- 6.3.4 Preparations are in progress for the second and final part of the review of IPO's technical infrastructure. It is expected that the recommendations resulting from this exercise will be implemented by the IPO to upgrade its overall infrastructure to support the advanced systems and services planned under the TRTA II project.
- 6.3.5 Consultations are being held with some IP offices that have a high level of modernization, for a study visit by IPO officials. The study visit's objective is to gain knowledge and learn from experiences of a modernized IP office and share best practices and common challenges.
- 6.3.6 The draft terms of reference for the digitization of IP records is under preparation. It is planned to finalize this and start the tendering process in the first quarter 2012.

6.4 Donor Coordination

The much anticipated and planned Donor Coordination meeting needs to be convened as soon and conveniently as possible.

7 Summary of Achievements against Results Aimed and OVIs

A matrix providing a summary of achievements against results aimed and key objectively verifiable indicators (OVIs) is provided in Annex I to this report

8 Work Plan

The Work Plan of TRTA II Programme for 2011 is given in Annex II to this report.

Results Aimed (Logical Framework)	Objectively Verifiable Indicators (OVIs)	Achievements made Inception – 31 March 2011 1 April 2011 – 30 November 2011
<p>1.3 Government officers' capacity on specific trade policy and international trade negotiations strengthened</p>	<p>6 short trainings are conducted with government officers successfully completing training</p>	<p>The 7 master trainers were sent to WTI for three weeks training on the selected modules and to learn pedagogical methods for module delivery.</p> <p>After the Bern training, the master trainees have started write up of their modules and 5 modules have been submitted by the master trainees for final review/approval of their mentors.</p> <p>These modules are being reviewed by WTI so as to ensure that they meet the requirements for joint certifications.</p> <p>A survey has been undertaken to assess the capacity and desire of Pakistani universities and research institutes to carry out trade policy research</p> <p>3 day training on Trade policy formulation and Competitiveness analysis was conducted jointly by PITAD and ITC. The master trainers from IBA and PITAD who were trained by the mentors from WTI under Component 1 conducted the training. The WTI mentors also supported and participated in the event through video conference. 32 officers from various ministries and government departments participated in the training.</p> <p>A 2 day training on Regional Integration-A comparative legal framework” was conducted by the master trainer from TDAP who was trained under Component 1 of the TRTA II programme on the subject. He was also supported by the mentor from WTI through videoconference. Thirty officers from various ministries and government departments were trained on the subject.</p>
<p>1.4 Research studies contributing to the development of a national export strategy conducted</p>	<p>At least 15 research papers that feed into public-private dialogue are produced by 2014 and are approved through peer review mechanism</p>	<p>Research topics for PPDs during 2011 and policy research to feed into the PPD finalized by the PPDS</p> <p>Research consultants hired to conduct five research studies at the recommendations of EC of PPDS</p> <p>Three research studies have been completed and presented during first PPD whereas two further studies are under international peer review</p> <p>The system of international peer review established for the studies conducted by local researchers/research institutions with a secondary objective of refining the research skills of local organizations.</p>

Results Aimed (Logical Framework)	Objectively Verifiable Indicators (OVIs)	Achievements made Inception – 31 March 2011 1 April 2011 – 30 November 2011
<p>1.5 Public-private dialogue for a coherent national export strategy is fostered</p>	<p>A core group of key stakeholders constituted to develop a national export strategy by 2012</p> <p>Approximately 10 PPDs are held by 2014</p>	<p>PPDSC has been established</p> <p>PPDs recognized as complimentary to GoP’s initiative of reviving export promotion board and 2011 as year of exports</p> <p>A completed survey has indicated stakeholders most desired topics for PPDs.</p> <p>Orientation on Component 1 vision of PPD process given to PPDSC.</p> <p>Executive Committee (EC) of PPDSC established</p> <p>First PPD on Services sector export development strategy for Pakistan held</p> <p>The process of PPD and policy research to feed into the PPDs steered by the EC of PPDSC which is the ultimate objective to create ownership for the PPD among core group of stake holders</p>
<p>2. Improved compliance of exported products with export market requirements</p> <p>2.1 Strengthened SPS controls</p>	<p>Controls on exports of fishery products “at least equivalent” to EC by 2012</p> <p>No. of EU RASFF alerts for products of plant origin/year reduced to <10/year by 2014</p>	<p>2.1: To achieve the OVIs, the following progress has been achieved:</p> <ul style="list-style-type: none"> - National consensus achieved to establish a National Food Safety, Animal Health and Plant Health Authority - NAPHIS Bill has been re-drafted - Three local universities identified for establishing training institutes for food inspectors - Technical input provided in establishing Punjab Food safety Authority - Further refinements were made to NAPHIS Bill and the proposed organisation structure. The Bill is now ready for presentation to Cabinet for approval. - 10 participants from fish processing plants were trained in HACCAP and traceability systems, 28 participants from the Marine Fisheries Department and Karachi Fishery Harbour Authority trained in hygiene controls along the supply chain - Study tour to US comprising 1 delegate was conducted on SPS - Study tour to UK and Brussels on SPS issues comprising 10 delegates from relevant ministries and agencies was conducted - MOU’s for partnership between TRTA II and three local institutions were finalised to develop local capacity to offer post graduate training courses in SPS

Results Aimed (Logical Framework)	Objectively Verifiable Indicators (OVIs)	Achievements made Inception – 31 March 2011 1 April 2011 – 30 November 2011
<p>2.2 Improved quality, value addition and compliance in fishery, horticulture and industrial sectors</p>	<p>10 additional fishery establishments compliant with EC market requirements by 2014 Value of fishery/horticulture products at first sale increased by 5% in real terms by 2014 40 fishery/horticulture/fans/cutlery enterprises certified to quality, environment, food safety, GAP, CSR management systems including CE marking by 2014</p>	<p>2.2: To achieve the OVIs, the following progress has been achieved:</p> <ul style="list-style-type: none"> - NPO signed MOU with WNPO and WCPS - Five NPO staff trained in Benchmarking - Sector level benchmarking tool and questionnaire, and overall effective efficiency (OEE) tool and questionnaire for fan and the cutlery sectors developed and pretested - Data collection in progress in fan and cutlery sectors - Strategic plan finalized for MFD to assist them in lifting EU Ban - Horticulture round table, attended by 20 key stakeholders, conducted in Lahore to discuss way forward on development and application of PakGAP - Cost of control survey in horticulture developed and pretested in the field - TORs developed and proposals received for development of Code of Practices (COPs) in horticulture - Competitiveness Benchmarking System (CBS) tool developed and launched. - 10 Staff of NPO trained in CBS Tool and software installed at NPO - CBS and benchmarking data collected in fan and the cutlery sector - 3 NPO staff trained in CBS data collection in field from factory floor - 2 Benchmarking reports produced for cutlery and fan sector - 21 firm level intervention reports produced to improve value addition and productivity - The CBS has also been launched in the Surgical Instruments Industry - TRTA II fully supported NPO in conducting productivity congress in collaboration with APO (17-18 November) - Five fellowship awards were presented to five individuals from Pakistan by World Academy of Productivity Sciences (WAPS) arranged under TRTA II programme. - PC-1 for PakistanGap has been revised and submitted for approval to Ministry of Commerce. - Three Local technical institutions in Multan, Faisalabad and Sargodha have been selected and engaged under TRTA II programme to develop Codes of Practice (COPs) along the critical points of the supply chains in the kinnow and the mango sector. This activity has also been linked up with Agriculture Support Linkage Programme (ASLP) programme of AUSAID and the FIRMS programme of USAID in the said sector.

Results Aimed (Logical Framework)	Objectively Verifiable Indicators (OVIs)	Achievements made Inception – 31 March 2011 1 April 2011 – 30 November 2011
2.3 Improved conformity assessment infrastructure and services	<p>Internationally recognized accreditation (1) compliance testing (24), metrology (6), system certification (5) and metrology (6) services achieved by 2013 30 testing/metrology labs paying accreditation fees to PNAC by 2014</p>	<ul style="list-style-type: none"> - Organized horticulture stakeholders round table meetings in collaboration with PHDEC which endorsed the approach and frame work presented for the development of COPs. - The potential local agency (NESPAK) has been identified for the award of the contract to carry out pre-feasibility studies concerning the upgradation of landing sites and developing the business park at Korangi Harbour which will help towards the operationalization of said harbour. <p>2.3: To achieve the OVIs, the following progress has been achieved:</p> <ul style="list-style-type: none"> - Assessment of 34 testing and calibration labs conducted and 24 testing plus 6 metrology laboratories selected for accreditation under TRTA II - Brief on conflict of PSQCA function in respect of SPS food controls and mandatory certification of food products produced and discussed with MinFA and MoST - Mock audit of mass metrology laboratory conducted and gaps identified to achieve accreditation - 67 staff from 30 laboratories trained in development of business plans (BPs) for laboratories and draft BPs produced - Three Consultative Workshops and National Conference in Lahore, Karachi and Islamabad organized on practices of standardization, setting technical regulations and conformity assessment - Two day training programme was organized for 27 staff of PSQCA on Setting National Strategies and assessing priorities for standardization - 11 staff members of PSQCA associated with TBT/WTO National Enquiry Point was trained. - Action plan was developed in consultation with PSQCA staff to operationalize the NEP. - Two officials of PNAC participated in Asia Pacific Laboratory Accreditation Cooperation (APLAC) General Assembly, MRA Council and Technical Meetings held in Philippine from 12-16 September 2011 - NPSL achieve international recognition in its measurement services and signed MRA with BIPM/CIPM

Results Aimed (Logical Framework)	Objectively Verifiable Indicators (OVIs)	Achievements made Inception – 31 March 2011 1 April 2011 – 30 November 2011
<p>3.3 Improved enforcement of IPRs</p>	<ul style="list-style-type: none"> • Judges colloquium by 2012 • Up to six (6) master trainers trained from FIA/Police and Customs Academy by 2012 • IP enforcement training courses commenced by Police, Customs and Judicial Academies by 2012 	<p>3.3 Improved Enforcement of IPRs</p> <ul style="list-style-type: none"> - The initial preparation for the judges’ colloquium has commenced (e.g. resource persons identified, venue selected). The program, dates and nominations of potential participants are under consultations. - Consultations are in progress for the program, dates and venue of the study/training visit for the master trainers. Nominations of potential participants have been received.
<p>3.4 Increased use of IP system by businesses and research institutions</p>	<ul style="list-style-type: none"> • Public information campaign (media briefings, provision of public awareness materials) commenced by 2011 • Up to 15 national trainers on IP for businesses trained by 2012 • Roundtable on IP and trade policy by 2012 • IP modules in up to six public-private consultations by 2013 • National Roundtable on TMOs by 2013 • E-forum on technology transfer to industry established 	<p>3.4 Increased use of IP system by businesses and research institutions</p> <ul style="list-style-type: none"> - Contributions were made by IP experts from Component 3 to the Public Private Dialogue (PPD) on the “Services Sector Export Development Strategy for Pakistan” that was organized by Component 1 in October 2011 - A list of IP reference material has been prepared and a recipient institution is being identified. - Media briefings are planned to start from December 2011 and continue at regular intervals throughout the project.