

PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT

NEEDS ASSESSMENT AND ROADMAP

TRADE RELATED TECHNICAL ASSISTANCE PROGRAMME



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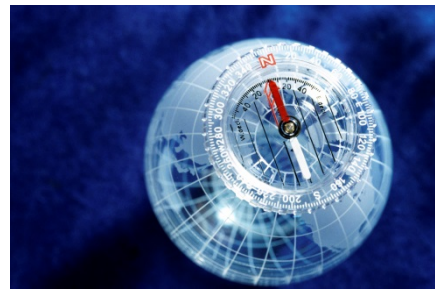
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INTRODUCTION

During 12-23rd April I visited Pakistan to conduct meetings with PITAD and major public and private sector stakeholders, both current and potential, to primarily examine the capacity needs and development of PITAD in meeting its objectives of becoming a 'public policy institute of international stature on Pakistan's trade, commerce and economy' (its vision statement) and to 'enhance national export competitiveness through policy research, capacity building and advise policy makers and relevant stakeholders in Pakistan's trade, commerce and economy' (its mission statement).

In addition, I conducted two days of training in Karachi and Lahore on trade in services, including on healthcare as a case study. These training activities were covered in a separate report submitted to the ITC on 2nd May 2014. It is re-produced as Appendix I of this Report.

Terms of Reference (TOR)

The TOR required the preparation of a comprehensive needs assessment study (NAS) that canvasses all important stakeholders identified, best practices, and makes practical recommendations on how to strengthen or build capacity at PITAD. The TOR more specifically requires the International Consultant to 'draft a comprehensive NAS that canvasses all important stakeholders, best practices, and makes specific recommendations on how to build capacity.' This NAS is to serve as the basis for the ITC to develop a roadmap for PITAD's institutional capacity building to make it a sustainable centre of excellence on trade policy training and research. Such institutional building is seen as a long term and continuous effort where government, development partners and beneficiaries can engage in concerted and collaborative efforts to achieve the desired goal, and to set about making preparations for this assessment by coordinating with local stakeholders and finding appropriate expertise to implement the assessment.

Itinerary

The mission's itinerary was well organized and enabled a good – if incomplete - cross-section of views to be received from a broad range of PITAD's current and potential stakeholders across business, the public sector training bodies, and education institutions. Meetings covered:

- Business bodies - Federation of Pakistan Chambers of Commerce and Industry and the Pakistan Business Council;
- Public sector training bodies – , , National management Authority, Foreign Service Academy (FSA), and Information Services Academy (ISA);
- Education institutions – Institute of Business Administration, National University of Science and Technology, and the Pakistan Institute of Development Economics (PIDE);and
- Government organizations: Trade Development Authority of Pakistan (TDAP), Department of Industries, Commerce and Investment, Lahore, National Tariff Commission (NTC).

The mission's itinerary is provided in Appendix 2.

Despite best efforts, it was unfortunate that meetings with the Ministry of Commerce (MOC) and the National Competition Commission did not eventuate. Also, while meeting with PITAD I was unable to meet sufficient PITAD staff to discuss and gauge their accessibility and skill capacity, or to receive individual feedback on staff views on PITAD's development progress. The meeting with PITAD involved Dr. Syed Kausar Ali Zaidi, Director of Training, and Mr. Khalid Hanif, Deputy Director. Thus, the International Consultant was not in a position to elaborately appraise the capacity skills of existing

staff. Similarly not meeting with the MOC limited the extent to which I could evaluate its relationship with PITAD.

Mr Sajid Hussain, Director General, and Dr. Syed Kausar Ali Zaidi, Director of Training, from PITAD, accompanied myself and Mr Owais Khan (ITC, Pakistan) on almost all meetings, and participated actively in the discussions. While their input was helpful and appreciated, and provided them with the useful opportunity to inform stakeholders of recent developments at PITAD and to discuss various aspects with the International Consultant, their presence at times seemed to have influenced the discussions.

Background

The need to have a NAS of PITAD arose from the December 2013 meeting of the Programme Steering Committee of the EU funded Pakistan trade Related and Technical Assistance programme (TRTAII). ¹This seemed an opportune time for such a stocktake and assessment given that PITAD in its current form had been restructured from the Foreign Trade Institute of Pakistan in 2008. An important aspect of PITAD's revised mandate was to expand its role as a policy research organ of the MOC, and in providing capacity building on the multilateral trading system for the public and private sectors, to advise policy makers and to disseminate information to stakeholders on various issues pertaining to export competitiveness. In 2009, a dedicated new building was commenced to house PITAD, whose construction schedule has missed several deadlines and is now due for completion at the end of 2014. PITAD is optimistic that it may be able to move into the building later this year.

¹ TRTA II has recently been extended to May 2016 with an additional funding of 2 Euro million.

FRAMEWORK FOR ASSESSMENT

The assessment was conducted within a supply and demand framework. First, PITAD's supply capacities and capabilities were ascertained, but on the basis of a limited interaction with professional staff, and especially of the trained Master Trainers. Second, the realistic potential for PITAD to supply training and research services outside the MOC was assessed, including by competing within the market with other Pakistani suppliers. Both components must be incorporated in any roadmap that is designed to improve PITAD's effectiveness and longer-term operational as well as financial sustainability. Both supply and demand must be integrated to ensure that any expansion in supply capacities and capabilities are effectively utilized and meet evolving demand requirements.

Supply capacities and capabilities

Knowledge development and training of PITAD's officers have been enhanced considerably since 2011 under component 1 of the EU's Trade-Related and Technical Assistance (TRTA) programme. The focus of this has been a successfully implemented Memorandum of Understanding signed with the Bern-based World Trade Institute (WTI) for a twinning arrangement whereby WTI experts worked closely as mentors with selected PITAD and other staff to develop internationally-accredited training courses and to help train a network of Pakistani Master Trainers to service PITAD's training and research needs.² In all, 12 training modules have been developed. With the WTI's support, the accredited modules now constitute a WTI-PITAD Certificate on International Trade Law and Commercial Diplomacy.³ The modules together with associated Master Trainers and WTI Mentors are given in Appendix 3. A significant share of Pakistani Master Trainers had to come from outside PITAD because it did not have sufficient staff to meet the required numbers.

The Certificate is available to recently-recruited MOC trainee officers who participate in the mandatory 9-month Specialized Training Programme (STP) provided annually by PITAD. These courses are attended by newly inducted officers of Commerce and Trade Group, which are then posted to the MOC or TDAP. Over 40 such officers have been awarded the Certificate from two such STPs. Those holding the Certificate are entitled to a waiver of certain courses should they continue with further studies at the WTI. While the STP training is the 'bread and butter' of PITAD's training efforts, it also provides inputs into other public training courses. Such training generally consists of a few short courses (up to a week) in specialized areas requested by the training body.

In addition, a number of short training courses have been offered by PITAD with direct input from WTI experts. For example, a series of training sessions on Trade in Services were conducted in October 2013 in Karachi, Lahore and Islamabad in association with TDAP Karachi, Institute of Business Administration (IBA), and Punjab Department of Industries, Commerce and Industries. These were the forerunner to similar training sessions conducted by the Consultant as part of this mission.

A two day training course on "Economics and Policy of Non-Tariff Measures" was also organized in Lahore in August 2013 in association with the Government of Punjab. The purpose of the training course was to build the capacity of officers working in various ministries and government departments regarding the economics and policy of non-tariff measures. The training was carried out by a Master Trainer trained under the WTI partnership and focused on the difference between Non-Tariff Measures (NTMs) and Non-Tariff Barriers (NTBs), and how NTMs operate as a non-transparent trade restrictions.

From February to October 2013, in total 11 training events using in part these modules were conducted throughout the country. Over 800 public and private sector participants were trained, with

² The training modules were completed through a combination of distance learning over a period of four to five months and face to face interaction during three weeks of training in Bern.

³ The WTI on 3 September 2013 awarded accreditation to graduate-level training modules developed by PITAD in a ceremony held at WTI.

high levels of knowledge enhancement reportedly recorded among participants. Over 1,000 participants have been trained by PITAD in total.

Challenges

Effective maintenance, expansion and utilization of training modules within PITAD - now that the modules have been completed, with the exception of one module which was dropped due to poor quality, the challenge is to ensure that they continue to be maintained and utilized effectively, and knowledge and content periodically updated.⁴ Paramount in achieving this will be to develop within PITAD an academic culture to ensure that the necessary module knowledge is effectively transferred to other PITAD officers, including new recruits. This is especially so given that many of the master trainers were from outside PITAD, thus perhaps weakening their longer term availability and direct impact on strengthening PITAD's capacity enhancement. Also, such transfer of knowledge and skills is essential to take account of inevitable turnover of PITAD staff.

Thus a culture to share knowledge and training with other PITAD officers is necessary, underpinned by an effective formal mechanism to ensure this occurs regularly. While initially it made sense for the WTI mentors to work with separate Master Trainers for each module to complement PITAD's limited staff numbers and to assist it in building a domestic network of trainers, efforts should now be directed at ensuring such Master Trainers acquire expertise and knowledge in other modules. Building such 'in-house' expertise is vital if PITAD is to meet its aspirations. Such knowledge should also be transferred broadly to PITAD trainers. This is not to say, however, that PITAD should not continue to foster and utilize a network of external trainers and researchers from other reputable institutions, but rather that PITAD must develop most capacities within as a basis for establishing such complementary external networks.

The initial emphasis should be on transferring the knowledge and skills of those modules developed by non-PITAD staff to PITAD staff. Ensuring a broader base of knowledge and training skills among PITAD staff that is continually refreshed and circulated among PITAD officers is an important pre-requisite to building PITAD's institutional capacity and ensuring that its training expertise will be sustained over the medium to longer term.

While implementing such an effective mechanism and culture is primarily a function that only PITAD can achieve, ensuring that the partnership with the WTI continues to facilitate this will be important. There may also be the possibility of adding several modules that cover the economics of trade policy and how trade policy is best set in practice i.e. formulated and implemented. At the moment there seems to be an over-emphasis on the importance of exports at the expense of the importance of imports, including in establishing global supply chains, and an inadequate understanding of the economic limits of using mercantilism to set trade policy and measures. There is also a lack of awareness that trade policy is first and foremost domestic economic policy that should be seen as an integral part of any economy's economic reform agenda. Trade policy is more directly about opening up your economy to efficient imports. Hence trade policy is not trade law or just trade negotiations.

Continuing to hold training sessions and PPDs using WTI experts alongside PITAD Master Trainers will also be valuable. These provide good on-the-job learning advantages for Trainers, as well as offering an opportunity for their performance to be monitored, assessed by WTI experts. The goal should be to transition over time to less involvement by WTI experts and greater reliance on Master trainers.

Other valuable activities would be to hold a regional WTI/PITAD Summer Academy in Pakistan, starting in 2015. This would complement efforts by PITAD to become a knowledge hub in trade policy under several regional initiatives, such as the ADB's Central Asia regional Economic Cooperation (CAREC) program.⁵ The Pakistan Government (perhaps the MOC directly) could also strongly

⁴ The module on 'Assessing the effects of preferential trade agreements (PTAs): measurement methodologies' was completed but failed peer review, and hence was excluded from the joint certificate.

⁵ CAREC was established in 1997 to encourage economic cooperation among member countries in the Central Asian region, namely Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Turkmenistan, Tajikistan, and Uzbekistan. It has focused on financing infrastructure projects and improving the region's policy environment in the priority areas of transport (especially road), energy, trade policy, and trade facilitation (especially customs cooperation).

consider establishing an annual scholarship to send two staff (possibly one from PITAD and the other from MOC) to the WTI to complete the MILE, and also to send other staff to the Summer Academy (assuming it goes ahead).

The core STP training functions provided to MOC officers by PITAD resulting in the award of the Certificate faces substantial annual variations in the number of participants, being as high as 35 and as low as four. This makes such training 'costly' in some years when the number of participants is low while requiring essentially the same amount of training input to be delivered by PITAD. Efforts should be made with MOC to try and ensure a more even and substantial number of participants each year. Alternative sources of participants, such as opening the Certificate course to fee paying non-MOC officers and non-civil servants, including obtaining trainees from other government agencies, could also be explored. This should also look at attracting provincial officers who are likely to require substantial training in trade-related policies as part of the Government's devolution of responsibilities to regional governments.

PITAD's recent output - A list of PITAD outputs obtained from PITAD on a CD is summarized in Appendix 4. PITAD's also presented to the International Consultant another list of research studies completed during 2012-14, which largely reproduced the Pakistan India Trade Liberalization Sectoral Studies listed in Appendix 4. They show research output from PITAD to be very patchy and narrow in focus, especially for a policy advisory institute. Working papers and related discussion papers are irregular and seem to have been dis-continued. Although difficult to assess since many of the publications do not have a date, it seems that research studies in particular have almost ceased in recent years. The latest such report was dated in December 2011. A number of briefs on sectoral analysis conducted in the context of Pakistani-India trade liberalization are recorded, but these studies are undated. A quick assessment of the outputs provided in Appendix 4 shows the studies to be of variable quality. But most disturbing is the narrow focus of the studies on trade agreements and sectors. PITAD should broaden its research activities, and too MOC of requests to PITAD for research studies and advice, if PITAD is to evolve into an effective and relevant trade policy advisory and research institute. Trade policy is much more than preferential trade agreements and sectoral analysis, and indeed should be focused on broader non-sectoral analysis looking at trade policy from an overall national welfare perspective.

It also seems that a number of studies listed as PITAD research outputs were actually conducted by ITC contracted non-PITAD researchers producing studies subject to peer review. These studies have covered a) Enhancing Competitiveness and Export Potential in Livestock Sector b) Enhancing Competitiveness and Export Potential in Dairy Sector c) Benefitting from EU GSP Plus Scheme 2014 Through Enhancing Competitiveness in the Qualified sectors d) Normalization of Trade of Industrial Goods with India - Opportunities and Threats, and e) Policy Reform for Export Enhancement to India in the Agriculture Sector. While PITAD or associated staff did not have a role in producing these studies, it nevertheless participated to varying degrees in the Public Private Dialogues (PPDs) used to disseminate the research results.

PITAD's most recent STP training manual for 2013-14 is comprehensive and is well developed and informative. It indicates that the course is both structured and rigorous. According to the manual, the STP covers:

- International trade theory and practice;
- Issues in Pakistan economy and potential export sectors;
- Evolution of multilateral trading system and WTO agreements;
- Trade development practices in Pakistan, public policy and practice;
- Regulatory framework of business in Pakistan;
- Global marketing, export management and supply chain management;
- Export procedures, promotion, logistics and compliance issues;
- Trade diplomacy and market intelligence;
- Information systems and technology; and

- Office procedures, secretariat instructions, and rules of business.

However, without interviewing MOC or especially past beneficiaries of the training it is impossible to comment in detail on the effectiveness of the course and whether it is meeting the requirements of MOC probationary officers. Anecdotal evidence suggests this is the case. Effective monitoring and evaluation of such courses should be conducted regularly to ensure that it is efficiently meeting the requirements of participants.

Recruitment and facilities – PITAD must ensure that it is able to attract and maintain quality trainers and researchers. Its record in this area has been unsatisfactory. Indeed, except for one or two, those authors listed in Appendix 3 seem to be no longer associated with PITAD. According to its web site it has only 9 professional staff at present, and this seems to have been the case for some time (it may have been a major reason why the TRTA II programme required other Master Trainers being trained from other organizations in addition to PITAD). This number seems well down on previous levels. Some crucial positions are now unfilled, such as the Director of Research and the Assistant Director of Training. It also is a very top heavy structured institute, with few lower level researchers and trainers on staff to do the necessary ground work under supervision, and to be trained internally for future promotion. At the moment, PITAD would seem to have limited training and research personnel, and hence little capacity to quickly expand its operations. Staff turnover has apparently been high. Marketable staff faced with limited career prospects and scant promotional opportunities leave after a few years as senior positions in PITAD are reserved for civil servants. It has also been affected until recently by the government service recruitment freeze.

Thus, there is a need to expand supply capacity and at the same time develop better career paths with promotion based on merit for staff.

PITAD's office facilities are average at best and so the move to the new building will overcome these limitations. The new building will be a dedicated learning facility with lecture and tutorial rooms as well as impressive dormitories for participants and guest trainers/researchers to stay. It will also facilitate holding regional courses drawing participants from neighbouring countries. However, the building is long overdue and despite optimistic projections it is still uncertain whether PITAD will be able to move in by the end of 2014. The new building will also allow PITAD to expand its staff to an estimated 15 officers, still not a large number – hence the importance of PITAD establishing efficient networks into the future, both domestically and internationally. Thus, PITAD has the potential to expand its supply capacities in the near future to meet growing demand, provided skilled officers are recruited, developed and retained, and become competent staff committed to PITAD's professional development.

Recruitment practices need to be reviewed. While PITAD has some capacity to pay competitive market salaries funded from the Export development Fund to hire researchers and trainers, this does not seem to work effectively in practice. Moreover, the Director General, two directors, two Deputy Directors and assistant directors are all civil servants and are governed by Civil servant rules and regulations, namely salary and conditions. Not having the ability and freedom to recruit top researchers and trainers in these key positions will increasingly become a major obstacle to PITAD's institutional development and capacity building in research and training. These are highly skilled requirements that may well exceed available MOC appointees, especially if such appointments are not merit-based. Indeed, internationally trained and/or reputable people should be eligible. Several people met indicated that PITAD had been used at times by the MOC as a 'dumping ground' for officers, often on a 3-year rotation, without sufficiently considering their merit or PITAD's requirements.

PITAD's senior management, especially the Director General, must have full control over staff recruitment. Moreover, because senior management themselves must be people with strong credentials and experience in research, training and administering a research and public institute to provide policy advice on all aspects of trade policy, including implementation, there seems to be a strong case for opening these positions to non-civil servants based on market-determined contractual terms and conditions. Civil servants, including incumbents in senior management, would of course need to be considered in any such advertising of positions, and should of course be subject to such disciplines, including receiving such market-set remuneration when they are considered the best applicants.

Autonomy from MOC – closely related to PITAD’s future and sustainability as a high training, research and policy advising Institute is its degree of independence from the MOC. It is officially ‘semi-autonomous’ from the MOC. It is funded by the MOC but has capacity to earn and retain income from supplying external services. However, while it has some limited operational autonomy it seems to have very little institutional or policy independence. It is supervised and under the administrative control of the MOC with its own Board of Governors, chaired by the Minister of Commerce and Deputy-chaired by the MOC Secretary. Also on the Board are 13 other members, including private sector representatives from the Textiles Mills Association, the Tanners Association, the Surgical Instruments Manufacturers’ Association, the Overseas Chambers of Commerce and Industry, and the Federation of Chambers of Commerce and Industries.⁶ It is thus biased heavily to manufacturing, including certain sectors, and agriculture and services are not represented at all.

Such a Board would seem cumbersome, potentially counter-productive and contrary to running a flexible, efficient, market-based institution. The Board needs to be substantially reduced to a maximum of say 5, including the MOC Secretary and the PITAD Director-General. This would still be consistent with MOC control over PITAD as an institution, policy advisor and researcher. In particular, having private sector representatives on the Board not only raises issues of conflict of interest but works against the major economic principle that trade policy should be as neutral as possible across all activities i.e. should not provide incentives favouring one activity, industry or sector.

Restructuring the Board along these lines would also add to PITAD’s autonomy. At the same time, efforts should be directed at giving PITAD greater autonomy. For example, the required bi-annual approval of PITAD’s research and training agenda could cease, and be replaced with a notification/monitoring system.⁷ This would give PITAD greater scope to be pro-active in developing its training and research agenda, which is essential to become a more private oriented training and research institute. This may require PITAD being re-classified from a ‘semi-autonomous’ to an ‘autonomous’ government body (Box 1).

Box 1: Reforming the Pakistani Civil Service

A review of the Pakistani civil service recommended that semi-autonomous bodies be abolished. In particular, it proposed making all training and policy research institutions autonomous with their own independent Board of Directors led by a Chief Executive reporting to the Board. They would receive one-line budgets to spend according to the Board’s directions. Employees would not be civil servants, and terms and conditions would be determined by the Board.

Source: Report of the National Commission for Government Reforms on Reforming the Government of Pakistan, National Commission for Government Reforms, Prime Minister’s Secretariat, Islamabad, 2008.

Of course, full independence and autonomy from MOC, though desirable but not necessarily required, would enable such a board to be eliminated or to be replaced by a PITAD-determined professional Board consisting of highly experienced and qualified independent researchers and trainers, funded not through the MOC but directly from the Government Budget.

PITAD’s full autonomy and independence from MOC, while perhaps seen as an eventual step, should not be seen at this stage as a high priority unless considered feasible and strongly supported by PITAD and MOC. While not being truly independent (or even perceived not to be) is likely to impact negatively on its ability to become a genuine think tank and supplier of independent research and policy advice (see below), there is nothing inherently wrong with having an efficient, well-funded public institute acting as an arm of the MOC as envisaged by PITAD. What is most important in the interim is that the identified weaknesses and obstacles outlined above of the current institutional and related arrangements be addressed.

⁶ Others are the DG of PITAD; two representatives from the Ministry of National Assembly; Secretaries of the Ministries of Finance, Foreign Affairs, and Industries; CEO of TDAP; and Chairman of the Tariff commission.

⁷ A request to PITAD to provide a copy of its current research agenda has yet to be met.

Several people met commented on the cumbersome and inflexible operations of PITAD, at least in the past, including slowness to respond to requests and the long lead times usually required by PITAD. There was also some negativity expressed as to whether PITAD had yet developed the expertise necessary to produce robust research studies that would stand up to scrutiny.

Developing a public training, research and policy advisory culture within PITAD and the MOC with associated synergies – truly independent training, research and policy advice forms an essential input into any government's economic reforms. Such activities, including policy relevant analysis, are imperative for informed policy debate, including public and private sector scrutiny. Such policy transparency is an essential input into trade-related micro-economic reforms on which Pakistan's economic prosperity depends. Usually there is no alternative but for government to fund such associated research and policy advice.

A well-functioning and efficient PITAD, even within a non-independent institutional structure, could greatly enhance its contribution to policy formulation and research by improving the quality and relevance of its efforts, and ensuring that all output is genuinely contestable by being made public immediately, even before associated government decisions were taken. Even if such advice and research was conducted with limited independence (as unsatisfactory as that would be), its public release and contestability would help reduce some of these negatives. Unfortunately, despite best intentions, most of the work conducted by PITAD to date is not on its website. All outputs should be at least published on its website, and greater efforts made at organizing public events to disseminate research outputs.

Also, where possible, it would be desirable that the MOC in requesting advice not from PITAD individuals but from PITAD (again with this advice made public unless good reasons exist for not doing so). All such government requests should be directed to PITAD through its DG, and responded to by the DG on behalf of the Institute so that it is seen as PITAD's advice. Such advice should be signed off by the DG on behalf of the Board, who should Chair any such deliberations. Ad hoc or very quick requests from MOC should be minimized so that PITAD can focus on an agreed research agenda designed to promote informed policy debate so as help design good trade policy with Pakistan's national welfare in mind. PITAD's research agenda should focus not on academic pursuits but on policy relevant issues.

PITAD advised and assisted MOC in preparing the MOC's Strategic Trade Policy Framework (STP) 2012-15, approved by the Government in early 2013.⁸ This is an important policy document that could be improved with additional input from PITAD based on its further research and advice on policy formulation and implementation, as well as on designing an efficient trade policy.

Achieving a reputable PITAD known and respected for providing high quality training, research and policy advice will take time, most likely a decade. Such a reputation is only achieved by getting 'runs on the board', and through consistent and repeated high performance. A vital aspect of this is to develop a strong culture in PITAD and its staff cognisant of the value and critical importance of high quality training, research and policy advice. Again this takes substantial time to develop. The importance of continued capacity building and strengthening of PITAD's staff and institutional arrangements by extending partnerships with top quality research institutions, both domestically and internationally, such as but not limited to the WTI, should not be underestimated.

MOC to take 'ownership' of PITAD – given the relationship between the MOC and PITAD that is likely to continue at least for some time, the effectiveness and efficiency of PITAD will also in large part be determined by how MOC interacts with PITAD. In this regard, it is vital that MOC takes 'ownership' of PITAD and fully appreciates the high value and usefulness of having a transparent, efficient and highly reputable arm providing it with training, research and policy advice. Without such appreciation and efficient utilization of PITAD's policy advice and related services, including strong public support for its operations from MOC, PITAD will continue to face immense challenges in developing its usefulness and expertise. This will require the development of a culture in MOC, just like in PITAD, recognizing the critical value that having access to an efficient, highly regarded training, research and policy advising institute can be for MOC, and that it needs to be supported accordingly. MOC should be a strong advocate for PITAD and for seeking its public policy input into MOC's

⁸ PITAD also at MOC's direction monitored and evaluated the previous STP 2009-12.

decision making and policy advice to government. Again, achieving this culture will take time and considerable effort. Senior management must play a vital role in developing this culture, and take responsibility for doing so. It's not only about improving PITAD as a professional satisfying place to work and conduct research but also of ensuring that staff feel valued and can see their work making an effective contribution to developing policy.

An essential aspect of this support is a strong commitment to adequately fund PITAD to enable it to effectively meet its functions. Without such a commitment to provide sufficient funding the necessary ownership by MOC of PITAD cannot lead to meaningful and sustainable results.

Demand for PITAD's services

Given the on-going enhancement of PITAD's supply capacities, including its expected expansion into its new office, now is an opportune time to explore potential opportunities for it to develop greater outreach in supply its services to other public institutions and the private sector. While this is already happening to a limited degree, for example with TDAP and FSA, the scope to expand these operations needs to be considered.

A clear message from the meetings was that there was a lack across Pakistan of institutions providing high quality and practical training and research on trade-related policy. Many claimed, for example, that the universities had largely by-passed this area. Also, there seemed to be a wide awareness of the importance of setting good trade policy for Pakistan's future economic performance. This was encouraging, although as previously mentioned it was usually seen in terms of having to increase Pakistan's exports, including through export and other forms of industry assistance, rather than appreciating the vital role that two-way trade and value chains play in enhancing national welfare and a country's efficiency and competitiveness.

More specifically, virtually all of the public training and other agencies expressed a strong keenness to collaborate with PITAD to either commence or extend its training and research input into their programmes. Most meetings ended positively with assurances that the agencies would follow up with PITAD to see how such intentions could be operationalized, including through the signing of a Memorandum of Understanding or similar documentation so as to formalize the collaboration. Action is needed and PITAD management must take concrete steps to ensure such opportunities are effectively followed up and implemented. Generally there was, however, a lukewarm response at best for PITAD to be paid for its services by other public sector agencies.

For example, the FSA was very keen to approach PITAD to develop short course modules (1 to 2 weeks) on 'economic diplomacy' and 'energy' to include in its standard training programmes for Pakistani diplomats about to go overseas on postings. FSA seemed acutely aware of the need for diplomats to have a good understanding of such issues, especially on the practicalities involved.

TDAP was also keen to develop greater training links with PITAD contributing further to its general training of civil servants. It was suggested that the Export Development Fund may be able to finance the provision of additional training services by PITAD and that it should develop and submit such a proposal to EDF Board which TDAP will support. The two education institutions met, NUST and PIDE were also supportive of greater collaboration with PITAD, as was the National Tariff Commission in helping to train its staff and assist in its research efforts. The ISA was also keen for greater cooperation with PITAD to help train journalists, including on 'economic journalism'.

The Pakistan Business Council also said PITAD could tender for any of its publicly tendered research projects, but that it was focusing on expanding its in-house research capacities.

Challenges

While numerous outreach opportunities seem to exist, PITAD still arguably faces some formidable challenges to realize these opportunities, including:

Embracing a realistic approach – PITAD must be conscious of not overdoing its efforts too quickly. It should learn to walk before it can run. In the foreseeable future at least its main client will remain the MOC, and expanding on-going training, research and policy advisory services should be the main focus of PITAD's efforts. Working in collaboration with MOC to expand these services, and to use them as the basis for expanding its supply capacities, will help improve its reputation and effectiveness. Becoming an important and effective arm of the MOC to improve policy advice and reforms could be a very successful development for the Pakistan economy.

Its outreach efforts for now would seem best directed at improving training links with other public training agencies. Providing such regular short courses and working to become a regional learning platform would appear feasible given PITAD's enhanced training capacities, assisted ably by the WTI partnership.

However, such expansion must be developed with current supply capacities and constraints firmly in mind. As already mentioned, priority would seem best given to the MOC (assuming it embraces fostering PITAD as a highly effective Institute), its core client. These outreach efforts must also take into account budgetary implications for PITAD, especially given that they will in all likelihood add to PITAD's expenses without commensurate increases in revenue. However, donor assistance may be able to help PITAD develop these services by helping to fund such activities.

Substantially tapping into the private sector, while more lucrative, may be a challenge too far for now. This is especially the case in providing research and policy advisory services. Developing such skills and experience tend to take longer than for training, and usually need to be perceived as credible and independent. Some business groups indicated they may be discouraged from using PITAD to provide these services if it continues to be seen simply as an arm of the MOC and government, and is incapable of providing independent research and policy advice or to meet client's expectations.

Deciding on its actual role – PITAD must establish its priorities, including whether it is going to function primarily as a public training, research and policy advisory body or as a private institute providing these services. Its core existence of being a public body would seem to be the most promising way forward for some time. If so, then experience suggests that it can be very difficult to efficiently combining this public good element with providing privately contracted services. While this is possible, doing privately-funded research can often have the drawback of undermining (at least the perception) the institute's public policy credibility. But by partnering with internationally reputable institutions, such as the WTI, such concerns can be minimized as advisory capacity and skills are developed to enable it to meet a range of public and private demands.

Becoming more pro-active and marketing conscious – it was apparent that many of the agencies and bodies met had insufficient awareness of recent developments at PITAD, including changes to its mandate and in supplying training, research and policy advisory services. Many still saw PITAD as a 'closed shop' for servicing MOC. PITAD could be more pro-active in developing outreach functions as well as in formulating such opportunities to assist MOC. The research and policy advisory demands from MOC would seem to be a large untapped market that MOC and PITAD together could actively develop.

An important feature of PITAD's marketing should be wide dissemination of its outputs, especially research and policy advisory reports. These should be made public in a timely manner. Perhaps the most cost effective way of doing so would be to ensure all such reports are published and accessible on the PITAD webpage. On-going public workshops hosted, and perhaps even sponsored and/or in collaboration with stakeholders, could also lift PITAD's public profile and importance. Using the press and broadcast media could also help.

As PITAD's public research and policy advisory functions expand it may well be worthwhile resurrecting its Journal of Trade, which seemingly was still-born. Such an annual/bi-annual publication should also include some domestic and internationally renowned experts on the panel of editors. Publications should be as far as possible refereed or peer-reviewed, and co-authorships with researchers from other institutions, including from overseas, should be encouraged.

A fertile area for providing training that could be developed by PITAD is among provincial officials. Given the current process of devolution and decentralization of service delivery and associated

responsibilities provinces, can be expected to become increasingly important in setting aspects of trade-related policies, especially in implementing internationally negotiated trade agreements, either multilaterally or regionally. Hence an essential and growing need to train relevant provincial officers in such areas is more than likely to occur.

DEVisING AN APPROPRIATE ROADMAP

Further developing PITAD as a high-quality and reputable institute primarily concerned with providing transparent training, research and policy advisory services to MOC could contribute significantly to more informed and sustainable policy reform in Pakistan. However, the process is still in its infancy and the momentum and culture, as well as the expertise, would seem based on the information available, insufficiently advanced to ensure this outcome will be achieved, let alone sustained.

Efforts by ITC have so far been impressive, with substantial achievements in enhancing PITAD's training knowledge and skills. An integral part of this success has been the partnership between the WTI and PITAD. Such arrangements should be continued and strengthened.

Any proposed Roadmap needs to build on these endeavours. Paramount is the need to ensure that PITAD's supply capacities are developed with potential demand for its training, research and policy advisory services in mind. Such enhanced supply capabilities will in the end only be sustained if there is sufficient demand for these services. This requires more frequent interaction with stakeholders in setting training and research priorities.

It is suggested that an effective Roadmap for PITAD's development should initially focus on the short-to-medium term, namely of up to 10 years. While this seems a substantial period of time, establishing a reputable and efficient public policy research and policy advisory institute, takes time to evolve and to some extent needs to be nurtured not imposed.

One highly respected Pakistani expert met suggested that a useful model that PITAD should try to emulate was that adopted by the Pakistan Institute for Development Economics (PIDE), seen by many as the premier Pakistan research and teaching institution.⁹ Such a model may provide some valuable insights into the development of PITAD as a training, research and policy advisory institution (Box 2).

Box 2: Pakistan Institute of Development Economics (PIDE)

PIDE was established in 1957 as a semi-autonomous body of the Ministry of Planning. In 1964 it was accorded the status of an autonomous research organization by the Pakistan Government. In November 2006, PIDE was granted degree-awarding status and in more recent years has been expanding its academic teaching programs, which currently represents about half of its activities. PIDE is mainly funded by the Government of Pakistan, but also receives funding from its endowment and from fees for studies carried out for various international organizations.

Key short term priorities

a) Governance

Confirm that the most appropriate/feasible degree of autonomy and independence is as currently exists but to take steps to try and make the relationship work more efficiently and to be less cumbersome, including:

- examine the status of 'semi-autonomous' and evaluate if changing it to an 'autonomous' body would be appropriate and provide greater flexibility and operational independence in particular;
- rationalize/reduce/re-structure the size of the Board of Governors, especially by removing sectorally-aligned private representation whose presence may introduce bias that is contrary to achieving a neutral trade policy and assistance structure;

⁹ Dr. Ishrat Husain, Dean and Director, Institute of Business Administration, Karachi.

- develop other ways by which the private sector can interact with PITAD, such as regular meetings and dialogues; and
- provide DG of PITAD more operational authority, including ability to set PITAD's bi-annual training, research and policy advisory agendas, in consultation with the MOC and other stakeholders as required, so that these agendas also encompass broader trade policy economy-wide issues underlying successful trade policy formulation and implementation.

b) Supply capacity considerations

These should include:

Introduce initiatives for the effective maintenance, expansion and utilization of training modules within PITAD, especially

- developing an academic and policy advising culture in PITAD, including the open sharing of information and skills;
- need to implement a mechanism (can be informal) to ensure that module knowledge is transferred to other, including new, PITAD staff, such that modules can be provided by more than one trainers and trainers are multi-skilled in several modules e.g. internal workshops;
- utilize partnership with WTI to further assist in this and to deliver knowledge and training skills, including consideration of:
 - adding several new modules on the economics of trade policy and how it should be used in practice as domestic policy to improve economic efficiency;
 - conducting on-going training sessions and PPDs using WTI experts alongside PITAD Master Trainers;
 - holding regional WTI/PITAD Summer Academy in Pakistan to complement PITAD's efforts to become a knowledge hub in trade policy under several regional initiatives; and
 - Pakistan Government (perhaps the MOC directly) establish annual scholarships to send staff to the WTI to complete the MILE or to take part in the Summer Academy in Pakistan (if it goes ahead as suggested);
- Consider partnerships with other relevant institutions, both domestically and internationally; and
- Design regional tailor-made courses in partnership with WTI and other reputable institutions.

Improve recruitment practices and other supply constraints to attracting and keeping high quality trainers and researchers, including:

- introducing more flexible arrangements for PITAD to attract both entry level and more senior staff from outside the civil service on competitive remuneration and conditions;
- develop career paths for PITAD staff and merit-based promotions;
- ensure that PITAD is no longer a 'dumping ground' for MOC officers, including on 3 year rotations, irrespective of PITAD requirements;
- consider opening senior management positions to non-civil servants and offering market-determined contractual terms and conditions for successful applicants to ensure experienced personnel are attracted (this would require extending the same disciplines and remuneration to civil servant incumbents in these positions if they were found to be the best candidates following an exhaustive advertising campaign;
- fill its vacant positions, especially senior vacancies, with high quality and experienced researchers, trainers and policy advisors;
- accelerate completion of and move to new offices; and

- implement a system in PITAD for staff professional development e.g. encourage part-time study, internal workshops, peer review assessments.

Undertake efforts to develop a public training, research and policy advisory culture within PITAD and the MOC with associated synergies

- establish an environment where PITAD staff are valued and feel they are making an important contribution to policy reforms through developing a professional and stimulating work environment;
- ensure that PITAD's research and policy advisory functions, in particular, are publicly released to ensure it is transparent and contestable;
- institutionalise advice to the MOC by ensuring all advice is requested from and provided on behalf of PITAD through the DG;
- establish 'runs on the board' and consistent and repeated high performance to develop a strong culture in PITAD and its staff cognisant of the value and critical importance of high quality training, research and policy advice; and
- ensure PITAD engages in regular self-evaluation, as well as external assessment by a reputable and independent research and training institute.

Encourage synergies between PITAD and MOC, in particular ensuring that MOC takes 'ownership' of PITAD and strongly supports and uses PITAD's training, research and policy advisory services in an effective and transparent way:

- MOC to publicly appreciate the value to it of having PITAD function as a transparent, efficient and highly reputable arm providing it with training, research and policy advice;
- Develop a supportive culture in PITAD of the need for high quality research and policy advice in policy making;
- Strong commitment to ensure PITAD is adequately funded to function effectively.

c) Demand considerations

PITAD must be realistic in its efforts and not overdo it.

- It takes time to establish a reputable high quality institute, especially in providing research and trade policy advisory skills; and
- MOC will remain its main client for at least some time and opportunities to strengthen and expand these services should be its main focus in collaboration with MOC;

Outreach efforts best directed at improving training links with other public training agencies e.g. holding regular short courses in collaboration with other training institutes;

Outreach efforts must take into account budgetary implications for PITAD, especially since are likely to add to PITAD's expenses without commensurately raising revenue.

Substantially tapping in to the private sector, while more lucrative, may be a challenge too far for now, but such opportunities should be nurtured and be more actively pursued after say 5 years if the necessary pre-requisites outlined above to strengthen existing core functions make this more feasible have been established.

ROADMAP IMPLEMENTATION PLAN/MATRIX

In order to implement the Roadmap the following plan/matrix has been designed. It contains recommendations flowing from the Report's analysis, and attempts to place some priorities and timing milestones to the Roadmap. Such timing suggestions are not clear cut, and in practice are likely to require some fine tuning. As mentioned previously, the Report has been prepared based on a 10 year time horizon. Within this period, the recommended actions have been presented as short-term (1 to 3 years), medium-term (4-6 years) and longer-term (7 to 10 years) priorities to help guide discussions and priorities.

Recommended Action	Measure/Reason/Comment
1. Short-term Priorities	
(a) Governance	
Take steps to make PITAD an 'autonomous body' under the MOC	More conducive to PITAD's operational independence and trade policy research. Lay the foundation for PITAD to become an independent public policy research & training institute without undue influence being exerted on its activities, including research outcomes, from MOC/government. Such independence is vital if PITAD is to develop as a general research and training institute, as well as to providing 'frank and fearless' advice to MOC on trade policy issues.
Rationalize the size of the Board of Governors	Current number is cumbersome and works against efficient decision making. Also, inclusion of specific ally-aligned private representatives works against achieving a neutral trade policy and assistance structure. Such a bias (either perceived or actual) towards certain sectors should be avoided as good trade policy setting is about neutral incentives and not providing special treatment to selected activities.
Develop other ways for PITAD to engage publicly with stakeholders, including private sector representatives	PITAD must interact with stakeholders in trade policy in a non-biased and inclusive fashion, without being overly influenced by their specific concerns unless they can be shown to be in the public interest. A system of regular meetings could be developed which would be open to all stakeholders. This could include an annual public dialogue meeting whereby stakeholders, public and private, meet to discuss and exchange views on trade-related policy issues and the need for micro-economic reform generally.
Provide PITAD management more autonomy in decision making, reporting to the MOC rather than being directly managed by it and other stakeholders.	In particular, PITAD should have full autonomy to set its training, research and policy advisory agendas, in consultation with MOC and other stakeholders to ensure broader trade policy economy-wide issues are considered in detail. Bi-annual programmes should be replaced with annual agendas that should be publicly available. PITAD's studies and research agendas have been too narrowly focused to date, and must be broadened to reflect recognition that trade policy is in essence domestic policy that needs to be set with its impact on national welfare and efficiency in mind. After all, trade policy is much more than trade negotiations and agreements, and this should be reflected in policy settings and PITAD's advisory/research activities.
Institutionalize PITAD's advice to MOC to the extent possible	Advice should be associated with PITAD as an institution and not its individuals. Thus, all requests from MOC and provision of advice should work through formal channels (and in writing) and be signed off by PITAD's DG as being from the institution. Minimize the number of ad hoc MOC requests. Otherwise transparency and due processes may be undermined.
Develop synergies between PITAD and MOC	MOC must support PITAD's evolution as a high functioning research, training and advisory institution not 'captured' by the MOC/government. High level discussions should reflect these developments, with MOC taking ownership of PITAD's future broadening role and publicly supporting its transparency and greater independence/autonomy. Funding requirements

	of PITAD need to be supported by MOC to provide sufficient funding to perform its functions efficiently. This should be set on some form of rolling budgeting, such as being set over a three-year cycle.
(b) Supply capacity considerations	
Improve recruitment practices to allow PITAD more flexibility to attract staff at all levels from outside the civil service	Research, training and advisory skills in trade policy are not limited to civil servants, and PITAD should be able to go to the market as it sees fit to recruit skilled staff if adequate people are not available within the civil service. Introducing such competition in recruitment will lift the profile and efficiency of PITAD as performance becomes a key indicator of success. PITAD should no longer be used by MOC as a 'dumping ground' for its staff, which may not suit PITAD's requirements.
Grant PITAD greater freedom in setting remuneration levels	This is essential if PITAD is to attract skilled recruits and to compete with other Pakistani research institutions. Civil servant's salaries and conditions are not necessarily a true reflection of market conditions nor suitable to the requirements of research activities. This would also help improve PITAD's ability to attract overseas recruits, although the general security and other concerns currently facing Pakistan may inhibit such opportunities.
Open senior management positions to non-civil servants based on market determined contractual remuneration and conditions	These positions require specialized skills not necessarily available from within the civil service. Such market conditions should be extended to incumbents if they are found to be the best candidates available.
Develop better career paths for staff and merit-based promotions	Retaining good staff has been a problem for PITAD. Promotional structures need to be revised and clear and open merit-based promotions enforced. Staff should be able to become in future eligible candidates for senior management positions.
Fill vacant positions with quality personnel	Many PITAD, including some senior positions, are currently unfilled such that its supply capacities have been eroded. The number of available positions also seems too low and top heavy to be able to efficiently expand supply capacities. Plans to expand staff levels should be implemented when the new office accommodation is available.
Ensure to the extent possible no further over-runs on completion of new office building	PITAD's existing office accommodation is unsatisfactory, as recognized by the decision to construct a new complex. However, construction has failed to meet deadlines and hope to move in this year may be overly optimistic. However, further delays should be avoided if at all possible as expanding and improving PITAD's capacity in part depends on being able to occupy the new building to access modern training and related facilities.
Develop regional WTI-PITAD Summer Academy	Given the strong partnership that exists between the two institutions this would help develop PITAD as an important regional knowledge hub for trade policy and associated training.
(c) Demand considerations	
Develop greater demands from MOC for training and conducting policy research and advisory roles	PITAD should develop pro-active initiatives as well in consultation with MOC to expand these functions. In the foreseeable future PITAD's main client is likely to (and should) remain MOC. Focusing on its main client will provide the space and time needed to expand PITAD's supply capacities and to develop into a reputable and well known reliable institute in its specialized fields.
2. Medium-term priorities	
(a) (b) Supply capacity considerations	
Take steps to effectively maintain, expand and utilize training modules within PITAD	Develop an academic and policy advising culture in PITAD, including the open sharing and exchange of information and skills among staff. Training and research, including formulating policy advice, usually requires team work and a blend of knowledge, expertise and skills. Such team work and cooperation is essential. Team leaders must also have extensive

	supervisory experience and skills in these areas.
Broaden experience/skills and knowledge of staff	Module knowledge gained from WTI and elsewhere must be able to be transferred to other, including new, PITAD staff so that trainers are multi-skilled on several modules. Without this expertise in specific modules can be lost as staff leave PITAD.
Improve in-house staff training and professional development	This could be done, for example, by encouraging part-time study, conducting internal workshops and peer review assessments. A regular lunch-time seminar series could be implemented whereby staff and external guests make presentations on their work and/or key topics of interest. This is also important in developing a research/policy advisory culture.
Utilize partnership with WTI and consider new partnerships with reputable domestic and international institutions to develop new modules and to continually update existing modules	New modules needed including on the economics of trade policy and how to use it as domestic policy as part of micro-economic reform to improve Pakistan's efficiency and economic performance. Modules can age quickly and so continuous revision and updating is usually required.
Use such partnerships to enhance on-going research and training knowledge and skills	Access WTI experts (and from elsewhere) to continue to provide on-going training sessions and public dialogue sessions alongside PITAD Master Trainers.
Promote PITAD as a regional knowledge hub	Approach other regional institutions e.g. ADB to establish PITAD as a regional hub to provide training and knowledge transference to regional officials. This could build on the WTI Summer Academy.
Arrange government scholarships to train PITAD staff	This could involve the Pakistan Government through MOC providing several annual scholarships for PITAD staff to complete the MILE program offered by the WTI (or other reputable institutions as such professional links are expanded).
(b) Demand considerations	
Strengthen outreach facilities especially in delivering training and knowledge skills to other government departments/agencies	PITAD should focus on expanding its services to existing departments/agencies, as well as to developing new clients. As identified in the Report, the NAS found that most government stakeholders had a high interest in developing/expanding such links via, for example, PITAD holding short term courses as part of their training programmes. However, such efforts should not expand beyond PITAD's capacities to supply high-quality services and/or be at the expense of meeting MOC's requirements. However, as most of these agencies envisaged access to PITAD's input at no cost, the implications of providing such services on PITAD's finances should be kept in mind. Further discussions need to be held on how PITAD could be reimbursed for providing such services.
3. Longer-term priorities	
(a) Governance	
Develop PITAD as an independent training, research and policy advisory institution as an arm of MOC	This will take time and the main elements have been identified under short-term priorities, not because they are likely to be accomplished within 1 to 3 years, but because they will probably take much longer to effectively implement, and hence given their fundamental character, need to be commenced from the outset.
(b) Supply capacity considerations	
Develop a supportive culture in PITAD of the need for high quality research and policy advice in policy making, and also within MOC that fully endorses and appreciates the value of effectively using PITAD to provide such	This will take time and while the main elements have been identified under the short-term and medium-term priorities, the results of such actions will take time to be realized. PITAD must develop a culture for research and providing evidence-based policy advice, just like MOC must develop a culture of basing policy on good research. This is as much about changing attitudes as anything, which will take time to evolve and requires PITAD to get some positive 'runs on the board' in producing high quality and

services	transparent public research and policy advice.
(c) Demand considerations	
Develop greater outreach facilities, including with the private sector	PITAD must not be overly-ambitious in trying to expand too quickly beyond its means. But as it develops and enhances its capacities PITAD should endeavour to expand its client base, including in the private sector. As this happens, PITAD's ability to compete with other Pakistani institutions supplying similar services should improve.

CONCLUSION AND NEXT STEPS

The Report has developed a Roadmap and an associated Implementation Plan/Matrix to enhance PITAD's capacity and effectiveness.

The Roadmap focuses on setting short-to-longer-term priorities covering up to the next 10 years. Despite substantial improvements in recent years, the main constraints would still seem to be in developing a sufficient and sustainable capacity level in PITAD's training, research and policy advisory skills. Many of the actions identified and recommended are also concerned with changing attitudes to develop a highly professional culture within PITAD, and the MOC, to highly value access to quality research, training and policy advisory skills. Thus the MOC has an indispensable role in helping and supporting PITAD to thrive as a highly visible and valued transparent policy advisory and research institute.

This Roadmap and matrix must, however, be discussed in detail with PITAD's senior management, especially the Director General, so that PITAD is prepared to take ownership of the Roadmap and to push for its effective implementation. Because the Roadmap must cover many specific aspects, including on reforming the institutional structure between MOC and PITAD, experience shows it must be seen to be developed from within Pakistan by PITAD and other institutional stakeholders. Without PITAD's full endorsement and acceptance of the Roadmap, and senior management's preparedness to implement it, there is a very real danger that the Roadmap will flounder. ITC may be able to assist PITAD with such implementation, but ultimately success will require PITAD, supported by MOC, to 'drive the bus.' Without such ownership, including of the proposed sequencing and priorities of reforms, any Roadmap imposed or seen to be imposed from outside is likely to have a very short shelf life by encountering strong resistance internally from major stakeholders, and thus may even prove counter-productive.

A major focus of the Report has to develop actions that would help develop PITAD as a sustainable and effective institution in assisting the Pakistani Government to improve its trade-related policies. Such sustainability requires heightened relevance of PITAD and recognition of its importance among stakeholders, including the MOC. PITAD requires enhanced in-house expertise and an environment created that is conducive to providing high quality research, training and policy advice, to be nurtured in a way as to develop a culture that clearly values the critical contribution such public services can provide in helping to establish more informed public debate of trade policy using evidence-based analysis and research. This is essential to good trade policy setting.

Developing such ownership of the Roadmap and Implementation Plan/Matrix will require substantial effort, coordination and time, and possibly ITC assistance. Without ownership, including of the proposed sequencing and action priorities identified, any proposed Roadmap is unlikely to succeed.

Crucially, developing and implementing the Roadmap must be specifically made the responsibility and a major priority of PITAD's DG, and should be specified part of the duties on which the incumbent's performance is evaluated. As this NAS has shown, there is a need to introduce governance and other related reforms to improve PITAD's effectiveness. Its DG and senior management, along with the MOC, must be accountable for ensuring such changes are developed, introduced and efficiently implemented.

There also remains a substantial need for on-going international assistance to PITAD, such as further collaboration with the WTI and other relevant institutions and international bodies e.g. WTO, ADB, World Bank, to develop these human skills to a level that they can become self-generating by PITAD.

APPENDIX 1: REPORT ON TRAINING SESSIONS PROVIDED ON TRADE IN SERVICES

During my recent mission to Pakistan from 12-23 April 2014 I conducted two training sessions on trade in services. Both sessions were very successful, with substantial discussion and questions raised from the participants. The sessions ran smoothly, were well attended (over 70 participants for each), and were held in very good facilities. Mr Owais Khan should be congratulated for his organization of these events. Mr Sajid Hussain, Director General, and Dr. Syed Kausar Ali Zaidi, Director of Training, from PITAD, attended both sessions. The programmes for the two sessions, plus my power point presentations, are attached.

The first session was held in Karachi on the afternoon of 15th April. The topic was a case study of trade in services, namely healthcare with particular focus on Pakistan's potential to export such services, especially via medical tourism. The participants covered a wide range of medical professionals, including private and public doctors, medical associations, as well as hospital and clinic administrators. The importance of promoting trade in healthcare, and the challenges faced, in meeting public health goals, as well as the relevance of trade agreements, such as GATS, was discussed in detail. Most interest was in the prospects of Pakistan being able to export healthcare through medical tourism (i.e. foreign patients visiting Pakistan for medical treatment as well as a vacation). However, realizing any such potential required some fundamental policy, including in the provision of its own healthcare services, as well as security-related reforms to increase the efficiency and attractiveness of Pakistan as a place to visit. As the term 'medical tourism' suggests, it requires medical services and tourism to be strong complements; both have to be dynamic and efficient. An essential pre-requisite will be for Pakistan to become an economy conducive to a well-functioning private sector as the driver of growth, including being able to attract the necessary foreign investment needed to ensure efficient and advanced medical and tourism facilities. In the meantime, it is difficult to see Pakistan being able to successfully compete with regional players in medical tourism, such as Thailand, Malaysia, Singapore, the Philippines, Vietnam and even India.

Thus, the most realistic means of Pakistan exporting healthcare services will be via its trained doctors moving overseas, both temporarily and permanently, many of which have done so to several developed countries, including Australia. Hence, the continuing need to ensure that Pakistani medical qualifications are more readily accepted overseas, including through the bilateral negotiation of Mutual Recognition Agreements (MRAs). However, the benefits to the Pakistani economy of exporting healthcare services via this mode are likely to be small (via mainly remittances), and on the negative side involve a 'brain drain' of medical professionals overseas, especially compared to the possible potential offered by medical tourism.

The second session was held in Lahore on 17th April. Unfortunately I became very ill, thanks to a meal in the hotel the night before, which delayed the start of the session. However, thanks to some good medical treatment from the hotel doctor and a few drips, disruption was minimized by re-scheduling and starting the session shortly after lunch. Unfortunately, Mr Shafiq Shahzad who was due to deliver an afternoon presentation on 'PTAs in Services' also notified Mr Khan on the morning of the session that he was unavailable due to other commitments. While some participants had left after lunch most remained for the afternoon session. Participants were mainly officers from various departments, including the Department of Industries, Commerce and Investment; the Planning and Development Department; the Punjab Board of Investment and Trade; the Department of Food; the Trade Development Authority of Pakistan; the Department of Agriculture; and the Department of Health. There were also private sector representatives from Chambers of Commerce and Trade Associations as well as from banks, hospitals, and Universities.

In the three hours I covered in sufficient detail my three sessions, namely on 'Trade in Services, Economic and Policy Underpinnings', 'Preparing for Services Negotiations: Rules of Thumb', and 'Enhancing Exports of Services: Case Study of Health Tourism and Healthcare Services'.

Should further information be required please do not hesitate in contacting me: Malcolm Bosworth, International Consultant, 2nd May 2014.

APPENDIX 2: ITINERARY, SCHEDULE OF MEETING AND DETAILS OF PERSONS MET

Table 1: Meeting and Training Schedule

Date	Time	Meeting
Monday, 14 April 2014	10 am	Secretary TDAP Karachi
	12 pm	President Karachi Chamber or Pakistan Business Council
	02 pm	Dr. Ishrat Hussain, IBA, Karachi
	04 pm	President Federation of Pakistan Chambers of Commerce and Industry
Tuesday, 15 April 2014	10am-04pm	Training on Trade in Services (Health tourism and exports of health services)
	07 pm	Flight to Lahore
Wednesday, 16 April 2014	10 am	DG, Civil Services Academy Walton Lahore
	12 pm	Ms. Rashida Malik, Secretary Management and Professional Development Department, Lahore
	02 pm	DG, National Management College
Thursday, 17 April 2014	09:30 am-02:30 pm	Training on Trade in Services
	03:30 pm	Travel to Islamabad
Friday, 18 April 2014	10 am	Meeting with Maken Sahib and his team
	12 pm	DG, Foreign Office Training Academy
	02 pm	Meeting with PITAD
Monday, 21 April 2014	10 am	National University of Sciences and Technology (NUST)
	12 pm	Pakistan Institute of Development Economics
	02 pm	Information Group Training academy
	04 pm	Chairman Tariff Commission
Tuesday, 22 April 2014	10 am	Debriefing with DG PITAD
	11 am	Debriefing with EU delegation

Table 2: Meetings Held in Karachi, Lahore and Islamabad, 14-22 April 2014

Date & Time	Departments	Status
<i>Monday, 14 April, 2014</i>		
10:00 am	TDAP, Karachi Meeting with: Ms. Rabiya Javeri Agha Designation: Secretary	Confirmed and held

PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT - NEEDS ASSESSMENT AND ROADMAP

	Venue: 3rd Floor, Block A, Finance & Trade Centre P.O. Box No. 1293, Shahrah-e-Faisal, Karach Phone: 021-99203487, 021-111-444-111	
02:00 pm	IBA, Karachi Meeting with: Dr. Ishrat Hussain Designation: Venue: 8KU Circular Road, Karachi-75270 Phone: 021-111-422-422, 38104700, Fax:021-9926150	Confirmed and held
04:00 pm	FPCCI, Karachi Meeting with: Mr. Zakaria Usman Designation: President Venue: Federation House, Main Clifton, Karachi Phone: 021-35873691, 93-94, Fax:021-35874332	Confirmed and held
<i>Tuesday, 15 April, 2014</i>		
09:30 am	Pakistan Business Council Meeting with: Mr. Samir S. Amir Designation: Director General Research Venue: 8 th Floor, Dawood Center, M. T. Khan Road, Karachi Phone: 021-35630528-29, Fax:021-35630530	Confirmed and held
<i>Wednesday, 16 April, 2014</i>		
10:00 am	CSA, Lahore Meeting with: Ms. Farkhanda Wasim Afzal Designation: Director General Venue: Civil Services Academy, Walton, Lahore Phone: 042-99220466, Fax: 042-99220076	Not held
12:00 pm	Management Professional Development Department Meeting with: Ms. Rashida Malik Designation: Secretary Venue: J-Street, Upper Mall Scheme, Lahore Phone: 042-99205622,23, Fax: 042-99205627	Not held
02:00 pm	National School of Public Policy (NSPP), Lahore Meeting with: Ms. Seema Najeeb Designation: Chief Instructor Venue: National School of Public Policy, The Mall, Lahore Phone: 042-99202943 Fax: 042-99200926	Confirmed and held
04:00 pm	Industries, Commerce and Investment Department Government of Punjab Meeting with: Mr. Ali Sarfraz Hussain Venue: IC&I Department, Lahore Phone: 042-99213942	Confirmed and held
<i>Friday, 18 April, 2014</i>		

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10:00 am	Ministry Of Commerce, Islamabad Meeting with: Mr. Fazal Abbas Makin Designation: Additional Secretary-I Venue: Ministry of Commerce Islamabad. Phone: 051- Fax:051-9203614	Not held
12:00 pm	FSA, Islamabad Meeting with: Mr. Murad Ali Designation: Director General Venue: F-5/2, Islamabad Phone: 051-9212083 Fax: 051-9203264	Confirmed and held
Monday, 21 April, 2014		
10:00 am	National University of Sciences and Technology (NUST) Meeting with: Dr. Ashfaque Hasan Khan Designation: Principal & Dean Venue: School of Social Sciences & Humanities, (S ³ H), Islamabad Phone:051-111116878 Ex-3501 Email: ahkhan@nbs.edu.pk	Confirmed and held
02:00 pm	Information Services Academy Meeting with: Mr. M. Khalid Sarwar Designation: Director General Venue: ISA, Phone: 051-9252192 Fax: 051-9252194	Confirmed and held
04:00 pm	National Tariff Commission Meeting with: Mr. Prince Abbas Khan Designation: Chairman Venue: NTC, SLB # 5, Blue Area, Islamabad, Phone: 051-9208790 Fax: 051-9204034	Confirmed and held
Tuesday, 23 April, 2014		
12:00 pm	Pakistan Institute of Development Economics (PIDE) Meeting with: Dr. Musleh ud Din Designation: President Venue: PIDE Islamabad Phone: 051-9248051 Fax: 051-9248065	Confirmed and held

APPENDIX 3: MODULES DEVELOPED BY PAKISTANI MASTER TRAINERS IN PARTNERSHIP WITH WTI

Table 1: Module Topics and Details of Master Trainers and Mentors

Module	Master Trainer	Organization	Mentor
Trade Policy/Competitiveness analysis	Mr Naved Ahmed	Institute of Business Administration	Dr. Robert Rogowski Former Chief Economist USITC
Techniques for International Trade Negotiations	Mr Omar Hameed	Trade development Authority of Pakistan	Dr. Robert Rogowski Former Chief Economist USITC
Regional Integration (Comparative Legal Framework)	Mr Shehzad Ms Aimen Javeria	Trade development Authority of Pakistan Ministry of Commerce	Ms Jane Drake- Brockman Consultant, Hong Kong (former senior Australian trade official)
Trade in Services – Law & Economics & Pakistan’s Sectoral Priorities	Mr Shafiq A. Shahzad	PITAD	Prof. Pierre Sauve World Trade Institute Bern
Trade Policy Analysis (Trade Policy formulation)	Mr Khalid Hanif	PITAD	Ms Jane Drake- Brockman Consultant, Hong Kong (former senior Australian trade official)
Trade in Agriculture (SPS, GMOS, organic food, subsidies, food security, export taxes, etc)	Mr Nauman Aslam Mr Khamran Khan	Trade development Authority of Pakistan Ministry of Commerce	Dr Christian Haeberli WTI, Bern (former Swiss agricultural trade negotiator)
Trade & Investment	Mr Yasir Khokar	Trade development Authority of Pakistan	
Trade-Related Aspects of Intellectual Property Rights (TRIPs)	Ms Shaista Bunyad	PITAD	
Trade Remedies	Ms Maliha Quddus	PITAD but now Ministry of Commerce	Dr Gustav Brink, Trade policy consultant
WTO Dispute Settlement	Mr. Khalid Hanif	PITAD but now posted at Competition Commission	Dr Christian Haeberli WTI Bern

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Trade, Environment & Climate Change	Mr. Khalid Hanif	PITAD but now posted at Competition Commission	Dr Christian Haeberli WTI, Bern
The Economics & Policy of Non-Tariff Measures	Mr. Muhammad Shafiq Haider	PITAD but now Ministry of Commerce	Prof. Olivier Cadot, University of Lausanne

APPENDIX 4: RESEARCH OUTPUTS FROM PITAD

Table 1: PITAD's Recent Research Studies Supplied on CD

Type	Date	Title	Author(s)
WP10-03	Oct, 2009	Evaluation of Trade agreements: A Case Study of Pakistan-Sri Lanka FTA	Dr Vaqar Ahmed, Dr. Safdar A. Sohail, Saira Ahmed, Ayesha Javed, Irfan Sarfraz, Mohammad Shafqat
DP10-01	Nov, 2009	Identification of Non-Tariff barriers for Trade in Services in Pakistan	Dr. Safdar A. Sohail, Noorulain Hanif, Maliha Quddus
WP10-01	Feb, 2010	Impact of Regulatory Duty on Luxury Imports & Revenue Generation: Analysis of Monthly Data, July 2007-June 2009	Dr Sajjad Akhtar, Sohail Zafar, Rizwan Aslam
WP10-02	Mar, 2010	SAFTA: Implication for Pakistan	Dr. Safdar A. Sohail
	2010	The Paki Economy Under Deluge Floods	Not available
WP 02/2011	Mar, 2011	Evaluation of Trade Agreements: A Case Study of Pakistan-Sri Lanka FTA	Shafiq A. Shahzad, M. Irfan Sarfraz, Maliha Quddus, M. Rizwan Aslam
		Evaluation of Pakistan-China FTA	Adil Khan Miankhel, Sadia Hissam, Muhammad Rizwan Aslam, Hammad Mughal
		Economic Evaluation of Paki-Malaysian Free Trade Agreement	Sohail Ajmal Paracha, Muhammad Rizwan Manzoor
WP 03/2011	Mar, 2011	Regional Trade in South Asia – Impediments & the Way Forward	Dawood Mamoon, Shafiq A. Shahzad, M. Rizwan Aslam, Sohail Ajmal Paracha, Osman Bin Saif, Hammad Mughal Anam Ayesha, Maliha Quddu
RP 01/2011	Mar, 2011	Post-ATC Threats to Pakistan's Textiles & Clothing Exports: Identification of Product lines at a Disaggregated Level	Dr Sajjad Akhtar, Yasmin Abdul Wahab
	Aug, 2011 Nov 2011	Commercial Intelligence Report	Khalid Hanif, Sohail Ajmal Paracha, Rao Rizwanul Haq, Sadia Hissam, Rizwan Manzoor, Shafiq Haider Virk, Hammad Mughal, Anam Ayesha, Badar ud Tanweer, Saif Ullah Bukhari
	Dec, 2011	Commercial Intelligence Report	Saheed Qadir Mangi, Dr Kausar Ali Zaidi, Osman Bin Saif, Badar ud Tanweer, Saif Ullah Bukhari,
	Dec, 2011	EU GSP Rules of Origin: Implications & Obligations for Pakistan	Maliha Quddus, Anam Ayesha
	Qtr 1-2, 2012	Commercial Intelligence	Dr Kausar Ali Zaidi, Hassan Sahfqaat, Osman Bin Saif, Badar ud Tanweer, Saif Ullah

		Report	Bukhari,
		Pakistan India Trade Liberalization - Agriculture Sector	Maliha Quddus
		Pakistan India Trade Liberalization - Sector Brief on fan Industry	Not available
		Pakistan India Trade Liberalization – Glass Industry	Anam Ayesha Mubashir
		Pakistan India Trade Liberalization – Cutlery Industry	Not available
		Pakistan India Trade Liberalization – Paper and Paperboard Sector	Anam Ayesha Mubashir
		Pakistan India Trade Liberalization – Analysis of Surgical Instruments	M. Rizwan Manzoor
		Pakistan India Trade Liberalization – Leather Sector Analysis	Osman Bin Saif
		Pakistan India Trade Liberalization – Plastics Industry	Anam Ayesha Mubashir,
		Pakistan India Trade Liberalization – Automotive Industry	Not available
		Pakistan India Trade Liberalization – Overview of Textile, Agriculture & Pharmaceutical Sector	Not available
		Comparative Analysis of Pakistan & India Chemical Industry, Sectoral Analysis for Paki-India Trade Normalization	Sohail A. Paracha
		Concept Paper on Afghanistan-Pakistan Informal Trade	Dr Adil Khan Miankhel, Anam Ayesha, Maliha Quddus
		GSTP for Developing Countries: A Trade Indicators Analysis	Anam Ayesha Mubashir, Maliha Quddus
		Pakistan's Trade Competitiveness & Complementarities in South Asia	Dr Dawood Mamoon, Sohail A. Paracha, Hammad Mughal, Anam Ayesha



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The International Trade Centre implemented the Trade Policy Capacity Building Component of the European Union funded TRTA II programme. It is aimed at the Ministry of Commerce and Government of Pakistan in developing a coherent trade policy and attendant regulations for export competitiveness. Specifically, it will aim to reinforce the skills of government officers working in trade related ministries and implementing agencies on issues related to trade policy, commercial diplomacy and regulatory reform. The main way in which to achieve this through the institutional capacity building of key local training institutes, which is intended to have an immediate effect on the capacity of government officers working on trade policy issues.

In addition, Component 1 promotes comprehensive, regular and well informed public-private dialogue among the government, private sector and civil society for trade policy development, monitoring and evaluation. To promote local ownership and legitimacy of the dialogue, a steering committee comprising equal representation of the public and private sectors has been established with the formal approval of the Ministry of Commerce of Pakistan. Its mandate is to oversee the planning, implementation and monitoring of public-private dialogue on key issues. To better inform the public-private dialogue process, research studies are commissioned and internationally peer reviewed before dissemination to stakeholders.

The targeted interventions of Component 1 to achieve these goals constitute the following:

Result for Component 1: Coherent trade policy and regulatory reform for export competitiveness

1. The Pakistan Institute for Trade and Development (PITAD) institutional capacity is strengthened.
2. PITAD's and other research institutes' expertise on trade policy strengthened.
3. Government officers' capacity on specific trade policy and international trade negotiations strengthened.
4. Research studies contributing to the development of a national export strategy conducted.
5. Public-private dialogue for a coherent national export strategy is fostered.



For further information about the ITC implemented Component 1 and the TRTA-II programme visit: <http://trtapakistan.org>