



PAGE 4: B.1) YOUR CASE STORY: TITLE AND DESCRIPTION

Q1: TITLE OF CASE STORY

TBT and SPS compliance: Reducing costs to enhance trade opportunities

Q2: CASE STORY ABSTRACT

Intervention background

The EU granted the GSP+ status to Pakistan recently with the aim to boost trade through better integration into the global markets and strengthen the Pakistan's economy. However, in order to take full advantage of this opportunity, Pakistan needs to diversify its export base, improve productivity, and most importantly ensure compliance of goods with market requirements. This broadly translates to applying rule-based approaches compliant with international standards and principles to improving quality, value addition, corporate social responsibility, protecting intellectual property rights.

Q3: LONG DESCRIPTION OF THE CASE STORY

1) Intervention background

The EU granted the GSP+ status to Pakistan recently with the aim to boost trade through better integration into the global markets and strengthen the Pakistan's economy. However, in order to take full advantage of this opportunity, Pakistan needs to diversify its export base, improve productivity, and most importantly ensure compliance of goods with market requirements. This broadly translates to applying rule-based approaches compliant with international standards and principles to improving quality, value addition, corporate social responsibility, protecting intellectual property rights.

2) EU Trade Related Technical Assistance (TRTA II) Programme

TRTA II Programme funded by EU developed a series of intervention activities in the area of "Export through improvement of quality infrastructure". The expected result was improved compliance of export products with market requirements with particular focus on SPS controls, quality, value addition and compliance in fishery, horticulture and industrial sectors and conformity assessment infrastructure & services.

To address the need for a holistic integration of SPS controls, TRTA II programme sought to strengthen SPS Management System through SPS policy development and to support enterprises to respond to the mandatory and voluntary quality standards' needs. This entailed the development of new food safety and phytosanitary laws, model technical regulations to improve technical relevance and transparency, strengthening SPS Management Capacities and development of inspection guidelines, manuals and checklists, provision of inspection equipment, and building technical capacity of the inspection staff.

As a result, new fish export controls were implemented and the EU market restrictions were lifted from March 2013. To date 45 consignments of fishery products have been exported to the EU valued at US\$ 4.5 million with zero rejections.

In horticulture, through the introduction and implementation of Codes of Practice at the farm and processing

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....., through the management and implementation of and processing levels, quality mangoes and Kinnow mandarins were assured. This led to the opening of new trade routes and markets in South East Asia for mangoes and Kinnow mandarins and direct access to high-end supermarkets in the Europe, with rejections reduced significantly. In 2013, 43,000 boxes of mango valued at US\$ 200,000 were shipped to ASDA/Walmart UK and 12,000 boxes to the Malaysian supermarket-ECONSAVE. In addition, 350 tons of Kinnow, valued at US\$ 110,000, were shipped to ECONSAVE in Malaysia.

Six Pakistani manufacturers in the protective clothing and electric fans sectors are now in a position to export their products to Europe or elsewhere, based on the use of the EU's "CE" conformity assessment marking. In total, 28 different models (17 fan models from the three fan manufacturers and 11 glove models from the three glove manufacturers) achieved the CE mark certification with the support of the programme. The CE marking is compulsory for many products sold in Europe. The main aims of this intervention were to develop a CE marking procedure which can be adopted by more manufacturers wishing to export their products, and to qualify Master Trainers in CE marking to assist them after the end of the programme.

Prior to obtaining the CE marking of their protective gloves, Suntex, a manufacturer in Faisalabad, exported about €1.5 million. As a direct result of having achieved CE marking, their exports went up by 20% and they forecast to rise by 30% by the end of 2015, an additional value of €450,000 whereas, the cost of obtaining the CE marking for Suntex was around €4,000.

Since export performance is also hampered by poor quality infrastructure TRTA programme helped Pakistan National Accreditation Council PNAC achieve international recognition through the conclusion of Multilateral Arrangements (MLA) with ILAC/APLAC and then with PAC/IAF for accreditation of Certification Bodies and Inspection Agencies. Accreditation to testing laboratories continued to be supported, with a higher degree of sustainability given by the lower cost national accreditation, the support for business planning of laboratory services, the organization of local PT schemes, and certification practices. Similarly, gaps in the Metrology services offered by the National Physical and Standards Laboratory (NPSL) further limiting the validity of measurements in testing services have been addressed.

Under the TRTA programmes 19 laboratories to achieve internationally recognized accreditation to ISO 17025 in 2007 and an additional 30 (24 testing and 6 metrology) labs in 2014; however this time through the national accreditation body – PNAC.

Due to the lower cost of sustaining national accreditation, now 49 accredited laboratories are operating independently. In order for the labs to reach financial sustainability, the project has supported the development of business planning for 30 laboratories that are implementing them and have adopted market led investment strategies in the development of new testing methods.

By 2014, 4 certification bodies and 3 inspection bodies has been helped to obtain accreditation by PNAC. This has permitted the exporters to acquire affordable certification to international quality and environmental standards.

Enterprises need to be able to respond to demands for compliance with regulatory requirements and conformity with standards by improving their production technologies and environment (whether they are a farmer, or a factory operator or a distributor). A key assumption throughout the intervention was that private organizations had the financial and technical resources to invest in upgraded quality infrastructure and systems.

The TRTA II interventions envisaged to improve quality, value added and compliance system required significant investment from public stakeholders and private operators. Both public and private sectors need to undertake investments in new and improved facilities and infrastructure associated with the programme interventions at farm and processing levels, as well as revamping institutions, re-engineering of the quality infrastructure, reformation of legislation and its enforcement, implementation.

Such investments would also be required to upgrade the premises and equipment of testing laboratories targeted for accreditation. It was also important to support enterprises to introduce new practices, technologies and process control procedures to allow them to produce products which meet requirements. This is equally applicable to ensuring conformity to standards as well as complying with SPS measures.

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Q4: Please add here web links to project/programme materials.

<http://trtapakistan.org/>

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Q5: YOUR CONTACT DETAILS

Name:	Bernardo Calzadilla-Sarmiento
Ministry/Institution/Organization:	UNIDO - United Nations Industrial Development Organization
Country:	N/A
Email Address:	b.calzadilla@unido.org

Q6: FUNCTION

Public sector

Q7: FUNDING PARTNER Tick the appropriate box(es)

Multilateral organization

Q8: Additional information

Respondent skipped this question

Q9: START DATE OF PROJECT/PROGRAMME

Respondent skipped this question

Q10: STATUS OF PROJECT/PROGRAMME

On-going

Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME

More than 5 years

Q12: COST OF PROJECT/PROGRAMME

US\$10-20 million

Q13: Additional information

Respondent skipped this question

Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME

Grant

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Q15: PROJECT/PROGRAMME TYPE

Single country / customs territory

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Q16: SINGLE COUNTRY/CUSTOMS TERRITORY

PAKISTAN

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Q17: REGION(If the region does not appear in the drop down menu, please enter manually.)

Central Asia

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Q18: MULTI-COUNTRY(Enter all countries or customs territories)

Respondent skipped this question

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Q19: CASE STORY FOCUSTick the appropriate box(es)

REDUCING TRADE COSTS FOR MERCHANDISE GOODS

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Support for compliance with non-tariff measures (including standards)

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Upgrading transport infrastructure,

Upgrading network infrastructure (ICT, power, telecoms)

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Improving skills levels in service sectors

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Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)

Very successful

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Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Officials trained, Laboratory testing facilities, New conformity assessment procedures or processes , New food safety measures or processes, New quality assurance procedures or processes, New laws, rules or regulations on services, Services sector skills
Q22: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME Tick the appropriate box(es)	Reduction in customs rejections, Increase in merchandise exports, Increase in shipping volumes, Increase in airport cargo volumes, Reduction in consumer prices
Q24: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Increase in employment, Increase in women's employment, Export market diversification, Increase in per capita income
Q26: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q27: LESSONS LEARNT Tick the appropriate box(es)	Importance of good project design, Importance of alignment with national priorities , Importance of alignment between different development partners in programming , Importance of engagement by private sector , Importance of agreeing clear project implementation responsibilities , Importance of attention to long-term sustainability
Q28: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>
Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)	M&E framework used, Project baselines set, Impact assessment