

Project: SCI-Pak
Place: Ministry of Commerce, Pak Secretariat, Islamabad http://www.commerce.gov.pk/
Date: Wednesday, 23 December 2010
Interviewee: Dr. Safdar A. Sohail Director General Trade Policy +92-51-9201112 dgtradepolicy@commerce.gov.pk
Interviewer: <ul style="list-style-type: none"> • Shafqat Ullah (CPI) • Ahmed Ammar Yasser (IHT)
Topic(s): Interview of Existing Policy Framework Regarding Sustainable Production
Copies to:

	Topics
1	Interviewers thanked Mr. Sohail for his time and briefed him about the project.
2	Mr. Sohail informed that Ministry of Commerce was undertaking a project with European Commission on Trade Related Technical Assistance.
3	<p><u>Awareness regarding Sustainable Production:</u></p> <ul style="list-style-type: none"> • He believed that there was a definite link between trade and environmental change. In this regard, he mentioned about his article on the subject. • He noted that though in the global environmental pollution problem, Pakistan was on a receiver end not at producer end. He pointed out that recently at Cuncun Conference at Mexico, Pakistan had been put within the list of the countries, most prone to adverse impacts of global warming. • He said that there were two aspects of sustainability: Qualitative Aspect for which we should have devised trainings at different levels and Quantitative Aspect for which we should have looked into efficiency measures at equipment level.

4	<p><u>Issues in Policy Implementation:</u></p> <ul style="list-style-type: none"> • Regarding the government role in sustainability, he noted that one of the major issue was about who owned the decisions on sustainability. He quoted the example of Clean Development Mechanism. He noted that like India, more appropriate place for CDM Cell would have been the Ministry of Industries and Production due to its outreach in the industries whereas in Pakistan this cell was located in the Ministry of Environment. He was of the opinion that this was one of the reasons due to which the CDM performance of Pakistan was not at par with the neighboring countries (China, India). • He mentioned about the list of inefficient appliances prepared by ENERCON so that it could be included in the negative list of imports. Same can be done for the inefficient machinery. • He also suggested preparing list of environmental goods/ technologies that required tax abatements so that such items could be included in the upcoming commerce policy. He asked for comments on current policy as well. (copy attached) • National Environmental Quality Standards (NEQS) mentioned in the Pakistani Environmental Law are also not realistic and do not match with the situation of Pakistani industry and its environmental condition.
5	<p><u>Proposed Policy Measures:</u></p> <ul style="list-style-type: none"> • He noted that most of the industries in Pakistan used imported boilers from mostly developed world. He said that a provision could be introduced in the system that low efficiency boilers could not be imported. • He mentioned that Pakistan Institute of Quality Control should be asked to develop standards for boiler efficiency. • He suggested that the import bill of Pakistan should have been studied with the perspective of what machinery should have been imported. As both textile processing and tannery SMEs have trend of using second hand inefficient machinery. Policy directions can be suggested to restrict import of these inefficient machines. • Environmental aspects should be linked with the business sense

	<ul style="list-style-type: none"> Chambers are weak regarding capacity and capability development. These should be focused. One industrial sector should be changed on SP then its impact will spread on other sectors. There is no need to focus all the sectors simultaneously.
6	<p><u>Existing Policies:</u></p> <ul style="list-style-type: none"> He said that efforts towards sustainability should have not been just the market driven but the vision driven. In this regard, he pointed out that in Pakistan, energy efficiency was a voluntary act. To make it a statutory act, we need to develop life cycle assessment of different product lines to find quantitatively the areas of interventions. This knowledge gap is one of the reasons for effective policy instrument design. He mentioned the Strategic Trade Policy Framework which has Green Trade element in it. He mentioned that Pakistan lacked in lobbying capability to make benefit at international forum on different sustainability measures. He mentioned that Shafqat Kakakhel, a senior bureaucrat from Pakistan, was part of the CDM executive board but we were not able to get approved different CDM methodologies for the efficiency measures being undertaken.
7	<p>He commended that the pressure was being generated by civil society due to which CSR had started to make business sense.</p>
8	<ul style="list-style-type: none"> <u>Technology Transfer:</u> Regarding technology transfer, he emphasized that business associations in collaboration with donor agencies should have taken lead in that. They should act proactive to propose different projects for sustainability. The projects should go beyond studies and be on creating demonstrable models for local industry to follow. The efforts should be focused on a particular sector. In this regard, he mentioned about the project of Cleaner Cotton Production by Ministry of Commerce where the efforts were made to review the cotton production practices and replace the existing pesticides with permissible alternatives.

	<ul style="list-style-type: none"> • He also suggested looking into the opportunities for technology transfer from India and suggesting which technology items should have been put into positive list of trade which local industry required.
9	<p><u>Follow Up:</u></p> <p>Regarding sharing the interview contents with quotation of his name, he agreed.</p>
	<p>Regarding participation in the dialogue, he said that SCI-Pak should have put invitation by suggestion his name through proper channel. He would participate if he was recommended.</p>