

PC-1

REVISED

For the Establishment of

NATIONAL ACCREDITATION COUNCIL (PNAC)

Ministry of Science & Technology
Government of Pakistan
Islamabad

Code Number for Project
(To be filled in by Planning Commission)

PART A PROJECT DIGEST

- | | | | |
|----|--|---|------------|
| 1. | Name of Project | Establishment of National Level Accreditation Infrastructure (PNAC) under the proposed Technical Assistance for Institutional Support for the Trade Regime (ISFTR) | |
| 2. | Authorities responsible for: | | |
| | i) Sponsoring: | Ministry of Scientific & Technological Research (MOSTR) | |
| | ii) Execution: | Pakistan National Accreditation Council (PNAC) / MOSTR | |
| | iii) Operation & Maintenance | Pakistan National Accreditation Council (PNAC) | |
| 3. | Time required for completion of Project (in months): | Existing | 24 Months |
| | | Revised | 60 months* |
| | | *This period includes 1 st extension of 12 months (2002-2003) and the proposed revision of 24 months (2003-2005). | |
| a) | Plan Provision | | |
| | i) <i>If the project is including in the current five year plan, specify actual allocation</i> | No | |
| | ii) <i>If not included in the current plan, how is it now proposed to be accommodated (Inter-Intra-Sectoral adjustments in allocation or other resources may be indicated)</i> | Strengthening of the quality infrastructure is included in the 9 th Five Years Plan. The National Technology Policy (NTP) approved by the Cabinet lay strong emphasis on strengthening of Metrology Standards, Testing & Quality (MSTQ) system. The National Commission for Science and Technology also approved strengthening of MSTQ infrastructure. | |
| | iii) <i>If the project is to be financed out of block provision for a program indicate</i> | NA | |
| | iv) <i>Date of approval</i> | 23/8/1999 | |

v)	<i>Date of Administrative approval of the project</i>	21/3/2000
vi)	<i>Approving authority</i>	CDWP
vii)	<i>Approved cost</i>	
	Existing budget 52.522	Revised budget 52.522*

*NOTE: Due to shortage of manpower in the new and emerging field of accreditation and refusal of foreign consultants to visit Pakistan, after September 2001, the project could not be completed during the specified time. The remaining unspent amount of Rs 25.564 m is now required to complete the activities of the project, otherwise the whole investment will go waste.

b)	<i>If Project is not in the Plan: what warrants its Inclusion in the Plan</i>	N.A
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5. **Relationship of the project with the objectives of the sector:** *Indicate the contribution of the projects, qualified if possible, to the targets in the Five year Plan and the names of other projects (whether sanctioned or under preparation) which would form part of an integrated program within the sector.*

The Government is laying greater emphasis on the enhancement of export, which is imperative for the socio-economic uplift of the country. With the establishment of WTO and its policies of trade liberalisation, export will increasingly depend on the supply of quality goods and services in the international market. Market entry to developed countries, which are the major trading partners of Pakistan, will now require compliance to international standard and providing evidence of such compliance through internationally recognised accreditation services. Thus the adoption of International standard for productions, management and conformity assessment procedure i.e. accredited laboratories and certification services will play important role in the future world trade.

Realising this need, many countries of the world established National Accreditation Bodies, which facilitates, through certification and accreditation, their goods and services for the global market. This situation urgently calls for the establishment and strengthening of organisation such as PNAC as an apex body in Pakistan. PNAC will have the vision to be a prestigious agency of international standing in the field of certification and accreditation. The strengthening and operationalization of PNAC is hence in line with the objectives of the overall government economic policies particularly export enhancement.

6. **Capital Cost of project:**
(In Million Rupees)

Local Costs:	Rs 52.522 million (pl see 3.vii for details)
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7. **Annual recurring expenditure after completion:**

Total **Rs 5.80 million**

8. **Objectives of the project preferably in quantitative terms:**

- ? Review and finalize the procedures, manuals and other documents of PNAC, necessary for establishing as Internationally recognized national accreditation system;
- ? Evaluate and accredit the certifying agencies for ISO-9000/14000 and laboratories for calibration of equipment and testing etc;
- ? Act as a focal point for co-ordination with relevant international, regional and national organisation for the purpose;
- ? Register lead auditor and consultants working in quality management areas;
- ? Consider and expand the scope of accreditation for inspection agencies etc;
- ? Engage suitable staff and provide them training in auditing and joint assessment under the supervision of some reputable international accreditation bodies;
- ? Provide additional support of office equipment, computer hardware, software and training aids;
- ? Complete formalities for the membership of International Laboratory Accreditation Council (ILAC) and International Accreditation Forum (IAF) at earliest.

Prepared by:

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Checked by:

(Dr Mohammad Farooq)
Director
PNAC

Approved By:

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PNAC

PART B

PROJECT DESCRIPTION AND FINANCING

9. **Location of the project:** *(Attach map) give name of place and administrative district in which the Research Institute/Centre will be selected.*

The project facilities will be established in the office of PNAC at Evacuee Trust Building, F-5, Islamabad.

10. **Existing Facilities:** *Give Information about the organisations doing similar research work at present. Indicate their staff, budget for the last five years and their output in terms of number of studies etc. mention if there is any organisation to ensure co-ordination of work done by different research institutes.*

No other organisation is doing the work, which is proposed in this project PC-I.

11. **Description of Project:**

a) *Give brief history, proposed facilities and justification of project. Indicate the basis for selecting the area of research and justify the priority that should be given to the area. Indicate the benefit or research to the sector and the economy.*

History

Recognizing the role of accreditation for conformity assessment bodies including laboratories, certification bodies and inspection agencies, the Cabinet in its meeting held on 7th January 1998 approved the establishment of PNAC. At present steps are taken for its establishment and proper functioning. Since accreditation is a new and developing field, therefore contacts are being established with foreign reputable accrediting bodies particularly China, Norway, U.K, Singapore, Malaysia, Sweden, Holland etc. to assist Pakistan in the operationalization of PNAC according to International need and requirements.

Justification

The global trend is towards a free market with no economic trade barriers, allowing for free movement of goods and interchange of services. Such a situation can only be consummated when technical barriers to trade are also eliminated. Technical barriers to trade arise due to repetition of testing, inspection visits and transportation charges. In such a trade regime, the trading countries must have confidence in the quality and environmental systems, personnel and product certification and inspection systems as well as the measurements and tests conducted by each other. The World Trade Organization and the European Union (EU) both have noted that the lack of acceptance of test results and certification, are the most significant non-tariff barriers to trade. Accreditation of laboratories, inspection bodies and certification bodies, using common standards and

procedures is seen as the most effective way of overcoming these barriers. To this end major trading countries have established independent, and internationally credible accreditation bodies. At the apex of the world accreditation pyramid is the International Laboratory Accreditation Cooperation (ILAC), and the International Accreditation Forum (IAF) and all reputed accreditation bodies are members of both these bodies.

PNAC once fully operational will give formal recognition that Laboratories, Certification Bodies, and Inspection Bodies are competent to carry out specific tasks. PNAC will be an independent body capable of assessing organizations for compliance to the relevant international/national standards and verifying their appropriate competence for the tasks as per their scope of activities. Accreditation reduces risk for business and its customers by assuring them that accredited bodies are competent to carry out the work they undertake. The accreditation benefits organizations through an impartial assessment by experts on their performance. This independent assessment and recognition of an organizations' competence allows the accredited organizations tests, inspection reports and certificates to be recognized as equivalent to organizations in other countries accredited by their National Accreditation Bodies.

PNAC will also apply for membership of IAF, which will require operating at the highest standard and requiring the bodies they accredit for ISO 9000 and ISO 14000 to comply with appropriate international standards. Certificates issued by bodies accredited by members of the IAF Multilateral Recognition Agreement (MLA) are relied upon all over the world because the MLA assures customers that the certificate is credible.

In order to establish PNAC as an organization of international repute, a team of relevant skilled manpower is required. In Pakistan, however, the relevant manpower is very limited and is highly demanded in private sector as well. In the past, the skilled manpower has left PNAC to join Private sector for higher pay package. To retain the experienced and skilled manpower of PNAC, the pay package of its employees, especially the technical manpower, should be given an incentive of at least 50 % professional allowance. It is also proposed that special incentive of project allowance may be offered to technical as well as non-technical manpower.

After completion of the project, PNAC will be capable to perform the following functions in accordance with the national and international requirements:

- ? To accredit testing and calibration of laboratories for ISO 17025
- ? To accredit training organizations engaged in conformity assessment areas;
- ? To accredit certifying bodies for products, quality managements systems (ISO 9000), environmental management systems (ISO 14000), and inspection bodies (17071);
- ? To register auditors and training personnel working in the quality assurance field, besides other quality promotion programs;

- ? To accredit organizations in Pakistan that are engaged in conformity assessments;
- ? To represent Pakistan in the international and regional accreditation activities, and ensure that Pakistan's interests are represented at all regional and international levels.

b) *Indicate relationship with other programs in the same sector studies and in other sectors.*

PNAC will closely work with the Ministry of Commerce, Ministry of Industries and other public and private sectors organisations including EPB, SMEDA, NPO, NUST, PCSIR, to contribute towards export led growth.

c) *Mention the intermediate outputs in the form of number of study papers to be produced within the next five years. Indicate whether these studies would result in commercial application or commercial leasing out of the process developed. If so, indicate expected income.*

No process is to be developed under this project hence the question of leasing out the process does not arise. Nevertheless PNAC will have a publication section, which will continuously publish and circulate reports, findings and other related articles of various activities of the project carried out in the field of Certification and Accreditation.

d) *Administrative arrangements for conducting research. Give availability of manpower in the specialised field. Indicate methods of dissemination of research findings.*

PNAC will carry out and accomplish the project activities at its premises under the administrative control of the Ministry of Scientific and Technological Research. PNAC will have its own permanent staff/officials and will engage experts/auditors and other personnel on need and contract basis for the fulfilment of the project objectives. The achievements of PNAC will be published in the form of newsletters, handouts and brochures.

12. **Arrangements for monitoring and evaluation of the project during implementation.**

The following arrangements would be made to monitor and evaluate the implementation of the project

1. MOSTR would supervise and constitute an external performance and evaluation committee
 2. Director General would constitute an internal committee to implement and monitor the project
 3. Auditor General Pakistan would perform annual external audit
- ? The local and international experts will be hired to operationalise PNAC through training of personnel, develop linkages with IAF, ILAC and IATCA for seeking membership and acquisition of hardware and software. These

organisations will independently and professionally evaluate the activities of PNAC.

13. **Give date when capital expenditure estimates were prepared: if prepared more than one year ago, confirm if they are still valid.**

February 2003

14. **Give summary of capital cost, covering whole of the Investment priority indicated below:**

S.No.	Item	Cost in Pak Rs million for 2 years
1.	Machinery/ Equipment & Furniture (section 29 , Table A for details)	2.850
2.	Material and spare parts for operation section29, Table B for details)	1.600
3.	Pay package (approx) (Annex I / II)	7.390
4.	Office, Secretariat and related services	1.800
5.	Local Transportation	0.500
6.	Training and meetings including IAF/ILAC	2.696
7.	Contingencies	1.000
8.	Foreign and local Consultants	1.500
9.	Vehicles (Annex III)	5.228
	Total Pak Rs in millions	24.564

15. **Basis of Cost estimates: (Give full details)**

Prevailing market prices

16. **Financial Plan:**

- (i) *Give complete sources of financing of the projects. Clarify sources of financing such as federal provinces, foreign/local grant/loan*

All financing will be borne by the Government of Pakistan, however at a later stage certain cost of the budget will be met through sale of services by PNAC.

- (ii) *Provide details of recurrent expenditure on the basis of fixed and variable costs also specify the items such as establishment charges. Interest payments depreciation and non-salary items, maintenance charges, etc. Indicate the operational arrangements of Implementation and the agency responsible for meeting the recurrent cost.*

Cost estimate of the recurring expenditure is provided at S. No. 19

17. **Beneficiary Participation:**

Executing agencies to confirm whether prospects for beneficiary participation have been considered and if so, provide a detailed mechanism for involving beneficiary.

The industrial, service and scientific sectors in the public and private domain have shown keen interest in developing quality infrastructure. The regulators, exporter, industrial and social organisations and public in general would be the ultimate beneficiary of this project as it would lead to maximise foreign exchange earnings by the sale of quality products/services in the international market and control the sale of sub-standard products and services in the local market and contribute to health, safety and environmental protection.

18. Risk Analysis:

Give detailed list of assumptions and the basis of changes therein. Also indicate likely events which may delay the projects and means of addressing these delays.

Delay in timely release of funds and engagement of suitable staff and experts will have adverse effects on the project implementation

19. Estimates of annual recurring expenditure after completion of each phase of project: (Also indicate the source of financing recurring expenditure)

Total in Pak Rs million

a.	Pay and allowances of local staff (annex 1 & II)	3.70
c.	General utilities	0.80
d.	Contingencies	0.50
e.	Supplies and spare parts (section 29 Table B)	0.80
Total		Rs 5.80 million

i) Authority responsible to meet the recurring expenditure after completion of the project.

Government of Pakistan and PNAC through self generated resources.

ii) Unit cost for each category of service or output. Indicate number of technical personnel and man-years number of studies, cost per study cost per man-year

Not applicable

iii) Comparative unit cost of similar projects under; Implementation and completed.

Not applicable

iv) Give statement showing phasing of repayment of loans: Indicate debt servicing capacity (I) of project, (II) of loan receiving organisation;

NA.

v) In case of industrial research, if the process developed are to be leased to commercial firms, give cash flow statement (in flow and out flow) for the next five years.

Not applicable

- vi) **Annual phasing of physical work and financial requirements for the project: (Attach Bar diagrams).**

NA

PART C

PROJECT REQUIREMENTS

26. (a) **Manpower**

I.	Regular Staff	For Execution Man Months	For Operation Number
(i)	Professional and technical	168	7
(ii)	Administrative/ Managerial	96	3
(iii)	Clerical	192	10
(iv)	Skilled	96	4
(v)	Unskilled	192	8
(vi)	Others	Nil	Nil

(b) **Give list of employment to be generated by gender**

The employment will be made strictly on merit irrespective of gender.

(c) **Give manpower required during the first year of the implementation of the project. Give details of specific skills required (scientists, lab/field workers, technician etc.) separately for male and female and their grades.**

1.	Deputy Dir General (BPS 20)	Technical	01
2.	Director (BPS 19)	Technical	03
3.	Deputy Director (BPS 18)	Technical	03
4.	Private Secretary (BPS-17)	Non technical	01
5.	Assist. Director (BPS-17)	Administration	01
6.	Accounts Officer (BPS-17)	Accounts	01
7.	Stenographer (BPS-15)	Non technical	04
8.	Steno typist (BPS-12)	Non technical	04
9.	Assistant (BPS 11)	Non technical	02
10.	Driver (BPS-4)	Skilled	04
11.	Naib Qasid (BPS-1)	Un skilled	05
12.	Chowkidar (BPS-1)	Un skilled	02
13.	Mali	Un Skilled	01

Total	32
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(c) Likely shortage of manpower by occupation

Trained manpower is available in the market, which will be hired/recruited on contract basis on the salary acceptable to the employees and affordable to PNAC in the long run.

(d) Steps to be taken to assure availability of manpower

As some of the posts are highly technical and the required skilled manpower is demanded in private sector as well, so those selected earlier refused to join PNAC or left after joining due to lower pay package offered by the government.

To retain the experienced and skilled manpower of PNAC, various options for pay packages were considered including Special Pay Scales, Management Position scales and Basic Pay Scales. Given the fact that these posts would be needed for the institutional strengthening of PNAC, even after the completion of the project, and efforts would be made to regularize these posts. It is therefore essential to retain the staff and employee who would undergo training and obtain special work experience during the project period, BPS is therefore considered as a better option with additional allowances.

To retain the technical staff, the pay package of the employees, especially the technical manpower, should be given an incentive of at least 50 % professional allowance. It is also proposed that special incentive of 50 % project allowance should be offered to technical as well as non-technical manpower of the project to avoid discrimination and maintain harmony among the technical and non-technical staff.

(e) Approximate number of persons required to be trained per year (locally and abroad) and the kind of skills to be learnt.

12-15 persons will be trained locally and abroad in the field of accreditation, Certification, Testing & Calibration, Auditing and personnel training. These trained personnel would be then carrying out assessment of organisations locally according to international requirements, thus saving millions of dollars.

2. Civil Works:

(a) Total covered area of the building (basic for determining the space requirements) along with Line-plans, number of stories, etc.

Total covered area required for the establishment of the office of PNAC is proposed to be around 5000 sq feet.

(b) If houses provided, their number and categories along with covered area and Line plans.

Nil

- (c) **Size of the plot on which a building/houses are to be constructed viz the percentage of open and constructed area**
Not applicable

- (d) **Give description of already completed or under construction building/house viz the new proposed construction.**
Nil

- (e) **Existing water-supply and sewerage arrangement in the area as well as for the present project.**

All the civic utilities are readily available in the localities of Islamabad.

- (f) **Unit-cost supported by item-wise detailed estimates of the building/house separately for civil-works, water supply, sewerage other utilities including HAVC (if present), external development, etc.**

Nil

- (g) **Percentage of contingencies, departmental charges and escalation based on base-cost.**

Less than 6.5% (telephone, POL, contingencies, Misc, and other charges)

2. Physical and other facilities required for project:

Not applicable

<i>Item</i>	<i>Total</i>	<i>To be provided From the Project</i>	<i>To be provided From the public utilities</i>
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2. Power Supply

- (a) *Water and other utilities*
(b) *Education facility by type*
(c) *Others*

29. Materials, supplies and equipment requirement

Minimum total requirements for execution:

Table A

S. No	Item	Proposed	Unit rate in Rs million	Cost in Rs million
1.	Machinery & equipment			
a.	Branded Personal computers along with laser printers and support accessories	3	0.15	0.45
b.	Photostat Machine (Heavy Duty)	1	0.8	0.8
c.	Fax Machine	3	0.1	0.30
f.	Other office equipment (Electric Typewriter etc)	1	0.3	0.30
2.	Furniture for office	-	-	1.00
3.	Vehicles (see Annex III)	3		5.23

Materials, spares and supplies and equipment for operation of project:

Table B

S.No	Item	Qty	Unit rate	Cost in Rs million	Already available with the agency
1.	Supplies and spares				
a.	Stationery items			0.4	
b.	Stores and spares			0.4	

Total Rs 0.8 million for one year

30 In the case of imported materials and equipment for execution, indicate:

(a) Justification for imports.

Proposed sources/sources of supply

Not applicable

PART D

ENVIRONMENTAL IMPACT ASSESSMENT

Indicate environmental Impact likely to be generated as a result of implementation of the project. Detailed quantification and analysis of the likely impacts separately on human life, animal life, forests and vegetation etc. should be provided. The quantification of impacts should include the following:-

The proposed project facility is the establishment of a controlling agency in the field of Certification, Accreditation and Training of Personnel and will not be having any industrial establishment. Thus the question of environmental impact on society and civic amenities do not arise.

(i)	Traffic Noise	Not applicable
(ii)	Air Pollution	-do-
(iii)	Water pollution	-do-
(iv)	Drainage/Run off	-do-
(v)	Community Severance	-do-
(vi)	Crop yield	-do-
(vii)	Ground water contamination	-do-
(viii)	People's Health	-do-
(ix)	Wild Life	-do-
(x)	Ecology	-do-

- (xi) Bio-physical characteristics of the project site including water, geology and soils, ecological (aquatic and terrestrial), natural resources (mineral/forestry/agriculture), and visual quality etc.**

Not applicable

- (xii) Restoration/preservation and re-use of disturbed areas, through embankments etc.**

Not applicable

- (xiii) Protection of habitat along communication routes i.e. roadway, rail tract and around an airport etc.**

Not applicable

Annexure to PC.1

(This part should be filled up only for Revised Scheme)1. *Comparative cost estimate of the last sanctioned and revised schemes:***Last sanctioned budget (July 2001-June 2003) in million Rs**

Type of fund	Allocated	Fund Released	Expenditure (2001-2003)				Unspent from allocation
			1 st year	2 nd year	3 rd year	Sub-Total	
GOP	23.319	10.896	1.597	3.849	3.289	8.735	14.584
F.E.C	32.203	20.648	16.649	3.166	2.408	22.223	9.980
Total	55.522	31.544	18.056	7.015	5.697	30.958	24.564

Revised Budget for 2003-2005 = Rs 25.564 million2. *Give reasons for the revision in cost estimates.*

The cost estimate is not revised, however some re-appropriation is made as follows.

Items	PC I original million	Expd. Incurred (2000-01) in Rs	Expd incurred (01-02) In Rs	Expd incurred (02-03) in Rs	Total expd. (million)	PCI revised (million)	Reasons for revision
Equipment And furniture	23	23,972	981,999	Nil	0.100	2.850	Some equipments were purchased in the last budget, so in the revised PCI allocation have been made only for the equipment needed. The break-up of these items can be seen below in Table X
Vehicles	Nil					5.228	Justification and detail given in Annex III
Salary of the staff per year	2.8	Nil	453,065	597,781	1.05	7.390	Justification for salary is given in Part C, 26 e

Break-up and Reasons of the Revised Estimates

Machinery/equipment and furniture

Table X

S. No	Item	Proposed items	Unit rate in Rs million	Cost in Rs million	Justification
a.	Vehicles: Wagon =1 Cars =2	3	2.28 3.00	5.23	Pl. see annex III
b.	Branded Personal computers along with laser printers and support accessories	3	0.15	0.45	At least 13 computers are needed for the officers and their staff. As 10 were purchased earlier, so only three are needed.
c.	Photostat Machine (Heavy Duty)	1	0.80	0.80	
d.	Fax Machine	3	0.10	0.30	Each for the certification bodies, laboratories and personnel registration division at PNAC.
f.	Other office equipment (Electric Typewriter etc)	1	0.3	0.30	
g.	Furniture for office	-	-	1.00	

3. Total expenditure incurred so far:

Type of fund	Allocated	Fund Released	Expenditure (2001-2003)				Unspent from allocation
			1 st year	2 nd year	3 rd year	Sub-Total	
GOP	23.319	10.896	1.597	3.849	3.289	8.735	14.584
F.E.C	32.203	20.648	16.649	3.166	2.408	22.223	9.980
Total	55.522	31.544	18.056	7.015	5.697	30.958	24.564

4. Progress of work:

- ? Developed manual, procedures and other documents necessary for accreditation services through foreign and local consultants;
- ? Reviewed the Act of National Accreditation Council;
- ? Formulation of National Quality Policy and Plan, partially compiled;
- ? Assistance provided to Pakistan Standards and Quality Control Authority for the establishment of certification systems for ISO 9000;
- ? Proposal prepared for the strengthening of National Physical and Standards Laboratory;

- ? Conducted 2 courses on Laboratory Quality Management and laboratory assessment
- ? Assessment of 2 certification bodies completed
- ? Pre-Assessment of 4 labs. undertaken
- ? Four officers sent on overseas training and others given local training
- ? Equipments purchased as per the following list.

Cost in millions

Item	GOP		ADB	
	Qty	Cost	Qty	Cost
Branded Personal computers along with laser printers and support accessories			10	0.84
Photostat machine (Heavy Duty)	01	0.370		
Fax Machine	01	0.020		
Multi-media Projector	01	0.250		
Other office equipment (Electric Typewriter etc)	01	0.040		
Split AC	02	0.085		
Lap Top	03	0.585		
Lamination machine	01	0.016		
Punch binding machine	01	0.026		
Paper cutter	01	0.023		
Furniture for office utilities		0.120		
Total		1.535		0.84

Total expenditure on purchases of equipments/furniture $1.535+0.84=2.375$ during 2000-2003

5. Project

History Date: The project was approved on 23/8/1999

Cost:

Original Previous budget (July 2001-June 2003) in million Rs

	Allocated	Released	Expd.	Unspent
GOP	23.319	10.896	8.735	14.584
F.E	32.203	20.648	21.223	9.980
Total	55.522	31.544	30.958	24.564

1st revision Proposed budget for (July 2003-June 2005) in million Rs

Total amount needed is 24.564 million for 24 months. As explained earlier, it is the unspent amount of the total original approved budget for the project.

Justification For The Proposed Extension

The project was approved on 23/8/1999 whereas the administrative approval of the project was issued on 21/3/2000. It took several months before NOC was obtained from Finance and Establishment Division for recruitment of necessary staff. Since accreditation is a new and emerging field, and there is a dearth of expertise in the country, those recruited after completing the required formalities refused to join PNAC, or left after joining, due to low salary packages. The project envisages

comprehensive training programme for the technical staff both within and abroad and substantial allocation was earmarked for this purpose, but this amount could not be utilized effectively due to absence/shortage of required staff.

The consultants were supposed to complete the remaining work by the end of 2001, but Crown Agents refused to cooperate after the incident of 11 September, and later controversy over payment with them on the other two components of this umbrella project. Thus the main project objective of training the staff and getting membership of ILAF and IAF could not be achieved.

Extension of the project is therefore necessary to recruit staff on better pay package as proposed and provide them training to achieve the desired objectives necessary for institutional strengthening. Moreover remaining formalities are to be completed to secure membership of ILAC and IAF to establish national and international creditability of PNAC.

Financing Plan

(a) Indicate (I) how the executing authority will obtain finances, and (ii) how the prospective owners will get funding and specify the sources of financing the implementation of project, as under:

	Sources	Amount for Capital Expenditure	Amount for Recurring Expenditure
(a)	Foreign Assistance		
	(i) Loan	Nil	Nil
	(iii) Grant	Nil	Nil
	(iv) Technical Assistance	Nil	Nil
(b)	Federal Government		
	(i) Grant		Grant
	(ii) Loan		
	(iii) Investment		
	(iv) Direct Expenditure		
(c)	Provincial Government	Nil	Nil
	(i) Grant		
	(ii) Loan		
	(iii) Investment		
	(iv) Direct Expenditure		
(d)	Sponsoring Agency's own fund		
(e)	Private Investment		
(f)	Local body resources, if any		
(g)	Non-government borrowing		Nil
(h)	Beneficiaries contribution		
(i)	Other sources (e.g.) recoveries		

List of abbreviations used and the WTO agreements/declarations/new issues.

Agreement on Basic Telecommunication
Agreement on Customs Valuation
Agreement on Financial Services
Agreement on Import Licensing Procedures
Agreement on Pre-Shipment Inspection
Agreement on Rules of Origin
Agreement on Safeguards
Agreement on Textiles and Clothing (ATC)
Agriculture
Anti-dumping Agreement
Balance of Payments
Central Development Working Party (CDWP)
Department Development, Working Party (DDWP)
Economic Coordination (ECNEC)
Electronic Commerce
General Agreement on Tariff and Trade (GATT)
General Agreement on Trade and Services (GATS)
Generalized System of Trade Preference (GSTP)
Government of Pakistan (GOP)
Government Procurement
International Auditors Training & Certification Association (IATA)
Information Technology Agreement
International Accreditation Forum (IAF)
International Laboratory Accreditation Center (ILAC)
International Register of Certified Auditors (IRCA)
International Support for the Trade Regime (ISFTR)
Maritime Transport Services
Metrology Standards Testing and Quality (MSTQ)
Ministry of Commerce (MoC)
Ministry of Science and Technological Research (MoSTR)
Movement of Natural Persons
National Accreditation Council (PNAC)
National Physical and Standards Laboratory (NPSL)
Pakistan Standards and Quality Control Authority (PSQCA)
Sanitary and Phyto-Sanitary (SPS) Measures
Subsidies and Countervailing Measure
Technical Barriers on Trade (TBT)
TEPI Trade Export Promotion & Industry Program
Trade and Competition
Trade and Environment
Trade and Investment
Trade and Labour Standards
Trade Policy Review
Trade Related Intellectual Property Rigths (TRIPs)
Trade Related Investment Measures (TRIMs)
World Trade Organization (WTO)
WTO Dispute Settlement

Annexure I**PAY AND ALLOWANCES OF THE STAFF**

Total No. of posts = 32

Technical staff

S. No	Post	BPS	Number of Post	Minimum Salary/ post/ month	Total cost/year
1.	Dy. D.G.	20	01	36035	432420
2.	Director	19	03	27723	998028
3.	Deputy Director	18	03	18305	658962
	Total		07	82063	2,089,410

Total cost for 2 years = Rs 4,178,820

Non-technical staff

S. No	Post	BPS	Number of Post	Pay & Allowances for Post	Total Cost/year
1.	Accounts Officer	17	1	10947	131364
2.	Assist. Director	17	1	10947	131364
3.	Private Secretary	17	1	10947	131364
4.	Stenographer	15	4	6207	297936
5.	Steno typist	12	4	5278	253344
6.	Assistant	11	2	5009	120216
7.	Drivers	4	4	3922	188256
8.	Chowkidar	1	2	3599	86376
9.	Naib Qasid	1	5	3719	223140
10.	Mali	1	1	3599	43188
	Total			64173	1606548

Total cost for two years= 3,213,096

Grand Total for 2 years = 4,178,820 + 3,213,096 = Pak. Rs 7,391,916

Or in millions = Rs 7.39 million

Annexure III**VEHICLES**

Allocation in original PCI Nil
Allocation in revised PCI 5.228

Item	Number	Cost in million Rs
Cars	2	2.228
Wagon	1	3.00
Total	3	5.228

or 5.23 million

Justification

Two cars are needed for experts, consultants, visiting officials from international agencies, assessment teams from ILAC and PLAC and counterpart accreditation bodies with whom cooperative programmes are in progress such as CNCA, China. A wagon is needed for the officials of PNAC trainers and local assessment teams to visit various laboratories, CBS and other organizations. It may be mentioned that PNAC is a newly established organisation, expected to play an important role at national as well as International level and presently one Suzuki car 1000 c.c. has been sanctioned, which is used by D.G (BPS-21 officer) and for other activities of PNAC.

Annexure-IV

Break-up of budget

Sr. No.	Item	Original PC-I			Proposed Budget
		Budget Allocation	Expd.	Unspent	Pak Rs. Million
1.	Machinery/Equipment & Furniture	230000	2.525	9.892	2.850
2.	Material and spare parts for operation	Nil	Nil	Nil	1.600
3.	Pay package	103556	1.442	4.150	7.390
4.	Office, Secretariat and related services	5000	2.617	(2.347)	1.800
5.	Local Transportation	4842	Nil	0.261	0.500
6.	Training and meetings including IAF/ILAC	270000	1.592	12.988	2.696
7.	Contingencies	66233	0.250	3.327	1.000
8.	Foreign and local consultants	348555	22.532	(3.710)	1.500
9.	Vehicles	Nil	Nil	Nil	5.228
		1,028,186	30.958	24.564	24.564
	Total Pak Rs. In Million	55.522	55.522		

1 US \$ @ Rs. 54