

**Economic and Social Commission for Western Asia (ESCWA)**

Committee on Trade Policies in the States Members of the Economic
and Social Commission for Western Asia

First session

Amman, 8-9 December 2019



Item 5 of the provisional agenda

Technical cooperation activities**Summary**

The present document provides an overview of trade-related technical cooperation activities implemented by the Economic and Social Commission for Western Asia (ESCWA) under subprogramme 3 on economic development and integration since the eleventh session of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development (Beirut, 27-28 November 2017). Those activities were funded through the United Nations Development Account and the Regular Programme for Technical Cooperation.

The present document focuses on examples of activities that highlight the interlinkages between the three functions of ESCWA as a research institution that produces studies aimed at supporting reforms at the public policy level, a house of expertise that provides technical guidance to policymakers, and a regional forum for consensus-building between member States on challenges they face and ways to overcome them. The Committee on Trade Policies in the States Members of the Economic and Social Commission for Western Asia is invited to take note of implemented technical cooperation activities and comment thereon.

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Introduction

1. The present document provides an overview of trade-related technical cooperation activities implemented by the Economic and Social Commission for Western Asia (ESCWA) under subprogramme 3 on economic development and integration since the eleventh session of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development (Beirut, 27-28 November 2017). Those activities were funded through the United Nations Development Account and the Regular Programme for Technical Cooperation.

2. Trade-related technical cooperation activities included conducting studies and preparing publications; organizing expert group meetings and workshops; improving the capacity of member States to negotiate bilateral, subregional and multilateral trade agreements to promote trade flows and build partnerships; and providing advisory services to member States upon their request.

I. DEVELOPMENT ACCOUNT PROJECT: FACILITATING THE IMPLEMENTATION OF THE ARAB CUSTOMS UNION

3. The objective of this project is to develop the technical capacities of Arab experts involved in the negotiations of the Arab Customs Union (ACU) and those responsible for the design of economic policies to adapt, implement and monitor the ACU in the concerned countries and to understand the implications of its implementation under alternative options of the common external tariffs (CETs), fiscal reforms, and compensation mechanisms. The project involves both supporting multi-state discussions in negotiating the various aspects of the ACU and the development of national capacities to implement the agreement

A. MEETINGS AND WORKSHOPS

1. *First Regional Workshop on Trade Toolkit for Impact Analysis* (Beirut, 28-29 November 2017)

4. This workshop aims to provide technical support and build the capacity of the Arab Customs Union Committee members to use the quantitative trade assessment tools and understand their uses for economic reforms and policy decision. The training workshop provides an overview of the various simulation tools used in ex-ante trade policy assessment. It also described the various steps followed in building these models starting from gravity models, to partial equilibrium models, to single country and global general equilibrium models. The training workshop offers the opportunity to the participants to understand how to interpret results of these models and their uses in policy decision process.

2. *National Workshop for Sudan: Impact of Joining the ACU on Sudanese Economy & Alternative Scenarios for a Common External Tariff* (Khartoum, 17-19 April 2018)

5. This national workshop aims to build the capacity of Sudanese officials from the Ministry of Trade and the Ministry of Finance to Analyse and assess alternative Common External Tariff Scenarios for Joining the Arab Customs Union and the Impact of its potential accession to the COMESA's Customs Union initiative. The national workshop represented an opportunity to assist the various ministerial departments involved in development strategies on best practices to mainstream trade policies in national development strategies.

3. *Second Regional Workshop on Trade Toolkit for Impact Analysis* (Beirut, 8-9 May 2018)

6. This workshop falls within the framework of the technical support provided by ESCWA to develop the capacities of their government representatives in the implementation of the Arab Customs Union. This workshop reviewed the various tools developed and being used by ESCWA and other international and

regional organizations, such as UNECA and IFPRI, for trade support activities. This workshop represented a continuation to the first workshop organized in Beirut on 28-29 November 2017 with a specific focus on user friendly interfaces and simulations dashboards.

4. *National Workshop Impact of Joining the ACU on Tunisian Economy & Alternative Scenarios for Common External Tariff*
(Tunis, 26 June 2018)

7. This national workshop aims to develop the capacity of Tunisian officials from the Ministry of Trade and Ministry of Finance to analyse and assess alternative Common External Tariff scenarios for joining the Arab Customs Union and the impacts of comprehensive Arab trade integration scenarios in overlapping trade integration agreements on Tunisia.

5. *Regional Workshop on Monitoring and Evaluating Trade Integration Toolkit*
(Beirut, 10-11 July 2018)

8. This workshop aims to monitor the progress achieved in the implementation of free trade agreements in the Arab region with a particular focus on the full implementation of PAFTA and the negotiations on the ACU. It reviewed the various tools developed by ESCWA, ECA and ESCAP in monitoring and evaluating trade integration. The workshop represented a unique chance for member States to comment on the available tools and develop recommendations on their future developments for better serving member States in their ongoing and continued efforts in monitoring implemented trade agreements and negotiating new ones.

6. *National Workshop on Impact of Joining the ACU & Mechanisms for Developing Customs Procedures for the Customs Directorate of Palestine*
(Amman, 6 September 2018)

9. The workshop aims at providing technical support and assistance to the Palestinian Customs Directorate to update them of the progress made in implementing the project, facilitating the negotiations of the Arab Customs Union and improving their ability to understand the implications of the trade agreements by including studies carried out by ESCWA. The workshop reviewed the major challenges faced by the Palestinian Authority in defining and implementing its trade policy under the conditions and regulations imposed by the Paris Protocol between the Palestinian Authority and Israel. It also identifies major areas of cooperation between the government of Palestine and ESCWA to strengthen the capacities of officials in assessing the cost of the protocol on the national economy.

7. *High Level Meeting on the Future of Arab Economic Integration in a Changing Global Trade Landscape*
(Tunis, 1-2 July 2019)

10. This workshop intends to provide capacity building support to member countries and regional organizations on the Arab trade integration performance with the objective to accelerate the full implementation of PAFTA and facilitate the negotiations on the ACU taking into account Arab trade integration projects with the rest of the world and the changing global trade policies. This workshop represented a unique forum to discuss challenges and define priorities for the region. Representatives of many regional and international organizations presented their activities on supporting Arab integration into GVCs and suggested ways for better coordination. In addition to representative of Member States, the workshop has been attended by ITC, OECD, UNCTAD, the European Commission, African Development Bank, the European Bank for Reconstruction and Development, DAMAN, ITFC, LAS, and UMA.

8. *34th Committee Meeting on Arab Customs Union*
(Tunis, 3-4 July 2019)

11. ESCWA co-organized with the League of Arab States (LAS) the 34th ACU's committee meeting. ESCWA's participation helped in identifying the most important issues under negotiations in the region to be reflected in the future activities of ESCWA, LAS and the Committee. Moreover, the team has been involved in the drafting of the resolutions to be submitted to ECOSOC with specific requests of technical assistance to ESCWA. In this respect, the Committee highly commended ESCWA's technical support to LAS and its Member States and suggested new initiatives to facilitate Arab trade negotiation process.

B. TECHNICAL DOCUMENTS AND REPORTS

1. *Case study: Sudan*

12. Based on the request of the Ministry of Economy and Trade in Sudan, ESCWA prepared a comprehensive study on the future of the national trade policy in the context of current integration schemes with both the Arab and African countries. The report represents a comprehensive overview of the current trade policy in Sudan and the challenges posed by the integration schemes on one side and by the economic and social challenges faced by the country on the other side. The study provides a comprehensive package of policies for better economic transformation and diversification of the national economy.

2. *Case study: Tunisia*

13. Based on the request of the Tunisian government, ESCWA undertook a detailed assessment of alternative scenarios of launching the ACU on the Tunisian economy. The study used a powerful simulation model for trade analysis to evaluate the macroeconomic and sectoral impacts of alternative scenarios related to the level and product coverage of the Common External Tariff. The findings of the study represent an important instrument to assist the Tunisian policy makers in the negotiation process.

3. *The Arab Trade Integration Monitoring and Evaluation Platform (ATIMEP)*

14. The objective of the platform is to provide complete and detailed information on trade integration performance and market access requirements in the Arab countries. In addition to raw data on trade and FDI flows, the platform represents a first attempt to monitor and evaluate Arab trade integration bilaterally, regionally, and globally using the most appropriate performance indexes and policy indicators. It also contributes to the improvement of the quality, flow and use of trade data and information among Arab countries. The ATIMEP allows all trade officials, private sectors, and experts to access a wide range of data and indicators related to trade integration between the Arab countries. The web-version of the platform will be launched officially in the future after uploading all data and reports. It is being developed in a manner to offer easy access to a wide range of data under four main pillars: trade agreements, trade analysis and indicators, logistics, and macroeconomic and sectoral policies coordination.

4. *The fiscal impact of Palestine Joining PAFTA Report*

15. This report examines the fiscal implications of GAFTA on the Palestinian budget under the conditions of the Paris Protocol. The study has been based on a detailed and complete estimation of trade flows by country of origin to Palestine over the previous years with the aim to identify the imports from Arab countries and the corresponding tariffs imposed by Israel. The assessment also took into account the commission taken on trade imports for Palestine but transited and cleared by the customs of Israel. This study is important in the context of budget challenges faced by the Palestinian Authority and clearly calls for a specific treatment of Palestine in PAFTA.

II. DEVELOPMENT ACCOUNT PROJECT: INDEXES

16. The Project aims at strengthening the capacity of selected developing countries to measure, monitor and improve their performance in regional integration within the African, Western Asian, and the rest of Asia-Pacific regions. This objective is to be realized through: (1) the provision of a robust regional integration index to be freely and easily accessible to all stakeholders in each of the three main regions of focus; (2) capacity building and technical assistance offered to selected developing countries on the use of the information generated through the index for better policy making and analysis with a view to improving their own performance in regional integration, with strong emphasis on trade integration.

A. MEETINGS AND WORKSHOPS

1. *Expert Group Meeting on “Indexes for assessing economic integration performances”*
(Addis Ababa, 24-27 September 2018)

17. This meeting was the first substantive activity in the implementation phase of the Development Account project which aims to harmonize the methodologies used by the three Regional Commissions involved to compute composite indexes for assessing economic integration performances. The meeting aimed to critically review the existing methodologies of regional integration indexes (RII) by gathering experts in the field. The subsequent goal is to improve further the methodologies currently available or being developed within the African, Arab and Asia-Pacific regions and discuss how to ensure some coherence across the methodologies.

2. *Training on Monitoring and Evaluation Composite Indexes and Scoreboards*
(Beirut, 18-19 November 2019)

18. The aim of this workshop is to develop the capacities of Member States to use the Arab Economic Integration System of Indexes and Scoreboard as a tool for evidence-based policymaking. It will help them understand changes in economic integration dynamics at the global, intra-regional and bilateral levels, track existing and emerging challenges and opportunities, and identify most suitable trade and trade-related policies to maximize the growth enhancing effect of economic integration at the international, intra- and inter-regional levels.

B. TECHNICAL PAPERS

1. *Technical Report on “Measuring, Monitoring and Improving Performance in Regional Integration within UNECA, ESCWA, and ESCAP Regions*

19. This study aims to improve Member States’ capacity to evaluate and monitor their economic integration performances with a view to widen and strengthen intra-Arab integration and build regional value chains which are considered stepping stones to their successful insertion in international markets. This goal will be achieved by providing (1) regional integration indexes designed to be easily understandable, rapidly computable and freely available, and (2) capacity building and technical assistance to selected Member States on the use of the information produced through the index for evidence-based analyses and effective policy-making so as to improve their own integration performances at the regional level, in particular through trade.

2. *ESCWA Arab Economic Integration System of Indexes: A user guide*

20. The User Guide on the Arab Economic Integration System of Indexes and Scoreboard describes the use and future potential developments of the monitoring and evaluation system developed to promote intra-Arab regional economic integration. It will be used as background material to a regional capacity building workshop, aiming to train representatives from Member States on the structure of the toolkit to monitor and evaluate regional economic integration.

III. THE REGULAR PROGRAMME FOR TECHNICAL COOPERATION (RPTC)

A. MEETINGS AND WORKSHOPS

1. *Training Workshop on “Antidumping and safeguard measures in international trade regulations”*
(Tunis, 9-10 January 2018)

21. This workshop aims to develop the capacities of Tunisian and Arab experts from Ministries of Trade to enable them to understand, assess and implement the most suitable antidumping and safeguard measures to protect their economies.

2. *Training Workshop on “National Single Window for Iraqi’s Officials”*
(Beirut, 16-17 January 2018)

22. This training workshop served as a foundation for further work on establishing a single window system in the country to facilitate its integration in the regional and global economies and to lower the cost of its imports which will save national resources. The workshop served also as whistle-blower for the urgency of moving towards further trade facilitation through various means including the Single Window system.

3. *Joint Workshop with ECA on the Accession of Tunisia to COMESA*
(3 April 2019)

23. The workshop served to present the draft studies prepared jointly by ECA and ESCWA on the economic impacts of the accession of Tunisia to COMESA and the regulatory requirements for the accession. The meeting has been chaired by Ministries of Major Reforms, Trade and Commerce.

B. TECHNICAL PAPERS

1. *Ex-post evaluation of Lebanon’s FTAs: the case of the GAFTA*

24. This paper examines and discusses the various provisions in the PFATA. It also provides in-depth analysis of the effective economic impacts of the PAFTA agreement on specific macroeconomic variables and investigates the shortcoming of the PAFTA itself and the level of commitments of the Government of Lebanon in regional and global economic integration. It concludes with a suggested set of timely policy recommendations.

2. *Regulatory Adaptations to COMESA*

25. The paper stipulates especially Tunisia’s commitment to implement the provisions of the COMESA treaty and its protocols, to align its development policies with the COMESA objectives, to ensure its representation in the various COMESA structures and to implement the Free Trade Area with the right to a transitional period on a reciprocal basis. It also covers the financial obligations and the conditions of entry into force of the agreement.
