



## **Regional Program for Trade and Environment Capacity Building in the Arab Region**

### **Progress Report**

**June 2003-June 2004**

#### **I. BACKGROUND**

The Executive Bureau of the Council of Arab Ministers Responsible for the Environment (CAMRE) of the League of Arab States (LAS) approved by resolution the adoption of the Regional Program for Trade and Environment Capacity Building in the Arab Region during its meeting of 3-4 June 2003 in Beirut, Lebanon. The resolution was taken based on the recommendation of the Joint Commission for Environment and Development in the Arab Region (JCEDAR). Support for the program was reaffirmed at the 15<sup>th</sup> Meeting of CAMRE on 9 December 2003 (Resolution 190Q, Article 3).

#### **II. OBJECTIVES**

The regional program seeks to strengthen the capacity of Arab countries to address the challenges and take advantage of the opportunities presented by trade and environment in an increasingly open and global trading system. It seeks to do so by:

- Building national and regional capacity in trade and environment policy formulation, policy implementation and negotiation;
- Strengthening understanding of trade and environment issues affecting the competitiveness and market access of Arab commodities; and
- Increasing the ability of producers and consumers in the Arab region to examine and respond to trade and environment issues in a proactive manner.

The regional program is coordinated by a Joint Secretariat consisting of the CAMRE Technical Secretariat, the United Nations Economic and Social Commission for Western Asia (ESCWA) and the Regional Office for Western Asia of the United Nations Environment Programme (UNEP/ROWA). The framework document of the program establishes that the Joint Secretariat shall prepare an annual report for review, comment and approval by CAMRE to assess progress in implementing program activities. This progress report was prepared by ESCWA on behalf of the Joint Secretariat to supporting the monitoring and planning of the regional program following its first year of implementation (June 2003 – June 2004).

### **III. MECHANISMS FOR IMPLEMENTATION**

#### **A. Working Group**

The Working Group on Trade and Environment Capacity Building in the Arab Region is comprised of permanent and alternating members. The permanent members of the Working Group, as listed and approved in the framework document, are the:

- Technical Secretariat of the Council for Arab Ministers Responsible for the Environment of the League of Arab States (CAMRE Technical Secretariat/LAS);
- United Nations Economic and Social Commission for Western Asia (ESCWA);
- United Nations Environment Program Regional Office for Western Asia (UNEP/ROWA);
- United Nations Environment Program Environment and Trade Branch (UNEP/ETB);
- United Nations Conference on Trade and Development (UNCTAD)

Since the launching of the regional program, the following organizations have been invited to serve as members of the Working Group in accordance with the noted categories of membership:

- Regional university or research center: Kuwait University
- Regional non-governmental organization: Arab Network for Environment and Development (RAED)
- Regional private sector association: General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries
- Regional financing institution: Arab Monetary Fund

Subsequent to CAMRE approval, Kuwait University and RAED have expressed their willingness to serve on the Working Group. The Arab Monetary Fund declined the invitation to become part of the program as it considers the activity outside the scope of its mandate. Other financial institutions are accordingly being approached. A response from the General Union of Chambers of Commerce remains outstanding.

#### **B. Monitoring and oversight of work plan**

Members of the Working Group were invited to inform the Joint Secretariat of activities completed and planned in support of the regional program. The sections below provide details to this effect. Achievement is assessed by the number activities conducted, the number and variety of beneficiaries served by the project, and the variety of topics addressed within the scope of priorities identified in the regional program.

### **IV. IMPLEMENTATION TO DATE**

The program is implemented by focusing on building the capacity of public and private stakeholders in three priority areas, namely market access, competitiveness and dispute resolution. Skills development and assistance to support these efforts focus on governance, policy analysis, enabling institutions, negotiations, information dissemination and private sector development (See Annex I). Activities take the form of policy advisory services (PAS), technical assistance (TA), national roundtables (NR), regional training seminars (RTS) or regional expert group meetings (EGM). A summary of activities that have been conducted over the course of the first year of the project within the framework of the program is provided in Tables 1, 2 and 3 below.

**Table 1. Market Access: Completed activities (June 2003-June 2004)**

Type of Activity	Title/Date	Area of skills development	Implementing Agencies	Beneficiaries	Highlights
NR	Workshop on Trade and Environment in the Agriculture Sector 10 June 2003 (Beirut, Lebanon)	<ul style="list-style-type: none"> <li>• Policy analysis</li> <li>• Information dissemination</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Environment/Lebanon</li> <li>• UNEP/ETB</li> <li>• UNCTAD</li> <li>• UNDP/Lebanon</li> </ul>	<ul style="list-style-type: none"> <li>• Approximately 50 public and private representatives from Lebanon engaged in agriculture, environment, trade and industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion focused on the results of a study examining methods and costs of methyl bromide (MB) alternatives in Lebanon. MB should be phased out according to Climate Change MEA targets.</li> </ul>
EGM	Expert group meeting on a regional scheme for certification and accreditation: the status of standardization and accreditation infrastructure in selected ESCWA member countries 12-13 December 2003 (Rabat, Morocco)	<ul style="list-style-type: none"> <li>• Enabling institutions</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> <li>• AIDMO/LAS</li> </ul>	<ul style="list-style-type: none"> <li>• Arab region ministries, agencies and institutes responsible for standardization, certification and/or accreditation</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion on how to improve conformity assessment in the region</li> <li>• Recommendation made to form a High Consultative Committee for Accreditation for AIDMO member countries.</li> </ul>
TA	Study on “Towards a policy framework for genetically modified organisms (GMOs) in the ESCWA Region: A Case Study of Lebanon” (draft)	<ul style="list-style-type: none"> <li>• Policy analysis</li> <li>• Information dissemination</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture and agro-food producers, traders, consumers and decision-makers in the Arab region.</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys and examines the impact of the Cartagena Protocol regarding GMOs on health and environmental concerns involving trade and production of agro-food.</li> </ul>
PAS	Mission to Yemen March 2004 (Sana’a, Yemen)	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Policy analysis</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> </ul>	<ul style="list-style-type: none"> <li>• Ministries of water/environment, trade/industry, fisheries; Agencies for environmental protection, quality control/standards, and export promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion with senior officials regarding possible formation of national trade and environment committee</li> <li>• Discussion regarding possible preparation of policy study on trade and environment</li> </ul>

**Table 2. Competitiveness: Completed activities (June 2003-June 2004)**

Type of Activity	Title/Date	Areas of skills development	Implementing Agencies	Beneficiaries	Highlights
EGM	High Level Meeting on Economic Tools for Environmental Sustainability 25-27 June 2003 (Beirut, Lebanon)	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Policy analysis</li> <li>• Information dissemination</li> <li>• Private sector development</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Environment/Lebanon</li> <li>• ESCWA</li> <li>• World Bank</li> <li>• METAP</li> </ul>	<ul style="list-style-type: none"> <li>• Over 150 public and private sector representatives from 22 countries from the Arab region and donor institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion of policy note findings and recommendations regarding the impact on output and exports of conformity with environmental standards for several key export industries (e.g., agro-food, fish, textiles, aluminum, etc.)</li> </ul>
NR	High Level Meeting on Economic Tools for Environmental Sustainability - Side Event on the Regional program for trade and environment capacity building in the Arab Region 27 June 2003 (Beirut, Lebanon)	<ul style="list-style-type: none"> <li>• Information dissemination</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> <li>• CAMRE Technical Secretariat/LAS</li> </ul>	<ul style="list-style-type: none"> <li>• Approximately 45 policy makers, chambers of commerce, NGOs and experts from the Arab region</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion of capacity building program components and implementation strategy</li> </ul>
EGM	Séminaire sur les relations commerce et environnement dans le secteur des PME/PMI : cas du secteur du textile/habillement 10-11 December 2003 (Rabat, Morocco)	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Policy analysis</li> <li>• Information dissemination</li> <li>• Private sector development</li> </ul>	<ul style="list-style-type: none"> <li>• Ministère de l'Aménagement du Territoire, de l'Eau et de l'Environnement/Morocco</li> <li>• ESCWA</li> <li>• Blue Plan</li> <li>• METAP</li> <li>• World Bank-Netherlands Partnership Program</li> </ul>	<ul style="list-style-type: none"> <li>• Over 50 public and private sector representatives from Morocco and Tunisia engaged in trade, environment, industry and export decision-making affecting the textile and garment industry</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion of two case studies, which addressed conformity with environmental standards; ways in which clusters can assist small and medium sized firms to comply with wastewater effluent standards, and potential sustainability impacts that bilateral and regional trade agreements can pose for the textile and garment industries.</li> </ul>

**Table 3. Dispute Resolution: Completed activities (June 2003-June 2004)**

Type of Activity	Title/Date	Areas of skills development	Implementing Agencies	Beneficiaries	Highlights
EGM	Workshop on Trade, Environment and Energy Services 7-8 October 2003 (Cairo, Egypt)	<ul style="list-style-type: none"> <li>• Negotiations</li> </ul>	<ul style="list-style-type: none"> <li>• CAMRE Technical Secretariat/LAS</li> </ul>	<ul style="list-style-type: none"> <li>• Oil exporting countries in the Arab region</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion about energy services within the context of trade liberalization and environment services.</li> </ul>
EGM	Liberalization of Inter-Arab Trade in Environmental Services 4-5 December 2003 (Cairo, Egypt)	<ul style="list-style-type: none"> <li>• Negotiation</li> <li>• Information dissemination</li> </ul>	<ul style="list-style-type: none"> <li>• CAMRE Technical Secretariat/LAS</li> </ul>	<ul style="list-style-type: none"> <li>• Arab region</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion of size and scope of environmental services in the Arab region</li> <li>• Recommended that environmental issues in Arab trade agreements be further studied.</li> </ul>
PAS	Mission to Yemen March 2004 (Sana'a, Yemen)	<ul style="list-style-type: none"> <li>• Negotiations</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of trade/industry</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion on WTO accession negotiations</li> </ul>
PAS	Study: Trade and Environment Review 2003	<ul style="list-style-type: none"> <li>• Information dissemination</li> </ul>	<ul style="list-style-type: none"> <li>• UNCTAD</li> </ul>	<ul style="list-style-type: none"> <li>• Global</li> </ul>	<ul style="list-style-type: none"> <li>• Reviews trade obligations in MEAs and negotiations on environmental goods and services from the perspective of developing countries around the world.</li> </ul>

#### **IV. WORK PLAN**

There are several projects and activities planned over the course of the next one to two years that will support the implementation of the regional program. A preliminary listing of those activities is provided in Table 4 below. Interested parties are invited to contact the implementing agencies for additional information on specific activities. Implementing agencies welcome the input and recommendations of the targeted beneficiaries in the formulation and preparation of planned and proposed activities.

#### **V. NEXT STEPS**

This draft progress report is submitted for discussion by the Executive Bureau of CAMRE. Comments received as well as additional input provided by the project partners will permit finalization of the progress report. The final report will be submitted for review and approval by CAMRE at their annual meeting in December 2004.

**Table 4. Work Plan (2004 – 2006)**

Priority Area	Area of Skill development	Activity	Description	Implementing Agencies	Duration	Beneficiaries
Market Access Dispute Resolution	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Policy analysis</li> <li>• Negotiation</li> <li>• Information dissemination</li> </ul>	Project: Trade and Environment Capacity Building	<ul style="list-style-type: none"> <li>• A global project that will conduct policy analysis and training to strengthen capacity to formulate and negotiate effective trade and environment policies, taking into account their implications for market access, multilateral environmental agreements and national priorities</li> <li>• Project supported by United Nations Development Account</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA with other United Nations regional commissions (ECA, ESCAP, ECLAC)</li> <li>• In cooperation with UNCTAD, UNEP and WTO</li> </ul>	2004-2006	• Arab countries (in the ESCWA and ECA Regions)
Market Access Dispute Resolution	<ul style="list-style-type: none"> <li>• Policy analysis</li> <li>• Negotiation</li> <li>• Information dissemination</li> </ul>	Project: Sustainability Impact Assessment of the Euro-Mediterranean Free Trade Area (SIA/EMFTA)	<ul style="list-style-type: none"> <li>• Study of the impacts that the EMFTA may have on the region when it comes into effect in 2010.</li> <li>• Consultation with regional stakeholders during the preparation of impact scenarios and formulation of mitigating measure key components of project</li> <li>• Supported by the European Commission</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> <li>• University of Manchester</li> <li>• CITET</li> <li>• Deloitte Statsautoriseret Revision-saktieselskab</li> <li>• ISLA, Bocconi University</li> <li>• CIHEAM-IAMM</li> <li>• Overseas Development Institute (ODI)</li> </ul>	2004-2006	• Southern Mediterranean countries

**Table 4. Work Plan (2004 – 2006), continued**

Priority Area	Area of Skill development	Activity	Description	Implementing Agencies	Duration	Beneficiaries
Market Access Competitiveness	<ul style="list-style-type: none"> <li>• Policy analysis</li> <li>• Private sector development</li> </ul>	Project: Strengthening capacity for sustainable environmental economic policy in ESCWA Member Countries	<ul style="list-style-type: none"> <li>• Trade and environment capacity building project that examines impact on environmental standards on export sectors in the Gulf</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> </ul>	2002-2004	<ul style="list-style-type: none"> <li>• GCC Member Countries</li> <li>• Yemen</li> </ul>
Dispute Resolution	<ul style="list-style-type: none"> <li>• Policy analysis</li> <li>• Negotiations</li> </ul>	Workshop: Trade liberalization and environment issues affecting the agriculture sector (proposed)	<ul style="list-style-type: none"> <li>• Proposed workshop to assess the effects that trade liberalization and biotechnology can have on regional agricultural exports</li> </ul>	<ul style="list-style-type: none"> <li>• CAMRE Technical Secretariat</li> <li>• AOAD</li> </ul>	2005	<ul style="list-style-type: none"> <li>• Arab countries</li> </ul>
Dispute Resolution	<ul style="list-style-type: none"> <li>• Policy analysis</li> <li>• Negotiations</li> </ul>	Study: Assessment of trade and environment issues for negotiation before the WTO – Implications for Southern Mediterranean Countries (proposed)	<ul style="list-style-type: none"> <li>• Proposed study to review key environmental issues and implication raised in the Doha Development Agenda</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> <li>• International Institute for Sustainable Development (IISD)</li> </ul>	2004-2005	<ul style="list-style-type: none"> <li>• Southern Mediterranean countries</li> </ul>
Market Access Competitiveness	<ul style="list-style-type: none"> <li>• Policy analysis</li> <li>• Private sector development</li> </ul>	Study: Environmental standards and competitiveness of key economic sectors	<ul style="list-style-type: none"> <li>• Study on the impact of environmental standards on export competitiveness in the region</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> </ul>	2005-2005	<ul style="list-style-type: none"> <li>• ESCWA Member Countries</li> </ul>
Competitiveness	<ul style="list-style-type: none"> <li>• Policy analysis</li> <li>• Private sector development</li> </ul>	Study: Technology transfer to small and medium enterprises and identification of opportunities for domestic and foreign direct investment in selected sectors	<ul style="list-style-type: none"> <li>• Study on ways in which technology transfer may be facilitated to improve the competitiveness of small and medium enterprises in the region, with note taken of environmental technologies and export competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>• ESCWA</li> </ul>	2004-2005	<ul style="list-style-type: none"> <li>• ESCWA Member Countries</li> </ul>

**Table 4. Work Plan (2004 – 2006), continued**

Priority Area	Area of Skill development	Activity	Description	Implementing Agencies	Duration	Beneficiaries
Market Access  Competitiveness	<ul style="list-style-type: none"> <li>Policy analysis</li> </ul>	Project: Country project on integrated assessment and planning for sustainable development	<ul style="list-style-type: none"> <li>Country specific adaptation of integrated assessment methodologies</li> <li>The country project aims at using integrate assessment and planning as a tool for balancing environmental, social and economic objectives in national sectors of importance.</li> <li>The focus will be on the potential impacts of the WTO on the agricultural sector, including aspects of poverty alleviation and sustainable trade promotion.</li> </ul>	<ul style="list-style-type: none"> <li>UNEP-UNCTAD CBTF*</li> <li>Ministry of the Environment/Lebanon</li> <li>Ministry of Economy and Trade/Lebanon</li> <li>Ministry of Agriculture/Lebanon</li> <li>UNDP/Lebanon</li> </ul>	2004-2005	<ul style="list-style-type: none"> <li>Lebanon</li> <li>Other countries through the dissemination of project results</li> </ul>
Market Access  Competitiveness  Dispute resolution	<ul style="list-style-type: none"> <li>Enabling institutions</li> <li>Information dissemination</li> </ul>	Training: Provide training module: Introduction into Capacity Building on Trade, Environment and Sustainable Development	<ul style="list-style-type: none"> <li>The CBTF-Training Module is available for institutions that want to conduct training or awareness raising workshops on capacity building for trade, environment and sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>UNEP-UNCTAD CBTF</li> <li>Depends upon initiative taken</li> </ul>	To be specified	<ul style="list-style-type: none"> <li>To be specified</li> </ul>

\* UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development

## **Annex I: Implementation Framework**

### Priorities for Action

- **Market access** – namely matters related to conformity with discriminatory regulatory and voluntary non-tariff barriers to trade, particularly those that deal with product standards, process requirements and conformity assessment procedures.
- **Competitiveness** – namely matters related to technology transfer, intellectual property rights, efficiency, eco-labeling schemes, the special needs of small and medium-sized enterprises, as well as specific issues of concern for the competitiveness of the following sectors: agriculture, agro-food, fisheries, textiles, tourism, environmental services and chemicals, among others.
- **Dispute resolution** - namely matters related to improving understanding of the trade provisions of MEAs, strengthening understanding about dispute resolution mechanisms, and reconciling differences in interpretation and implementation of environmental provisions in bilateral, regional and global trade agreements ratified, signed or being negotiated by Arab Member States.

### Areas for skills development:

- **Governance** – as it relates to proposing institutional arrangements for regional coordination of trade and environment related policies and standards, strengthening inter-ministerial policy coordination and coherence, and facilitating public-private partnerships.
- **Policy analysis** – by assisting in the identification of data needs and the collection of relevant statistic to support trade and environment policy analysis, as well as by providing training and technical assistance in empirical analysis, strategic assessments, policy formulation and policy recommendation.
- **Enabling institutions** – by strengthening institutions responsible for overseeing and/or establishing recognized accreditation schemes and certification bodies in the Arab region, as well as customs authorities.
- **Negotiation** – by providing training in negotiation skills on trade and environmental issues, the development of international standards, agenda setting, coalition building and the use of analysis to support negotiation positions.
- **Information dissemination** – by providing increased access to information on relevant standards and requirements in major destination markets (globally and within the region), increasing awareness among Arab consumer groups about sustainable consumption, and strengthening regional information networks through the use of information technologies and other media.
- **Private sector development** – by facilitating the identification of priority investments in environmental infrastructure to support greater competitiveness; by strengthening business networks and knowledge-sharing mechanisms, and by providing information and advisory services on eco-efficiency and cleaner production.

### Activities:

- **Policy advisory services (PAS)** – would be provided on a demand-driven basis to government officials and would involve preparing policy papers and/or conducting mission to Member State in response to specific requests for assistance;
- **Technical assistance (TA)** – would be provided on a demand-driven basis to governmental, private and non-governmental stakeholders on technical issues that may require consultancy support;
- **National roundtables (NR)** – would be organized in a Member State in coordination with local stakeholders to facilitate inter-ministerial coordination and public-private consultation;
- **Regional training seminars (RTS)** – would be conducted to provide extended technical training on a regional or sub-regional basis to public and/or private stakeholder groups and NGOs; and
- **Regional expert group meetings (EGM)** – would be hosted to formulate regional approaches and positions on trade and environment policies and priorities, and to foster networking.