



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

Progress Report

June 2004 - October 2005

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 15th Meeting of CAMRE on 9 December 2003 (Resolution 190Q, Article 3).

II. IMPLEMENTATION AND REPORTING MECHANISMS

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. The first 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) and was well-received by JCEDAR and the CAMRE Executive Bureau. The CAMRE Technical Secretariat invited ESCWA to prepare this second progress report of the program, which covers the period between June 2004 and October 2005.

Preparation of the progress report is based on input received by program partners, which are represented on the Working Group on Trade and Environment Capacity Building in the Arab Region. The permanent members of the Working Group, as listed 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 contribute to the activities within the regional program, namely:

- Kuwait University/WTO Unit
- Arab Network for Environment and Development (RAED)
- General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries

III. IMPLEMENTATION TO DATE AND NEXT STEPS

The program is implemented by focusing on building the capacity of public and private stakeholders in three priority areas of the program, 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. 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). Additional details on these components are provided in Annex I. A summary of activities conducted between June 2004 and October 2005 is provided in Table 1.

IV. COMPLETED AND UPCOMING ACTIVITIES

There are several activities and on-going project being conducted that support the implementation of the regional program. A listing of activities completed since the submission of the last progress report is provided in Table 1 below. Table 2 then lists on-going projects, including their completed and upcoming activities. Other activities anticipated or proposed for the coming year are listed in Table 3. Interested parties are invited to contact the implementing agencies for additional information on specific activities and opportunities for collaboration.

V. NEXT STEPS

This progress report is submitted for discussion by JCEDAR and the Executive Bureau of CAMRE during their regular session in November 2005. Comments received as well as additional input provided by the project partners and will be incorporated in a revised version of this report. The final progress report will be submitted for review and approval by CAMRE at their annual meeting.

Table 1. Completed Activities (June 2004 – October 2005)

| Priority Area | Area of Skill Development | Activity | Description | Implementing Agencies | Duration | Beneficiaries |
|--|---|--|---|--|-------------------------|---|
| Market Access | <ul style="list-style-type: none"> Information dissemination | Regional Seminar on the World Trade Organization | <ul style="list-style-type: none"> Seminar with various panels on WTO issues, with one panel addressing trade and environment issues. ESCWA Regional Advisor for WTO Issues contributed to panel | <ul style="list-style-type: none"> WTO Unit, Kuwait University | Completed November 2004 | <ul style="list-style-type: none"> Experts and public/private sector stakeholders in the Gulf region. |
| Competitiveness Market Access Dispute Resolution | <ul style="list-style-type: none"> Negotiations Information dissemination | Advisory services to State Committee for Trade and Environment (Amman) | <ul style="list-style-type: none"> Advisory assistance on WTO negotiations on para 31 (iii)/environmental goods and services Installation of WITS software at Ministry of Commerce, which provides easier access to data and statistics on tariffs and non-tariff barriers Inter-ministerial and public-private roundtable discussions | <ul style="list-style-type: none"> UNEP-UNCTAD CBTF,* mission led by UNCTAD State Committee for Trade and Environment/Jordan | Completed May 2005 | <ul style="list-style-type: none"> Ministry of Environment, Ministry of Industry & Trade; Ministry of Energy & Mineral Resources, Ministry of Planning and International Cooperation, Transport, Chamber of Commerce and private firms |

* Capacity Building Task Force on Trade and Environment, which is a partnership between UNEP/ETB and UNCTAD

Table 1. Completed Activities (June 2004 – October 2005), *continued*

| Priority Area | Area of Skill Development | Activity | Description | Implementing Agencies | Duration | Beneficiaries |
|--------------------------------------|---|---|--|---|--------------------------------|--|
| Competitiveness Market Access | <ul style="list-style-type: none"> • Governance • Private sector development | Advisory services to and training for Palestine Standards Institute (Ministry of National Economy) and associated experts on “Standards” and “Technical Regulations” (Ramallah) | <ul style="list-style-type: none"> • Two workshops conducted on standards and technical regulations as they relate to competitiveness and market access, including a review of WTO principles, as well as agreements on sanitary and phytosanitary measures and technical barriers to trade focused on environment, health and safety requirements. | <ul style="list-style-type: none"> • ESCWA | Completed August 2005 | <ul style="list-style-type: none"> • Palestine Standards Institute and associated standards committees focused on construction, food, stones & Committee on Technical Regulations |
| Competitiveness Market Access | <ul style="list-style-type: none"> • Policy analysis • Information dissemination | Study: Towards a policy framework for genetically modified organisms (GMOs) in the ESCWA Region: Assessing the case Lebanon Document #: E/ESCWA/SDPD/2005/WP.1 | <ul style="list-style-type: none"> • Examines global framework on GMOs, GMOs in the Arab region and surveys awareness and public attitudes about GMOs as they relate to health, the environment, agro-food production and trade in Lebanon. | <ul style="list-style-type: none"> • ESCWA | Completed April 2005 | <ul style="list-style-type: none"> • Agriculture and agro-food producers, traders, consumers and decision-makers in Lebanon and Arab region |
| Competitiveness Market Access | <ul style="list-style-type: none"> • Policy analysis • Private sector development | Study: Environmental standards and competitiveness of key economic sectors Document #: E/ESCWA/SDPD/2005/4 | <ul style="list-style-type: none"> • Study on the impact of environmental standards on export competitiveness in the region, particularly in the agro-food and the textile/garment industries | <ul style="list-style-type: none"> • ESCWA | Completed September 2005 | <ul style="list-style-type: none"> • Public and private sector in the Arab region |

Table 1. Completed Activities (June 2004 – October 2005), *continued*

| Priority Area | Area of Skill Development | Activity | Description | Implementing Agencies | Duration | Beneficiaries |
|--|--|--|--|--|-----------------------------|--|
| Competitiveness Market Access Dispute Resolution | <ul style="list-style-type: none"> Policy Analysis Information dissemination | Study: Trade and Environment in the Arab Region: Background Synthesis Paper | <ul style="list-style-type: none"> Background on key trade and environment issues and challenges facing the Arab region | <ul style="list-style-type: none"> ESCWA IISD-ICTSD Ring Project** | Completed May 2005 | <ul style="list-style-type: none"> Public and private sector in the Arab region |
| Competitiveness Market Access Dispute Resolution | <ul style="list-style-type: none"> Policy Analysis Information dissemination | Study: Envisioning a Southern Agenda for Trade and Environment: Arab Region | <ul style="list-style-type: none"> Highlights trade and environment issues in the Arab region, with a view to the priority areas agreed to in the Arab regional capacity building program | <ul style="list-style-type: none"> ESCWA IISD-ICTSD Ring Project** | Completed September 2005 | <ul style="list-style-type: none"> Public and private sector in the Arab region |

** International Institute for Sustainable Development (IISD) and International Center for Trade and Sustainable Development (ICTSD) Ring Project.

Table 2. On-Going Projects (2004 – 2006)

| Priority Area | Area of Skill Development | Project | Description | Implementing Agencies | Duration | Beneficiaries |
|--------------------|--|--|--|--|------------------------------|--|
| Competitiveness | <ul style="list-style-type: none"> • Governance • Policy analysis | Strengthening capacity for sustainable environmental economic policy in ESCWA Member Countries | <ul style="list-style-type: none"> • Trade and environment capacity building project that examines impact on environmental standards on export sectors in the Gulf | <ul style="list-style-type: none"> • ESCWA (Regional Advisor for Environment; Regional Advisor for WTO Issues; Sustainable Development & Productivity Division) | 2002-2006 <i>on-going</i> | <ul style="list-style-type: none"> • GCC Member Countries • Yemen, particularly ministries of water & environment (including EPA), trade & industry; fisheries; and export promotion |
| Market Access | <ul style="list-style-type: none"> • Private sector development • Negotiations | <p><i>Completed activities:</i></p> <ul style="list-style-type: none"> • Advisory services to support review of draft inter-ministerial decree to establish national Committee on Environment and Trade (December 2004, March 2005, April 2005, Sept. 2005) • Advisory services in support of negotiations on environmental goods and services within framework of WTO accession process (April 2005) <p><i>Upcoming activities:</i></p> <ul style="list-style-type: none"> • Advisory services/mission (November 2005) • National workshops/roundtable on priority issue(s) identified by Committee members (February 2006) | <ul style="list-style-type: none"> • Specialized assistance now being provided to Government of Yemen within framework of establishing national committee and providing training and technical assistance on priority issues identified by committee, including issues raised within the WTO framework. • Financially supported by ESCWA Trust Fund and ESCWA Regional Advisory Services | | | |
| Dispute Resolution | | | | | | |

Table 2. On-Going Projects (2004 – 2006), *continued*

| Priority Area | Area of Skill Development | Project | Description | Implementing Agencies | Duration | Beneficiaries |
|--------------------|---|--|---|--|------------------------------|--|
| Market Access | <ul style="list-style-type: none"> • Policy analysis • Private sector development | <p>Project:</p> <p>Country project on integrated assessment and planning for sustainable development</p> | <ul style="list-style-type: none"> • Country and sector specific application of integrated assessment methodologies | <ul style="list-style-type: none"> • UNEP-UNCTAD CBTF* | 2004-2005 <i>on-going</i> | <ul style="list-style-type: none"> • Lebanese ministries, private sector associations, chambers and NGOs. |
| Competitiveness | <ul style="list-style-type: none"> • Governance • Negotiations | <p><i>Completed activities:</i></p> <ul style="list-style-type: none"> • Phase I report (February 2005) • National Consultation (Beirut, May 2005) • Project Review and advisory assistance (Geneva, Sept. 2005) • Steering committee established composed of relevant ministries, chamber of commerce, business associations and civil society representatives to support preparation of integrated assessment. <p><i>Upcoming activities:</i></p> <ul style="list-style-type: none"> • Completion of assessment report (December 2005) • National Roundtable to discuss findings and recommendations (December 2005) | <ul style="list-style-type: none"> • Project will assess the social, economic and environmental impacts of trade liberalization and EU agricultural liberalization on the Lebanese olive oil sector • Olive oil taken as a case study within the framework of the agriculture sector. • Financially supported by UNEP-UNCTAD CBTF* | <ul style="list-style-type: none"> • Ministry of the Environment/Lebanon • Ministry of Economy and Trade/Lebanon | | <ul style="list-style-type: none"> • Other countries through the dissemination of project results |
| Dispute Resolution | | | | | | |

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Table 2. On-Going Projects (2004 – 2006), *continued*

| Priority Area | Area of Skill Development | Project | Description | Implementing Agencies | Duration | Beneficiaries |
|---|---|---|---|--|------------------------------|--|
| Market Access Dispute Resolution | <ul style="list-style-type: none"> • Policy analysis • Negotiation • Information dissemination | Sustainability Impact Assessment of the Euro-Mediterranean Free Trade Area (SIA/EMFTA) <i>Completed activities:</i> <ul style="list-style-type: none"> • Phase I Report (October 2004) • Public Consultation (Brussels, November 2004); • Regional Consultation with Economic Experts (Beirut, December 2004); • Discussion with Lebanese Counterparts (Beirut, May 2005) • Phase II Consultation Report with provisional findings (Sept. 005) • Regional Consultation with Civil Society (Malaga, October 2005) <i>Upcoming activities:</i> <ul style="list-style-type: none"> • COMPSUD Consultation (November 2005) • Phase II Report finalized (December 2005) • Regional consultation (2006) • Phase III Report finalized (2006) | <ul style="list-style-type: none"> • Study of the impacts that the EMFTA may have on the region when it comes into effect in 2010. • Consultation with regional stakeholders during the preparation of impact scenarios and formulation of mitigating measure key components of project • Financially supported by the European Commission | <ul style="list-style-type: none"> • ESCWA • University of Manchester • CITET • Deloitte • Bocconi University • CIHEAM • Overseas Development Institute (ODI) | 2004-2006 <i>on-going</i> | <ul style="list-style-type: none"> • Southern Mediterranean countries |

Table 2. On-Going Projects (2004 – 2006), *continued*

| Priority Area | Area of Skill Development | Project | Description | Implementing Agencies | Duration | Beneficiaries |
|---|---|---|---|--|------------------------------|---|
| Market Access Dispute Resolution | <ul style="list-style-type: none"> • Governance • Policy analysis • Negotiation • Information dissemination | <p>Capacity Building in Trade and the Environment</p> <p><i>Upcoming activities:</i></p> <ul style="list-style-type: none"> • Regional Seminar for ECA Member States (Addis Ababa, November 2006) • Regional Workshop for ESCWA Member States (Beirut, January 2006) • Case study preparation (January – May 2006) • National Roundtables in selected ESCWA Member States (February – June 2006) • High Level Seminar for ESCWA Member States (Beirut, September 2006) | <ul style="list-style-type: none"> • A global project that conducts policy analysis and training to strengthen capacity to formulate effective trade and environment policies, taking into account their implications for market access, MEAs and national priorities • Financially supported by United Nations Development Account | <ul style="list-style-type: none"> • ESCWA with other United Nations Regional Commissions (ECA, ESCAP, ECLAC); ESCWA serves as lead agency • In cooperation with ECE, UNCTAD, UNEP and WTO | 2004-2006 <i>on-going</i> | <ul style="list-style-type: none"> • Arab countries (in the ESCWA and ECA Regions) |

Table 3. Upcoming activities (2005 – 2007)

| Priority Area | Area of Skill Development | Activity | Description | Implementing Agencies | Duration | Beneficiaries |
|--|--|---|---|--|--|--|
| Competitiveness | <ul style="list-style-type: none"> • Policy analysis • Private sector development | <p>Study:</p> <p>Technology transfer to small and medium enterprises and identification of opportunities for domestic and foreign direct investment in selected sectors</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • ESCWA | <p>2004-2005</p> <p>Expected completion in November 2005</p> | <ul style="list-style-type: none"> • ESCWA Member Countries |
| Market Access Competitiveness Dispute resolution | <ul style="list-style-type: none"> • Enabling institutions • Information dissemination | <p>Training:</p> <p>Provide training module: Introduction into Capacity Building on Trade, Environment and Sustainable Development</p> | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • UNEP-UNCTAD CBTF* • Depends upon initiative taken | <p>To be specified</p> | <ul style="list-style-type: none"> • To be specified |

* 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.