



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

Progress Report

October 2005 – November 2006

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 October 2005 and November 2006.

Preparation of the progress report is based on activities conducted 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 Economics 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 October 2005 and November 2006 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 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 during their regular session in November 2006. 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 the CAMRE Executive Bureau and CAMRE at their annual meetings.

Table 1. Completed Activities (October 2005-November 2006)

| 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: The Case of SME clusters in the Agro-Food and Apparel Industries</p> <p>Document # E/ESCWA/SDPD/2005/6</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 | Completed October 2005 | <ul style="list-style-type: none"> ESCWA Member Countries |
| Competitiveness Market Access | <ul style="list-style-type: none"> Policy Analysis Information dissemination | <p>Electronic Forum: Modern Biotechnology and its Implications in the Near East and North Africa Region</p> <p>Document #: E/ESCWA/SDPD/2005/13</p> | <ul style="list-style-type: none"> Highlight potential impacts of modern biotechnologies on agriculture and the environment, and means for building the capacities of the different stakeholders | <ul style="list-style-type: none"> ESCWA | Completed 1 September - 10 October 2005 | <ul style="list-style-type: none"> Biotechnology researchers and policy-makers from the Arab region and worldwide |
| Competitiveness Market Access | <ul style="list-style-type: none"> Policy Analysis Information dissemination Private sector development | <p>Regional Seminar: Sustainable Development and Competitiveness of the Agro-Food Sector, and Roundtable on Agro-Food Sector in Palestine</p> <p>Document #: E/ESCWA/SDPD/2006/2</p> | <ul style="list-style-type: none"> Highlight how clusters and networks can enhance firm competitiveness in the agro-food sector, and the effects of environmental and food safety standards and regulations on competitiveness | <ul style="list-style-type: none"> ESCWA | Completed 1-3 December 2005 | <ul style="list-style-type: none"> Agro-food producers, traders, researchers, and decision-makers from the Arab region |

Table 1. Completed Activities (October 2005-November 2006), *continued*

| Priority Area | Area of Skill Development | Activity | Description | Implementing Agencies | Duration | Beneficiaries |
|--------------------|---|--|---|---|---|--|
| Market Access | <ul style="list-style-type: none"> Policy analysis Private sector development | Project: Country project on integrated assessment and planning for sustainable development | <ul style="list-style-type: none"> Country and sector specific application of integrated assessment methodologies 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"> UNEP-UNCTAD CBTF* Ministry of the Environment/Lebanon Ministry of Economy and Trade/Lebanon | Completed December 2005 Project Duration 2004-2005 | <ul style="list-style-type: none"> Lebanese ministries, private sector associations, chambers and NGOs. Other countries through the dissemination of project results |
| 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. Completion of assessment report (December 2005) National Roundtable to discuss findings and recommendations (December 2005) | | | | |
| Dispute Resolution | | | | | | |
| Competitiveness | <ul style="list-style-type: none"> Information dissemination | Awareness-raising on regional impacts of the Sustainability Impact Assessment of the Euro-Mediterranean Free Trade Area: Letters to the European Commission | <ul style="list-style-type: none"> Awareness-raising about the Sustainability Impact Assessment of EMFTA | <ul style="list-style-type: none"> Arab Network for Environment and Development (RAED)/Comite de Suivi | Completed September - October 2006 | <ul style="list-style-type: none"> Public and private sector in the Arab region |

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

Table 1. Completed Activities (October 2005-November 2006), *continued*

| Priority Area | Area of Skill Development | Project | Description | Implementing Agencies | Duration | Beneficiaries |
|--|--|---|---|---|-------------------------------------|--|
| Competitiveness Market Access | <ul style="list-style-type: none"> • Policy Analysis • Information dissemination • Negotiations | Regional Workshop: Trade and Environment for Arab and Middle Eastern Countries (Muscat, Oman) | <ul style="list-style-type: none"> • Focus on the ongoing WTO trade and environment negotiations, including discussions on the relationship between trade measures in MEAs and WTO rules and the possible liberalization of tariffs and non-tariff barriers for environmental goods and services. • Conducted as back-to-back meetings with ESCWA-LAS-ENEP/ROWA Regional Workshop on Trade and Environment in the Arab Region | <ul style="list-style-type: none"> • WTO • UNCTAD & UNEP/ETB through CBTF • Government of Oman | Completed 28-29 March 2006 | • Public and private sector in Arab/Middle Eastern Countries |
| 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 – Arabic version | <ul style="list-style-type: none"> • ESCWA-IISD background document on key trade and environment issues and challenges facing the Arab region was translated into Arabic by ESCWA | <ul style="list-style-type: none"> • ESCWA • IISD-ICTSD Ring Project** | Completed April 2006 | • Public and private sector in the Arab region |

* Institute for International Sustainable Development (IISD)

Table 1. Completed Activities (October 2005-November 2006), *continued*

| 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) | Completed June 2006 | <ul style="list-style-type: none"> • GCC Member Countries |
| 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) • National Workshop on Environment and Trade Issues for Sustainable Development (Sana'a, Yemen; 29-31 May 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 | | Project Duration 2002-2006 | <ul style="list-style-type: none"> • Yemen, particularly ministries of water & environment (including EPA), trade & industry; fisheries; and export promotion |
| Dispute Resolution | | | | | | |
| Market Access | <ul style="list-style-type: none"> • Policy analysis • Negotiation • Information dissemination | Regional Workshop: Regional Workshop on Trade and Environment for French-Speaking African Countries | <ul style="list-style-type: none"> • Highlight problems impeding access to markets and discuss priority issues in relation to MEAs | <ul style="list-style-type: none"> • WTO • UNEP-UNCTAD through CBTF • Government of Morocco | 22-24 November 2006 | <ul style="list-style-type: none"> • French-speaking African countries |

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

| 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. 2005) • Regional Consultation with Civil Society (Malaga, October 2005) <ul style="list-style-type: none"> • Paper on Economic, Social and Environmental Impacts of the Euro-Mediterranean Free Trade Area (presented to the ERF 12th Annual Conference, Cairo, 19-21 December 2005) • Public Meeting (Brussels, 20 March 2006) followed by EU Trade SIA Stocktaking Conference (21-22 March 2006) • First Report on Phase 3: Enhancing or Mitigating Sustainability Impacts in Identified Key Sectors (November 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 | |
|--------------------|--|---|---|---|------------------------------|---|--|
| | | <i>SIA/EMFTA Upcoming activities:</i> | | | | | |
| | | <ul style="list-style-type: none"> Phase II and III Reports finalized (April 2007) Regional consultation (2007) | | | | | |
| Market Access | <ul style="list-style-type: none"> Governance Policy analysis Negotiation | Capacity Building in Trade and the Environment | <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 | <ul style="list-style-type: none"> ESCWA with other United Nations Regional Commissions (ECA, ESCAP, ECLAC); ESCWA serves as lead agency | 2004-2006 <i>on-going</i> | <ul style="list-style-type: none"> Arab countries (in the ESCWA and ECA Regions) | |
| Dispute Resolution | <ul style="list-style-type: none"> Information dissemination | <p><i>Completed activities:</i></p> <ul style="list-style-type: none"> Regional Workshop on Trade and Environment for ECA Member States (Addis Ababa, 15-17 February 2006) Regional Workshop on Trade and Environment Capacity Building for ESCWA Member States (Muscat, 25-27 March 2006) High Level Seminar on Trade and Environment for ESCWA Member States (Cairo, 20 November 2006) <p><i>Upcoming activities:</i></p> <ul style="list-style-type: none"> Case study preparation (January – November 2006) National Roundtables in selected ESCWA Member States (Jordan and Syria in December 2006) | <ul style="list-style-type: none"> Financially supported by United Nations Development Account Areas of analysis based on priority-setting and requests of Member States led to preparation of studies on environmental goods and services, and non-tariff barriers to trade impacting the fisheries sector and the agricultural/ agro-industrial sectors | <ul style="list-style-type: none"> In cooperation with ECE, UNCTAD, UNEP and WTO | | | |

Table 3. Upcoming activities (2006 – 2007)

| Priority Area | Area of Skill Development | Activity | Description | Implementing Agencies | Duration | Beneficiaries |
|--|---|--|---|--|----------------------------|--|
| Market Access Competitiveness Dispute resolution | <ul style="list-style-type: none"> Enabling institutions Information dissemination | Training: Provide training module: Introduction into Capacity Building on Trade, Environment and Sustainable Development | <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 by Member States | To be specified / on-going | • To be specified |
| Market Access | <ul style="list-style-type: none"> Policy analysis | Case study: Genetically modified organisms and biotechnologies in the ESCWA region | <ul style="list-style-type: none"> ESCWA collaboration with the Convention on Biological Diversity (CBD) will seek to examine these issues at the regional level | <ul style="list-style-type: none"> ESCWA CBD | 2007-2008 | • ESCWA Member States, with implications for the Arab region |
| Dispute Resolution | <ul style="list-style-type: none"> Policy analysis Negotiation Information dissemination | Multilateral Agreements <ul style="list-style-type: none"> Various on-going activities to support regional and national implementation of trade-related MEAs | <ul style="list-style-type: none"> MEA analysis and technical assistance to countries and private sector on trade-related MEAs (e.g., Montreal Protocol, Basel Convention) | <ul style="list-style-type: none"> UNEP/ROWA | On-going | • ROWA Countries |

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.