



---

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

### **I. BACKGROUND**

Over the past decade, the rapid pace of globalization and greater awareness about sustainable development has heightened attention about the relationship between trade liberalization and the environment. Most countries of the Arab region now espouse development strategies centered on encouraging economic diversification, export expansion and investment promotion. Trade liberalization is advanced as the key to operationalizing these strategies and accessing the benefits of the global trading system. However, trade liberalization provides a double-edged sword that allows exporters to penetrate new markets, but only if they are able to comply with the increasing number of environmental and health requirements being adopted by governments and the private sector in support of sustainable development. This tension has raised concerns in the Arab region regarding the export competitiveness of local industries, as well as the ability of local consumers and producers to protect themselves from the increasing tide of imports of various quality flowing from trading partners in developed and developing countries. Furthermore, conflicts have emerged on the relationship between international trade and multilateral environmental agreements, as well as how to pursue environmental objectives in face of increased trade. A balanced approach to the global trading system is needed that maximizes opportunities for developed and developing countries, and recognizes the importance of environmental and development goals.

### **II. MANDATE**

Regional preparations for the World Summit for Sustainable Development (WSSD) identified the relationship between trade and the environment as an important issue of concern for Member States of the League of Arab States.<sup>1</sup> This was articulated in the “World Summit for Sustainable Development Progress Assessment Report for the Arab Region” (2001), the “Arab Declaration to the World Summit on Sustainable Development” (2002), and the “Sustainable Development Initiative in the Arab Region” (2002). Specifically, the Initiative seeks:

- To call upon the international community to support the efforts of Arab countries to avoid the negative effects resulting from globalization on the economic, technical, environmental and social levels; and
- To strengthen the competitiveness of Arab commodities and to endeavor to abolish all forms of subsidies, assistance and barriers imposed by the industrial countries to impede the access of Arab commodities in international markets. [Page 4]

Furthermore, the Plan of Implementation of the World Summit for Sustainable Development calls on countries to address various aspects of trade and environment relationships, namely:

---

<sup>1</sup> Member States of the League of Arab States include: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates and Yemen.

- To enhance the delivery of coordinated, trade-related technical assistance and capacity building programs, including those that promote market access opportunities [Section V.45(e)];
- To enhance the mutual supportiveness of trade, environment and development [Section IX.91];
- To encourage efforts to promote cooperation on trade, environment and development, including the provision of technical assistance by international and regional organizations [Section IX.91(c)];
- To encourage relevant committees of the World Trade Organization (WTO) to debate the developmental and environmental aspects of negotiations [Section IX.91(a)]; and
- To promote mutual supportiveness between the multilateral trading system and multilateral environmental agreements (MEAs) [Section IX.92].

In response to these regional and global calls for greater action and coordination on trade and environment matters, the Council of Arab Ministers Responsible for the Environment in the Arab Region (CAMRE) of the League of Arab States (LAS) adopted a resolution on 24 October 2002 requesting 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) to prepare a regional program for trade and environment capacity building in the Arab Region. Specifically,

“CAMRE requests ESCWA and UNEP to coordinate and cooperate with the Technical Secretariat of CAMRE to develop a regional program for Arab capacity building on trade and environment issues, especially to address measures that hinder Arab export competitiveness in international markets and that relate to trade negotiations and adjusting to the rules and regulations of the World Trade Organization related to the environment.” [Article 2, point 2]

Additionally, the resolution adopted by the United Nations General Assembly on cooperation between the United Nations and the League of Arab States on 21 November 2002 calls upon the United Nations system to cooperate and coordinate with the LAS specialized agencies on the organization of multilateral programs, studies and seminars on issues related to the environment, trade and economic development.

This proposed program for implementation is thus the result of mandates issued by CAMRE/LAS and the United Nations, as well as the product of a series of consultations with regional stakeholders and institutional partners on how best to approach trade and environment capacity building in the region.

### **III. PURPOSE AND OBJECTIVES**

This 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.

### **IV. BENEFICIARIES**

The regional program is designed to serve government officials in ministry of economy, trade, environment, industry, foreign affairs, health, planning, and other relevant agencies; private sector stakeholders and their representative bodies; as well as members of non-governmental organizations in the Arab region concerned with trade and environment matters.

## V. SCOPE

Trade and environment topics addressed by the program include, trade liberalization, environmental quality, natural resource management and the protection of human health.

## VI. NEEDS ASSESSMENT

### A. Existing capacity

Consideration of trade and environment relationships is not a new issue in the Arab region. Since the mid-1990s, attention has been paid to strengthening regional capacity in this field. Initially, capacity building programs focused on increasing general awareness and highlighting the negative environmental effects of trade liberalization. However, as policy analysis expanded on linkages to competitiveness and as the push for trade liberalization accelerated with the formation of the World Trade Organization, opportunities and challenges posed by trade and environment became better understood. Increased consideration was also paid to the implications of environmental provisions in regional and bilateral trade agreements as well.

To address these relationships, CAMRE recommended Arab Member States to establish national trade and environment committees to better examine these issues (Tunis, June 2000). Seven Arab countries now have inter-ministerial committees on trade and environment: Egypt, Jordan, Kuwait, Morocco, Saudi Arabia, Syria and Tunisia, albeit some predate the CAMRE resolution. However, in most cases, these committees meet infrequently and have limited technical and institutional capacity to support integrated policy analysis and decision-making. CAMRE also sought to develop a table of existing trade and environment capacity building programs in the region to stimulate information sharing and complementarity between agencies and Member states. However, coordination between capacity building programs serving the region has generally remained *ad hoc*, despite the widening scope of technical expertise available through programs offered by the United Nations system, regional organizations and private sector associations.

Accordingly, this regional program for capacity building on trade and environment in the Arab region should draw upon the findings, lessons and experience gained from previous efforts and activities in the region.

### B. Priority areas for action

Consultations with public and private stakeholders in Arab Member States, conducted during a series of recent meetings, workshops, roundtables addressing trade and environment issues (see Annex I), repeatedly reveal regional concern for three thematic areas central to trade and environment debates:

- **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.

The regional program for trade and environment capacity building for the Arab region should thus assist project beneficiaries to equip themselves with the institutions and instruments necessary to address these issues. This requires skills development and training in:

- **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.

## VII. ACTIVITIES

Several forms of capacity building would be employed to support implementation of the priority areas for action noted above. These include:

- **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.

Table 1. Matrix of indicative capacity building needs and activities

Thematic area of concentration  Area for skills development	<b>Market access</b> <ul style="list-style-type: none"> <li>• Non-tariff barriers <ul style="list-style-type: none"> <li>⇒ Product standards</li> <li>⇒ Process standards</li> <li>⇒ Conformity assessment</li> </ul> </li> <li>• Regulatory/Voluntary</li> </ul>	<b>Competitiveness</b> <ul style="list-style-type: none"> <li>• Technology transfer</li> <li>• IPR</li> <li>• Efficiency</li> <li>• Needs of SMEs</li> <li>• Sector competitiveness</li> </ul>	<b>Dispute resolution</b> <ul style="list-style-type: none"> <li>• MEAs and trade agreements</li> <li>• Coherence between trade agreements</li> <li>• Private contracts</li> </ul>
<b>Governance</b> <ul style="list-style-type: none"> <li>• Regional coordination of policies and standards</li> <li>• Inter-ministerial policy coordination and coherence</li> <li>• Public-private consultation</li> </ul>	PAS TA NR EGM	PAS TA NR	EGM
<b>Enabling institutions</b> <ul style="list-style-type: none"> <li>• Accreditation schemes</li> <li>• Certification bodies</li> <li>• Customs authorities</li> </ul>	PAS TA RTS	PAS TA RTS	PAS TA RTS
<b>Negotiation skills</b> <ul style="list-style-type: none"> <li>• Rules and regulations</li> <li>• Agenda setting</li> <li>• Coalition building</li> <li>• Drawing upon analysis</li> </ul>	PAS TA RTS EGM	PAS RTS EGM	PAS TA RTS
<b>Information dissemination</b> <ul style="list-style-type: none"> <li>• Standards &amp; requirements</li> <li>• Sustainable consumption</li> <li>• Information technology</li> </ul>	TA NR	TA NR	TA
<b>Private sector development</b> <ul style="list-style-type: none"> <li>• Environmental infrastructure</li> <li>• Business networks</li> <li>• Eco-efficiency</li> <li>• Clean production</li> </ul>	TA NR	TA NR	TA
<b>Policy analysis</b> <ul style="list-style-type: none"> <li>• Data collection</li> <li>• Empirical analysis</li> <li>• Policy formulation</li> <li>• Policy recommendation</li> </ul>	TA RTS	TA RTS	TA

Key: PAS: Policy advisory services; TA: Technical assistance; NR: National roundtable; RTS: Regional training seminar; EGM: Regional expert group meeting.

Table 1 above provides a graphical representation of the various activities proposed in support of regional program implementation. On the horizontal axis, the thematic areas of concentration are noted, while on the vertical axis, the areas for skills development are listed. The capacity building media noted in the cross-sections can be then organized into groups of activities according to thematic area and/or skills development priorities, depending on implementation needs and available resources.

Accordingly, different capacity building methods approaches would be used to address each of the priority areas for action identified above. The combined use of these capacity building tools would comprise a comprehensive program for continuous trade and environment capacity building in the Arab region. Detailed proposals could be prepared to solicit support for individual activities, different groups of activities within the regional program, or for the program as a whole.

## VIII. OUTPUTS

Capacity building outputs would include:

- Greater regional capacity to address trade and environment issues; and
- Improved national and regional capacity to formulate trade and environment related policies in an integrated manner.

Program outputs would include:

- **Policy papers** – providing strategy and policy recommendations for consideration;
- **Mission reports** – exchanged among implementing partners so as to enhance synergies and complementarity between activities;
- **Training manuals and materials** – that would be widely distributed to relevant stakeholders; and
- **Proceedings and recommendations** – from national roundtables, regional training seminars and regional expert group meetings.

Special effort would be made to conduct and prepare materials for national and regional meetings in at least two languages: Arabic, English and/or French.

## IX. MECHANISMS FOR IMPLEMENTATION

### A. Consultation

The regional program is a demand-driven initiative requested by Member States of the League of Arab States. Preparation and implementation of program activities would be conducted in consultation with relevant stakeholder groups in Arab Member States.

### B. Joint Secretariat

A Joint Secretariat would be established to manage and oversee the regional capacity building program. The Joint Secretariat would be led by the CAMRE Technical Secretariat and would be supported by ESCWA and UNEP/ROWA.

### C. Partnerships

A Working Group on Trade and Environment Capacity Building in the Arab Region (hereafter referred to as “Working Group”) would be established to provide the institutional capacity necessary to implement the regional program. The Working Group draws upon the strengths and experiences of each institution in examining and implementing capacity building activities on trade and environment for Arab Member States. The proposed members of the Working Group include 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);
- A regional university or research center;
- A regional non-governmental organization (NGO);
- A regional private sector association; and
- A regional financing institution.

Representation for the last three listed members of the Working Group would be determined by the Joint Secretariat, and approved by CAMRE. Membership would be reviewed every two years.

Members of the Working Group would work together to implement specific activities outlined in the regional program once adequate resources are secured for a proposed activity. A task leader for the activity would be designated, as well as a committee of responsible implementing institutions. The task leader institution would thereafter be responsible for the financial management of the activity and for reporting on progress to the Joint Secretariat and the sponsors of the activity.

#### **D. Work plan and priorities for action**

A work plan would be developed following the formulation of the Working Group. The responsibilities of Working Group members, as well as a schedule of activities would be outlined in the work plan and serve as the basis for program implementation.

#### **E. Monitoring and oversight**

The Joint Secretariat would prepare an annual report for review, comment and approval by CAMRE. The report would assess progress in implementing the activities outlined in the regional program, list outstanding areas for implementation and recommend next steps. The first report should include a work program and identify indicators of achievement for monitoring progress in program implementation.

#### **X. DURATION**

The program could be implemented in three to five years, depending upon available resources. However, it is expected that this proposal would be the basis of a continuous program for strengthening trade and environment capacity building in the region. The duration of a specific activity may range from two to four weeks (for the provision of a policy advisory service) to six months (for the preparation of an expert group meeting).

#### **XI. Financial resources**

Financial and in-kind contributions would be secured to support the implementation of a specific activity or set of activities. Contributions by members of the Working Group would support the implementation of the program.

**ANNEX I:****List of recent meetings addressing trade and environment issues conducted by Members of the Working Group on Trade and Environment Capacity Building for the Arab Region that were attended by representatives from Arab Member States  
(in chronological order)**

ESCWA and Mediterranean Environmental Technical Assistance Program (METAP), "High Level Meeting on Economic Tools for Environmental Sustainability," Beirut, 25-27 June 2003. *(planned)*

CAMRE, "Bi-Annual Meeting of the CAMRE Executive Bureau," Cairo, 19-20 May 2003. *(planned)*

CAMRE, "Bi-Annual Meeting of the Joint Committee for Environment and Development in the Arab Region (JCEDAR)," 18 May 2003. *(planned)*

ESCWA and METAP, "Atelier de formation et planification technique sur les liens entre le commerce et l'environnement dans le secteur des PME/PMI," Rabat, 11-14 November 2002.

ESCWA and METAP, "METAP Workshop on Trade and Environment and International Competitiveness," Beirut, 23-25 October 2002

ESCWA, "Workshop on Trade and Environment and International Competitiveness for Members of the Gulf Cooperation Council and Yemen," Beirut, 23-25 October 2002.

CAMRE, "Annual Meeting of CAMRE," Cairo, 24 October 2003.

CAMRE, "Bi-Annual Meeting of the CAMRE Executive Bureau," Cairo, 22-23 October 2002.

CAMRE, "Bi-Annual Meeting of the Joint Committee for Environment and Development in the Arab Region (JCEDAR)," 21 October 2002.

UNCTAD, "Expert Meeting on Environmental Requirements and International Trade," Geneva, 2-4 October 2002

UNEP, "Workshop on Capacity Building on Environment, Trade and Development," Geneva, 19-20 March 2002.

UNEP/ROWA, CAMRE, ESCWA, DESA, "Arab Stakeholders Roundtable in Preparation for the Arab WSSD PrepCom," Bahrain, 2001.

ESCWA, CAMRE, UNEP, DESA, "Thematic Round Table for the Western Asia Region in Preparation for the "Rio + 10" World Summit on Sustainable Development," Beirut, 9-11 April 2001 (E/ESCWA/ENR/2001/6).

UNEP/ROWA, CAMRE, Centre for Environment and Development for the Arab Region and Europe (CEDARE), Islamic Development Bank, "The Impact of International Trade Liberalisation on the Environment in the Arab Region." Manama, July 2001.