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ISSUES OF IMPORTANCE FOR THE FUTURE OF THE ESCWA REGION**THE STRENGTHENING OF ARAB REGIONAL COOPERATION****Summary**

1. The concern of the Economic and Social Commission for Western Asia (ESCWA) for regional integration took a strategic turn when the twenty-first ESCWA session adopted a recommendation concerning the need for ESCWA secretariat activities to focus on Arab regional integration.
2. The Commission's work to promote regional integration has focused on the following two issues:
 - (a) The standardization of methods for the formulation and application of sectoral policies in various fields;
 - (b) The direct and practical strengthening of Arab regional cooperation through the implementation of specific projects, of which the most significant is the Integrated Transport System in the Arab Mashreq (ITSAM).
3. With respect to regional cooperation, ESCWA activities over the past year have focused on the choice of "regional cooperation" as the byword for such activities; the affirmation of the priority of regional cooperation in the revised medium-term plan for the period 2002-2005; the establishment of the Globalization and Regional Integration Division; and the introduction of a new regular publication entitled *Annual Review of Developments in Globalization and Regional Integration in the Countries of the ESCWA Region*. The Commission also held a seminar on regional integration that considered views on and procedures relating to integration and the role of ESCWA in formulating a strategy for Arab regional integration, and made recommendations concerning the development of that integration.

A. A BRIEF HISTORY OF ARAB REGIONAL INTEGRATION

4. In the 1930s, the call for regional cooperation at Arab level was converted into specific projects, and since the 1940s has taken the concrete form of regional institutions. As was the case in Western Europe and South Asia in later decades, the main incentive for the formation of an Arab regional bloc, of which the League of Arab States is the original institution, was political and strategic. In general, it can be said that the severity of international pressure on the countries of the region is leading to a recession in Arab regional cooperation, whereas in some cases, the growth of regional pressures leads to increased cooperation.
5. With effect from the mid-1990s, when the Likud party formed the Government in Israel and increased its pressure on the Palestinian people and the Arab countries, Arab Governments began to respond to such pressure by revitalizing the Arab Summit, which had not been in operation since the second Gulf War.

6. That revitalization was an expression of the strategic and political concerns that had prompted the establishment of the League of Arab States. Furthermore, the success of functional cooperation in other regions of the world; economic and social change in the Arab region; and the growing realization of the inter-dependency of political, strategic, economic and social situations, all helped to convince Arab leaders of the need to activate and develop functional cooperation projects in the Arab countries. This was given practical endorsement in 1996, when the Arab Summit adopted a resolution to establish the Pan-Arab Free Trade Area. This project was not an isolated instance of inter-Arab relationships. In the 1950s, the Arab countries had signed the Joint Defence and Economic Cooperation Treaty; and in the 1960s, an Arab common market was established. However, in the 1990s, the Arab Governments showed greater commitment to the success of the new project than they had to former, unsuccessful projects.

7. At the end of 2000, when the conflict in Palestine became more intense, Arab countries renewed their endeavours to develop mutual cooperation and agreed to apply the principle of rotating the Arab Summit. That agreement was put into practice when the Summit conferences were held successively in Cairo, Amman and Beirut. At those conferences, greater attention was clearly being paid to functional cooperation projects in the Arab countries and to the establishment and development of institutions for joint Arab operations that would increase the capacities of those countries to implement such projects.

B. COMMISSION ATTITUDES TOWARDS THE ACTIVATION OF ARAB REGIONAL COOPERATION

8. At the twenty-first ESCWA session, which was held in Beirut from 8 to 11 May 2001, it was recommended that attention should be focused on Arab regional integration and the study of mechanisms that would activate such integration, and on reviewing the existing organizational structure of the ESCWA secretariat in order to best serve Arab integration. Accordingly, the secretariat took action to ensure that the issue was a main focus of its programmes and activities.

9. It may be said that, in general, the projects and programmes related to regional cooperation have been implemented at two main levels, as follows:

(a) The first represents an attempt to harmonize policies by establishing national committees or liaison groups to implement a standard policy pursued by the various ministries and institutions within each country and to ensure that the sectoral issue is dealt with in the same manner in other Arab countries. One example is the formulation of integrated policies for the management of water and optimum use of energy in each Arab country, and the formulation of social policies to be applied with respect to older persons;

(b) The second aims to develop regional cooperation directly, by adopting policies to facilitate and link the movement of property, individuals and goods from one country to another. One example is ITSAM, which includes the development of maritime routes between the countries involved.

10. Set forth below are the most important of the activities undertaken by ESCWA in the period between its twenty-first and twenty-second sessions.

1. The strengthening of public interest in Arab regional cooperation

11. The secretariat chose the slogan "ESCWA for regional integration" as an expression of its concern for that objective and in an attempt to transmit the concept to the greatest possible number of those working in it and cooperating with it at every level of social and economic development.

12. This slogan is aired repeatedly on the ESCWA Web site, at its conferences and in the course of its various activities, in order to affirm the importance that has been given to the issue of regional cooperation since the twenty-first session.

2. The affirmation of the importance of regional cooperation in the revised medium-term plan for the period 2002-2005

13. It was stated in the plan that ESCWA would assist member countries to develop regional cooperation, with the aim of strengthening their opportunities for achieving social and economic development. It was further stated that the secretariat, in addition to pursuing the recommendations of the twenty-first ESCWA session with respect to the need for the work of the Commission to be directed towards Arab regional integration by means of regional cooperation, would also be guided by the provisions of Economic and Social Council resolution 1818 (LV). It was that resolution which, in August 1983, established the terms of reference for the Economic Commission for Western Asia and which also considered the question of the development of regional cooperation between the countries of the region. Furthermore, it was stated in the review that concern for Arab regional cooperation is consistent with the Beirut Declaration, that was adopted at a meeting held in Beirut on 27 and 28 May 1999, on the occasion of the celebrations to mark the twenty-fifth anniversary of the Commission.

3. The establishment of the subprogramme for regional integration and responding to globalization

14. Pursuant to the recommendations of the twenty-first ESCWA session with respect to developing the infrastructure of the Commission in order to assist it to serve the aim of regional cooperation, and as part of the restructuring of ESCWA that was aimed at increasing its effectiveness, the secretariat, in the course of revising the programme of work and priorities for the biennium 2002-2003, took the initiative of establishing the subprogramme entitled "Regional integration and responding to globalization". That step coincided with the shift to a stage in which greater attention was given to issues relating to Arab regional integration and those issues were accorded the priority they deserved, in response to the concerns raised during discussion at the twenty-first ESCWA session.

15. The aim of the subprogramme is to formulate projects and agreements aimed at facilitating both transboundary flows of goods, services, persons and capital, and the integration of Arab markets.

16. The choice of the title for the subprogramme expresses a particular view of regional integration and the formation of regional blocs, to the effect that regional integration is one way of confronting the negative impact of globalization and that there is no fundamental contradiction between globalization and regionalization. In accordance with that view, this subprogramme focuses on monitoring developments in both the World Trade Organization (WTO) and the Pan-Arab Free Trade Area. The view has been adopted as one of the concerns of the Fifth WTO Ministerial Conference, which is to be held in Mexico in September 2003. The Globalization and Regional Integration Division is preparing for a series of preparatory meetings for the Conference, with a view to formulating a regional stance on the issues that will be discussed there.

17. Since it was established, that Division has been working to formulate projects and agreements aimed at facilitating transboundary flows of goods, services, persons and capital. Its work falls into the following two main categories:

(a) The development of transport between the countries of the region. In this context, the Division has prepared the Agreement on International Roads in the Arab Mashreq and intends to continue its work by preparing other agreements involving regional cooperation, namely, with respect to railways and maritime and air routes;

(b) The facilitation of the integration of Arab markets, with a view to developing and encouraging investment in the countries of the region. In this context, the Division is following with interest developments relating to the Pan-Arab Free Trade Area and is participating in the endeavours aimed at successfully establishing that Area. With a view to establishing an enabling environment that is attractive to investors, the Division is cooperating with the countries of the region in collecting data and establishing a database for the benefit of investors.

4. *The Annual Review of Developments in Globalization and Regional Development in the Countries of the ESCWA Region*

18. This is a regular publication that reviews the projects and steps that ESCWA has undertaken with a view to developing regional cooperation between the countries of the region; placing the issue of Arab regional cooperation in the international context; identifying the best framework for the relationship between Arab regionalization and its institutions on the one hand and, on the other, between globalization and such related institutions as WTO.

19. The *Review* contains an issue of the greatest interest to those who are concerned with Arab regional cooperation, and provides a rapid summary of the related developments in a number of economic and other sectors.

20. The *Review* devotes particular attention to the question of the liberalization of Arab trade and the agreement relating to the Pan-Arab Free Trade Area. It throws light on the obstacles to the liberalization of Arab trade and puts forward several proposals aimed at realizing that aim.

5. *The Agreement on International Roads in the Arab Mashreq*

21. The experience of other regional blocs in the Arab region and the rest of the world point up the vital importance of transport in the establishment of such blocs. Regardless of whether the incentive for the formation of those blocs is strategic or economic, communications between member countries must be established.

22. When the Middle East Regional Supply Centre was established during the Second World War, with a view to achieving a high level of integration between the countries of the region, the incentive was to facilitate the movement of traffic within the region and transiting through it to neighbouring States. The communications department was one of the most important, sensitive and active of all the Centre's departments.

23. The establishment of many regional blocs, including the Southern Cone Common Market, the Southern African Development Coordination Conference and the Caribbean Community, was an indication of the relatively high level of development of communications between those countries prior to the establishment of the blocs. Once the aforementioned regional blocs had been established, the States involved were careful to continue to develop, accelerate and extend regional transportation.

24. The important economic and strategic incentives that played a part in persuading high officials in those States and blocs of the importance of developing regional transport were equally instrumental in convincing officials in ESCWA member countries and those working in the field of transport in the Commission of the need to develop and extend that field. In the light of that conviction, and as part of the work of the twentieth ESCWA session, which was held in May 1999, a statement was issued on 27 May 1999 on the adoption and development of an integrated transport system in the Arab Mashreq.

25. The Agreement aims to develop traffic routes between the member countries of ESCWA as a preliminary to developing the same with neighbouring States and blocs. It gives detailed particulars of the measures necessary in order to execute that aim, including the standardization in the countries of the region of a set of technical engineering specifications for international roads. The Agreement contains a network of roads with a combined length of some 31,400 kilometres and lays the ground for the development of the international roads between the Arab Mashreq and the Arab Maghreb. The Agreement specifies a time frame of between seven and 15 years for completion of work. Eleven ESCWA member countries have signed the Agreement and three have ratified it.

26. It is possible that, in the future, other agreements complementary to the first Agreement will give detailed consideration to methods of facilitating transport and trade between the countries of the region. The Commission has produced a number of studies that may help to achieve that aim. Arguably the most

significant of those studies are *The Facilitation of International Freight Transport in the ESCWA Region* and *Guidelines for the Establishment of National Committees for the Facilitation of Transport and Trade between the Countries of the ESCWA Region*. The chances for ensuring that the Agreement is executed can be improved by establishing a mechanism to monitor implementation and a schedule for the various stages of implementation. It is hoped that such a mechanism will include representatives from the Government and non-governmental sectors concerned with the issue of developing regional cooperation, with particular reference to transport and communications.

6. *Workshop on Arab Regional Integration*

27. On 4 and 5 November 2002, ESCWA held in Beirut the Workshop on Arab Regional Integration. A number of Arab experts, academics, writers and thinkers took part in the Workshop and studied that issue.

28. The aim of the Workshop was to open discussion on and formulate the conceptual and strategic bases for strengthening Arab regional integration, in preparation for further steps that would assist in transforming such integration from an aim to a live reality.

29. The most important of the issues discussed during the gathering are set forth below:

(a) The affirmation of regional integration as a basic element in international policy and the importance of the role of ESCWA in strengthening cooperation in that respect;

(b) The role of ESCWA in formulating a strategy for regional integration and the need to confront the lack of cooperation and integration between Arab countries;

(c) The importance of determining the causes for the failure of previous attempts to promote regional integration before undertaking any new project in that regard;

(d) The identification of methods to promote the movement towards Arab regional integration in the future, and the role that ESCWA could play therein. A variety of proposals were put forward in the hope that ESCWA would incorporate them into its general strategy and make them part of its general activity in the forthcoming stage.

30. The participants pointed out the need to focus on the practical aspects of the process to establish centres for Arab regional integration, taking into consideration the following:

(a) Sensitive matters that impact directly on the sovereignty and national security of the States concerned, or which could affect their political stability, should be avoided;

(b) The focus should be on the fields determined by the Arab countries, as formulated in the treaties and agreements ratified by the relevant institutions in those countries, including the Declaration on the Pan-Arab Free Trade Area and the Agreement on International Roads in the Arab Mashreq;

(c) Priority should be given to agreements and resolutions that do not require great sacrifices and that will bear fruit within a short period;

(d) Special attention should be paid to successful Arab regional cooperation projects, in view of the lack of confidence in any Arab cooperation project, and the many successful areas in which Arab countries cooperate should be highlighted;

(e) Attempts should be made to involve civil society and its institutions in endeavours aimed at Arab regional integration, including the Union of Arab Banks and the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries.

C. PROPOSALS AND RECOMMENDATIONS REGARDING THE DEVELOPMENT
OF ARAB REGIONAL COOPERATION

31. Taking into consideration the points set forth above, the revised medium-term plan for the period 2002-2005 and the recommendations contained in *The Annual Review of Developments in Globalization and Regional Development in the Countries of the ESCWA Region 2002* concerning the development of Arab regional cooperation, it is appropriate to take action to implement two types of innovative projects and activities, as below:

(a) Projects for the implementation of which cooperation is required between ESCWA and the official Arab parties. Here it is hoped that the focus will be on the success of regional cooperation in the following two fields:

- (i) Cooperation with the League of Arab States and others of the concerned parties with respect to the Pan-Arab Free Trade Area and preparations for transforming the region into a customs union;
- (ii) The achievement of more progress with respect to the Agreement on International Roads in the Arab Mashreq;

(b) Strategies that ESCWA may implement directly. Those include the following:

- (i) The development of official and general concern for Arab regional integration:
 - a. The establishment of a consultative body that includes high-level economic and political figures and meets annually with a view to participating in the formulation of ESCWA annual programmes;
 - b. The formation of a network of intellectuals, researchers and scientists working on the issue of regional integration;
 - c. The holding in various Arab cities, in cooperation with partner institutions, of seminars on issues relating to Arab regional integration;
 - d. The publication of brochures on Arab regional integration;
 - e. The organization of training sessions on Arab regional integration;
- (ii) The carrying out of research and studies concerned with strengthening Arab regional integration:
 - a. A general study that covers the main principles for regional cooperation in general and Arab cooperation in particular, and which may be made into a major reference that can be used in formulating general policy; publicising the culture of cooperation, confederation and integration at Arab level; formulating education programmes; holding conferences and seminars and producing media and cultural programmes; and organizing training sessions;
 - b. An economic study on preparations for Arab economic integration that clearly sets forth the advantages of cooperation at the Arab regional level with reference, in particular, to such specific fields as transport and commercial exchange, with a view to achieving a roadmap thereto.