

**Economic and Social Commission for Western Asia (ESCWA)**

Committee on Trade Policies in the States Members of the Economic
and Social Commission for Western Asia

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Technical cooperation activities**Summary**

The present document provides an overview of trade-related technical cooperation activities implemented by the Economic and Social Commission for Western Asia (ESCWA) since the second session of the Committee on Trade Policies in the States Members of ESCWA, held virtually on 15 and 16 September 2021. It focuses on activities that highlight interlinkages between the three functions of ESCWA, namely as a research institution that produces studies aimed at supporting reforms at the public policy level, as a house of expertise that provides technical guidance to policymakers, and as a regional forum for consensus-building between member States on challenges they face and ways to overcome them.

The Committee on Trade Policies in the States Members of ESCWA is invited to take note of implemented technical cooperation activities and comment thereon.

Contents

	<i>Paragraph</i>	<i>Page</i>
Introduction	1-2	3
<i>Chapter</i>		
I. Development Account projects	3-17	3
A. Meetings and workshops.....	3-10	3
B. Technical papers and reports.....	11-17	4
II. Regular Programme of Technical Cooperation	18-26	6
A. Capacity development workshops	18-21	6
B. Technical papers	22-26	6

Introduction

1. The present document provides an overview of trade-related technical cooperation activities implemented by the Economic and Social Commission for Western Asia (ESCWA) since the second session of the Committee on Trade Policies in the States Members of ESCWA, held virtually on 15 and 16 September 2021.
2. Trade-related technical cooperation activities included conducting studies and preparing publications; organizing expert group meetings and workshops; improving the capacity of member States to negotiate bilateral, subregional and multilateral trade agreements to promote trade flows and build partnerships; and providing advisory services to member States upon their request. Such activities are implemented under the United Nations Development Account, and the United Nations Regular Programme of Technical Cooperation.

I. Development Account projects

A. Meetings and workshops

1. *National workshop: measuring, monitoring and evaluating regional integration performance: the case of Morocco*
(Rabat, 22–23 November 2021)

3. This workshop transferred knowledge and evaluated potential needs for tools and instruments to facilitate follow-up and evaluation of the outcomes of existing trade agreements, and to help member States negotiate new trade agreements that go beyond trade in goods to include trade in services, investment and intellectual property rights. The aim was to enable participants to use ESCWA economic integration monitoring and evaluation systems to develop evidence-based economic integration strategies, scenario analyses and impact studies.

2. *National workshop: measuring, monitoring and improving economic integration: Jordan*
(Amman, 13–14 December 2021)

4. The workshop covered the use of the ESCWA System of Indices to Monitor and Evaluate Arab Integration (SIMAEI) and of the dedicated SIMAEI platform in formulating national plans on economic integration, the methodology and the features of the SIMAEI platform, and the needs of Jordan for specific customization of SIMAEI.

5. In the workshop, the beta versions of the Arab Trade Gateway (ATG) and the first release of the Arab Trade Simulator Interface (ATSI) were presented and discussed as part of ESCWA tools for trade policy analysis that complemented SIMAEI. The workshop enabled participants to use ESCWA trade analysis tools, including SIMAEI, ATG and ATSI, to monitor and evaluate regional integration schemes, and to prepare plausible scenarios for further integration with the rest of the world. Participants also discussed the findings of the national strategic plan for the economic integration of Jordan developed by ESCWA.

3. *Regional workshop: measuring, monitoring and evaluating economic integration*
(Amman, 15–16 December 2021)

6. The workshop introduced member States to the final version of SIMAEI and the dedicated SIMAEI platform. Analyses was undertaken to illustrate the best ways to use the system to monitor and evaluate Arab economic integration outcomes. Participants also discussed member States' needs for further customization of SIMAEI.

7. The workshop presented the Index Simulator for Policymakers in the Arab Region (ISPAR) and the ATSI toolkits. As part of ATG, ESCWA is developing these economic integration tools to assist decision makers in assessing and developing regional integration strategies and policies to strengthen economic growth and employment.

4. *Capacity building workshop on trade finance in the Arab region: reality and challenges*
(Amman, 15–16 February 2022)

8. The workshop aimed to build the capacity of trade financial policymakers to design and implement favourable trade finance policies and tools, especially in times of pandemic. A number of ESCWA studies on export financing in Arab countries were shared with participants, in addition to presentations showcasing the importance of export promotion and its role in strengthening regional and global development and integration.

9. The workshop was organized under the United Nations Development Account project, which is being implemented in collaboration with the Economic Commission for Europe, the Economic and Social Commission for Asia and the Pacific, and the United Nations Conference on Trade and Development (UNCTAD).

5. *E-customs at the heart of trade facilitation*
(Amman, 25–26 May 2022)

10. As part of its effort to promote the use of digitization to facilitate trade on various fronts, ESCWA, in collaboration with UNCTAD, organized a capacity-building workshop for customs officials to review the use of digitization in customs work. The workshop on the theme “E-customs at the heart of trade facilitation” tackled the role of the widely used customs application ASYCUDA in the Arab region. Participants also discussed modernization prospects, and provided an overview of the possible uses of new technologies and digital applications in the work of customs, including blockchain and artificial intelligence. The workshop also focused on the benefits of various technologies to customs efficiency and modernization.

B. Technical papers and reports

1. *National action plan for Jordan*
([E/ESCWA/CL3.SEP/2021/TP.18](#))

11. The report provides a comprehensive account and assessment of Jordanian integration performance and trade policy to formulate the building blocks of an integration framework which, if implemented, would strengthen regional integration. The first section of the report presents and analyses past Jordanian trade performance. The second section provides an account and assessment of Jordanian integration, and offers a review of trade-related reforms, including on trade agreements, the tariff regime, non-tariff measures, and utilizing SIMEAI indicators. The third section provides an account of the main challenges and constraints to successful Jordanian integration. The fourth section sets out the way forward for developing a comprehensive integration framework.

2. *Morocco: towards a successful regional and international integration*
([E/ESCWA/CL3.SEP/2021/TP.20](#))

12. The report offers a national strategic plan for the economic integration of Morocco in international and regional markets, by assessing the country’s current integration performance and addressing the shortcomings of its trade integration policy. The report also identifies measures needed to implement this policy, which focuses on only increasing imports rather than exports, improving synergy and planning between stakeholders, and working towards achieving good governance. The plan seeks to enhance and expand Moroccan economic integration.

3. *Trade and competition in the Arab region: reality and prospects
for a competitive Arab market*
([E/ESCWA/CL3.SEP/2021/TP.14](#))

13. The study covers current competition policies and their characteristics in the region, and reviews their alignment with differential trade agreements concluded by most Arab countries within and outside the region. It also highlights the process of multilateral negotiations on competition laws in global trade, and evaluates Arab experiences in the field of competition provisions and policies in differential trade agreements. The study also deals with measuring market power through a sample of productive sectors in specific Arab countries, and presents a set of recommendations to improve the business environment and develop competitive policies in line with the requirements of Arab economies.

4. *Trade finance in the Arab region: an overview*
([E/ESCWA/CL3.SEP/2021/TP.9](#))

14. The report offers a regional overview of short-term trade financing, finance risks associated with the pandemic, the risks facing trade finance, and the growth potential from trade financing. The report concludes that trade finance remains a significant challenge for the region, and impedes export development and access to foreign markets, especially by small and medium enterprises (SMEs). This challenge compounds the difficulty faced by most Arab firms in accessing foreign markets owing to regulatory, tariff and non-tariff barriers, along with a general weakness of firms in complying with technical and specific requirements in foreign markets. The survey reveals alarming results regarding the difficulty of accessing finance for SMEs.

5. *Trade finance in Lebanon: a recipe for collapse*
([E/ESCWA/CL3.SEP/2021/TP.21](#))

15. The report assesses the status of trade and trade finance in Lebanon amid all three compounded crises. It offers a holistic overview of the country's macroeconomic and financial framework, and provides an overview of its trade structure and performance pre- and post-crises.

16. The report provides an overview of trade finance, and highlights the impact of the pandemic on trade finance performance (globally and regionally), drawing on lessons from past crises. The report also assesses the challenges and opportunities facing trade finance in Lebanon post all three compounded crises, and offers an estimate of the impact of the pandemic on the country. In the case of Lebanon, any realistic well-measured recommendations for the way forward must tackle structurally embedded political, economic and financial obstacles that hinder growth and development across all sectors.

6. *National study on export finances and the pandemic: impact and policy options:
the case of Oman*
(forthcoming)

17. The report considers the post-pandemic status of trade finance in Oman by drawing on lessons learned from the 2008–2009 global financial crisis, and provides policy recommendations to support the Omani Government in implementing its 2040 Vision, which aims to decrease the country's dependence on hydrocarbons and to strengthen its competitiveness in the region and globally.

II. Regular Programme of Technical Cooperation

A. Capacity development workshops

1. *National training on ATSI*

(Dubai, United Arab Emirates, 28 February–2 March 2022)

18. The workshop presented ATSI to Emirati trade officials as part of the simulation tools package that ESCWA is developing to support decision makers in structuring trade policies towards greater competitiveness and integration in the global economy, through a quantitative evaluation of measures raised in negotiations prior to their implementation.

19. The workshop introduced ATSI as a tool in the Arab Trade Gateway Platform, aimed at assisting decision makers in Arab countries to assess and develop regional integration policies that strengthen economic growth and employment. Participants also discussed possible ATSI applications specific to the United Arab Emirates, and how to use the results provided by the platform in making decisions in a flexible and easy way.

2. *National training on ATSI*

(Tunis, 15–17 November 2022)

20. Following a request by the Tunisian Ministry of Trade and Export Development, ESCWA organized a national training workshop in Tunis, as part of its technical assistance provided to member states, on the use of ATSI and trade analysis.

21. The training workshop was a capacity-building activity intended to train national trade policymakers and analysts on how to use ATSI when conducting an ex-ante assessment analysis, by running concrete scenario examples and analysing the generated results.

B. Technical papers

1. *Rebalancing the Lebanese trade deficit and facilitating its economic transformation: preliminary version* (forthcoming)

22. The technical paper provides preliminary lists of products for which tariffs on imports should be revisited to achieve the three interconnected goals of re-balancing trade deficits, improving food security and rural development, and facilitating economic transformation. These lists are based on common guidelines and interlinked principles.

2. *Transformation and strategic growth: path to economic complexity and recovery in Lebanon* (forthcoming)

23. The policy brief presents the major findings of a technical study prepared by ESCWA on strategic options for Lebanon to pursue a structural transformation and export diversification, using a package of powerful techniques that help define ways to diversify the country's economy through its know-how. By implementing strategic options using the country's current know-how, Lebanon could generate an estimated average additional GDP growth rate of 1.2 percentage point per year over a period of 10 years.

3. *Evaluation of the free trade agreement between Lebanon and Türkiye* (forthcoming)

24. Following an official request from the Lebanese Ministry of Economy and Trade, the paper evaluates the free trade agreement between Lebanon and Türkiye prior to its implementation, so as to formulate practical

recommendations on whether to activate the agreement, whether it requires a partial or comprehensive review, and what areas must be developed in the text of the agreement before starting its implementation.

25. The report reviews the experiences of Arab non-oil countries in free trade agreements with Türkiye, and the lessons that can be learned in determining the Lebanese position with regard to activating the agreement. The report also focuses on the reality and structure of intra-Turkish-Lebanese trade, and the opportunities available for its development. It also presents a quantitative assessment of the economic effects of activating the free trade agreement between Lebanon and Türkiye, using a model of global general balance and the trade commitments written in the current agreement. In conclusion, the report sets out practical recommendations on the future of the agreement.

4. *Trade policy of Lebanon in a new development era*
([E/ESCWA/CL3.SEP/2022/Policy Brief.3](#))

26. The policy brief draws on the findings of technical papers prepared by ESCWA for the Lebanese Ministry of Economy and Trade on reforming national trade policy. It reviews the root causes of the trade deficit in Lebanon, sets out guidelines for reforming tariff policy, and provides policy recommendations on reforms and implementation modalities.
