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**MANAGEMENT ISSUES****PROPOSAL FOR THE ESTABLISHMENT OF AN ARAB TRADE  
AND ECONOMIC INTEGRATION CENTRE****Summary**

In line with the mandate of the Economic and Social Commission for Western Asia (ESCWA) to promote policies and programmes that reinforce and advance the process of economic cooperation and integration in the region, this document proposes the creation of an Arab trade and economic integration centre. It provides a brief analysis of the current status of economic integration in the Arab region and the existing knowledge gaps, thus justifying the establishment of a regional initiative aimed at harnessing intra-Arab trade and achieving structural transformation; export diversification; and the enhancement of intra-industry trade. The activities of the proposed centre will be focused on research, policy analysis, capacity-building, knowledge-sharing, advice and advocacy.

This document was prepared as per the recommendation of the ESCWA Technical Committee at its eighth meeting (Amman, 10-12 December 2013). Valuing the efforts of ESCWA to create an Arab trade and economic integration centre, the Technical Committee requested the secretariat to submit a proposal on the establishment of such a centre to the twenty-eighth session of the Commission.

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## Introduction

1. The idea of creating an Arab trade and economic integration centre (ATEIC) stems from the mandate of the Economic and Social Commission for Western Asia (ESCWA) to support the economic and social development of Arab countries through a deeper integration of their economies. In line with the outcomes and declarations of the three previous Arab Economic and Social Development summits (Kuwait, 2009; Sharm el-Sheikh, 2011; and Riyadh, 2013), namely those related to the full implementation of the Greater Arab Free Trade Area (GAFTA) and the establishment of the Arab Customs Union by 2015, one of the primary goals of ESCWA is to promote policies and programmes that reinforce and advance the process of economic cooperation and integration in the region.
2. Today, the Arab region faces a number of major challenges that oftentimes exceed the capacities of individual countries and thus diminish the benefits of regional and international trade. Regional economic integration is crucial for promoting both economic development and human security, while enabling countries to face the challenges posed by globalization. In this context, designing a regional initiative aimed at harnessing trade, structural transformation, export diversification and intra-industry trade is both timely and opportune.
3. This proposal highlights the major regional issues and needs that justify the establishment of ATEIC. It also identifies points of common interest and potential synergies among Arab countries. It finally proposes models for the implementation, activities and potential partners of such a centre.
4. ATEIC will build upon the existing efforts of ESCWA and its involvement in assisting member States in the negotiation and implementation of subregional, regional and multilateral trade agreements, and in reaping benefits from increasing trade opportunities. It will also draw from the experience of ESCWA in conducting research and providing advisory services on the topic of regional integration through the facilitation of trade, including the related issues of transport and logistics. Continuous requests of member States underlie this proposal, as ATEIC would cater for national and regional needs. Other regional commissions such as the Economic Commission for Africa established and are successfully operating similar centres with remarkable success. Finally, the creation of such a centre was recommended by the ESCWA Technical Committee at its eighth meeting (Amman, 10-12 December 2013).

### I. ANALYSIS OF THE REGIONAL CONTEXT AND NEEDS

5. Since the 1950s, there have been several initiatives aimed at promoting and strengthening Arab economic integration. However, these attempts have not delivered the expected results. Reasons are diverse, of both economic and political nature. In many cases, these initiatives appeared to be partial, mainly concerning trade and lacking transnational institutions to guide and strengthen the integration process. Indeed, most economic integration initiatives in the Arab region did not exist beyond the initial phases: their primary focus was on trade, movement of capital and investment, and joint initiatives to finance development in the region.
6. In this context, GAFTA is considered one of the key Arab integration endeavours.<sup>1</sup> Ratified in 1997, it covered topics including customs duties; lifting non-tariff barriers; exchanging trade information and data; and providing preferential treatment to the least developed countries. There were also other trade integration initiatives at the subregional level, the Gulf Cooperation Council (GCC) being the most significant. The GCC is believed to be the most successful attempt of Arab economic integration, despite having faced several challenges since its inception in 1981. The Arab Maghreb Union (AMU) was founded in 1989,<sup>2</sup> and

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<sup>1</sup> GAFTA is based on the 1981 Inter-Arab Trade Facilitation and Development Agreement, ratified by 18 Arab States, namely: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, the Sudan, the Syrian Arab Republic, Tunisia, the United Arab Emirates, Yemen, and Algeria, which joined the Agreement in 2009.

<sup>2</sup> It was founded by the Heads of States of Algeria, Libya, Mauritania, Morocco and Tunisia.

aims at promoting and gradually liberalizing the flow of goods and services among its members. However, despite the reduction of customs tariffs, many non-tariff barriers continue to hamper its full implementation. Finally, the Agadir Agreement,<sup>3</sup> signed in 2004, aimed at strengthening the relationship among Arab countries that had already signed agreements with the European Union, and enhancing regional integration in the Southern and Eastern Mediterranean. Despite several successful cooperation initiatives, trade between Parties of the Agadir Agreement has not made significant progress due to several reasons, including high transportation costs, complex non-tariff trade measures and a low level of trade complementarities.

7. Compared to the economic integration experiences of other regions, Arab countries have performed rather poorly and have not managed to capitalize on the integration potential of the region. For example, in terms of trade, the Arab region is the least integrated region in the world: intraregional exports did not exceed 5.2 per cent of the region's total exports in 2010, a percentage that would reach 18 per cent if oil and its derivatives were excluded from the calculation. In the same year, intraregional exports stood at 24.8 per cent among countries of the Association of Southeast Asian Nations (ASEAN). . They reached 12.4 per cent in Africa and 65 per cent among countries of the European Union.<sup>4</sup>

8. The existing gap between the potential and achieved levels of economic integration in the region is huge. Consolidating regional markets has an enormous potential for enhancing growth, as they would serve a population of up to 350 million people. This factor alone is a great incentive for economic integration, which should be achieved through the integration of industrial processes and the removal of all, tariff and non-tariff, trade barriers. Moreover, Arab economies are poorly diversified, with oil revenues amounting to 80 per cent of the total export revenues in several countries in 2010,<sup>5</sup> which hampers the development of regional value chains and the connection to global value chains. Apart from these structural features, economic integration in the Arab region has been held back by various non-structural reasons, including non-tariff barriers, non-compliance with exceptions from custom duties, high transport costs and poor logistical services. Finally, the Arab region lacks quality infrastructure and interconnectedness among countries, which drives up transaction costs, lowers competitiveness and hinders the development of a regional market. Poor infrastructure networks and logistical services are a major obstacle to facilitating and revitalizing regional trade.

9. Many agreements were signed with a view to removing obstacles to intraregional trade, but oftentimes countries enter into such arrangements unprepared, without prior analysis or studies of intraregional trade barriers and knowledge on how to deal with those. For example, the creation of a customs union envisaged for 2015 opens up a series of questions that should be addressed, primarily the issue of harmonizing preferential trade agreements between certain Arab and non-Arab countries with the requirements of a customs union. There is also an open question on how to compensate countries for their losses in income from customs fees. In addition, regional agreements should be adjusted so that they become easily readable and interpretable, and thus smoothly implementable, which constitutes another area deserving further efforts, advice and knowledge-sharing at the regional level.

10. Therefore, a regional platform dedicated exclusively to accelerating and promoting the regional economic integration agenda should be established. It should be tailored to the needs and specificities of the region while building on the experiences of other regions and benefiting from international expertise.

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<sup>3</sup> It includes Egypt, Jordan, Morocco and Tunisia.

<sup>4</sup> International Trade Centre data, available from: [www.trademap.org](http://www.trademap.org).

<sup>5</sup> Arab Monetary Fund (2011). *Joint Arab Economic Report*. Abu Dhabi.

## II. ESTABLISHING AN ARAB TRADE AND ECONOMIC INTEGRATION CENTRE (ATEIC)

11. Countries are expected to achieve macroeconomic stability and sustainable growth through trade, effective economic policies and sectoral integration. There is a complex relationship between the process of regional integration and the major pillars of economic development, which are infrastructure, industrialization, agriculture, investment and trade. For instance, infrastructure development is an essential component of regional integration because it allows physical connectivity, and an increased regional perspective to infrastructure development can substantially reduce costs through economies of scale, especially in the energy sector. The need for Arab countries to cooperate on regional projects is highlighted by the many challenges that are regional in nature, but that countries have tried to tackle individually. Countries could lower their individual burden by involving regional stakeholders. Assisted by ESCWA, they could achieve equity and social inclusion through adopting a common rights-based approach to development.

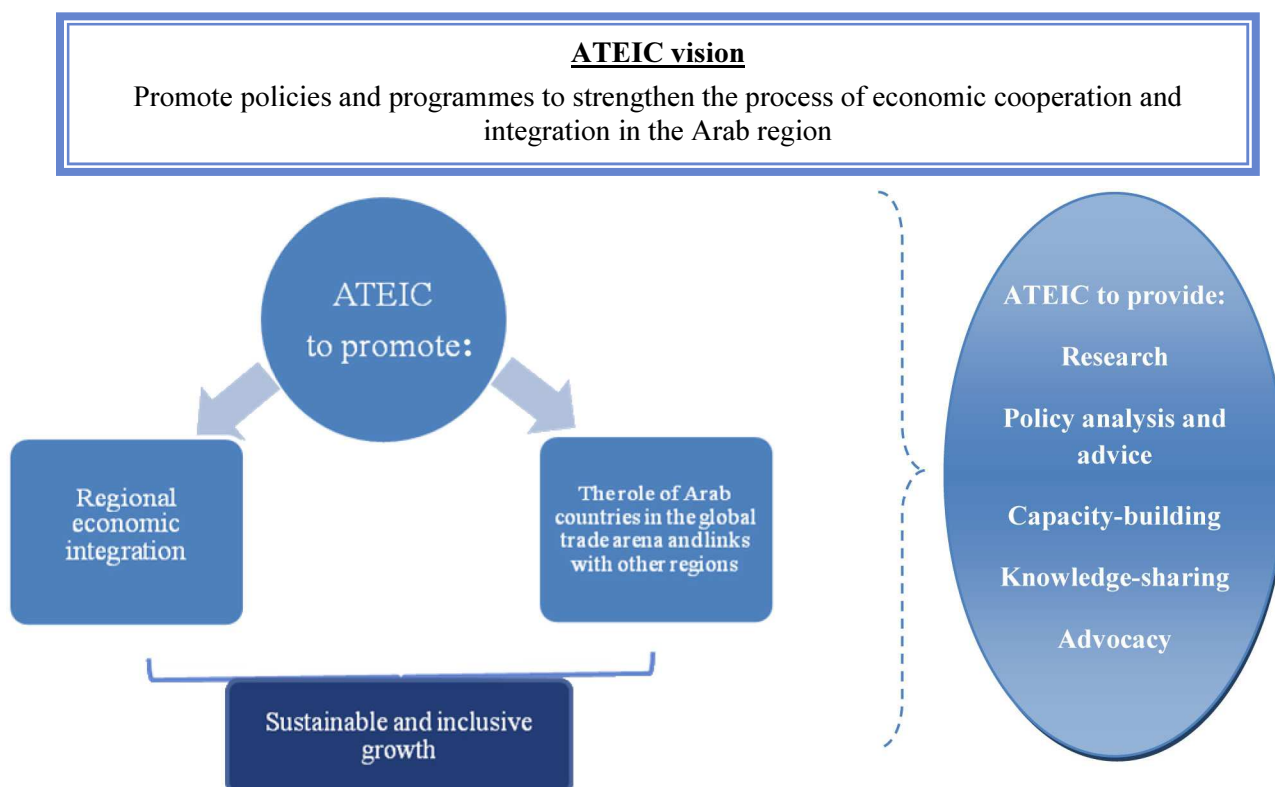
12. Since its establishment, one of the main goals of ESCWA has been to promote and support regional integration. It has done so through its different programmes, in particular those of the Economic Development and Globalization Division (EDGD), which has continuously carried out work in the area of regional economic integration across its different institutional set-ups. Indeed, the Regional Integration Section of EDGD aims at further enhancing economic and financial integration processes within the region and with other regions, and at strengthening South-South cooperation through the participation of regional economies in global supply chains. The section has assisted member States in implementing regional and multilateral trade and financial agreements, in order to enable them to participate more effectively in multilateral negotiations and become active players in the global economy.

13. So far, the role of ESCWA in the field of regional economic integration has been focused on five major areas: (a) substantive research; (b) policy advocacy and outreach; (c) capacity-building; (d) technical assistance or support services to member States and regional organizations; (e) and backstopping and quality control. Building on these solid foundations, ESCWA seeks to further focus on the areas of its comparative advantage through the establishment of ATEIC. The centre will contribute to the acceleration of Arab economic integration and will also focus on unveiling the potential of Arab partnerships at the global, regional and South-South levels, thus contributing to the achievement of both national and acceleration of regional integration.

### A. VISION AND OBJECTIVES

14. ATEIC will promote regional integration through policies and programmes that strengthen the process of economic cooperation and integration in the Arab region. It will seek to strengthen the role of Arab countries in the global trade arena by supporting trade reforms, structural transformation and the diversification of exports, while assisting Arab countries in achieving sustainable and inclusive growth. The centre will undertake research and policy analyses on trade and cross-cutting issues; provide policy advice and capacity-building to both Arab governments and regional institutions involved in the process of regional integration; and provide a platform for advocacy and knowledge-sharing.

15. The strategic orientation of ATEIC is to benefit from and build upon such existing subregional groups as GCC, the Agadir Agreement and AMU. This would allow for substantial economies of scale stemming from the potential of delivering joint services to their trade constituencies. Projects implemented by the centre will have a regional dimension, responding to both country-specific and regional concerns. They would be designed in a way to reduce duplication and make use of national experiences.

**Figure I. ATEIC vision and objectives**

16. The overarching objective of ATEIC is to strengthen the technical and institutional capacities of governments in the Arab region, enabling them to formulate and implement sound economic policies in the areas of trade, transport, infrastructure, competitiveness, diversification and productive capacities development, and participate effectively in regional and international trade. The long-term developmental impact and sustainability of economic growth will depend on increasing trade flows in Arab countries, among other factors. ATEIC will facilitate access to information for governments, private sector stakeholders, cooperating partners and other development practitioners, in a timely and cost-effective manner. The centre will uphold participation and inclusiveness, and encompass all key stakeholders involved in regional economic integration issues.

17. Programmes and activities of ATEIC will help Arab countries in better incorporating trade into their development strategies through the following actions: (a) identifying diversification policies and building export supply chains; (b) improving the skills of Arab negotiators to carry out and utilize impact analysis studies in order to obtain beneficial trade outcomes; (c) improving the capacities of the subregional entities involved in regional economic integration to meet the legislative and administrative requirements for complying with international trade rules; and (d) better integrating such cross-cutting issues as gender and environment into trade policy.

18. The main focus of ATEIC will be to undertake policy research on the interactions between the various dimensions of economic transformation, notably in the fields of trade, investment, transportation, infrastructure, industrialization, food security and agriculture, in the context of regional economic integration. Research and analysis will aim to offer further insight into the fundamental principles of the regional integration agenda and determining the related policy options. Recognizing that industrial and infrastructure development in the Arab region requires a larger regional market and effective cooperation between countries, the centre will engage in a series of activities to create quantifiable measures of regional economic integration, which will serve as a region-tailored benchmark to help gauge performance in

different aspects of economic integration. One such measure will be the Arab Integration Index, which will aim to help Arab countries and stakeholders of regional economic agreements/unions analyse their performance in different areas of economic integration.

19. In addition to its primary objective of increasing the capacities of Arab governments to implement policies and programmes aimed at strengthening regional cooperation and integration, there is a series of additional goals that only an initiative of such scope would be able to achieve. These goals are the following:

(a) Review, assess and, where feasible, implement projects of regional scope relating to trade, energy, transport, infrastructure, food security, water and the financing of small and medium enterprises;

(b) Support trade facilitation and customs reform;

(c) Enhance the capacities of the League of Arab States, GCC and AMU to implement processes and activities aimed at intensifying regional integration, such as the removal of non-trade barriers for the full implementation of GAFTA and the Arab Customs Union;

(d) Provide a platform for trade reform including non-tariff measures and technical barriers to trade, and for enhancing the capacities of national or regional institutions in supporting trade, in order to foster regional trade integration programmes;

(e) Advocate the reinforcement of macroeconomic and sectoral policies in the region, as a major pillar of regional integration and macroeconomic stability.

20. In addition to the longstanding expertise of ESCWA in this field, the centre will also benefit from cooperation with other United Nations regional commissions, namely the Economic Commission for Africa and the Economic and Social Commission for Asia and the Pacific, building on their experience in the processes of trade reform and regional integration.

#### B. THE COMPARATIVE ADVANTAGE OF ATEIC

21. The primary role of ATEIC is to promote economic regional integration through trade, sectoral integration, financial integration, and the harmonization and coordination of macroeconomic and sectoral policies. ATEIC will benefit from the mandate of ESCWA to work at both the regional and subregional levels. Through its programmes, ATEIC will address the challenges that Arab countries face in reconciling national interests with their membership in regional trade agreements and unions. With its regional scope, it will be firmly committed to working on the regional dimensions of economic policies.

22. ATEIC will gather expertise from various fields, collaborating with experts who have extensive experience in areas including economic integration, trade policy and trade facilitation, logistics, export supply chains, competitiveness and diversification, infrastructure, financial integration and macroeconomic convergence. It will promote a regional perspective, which will reinforce its credibility and clearly differentiate it from other programmes or institutions involved in similar work. Being a part of ESCWA, the centre will be mandated to implement a biennial programme of work. However, it will have the flexibility to address specific challenges on a more ad hoc basis through the implementation of extrabudgetary activities.

#### C. BENEFICIARIES

23. The activities of ATEIC will target a wide range of public and private entities in the Arab region. The centre will adopt an inclusive approach to policymaking and consensus-building on the major issues of relevance to Arab regional integration; and it will aim to position itself as a regional centre of excellence and a vital point of reference. It is crucial that the activities of the centre be supported by the involvement of all the relevant stakeholders in the region, including academia, civil society and the private sector. The effectiveness of its operations will largely depend on the existing consensus between stakeholders and their

involvement in all the phases of its work, from the initial conceptualization to the dissemination of information and advisory work.

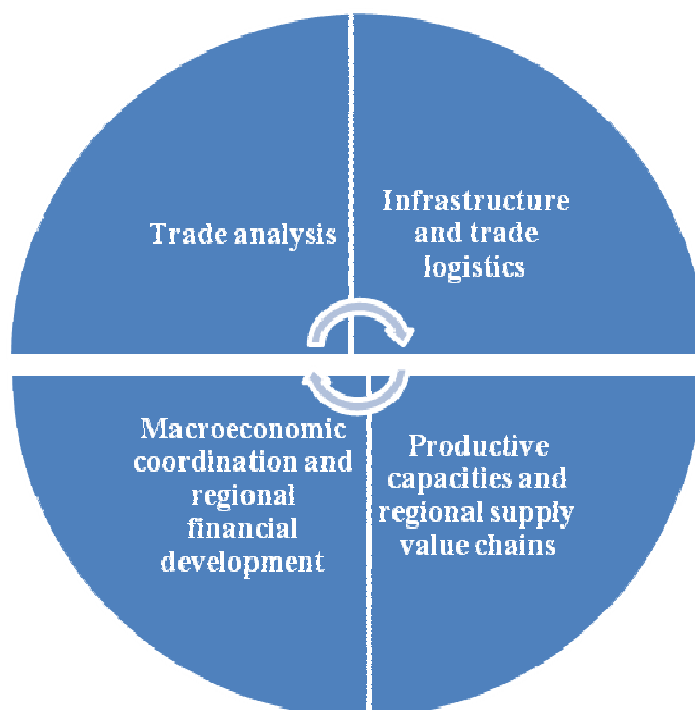
24. In order to promote and fully support regional economic integration, ATEIC will tailor capacity-building activities for Arab countries, as well as regional and subregional organizations, including the League of Arab States, AMU, GCC and State parties to the Agadir Agreement. Main beneficiaries at the national level will include ministries of trade, ministries of economy and finance, ministries of agriculture, ministries of tourism and ministries of transport and/or infrastructure. Potential beneficiaries also include such national specialized agencies as customs agencies, export credit agencies and central banks. In addition to these, various business associations, chambers of commerce, export associations, organizations of employers and entrepreneurs and trade unions could also benefit from the centre's support on trade-related issues.

#### D. MAIN PILLARS OF THE WORK OF ATEIC

25. The initial working phase of the centre will consist of assisting Arab countries and the subregional and regional entities that are at the core of the Arab integration process in accelerating the pace of trade reforms. After it establishes itself within the region and beyond, creates certain partnerships and collaborations, and is ready to embark on the second phase of its operations, the centre will scale up its operations and reach, in coordination with its beneficiaries, and existing and potential donors.

26. ATEIC will undertake its work based on four pillar areas, namely: (a) trade analysis; (b) infrastructure and trade logistics; (c) productive capacities and regional supply value chains; and (d) macroeconomic coordination and regional financial development. The interlinkages of these pillars will be analysed through the lens of regional integration.

**Figure II. Main pillars of ATEIC**





### 1. *Pillar 1: Trade analysis*

27. The main objective of this pillar is to strengthen the capacities of Arab governments to formulate and implement sound trade policies and participate more effectively in trade negotiations at the bilateral, regional and multilateral levels. Furthermore, the centre will participate in improving the quality, flow and use of trade data and information among Arab countries.

28. Under the first pillar, the centre will work towards empowering Arab countries to actively set their own trade agenda, instead of being reactive or having it imposed on them. Particular focus will be put on supporting and complementing similar efforts exerted by the League of Arab States, aimed at boosting intra-Arab trade and establishing a regional free trade area. The centre will also support member States and regional organizations in better integrating trade issues into their development strategies, mainly through the following actions:

(a) Identifying policies for diversifying production, building export supply capacities and adjusting to the economic impact of trade liberalization;

(b) Improving the skills of Arab negotiators in undertaking and utilizing impact analysis studies to obtain beneficial trade outcomes;

(c) Improving the policy and regulatory capacities of member States to meet the legislative and administrative requirements to comply with international trade rules and benefit from their flexibilities.

29. More specifically, under the trade analysis pillar, the centre will work towards developing and implementing tools aimed at trade surveillance and reporting. Such activities will include the following:

(a) Identifying the areas of comparative advantage at the country level;

(b) Identifying major trade barriers as well as estimating total loss in revenue per country arising from such barriers;

(c) Raising the awareness of key country actors on the implications of trade barriers;

(d) Developing measures and strategies aimed at dealing with trade barriers;

(e) Identifying and promoting suitable and appropriate country-level incentives aimed at encouraging trade regionally.

### 2. *Pillar 2: Infrastructure and trade logistics*

30. In the past, the efforts of many Arab countries to establish competitive economies and promote intraregional trade were hindered by poor infrastructure, particularly the energy, transport and communications infrastructure. This has resulted in high production and transaction costs. To modernize their economies, Arab countries should invest in a new infrastructure while improving the existing one. An upgraded infrastructure would be a powerful means to support economic growth, provide better services to citizens, create jobs, increase the overall competitiveness of the economy, facilitate the development of small and medium enterprises, and attract both domestic and foreign capital; and its development should thus become a priority at the national and regional levels. Applying a coordinated regional approach to that end would lower transaction costs, develop regional markets and make production and exports more competitive. It would contribute to reducing the regulatory burden facing Arab industries through harmonizing policies and limiting unfavourable domestic policies. Furthermore, it would boost trade within and beyond the Arab region and contribute to economic diversification.

31. The main focus of this pillar is on infrastructure development and trade expansion through increased market access. Activities under this pillar would create a depository of knowledge and good practices with

respect to infrastructure and trade facilitation measures to be implemented by countries, regional institutions and other stakeholders. More specifically, the activities of ATEIC under this pillar would include the following:

(a) Assessment of the quality of the current infrastructure and related costs, which have an impact on trade expansion in the region;

(b) Needs assessment of required investments in trade-related infrastructure to catch up, at the regional level, with better-performing Arab countries;

(c) Analysis of cross-border infrastructure projects, including identification, preparation, implementation, monitoring and evaluation;

(d) Assessment of the social and economic impacts of the new trade-related infrastructure investments, with a special focus on trade facilitation.

### *3. Pillar 3: Productive capacities and regional supply chains*

32. Global supply chains are a dominant component of international trade. They are the primary means through which multinational corporations source the inputs for manufacturing and distribute their final products. To function properly, these chains depend on the free and unhindered flow of goods across borders, simplified trade procedures, and predictable and low transaction costs. Many of the Arab economies fall short of these basic requirements: they are often burdened with extensive regulatory procedures and delays. In addition, there is often a lack of experience and technical capacity in the needed information and communications technologies, as well as in international standards and good practices. This situation usually leads to the exclusion of Arab national and regional enterprises from international markets, or to the severely limited participation in these markets, and their eventual failure to grow and enjoy the benefits of global trade.

33. In this context, ATEIC will focus on providing evidence-based analyses on the extent to which the expansion of Arab exports has been accompanied by improvements both in diversification and procedural requirements; on the key obstacles faced by Arab countries in this regard; and on the policies that should be adopted to seize emerging opportunities.

34. The productive capacities and regional supply chains pillar will address some of the key underlying internal and external causes of the current situation of trade in the Arab region. Its activities will focus on the following:

(a) Enhancing the technical capacities of regional and national experts to identify and remove regulatory and procedural obstacles to trade, and enhance operations in international and regional supply chains;

(b) Strengthening the planning capacities of these experts to formulate trade-facilitation policies and strategies, and implement the related tools and technologies, in line with the ongoing trade facilitation negotiations within the World Trade Organization and the World Customs Organization;

(c) Building a regional network of experts to address such issues and support longer-term efforts towards regional and international economic integration.

35. The centre will thus play a leading role in highlighting the obstacles to a larger participation of Arab enterprises in global value chains and in identifying the most promising entry points to these chains. The work of ATEIC will also contribute to the development of regional value chains.

#### 4. Pillar 4: Macroeconomic coordination and regional financial development

36. The idea of macroeconomic coordination and convergence in the Arab region stems from the legacy of the long history of economic integration, on which Arab States have embarked since the 1950s. Achieving some sort of a convergence in the per capita income of the countries in the region today seems an important prerequisite for this integration process. In this respect, member States should adopt similar macroeconomic policies to avoid economic disturbances in the regional market. Sustained growth, price stability, sustainable fiscal and current account deficits, and sustainable external debt should be the guiding principles of such policies.

37. Despite a significant level of political support to speed up the Arab economic integration process, efforts to achieve regional macroeconomic convergence in the short term are still falling short of the set goal. Much more extensive and profound research on this topic should be carried out to enable better guidance to policymakers. Research should focus on the following areas: equitable distribution of the costs and benefits of regional integration; dealing with imperfect competition; protection of infant industries; labour market rigidities and labour mobility; disharmony in taxation structures; financial and current account liberalization; unstable macroeconomic management; and the related issues of national sentiment and sovereignty.

38. The overall objective of this pillar is to enhance the capacity of policymakers to design and implement macroeconomic policies that promote regional macroeconomic convergence. It also aims to facilitate the exchange of experiences on how to design and implement such policies. Work under this pillar will thus be guided by a twofold motivation: fulfilling the need for in-depth empirical research to guide policymakers in the Arab region in their endeavour towards growth and regional integration, while promoting macroeconomic convergence; and contributing to the current stock of knowledge and general understanding of the processes of regional integration and macroeconomic convergence.

39. During the first implementation phase of ATEIC activities, the following should be undertaken:

- (a) A survey of macroeconomic policy frameworks and strategies;
- (b) An assessment of macroeconomic policy frameworks in selected Arab countries;
- (c) Studies on the status of macroconvergence in the various Arab subregions;
- (d) Training workshops for government officials and staff of national policy research institutions on the topic of macroeconomic policy convergence.

### III. PROJECT IMPLEMENTATION AND ORGANIZATIONAL STRUCTURE

#### A. EXECUTING ENTITY

40. The Arab trade and economic integration centre will be part of ESCWA and will be located within ESCWA premises at the United Nations House in Beirut. ESCWA derives its strength from a unique positioning, offering a platform for congress and coordination, and a home for expertise and knowledge

#### B. PARTNERS

41. The strategic orientation of ATEIC is to work at the regional and subregional levels, with a variety of stakeholders and partners from both within and outside the region, ensuring inclusiveness and effective service delivery.

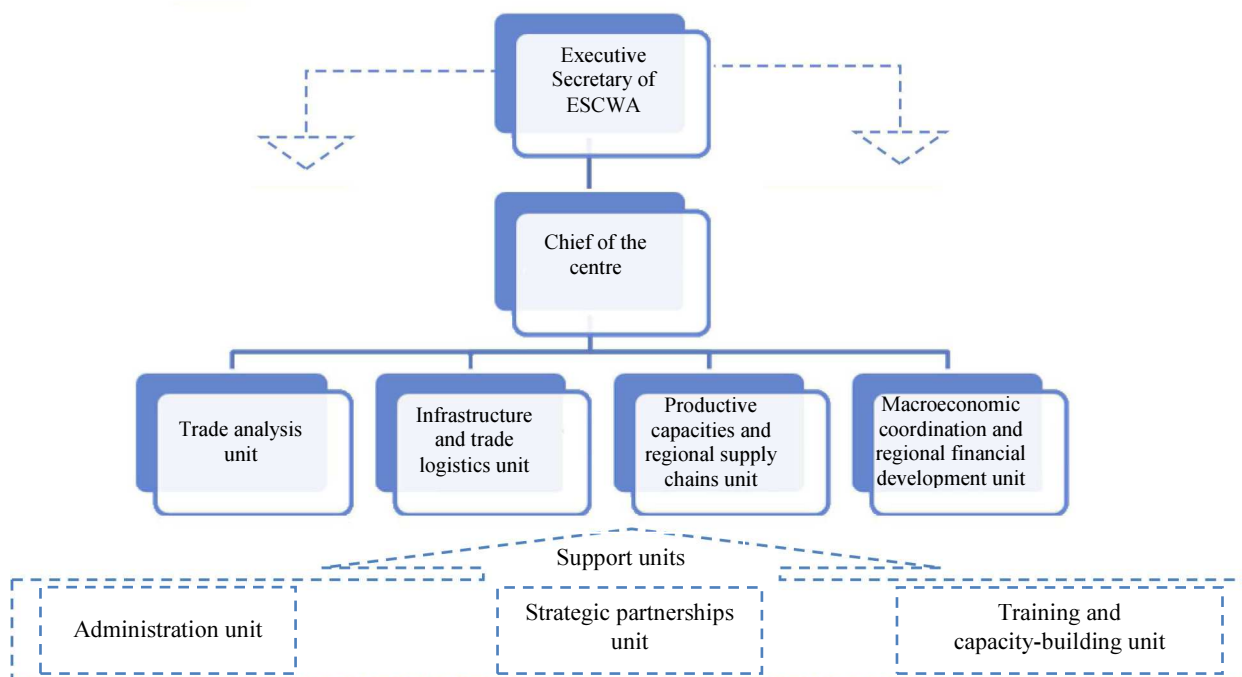
42. Potential partners of ATEIC include the League of Arab States; the United Nations Economic Commission for Africa; the United Nations Economic and Social Commission for Asia and the Pacific; the United Nations Economic Commission for Latin America; Arab development funds; the African

Development Bank; the European Commission; the International Development Research Centre; the World Bank; and various academic institutions.

C. ORGANIZATIONAL STRUCTURE

43. The previously mentioned pillars of the work of ATEIC are meant to constitute the four substantive divisions within the organizational structure of the centre. The following proposal for the internal organization of the centre is deemed suitable for achieving its objectives and satisfying the needs of the region.

**Figure III. Proposed organizational chart of ATEIC**



D. STAFFING

44. Structurally, ATEIC will be reported as a separate section of EDGD. Administratively, the day-to-day operations of ATEIC will be managed by the chief of the centre, who reports to the Executive Secretary of ESCWA. However, the Executive Secretary may appoint a senior officer from the ESCWA secretariat to supervise the centre.

45. In the start-up phase of the centre, ESCWA will provide the following human resources to ATEIC: one professional post P5, one regional advisor on transport, three P4, two P3, one P2, three research assistants and one administrative assistant. Additional staff will be recruited once additional extrabudgetary funding becomes available. If deemed necessary, ATEIC will hire consultants to undertake studies and conduct seminars and training workshops. They will be recruited either locally or internationally according to the United Nations rules and procedures.

E. REPORTING

46. The processes of monitoring, reporting and evaluation will be integrated into the day-to-day activities of the centre, benefiting from the existing systems in ESCWA, including the Integrated Monitoring and Documentation Information System (IMDIS) for reporting on the implementation of activities, the Integrated

Management Information System (IMIS) for financial reporting and all ESCWA internal programme management and administrative systems. ATEIC will produce biannual reports reflecting the activities undertaken, outputs produced and outcomes achieved, using quantitative and verifiable indicators.

F. SUSTAINABILITY OF ATEIC ACTIVITIES AND RESOURCE MOBILIZATION

47. The quantity and geographic span of country requests received by ESCWA testify to the importance and appreciation of its work in the domain of trade-related capacity-building and technical assistance. In order to ensure a solid base for meeting the ever-increasing demand and an uninterrupted delivery of these services, ATEIC will lead regional economic integration efforts, building on the results achieved so far at the subregional level.

48. The core of ATEIC activities will be built upon the existing resources of ESCWA. Once additional resources become available, the centre will widen the scope and importance of its activities. As a starting point, a resource mobilization strategy will be developed to encourage more partners and donors to support the centre and join its activities. This strategy will address issues including the co-financing of activities, training on commercial basis and the establishment of a trust fund.

49. The centre will continuously promote its work in an attempt to broaden its partnership base, and particularly enhance the support of Arab countries, as well as attract funding from businesses and research foundations.

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