

**ECONOMIC AND SOCIAL
COUNCIL**

Distr.
LIMITED
E/ESCWA/EDGD/2011/IG.2/4(Part I)
1 September 2011
ENGLISH
ORIGINAL: ARABIC

Economic and Social Commission for Western Asia (ESCWA)

Technical Committee on Liberalization of Foreign Trade, Economic
Globalization and Financing for Development in the Countries of the ESCWA Region
Seventh session
Beirut, 4-5 October 2011

Item 5 (a) of the provisional agenda

**REVIEW OF ACTION TAKEN IN THE FIELDS OF LIBERALIZATION OF FOREIGN TRADE,
ECONOMIC GLOBALIZATION AND FINANCING FOR DEVELOPMENT
SINCE THE SIXTH SESSION OF THE COMMITTEE****IMPLEMENTATION OF THE RECOMMENDATIONS
MADE BY THE COMMITTEE AT ITS SIXTH SESSION****Summary**

The Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region holds biennial sessions. The Committee held its sixth session in Beirut, on 6 and 7 July 2009, and reached recommendations on the work of the Economic and Social Commission for Western Asia (ESCWA) in the fields of liberalization of foreign trade, economic globalization and financing for development. Some recommendations were addressed to ESCWA member countries and others to the executive secretariat. The responsibility for implementation follow-up in those fields lies with the Economic Development and Globalization Division (EDGD) at ESCWA.

This paper reviews activities undertaken by ESCWA to implement these recommendations.

Recommendations of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region at its sixth session and actions taken for their implementation

The Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region (hereinafter referred to as the Committee) issued a set of recommendations at its sixth session held in Beirut on 6 and 7 July 2009. Some recommendations are on responding to the international financial crisis in the ESCWA region, others are addressed to ESCWA member countries, and others to ESCWA as set out in the report of the Committee on its sixth session.¹ Recommendations on responding to the international financial crisis in the ESCWA region include a call for the implementation of the recommendations of the Damascus Declaration on Responding to the International Financial Crisis in the ESCWA Region,² in its amended version which was adopted by the Committee at its sixth session on 7 July 2009.³ Recommendations addressed to the Governments of member countries covered such areas as strengthening cooperation and coordination with ESCWA executive secretariat to implement activities related to liberalization of foreign trade, economic globalization and financing for development on a priority basis, and promoting the exchange of knowledge with the secretariat in that regard. On the other hand, recommendations addressed to ESCWA included continuing to provide capacity-building services to member countries in the areas of liberalization of foreign trade, economic globalization and financing for development through training and technical assistance. This paper presents each recommendation followed by the actions taken for its implementation.

A. IMPLEMENTATION OF THE RECOMMENDATIONS ON RESPONDING TO THE INTERNATIONAL FINANCIAL CRISIS IN THE ESCWA REGION

Recommendations

(a) Adopt the Damascus Declaration on Responding to the International Financial Crisis in the ESCWA Region, issued on 7 May 2009, after introducing the agreed amendments;

(b) Submit the amended Damascus Declaration to the twenty-sixth session of ESCWA for notification and approval;

(c) Request the secretariat to assist member countries in implementing the recommendations of the amended Damascus Declaration, and identify the appropriate measures and mechanisms to this extent.

Implementation

Upon its endorsement at the twenty-sixth session of ESCWA, the Damascus Declaration on Responding to the International Financial Crisis in the ESCWA region was submitted to the United Nations Secretariat in order to include it among the documents of the Conference on the World Financial and Economic Crisis and its Impact on Development. ESCWA followed up the implementation of the Declaration recommendations as part of its activities in the area of financing for development, and continued to provide assistance to member countries with regard to foreign direct investment.

¹ ESCWA, *Report of the Sixth Session of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region* (E/ESCWA/EDGD/2009/IG.2/7). Available at: www.escwa.un.org.

² Issued at the Regional High-Level Consultative Forum on the Impacts of the International Financial Crisis on ESCWA Member Countries: The Way Forward (Damascus, 5-7 May 2009).

³ The amended version of the Declaration is set out in the *Report of the Sixth Session of the Technical Committee on Liberalization of Foreign Trade, Economic Globalization and Financing for Development in the Countries of the ESCWA Region* (E/ESCWA/EDGD/2009/IG.2/7). Available at: www.escwa.un.org.

B. IMPLEMENTATION OF THE RECOMMENDATIONS ADDRESSED TO GOVERNMENTS

Recommendation

Support ESCWA efforts and activities in the areas of liberalization of foreign trade and financing for development and cooperating with ESCWA in that regard, especially through extrabudgetary contributions to finance some activities of interest to member countries.

Implementation

In the last two years, ESCWA implemented several financing for development activities funded by extrabudgetary resources, which included the following:

- Establishing a guide on bilateral investment agreements, which comprises a review and analysis of the basic concepts of those agreements and the investment law in general. The guide also covers challenges faced by negotiators of such agreements which now represent a major tool for the protection of international investments;
- Organizing the Dubai International Conference of Endowments on Innovative Sources to Finance Small- and Medium-sized Enterprises (SMEs) (16-17 February 2010) with the objective of exploring the role of SMEs in the Arab countries; identifying the most promising sectors for future investments; assisting the endowment institutions in the Arab region to identify the current opportunities that SMEs offer worldwide; determining the best means to engage in financing SMEs in the region;
- Organizing national workshops in Jordan, Lebanon, the Sudan and the Syrian Arab Republic on negotiating bilateral investment agreements. The workshops aimed to enrich the theoretical knowledge of participants about the basic concepts, rules and problems of managing foreign direct investment and about negotiations on investment agreements and contracts and negotiation mechanisms;
- Organizing a national workshop in the Syrian Arab Republic on double taxation avoidance, and a workshop in Jordan on the international fiscal law. Both workshops aimed to analyze the issues addressed by agreements on double taxation avoidance, discuss the applied economic policies, identify the different concepts of taxation and international fiscal law, and explain the broad principles of signing international agreements on double taxation avoidance and prevention methods;
- Organizing two national workshops in Oman and the United Arab Emirates on foreign direct investment data collection, including international standards used to measure foreign direct investment; ways to resolve challenges related to the investments of sovereign funds; workers' remittances; and real estate.

Recommendation

Emphasize the importance of appointing Committee focal points in member countries specialized in foreign trade and financing for development.

Implementation

ESCWA sent letters to relevant ministries to follow up the appointment of focal points in charge of maintaining contacts with ESCWA on issues of financing for development, and received several replies.

Recommendation

Provide the ESCWA secretariat with data, information and updates in the field of legislations related to foreign trade and financing for development, in order to facilitate the preparation of reports and thorough and analytical studies.

Implementation

ESCWA received several country documents and reports which are not material sent periodically to ESCWA.

Recommendation

Emphasize the importance of attending periodical meetings convened by the ESCWA secretariat in the fields of trade and financing for development, and of delegating experts and specialists in those fields to such meetings.

Implementation

ESCWA invites member countries to all meetings and sessions of subsidiary bodies by sending invitations to the focal points appointed by those countries with a copy to their embassies in Lebanon which is the host country of ESCWA. ESCWA maintains follow-up with member countries to make sure that they have received the invitation and sent representatives to attend the meetings. Generally speaking, most member countries accept the invitation to attend the activities of ESCWA.

Recommendation

Integrate the recommendations of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus into the development plans of member countries to ensure the full implementation of those recommendations.

Implementation

ESCWA follows up the efforts of member countries to implement the recommendations of the Monterrey Consensus and the Follow-up Conference as well as future actions to be taken by those countries, and publishes the outcome of the follow-up in a biennial publication. The last publication was issued in 2010 and titled *Progress Made by ESCWA Member Countries in the Implementation of the Monterrey Consensus*.

Recommendation

Look into the possibility of hosting and contributing to the financing of an expert group meeting to be convened by the secretariat in the final quarter of 2009, on the progress of trade negotiations in the framework of the Doha Development Round.

Implementation

In cooperation with the Arab Non-governmental Organizations Network for Development and the Ministry of Economy and Trade in Lebanon, ESCWA organized a high-level expert group meeting on the preparation of the Arab countries for the Seventh Ministerial Conference of the World Trade Organization (WTO) which was held in Beirut, on 11 and 12 November 2009. Discussions at the expert group meeting addressed several items on the agenda of the WTO Seventh Ministerial Conference including the evolution of trade negotiations, the core disputed issues in the various negotiation areas, especially in the light of the

global financial and economic crisis, and the positions of the Arab countries regarding those issues. The meeting was attended by representatives of concerned ministries and civil society organizations, experts and scholars in the global trade system from the Arab region and the world, as well as representatives of regional and international organizations such as the League of Arab States, the Islamic Development Bank, the World Trade Organization, the Food and Agriculture Organization of the United Nations and the World Bank. The meeting provided the opportunity to coordinate negotiating positions in multilateral negotiations in accordance with global needs and changes.

C. IMPLEMENTATION OF THE RECOMMENDATIONS ADDRESSED TO ESCWA

Recommendation

Implement activities and services in the fields of liberalization of foreign trade, economic globalization and financing for development in the framework of subprogramme 3 on economic development and integration of the proposed programme of work for the biennium 2010-2011.

Implementation

The programme of work for the biennium 2010-2011 in the fields of liberalization of foreign trade, economic globalization and financing for development was implemented as agreed. Document E/ESCWA/EDGD/2011/IG.2/4(Part II) reviews the activities implemented in the field of liberalization of foreign trade, and document E/ESCWA/EDGD/2011/IG.2/4(Part III) reviews the activities implemented in the field of economic globalization and financing for development. Both documents are submitted to the Committee at its seventh session.

Recommendation

Conduct a follow-up to the recommendations of the Conference on the World Financial and Economic Crisis and Its Impact on Development, held in New York, from 24 to 26 June 2009, and the recommendations of the Monterrey and Doha Conferences on financing for development.

Implementation

ESCWA prepared the report entitled *Progress Made by ESCWA Member Countries in the Implementation of the Monterrey Consensus* (E/ESCWA/EDGD/2010/2) which reviews the efforts of member countries to implement the Monterrey Consensus and the Follow-up Conference recommendations; the impact of the global financial crisis on member countries; and the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development.

Recommendation

Continue to provide technical assistance to member countries in areas related to foreign direct investment.

Implementation

ESCWA organized several national workshops on negotiations of bilateral investment agreements in Damascus from 1 to 5 August 2010, in Amman from 7 to 11 November 2010, in Beirut from 14 to 18 March 2011 and in Khartoum from 9 to 15 April 2011. Those workshops aimed to enrich the theoretical knowledge of participants about the different basic concepts, rules and problems related to managing foreign direct investment, negotiations of investment agreements and contracts, and negotiation methods and mechanisms.

ESCWA also organized two national workshops on foreign direct investment data collection: the first in Muscat from 26 February to 2 March 2011 in cooperation with the Ministry of National Economy in Oman, and the second in Abu Dhabi from 6 to 10 March 2011 in cooperation with the National Bureau of Statistics. Both workshops aimed to inform participants of the international standards used to measure foreign direct investment, ways to resolve challenges related to the investments of sovereign funds, workers' remittances and real estate.

ESCWA is preparing for an expert group meeting on developing foreign direct investment statistics in ESCWA member countries, to be held at the United Nations House in Beirut on 27 and 28 September 2011. The meeting aims to review the progress made by member countries in collecting accurate statistics on foreign direct investment; strengthen inter-country exchange of views and expertise on foreign direct investment issues and statistics; discuss challenges faced by countries in applying international standards for foreign direct investment data collection and calculation; and develop a set of recommendations on the best ways to collect foreign direct investment statistics.

Recommendation

Integrate trade policy issues into future ESCWA programmes of work.

Implementation

ESCWA gives significant importance to trade policies and integrates many relevant activities into its programmes of work. Under its programme of work for the biennium 2010-2011, ESCWA conducted studies on the role of trade policies in strengthening foreign trade competitiveness and achieving development in the ESCWA region. The studies were presented and discussed at the Expert Group Meeting on Transport and Trade Facilitation in the ESCWA Region, held in Beirut on 1 and 2 March 2011. For further information about the implementation of foreign trade liberalization activities, please refer to document E/ESCWA/EDGD/2011/IG.2/3(Part II) which is submitted to the Committee at its seventh session.

Recommendation

Continue to work on the implementation of the Single-Window Initiative to contribute to trade facilitation and the increase of intraregional trade exchange.

Implementation

ESCWA held a regional workshop on the requirements for the establishment of single windows for handling export/import procedures and formalities in the ESCWA Region, at the United Nations House in Beirut on 3 and 4 March 2011. The workshop aimed to increase knowledge about the single-window concept, benefits and role in trade facilitation, build national capacities in the single-window field in accordance with international recommendations and standards, and exchange expertise about trade facilitation and the single-window system in the ESCWA region. The meeting was attended by experts from the ministries of trade and customs directorates in member countries. The discussions helped exchanging expertise and increasing knowledge about the requirements and necessary actions and measures for the establishment of single-windows; identifying steps undertaken by customs directorates in the region to simplify and facilitate trade procedures; and learning about the international standards and recommendations related to single-window applications.
