

AID FOR TRADE INITIATIVE FOR THE ARAB STATES (AFTIAS)

UNIDO's INTERVENTIONS



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

aftias
Aid for Trade Initiative
for the Arab States



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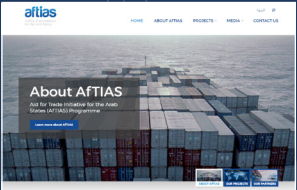
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Aid for Trade Initiative for the Arab States (AfTIAS) Programme

Learn more about AfTIAS:
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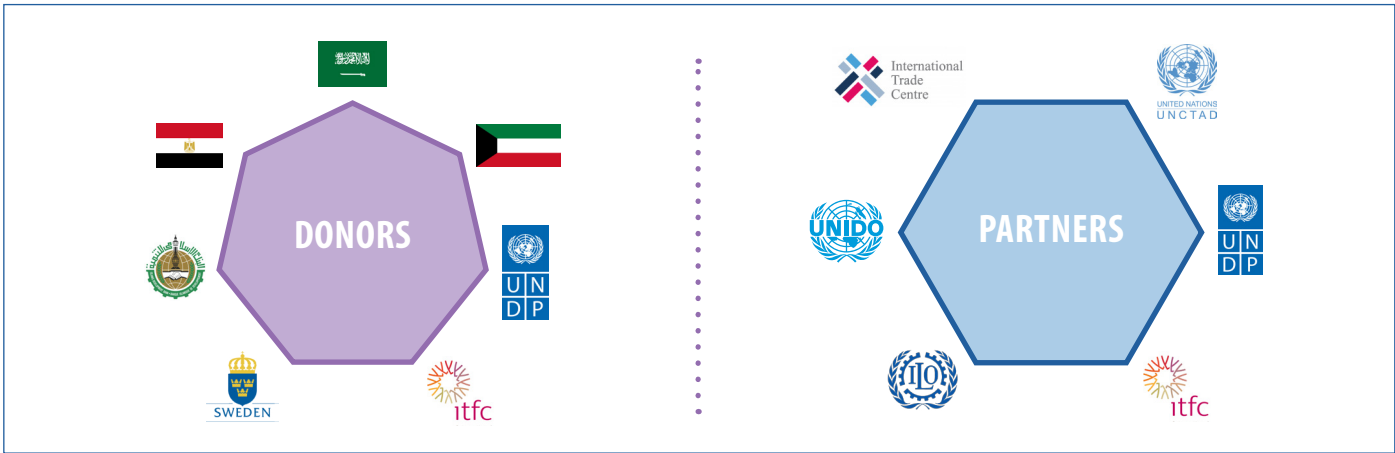
CONTEXT

It is well known that trade can be a powerful engine for economic growth and poverty reduction, but harnessing its power is difficult for many developing countries. This is particularly true for the Arab Region, where there is often a lack of capacity, in terms of information, policies, procedures, institutions, and the required infrastructure to integrate and compete effectively in regional and global markets. To address these capacity constraints, the Arab Group to the World Trade Organization (WTO) in Geneva requested the Islamic Development Bank (IsDB) Group to develop an Aid for Trade (Aft) initiative for the Arab Region.

Based on inputs from an extensive consultation process initiated by the International Islamic Trade Finance Corporation (ITFC) since 2010, the Aid for Trade Initiative (AfTIAS) Programme was developed and launched since 2013 by ITFC, on behalf of the IsDB Group and in cooperation with five UN Agencies (ILO, ITC, UNCTAD, UNDP and UNIDO) in addition to the League of Arab States (LAS), the Permanent Missions of Arab Countries in Geneva, the Arab Regional Organizations as well as stakeholders from within and outside the region.

OVERALL OBJECTIVE

AfTIAS is a multi-donor, multi-country and multi-agency Programme, aiming to “foster Arab trade through enhancing enterprise competitiveness and facilitating trade”.



EXPECTED OUTCOMES AND OUTPUTS

OUTCOME 1

Enhance regional competitiveness through Trade policy reform and Trade Support Institution (TSIs) efficiency

- **OUTPUT 1:** TSIs more efficient in promoting regional trade
- **OUTPUT 2:** Regional Quality Infrastructure Strategy adopted
- **OUTPUT 3:** Regional business environment improved through reduction of regional barriers to trade

OUTCOME 2

Strengthen trade supply side and value chain integration

- **OUTPUT 4:** Strengthened production and trading capacity of SMEs in priority export sectors
- **OUTPUT 5:** Value chains integration among Arab countries
- **OUTPUT 6:** Skills development strategies integrated into sectoral policies

OUTCOME 3

Strengthened regional and sub-regional organizations' capacity, to foster trade integration

- **OUTPUT 7:** Intra-Arab trade development strategy developed and endorsed
- **OUTPUT 8:** Strengthened capacities of LAS, GCC, ATU and AMU to implement PAFTA

EXPECTED IMPACT

Strengthening the capacity of Arab States and their regional integration organizations, to implement the Arab Common Market by 2020 and fulfil the conditions to intensify intra-Arab trade.

- **22** members of the LAS are: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates (UAE) and Yemen
- **13** members of WTO among LAS are: Bahrain, Djibouti, Egypt, Jordan, Kuwait, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, UAE and Yemen

Trade facilitation: UNIDO's systemic approach

The need to improve the movement of goods across national borders has become ever more important with value chains spanning the globe (GVCs). The requirements of WTO's new Trade Facilitation Agreement (TFA), following the Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Agreements, represent a major challenge as well as a great opportunity for developing countries.

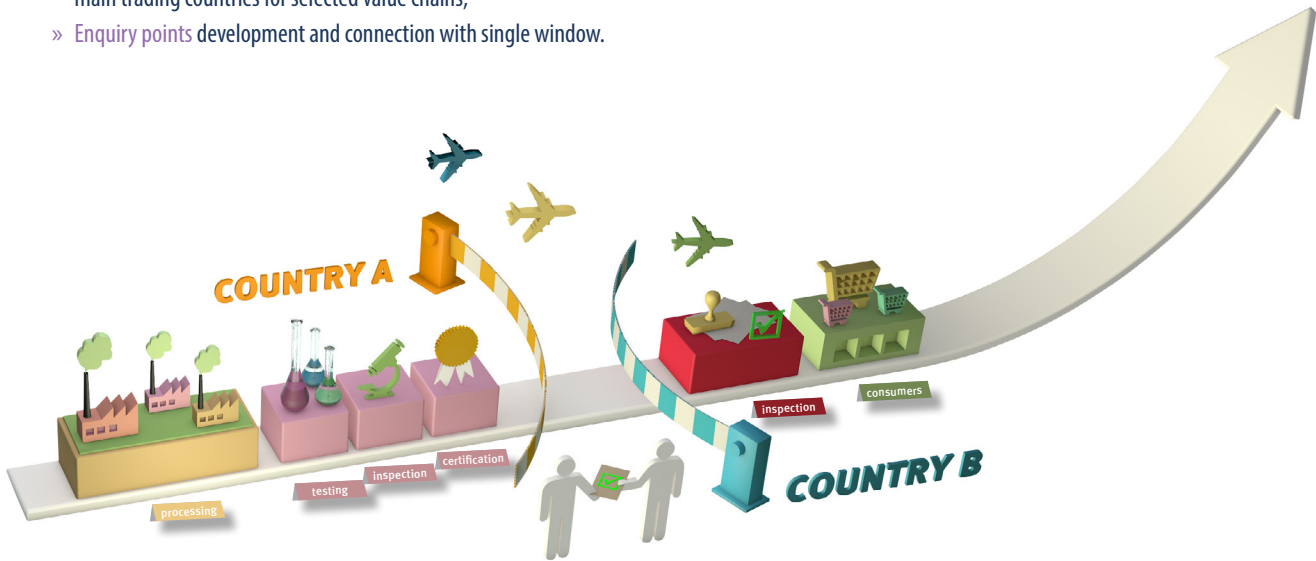
Lengthy procedures and border rejections result in major financial losses for the producers, particularly SMEs, and can damage the reputation of exporting countries. Effective and efficient, internationally-recognized testing, inspection and certification that are compliant with WTO Agreements are crucial to meet the standards of external markets.

UNIDO services seek to:



UNIDO's flagship programmes and tools include:

- » Trade performance analysis on specific value chains for the exporting economy;
- » Advisory services to manage risks identified from trade performance analysis;
- » Assistance to conformity assessment entities to mitigate identified risks;
- » Support to mutual recognition of conformity assessment procedures between main trading countries for selected value chains;
- » Enquiry points development and connection with single window.



Strong partnerships with global players, such as the WTO, World Bank, UNECE, UNCTAD, Global Facilitation Partnership (GFP) and the World Customs Organization (WCO), combined with UNIDO's longstanding experience and outstanding record, offer access to tested diagnostics and methodologies, good practice materials, training and advisory capabilities.

UNIDO's Interventions under AfTIAS Programme

In line with its mandate to promote Inclusive and Sustainable Industrial Development (ISID), UNIDO is contributing to the implementation of AfTIAS Programme through the following components :



Expanding SME upgrading approach in Tunisia to innovation and export promotion.



Support the implementation of a technical twinning project between Palestine and Tunisia in the area of accreditation and mutual recognition.



Support the GCC SMEs to participate and benefit from the national and regional quality infrastructure services.



Support Sudan in developing its national quality policies and programs.



Capacity Building for Palestinian SMEs - New/Potential exporters

Aid for Trade Initiative for the Arab States (AfTIAS)

1

2

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4

3



1

Support the implementation of a technical twinning project between Palestine and Tunisia in the area of accreditation and mutual recognition

CONTEXT

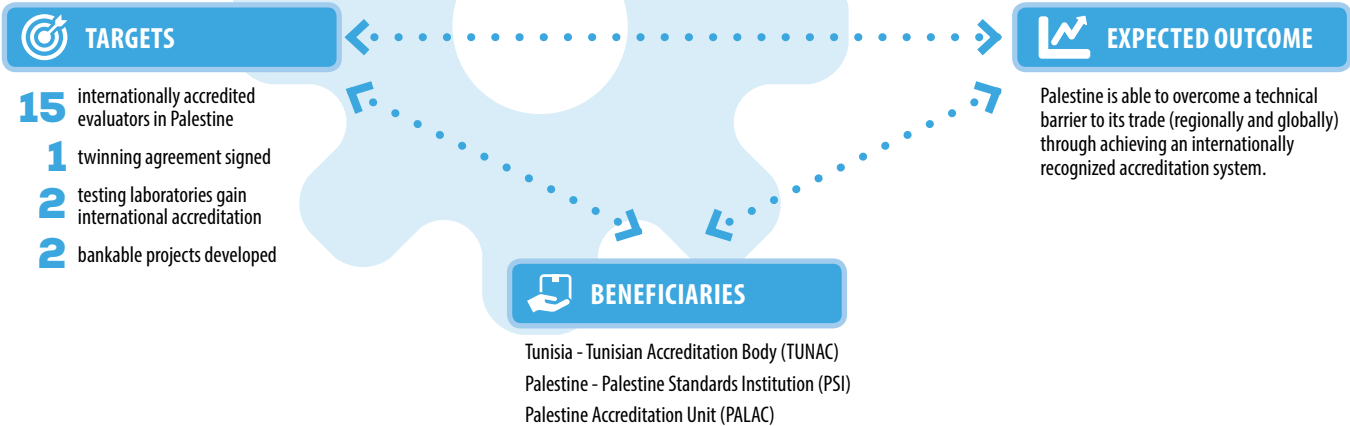
Accreditation determines the technical competencies, reliability and integrity of conformity assessment bodies. These are the organizations that check conformity and compliance with standards and regulations through testing, verification, inspection and calibration. In this way the acceptance of products and services

across national borders is made easier. While Tunisia managed to have its own internationally recognized accreditation body, Palestine is still in its early stages to reach its own international recognition, which is a time consuming and costly exercise.

STRATEGY

The project plans to establish a twinning arrangement between the 2 countries, under which Tunisia can support Palestine in building its national accreditation system under the umbrella of the Tunisian accreditation system, with the objective of building the Palestinian accreditation capacities to be able to provide internationally recognized accreditation services to testing

laboratories in Palestine. Once Palestinian testing laboratories achieve accreditation under the Tunisian system, Palestine will be able to conclude mutual recognition arrangements on accreditation with their trade partners in the region and outside the region, which is an important step to reduce technical barriers to trade.



2

Support the Gulf Cooperation Council (GCC) SMEs to participate and benefit from the national and regional quality infrastructure services

CONTEXT

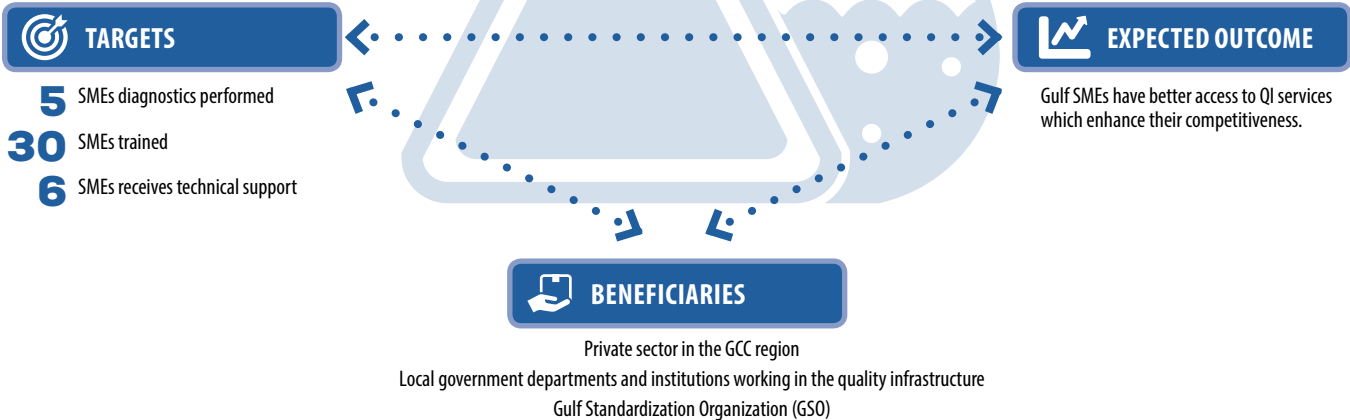
Since signing a cooperative framework agreement of joining six states, the Cooperation Council for the Arab States of the Gulf has made a number of initiatives towards the establishment and development of regional quality institutions to achieve coordination, integration and interconnection among the members. For instance, the GCC Supreme Council decided to

establish in 2001 the Gulf Standardization Organization (GSO), which is mandated to the regional gulf standards. Other initiatives include the Gulf Conformity Mark, the Gulf Accreditation Council GAC, and the Gulf Metrology Network GulfMet. However, the level of impact that these services provide or the number of companies and stakeholders that benefit from these services is far behind.

STRATEGY

This intervention aims at benefiting GCC SMEs from the available quality infrastructure services that are available both at regional & national levels. On the other hand, the existence of a national quality system does not guarantee that it responds to the demands of companies. Moreover, many SMEs do not know about this

provision and are thus excluded from competing in a globalized market. For these reason, the project plans also to support the GCC countries in training a number of professionals and raising their awareness.



Support Sudan in developing its national quality policies and programs

CONTEXT

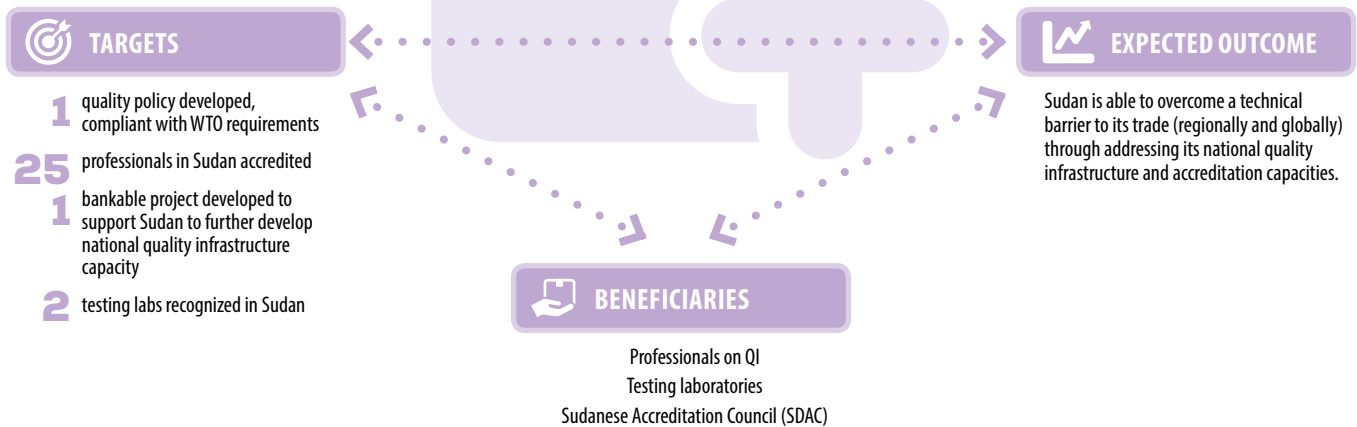
Considering the ongoing developments, governments need to develop an appropriate policy framework in order to re-engineer the quality infrastructure and the technical regulation regimes in a way that would follow international best practices. Such a policy framework is known as the National Quality Policy. An effective policy framework is needed, not only on the national level, but also

on a regional level, also known as Regional Quality Policies. Its main focus is to facilitate, leverage and coordinate activities with the view to harmonizing standards and regulations regionally and in compliance with international standards, in order to enhance regional as well as international trade.

STRATEGY

UNIDO proposes to support Sudan in developing its national quality policy according to the TBT agreement of the WTO, which will be a key part of their submission to WTO. In addition, the project plans to support the country in qualifying a number of professionals on quality infrastructure, in order to lead the national reform process and design the needed bankable project

for the full implementation of the national quality infrastructure policy. Furthermore, UNDP is trying to facilitate cross-border operations through joint pilots between Sudan and Egypt, at the land border post. To facilitate this initiative, UNIDO will support Sudan in setting up its accreditation system, and also will facilitate the process of mutual recognition with Egypt.



Capacity Building for Palestinian SMEs - New/Potential exporters

CONTEXT

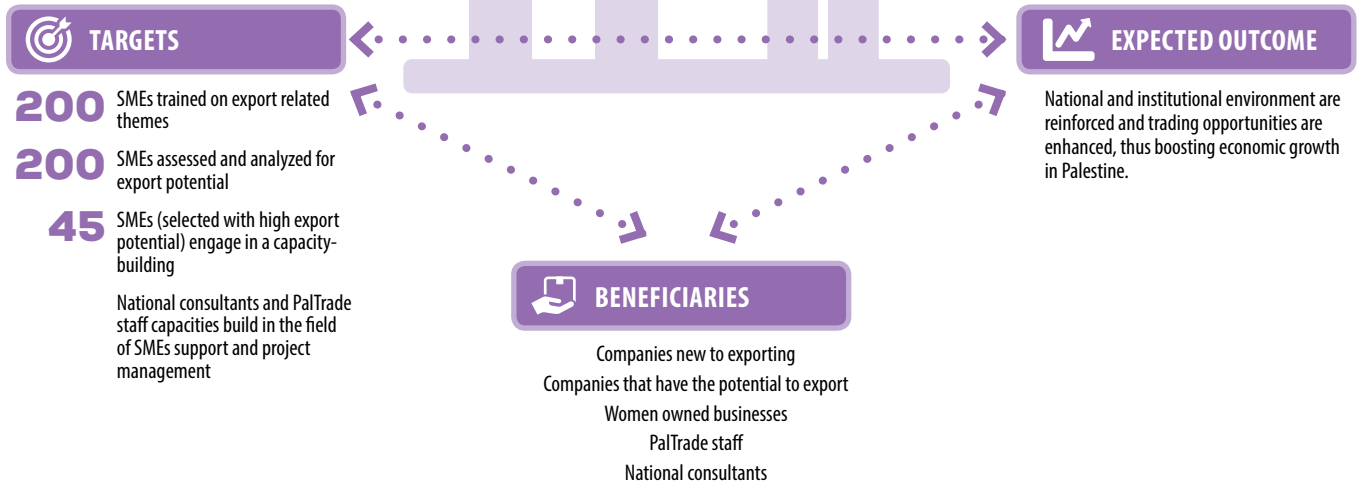
Several political and economic binding constraints are preventing the economic potential of Palestine from unfolding. These constraints either restrict market expansion for exporters, or prevent aspiring exporters from accessing the export value chain

altogether. National strategies such as the Palestinian National Development Plan place emphasis on the need to increase and diversify exports. To achieve this goal, the Palestinian government has decided to design a National Export Strategy (NES).

STRATEGY

The project aims at supporting Palestine to unlock its export potential by building capacities of PalTrade (the national organization acting as the Palestinian Export Council secretariat) and national consultants in the field of project management and SME diagnostic. The project will also support and guide the trained

PalTrade staff to design and deliver export awareness sessions to SMEs from all export sectors of the economy and women owned businesses, to shortlist companies which will be engaged in a capacity-building program and to conduct training programs for the selected companies in export related themes.



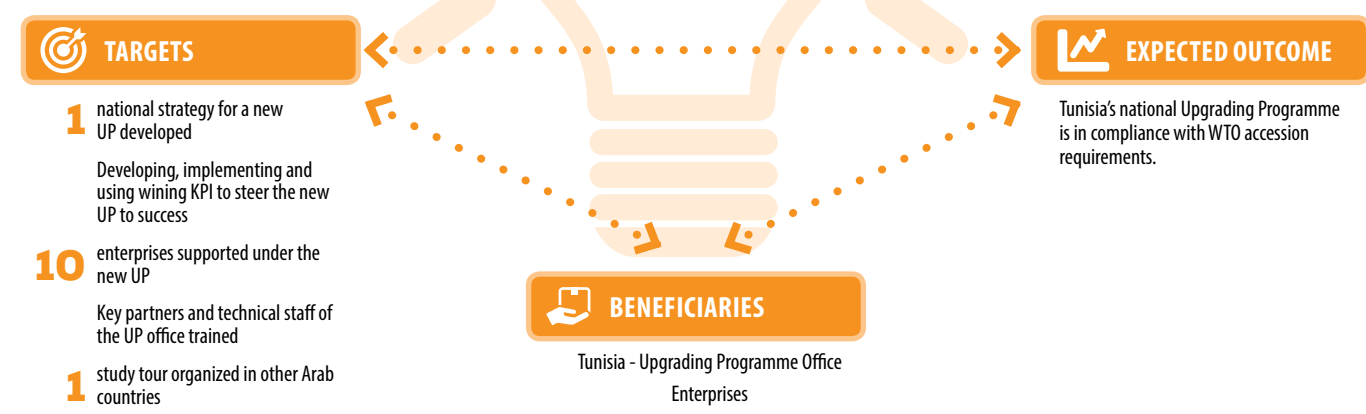
Expanding SME upgrading approach in Tunisia to innovation and export promotion

CONTEXT

To face the rise of competitive pressures both on its internal and external markets, Tunisia adopted in 1995 an Upgrading Programme (UP). The UP intends to strengthen competitiveness of SMEs, encourage industrial partnership, strengthen the socio-economic environment and accelerate the modernization of enterprises. Today, a comprehensive review of this Programme is necessary to establish adjustment and adaptation of the said Programme, in order to meet enterprises' needs in terms of getting more support on innovation and export promotion.

STRATEGY

The project aims to revisit the positioning of the national industrial UP in order to support enterprises, mainly SMEs, to develop innovative products and approaches that would enable them to improve their competitiveness and develop their exports, mainly for Arab markets. The entire project will be implemented in partnership with the Upgrading Programme Office (UPO) which has extensive experience in the management of this Programme.



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