



Aid for Trade Initiative
for the Arab States



AFTIAS Programme

N1° - First Quarter 2016

Economic Integration and Employment Through Trade

Reverse Linkage: Mauritania benefit from the experience of Jordan to enable Nouadhibou Free Zone Authority (NFZA) to adopt international practices in organization design, Human resources management, Financial planning and management



The project, designed by ICD, will implement the first phase of capacity development and institutional support to Nouadhibou Free Zone Authority (NFZA) through a technical cooperation program with Aqabah Special Economic Zone as a benchmark model for NFZA. The overall objective of the project is to contribute to the efforts of the GoM in creating an attractive and conducive investment and business environment in NFZ by improving the performance of NFZ Authority to steer the emergence phase of the zone. This will be done by transferring the expertise, know-how and successful model of ASEZA to NFZA to improve its financial, human resources and IT management systems.

Expected impact:

Enable NFZA to adopt international practices in organization design, Human resources management, Financial planning and management through a twinning program the leading model of Aqabah Special Economic Zone

Supporting Economic Growth and Creating New Jobs through AFTIAS

The Aid for Trade Initiative for the Arab States (AFTIAS), launched by ITFC on behalf of the IDB Group in November 2013, is an exceptional opportunity for the Arab region not only to increase their intra-trade, but also to increase their participation in the world trade in pursuance of the decisions of the Arab Economic Summit's decisions. AFTIAS is a "unique partnership" composed of the League of Arab States (LAS) Member Countries, five UN Agencies and seven donors working together to assist the Arab Countries to improve their trade capacity and to benefit from the expansion of global markets. These improvements are supporting economic growth and jobs creation.

We are halfway through the implementation and we believe that AFTIAS will help reduce the cost of trading and address the binding constraint to growth in the Arab region we are very appreciative of the role played by AFTIAS in helping LAS to strengthen its capacity to promote regional trade integration. The Initiative aims to translate the major trends and strategies to specific interventions to support the trade reform policy and support close economic relations in the region.

I would like to take this opportunity to thank ITFC for the assistance, important role and advice that have been given since the inception of AFTIAS, which would continue to provide a strong basis for moving the initiative forward and ensure that AFTIAS follows the path of similar initiatives in other regions.

Dr. Mohammed bin Ibrahim Al-Tuwaijri

Assistant Secretary General of the Arab League for Economic Affairs



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Chairman AFTIAS Programme Message

It gives me great pleasure to introduce the first issue of the Aid for Trade Initiative for the Arab States (AFTIAS) Programme Newsletter.

The AFTIAS Programme, launched by ITFC on behalf of the IDB Group on 6th of November 2013, remains one of our most important trade development initiatives. It offers a concrete opportunity to support the participation of Arab countries in regional and global trade through the promotion of their exports. In addition, it facilitates the mainstreaming of trade into national and regional development strategies, thus helping to harness the benefits of globalization for inclusive economic growth and poverty reduction.

This first edition of AFTIAS Programme Newsletter, shares some important news about the current implementation of the ongoing AFTIAS projects. We plan to make this newsletter a means to keep you posted about the progress achieved under AFTIAS Programme and share information on its implemented projects.

Finally, allow me to take this opportunity to thank our Development partners who provided the much needed support to the AFTIAS programme namely: The kingdom of Saudi Arabia, the State of Kuwait, The Arab Republic of Egypt, the Swedish International Development Cooperation Agency (SIDA), the UNDP and the IDB Group (including ITFC). I would like also to thank our colleagues and friends from the Executing Agencies (UNDP, ILO, ITC, UNIDO and FTTC), for their excellent continuous cooperation and for their valuable contribution in helping in implementing IDB Group's technical assistance program.

I am confident that AFTIAS Programme will contribute to the achievement of the Strategic IDB Vision 2020 thrust in supporting and promoting greater economic cooperation and integration at regional level in the Arab region.

With my best regards,

Eng. Hani Salem Sonbol
Acting CEO of ITFC /
Chairman of the AFTIAS Programme Board

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About AftIAS Programme

The Aid for Trade Initiative for Arab States (AFTIAS) programme was developed and launched since 2013 by ITFC, in collaboration with the United Nations development Programme (UNDP), the International Labour Office (ILO), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO). AFTIAS Programme was funded by seven donors: Kingdom of Saudi Arabia, State of Kuwait, Kingdom of Sweden, Arab Republic of Egypt, UNDP, IDB and ITFC.

As part of the global Aid for Trade initiatives, AFTIAS Programme aims to foster Arab trade through enhancing enterprise competitiveness and facilitating trade. More specifically, AFTIAS objectives are:

- Enhance regional competitiveness through trade reforms;
- Strengthen trade supply side and value chain integration; and
- Strengthen regional and sub-regional organizations' capacity to foster trade integration.

As a technical assistance vehicle for the development of trade between Arab countries, the AFTIAS raised interest, over a relatively short period of time, among development partners and donors, as well as in the target countries. It revealed itself as a programme with huge potentials that could be effective for trade cooperation, trade facilitation, capacity building and for the intensification of trade flows in the region, both for goods and services, thus significantly fostering regional integration and economic development.

Among the important projects that benefitted from AFTIAS resources during the current phase, the following ongoing projects can be mentioned :

- Support to the League of Arab States in promoting regional trade integration, through the strengthening of the capacity of the Department of Economic integration, Economic Affairs at the Secretariat of the Arab League (implemented by UNDP);

- Performance improvement of the trade and transport corridors between Sudan and Egypt, Egypt and Saudi Arabia, Saudi Arabia and Jordan, through the enhancement of customs procedures and the equipment of the border centres (implemented by the UNDP);

- Improvement of regional competition by addressing non-tariff measures in Egypt, Jordan, Morocco, Palestine, Saudi Arabia, Sudan, and Tunisia and identifying concrete actions at national and regional levels to eliminate non-tariff restrictions (implemented by ITC);

- Support to the accession of Sudan and the Comoros to the World Trade Organization (WTO) by providing technical support and capacity building in the field of trade policy, institutional and legal frameworks related to trade reform (UNCTAD);

- Enhancing the skills of workers in selected export sectors in Egypt through the application of training tools that aim to help matching the needs of the industry and the skills of job seekers in the sectors of food industry, wood and furniture (implemented by ILO);

- Strengthening of trade support institutions in Algeria, Egypt, Kuwait, Lebanon, Oman and Saudi Arabia (implemented by the ITC);

- Support to small and medium-sized companies in the Gulf Cooperation Council (GCC) for access to foreign markets project (implemented by ITC);

- Rehabilitation and employment of young people in Egypt through , to training new graduates and preparing them for suitable jobs in the export industries (implemented by Foreign Trade Training Center (FTTC), Egypt);

ITC launched its project to support six Trade Support Institutions (TSIs) in six selected Arab Countries



Economies of Arab countries continue to be constrained by their narrow export base, despite an increasing effort to explore new opportunities. Only 11 out of 21 countries have dedicated institutions

to promote trade. Most TSIs offer basic support services and trade intelligence, which do not match the needs of the business community and policymakers, and are not aligned with the complexity of trading today. There is an urgent need to improve and upgrade trade promotion services, networking and partnerships at regional level to effectively facilitate business linkages and foster exports

The overall Result of the project is to :improve overall performance of the TSIs in Algeria, Egypt, Lebanon, Kuwait, Oman and Saudi Arabia to offer effective, efficient and relevant trade support services to SMEs boost intra- and inter-regional trade.

The Expected Results through this intervention are:

- Capacity of selected TSIs is enhanced to provide more effective support services to SMEs
- Feasibility study for establishing an Export Development Fund in Kuwait and Egypt,
- Review and assessment of Institutional infrastructure and performance in Egypt and Lebanon,
- Develop Bankable Projects.
- TSI regional network established to facilitate sharing of experiences, exchange of good practices, and promote regional trade.

UNDP continue the implementation of its project aiming to strengthen the Arab connectivity and linkage through the promotion of crossing borders operations



Economic and trade competitiveness of Arab countries will improve on the basis of more efficient and on-time logistics/trade and transport services, concretely through reduction of trade costs and simplification of trade and trade-related procedures. UNDP partnered with Egyt, Jordan, Sudan, Kingdom of Saudi Arabia in the design and adoption of modernized procedures of management of cross border operations and introduction of integrated platform of information processing for trade facilitation such as the National Single Window. Improvement of Arab connectivity is seen as one of major foundations in the promotion of Arab economic integration.

The project targets more facilitation of goods transiting through Arab countries in the defined trade/transport corridors. At the same time, efforts of simplification and standardization contribute to reduce costs of transportation and of doing business as effective means for better competitiveness. Furthermore, Arab connectivity constitutes one of major foundations for Arab economic integration as enabler for more active partnership and collaboration of economies in the region.

The Expected Results of the Project is to develop and pilot joint Customs control procedures are at two pairs of border posts (Egypt-Sudan) and (Jordan-Saudi Arabia).
- TSI regional network established to facilitate sharing of experiences, exchange of good practices, and promote regional trade.

UNIDO starts the implementation of a technical twining project between Palestine and Tunisia in the area of accreditation and mutual recognition



This intervention aims to enhance the trade capacities of Palestine (regionally and globally) through establishing a twinning arrangement between Tunisia and Palestine. Under this arrangement, the

Tunisian Accreditation Council will support Palestine in building its national accreditation system as well as providing internationally recognized accreditation services to its testing Laboratories.

The expected result of this intervention is to recognize the accreditation system in Palestine is under a twinning/mutual recognition arrangement with Tunisia.

Expected impact: Palestine is able to overcome a technical barrier to its trade (regionally and globally) through achieving an internationally recognized accreditation system.

Tunisia and Egypt benefit from the expertise of ILO in “Strengthening skills for trade and economic diversification in Egypt and Tunisia”



This intervention targets the promotion of skills development to expand opportunities for the creation of decent employment in priority export sectors. It aims to enhance the skills of workers in selected export sectors in Egypt and Tunisia through the application of the ILO’s “Skills for Trade and Economic Diversification (STED)” tool. It aims to build stronger links between skills development and trade development, and therefore to help matching the needs of the industry and the skills of job seekers in sectors that have potential to increase exports and to contribute to economic diversification in both countries.

The selected sectors in Tunisia are Sectors of metallurgy and metal construction and the agro-food. In Egypt, the target sectors are food processing and wood and furniture sector



Under AftIAS Programme : ITFC Partners with ITC and FTTC to Implement a Training & Employment for Export (TREE) in Egypt.

The International Islamic Trade Finance Corporation (ITFC), member of the Islamic Development Bank (IDB) Group, signed a partnership agreement with the Industrial Training Council (ITC), a subsidiary of the ministry of trade, industry and SMEs of Egypt and Foreign Trade Training Center (FTTC), for the implementation of the youth training and employment for trade project in Egypt. The signing ceremony took place in Cairo on March 8.

The agreement was signed by H.E. Eng. Hani Salem Sonbol, Acting CEO, ITFC/ Chairman AFTIAS Board, and H.E. Mr Tarik Kabil, Minister of Trade, Industry and SMEs, on behalf of the Industrial Training Council (ITC).

The purpose of this agreement is to provide a framework for cooperation between FTTC, ITC and ITFC, particularly for the implementation of the project approved by the 4th meeting of Aid for Trade Initiative for Arab States (AFTIAS) board held in Cairo on Dec. 1, which will be implemented by FTTC.

Kabil stated: “We believe this partnership with ITFC and FTTC will contribute to decreasing the youth unemployment as well as the development of export competitiveness and sustainability in the global market. Training for export is a very crucial step to achieve the Egyptian government’s goal toward export development on one hand and job creation on the other.

Sonbol stated: "This partnership is a major milestone toward ITFC’s mandate to enhance member countries’ trade capacities for sustainable national trade development. Especially that export acceleration is one of the most important gateways for the Egyptian economic growth, due to the impact on the job creation (direct and indirect) and developing value added chains.

“The overall goal of the project is to contribute to decreasing youth unemployment, and to the development of export competitiveness and sustainability in the global market”.