
Executive summary

This study, *Best Practices in WTO Accession for Arab Countries* underscores the important role of international trade in fostering economic growth in the developing world, emphasizing the noticeable underrepresentation of the Arab League countries within the WTO. Out of the 22 members in the Arab League, only 14 are WTO members, while seven of the remaining eight governments have been navigating the accession process for over 18 years.

The study aims to provide insights into the past and ongoing accession of Arab economies, as well as the post-accession experiences of Arab members that have acceded since the creation of the WTO in 1995. The study addresses specific challenges, concerns and capacity-building needs related to accession negotiations, implementation of WTO rules, and broader participation in WTO work. This study offers a road map for addressing these challenges and promoting effective participation in the WTO, crucial for advancing economic development in the Arab world.

The four sections outlined in the study cover (1) the policy context, (2) accession process and reforms, (3) impact assessment, and (4) a conclusion with forward-looking considerations. Given the level of detail required to effectively provide the policy context, this executive summary focuses on the lessons learnt from Arab League countries which have joined the WTO since 1995 and the insights gained for Arab acceding governments.

Key lessons

It is important to note that Arab countries and states are not a homogeneous group when it comes to their economies. On the contrary, they are considerably

diverse due to variations in their natural resources, levels of development, governance structures and regional dynamics. However, there are several similarities, some of which are common across all Arab economies whilst others are particular to only some.

One common characteristic is the long-standing dominant role of the government in economic activity. A transformation from a centrally planned economy to a market economy model normally requires an extensive and challenging reform process which involves, among other things, a fundamental shift in the role of the government from being a producer to becoming a regulator. Accession to the WTO and the extensive reform process it entails goes a long way to structuring and energizing economic reform and diversification strategies. Integration into the multilateral trading system not only enhances the economic prospects of Arab nations but also fosters regional stability and prosperity.

The journey towards WTO membership for Arab economies has been marked by several challenges with legal, economic and political dimensions. Despite these challenges, the commendable determination exhibited by acceding nations highlights their commitment to the accession process. It underscores that successful WTO accession requires thorough preparation, with a focus on institutional and regulatory reforms, alignment of domestic policies with international trade rules, and the enhancement of trade-related infrastructure. Inclusivity in policy-making, involving various stakeholders such as the private sector, civil society and government agencies, is deemed essential to ensure a comprehensive and coherent approach to the accession process.

Furthermore, capacity building for government officials and trade experts is considered critical to successfully

navigate the WTO accession process. Tailoring economic and negotiating strategies to individual cases is highlighted as crucial for Arab economies, even as they draw from common principles and practices applicable to all WTO accessions.

Benefits of WTO membership

The benefits of WTO membership for the five Arab economies which have acceded since 1995 are diverse and strategic. Firstly, membership has facilitated and secured significant export opportunities in the markets of other WTO members by virtue of their respective commitments under WTO agreements. This has been integral to supporting their economic strategies, fostering trade expansion, economic growth and supporting regulatory reforms. Secondly, the broad range of regulatory and institutional reforms undertaken by these members have shaped their trade and investment regimes to foster the creation of competitive market conditions and a business-friendly environment.

Thirdly, WTO membership ensures that economic and trade policies are directed towards maintaining a market economy, particularly crucial for economies transitioning to a market-oriented approach. The stability and predictability resulting from legally binding commitments create an investment-friendly environment, vital for attracting foreign direct investment (FDI) and pursuing economic diversification. Fourthly, adherence to commitments on good governance, including the right of appeal and review of administrative measures, upholding the rule of law, further promotes an environment conducive for business.

Additionally, the enforcement of intellectual property rights in line with WTO obligations attracts investments in technologically advanced sectors. It should also be noted that WTO membership has driven the establishment of effective consultation mechanisms among government agencies and the private sector, ensuring policy coherence across sectors and regulatory frameworks. Finally, the accession process itself has spurred partnerships with the private sector and consultations with diverse stakeholders, enhancing informed positions on policy reforms and negotiations

with other WTO members. Overall, WTO membership stands as a transformative force, shaping economic policies, promoting stability and fostering collaborative approaches for sustained growth and development.

Strategies for maximizing the advantages of WTO membership

To maximize the benefits of WTO membership, members that have joined since 1995 are advised to adopt certain practices. This begins with maintaining active and continuous engagement and coordination among relevant government agencies, essential for integrating trade policy seamlessly into the overall economic policy strategy. In addition, ongoing efforts should be directed towards pursuing regulatory reforms and addressing challenges associated with the introduction of new laws and regulations, alongside empowering relevant institutions to fulfil their regulatory functions. In this context, maintaining active and ongoing dialogue with the private sector is crucial, as they are the primary users of trade rules.

Fostering robust public-private partnerships is recommended to align private sector interests with government objectives and to mobilize proactive participation from the business community. Moreover, prioritizing reforms to streamline regulatory frameworks, align them with international standards and ensure ongoing compliance with WTO agreements is paramount. Finally, members that have acceded since 1995 are advised to continue developing and maintaining effective and efficient trade policy institutions that oversee the development and implementation of sound trade policies and regulations across all sectors. These measures collectively enhance the positive impact of WTO membership, promoting sustained economic growth and development.

Initiatives for maximizing long-term benefits

Jordan, Oman, Saudi Arabia, Yemen and Comoros consistently exert efforts to fully harness the long-term benefits of their WTO membership through strategic approaches. Jordan underscores the pivotal role of

technical assistance in developing WTO-aligned trade policies, emphasizing training in trade data analysis, policy research and institutional capacity building, to effectively participate in WTO negotiations and implement WTO agreements. Oman advocates for continuous technical assistance, focusing on active participation in WTO bodies and specific areas such as customs valuation, trade facilitation and rules of origin. Saudi Arabia prioritizes ongoing policy and regulatory reforms aligned with its economic reform vision, emphasizing the importance of technical assistance and cooperation with the WTO and international organizations.

Yemen recognizes the significance of technical assistance in helping the country to establish the National Committee for Trade Facilitation and to implement institutional reforms since its accession. Comoros aims to continue implementing domestic reforms to strengthen alignment with WTO standards, targeting key areas such as sanitary and phytosanitary measures (SPS), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the Trade Facilitation Agreement (TFA), the Customs Valuation Agreement, and value-added tax (VAT), while reinforcing the financial architecture of the public sector. Together, these members demonstrate a commitment to maximizing the benefits of WTO membership through tailored strategies, capacity building and cooperation with international partners.

General recommendations for the current accession processes of Arab economies

The general recommendations for the Arab economies currently in the accession process are multifaceted and strategic. Primarily, there is a crucial need for an overarching economic policy vision to ensure the coherence of trade policy with broader economic reform goals, especially in establishing a competitive market economy led by the private sector. Consequently, the establishment of a comprehensive policy-making machinery is imperative to facilitate coherent decision-making across various domains, including investment, finance, industrial and services policies. Effective coordination mechanisms across

ministries and government agencies, guided by political leadership, are essential.

Moreover, enhancing regulatory capacity across different sectors is vital for implementing sound regulations consistent with WTO obligations and international best practices. This involves establishing and maintaining well-equipped institutions with relevant mandates and resources.

Maintaining consultative mechanisms across regulatory institutions and engaging with the private sector and civil society are crucial for ensuring informed decision-making and regulatory coherence. Additionally, securing enabling factors for effective negotiations, including mobilizing necessary resources, maintaining a strong negotiating team, and ensuring representation in Geneva, are pivotal for successful accession.

Technical assistance and capacity building, particularly on specialized policy and regulatory matters, are indispensable and can be obtained through the WTO Secretariat and other international organizations, often with contributions from the governments of WTO members. Furthermore, outreach to the private sector is necessary to raise awareness of market access opportunities and establish communication channels for exporters to report any restrictions encountered in other members' markets. These comprehensive measures collectively pave the way for successful and sustainable participation in the WTO, aligning with national trade interests and fostering economic growth.

The essential recommendation for successful WTO accession negotiations is to maintain robust political will throughout the process. Strong political leadership not only facilitates the development of agreed positions among various regulatory authorities but also ensures the allocation of necessary resources, both financial and human, essential for the effectiveness of the negotiating team.

A well-functioning communication and information system is imperative for efficient coordination within the negotiating team and related networks. The chairperson of the accession working party, together with the WTO Secretariat, play a key role in organizing the negotiating process, contributing to its efficiency, and facilitating agreement.

Effective communication channels between the acceding government and WTO members, coupled with a robust domestic consultative setup, are also critical. Thorough preparation for accession negotiations and ensuring continuity in the negotiating team, as well as engaging national consultative bodies, further enhance the likelihood of a successful and sustainable accession process.

General recommendations for the post-accession period for the Arab nations

Following successful negotiations, there is a renewed commitment to consistency in policies, laws and regulations with WTO rules. This necessitates maintaining adequate resources and organizational structures to capitalize on the knowledge and expertise accumulated during accession negotiations.

Effective communication and consultative mechanisms with private sector stakeholders developed during the negotiating process must continue into the post-accession phase. It is crucial to ensure their continual input in WTO-related policy and regulatory actions. The implementation of WTO rules, especially in trade in goods, is guided by relevant provisions, while trade in services requires a more balanced approach between market access and regulation. The establishment of sound regulatory institutions post-accession involves a level of independence, interface, accountability and human resources.

Development of technical assistance and support for WTO Arab acceding governments

The development of technical assistance and support for WTO Arab acceding governments within the WTO is considered crucial, due to the complexity of the accession process. Acceding governments face intricate rules, obligations and negotiation procedures, requiring expert guidance to navigate these challenges. In addition to accession complexities, these governments automatically engage in ongoing negotiations, which means that they need to remain informed about current discussions and potential outcomes.

The WTO, through its Institute for Training and Technical Cooperation, provides trade-related technical assistance and training to developing members, least-developed countries, and developing and least-developed countries undergoing accession. The primary goal is to assist them in comprehending and effectively implementing WTO obligations, enabling them to exercise their rights post-accession. While the WTO doesn't directly address supply-side issues, it collaborates with other providers of trade-related technical assistance. The coordination of technical assistance delivery with bilateral donors and international institutions is emphasized, with the WTO Secretariat actively participating and partnering with the Organisation for Economic Co-operation and Development (OECD) to establish a comprehensive database on trade-related technical assistance and capacity building.

The identification of needs within the WTO's technical assistance framework is a dynamic process driven by the evolving requirements of its members and acceding governments. Comprehensive information on technical assistance is detailed in the WTO's technical assistance plans, addressing individual activities and national/regional needs. The WTO progressive learning strategy focuses on specific requirements, employing a results-based management approach for effective monitoring and evaluation. Needs are expressed through requests from WTO members and acceding governments, shaped by global trade developments.

Specific mechanisms through which WTO Arab governments can express their needs include direct requests, needs assessments and engaging in ongoing dialogues and consultations with the WTO. It is crucial to distinguish technical assistance provision from the formal accession process. WTO acceding countries, Algeria and Sudan, provided recommendations, including specialized training programmes, strengthened negotiating capabilities and tailored technical assistance to enhance WTO support for acceding governments, fostering inclusivity and effective integration into the global trading system.

The development of the technical assistance plan by the WTO involves proactive engagement with WTO Arab governments. These acceding governments are encouraged to submit written requests for

country-specific technical assistance tailored to their unique needs, especially during and after the accession process. The plans also extend to regional assistance for groups of economies. Recognizing the distinctive nature of the work during the accession process, the WTO Secretariat offers specialized training courses covering various topics. These courses aim to enhance the expertise of negotiating teams and include comprehensive areas such as understanding trade policy perspectives, providing background on WTO agreements, addressing goods and services negotiations, and thematic sessions on specific trade-related topics.

Additionally, courses on negotiating techniques and simulation exercises contribute to equipping negotiating teams with practical skills and knowledge, ensuring a well-informed and empowered participation in the accession process and effective integration into the global trading system.

Partnerships for further support in WTO accession processes involve collaboration with various organizations and institutions. Beyond the WTO, entities such as USAID and the European Union (EU) have played a crucial role in mobilizing resources and supporting governments seeking accession by offering technical assistance and guidance. Notable examples include the EU-funded "Strengthening the agriculture and agri-food value chain and improving trade policy"

(SAAVI) project aiding Iraq in its WTO accession. The SAAVI programme is executed by the International Trade Centre (ITC) and focuses on aligning Iraq's trade policies with international standards through technical assistance, capacity building and advisory services.

Lebanon, also, received support from organizations such as the United Nations Development Programme (UNDP), WTO, ITC, Arab Monetary Fund (AMF), USAID and the EU during its accession process, involving policy support, stakeholder engagement and capacity building. Yemen's collaboration with USAID on technical assistance extended beyond accession, addressing the Trade Facilitation Agreement. Guidance on technical assistance facilitated a comprehensive assessment, institutional reforms, capacity building, and the development of a national plan for trade reforms in Yemen, fostering dialogue and cooperation between the public and private sectors. These collaborative efforts aim to enhance institutional capacity, streamline trade processes, and facilitate sustainable growth in acceding economies.

Bilateral exchanges and consultations between Arab members that have acceded since 1995 and Arab governments currently negotiating accession provide valuable opportunities for knowledge sharing between established WTO members and countries in the accession process in the Arab region.