

A low-angle photograph of a cable-stayed bridge tower against a blue sky. The tower is white with a dark arch. Numerous red cables fan out from the tower. The image is overlaid with a green and orange gradient and faint geometric patterns.

**ARAB-AFRICA**  
**TRADE BRIDGES**  
**(AATB) PROGRAM**



# Background

The Arab and Africa regions, at the mid of increasing global economic and social challenges, are experiencing significant level of economic growth. There remains an untapped potential to further develop regional trade, which will produce continuous economic growth and employment for both regions.

The volume of inter-regional trade is still low, as such, the “Arab Africa Trade Bridges” (AATB) Program was developed to address some of the challenges faced in promoting trade and investment between the two regions and developing inter-regional business partnerships.

# Leveraging the African Continental Free Trade Area (AfCFTA)







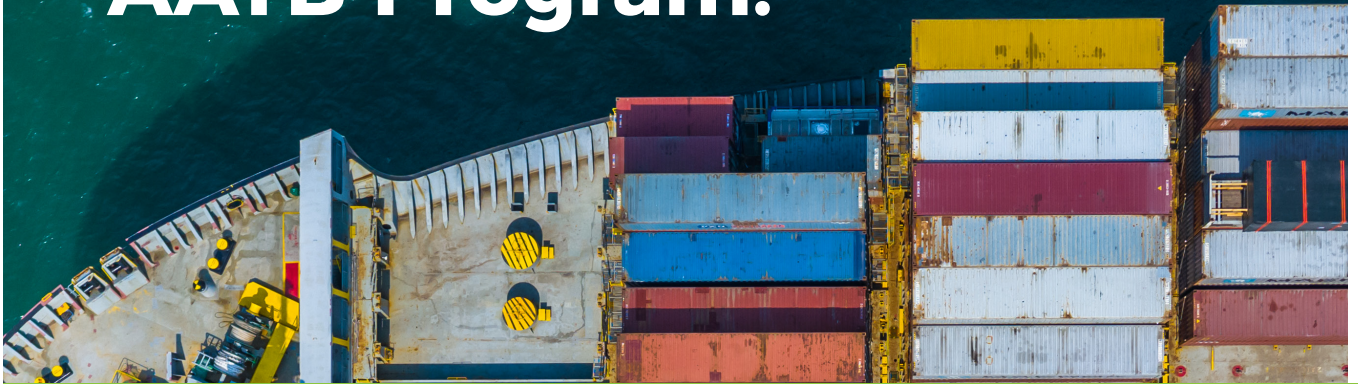
Creating One African Market

The African Continental Free Trade Area is one of the world's largest initiatives for increasing both inter- and intra-continental trade. As of July 2019, 54 out of 55 states in the African Union have signed the agreement. Members are required to remove up to 90% of their trade tariffs, and significantly reduce Non-Tariff Boundaries (NTBs) in order to encourage free trade movement within the African Continent. This is to encourage economic growth and to integrate developing African states into the global market; this development is also expected to have a positive impact on poverty levels across the continent as more money moves through communities.

One of the further benefits of this program is that it brings Africa into the global market as a significant figure. The agreement creates a trade buffer for the entire continent of Africa, and in encouraging intra-African trade; before the agreement, intra-African trade was as low as 16%, which is now set to steadily increase. Furthermore, by creating a free market, the agreement promotes the whole of Africa as a significant player in the global market, to rival other, larger economies.



# Objectives of the AATB Program:



The AATB Program is a multi-donor, multi-country and multi-organizations program, aiming to promote and increase trade and investment flows between African and Arab member countries; provide and support trade finance and export credit insurance; and enhance existing capacity building tools relating to trade.

The AATB Program is geared towards increasing economic integration and support sustainable growth across Arab and African countries. Specifically, trade promotion efforts will focus on sectors where significant added value is created, especially in industries that rely on a more highly skilled workforce and those which can promote greater investment and knowledge diffusion. Based on the current economic landscape in the target countries, the primary sectors where this program's impact will be felt the most will be in manufacturing, agricultural inputs and health & pharmaceutical industry. Yet, the Program is dynamic enough to accommodate additional building blocks to achieve the objectives.

Another benefit to increasing the economic prospects of higher value-add sectors in Arab and African countries, is to reduce these economies' dependence on commodity exports. As a result of global price fluctuations, these countries have been subjected to higher volatility in export revenue, which translates into less stable economic growth, greater fiscal instability and higher exchange rate volatility. By promoting growth that increases exports of higher value-added, less volatile products, the positive effects of trade can be enhanced, supporting sustainable and inclusive economic growth.

In this context, AATB Program aims at designing and carrying out projects and activities that promote economic integration among Arab and African countries, maximize and increase investment and trade opportunities in prioritized sectors through implementing its ambitious program in the following areas:

01

Establish and develop several platforms to enhance business opportunities between the two regions,

02

Develop the business environment and cooperation between the Arab and African countries

03

Enhance competitiveness with special focus on building the capacities of trade and investment support institutions, the private sector (especially SMEs) and related public institutions

04

Build partnerships with financial institutions to design and launch special financial packages for the benefit of participating entities under the umbrella of the AATB Program.

## The measurable impacts aim to support job creation efforts and inclusive growth

- New business partnerships
- Higher trade & investment between Arab and African countries
- Greater public information about market opportunities and trade regulations
- A visible platform for traders to market their export
- Increased communication between businesses located in the Arab and African countries
- Development of new logistics platforms
- Growth in trade finance and export credit insurance from public and private sector institutions

By catalyzing growth in trade and investment where volumes are currently low, the AATB is a high-impact tool to contribute to achieving higher economic integration through trade and investment.

# Being a Member of **AATB**

As for the future activities of the AATB Program, Arab and African countries are called to join its membership and benefit from its activities in the fields of developing trade and investment, especially in sectors creating added value, in addition to encouraging and exchanging the best experiences and practices between both regions.



In line with this approach, the program supports common activities of the private sector from both regions in order to create opportunities for businessmen from both sides to meet and be familiar with exchangeable goods and services as well as identifying the investment opportunities available from both regions in order to be promoted at the Arab-African level.





World trade figures indicate that African countries' exports of raw materials represent about 80% of their total exports, while their imports of manufactured goods represent the largest proportion of their total imports. Therefore, the projects of the Arab Trade Bridges Program for the next years, besides the above-mentioned general principles will give special attention to value chain projects to enhance accessing to the markets of African and Arab countries. Based on its various activities and programs, it seeks to enhance the access of Arab-African exports to their markets through supporting national export strategies and focusing on the provision of support programs for exporters to African and Arab countries.

Further, the program's future approach focuses on developing skills in the field of digital economy to develop and increase the efficiency and effectiveness of Arab and African countries in order to target products with high added value and increase the competitiveness of their exports by controlling the cost of production and removing obstacles and providing solutions for payments, shipping and the competitiveness of Arab-African trade.

The program will also rely on the capabilities of its partners





# Program Governance Bodies:

## A

### Program Board of Governors (BoG)

The Board of Governors (BoG) consists of the Program founding-members. Other countries/financial or business corporations are welcome to join through the financial contribution to the program's 3 years Operational Plan with at least \$500,000.

The Board may call/ select institution chairpersons to become members. Also, it may call any corporation, donor or country to one of its meetings, as it deems appropriate. The Board of Governors provides strategic guidance and advice focusing on the short and long-term challenges and opportunities of the Program. It is also responsible for creating criteria for selecting projects and activities and promoting their objectives.

Board of Governors meetings shall be held at least once a year and hosted by one of the Arab or African member countries.



## **B**

### **Executive Committee**

Executive Committee consists of AATB's representatives for the members who are agreed to be nominated to work on transforming the strategies and standards approved by the Board of Governors into implementable activities through reviewing and approving projects based on resources and priorities.

The Committee also supervises and leads efforts to increase resources for the Program and implement the recommendations of the Board of Governors through monitoring the implementation of various activities or projects, preparing and submitting reports to the Board on the comprehensive progress of the Program implementation and financial position.

## **C**

### **General Secretariat (GS)**

General Secretariat (GS) acts as an implementation management body, manages the daily operations and leads the plan implementation and the quality of the provided activities and programs, in addition to evaluating them based on the criteria approved by the Board of Governors.

The Secretariat also coordinates among the various countries and corporations that are Program members to implement projects approved by the Board, and provide periodic technical and financial reports.



# Membership:

Arab and African countries and development financial institutions can join the AATB Program and its Board of Governors through providing a financial contribution of \$500,000 to cover a three-year operational plan. Membership grants a seat in the decision-making process, in addition to giving priority to the following procedures:

Financial and technical support for trade and investment related activities aimed at promoting intra-trade and investment among Arab and African countries.



Supporting the Arab and African member countries' National Strategy

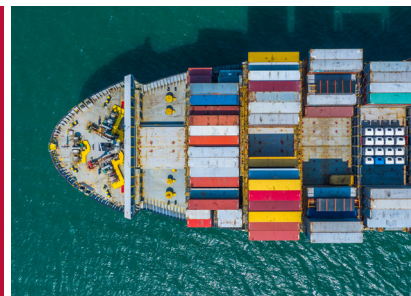


Promotional events for local exporters.

Business matching activities for exporters and importers of the private sector with their counterparts in both regions.

Specialized capacity buildings programs and technical assistance in the field of international trade and investment.

Ensuring effective participation of member countries in all activities of the program.



Board of Governors members are also required to provide all necessary support to implement the Program objectives and secure the necessary financial resources in their countries.

### Member States:



Kingdom of Morocco



Arab Republic of Egypt



Republic of Senegal



Republic of Tunisia



Republic of Cameroon



Republic of Togo



Republic of Benin



Islamic Republic of Mauritania



Republic of Guinea



Republic of Djibouti

### Member Organizations:



International Islamic Trade Finance Corporation



### Observer Members:



Kingdom of Saudi Arabia



The Gambia



Federal Republic of Nigeria

# HIGHLIGHTS OF THE PROGRAM:

AATB Program aims to be a dynamic platform for including components of development and cooperation among Arab and African partners to serve the purpose of economic integration in various sectors such as agriculture and agro-industries, pharmaceuticals, infrastructure and transportation, petrochemicals, building materials and technology.

## **A. In the context of promoting partnerships for designing financial products to support trade and investment:**

The Afreximbank agreement, with ITFC, with \$500 million (Arab Africa Trade Finance & Promotion Program - AATFPP), is a program for financing and promoting Arab-African trade. The program aims to enhance trade cooperation among African and Arab countries. The program aims to enhance Arab-African economic integration by facilitating trade finance and investment support among African countries and Arab countries.

Key features of AATFPP include financing facilities and integrated business solutions to support small and medium-sized enterprises, common capacity building programs, market access support, and trade facilitation technical cooperation. This initiative has been developed within the context of the Arab-African Trade Bridges Program to boost intra-regional trade and investment.





## B. In the context of creating job opportunities:

Activities of exporters' and importers' meetings initiated by AATB program aim to link exporters and importers directly for strengthening trade partnerships in the private sector among member countries, filling trade gaps and increasing trade flows among Arab and African countries. In this context, several meetings have been held including:

- Exporter and importer meeting in pharmaceutical sector in Ivory Coast, Arab Republic of Egypt and Senegal
- Exporter and importer meeting in food sector in Arab Republic of Egypt and United Arab Emirates

The aforementioned meetings have witnessed active participation from the private sector and the concerned official corporations from 18 African countries and 10 Arab countries. Value of the transactions discussed during the above-mentioned activities has been amounted to about US\$250 million (US\$190 million for pharmaceutical materials and their accessories and up to US\$40 million in foodstuff).



## C. Technical assistance field:

1. The program vision concerning transforming agriculture in Africa towards a productive sector through the "OCP School Lab" initiative as a means to launch agriculture -related potentials by providing farmers who have simple capabilities with comprehensive information about soil nutrients with the aim of directing them towards technology-based agriculture practices in order to enhance productivity.

This initiative aims at achieving benefit nearly 5,000 farmers in Senegal during 2019-2020. Implementation thereof is being studied in other countries in West Africa during 2020 with the aim to help farmers who have simple capabilities to adopt good agricultural practices, soil testing, and fertility management to support better productivity.



2. Under the umbrella of AATB Program, ITFC in cooperation with the Ministry of Industry, Trade and Green and Digital Economy in the Kingdom of Morocco and the Moroccan Higher Institute for Trade and Enterprise Management (ISCAE) is organized a training course on Regional Trade in World Trade, for the benefit of French-speaking African countries and the Organization of Islamic Cooperation members.

This training was held for civil servants in the Ministries, Public Corporations, and Organizations that represent the private sector from 20 to 29 January 2020 at ISCAE headquarters, Casablanca, Morocco.



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