



United Nations
Economic Commission for Africa

**Regional Training–Workshop on ESCWA
System for Measuring, Monitoring and
Evaluating Arab Economic Integration**

17-18 December, 2019
Rabat, Morocco

**Overview of the Development Account project on
“Measuring, monitoring and improving performance
in regional integration
within ECA, ESCWA and ESCAP regions”**

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What is a Development Account project?

- In 1997, the General Assembly of the United Nations (UN) established (through resolution 52/12 B) the Development Account (DA) (<https://www.un.org/development/desa/da/>)
- The DA is a mechanism to fund capacity development projects of the economic and social entities of the UN Secretariat (*i.e. DESA, UNCTAD, UNEP, UN-Habitat, UNODC, ECA, ECE, ECLAC, ESCAP and ESCWA*)
- DA projects should aim at ***“enhancing capacities of developing countries in the priority areas of the United Nations Development Agenda”*** (*DA website*)

What is this DA project about?

- This DA project (from 11th tranche) aims at:
 - Strengthening the capacity of selected developing countries to measure, monitor and improve their performance in regional integration within the Africa, Arab and Asia-Pacific regions
- Jointly implemented by ECA (lead), ESCWA and ESCAP
- Target countries (for country-specific activities):
 - Benin & Tanzania (Africa region), Jordan & Morocco (Arab region) and Kyrgyzstan & Tajikistan (Asia-Pacific region)

Why such project?

- **Economic cooperation and integration matter for sustainable development**
- **Monitoring and assessing progress towards integration frameworks (e.g. African Continental Free Trade Area, Arab Customs Union, Regional Comprehensive Economic Partnership, etc.)**
- **Helping member States and regional groupings diagnose their performance in different aspects of integration and providing incentive to progress further**
- **Creating an improved dataset on regional integration in the Africa, Arab and Asia-Pacific regions to enable better policy analysis/decision**
- **Not starting from scratch (e.g. Africa Regional Integration Index (ARII) by ECA-AfDB-AUC; ESCWA's System of Indexes, ADB's Asia-Pacific Regional Cooperation and Integration Index (ARCII))**

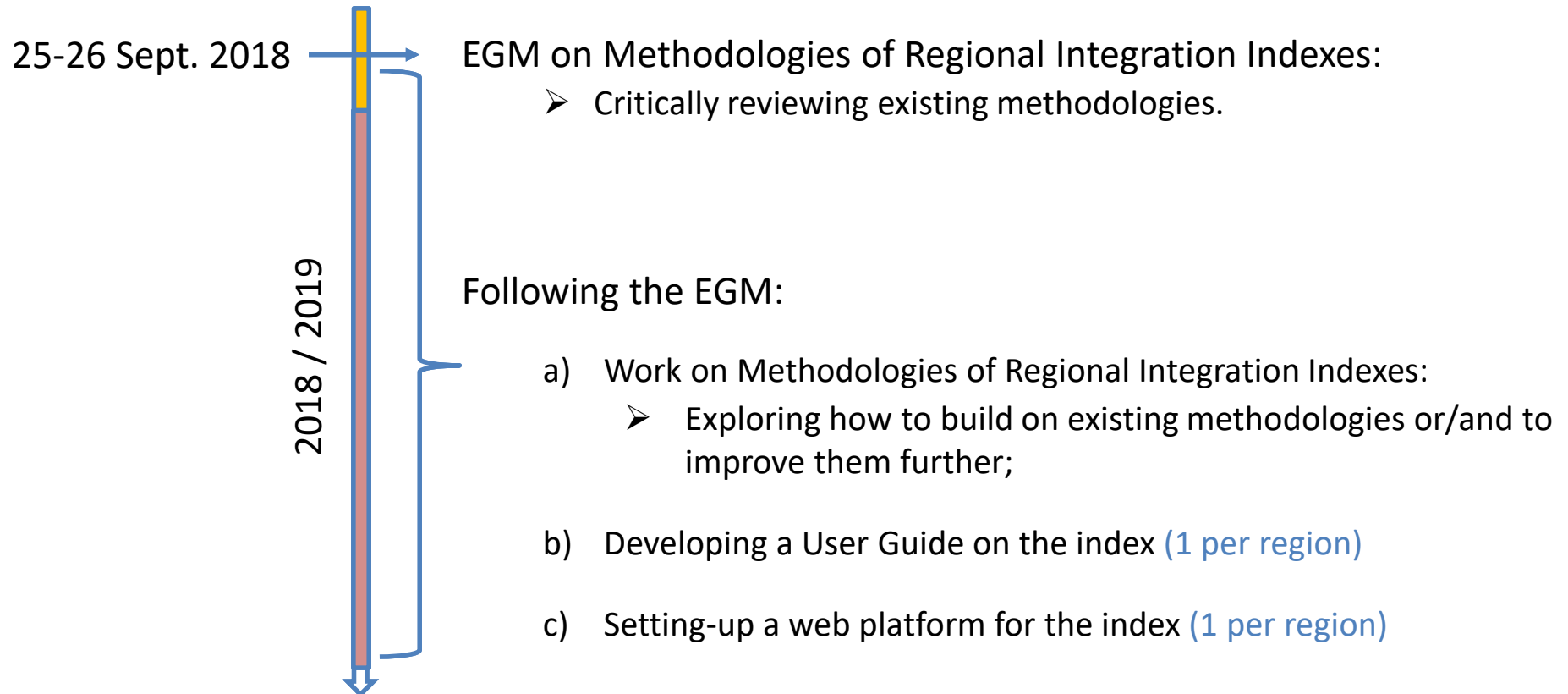
How is the project being implemented?

- **3 levels of interventions:**

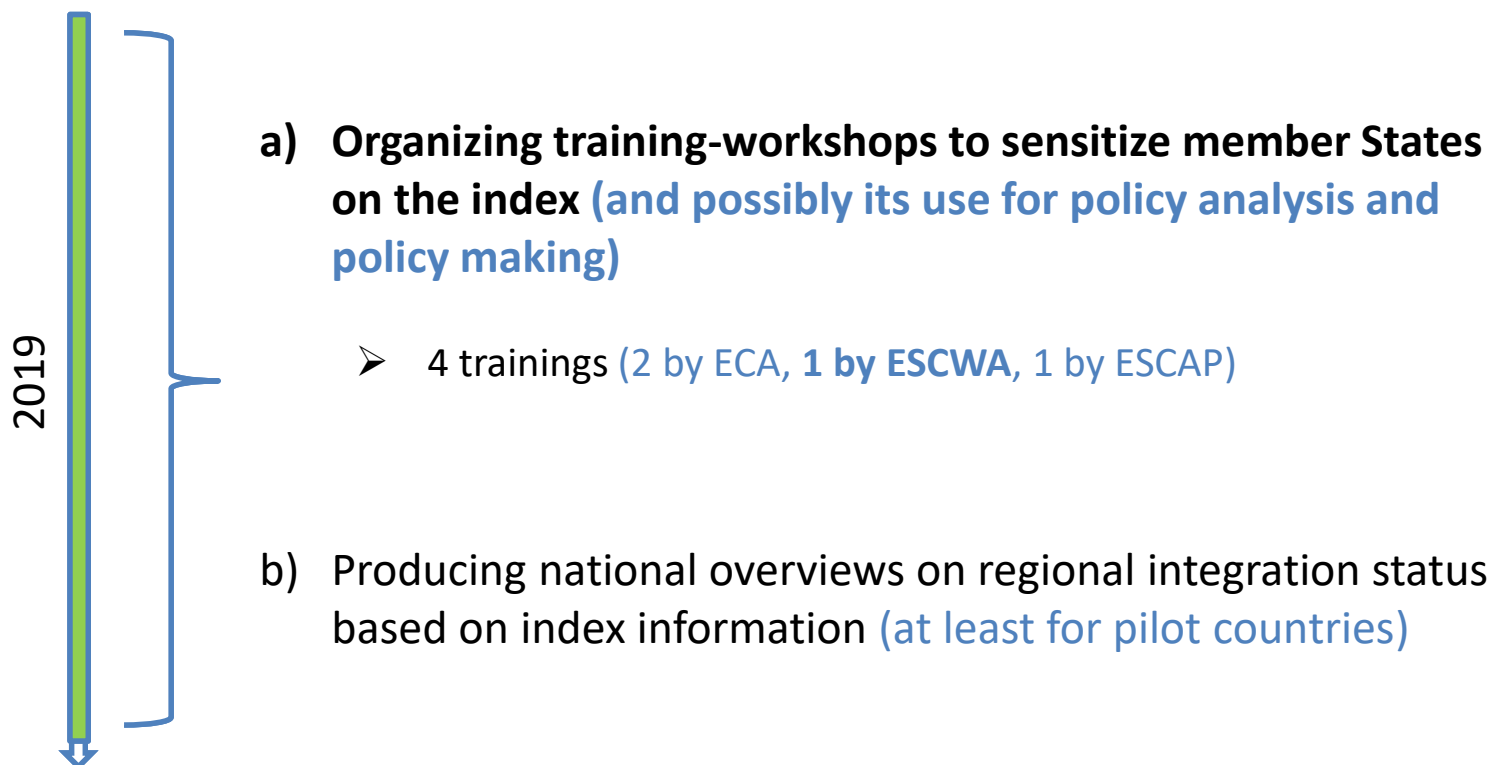
- 1) Providing tools for assessment and monitoring of regional integration;**
- 2) Undertaking capacity building activities to member States;**
- 3) Offering technical assistance to selected member States.**

Concrete activities and (tentative) timeline

1) Providing a robust regional integration index to be freely and easily accessible to all stakeholders in each of the three regions of focus

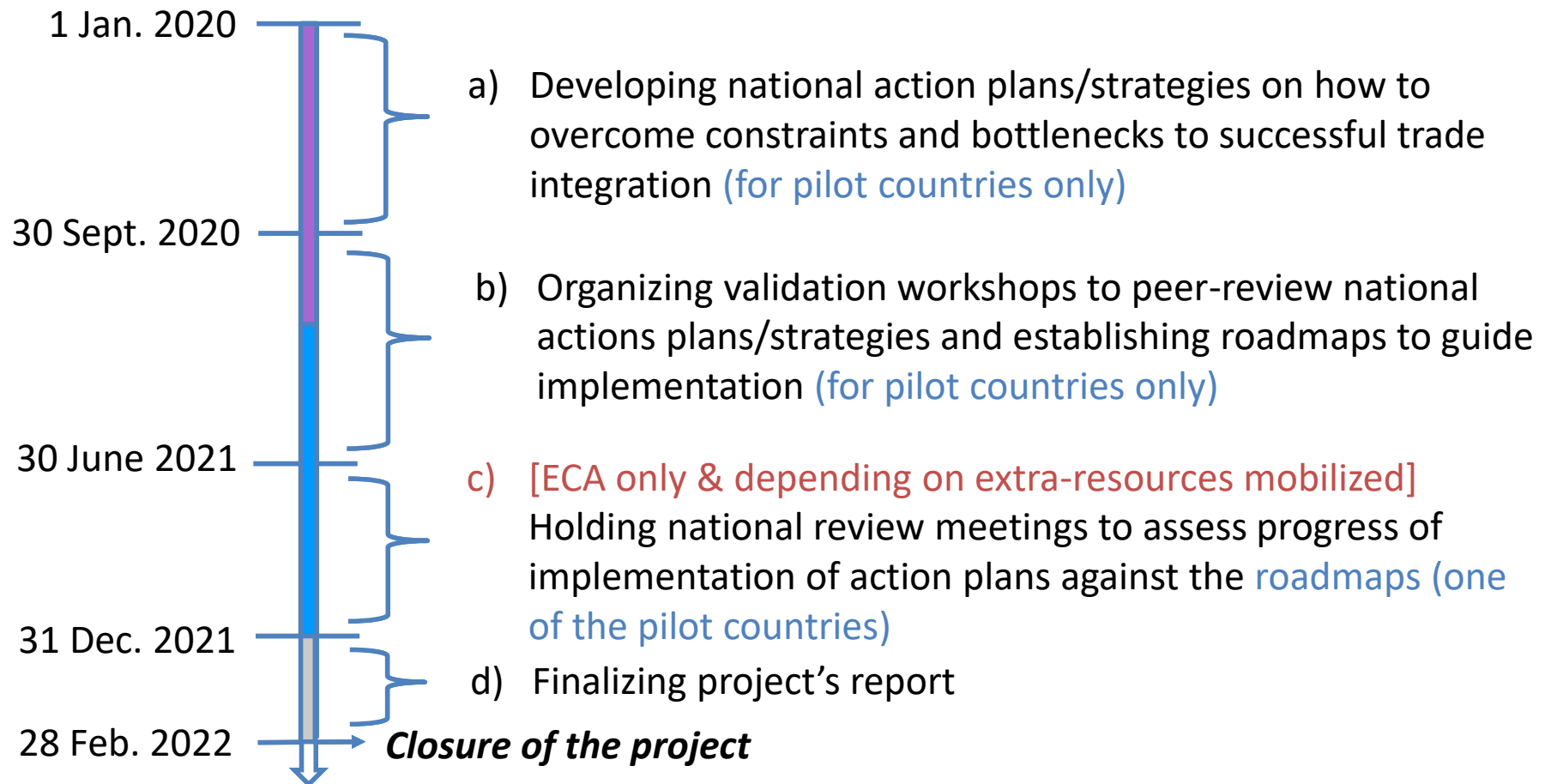


2) Undertaking capacity building activities to train member States on the use of the information generated through the index for better policy making and analysis



Concrete activities and (tentative) timeline

3) Offering technical assistance to selected developing countries with a view to improving their own performance in regional integration, with strong emphasis on trade integration



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Africa Regional Integration Index

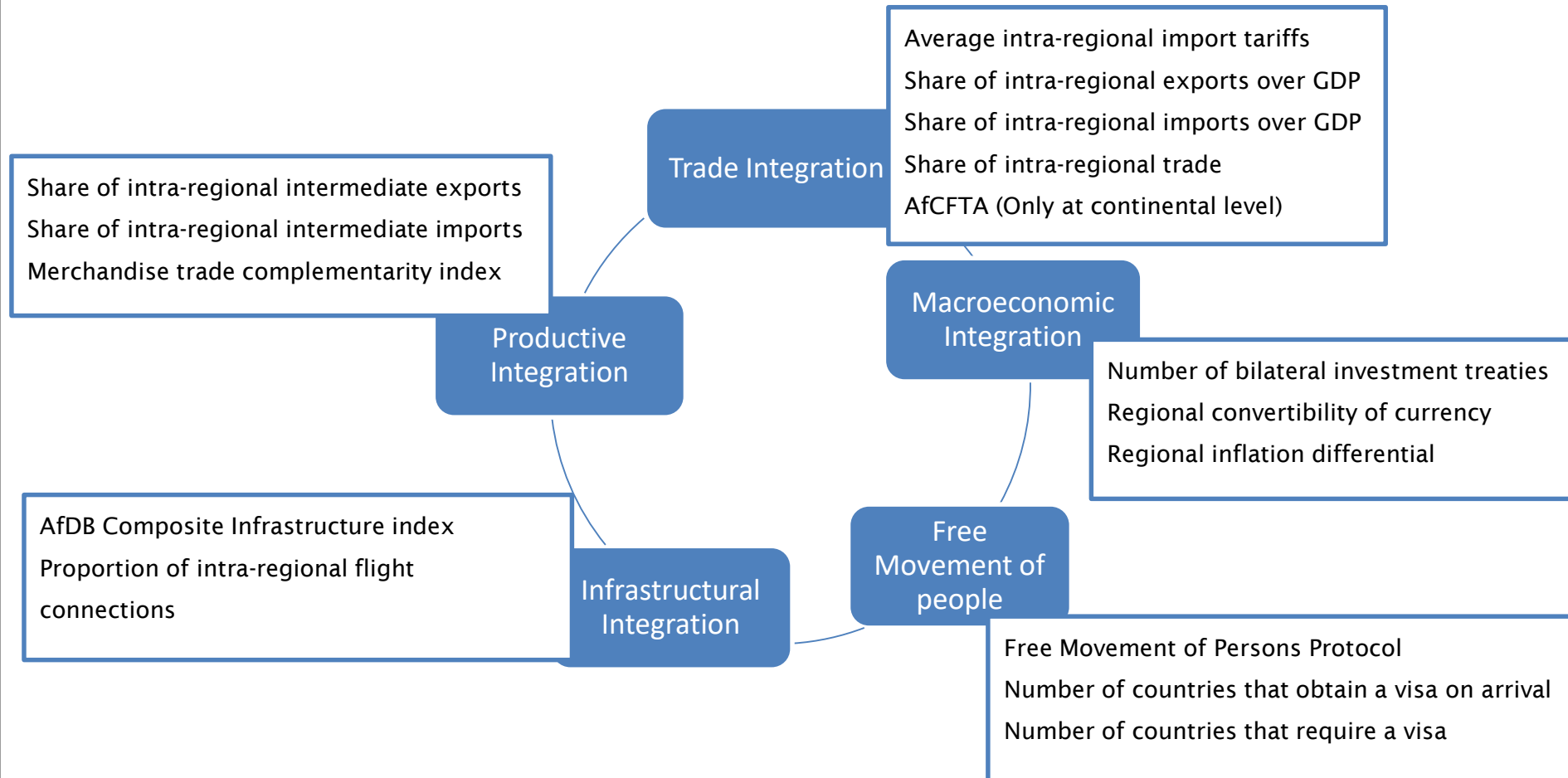
Simon Mevel

Why such index?

- **Conference of African Ministers of Finance, Planning and Economic Development & Conference of African Ministers in Charge of Integration (CoM VI; March 2013):**
 - **Called for the enhancement of the monitoring and evaluation of Africa's integration.**
- **In response, ECA (jointly with AUC and AfDB) has developed the Africa Regional Integration Index (ARII).**
- **What for?**
 - **Measuring and monitoring progress towards pan-African integration frameworks (e.g. Abuja Treaty, MIP, PIDA, CFTA and BIAT initiative);**
 - **Helping African countries and RECs diagnose their performance in different aspects of integration & providing incentive to progress further;**
 - **Creating an improved dataset on regional integration in Africa to enable better policy analysis and policy making.**
- **2 indexes produced: ARII 2016 (regional ranking) and ARII 2019 (regional and continental rankings).**

What is ARII about?

- A multidimensional index measuring progress towards greater regional integration in Africa and African RECs:

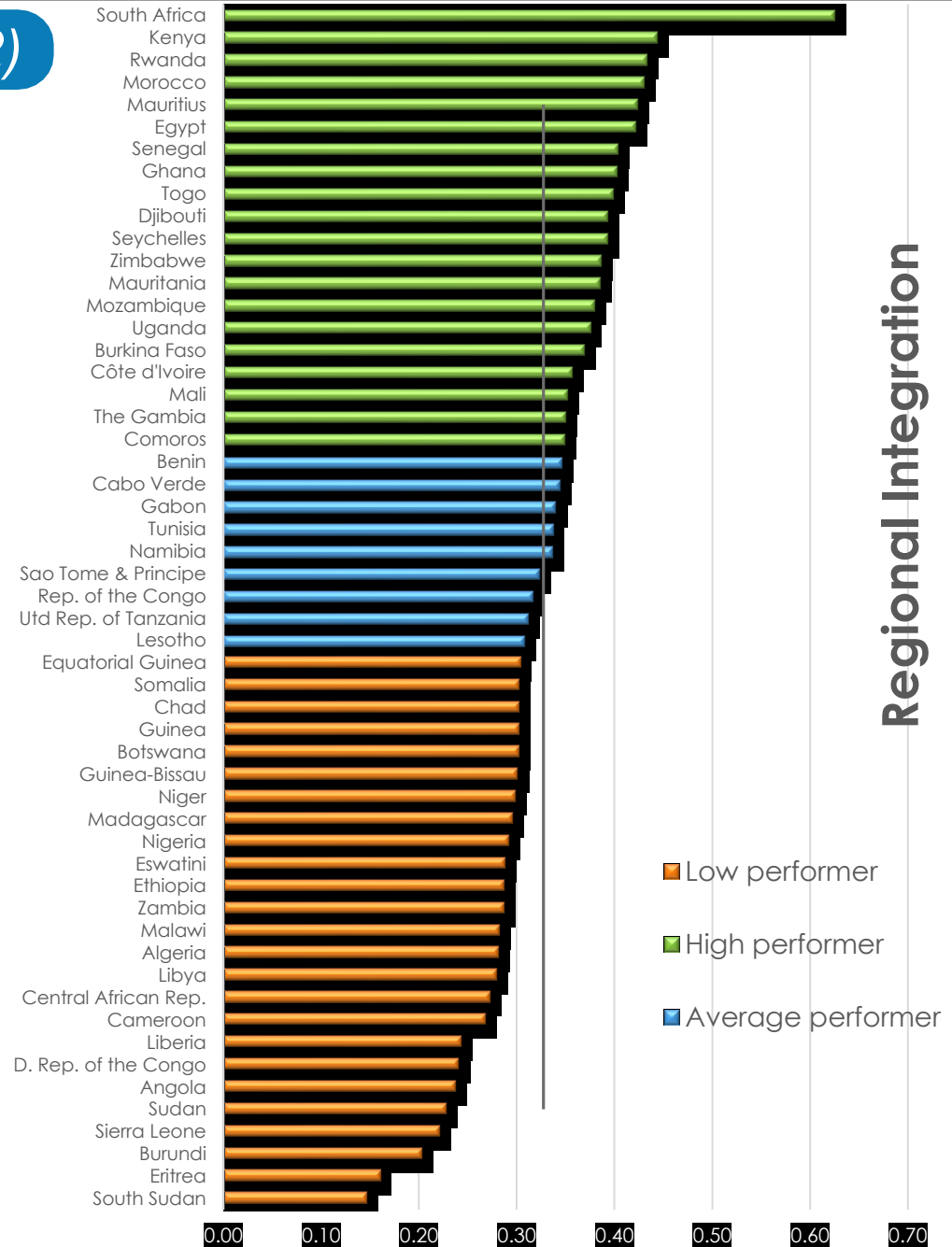


- Principal components analysis (PCA) used to assign weights both at dimensional and indicator levels.

What does ARII tell us? (1/2)

Status of regional integration in Africa

- Regional integration in Africa is low as compared to what it could potentially be:
 - An average score of 0.327 as assessed in ARII 2019;
 - There are remarkable differences across countries: South Africa vs. South Sudan;
 - A maximum score of “only” 0.625 suggesting that there is room for increased integration on the continent and tap on the benefits.



What does ARII tell us? (2/2)

5 dimensions assessed for:

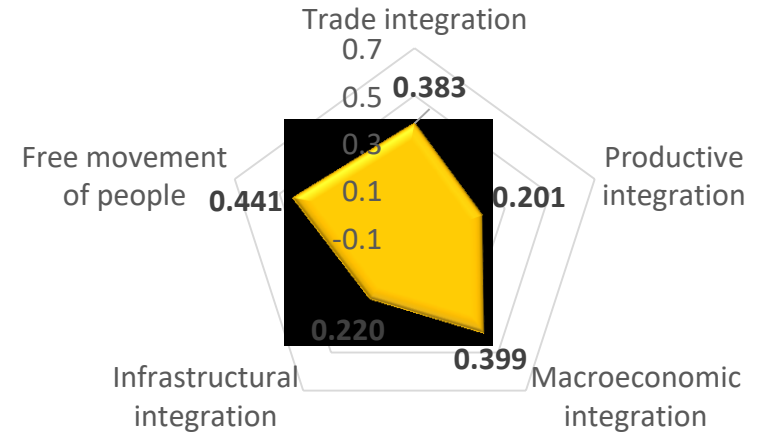
▪ African continent:

- Best dimension: **Free movement of people**
 - Liberal visa policies in many countries.
- Challenging dimensions: **Productive integration** and **Infrastructural integration**
 - Poor trade in intermediate products;
 - Inadequate infrastructural development.

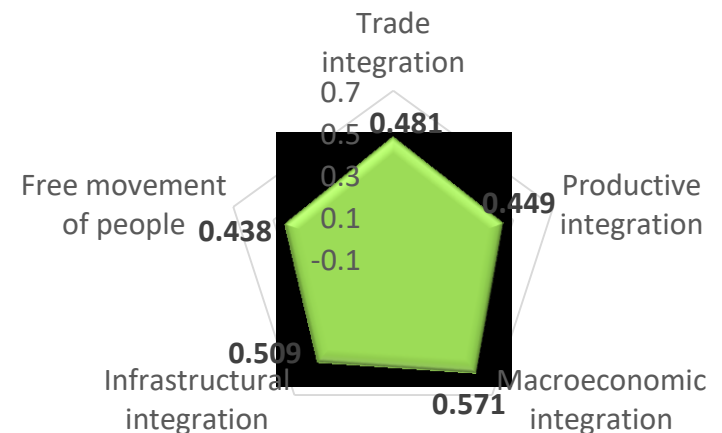
▪ 8 Regional Economic Communities (RECs)

- Case of AMU:
 - Relatively homogeneous performance across the 5 dimensions [with highest in **macroeconomic integration (convertibility of currencies)** and lowest in **free movement of people (visa policies)**].

African continent



AMU

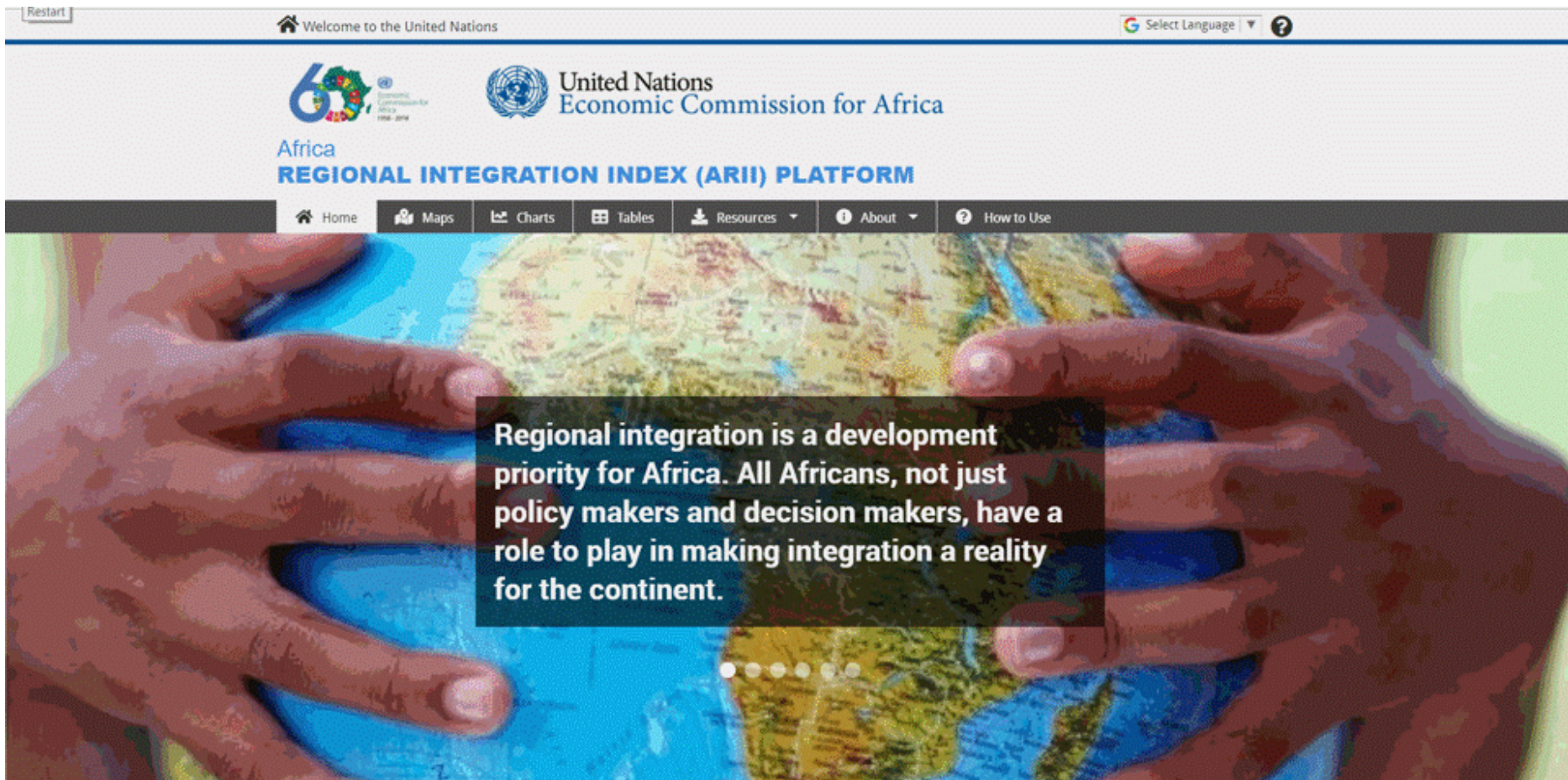


What challenges faced in building ARII?

- **Defining regional integration:**
 - Conceptual construct: 54 countries and 3 institutions.
- **Measuring state of regional integration vs. measuring efforts towards greater regional integration.**
- **Availability of data:**
 - Poor quality of data or inexistent data for many countries;
 - Limit the variables that can be used (e.g. use of number of bilateral investment treaties rather than FDI).
- **Limits of principal component analysis:**
 - Time consuming: changes in data/variables require re-computation;
 - Not easy to disseminate.

Where to find more on ARII?

- **Web Platform (<https://www.uneca.org/ariid>)** – Home page at a glance:



- **ARIID 2019 Report and Methodological Note to be launched along with User Guide and Web Platform before end of December 2019.**



THANK YOU!

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