



UNITED NATIONS

الاستقما

ESCWA

Shared Prosperity **Dignified Life**



Economic and Social Commission for Western Asia

**MEASURING, MONITORING AND IMPROVING PERFORMANCE IN
REGIONAL INTEGRATION WITHIN ESCWA REGION**

**REGIONAL ECONOMIC INTEGRATION:
MEASUREMENT FRAMEWORKS**

REGIONAL TRAINING WORKSHOP

Philippe De Lombaerde

Rabat, 17-18 December 2019

1. Introduction
2. Indicator-based monitoring of regional integration
3. Measurement – indicators – data availability
4. Composite indices

1. Introduction



- Economic integration and the need for monitoring
- *De facto* versus *de jure* integration
- The challenge of policy implementation
- Qualitative versus quantitative approaches to monitoring
- Indicators
 - Policy dashboards (national governments – regional organizations)
 - Econometric analyses
- Cross-regional comparisons
- Data constraints
- Monitoring context (stakeholders)

2. Indicator-based monitoring

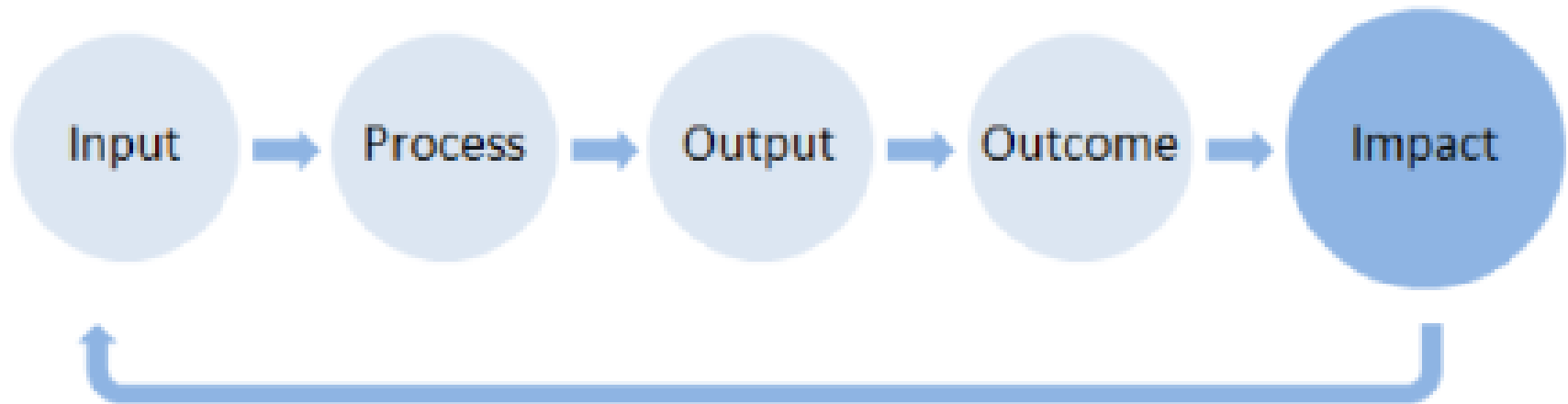


Monitoring = *"continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an on-going development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds"* (OECD, 2002)

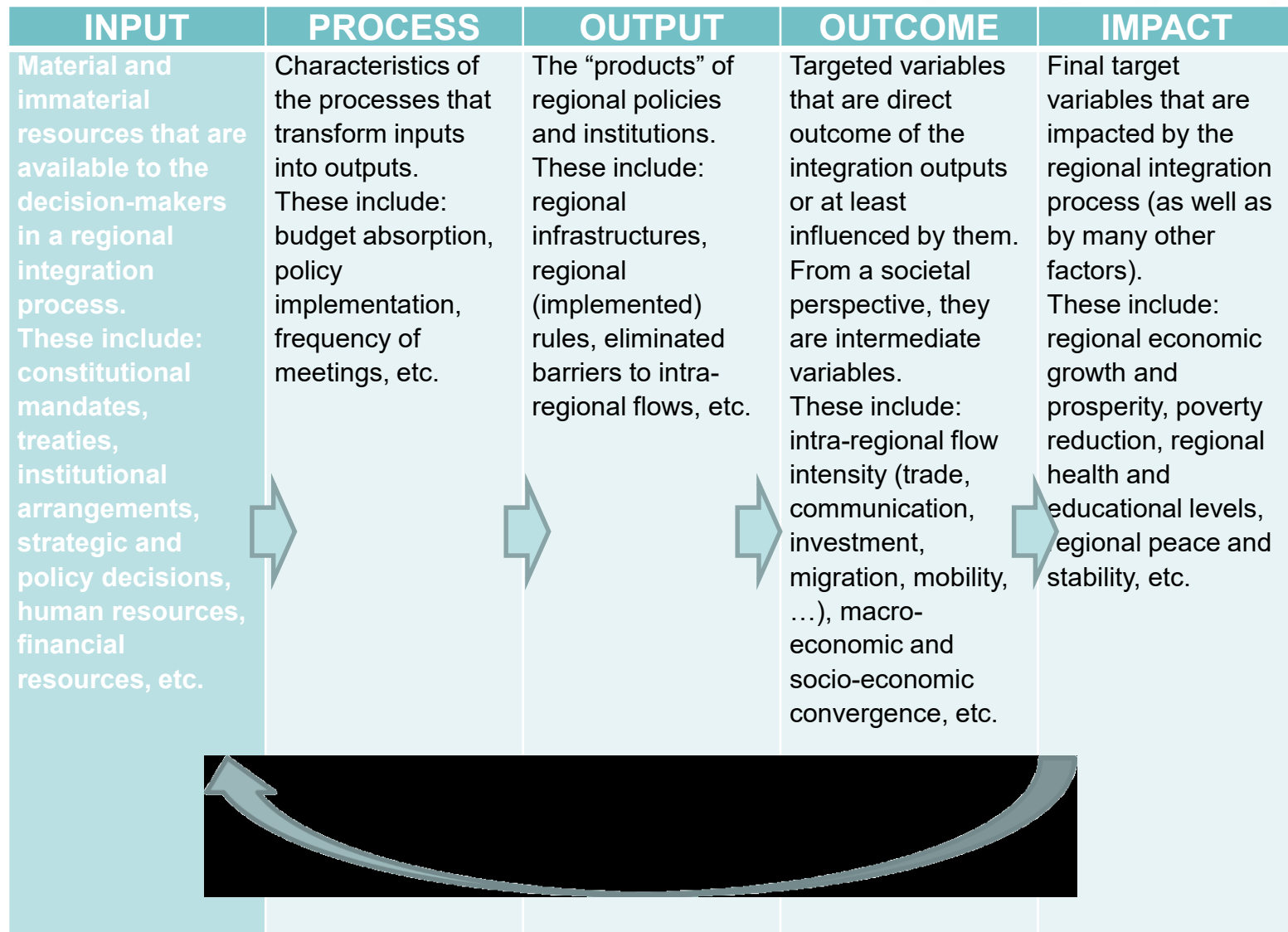
In a context of regionalism, **monitoring** = *"all relevant processes of information gathering, processing and dissemination concerning the (...) integration process, performed by different kinds of actors in different moments and lapses of time, in order to control, evaluate, correct and/or influence the integration policies and the functioning of the regional institutions. ..."* (Costea et al. 2006)

Evaluation = "the systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability...« (OECD DAC 2002)

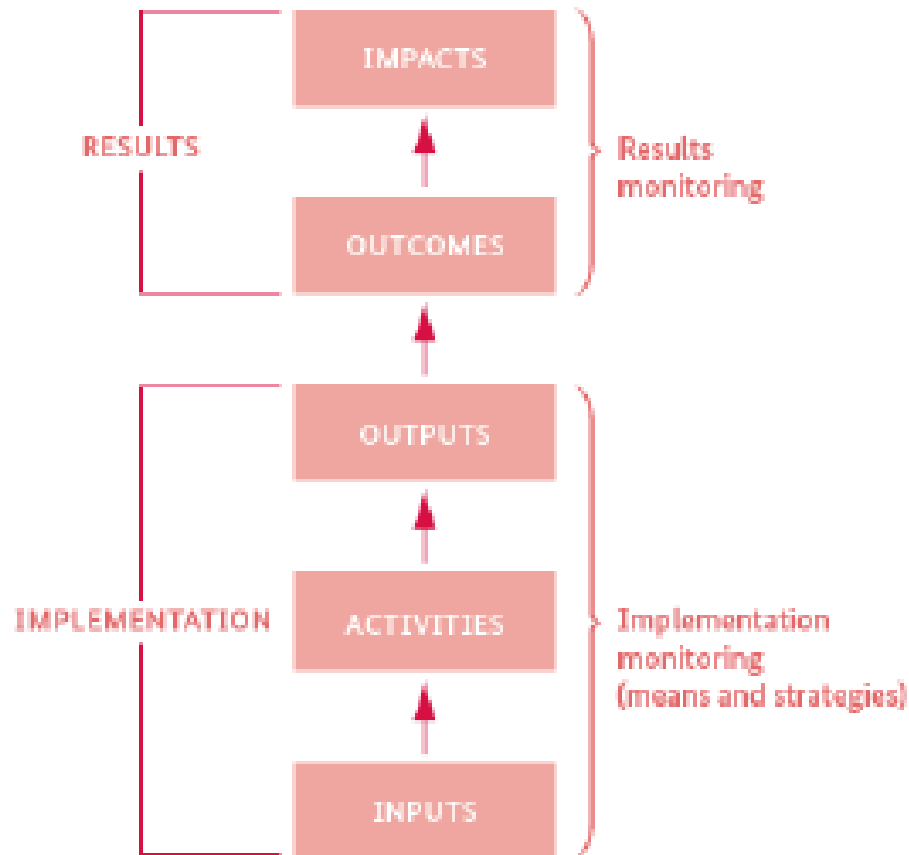
→ Evaluation criteria



Monitoring and program/policy/project logic



Types of monitoring



COMPLIANCE MONITORING:

Continuous process of collecting and analysing information on the compliance status of a regulated community.

OUTCOME MONITORING / RESULTS-BASED MONITORING:

Continuous process of collecting and analysing information on key indicators, and comparing actual results to expected results.¹⁰ Results-based monitoring thus tracks the entire change-process generated (Zelenka 2015)

Monitoring complexity and institutional complexity



Community Pillar

CFSP

JHA

European Commission
<i>Strategic Programming</i>
- Strategic Objectives
- General Report on EU Activities
- Forward Planning, Roadmap, Execution Report
<i>Transversal Reports</i>
- Lisbon, Sustainable Development, Employment Scoreboard
<i>Sectoral policy reports</i>
- DGs Annual Reports
- Green Papers, White Papers
<i>Implementation monitoring</i>
- Comitology
- Budget: IAS, OLAF
<i>Data gathering</i>
- EUROSTAT
- 14 EC Agencies

European Parliament
<i>General monitoring</i>
- Receives General Report on EU Activities
- Monitors Commission: censure
- Oral and written questions to Council and Commission
<i>Sectoral monitoring</i>
- Committees: Reports
- MEPs own initiative reports
- Temporary Committees of Inquiry
<i>Budgetary powers</i>
- Approves budget
- Receives ECA report
- Gives discharge
- Receives ECB Report
- Petitions Committee

European Council
- Follow-up of strategic developments
Council of Ministers
- External Relations Council
- HR/CFSP
- UPPAR
- Political and Security Committee
- Military Committee

European Council
- Strategic guidance
- Requested Commission to draw up annual reports
Council of Ministers
- Main decision-making body

Agencies
- ISS
- LDA

European Commission
- Tampere follow-up
- Assessment Report and Scoreboard
- Annual Reports on the Hague Programme Implementation
- Commission Virtual Documentation Center
- Monitoring Developments in JHA

European Council
- Strategic orientations
- Spring Council: Lisbon Agenda
- Submits EP Report on Progress achieved by the Union
Council of Ministers
- General Affairs Council
- Council Conclusions
- COREPER
- 250 working groups on technical issues

Court of Auditors
Statement of Assurance
Annual Report
Own initiative Reports
Consulted on Opinions

Court of Justice
Monitors law application and enforcement
Case law – the <i>Acquis</i>

- Convention method
- Wise Men Reports (Delors, Kok)

Source: Costea et al. (2008)

Overview of M&E by regions (Zelenka/GIZ 2015)

	ASEAN	CARICOM	CF-EU EPA	CEFTA	COMESA	EAC	ECOWAS	EU	MERCOSUR	SAARC	SADC
MONITORING SYSTEM											
Structured, regular approach	x	Not yet available	-	X	(x) ^M	x	(x)	x	Not yet available	-	x FIP/TP
M&E policy, documents	AEC Blueprint		-	User manuals	M&E policy framework, guidelines	Mon. policy EAMS user guides	M&E manual			-	M&E Policy, FIP MRE Handbook
TYPE OF MONITORING											
Compliance / implementation	x		(x)	x	x	x Scorecard/ EAMS	x	x		x	x
Outcome	(x)		-	-		x		x		-	
Indicator-based	x		-	x		x	x	x		-	x
Linked w/policy	x		(x)	x	(x)	x	x	x		(x)	x
Linked w/planning	x		-	x	x	x	x			-	x
INSTRUMENTS											
Scorecard	x		-	-		x	-	x		-	-
MIS	-		-	x	x	x EAMS	-	x		-	-
Databases	x scorecard		-	(x) MIS	(x)	x MIS-EAMS	-	x MIS		-	x
(Trade) statistics	x separate		(x) ^M	x	Separate statistics	x ^M	Not part of M&E system	x		(x)	Not part of FIP/ TP MRE
Reports	x		-	x	x	x	x	x		x	x
Frequency (reporting)	Annual, scorecard publication biennial (phases)		Annual discussions of progress	Annual reports	Annual	Real-time, several reports for meetings	Monthly/ quarterly (dept.)	Annual		6-monthly from MS, Annual discussions	Annual performance
Linked to REC meeting cycle	x		x	x	(x)	x	x	x		x	x
Evaluation / review foreseen	MTRAEC blueprint decided in 2009		5-yr review foreseen	-	For programs/ projects	MTR dev. Strategy; for programs-postponed	For programs/ projects			-	5-yr impact assessment (FIP and TP)
Evaluation / review undertaken	x MTR		x Review	-		-	-			-	-



Indicator-based monitoring of regional integration worldwide



Eurasian Development Bank

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System of Indicators of Eurasian Integration

System of Indicators of Eurasian Integration

A comprehensive research project of the EDB Centre for Integration Studies "The System of Indicators of Eurasian Integration" (SIEI) has a long-term status. It presents the results of regular monitoring and assessment of the pattern and key vectors of Eurasian integration and cooperation in the CIS region. SIEI is acknowledged as one of top-3 systems of regional integration analysis globally. The project is based on official statistics (except mutual investment index, which is based on the Centre's Monitoring of Mutual Investments project). The analysis covers a wide range of areas of the countries' integration — from macro-economic policies to student mobility.

Project Coordinator: Vladimir Pereboev, PhD (Polit.)

31.03.14. System of Indicators of Eurasian Integration II

This report presents the results of the study performed in 2014 as part of the EDB project "System of Indicators of Eurasian Integration" (SIEI). The study concerns the measurement and analysis of the long term dynamics of integration processes in the post-Soviet space. It covers eleven CIS countries plus Georgia from 2009 to 2012 and it continues the 1999–2008 analysis that was carried out in 2009.

EDB 10 YEARS
INVESTING IN DEVELOPMENT & INTEGRATION

CENTRE FOR INTEGRATION STUDIES

EURASIAN ECONOMIC INTEGRATION
19TH INTERNATIONAL CONFERENCE

Economic Commission for Africa

Assessing Regional Integration in Africa

ECA Policy Research Report

Africa Regional Integration Index

Africa Regional Integration Index Report 2016

United Nations Economic Commission for Africa

SYSTEM OF INDICATORS OF EURASIAN INTEGRATION II

A Blueprint for Growth
ASEAN Economic Community 2015: Progress and Key Achievements

BRINGING THE CONTINENTAL FREE TRADE AREA ABOUT

ASSESSING REGIONAL INTEGRATION IN AFRICA VIII

ECA

Economic and Social Commission for Western Asia

Assessing Arab Economic Integration
Towards the Arab Customs Union

THE EU SINGLE MARKET
Single Market Scoreboard

EDITION: 10/2015

European Commission > The EU Single Market > Single Market Scoreboard

- THE SINGLE MARKET GOVERNANCE CYCLE
- PERFORMANCE OVERVIEW
- PERFORMANCE PER MEMBER STATE
- GOVERNANCE TOOLS
- PERFORMANCE PER POLICY AREA

The Single Market Scoreboard

The **Single Market** is based on a large body of EU law, accompanied by national transposition measures. However, it is essential to ensure that the Single Market does not exist only on paper but also in reality for citizens and businesses who want to work, travel, shop, invest or do business across borders.

This requires effective **governance of the Single Market** by the European Commission and by the EU and EEA Member States, as well as effective implementation "on the ground", in the Member States.

This **scoreboard** aims to give an overview of the practical management of the Single Market. The information is organized:

- by stage in the [governance cycle](#);
- by performance per [Member State](#);
- by [governance tool](#) and
- by [policy area](#) (work in progress).

Which aspects of regionalism (= variables) can/should be measured?

→ Two broad categories:

1. Regionness, regionalization, *de facto* regional integration, ...
2. Regionalism, regional institutionalization, *de jure* regional integration, ...

For which purpose? (Policy problem?, Research question?)

Broader indicator system? Beyond economics (UNECA)? Beyond the regional integration process? (ESCWA) ...

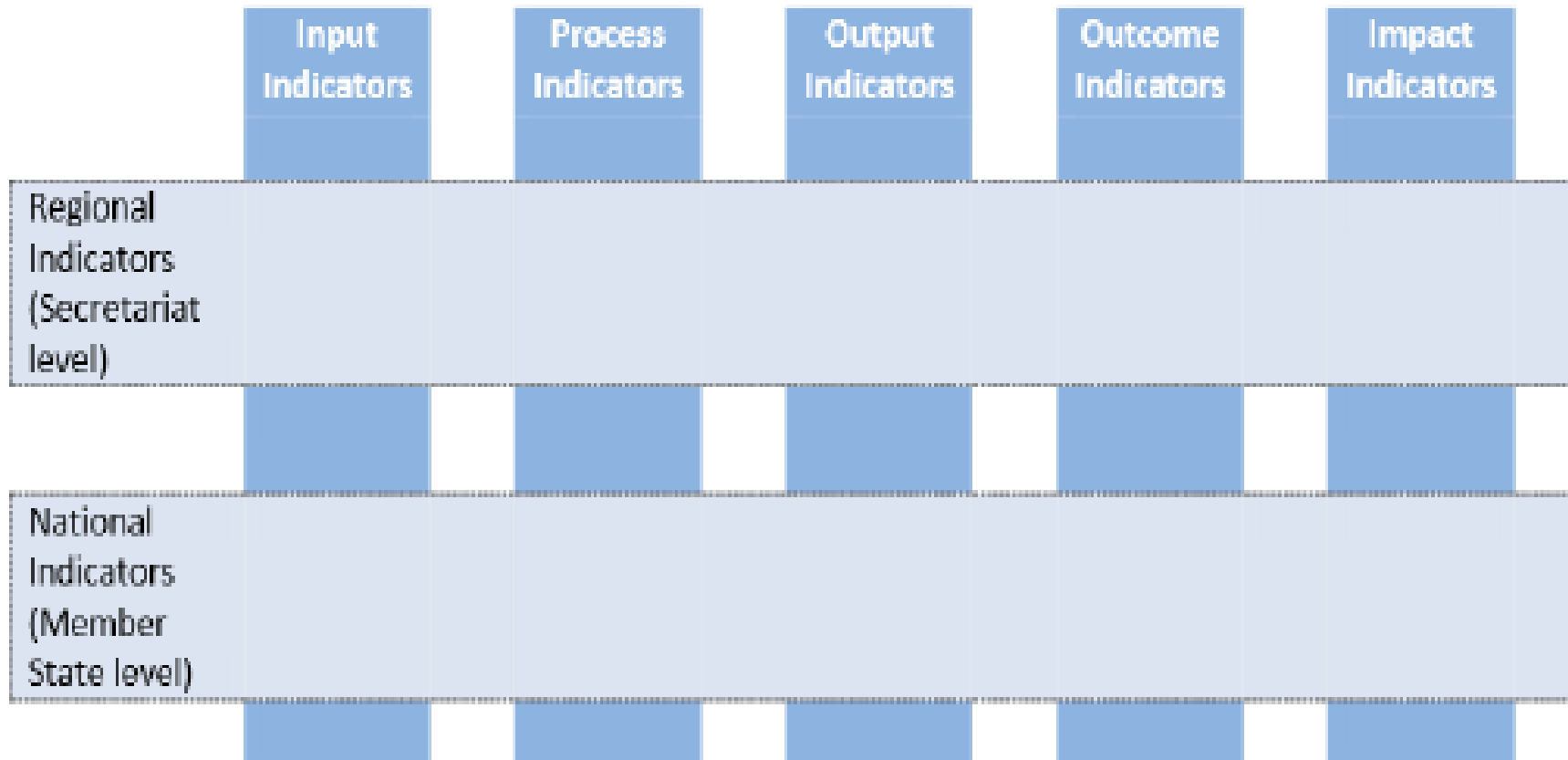
1. Regionness, regionalization, *de facto* regional integration, ...

- Intra-regional trade/investment/migration/mobility/communications/connections, ...
- Macro-economic convergence (growth, inflation), ...
- [Regional political stability, peace, ...
- Regional identity, homogeneity, cultural proximity, ...]
- ...

2. Regionalism, regional institutionalization, *de jure* regional integration, ...

- Policy interaction (type, intensity, ...)
- Regional policies (scope, depth) (TBs/NTBs, ...)
- Regional infrastructure
- Regional policy indicators: formulation, implementation (transposition deficits), outputs, outcomes, impact, ... → EFFECTIVENESS, PERFORMANCE
- Financing of regional organizations (budgets)
- Attitudes towards regional institutions (Eurobarometer, Latinobarometer)
- ...

Classification of indicators by logical categories and measurement levels

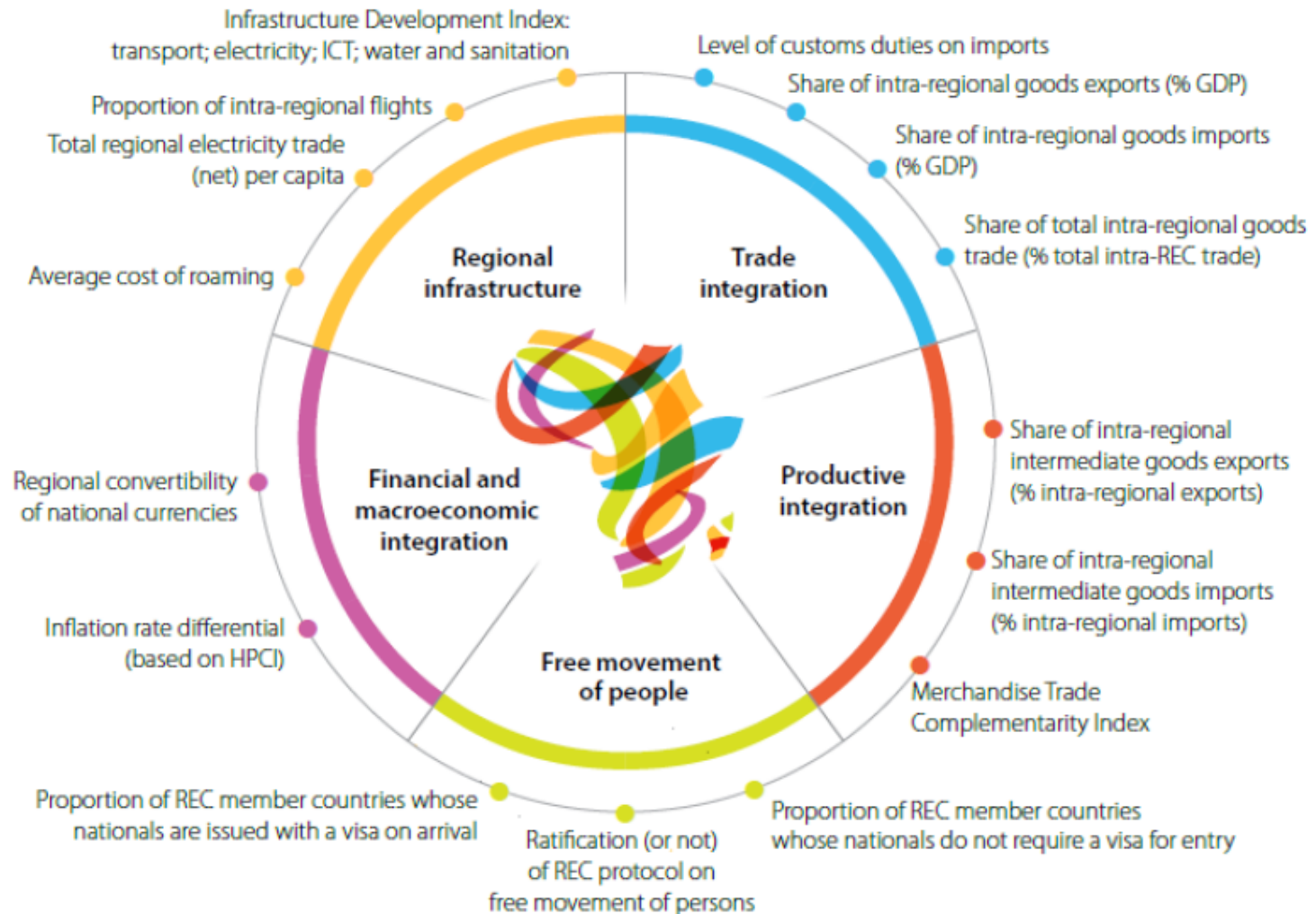


Classification of indicators by logical categories and policy areas



	Input Indicators	Process Indicators	Output Indicators	Outcome Indicators	Impact Indicators
General Indicators					
Regional Policy Priority 1					
Regional Policy Priority 2					
...					

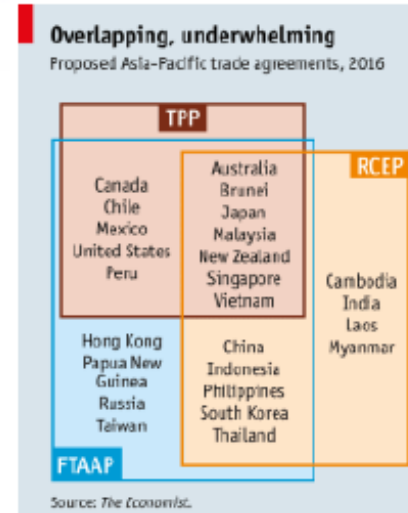
The Index: Five Dimensions and sixteen Indicators



What are the measurement "issues" and obstacles?



- (Direct) measurability – conceptual issues
- Flows vs. Stocks
- Overlapping memberships
- Data availability
- Level of measurement, regional vs. national data (aggregation)
- Construction of indicators → indicator systems → monitoring
- Composite indicators
- Cross-regional comparability (nature, scale, ...) → comparison → benchmark? → large N analyses



Indicators should be... SMART



- Specific
- Measurable
- Attainable
- Relevant
- Time-bound



Level of measurement vs. data source



Data Source Level of Measurement	National	Regional	Global
National			
Regional			
Global			

Cross-regional comparisons: Intra-regional trade indicators



Ranking according to:	Intra-regional trade share
1	EU-27
2	EU-15
3	NAFTA
4	ASEAN
5	MERCOSUR
6	CAN
7	CARICOM
8	SADC

Cross-regional comparisons: Intra-regional trade indicators



Ranking according to:	Intra-regional trade share	Intra-regional trade intensity index	Symmetric trade introversion index
1	EU-27	CARICOM	CARICOM
2	EU-15	CAN	CAN
3	NAFTA	SADC	NAFTA
4	ASEAN	MERCOSUR	SADC
5	MERCOSUR	ASEAN	EU-27
6	CAN	NAFTA	MERCOSUR
7	CARICOM	EU-27	EU-15
8	SADC	EU-15	ASEAN

		ITSi (%)
1.	APEC	68
2.	ADB Constituency (Asian member countries)	56
3.	'Integrating Asia'	53
4.	East Asia	52
5.	ASEAN+3	39
6.	ASEAN	23
7.	Mekong River Commission	4

4. Composite indices

Table A1

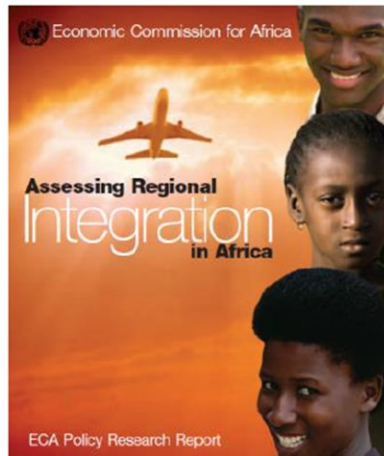
*Integration indices for Africa's regional economic communities, 1995–99
(Index 1994=100)*

Regional economic community	1995	1996	1997	1998	1999
CEMAC	129.7	135.7	136.0	134.8	128.4
CEN-SAD ^a	122.9	130.8	133.7	121.2	121.0
CEPGL	90.6	89.5	93.7	91.2	86.6
COMESA	110.1	123.0	125.2	127.2	119.4
EAC	114.7	120.3	118.5	120.5	119.2
ECCAS	124.6	128.1	132.0	126.8	121.7
ECOWAS	117.2	130.8	130.3	136.6	133.9
IGAD	113.0	114.1	120.8	119.8	119.7
IOC	116.2	126.2	118.3	123.8	109.6
MRU	90.2	96.4	119.3	109.3	117.1
SADC	115.6	131.5	131.0	137.2	136.9
UEMOA	117.4	132.3	133.4	138.6	137.1
UMA	101.4	100.4	101.3	99.5	100.4
Simple average	112.6	119.9	122.6	122.0	119.3
Weighted average	114.9	124.7	126.1	125.5	123.6

Note: Given the significant component of the trade sector in the calculation of the indices, SACU was excluded from this table. SACU's published trade data are usually aggregated and cannot be used for the calculations.

a. CEN-SAD was formed recently and its results reflect primarily actions of members participating in overlapping regional economic communities.

Source: Economic Commission for Africa, from official sources.



System of Indicators of Eurasian Integration

A comprehensive research project (the ESCI) covers the integration studies. The system of indicators of Eurasian Integration (ESCI) has a long-term status. It presents the results of regular monitoring and assessment of the pattern and the vectors of Eurasian integration and expansion in the CIS region. ESCI is developed as a set of key systems of regional integration analysis globally. The project is based on official statistics (except nMVA investment index, which is based on the Centre's Monitoring of Mutual Investments project). The analysis covers a wide range of areas of the countries' integration – from macro-economic policies to market reality.

Project Coordinator: Vladimir Pavlovskiy, PhD (PhD)

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This report presents the results of the study performed in 2014 as part of the ESCI project "System of indicators of Eurasian Integration" (ESCI). The study concerns the measurement and analysis of the progress dynamics of integration processes in the post-Soviet space. It covers eleven CIS countries plus Georgia from 2002 to 2012 and continues the 1999–2003 analysis that was carried out in 2005.

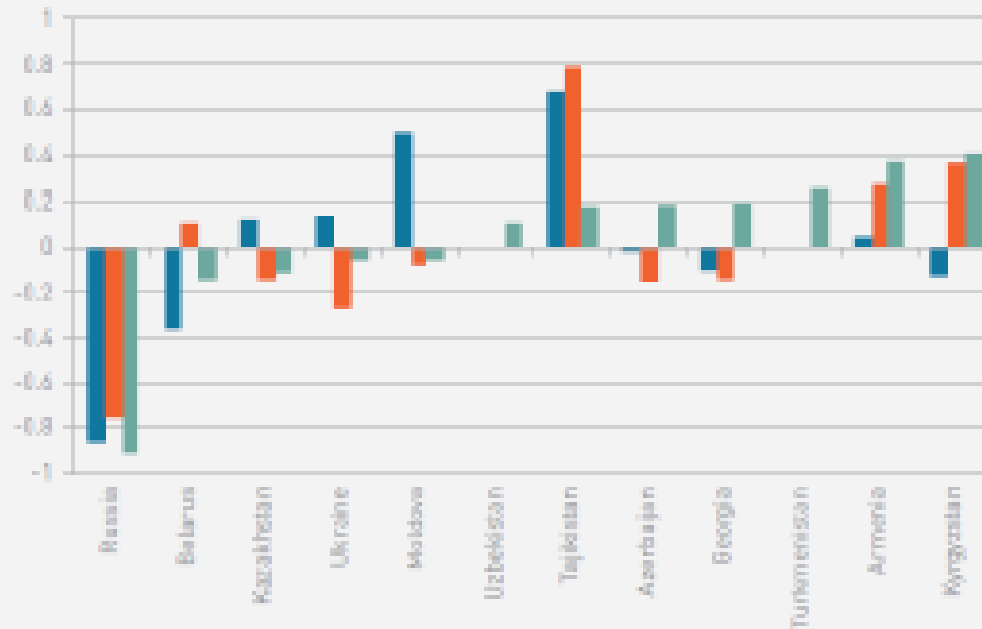


Figure 10: Generalized integration index in the post-Soviet space (Index country-region CIS-12) in 2002, 2008 and 2012.

Source: own calculations based on the data of the Eurasian Economic Commission and the Customs Union, World Bank, ministries of finance of CIS countries, state statistical authorities of CIS countries, national banks of CIS countries, Asian Development Bank, Interstate Statistical Committee of the CIS, UN Comtrade and Ministry of Economics and Sustainable Development of Georgia.

How to construct composite indicators?



- Step 1: developing a theoretical framework
- Step 2: Selecting variables
- Step 3: Multivariate analysis
- Step 4: Imputation of missing data
- Step 5: Normalisation of data
- Step 6: Weighting and aggregation
- Step 7: Robustness and sensitivity
- Step 8: Links to other variables
- Step 9: Back to the details
- Step 10: Presentation and dissemination



Source: Nardo et al. (2005)

Methods:

- Standardization (z-scores)
- Min-Max
- Distance to reference
- Etc

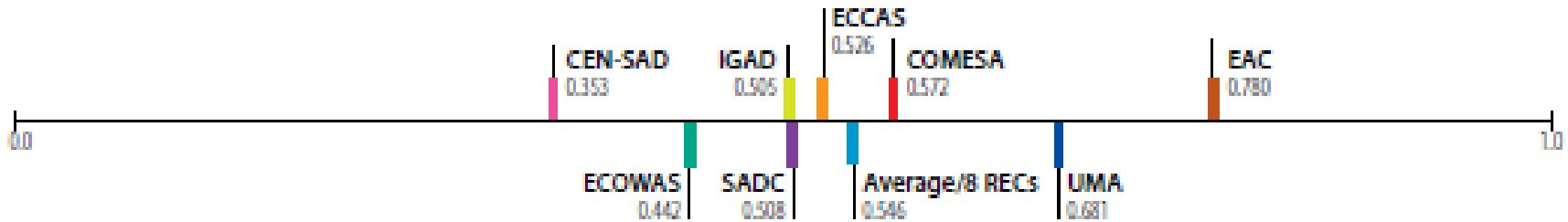
Issues:

- Pooled normalization
- Cross-regional comparisons

Rescaling/Normalization



Comparison of average scores by REC on Trade integration

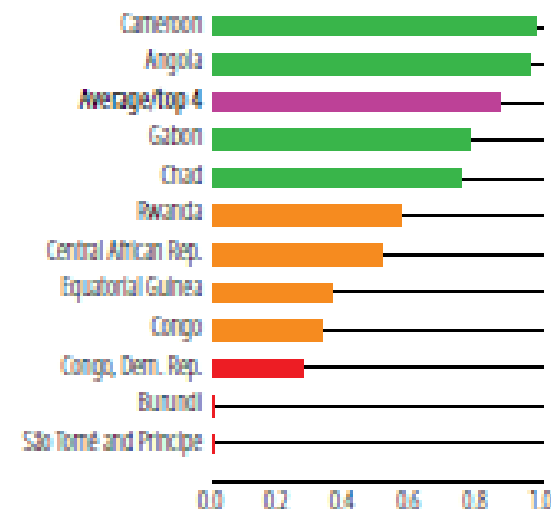


When trade is more interconnected Africa's high number of small economies access larger markets and regional hubs source from the region and are able to use the imports to grow. All of this makes Trade integration a key element in the continent's ongoing integration journey.

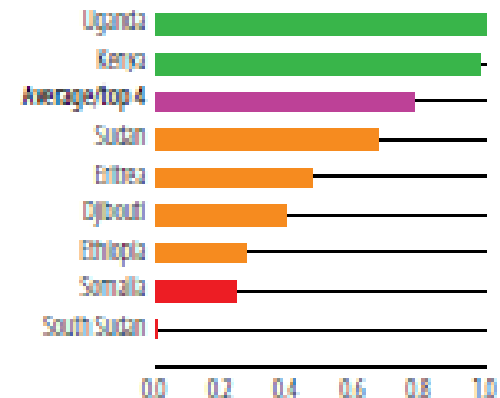
Index findings

- EAC is the highest performing REC on Trade integration.

ECCAS: country scores on Trade integration



IGAD: country scores on Trade integration



SADC: country scores on Trade integration

Methods:

- principal component analysis (PCA)/factor analysis, data envelopment analysis (DEA), ...
- equal weights (EW), budget allocation process (BAP), public opinion, analytic hierarchy process (AHP), ...

Pros and cons

Communicating the results of indicator-based monitoring



Economic and Social Commission for Western Asia



Assessing Arab Economic Integration

Towards the Arab Customs Union

Economic and Social Commission for Western Asia



Assessing Arab Economic Integration

Trade in Services as a Driver of Growth and Development

Communicating the results of indicator-based monitoring

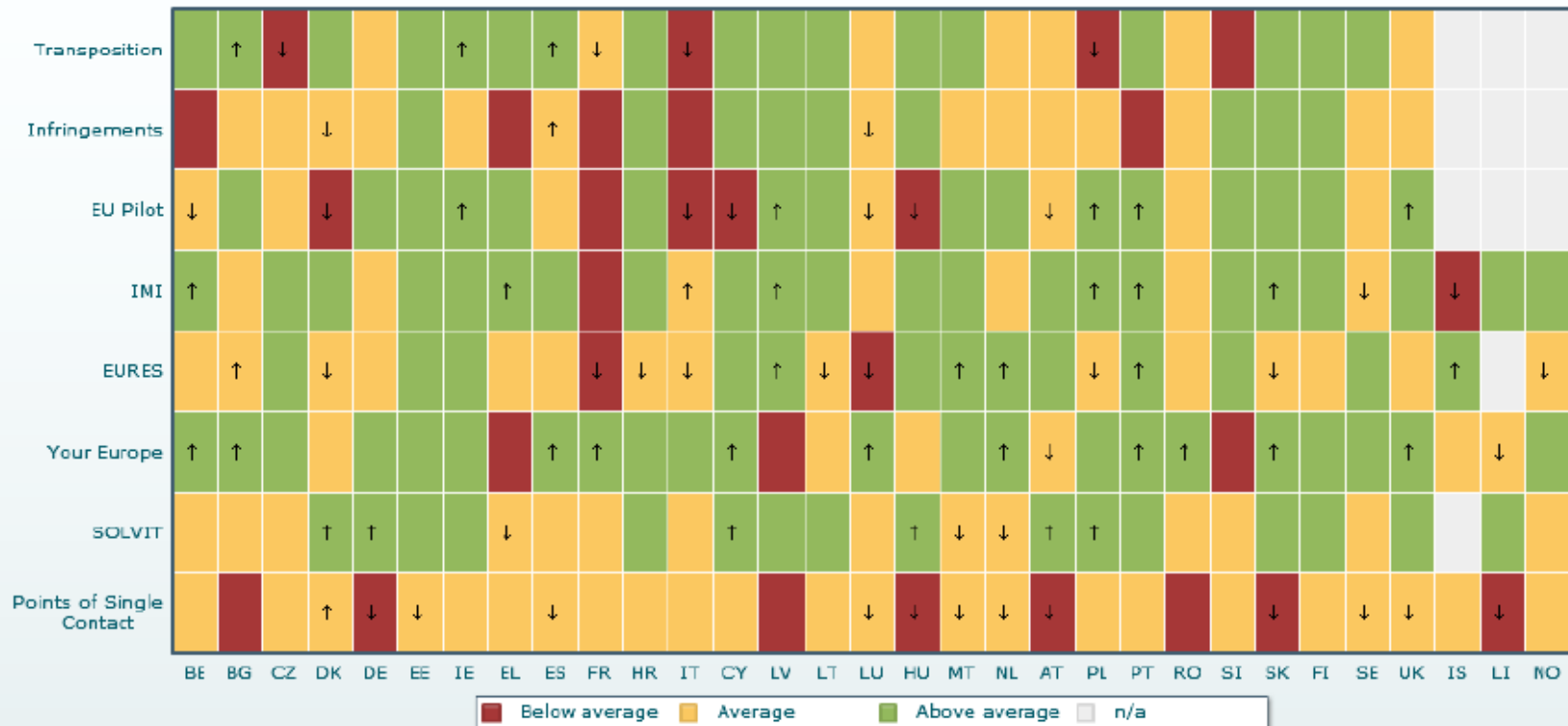


- Participation
- Impact
- Comparison
- Political use
- Sustainability
- ...

Communicating the results of indicator-based monitoring



Traffic light chart: Single Market governance tools



Communicating the results of indicator-based monitoring

Table A1

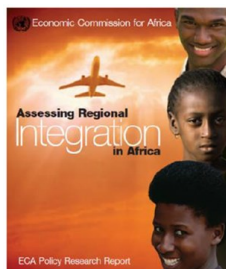
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Source: Economic Commission for Africa, from official sources.



Guiding questions



- What are your data needs?
- For what purpose?
- What is the value added of the ESCWA indicator system for you?
- How can/should it be expanded?

→ Feed-back: Day 2 – Session 2

Thank you



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