



United Nations
Economic Commission for Africa



DA11th Online Capacity Building Workshop

Asia-Pacific Regional Integration: Measuring, Monitoring and Improving Performance for Sustainable Development

Measuring and monitoring regional integration: where do we stand?

Experience from the Africa Regional Integration Index (ARII)



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Why such index?

- There is growing robust evidence that Africa should first deepen its own regional integration before being in better position to open up with the rest of the world

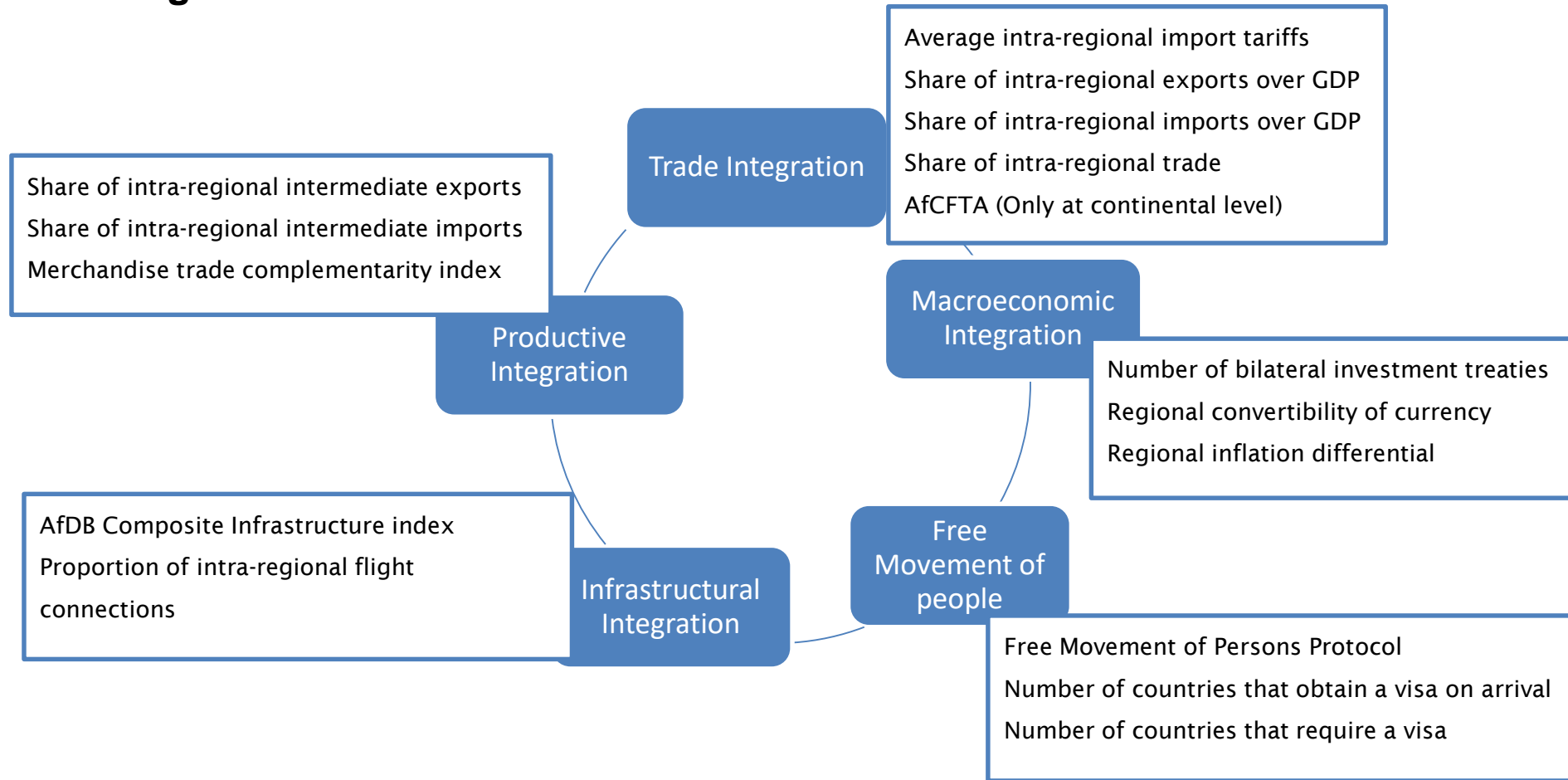


Why such index?

- **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:

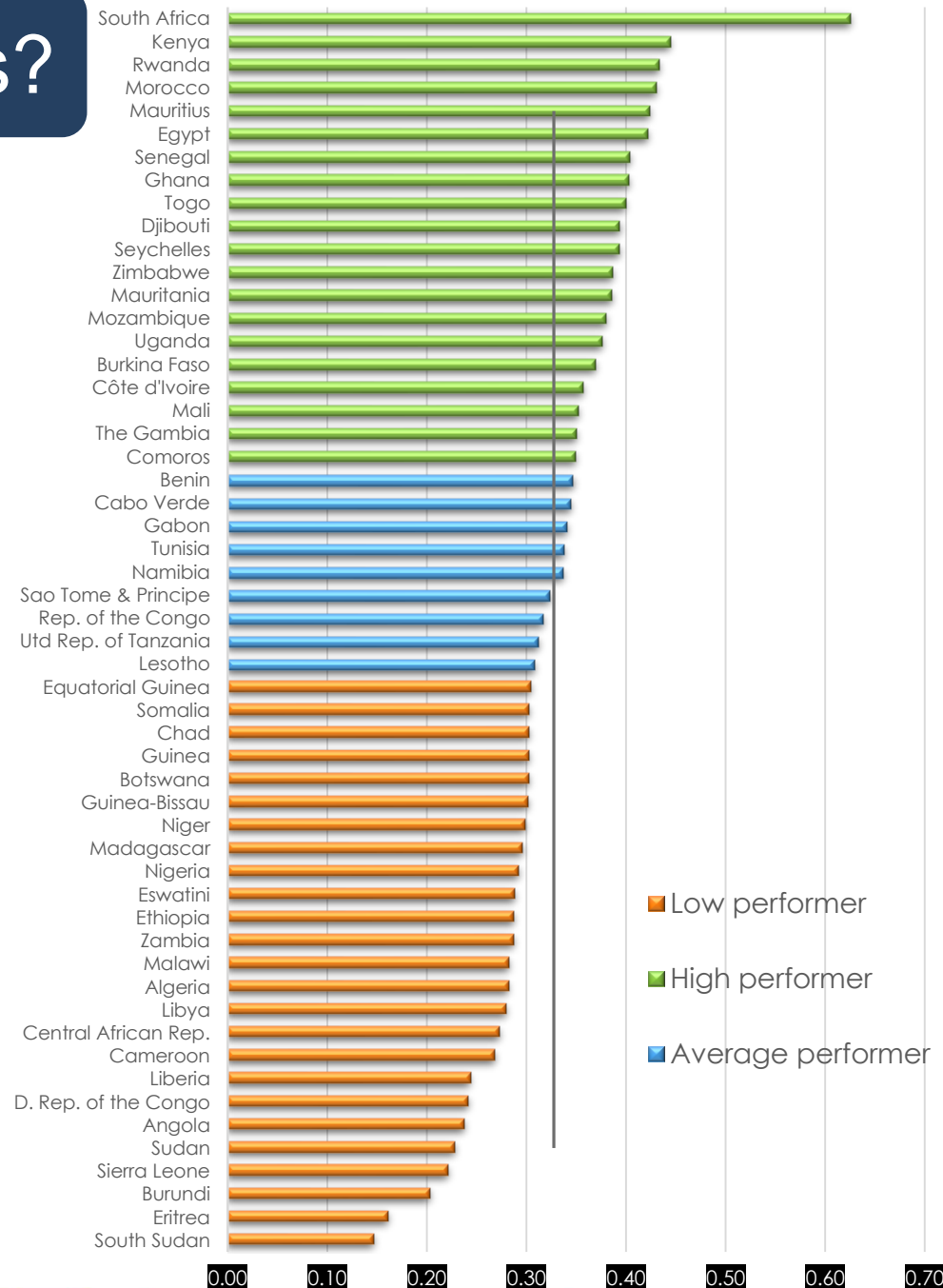


- Principal components analysis (PCA) used to assign weights both at dimensional and indicator levels.

What does ARII tell us?

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?

5 dimensions assessed for:

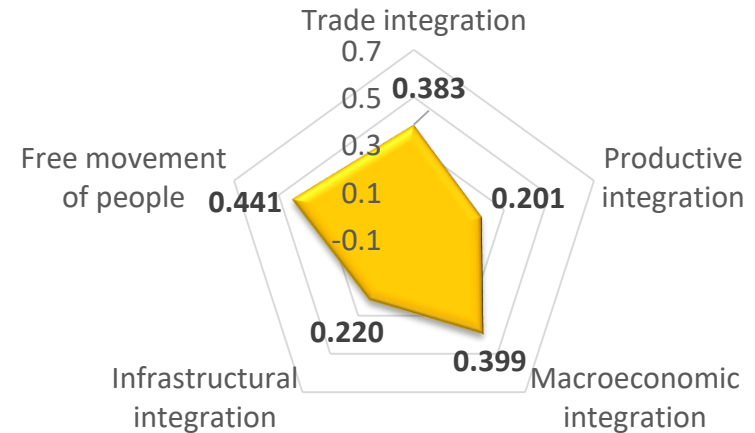
▪ African continent:

- 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.

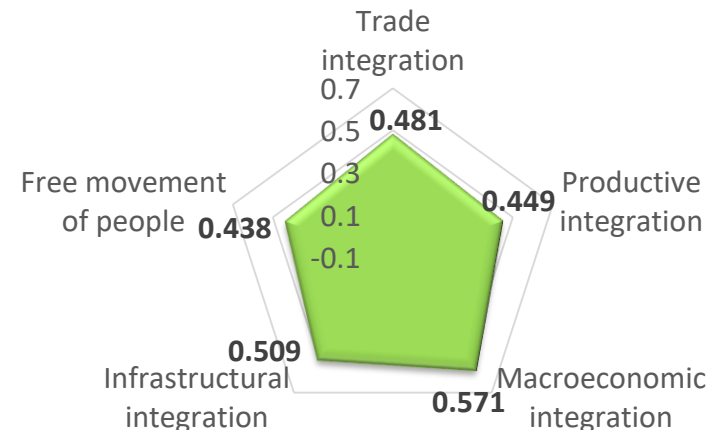
▪ 8 Regional Economic Communities (RECs)

- 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 (<http://arii.uneca.org/>) – Home page at a glance:



- ARII 2019 Report and Methodological Note
- User Guide



THANK YOU!

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www.uneca.org/atpc/

Ideas
to
Action