JRC Week on Composite Indicators and Scoreboards
Community of Practice *(7-8 November, Ispra, Italy)*

Session 5 – Africa: governance, integration and childhood

Africa Regional Integration Index

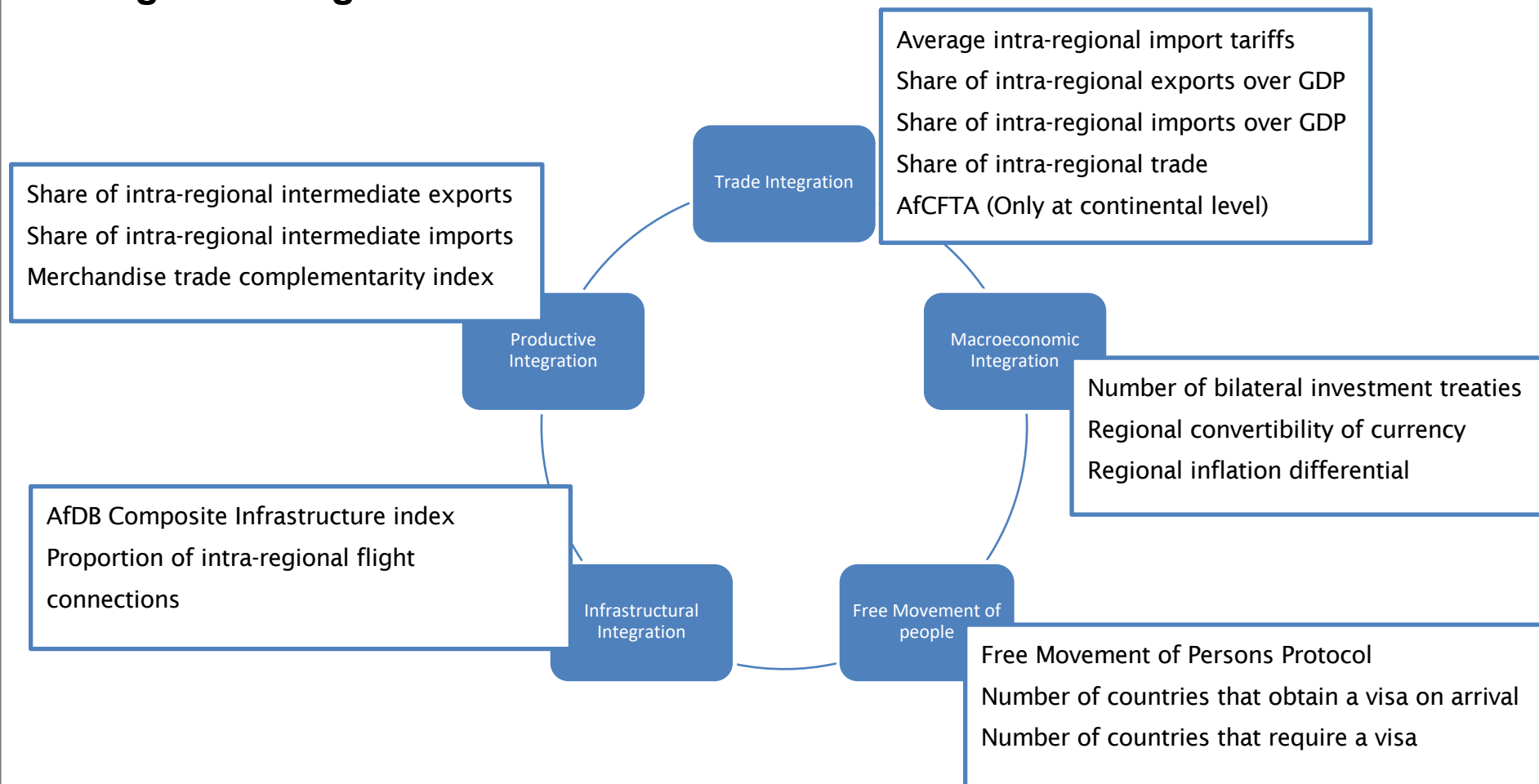*Simon Mevel & Shamnaaz Sufrauj*

United Nations
Economic Commission for Africa

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 the state and efforts towards greater regional integration in Africa and the RECs:**
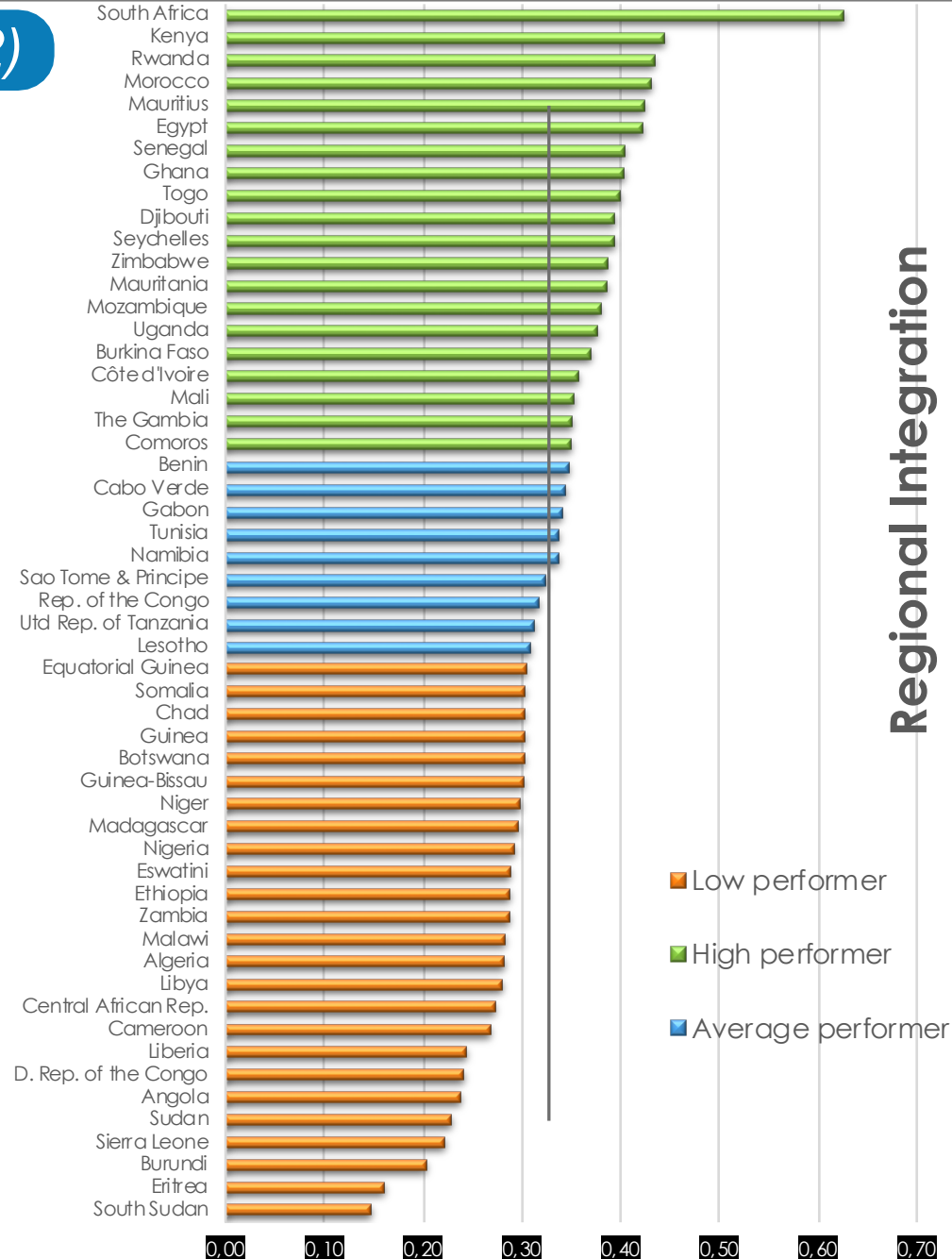
Trade Integration
- Average intra-regional import tariffs
- Share of intra-regional exports over GDP
- Share of intra-regional imports over GDP
- Share of intra-regional trade
- AfCFTA (Only at continental level)

Productive Integration
- Share of intra-regional intermediate exports
- Share of intra-regional intermediate imports
- Merchandise trade complementarity index

Macroeconomic Integration
- Number of bilateral investment treaties
- Regional convertibility of currency
- Regional inflation differential

Infrastructural Integration
- AfDB Composite Infrastructure index
- Proportion of intra-regional flight connections

Free Movement of people
- Free Movement of Persons Protocol
- Number of countries that obtain a visa on arrival
- Number of countries that require a visa

- **Principal components analysis used to assign weights both at dimensional and indicator levels.**

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 ARII 2019 report (forthcoming);

  - 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.

Regional Integration

■ Low performer

■ High performer

■ Average performer

Countries (top to bottom): South Africa, Kenya, Rwanda, Morocco, Mauritius, Egypt, Senegal, Ghana, Togo, Djibouti, Seychelles, Zimbabwe, Mauritania, Mozambique, Uganda, Burkina Faso, Côte d'Ivoire, Mali, The Gambia, Comoros, Benin, Cabo Verde, Gabon, Tunisia, Namibia, Sao Tome & Principe, Rep. of the Congo, Utd Rep. of Tanzania, Lesotho, Equatorial Guinea, Somalia, Chad, Guinea, Botswana, Guinea-Bissau, Niger, Madagascar, Nigeria, Eswatini, Ethiopia, Zambia, Malawi, Algeria, Libya, Central African Rep., Cameroon, Liberia, D. Rep. of the Congo, Angola, Sudan, Sierra Leone, Burundi, Eritrea, South Sudan

Axis: 0,00 0,10 0,20 0,30 0,40 0,50 0,60 0,70

African continent

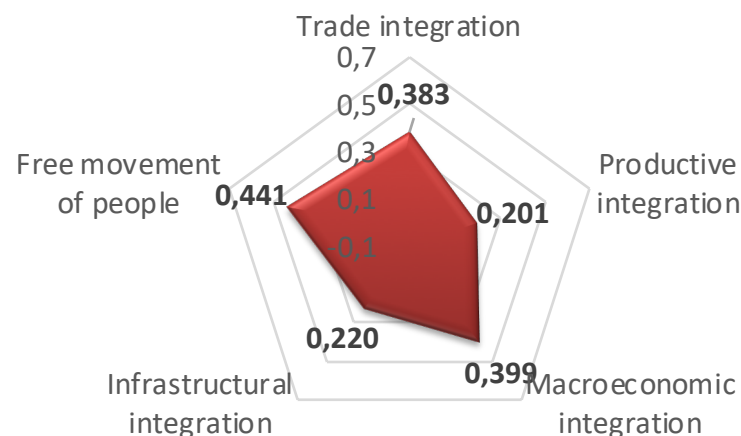- **Five dimensions assessed:**

  - Best dimension: Free movement of people

    - Liberal visa policies of many countries.

  - Challenging dimensions: Productive integration and Infrastructural integration

    - Poor trade in intermediate products;
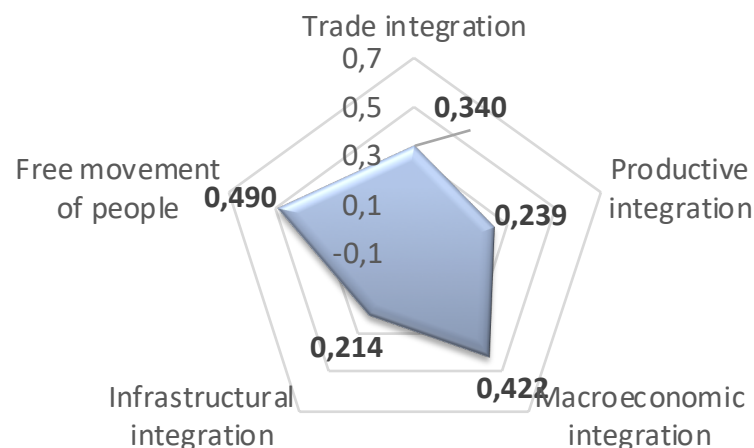
    - Inadequate infrastructural development.

- **8 Regional Economic Communities(RECs)** assessed.

- Same pattern can be observed for RECs: they generally suffer from poor infrastructural and productive integration.

Trade integration
0,7
0,5 **0,383**
0,3
0,1
-0,1
Free movement of people **0,441**
Productive integration
0,201
Infrastructural integration **0,220**
Macroeconomic integration **0,399**

SADC

Trade integration
0,7
0,5 **0,340**
0,3
0,1
-0,1
Free movement of people **0,490**
Productive integration
0,239
Infrastructural integration **0,214**
Macroeconomic integration **0,422**

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
    - Example: the use of number of bilateral investment treaties rather than FDI.

- **Limits of principal component analysis:**
  - ➤ Time consuming: changes in variables requires re-computation;
  - ➤ Differing weights;
  - ➤ Not easy to disseminate.

- **Ongoing project led by ECA (in collaboration with ESCAP and ESCWA) on "Measuring, monitoring and improving performance in regional integration within Africa, Middle East and Asia-Pacific regions".**

  - **Interventions at 3 levels:**

  1) Providing a robust regional integration index (along with User Guide and Web Platform) 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 analysis and policy making;

  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.

- **Web Platform – Home page at a glance:**

- **ARII 2019 Report and Methodological Note to be launched along with User Guide and Web Platform in December 2019.**

THANK YOU!

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