



Africa Regional Integration Index

Ms. Wafa AIDI

10. July. 2018
Beirut, Lebanon

Workshop on "Monitoring and Evaluating Trade Integration
toolkits"
Beirut, Lebanon 10-11 July 2018

Plan of the presentation

- Motivation
- Context
- ARII Report (2016)
- ARII Report (2018) – Concept Note –

Why the Africa Regional Integration Index?

Plan of the presentation

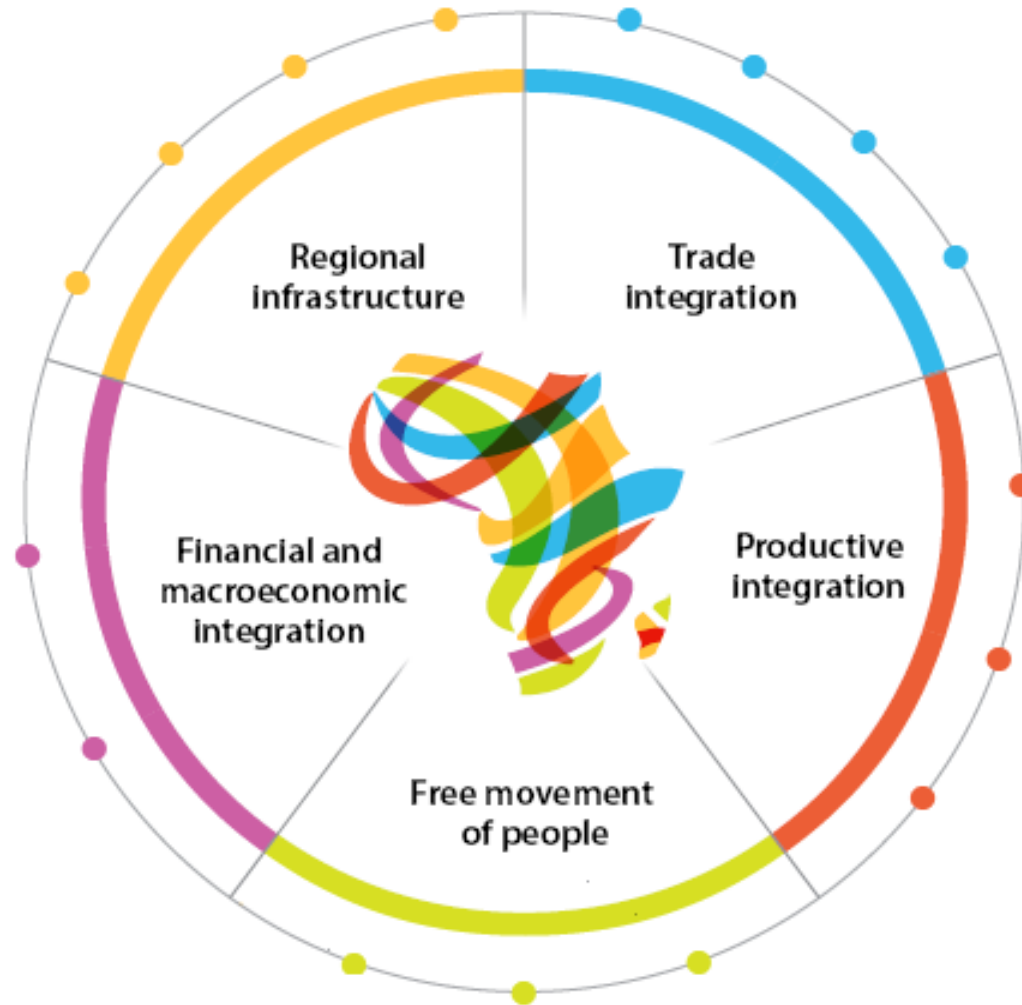
- Africa's regional integration commitments have suffered a lack of implementation
- Index gives incentives and recognition to encourage countries to implement provisions on various sectoral issues
- Constitution of harmonized databases enabling policy analysis as to which arrangements and policies have been most effective
- Identification of gaps by looking at regional integration through five dimensions

Consultations on what should be included in the Index with:

- RECs
- Member states
- African and other academic experts
- Other international organizations

Focus on MIP, PIDA, SDGs, Agenda 2063

- African Airlines Association,
- African Development Bank,
- ECA,
- International Air Transport Association,
- International Trade Centre,
- UN COMTRADE,
- UNCTAD, United States' Energy Information Administration,
- World Economic Outlook database of the IMF.



Trade integration

- Customs duties on intra-regional imports
- Intra-regional imports in GDP
- Intra-regional exports in GDP
- Share of country in total intra-regional trade

Regional infrastructure:

- AfDB infrastructure development index
- Proportion of flights that are intra-regional
- Absolute value of net intra-regional electricity trade
- Average cost of intra-African roaming

Productive integration:

- Share of intermediates in intra-regional imports
- Share of intermediates in intra-regional exports
- UNCTAD merchandise trade complementarity index (intra-regional)

Free movement of persons:

- Ratification of REC free movement of persons protocol
- Proportion of REC member states whose nationals enter visa-free
- Proportion of REC member states whose nationals receive visa on arrival

Financial integration and macroeconomic policy convergence:

- Regional convertibility of national currencies
- Convergence of inflation rate with regional average (harmonized HCPI)

1

- Highest scores are on trade
- Average REC scores are furthest apart on Free movement of people.
- EAC is the highest performing (HP) REC on Trade integration. IGAD is the HP on Regional infrastructure.
- EAC is the HP on Productive integration. ECOWAS is the HP on Free movement of people.
- All ECOWAS countries score 0.8, implemented the Free movement of persons protocol, which enables ECOWAS citizens to travel to all member countries without a visa.

- The index relies on a large number of indicators.
- The ARII is a mean average of the indicators.
- This structure ventilates the bias because it supposes that each of the indicators influences the index in the same manner.
- In the ARII Report (2018), we are including specific investment variables such the number of BITs as well as social indicators such as Bilateral Estimates of Migrant Stocks, Mean years of schooling and Africa Gender Equality Index in line with Agenda 2063.

- To overcome main critics on the rational on the chosen indicator, we use the Principal Component Analysis (PCA).
 - The method enables testing if the retained indicators exert or not a similar effect on the ARII.

(Angulo and all, 2016; Köhler, 2016; Yifan and Mikic, 2016, Lee and Zhong, 2015; Ferrant, 2014; ...)

- To include variables on the recent agreements such as AfCFTA, the Single African Air Transport Market and Protocol on the Free Movement of Persons,¹ Right of Residence and Right of Establishment

THANK YOU!

more info: aidiw@un.org

UNECA.ORG

The "AFRICA FIRST" logo, which includes a white silhouette of the African continent to the left of the word "AFRICA" in a white box, with the word "FIRST" in a larger font below it. The logo is centered on a background of vertical bars of varying heights.

THANK YOU!

more info: aidiw@un.org

UNECA.ORG