Monitoring and Evaluating Arab Economic Integration

08/12/2019
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**What for?**

Assess potential for economic integration, track changing patterns and new opportunities for further economic integration in a changing global environment

Support and improve policy design

Improve governance and implementation

Facilitate negotiation
Assess potential, track changing patterns and new opportunities in a changing global and regional environment

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# 3 Composite Indexes and rankings

<table>
<thead>
<tr>
<th>Global</th>
<th>Regional</th>
<th>Bilateral</th>
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</thead>
<tbody>
<tr>
<td><strong>GLOBALIZATION Index</strong>&lt;br&gt;Uses exports/imports, FDI inflows and outflows, workers’ remittances</td>
<td><strong>DEPENDENCY Index</strong>&lt;br&gt;Uses exports, FDI inflows, workers’ remittances inflows</td>
<td><strong>Bilateral DEPENDENCY Index</strong>&lt;br&gt;Uses bilateral exports, FDI inflows, workers’ remittances inflows</td>
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</tbody>
</table>

- How conducive is the global environment to further Arab countries economic integration?
- What are emerging challenges/opportunities and main channels?
- Are Arab countries falling behind the top best performers?
- What linkages between regional and global integration?
- What is countries’ level of vulnerability to foreign shocks?
- How integration can help as an engine of economic growth?
- What are the nature, channels, potential for further intra-regional integration?
- What is each country comparative advantage? ...

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Support and inform evidence-based policy design to guide the integration project in the intended direction
monitor advancements in the regional economic integration process and **structural features** that condition countries’ specialization.

exogenous/endogenous **shocks** and their disruptive/enhancing effects

role of **flanking policies**

**additional activities and actions** that may strengthen linkages

**developmental** aspects
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### 3 SCOREBOARDS

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<tr>
<th>Enablers</th>
<th>Policies</th>
<th>Outcomes</th>
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<tr>
<td><strong>Structure of the economy</strong></td>
<td><strong>Trade</strong></td>
<td><strong>Trade</strong></td>
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<tr>
<td>Mining VA as % of GDP</td>
<td>R&amp;D expenditure (% GDP)</td>
<td>Merchandise and services exports and imports (% GDP)</td>
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<tr>
<td>Fossil fuel energy conso (% total)</td>
<td>Trade tariffs, NTMs prevalence, restrictiveness indexes</td>
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<tr>
<td>Gross national savings</td>
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<td><strong>Investment</strong></td>
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<tr>
<td>Lending rates</td>
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<td>FDI stocks &amp; flows, in /outflows</td>
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<tr>
<td><strong>Labor Force quality</strong></td>
<td><strong>Investment environment</strong></td>
<td>Portfolio stocks</td>
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<tr>
<td>Life expectancy at birth</td>
<td>Taxes on goods and services</td>
<td><strong>People</strong></td>
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<tr>
<td>Urban to rural pop</td>
<td>Corporate taxes</td>
<td>Emigrants and Immigrants, tourists, students</td>
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<tr>
<td>Literacy rate</td>
<td>Chinn-Ito Openness index (0-1)</td>
<td><strong>Logistics</strong></td>
</tr>
<tr>
<td>School enrolment primary, sc, ter</td>
<td></td>
<td>Container port throughput (TEU)</td>
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<tr>
<td>Mean years of schooling</td>
<td><strong>Labor force</strong></td>
<td>Liner shipping connectivity index</td>
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<tr>
<td><strong>Infrastructure quality</strong></td>
<td>Gov exp in education (% total exp)</td>
<td><strong>Macro convergence</strong></td>
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<td>Internet bandwidth</td>
<td>Gov exp in education (% GDP)</td>
<td>Net ODA</td>
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<tr>
<td>Electricity production</td>
<td>Health exp Gov (% total exp)</td>
<td>Foreign Reserves</td>
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<td><strong>Conflicts</strong></td>
<td>Health exp Gov (% GDP)</td>
<td>Inflation</td>
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<tr>
<td></td>
<td><strong>Infrastructure</strong></td>
<td><strong>GDP per capita ……</strong></td>
</tr>
<tr>
<td></td>
<td>General Gov final conso expenditures (% GDP)</td>
<td></td>
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<tr>
<td></td>
<td>Rail lines (total route km)</td>
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</table>
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Governance and Implementation
Help collect information about **enablers, policies and outcomes** of economic integration processes collected to **facilitate policy design**

**Institutionalized information-sharing system** facilitates the organization and synchronization of implementation agendas

Encourages **regular communication and resolution of disagreements among partners**
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Implementation

Monitoring helps develop a communication strategy and consultation process for **an effective involvement of the private sector**

- monitoring and assessment bring key information to citizens
- successes and setbacks and provide the reasons for both intended and unintended consequences of economic integration policies
- instill transparency in the regional economic integration process
- help to understand Governments’ integration efforts
- build consensus within society
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Negotiation
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Negotiation

- Monitoring system complements other tools
- Comprehensiveness system and expanding enhances analyses’ richness
- Help develop and strengthen capacities to design scenarios and carry impact assessment studies
- Encourage interactions among partners help further cooperation
Way forward

- Updating the system of indexes using the latest data (2018). Results will be published in the third edition of AAEIR
- Collaborate with UNECA and UNESCAP to harmonize the systems for measuring and evaluating regional integration
- Integrate the system of indexes in the ESCWA’s platform for monitoring and evaluating Arab regional and global economic integration
- Initiate two pilot case studies (Jordan and Morocco) and develop a new index using the latest data, and disseminate the results.
- Provide comprehensive policy recommendations on mainstreaming trade policies in the SDGs.
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Thank you