Monitoring and Evaluating Arab Economic Integration

Executive Committee
Sixth meeting
Tunis, Tunisia, 1-2 July 2019

Nathalie GRAND, Economic Affairs Officer, ESCWA
### ESCWA monitoring and evaluating system

**What for?**

- Assess potential for economic integration, track changing patterns and new opportunities for further economic integration in a changing global environment
- Support and improves policy design
- Improve governance and implementation
- Facilitate political debate and negotiation
Assess potential, track changing patterns and new opportunities in a changing global and regional environment.
3 Composite Indexes and rankings

<table>
<thead>
<tr>
<th>Global</th>
<th>Regional</th>
<th>Bilateral</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GLOBALIZATION Index</strong></td>
<td><strong>DEPENDENCY Index</strong></td>
<td><strong>Bilateral DEPENDENCY Index</strong></td>
</tr>
<tr>
<td>Uses exports/imports, FDI inflows and outflows, workers' remittances</td>
<td>Uses exports, FDI inflows, workers' remittances inflows</td>
<td>Uses bilateral exports, FDI inflows, workers’ remittances inflows</td>
</tr>
<tr>
<td>How conducive is the global environment to further Arab countries economic integration?</td>
<td>What linkages between regional and global integration?</td>
<td>What are the nature, channels, potential for further intra-regional integration?</td>
</tr>
<tr>
<td>What are emerging challenges/opportunities and main channels?</td>
<td>What is countries’ level of vulnerability to foreign shocks?</td>
<td>What is each country comparative advantage? …</td>
</tr>
</tbody>
</table>
| Are Arab countries falling behind the top best performers? | How integration can help as an engine of economic growth? | And whatever the level of investigation | **What are the best performers?**
|                            |                               |                                | **What are the successful policies/ lessons leant?** |
Support and inform evidence-based policy design to guide the integration project in the intended direction
ESCWA monitoring and evaluating system

monitor advancements in the regional economic integration process
and structural features that condition countries’ specialization
exogeneous/endogenous shocks and their disruptive/enhancing effects

role of flanking policies
additional activities and actions that may strengthen linkages
developmental aspects
3 SCOREBOARDS

**Enablers**

**Structure of the economy**
- Mining VA as % of GDP
- Fossil fuel energy conso (% total)
- Gross national savings
- Lending rates

**Labor Force quality**
- Life expectancy at birth
- Urban to rural pop
- Literacy rate
- School enrolment primary, sc, ter
- Mean years of schooling
- Ratio of female to male labor force participation rates
- Apparent productivity of labor (thousands USD/person)

**Infrastructure quality**
- Internet bandwidth
- Electricity production

**Conflicts**

**Policies**

**Trade**
- R&D expenditure (% GDP)
- Trade tariffs, NTMs prevalence, restrictiveness indexes

**Investment environment**
- Taxes on goods and services
- Corporate taxes
- Chinn-Ito Openness index (0-1)

**Labor force**
- Gov exp in education (% total exp)
- Gov exp in education (% GDP)
- Health exp Gov (% total exp)
- Health exp Gov (% GDP)

**Infrastructure**
- General Gov final conso expenditures (% GDP)
- Rail lines (total route km)
- Air transport freight (million ton)
- Length of total road
- Length of paved road

**Outcomes**

**Trade**
- Merchandise and services exports and imports (% GDP)

**Investment**
- FDI stocks & flows, in /outflows
- Portfolio stocks & flows, in/outflows

**People**
- Emigrants and Immigrants, tourists, students

**Logistics**
- Container port throughput (TEU)
- Liner shipping connectivity index
- Air transport, passengers carried

**Macro convergence**
- Net ODA
- Foreign Reserves
- Inflation
- GDP per capita .......

ESCWA monitoring and evaluating system
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
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
Negotiation
ESCWA monitoring and evaluating system

Implementation

- 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.
Thank you for your time!