

# *Section 1. The Index*

*Measuring where Africa stands on regional integration gives an assessment of what is happening across the continent and is an important way of highlighting where the gaps are. It is a dynamic, evolving way to track integration by giving everyone access to verified, quality information to start a dialogue and take forward the next steps to integrate Africa.*

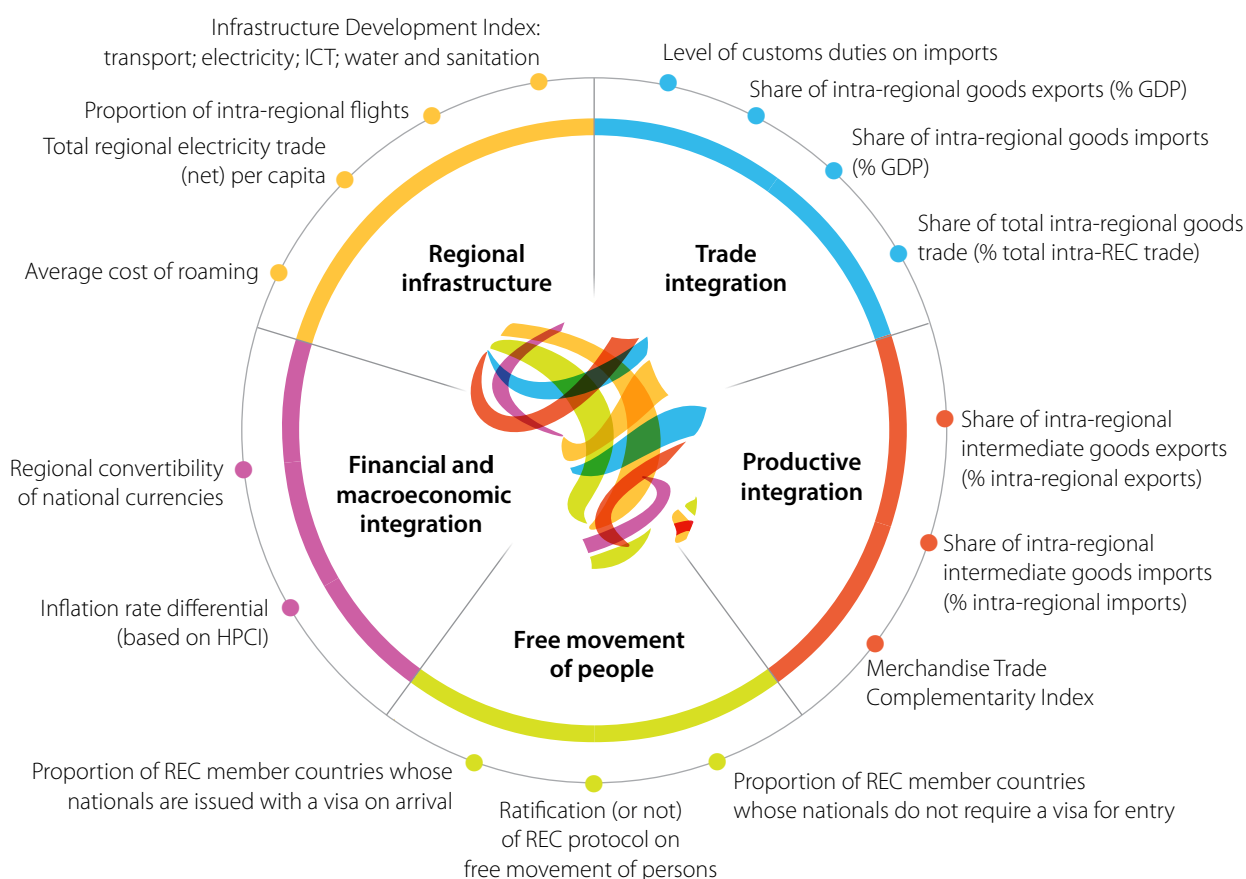
# Index Makeup

The Index is made up of five Dimensions, which are the key socio-economic categories that are fundamental to Africa's integration. Sixteen Indicators (based on available data), which cut across the five Dimensions, have been used to calculate the Index. Further details are set out in Table 1.

The Index 2016 report covers Member Countries from the eight Regional Economic Communities (RECs) recognized by the African Union. The Dimensions and Indicators chosen for the Index are based on the Abuja Treaty and its operational framework.

Regional integration is cross-border and multi-dimensional. Indicators that have a cross-border interaction, and where verified, quality data is available, have been used to make up the Index. Future editions of the Index will grow in scope as more data becomes available.

## The Index: Five Dimensions and sixteen Indicators



# Index Impacts

The Index aims to be an accessible, comprehensive, practical and results-focused regional integration tool that focuses on the policy level and on-the-ground realities.

- **Accessible:** a centralized data system on regional integration will be made publicly available to inform policy decisions and drive policy reforms on priority areas.
- **Comprehensive:** the 16 Indicators that make up the five Dimensions of the Index build an overview and dimensional view of Africa's regional integration.
- **Practical:** at-a-glance rankings and scores for RECs, and for countries within a REC, overall and by Dimension. Countries are classed as high performers, average performers or low performers within each REC.
- **Results-focused:** comparative analysis within and among RECs takes into account the diversity in Africa's integration process. A REC, and a country within a REC, can identify its strengths and gaps across each of the Dimensions.

RECs can be compared on overall integration scores and on scores in each of the five Dimensions. As the Index recognizes and uses the RECs as the building blocks for the African Economic Community, based on the Abuja Treaty, there are no overall country rankings.<sup>1</sup>

A country's classification within a REC shows (with a 95% confidence interval) when a country is a:

- **High performer** – score is higher than average of countries
- **Average performer** – score is within the average of countries
- **Low performer** – score is below the average of countries

As some countries are members of more than one REC, they have multiple rankings/scores. To see the distance they have to travel overall, as well as in particular Dimensions, countries can be compared against the average scores of the top performing countries in a REC. For a REC with six or more countries, the reference is the average of the top four countries.

The Regional Economic Communities (RECs) are regional groupings of African states. The RECs have developed individually and have differing roles and structures. Generally, the purpose of the RECs is to facilitate regional economic integration between members of the individual regions and through the wider African Economic Community (AEC), which was established under the Abuja Treaty (1991). The 1980 Lagos Plan of Action for the Development of Africa and the Abuja Treaty proposed the creation of RECs as the basis for wider African integration, with a view to regional and eventual continental integration.

## The AU recognizes eight RECs:<sup>2</sup>

<b>CEN-SAD</b>	Community of Sahel-Saharan States
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>EAC</b>	East African Community
<b>ECCAS</b>	Economic Community of Central African States
<b>ECOWAS</b>	Economic Community of West African States
<b>IGAD</b>	Intergovernmental Authority on Development
<b>SADC</b>	Southern African Development Community
<b>UMA</b>	Arab Maghreb Union

1. In subsequent editions, a full index that ranks the 54 countries will be provided.

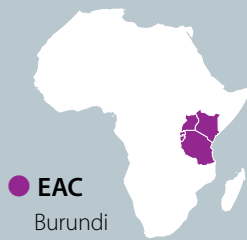
2. Source: African Union, <http://www.au.int/en/organs/recs>

# Index in Africa



## CEN-SAD

- Benin
- Burkina Faso
- Cabo Verde
- Central African Republic
- Chad
- Comoros
- Côte d'Ivoire
- Djibouti
- Egypt
- Eritrea
- Gambia
- Ghana
- Guinea
- Guinea-Bissau
- Kenya
- Liberia
- Libya
- Mali
- Mauritania
- Morocco
- Niger
- Nigeria
- São Tomé and Príncipe
- Senegal
- Sierra Leone
- Somalia
- Sudan
- Togo
- Tunisia



## EAC

- Burundi
- Kenya
- Rwanda
- Uganda
- United Republic of Tanzania



## IGAD

- Djibouti
- Eritrea
- Ethiopia
- Kenya
- Somalia
- South Sudan
- Sudan
- Uganda



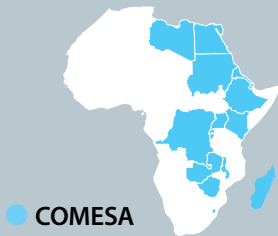
## ECCAS

- Angola
- Burundi
- Cameroon
- Central African Republic
- Chad
- Congo
- Democratic Republic of the Congo
- Equatorial Guinea
- Gabon
- Rwanda
- São Tomé and Príncipe



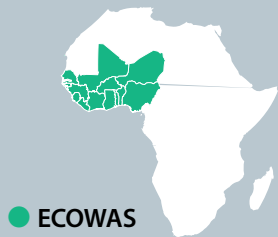
## SADC

- Angola
- Botswana
- Democratic Republic of the Congo
- Lesotho
- Madagascar
- Malawi
- Mauritius
- Mozambique
- Namibia
- Seychelles
- South Africa
- Swaziland
- United Republic of Tanzania
- Zambia
- Zimbabwe



## COMESA

- Burundi
- Comoros
- Democratic Republic of the Congo
- Djibouti
- Egypt
- Eritrea
- Ethiopia
- Kenya
- Libya
- Madagascar
- Malawi
- Mauritius
- Rwanda
- Seychelles
- Sudan
- Swaziland
- Uganda
- Zambia
- Zimbabwe



## ECOWAS

- Benin
- Burkina Faso
- Cabo Verde
- Côte d'Ivoire
- Gambia
- Ghana
- Guinea
- Guinea-Bissau
- Liberia
- Mali
- Niger
- Nigeria
- Senegal
- Sierra Leone
- Togo



## UMA

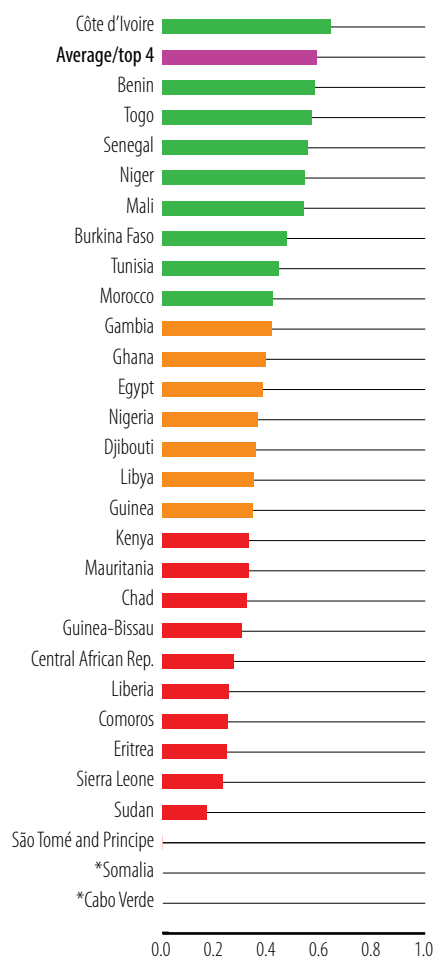
- Algeria
- Libya
- Mauritania
- Morocco
- Tunisia

Some countries are members of more than one REC:

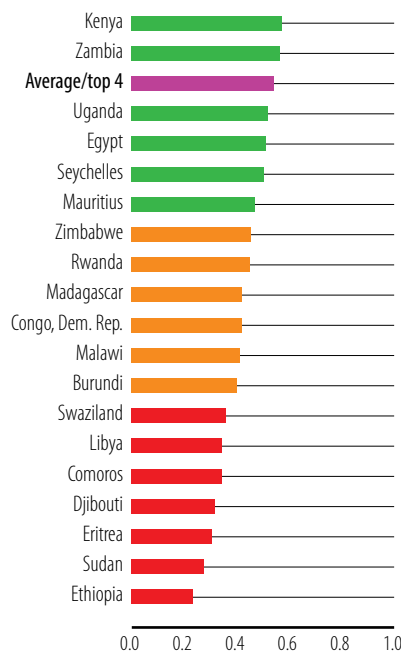
- CEN-SAD
- COMESA
- EAC
- ECCAS
- ECOWAS
- IGAD
- SADC
- UMA
- Algeria
- Angola
- Benin
- Botswana
- Burkina Faso
- Burundi
- Cabo Verde
- Cameroon
- Central African Republic
- Chad
- Comoros
- Congo
- Côte d'Ivoire
- Democratic Republic of the Congo
- Djibouti
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- Ghana
- Guinea
- Guinea-Bissau
- Kenya
- Lesotho
- Liberia
- Libya
- Madagascar
- Malawi
- Mali
- Mauritania
- Mauritius
- Mozambique
- Namibia
- Niger
- Nigeria
- Rwanda
- São Tomé and Príncipe
- Senegal
- Seychelles
- Sierra Leone
- Somalia
- South Africa
- South Sudan
- Sudan
- Swaziland
- Togo
- Tunisia
- Uganda
- United Republic of Tanzania
- Zambia
- Zimbabwe

# Regional integration overall in Regional Economic Communities

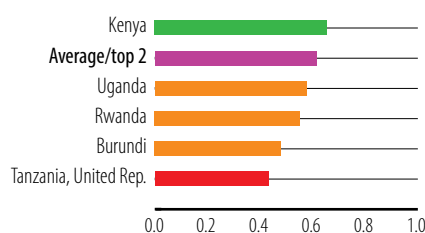
## CEN-SAD: Overall scores on Regional integration



## COMESA: Overall scores on Regional integration



## EAC: Overall scores on Regional integration



- Country is a high performer – score is higher than average of countries
- Country is an average performer – score is within the average of countries
- Country is a low performer – score is below the average of countries
- Average of top performing countries within REC

- Scores are calculated on a score of 0 (low) to 1 (high).

- Average with a 95% confidence interval

\* Indicates full data not available for calculation

Index findings are in line with progress being made on RECs' regional integration agendas. The RECs score highly on areas that they have prioritized on regional integration to date.

The different RECs' performance on the Dimensions reinforces how progress is being made through a regional approach to integration in Africa rather than through a continent-wide approach.

## Index findings

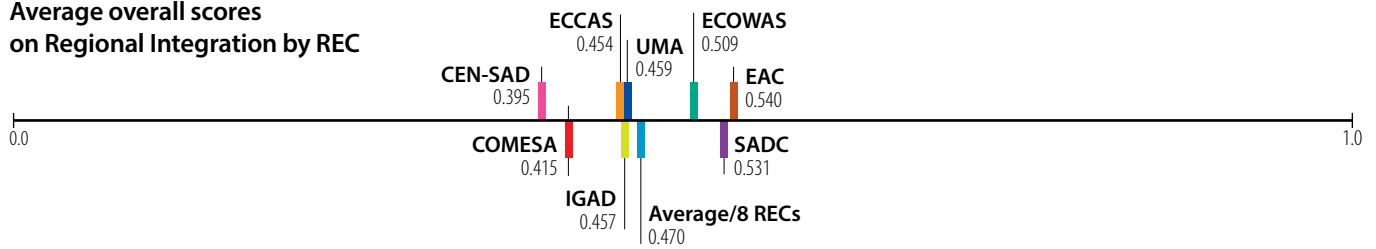
- Average REC scores on Regional integration stand at 0.470 on a scale of 0 (low) to 1 (high).

Average Regional integration scores for the eight RECs stand at below half of the scale from 0-1, showing that overall integration in the regions could significantly progress.

- EAC is the top performing REC on Regional integration overall.

EAC has higher than average scores across each Dimension of Regional integration, except for Financial and macroeconomic integration.

## Average overall scores on Regional Integration by REC



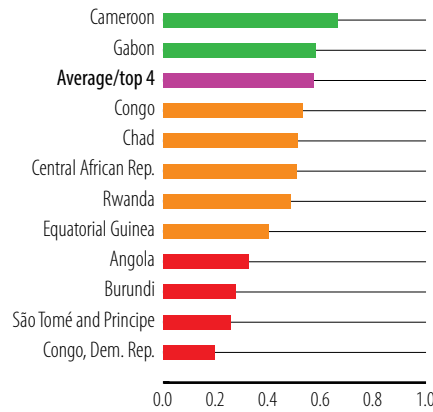
### Index findings

■ SADC and ECOWAS have higher than average REC scores on Regional integration overall.

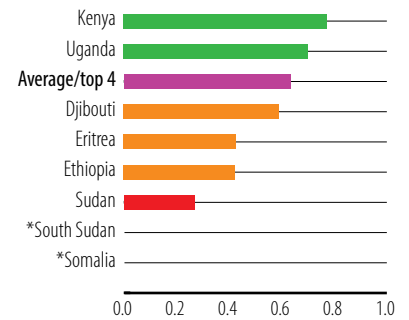
SADC has higher than average REC scores across the Dimensions of Regional infrastructure, Free movement of people and Financial and macroeconomic integration.

ECOWAS has higher than average REC scores across the Dimensions of Free movement of people and Financial and macroeconomic integration.

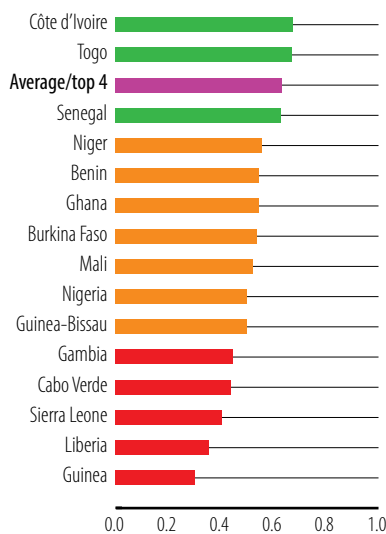
#### ECCAS: Overall scores on Regional integration



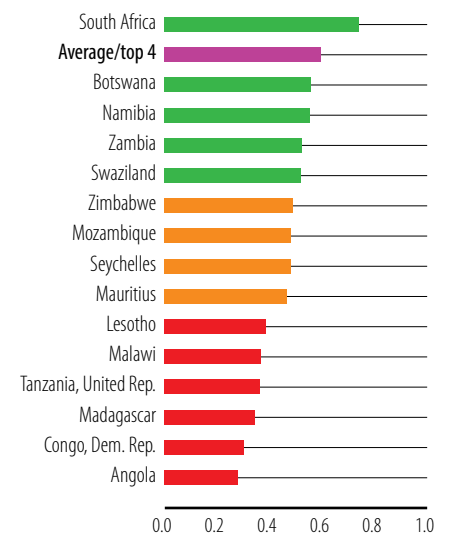
#### IGAD: Overall scores on Regional integration



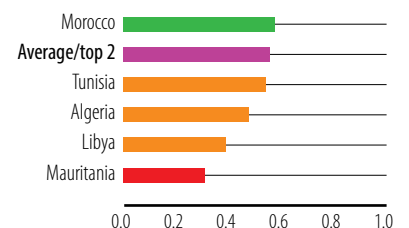
#### ECOWAS: Overall scores on Regional integration scores



#### SADC: Overall scores on Regional integration



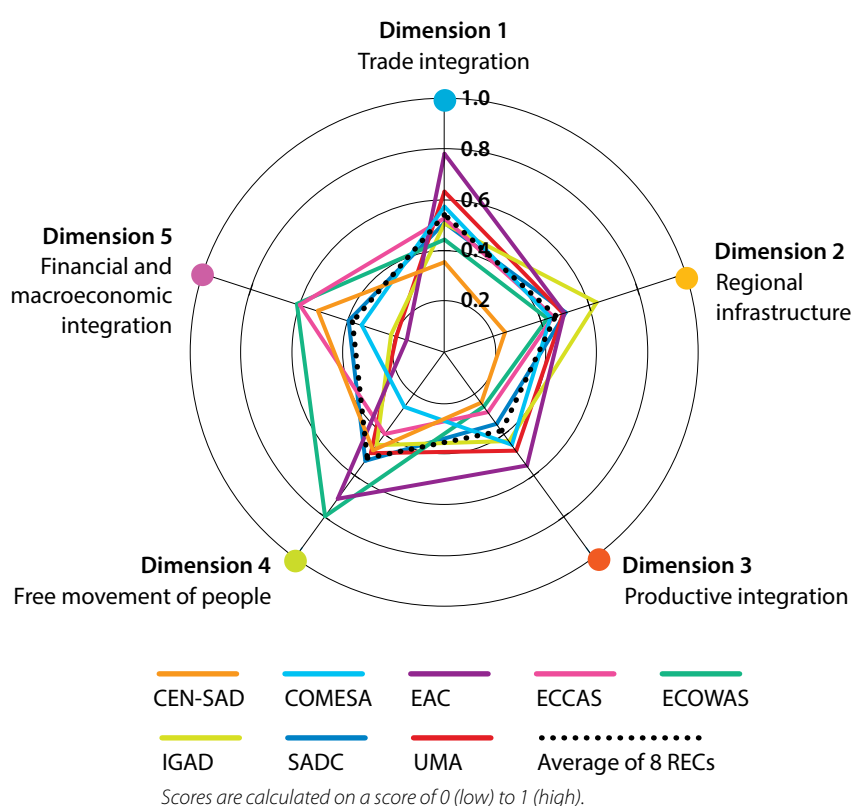
#### UMA: Overall scores on Regional integration



# Index five Dimensions in Regional Economic Communities

There is a strong basis for every REC to build on and address other Dimensions, which can strengthen the integration agenda and drive up a REC's overall regional integration score. To further support integration policy reforms across the continent, the eight RECs can share lessons and insights on each of the Dimensions where they score higher than the average.

## Regional integration overall: average REC scores in the five Dimensions



REC	Trade integration	Regional infrastructure	Productive integration	Free movement of people	Financial and macroeconomic integration
CEN-SAD	0.353	0.251	0.247	0.479	0.524
COMESA	0.572	0.439	0.452	0.268	0.343
EAC	0.780	0.496	0.553	0.715	0.156
ECCAS	0.526	0.451	0.293	0.400	0.599
ECOWAS	0.442	0.426	0.265	0.800	0.611
IGAD	0.505	0.630	0.434	0.454	0.221
SADC	0.508	0.502	0.350	0.530	0.397
UMA	0.631	0.491	0.481	0.493	0.199
<b>Average of eight RECs</b>	<b>0.540</b>	<b>0.461</b>	<b>0.384</b>	<b>0.517</b>	<b>0.381</b>

## Index findings

■ Highest scores are on Trade integration, with average REC scores of 0.540. Trade integration has been a longstanding Regional integration priority across all RECs.

■ Lowest scores are on Financial and macroeconomic integration, with average REC scores of 0.381.

Financial and macroeconomic integration has been limited across the RECs, including ensuring the convertibility of currencies or coordination of macroeconomic policies.

■ Average REC scores are closest together on Regional infrastructure and Productive integration.

Regional infrastructure and Productive integration have recognized REC programmes and progress is ongoing across the regions.

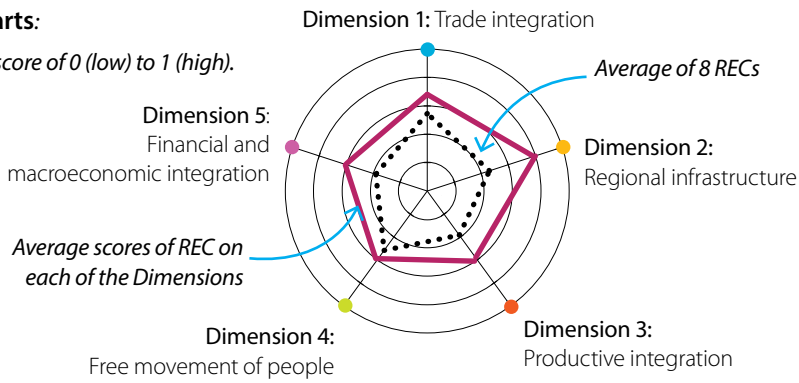
■ Average REC scores are furthest apart on Free movement of people and Financial and macroeconomic integration.

Free movement of people protocols have been signed but their application on the ground has faced challenges in different regions. Ensuring the convertibility of currencies and the coordination of macroeconomic policies at regional level has also not been consistent.

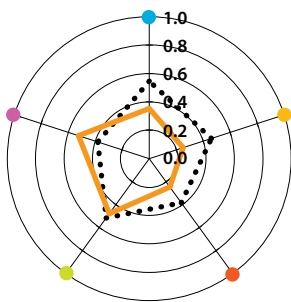
■ Every REC has higher than average scores in one or more Dimensions.

**How to read these charts:**

Scores are calculated on a score of 0 (low) to 1 (high).

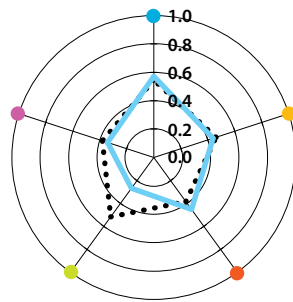


**Regional integration overall: Higher than average REC scores in one or more Dimensions**



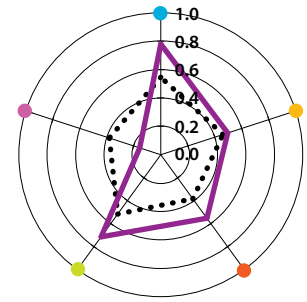
**CEN-SAD**

Financial and macroeconomic integration.



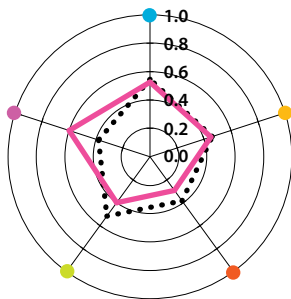
**COMESA**

Trade integration and Productive integration.



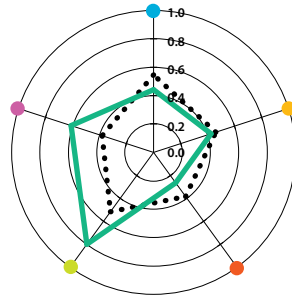
**EAC**

Trade integration, Regional infrastructure, Productive integration and Free movement of people.



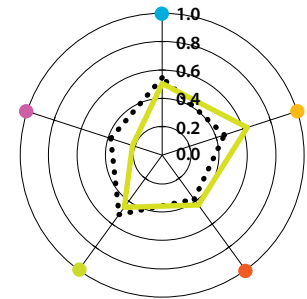
**ECCAS**

Financial and macroeconomic integration.



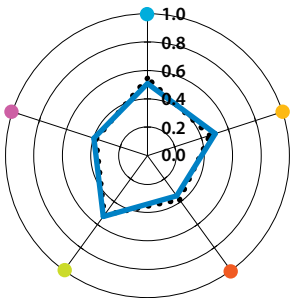
**ECOWAS**

Free movement of people and Financial and macroeconomic integration.



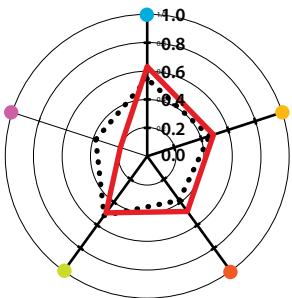
**IGAD**

Regional infrastructure and Productive integration.



**SADC**

Regional infrastructure, Free movement of people and Financial and macroeconomic integration.



**UMA**

Trade integration, Regional infrastructure and Productive integration.

Notes: CEN-SAD's performance on Financial and macroeconomic integration is linked to the presence of WAEMU (West African Economic and Monetary Union) and CEMAC (Central African Economic and Monetary Community) member countries with a common currency in the franc zone.



# Regional integration overall in countries by Regional Economic Community

Integration is multi-dimensional for both RECs and for the countries within each REC. The majority of countries perform well on at least one dimension of Regional integration, even if their overall regional integration score is not high. With the exception of Somalia in CEN-SAD and IGAD, there are no countries that are marked as low performers across all the dimensions. Each country can share lessons and insights with other countries on the areas where they perform strongly and also identify how to address any gaps going forward.

## 'Deeply integrated' countries

Top performing countries on Regional integration overall, relative to other African countries, are considered 'deeply integrated,' with economies that are strongly integrated with others in the REC. These countries feature in the top four performers in a REC that has more than six member countries or they feature in the top two performers in a REC that has less than six member countries.

## Index findings

- **28 top performing countries across the eight RECs** on Regional integration overall are considered 'deeply integrated.' These are the top four countries in CEN-SAD, COMESA, ECCAS, ECOWAS, IGAD and SADC and the top two countries in EAC and UMA.<sup>3</sup>
- **A country's economic weight** (as % of regional GDP) does not necessarily correspond to its Regional integration score.<sup>4</sup>

Economically powerful countries are not necessarily better integrated in their RECs, with the exception of South Africa in SADC and Kenya in EAC. There is a strong potential for Algeria, Angola, Democratic Republic of the Congo, Egypt, Ethiopia, Libya, Nigeria, Sudan and the United Republic of Tanzania to integrate more within their RECs by steering their economies towards the region.

## CEN-SAD

- **Nigeria** represents 37% of regional GDP but is not in the top performers on Regional integration, neither is **Egypt**, which represents 18% of regional GDP.
- **Côte d'Ivoire**, which is the top performing country on Regional integration, represents just 3% of regional GDP.

## COMESA

- **Egypt** is the first contributor of wealth creation in the region (with 35% of regional GDP) but is in fourth place on Regional integration.
- **Sudan** and **Libya** are respectively second and third contributors of wealth creation but are not top performers.

## EAC

- **Kenya** and **Uganda** are in the top three contributors to wealth creation in the region with 39% of regional GDP and 21% of regional GDP respectively.

## ECCAS

- **Angola** and **Democratic Republic of the Congo** are the principal contributors to wealth creation in the region with 36% and 19% of regional GDP respectively, but are not top performers.
- **Cameroon** is in first place and is the third contributor of regional GDP.

## ECOWAS

- **Nigeria** is the first contributor of wealth creation in the region (75% of regional GDP), but does not feature in the top performing countries on Regional integration.
- **Côte d'Ivoire** is the top performer on Regional integration but only represents 6% of regional GDP.

## IGAD

- **Ethiopia**, **Sudan** and **Kenya** are the principal contributors to wealth creation in the region (29%, 28.5% and 27.7% of regional GDP respectively).
- Only **Kenya** features as the top performer on Regional integration.

## SADC

- **South Africa** represents 61% of regional GDP and is first of the top performing countries.
- The other top performers are not strong wealth creators in the region
  - **Botswana**, 2% of regional GDP;
  - **Namibia**, 1.8% of regional GDP and
  - **Zambia**, 2.5% of regional GDP).

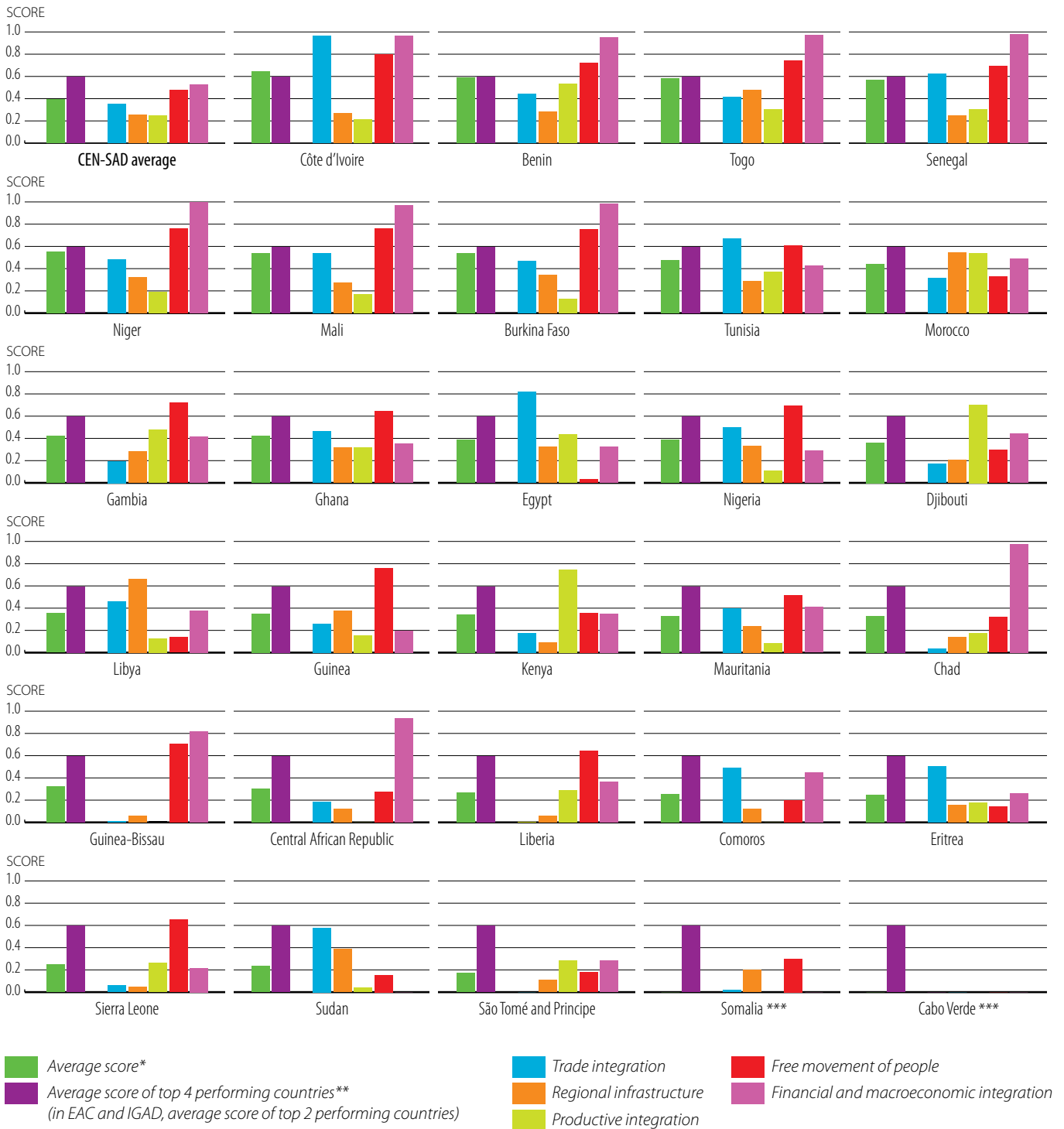
## UMA

- **Algeria** contributes to 42% of regional GDP but is not a top performer in Regional integration, with **Morocco** and **Tunisia** ahead in Regional integration scores.

3. Some countries appear twice in this list, since they are 'deeply integrated' into more than one REC.

4. Shares of regional GDP of the various countries were calculated based on UNCTADStat database, 2016.

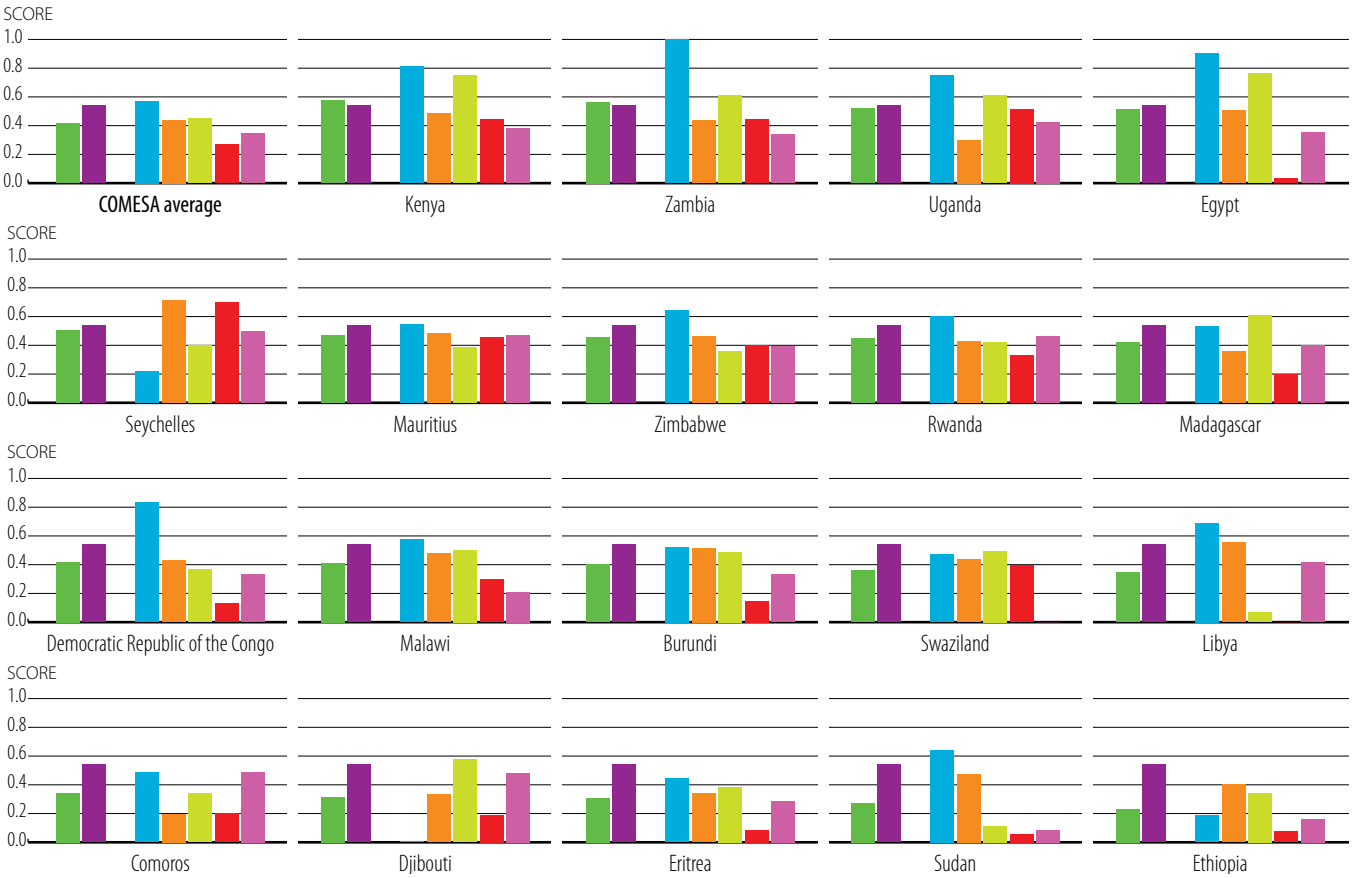
### CEN-SAD: Overview of regional integration scores by country (in order of overall ranking)



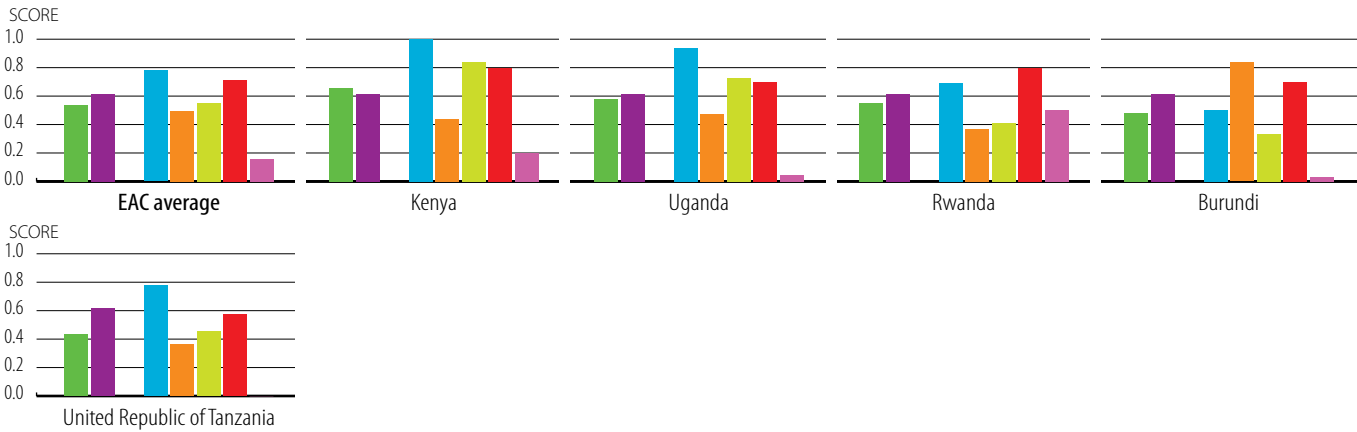
\* Simple average \*\*Average with a 95% confidence interval

\*\*\* Indicates full data not available for calculation

**COMESA: Overview of regional integration scores by country (in order of overall ranking)**

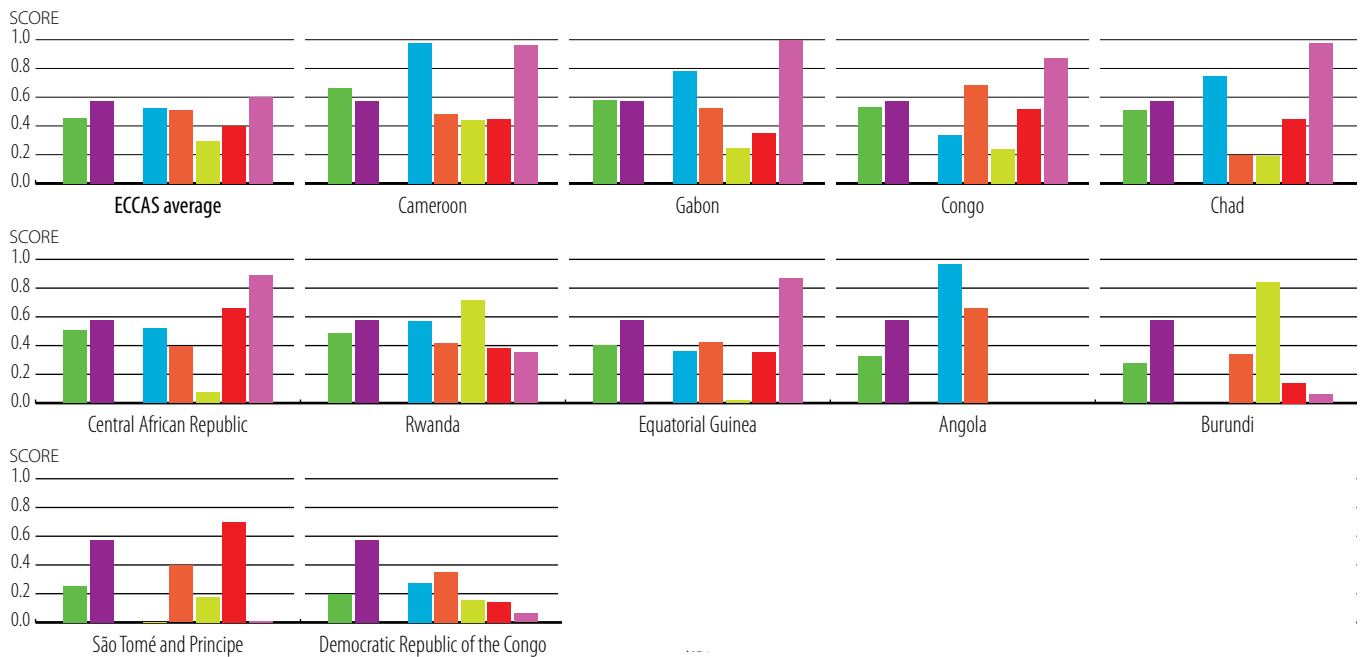


**EAC: Overview of regional integration scores by country (in order of overall ranking)**

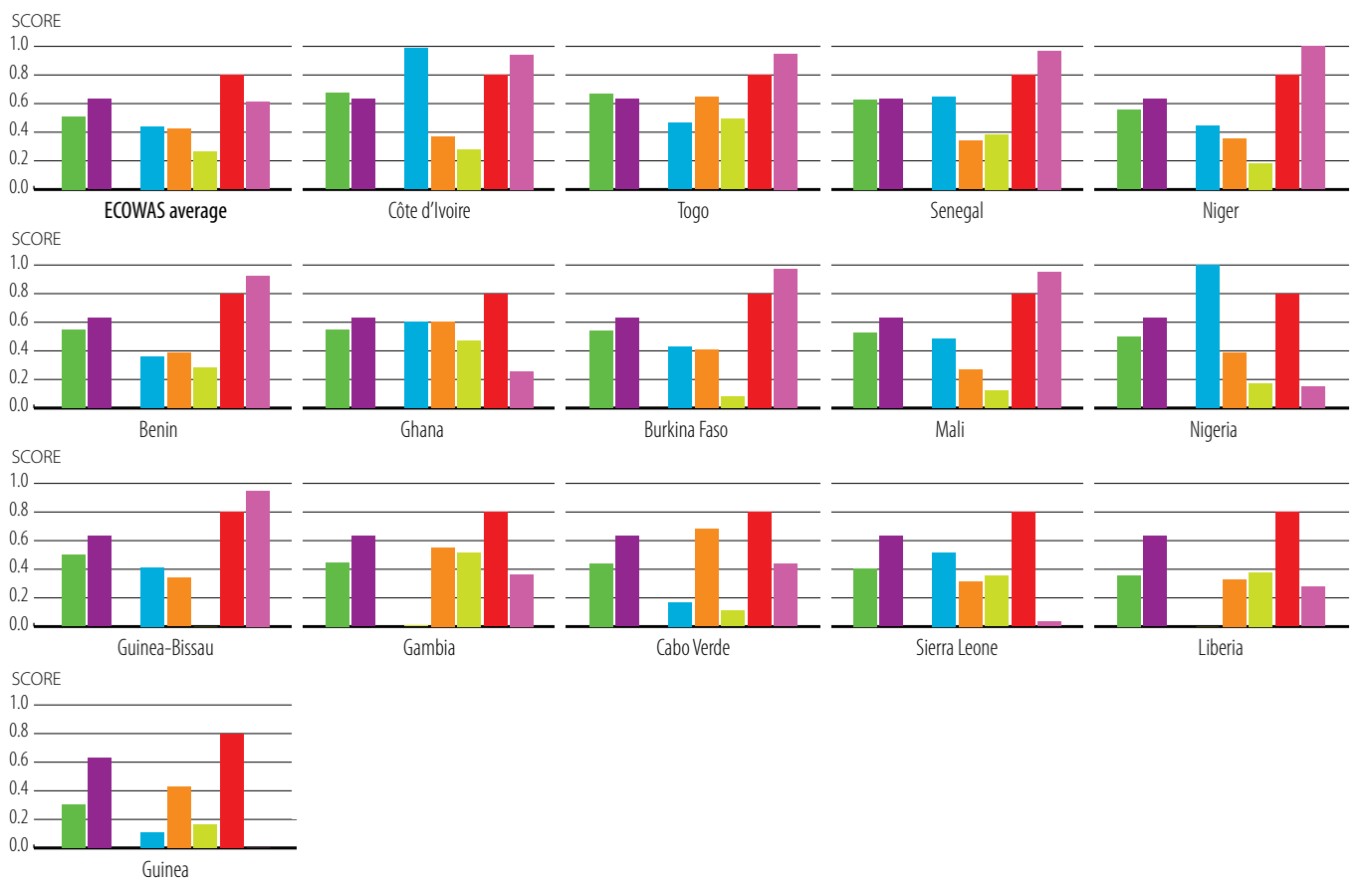


\* Simple average \*\*Average with a 95% confidence interval

### ECCAS: Overview of regional integration scores by country (in order of overall ranking)



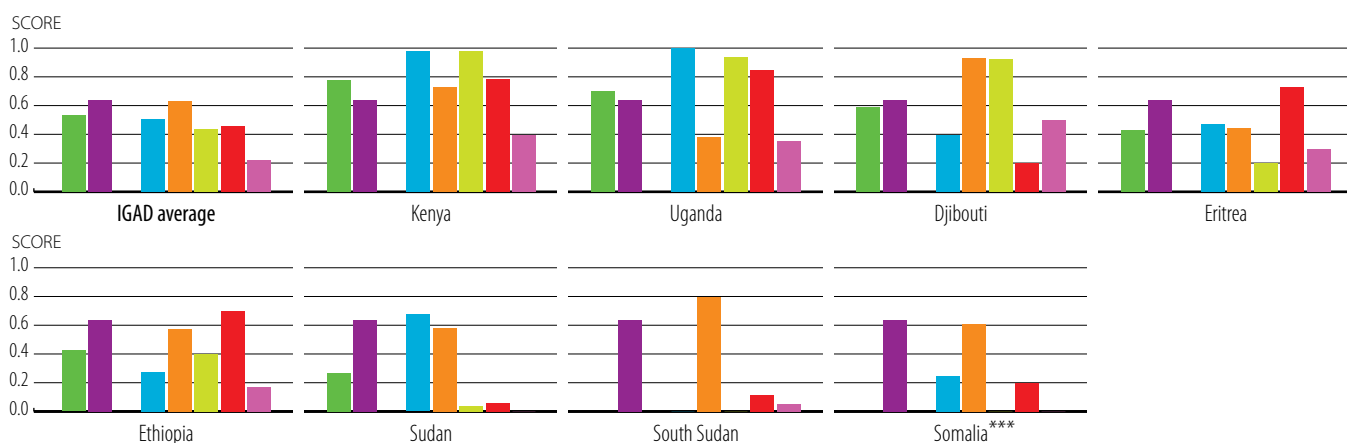
### ECOWAS: Overview of regional integration scores by country (in order of overall ranking)



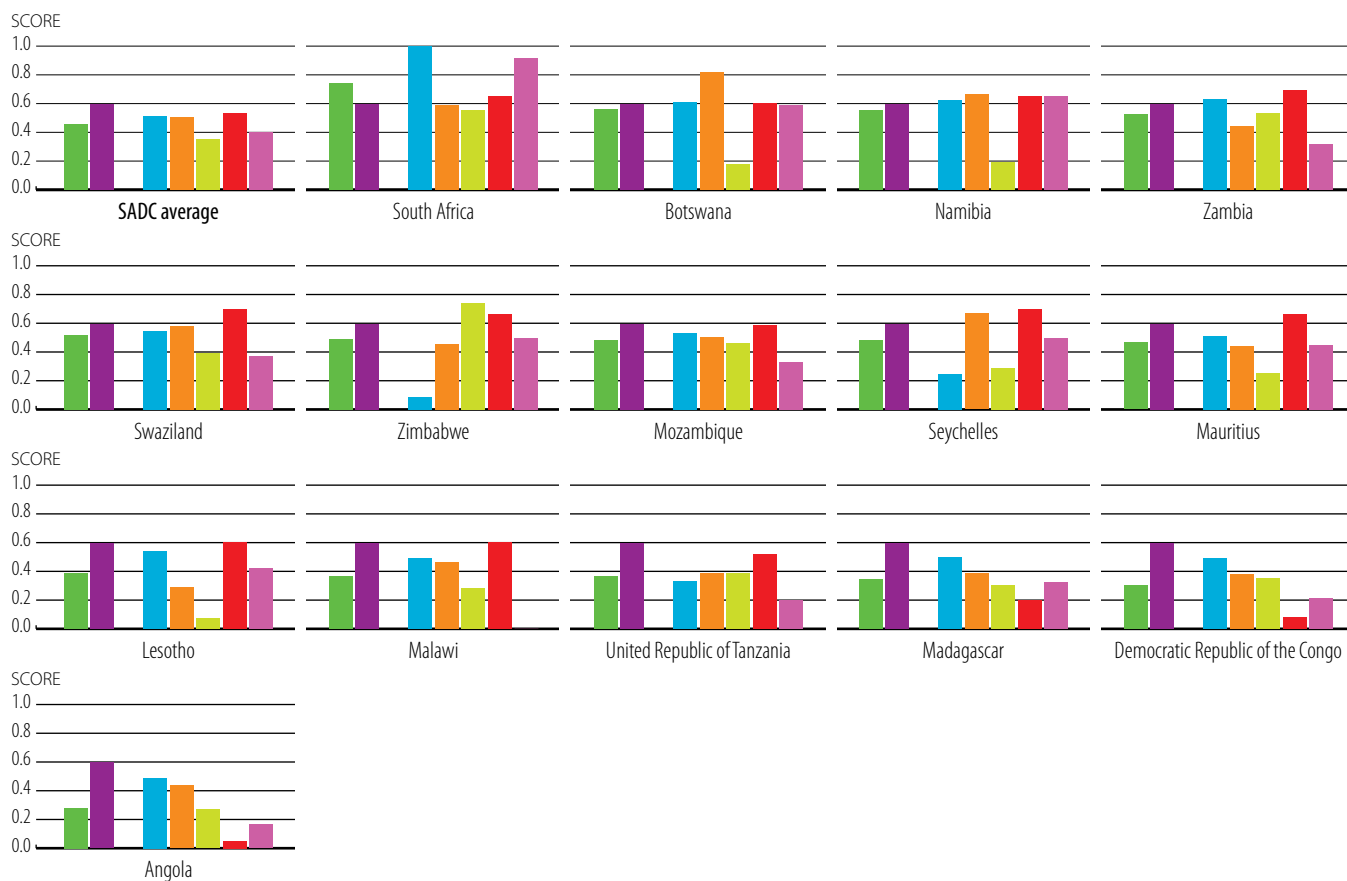
■ Average score\*      ■ Trade integration      ■ Free movement of people  
■ Average score of top 4 performing countries\*\* (in EAC and IGAD, average score of top 2 performing countries)      ■ Regional infrastructure      ■ Financial and macroeconomic integration  
■ Productive integration

\* Simple average \*\* Average with a 95% confidence interval

### IGAD: Overview of regional integration scores by country (in order of overall ranking)



### SADC: Overview of regional integration scores by country (in order of overall ranking)

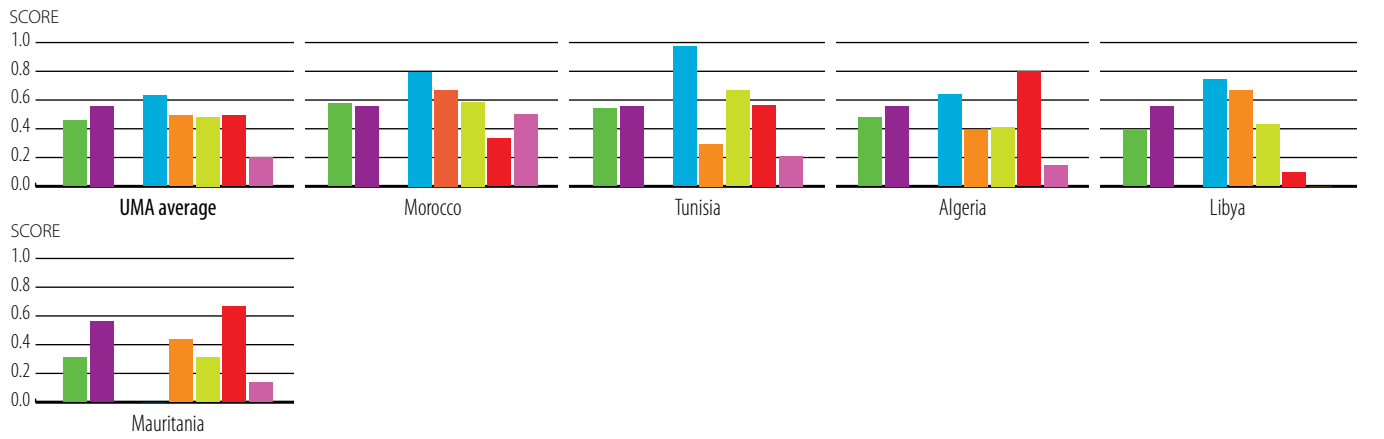


- Average score\*
- Average score of top 4 performing countries\*\* (in EAC and IGAD, average score of top 2 performing countries)
- Trade integration
- Regional infrastructure
- Free movement of people
- Productive integration
- Financial and macroeconomic integration

\* Simple average \*\*Average with a 95% confidence interval

\*\*\* Indicates full data not available for calculation

**UMA: Overview of regional integration scores by country (in order of overall ranking)**



■ Average score\*  
■ Average score of top 4 performing countries\*\*  
 (in EAC and IGAD, average score of top 2 performing countries)

■ Trade integration  
■ Regional infrastructure  
■ Productive integration  
■ Free movement of people  
■ Financial and macroeconomic integration

\* Simple average \*\*Average with a 95% confidence interval

# Index five Dimensions in countries by Regional Economic Communities

## 'Broadly integrated' countries

Countries are considered 'broadly integrated,' when a country is strongly integrated on three or more of the dimensions, showing a breadth of diversity in their integration agenda.

## Top countries on Regional integration with 'deep and broad' integration scores

Integration is 'deep and broad' when a country in a REC is strongly integrated (in the top four or top two countries in their REC) and performs strongly on three or more dimensions.

### CEN-SAD

- No. 1 Côte d'Ivoire** scores highly on:
- Trade integration
  - Free movement of people
  - Financial and macroeconomic integration
- No. 2 Benin** scores highly on:
- Productive integration
  - Free movement of people
  - Financial and macroeconomic integration
- No. 3 Togo** scores highly on:
- Regional infrastructure
  - Free movement of people
  - Financial and macroeconomic integration
- No. 4 Senegal** scores highly on:
- Trade integration
  - Free movement of people
  - Financial and macroeconomic integration

## Index findings

19 of the top performing countries that are 'deeply integrated,' can also be considered broadly integrated, performing strongly on three or more Dimensions

### COMESA

- No. 1 Kenya** scores highly on:
- Trade integration
  - Productive integration
  - Free movement of people
- No. 2 Zambia** scores highly on:
- Trade integration
  - Productive integration
  - Free movement of people
- No. 3 Uganda** scores highly on:
- Trade integration
  - Productive integration
  - Free movement of people
  - Financial and macroeconomic integration
- No. 4 Egypt** scores highly on:
- Trade integration;
  - Regional infrastructure;
  - Productive integration

### EAC

- No. 1 Kenya** scores highly on:
- Trade integration
  - Productive integration
  - Free movement of people

### ECOWAS

- No. 1 Côte d'Ivoire** scores highly on:
- Trade integration
  - Free movement of people
  - Financial and macroeconomic integration
- No. 2 Togo** scores highly on:
- Regional infrastructure
  - Productive integration
  - Free movement of people
  - Financial and macroeconomic integration
- No. 3 Senegal** scores highly on:
- Trade integration
  - Productive integration;
  - Free movement of people
  - Financial and macroeconomic integration

### IGAD

- No. 1 Kenya** scores highly on:
- Trade integration
  - Productive integration
  - Free movement of people
  - Financial and macroeconomic integration
- No. 2 Uganda** scores highly on:
- Trade integration
  - Productive integration
  - Free movement of people
- No. 3 Djibouti** scores highly on:
- Regional infrastructure
  - Productive integration
  - Financial and macroeconomic integration

## SADC

**No. 1 South Africa** scores highly across all five Dimensions:

- Trade integration
- Regional infrastructure;
- Productive integration;
- Free movement of people;
- Financial and macroeconomic integration

**No. 2 Botswana** scores highly on:

- Trade integration;
- Regional infrastructure;
- Financial and macroeconomic integration

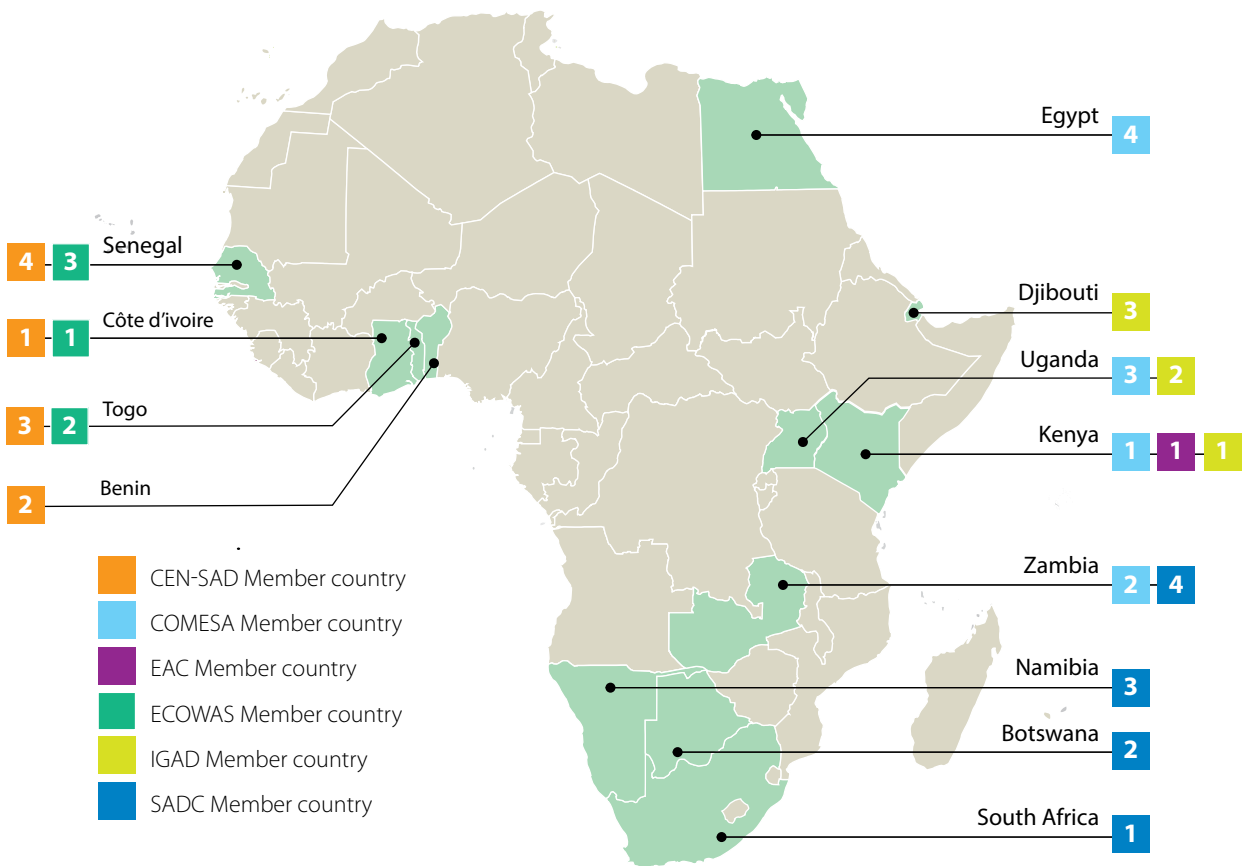
**No. 3 Namibia** scores highly on:

- Trade integration;
- Regional infrastructure;
- Free movement of people;
- Financial and macroeconomic integration

**No. 4 Zambia** scores highly on:

- Trade integration;
- Productive integration;
- Free movement of people

## Top countries on Regional integration with 'deep and broad' integration scores



Notes:

ECOWAS countries with 'deep and broad' integration scores are all WAEMU (West African Economic and Monetary Union) countries.

Benin's high performance in CEN-SAD on Productive integration can be explained by its proximity to Nigeria, since Benin re-exports manufactured products to its neighbour.



# Index Timeline

*“To promote economic, social and cultural development and the integration of African economies in order to increase economic self reliance and promote an endogenous and self-sustained development.”*

*Abuja Treaty establishing the African Economic Community, Article 4. Objective 1. (a)*

## Calls for monitoring and evaluation of regional integration in Africa

- APRIL 2013** 6<sup>th</sup> Joint Annual Meetings of AU-ECA Conference of African Ministers of Finance, Planning and Economic Development
- AfDB Board of Directors approve concept for a project on monitoring regional integration in Africa
- MAY 2013** 6<sup>th</sup> Conference of African Ministers in charge of Integration
- Decision to merge AU/ECA and AfDB projects on monitoring regional integration

## Design and Consultation

- MARCH 2014** 7<sup>th</sup> AU-ECA Conference of Ministers - Framework for Index approved
- JULY 2014** 7<sup>th</sup> Conference of African Ministers in charge of Integration – Framework for Index approved
- Technical Working Group on Architecture of the Index and Roadmap
- DECEMBER 2014** First Conference of African Director Generals of National Statistics Offices and Statistical Commission for Africa – presentation of an Update on Methodology and Indicators
- MARCH 2015** 8<sup>th</sup> AU-ECA Conference of Ministers – Presentation and Review of Index in a side-event

## Capacity building

- NOVEMBER 2014 - JULY 2015** Workshops with 32 national, REC and corridor statistical Focal Points as part of the pilot data training exercise.

## Data collection

- NOVEMBER 2014 - SEPTEMBER 2015** Data collection by trained Focal Points as part of the pilot data collection exercise.

## OCTOBER 2015 – FEBRUARY 2016 Development

- Calculation of the Index with Rankings and Scores.

- APRIL 2016** 9<sup>th</sup> AU-ECA Conference of Ministers side event
- Launch of the Africa Regional Integration Index 2016 Report**