PROJECT DOCUMENT

11TH TRANCHE OF THE DEVELOPMENT ACCOUNT

1 EXECUTIVE SUMMARY

Project Code and Title:	1819__Measuring, monitoring and improving performance in regional integration within ECA, ESCWA and ESCAP regions
Start date:	Between 1 January and 31 March 2018
End date:	Latest by 30 June 2021
Budget:	
UMOJA cost centres: UMOJA functional areas:	
Proposed target countries:	2 countries from Africa (Benin & Tanzania); 2 countries from Western Asia (Kuwait & Tunisia); 2 Countries from Asia and the Pacific (Kyrgyzstan & Tajikistan)
Executing Entity/Entities:	Economic Commission for Africa (ECA)
Co-operating Entities within the UN Secretariat and System:	Economic and Social Commission for Western Asia (ESCWA) and Economic and Social Commission for Asia and the Pacific (ESCAP)

Brief description:

Regional integration is seen as a key priority by many developing countries towards achieving economic diversification, industrialization and structural transformation that are critical steps to enable sustainable growth and development. However, for the regional integration process to be successful, it requires that countries can accomplish certain levels of performance in different dimensions of integration.

The Project precisely aims at strengthening the capacity of selected developing countries to measure, monitor and improve their performance in regional integration within the Africa, Western Asia, and the rest of Asia-Pacific regions.

This objective is to be realized through: 1) The provision of a robust regional integration index to be freely and easily accessible to all stakeholders in each of the three main regions of focus; 2) Capacity building and technical assistance offered to selected developing countries on the use of the information generated through the index for better policy making and analysis with a view to improving their own performance in regional integration, with strong emphasis on trade integration.

2 BACKGROUND

2.1 Context

In a rapidly evolving trade landscape, deepening regional integration is seen as a priority strategy by many developing nations, especially from the African and Arab regions. This is particularly critical to boost intra-regional trade, which is very low in the two regions as compared to other main regions, and support African and Arab countries in their much-needed structural transformation efforts. While the share of intra-regional trade is considerably higher in the Asia and Pacific region, it is concentrated and driven by only few economies in the region making deepening and broadening of economic cooperation and integration paramount for sustainable development.

Several integration frameworks have been set-up or are currently being envisaged in all three regions[1]. However, to date, progress in regional integration has been uneven[2]. Therefore, there is a need to assist Member States and regional organizations within each of the three regions to better assess and monitor performance on different aspects of integration and providing incentives and guidance to them for further progress.

2.2 Mandates, comparative advantage and link to the Programme Budget

The legislative mandates of the United Nations to support its Member States in regional economic integration arise from a number of resolutions and other United Nations documents, including the following:

- General Assembly Resolution 70/1 on "Transforming our world: the 2030 Agenda for Sustainable Development".

  The Resolution acknowledges (paragraph 21) "the importance of the regional and sub regional dimensions, regional economic integration and interconnectivity in sustainable development. Regional and sub regional frameworks can facilitate the effective translation of sustainable development policies into concrete action at the national level"[3].

- The Istanbul Programme of Action on "Programme of Action for the Least Developed Countries for the Decade 2011-2020"[4].

  The Programme emphasizes (paragraph 23 (g)) that "Regional integration […] should also be given greater prominence" especially as it could contribute (paragraph (27 (a)) to "achieve sustained, equitable and inclusive economic growth in least developed countries […] and overcoming their marginalization through their effective integration into the global economy". The Programme further highlights the key role of regional integration in facilitating least-developed countries' development through improved productive capacity (paragraph 44), infrastructure (paragraph 47), and trade (paragraph 64).

- General Assembly Resolution 71/239 on "Follow-up to the second United Nations Conference on Landlocked Developing Countries"[5].

  The Resolution stresses (paragraph 23) "the need to promote meaningful regional integration to encompass cooperation among countries in a broader range of areas than just trade and trade facilitation, including investment, research and development and policies aimed at accelerating regional industrial development and regional connectivity, that this approach is aimed at fostering

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[1] For example: Abuja Treaty, Minimum Integration Programme (MIP), Programme for Infrastructure Development in Africa (PIDA), Tripartite Free Trade Area (TFTA), Continental Free Trade Area (CFTA) for the Africa region; Agadir Declaration, Greater Arab Free Trade Area (GAFTA), Pan-Arab Free Trade Area (PAFTA), Gulf Cooperation Council (GCC) Customs Union, Arab Customs Union (ACU) for the Arab region; Asia Cooperation Dialogue (ACD), Asia-Pacific Economic Cooperation (APEC), Regional Economic Cooperation and Integration (RECI), Association of Southeast Asian Nations (ASEAN), South Asian Free Trade Area (SAFTA), South Asian Association for Regional Cooperation (SAARC), Eurasian Economic Union and Regional Economic Comprehensive Partnership (RCEP)for the Asia and Pacific region. This is not even an exhaustive list.

[2] See AEC scorecard for ASEAN as an example (http://www.asean.org/storage/images/2015/November/aec-page/AEC-2015-Progress-and-Key-Achievements.pdf).

[3] See http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.

[4] See http://unohrlls.org/UserFiles/File/IPoA.pdf.

[5] See http://unohrlls.org/custom-content/uploads/2017/02/GA-Resolution-71-239-Follow-up-to-the-second-United-Nations-Conference-on-Landlocked-Developing-Countries_english.pdf.

structural change and economic growth in landlocked developing countries as a goal, and also as a means of collectively linking regions to global markets, that this would enhance competitiveness and help to maximize benefits from globalization and that documentation and the sharing and dissemination of best practices are important to allow cooperating partners to benefit from each other's experience".

The following specific mandates for ECA, ESCWA and ESCAP to work on regional integration, and particularly an index, should be mentioned:

- ECA Resolution 914 (XLVII) from the Addendum (E/2014/15/Add.1) to the report of the Secretary-General on "Regional cooperation in the economic, social and related fields"; the Addendum containing information on resolutions and decisions adopted at the Seventh Joint Annual Meetings of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development (47th Session of the ECA), and African Union Conference of Ministers of Economy and Finance, held in Abuja on 29 and 30 March 2014[6].

  The Resolution "called upon ECA and the African Union Commission to take all necessary steps to develop and use an African regional integration index, and urged them to work closely with the regional economic communities in the development and use of the African regional integration index".

- ESCWA Resolution 214 (XIX) of May 1997 on the "Establishment of a technical committee on liberalization of foreign trade and economic globalization in the countries of the ESCWA region".

  The Resolution stipulates ESCWA's role in cooperating with member countries to establish programmes and assist them in outlining appropriate national and regional economic development policies to enable them to benefit from the trends towards liberalization of foreign trade and economic globalization.

  ESCWA Resolution 308 (XXVII) on the "The regional dimension of development" emphasizes the role of ESCWA as a regional commission to further develop their analytical capacities to support country-level development initiatives in support of regional integration efforts[7].

- ESCAP Resolution 70/1 on "Implementation of the Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific" from ESCAP 70th Commission Session, held in Bangkok on 23 May 2014[8].

  The Resolution "Endorses the Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific"[9] and requests ESCAP's Executive Secretary "to accord priority to the implementation of the recommendations of the Bangkok Declaration on Regional Economic Cooperation and Integration in Asia and the Pacific". It further specifies that "the agenda for regional economic cooperation and integration is aimed at deepening and broadening economic cooperation and integration in Asia and the Pacific and at moving towards the formation of an economic community of Asia and the Pacific as a long-term goal".

In light of the above, ECA and ESCWA have both started working on the development of regional integration indexes to allow for ranking countries and regional economic communities according to their integration performances, utilizing computation of key defined indicators of economic and social integration. ECA has already completed and officially launched the first edition of the Africa Regional Integration Index (ARII)[10], and is currently working on a second edition which will include several improvements to the methodology. A first version of the Arab Economic Integration System of Indexes (AEISI) has also been constructed by ESCWA and results published in the first edition of Assessing Arab Economic Integration Report (AAEIR)[11]. ESCAP envisages to draw upon the Asia-Pacific Regional Integration Index (APRII)[12], recently developed by the Asian Development Bank (ADB), which is largely inspired from ECA and ESCWA methodologies.

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[6] See http://www.regionalcommissions.org/2014RCRadd1.pdf.

[7] ESCWA Resolution 308 (XXVII). The regional dimension of development available on https://www.unescwa.org/sites/www.unescwa.org/files/ministerial_sessions/resolutions/308xxvii.pdf

[8] See https://www.unescap.org/sites/default/files/E70_RES1E.pdf.

[9] See Annex of ESCAP Resolution 70/1 (http://undocs.org/en/E/ESCAP/RES/70/1).

[10] See https://www.integrate-africa.org/fileadmin/uploads/afdb/Documents/ARII-Report2016_EN_web.pdf.

[11] See https://www.unescwa.org/sites/www.unescwa.org/files/publications/files/assessing-arab-economic-integration.pdf.

[12] See https://www.adb.org/sites/default/files/publication/300836/ewp-511.pdf.

The project seeks to achieve the following expected accomplishments, as outlined in Project Proposal X of the Proposed Programme Budget for the biennium 2018-2019 (A/72/6 Sect. 35)[13]:

(1) Enhanced capacities of selected Member States to measure and monitor their progress in regional integration; and

(2) Strengthened capacities of selected Member States to improve their performance in regional integration.

Further, the project will contribute to achieving the expected accomplishments outlined in the subprogrammes of ECA, ESCWA and ESCAP for the period 2018-2019, as follows:

- ECA subprogramme 2 (Regional integration and trade): "Enhanced capacity of member States and regional economic communities to develop, implement and monitor policies and programmes in the areas of intra-African and international trade and create an environment conducive to attracting investments";
- ECA subprogramme 8 (Development planning and administration): "Strengthened capacity of member States to develop and adopt better approaches to economic policy formulation, management, monitoring and evaluation" and "Enhanced capacity of member States for better development planning, including long-term visioning, sectoral policy design and planning, urban and regional planning";
- ESCWA subprogramme 3 (Economic development and integration): "Enhanced enabling macroeconomic policy environment for regional integration supported by policy assessment tools" and "Improved regional coordination among member States for cross-border infrastructure, especially in transport and trade facilitation";
- ESCAP subprogramme 2 (Trade, investment and innovation): "Enhanced national evidence-based policies on trade, investment, enterprise development, science, technology and innovation for sustainable development". In addition, this project may also strengthen the delivery of ESCAP subprogramme 2 in regard to strengthening the capacity of member States to formulate and implement trade policies and measures, to effectively negotiate, conclude and implement trade and investment agreements, at the global, regional and bilateral levels and to comprehend the increasingly complex landscape of such agreements.

It is also anticipated that ECA subprogramme 7 (Subregional activities for development) will benefit from the Project, predominantly towards the following expected accomplishments: "Strengthened capacity of member States in the Western Africa subregion, the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union to implement subregional development priorities, with due consideration to gender perspectives"; "Strengthened capacity of member States in the East Africa subregion, the East African Community, the Intergovernmental Authority on Development and the Economic Community of the Great Lakes Countries, to implement subregional development priorities, with due consideration to gender perspectives"

2.3 Country demand and target countries

Two countries within each of the three regions (i.e. ECA, ESCWA and ESCAP) have been identified to benefit from the Project. The selection is based on the following three criteria:

- Any possible request for assistance in the area of regional integration received by the UN RCs;
- Performance in regional integration and particularly trade integration; whenever possible based on existing preliminary versions of the regional integration index;
- Development status; priority is being given to countries with special needs, such as: least-developed countries (LDCs), landlocked countries, economies in transition, and countries with perceived capacity challenges in tackling regional integration-with special emphasis on trade integration- issues.

It should be noted that prior to the start of implementation phase of the Project, each UN RC involved in the Project will consult with the proposed target Member States to obtain formal confirmation that they wish to benefit from the Project and are fully committed to the activities planned for the duration of the

[13] See https://www.un.org/development/desa/da/wp-content/uploads/sites/52/da-project-management-documents/1371_1498677693_Fascicle_T11_21-04-2017.pdf.

Project. In case a country is not in agreement, an alternative country will be considered based on the above mentioned selection criteria.

In the Africa region, the following countries were selected:

- **Benin**

  Benin is a relatively small LDC from the West African region. It belongs to the Economic Community of West African States (ECOWAS) and is performing relatively poorly in terms of regional integration within its economic grouping. This is driven by particularly weak integration in the areas of trade, productive capacity and infrastructure development[14]. Since 2016, the presidency of the ECOWAS Commission is assumed by Benin; following his election, ECOWAS President emphasized the importance of regional integration and that he intends to make the free movement of people and good a priority of his mandate[15]. In June 2017, a Memorandum of Understanding (MoU)[16] was signed between ECA and ECOWAS for "Joint cooperation in support of the implementation of ECOWAS Vision 2020 & its Strategic Plan" with a strong focus on the need to foster regional integration of ECOWAS countries, and specific references to efforts required in the areas of trade, infrastructure and free movement; efforts which are clearly justified in the case of Benin.

- **Tanzania**

  Tanzania is an LDC with the 6th largest population in Africa and 53 million people (in 2015). The country's population is expected to be among the world fastest growing and is foreseen to be multiplied by more than 5 between now and 2100 to reach and estimated population of 299 million[17]. This will increase pressure on the country's government to ensure sustainable development and that no-one is left behind. Successful reforms with regards to economic and social integration are expected to play a key role in offering positive development prospects to the country. As it stands, Tanzania is a member of two major regional groupings in Africa, namely the Southern African Development Community (SADC) and the East African Community (EAC)– Tanzania is hosting EAC's Headquarters. The country's regional integration performance is poor within each of the groups. This is true across all the different dimensions of regional integration. Discussions with ECA sub-regional office for Eastern Africa which works with EAC and the Tanzania government-notably the Ministry of East African Cooperation, indicate that, although Tanzania has not been at the forefront of the regional integration agenda within its sub-region, benefits for the country from the integration process-at least as far as trade is concerned- are acknowledged. In fact, Tanzania's trade integration is no longer limited by tariff barriers but rather by important non-tariff barriers (NTBs) and poor infrastructure. Tanzanian government is actually showing commitment to work closely with the private sector in the regional integration process, especially to effectively address NTBs which strongly undermine Tanzania's trade[18]. The Project can provide an evident framework to facilitate public-private engagement in regional integration for Tanzania.

For Western Asia, the selected countries are:

- **Kuwait**

  Located at the tip of the Persian Gulf between Iraq and Saudi Arabia, the State of Kuwait has a relatively open economy heavily reliant on petroleum. In 2015, Kuwait registered a nominal GDP of USD 112.8 billion in contrast to the USD 174 billion and USD 162 billion in 2013 and 2014, respectively. The fall in GDP is entirely attributable to the plunge of oil prices in recent years and is indicative of the level of dependency of the Kuwaiti Economy on petroleum. Subsequently, annual GDP growth has taken a serious dip, from 9.6% in 2011 to 1.8% in 2016[19]. Except for a few periods of oil price slump, the government had been operating with a budget surplus since the 1980s and never had to borrow to finance its expenditures. More recently, the sustainable sharp decline of oil has seriously jeopardized the fiscal situation and forced the government to withdraw funds from the Future Generations Fund (FGF) and the General Reserves Fund (GRF). In 2015, the government

[14] See https://www.uneca.org/sites/default/files/PublicationFiles/arii-report2016_en_web.pdf.

[15] See http://www.west-africa-brief.org/content/en/marcel-alain-de-souza-new-ecowas-commission-president.

[16] Document referenced PRMS/MoU/17/04.

[17] See https://esa.un.org/unpd/wpp/publications/files/key_findings_wpp_2015.pdf.

[18] See https://www.trademarkea.com/news/tanzania-govt-committed-to-support-regional-integration-process/.

[19] World Bank national accounts data, and OECD National Accounts data files.

of Kuwait launched a new five-year development plan whose goals involve the implementation of investment projects to improve the core infrastructure, public utilities and housing as well as introducing substantial economic reforms to encourage private sector development[20].

Kuwait is the 47th largest export economy in the world. Its 2016 exports were valued at USD 46 billion, 90% of them consisting of crude oil and other petroleum derivatives. Kuwait also exports organic chemicals such as acyclic alcohols and other types of fertilizers. The country's yearly exports value has been significantly dropping over the last few years because of the decline of oil prices. It also exported a USD 4.9 billion worth of commercial services during the same year. Kuwait's top export destinations are South Korea (USD 8 billion), China (USD 6.9 billion), Japan (USD 5.7 billion) and India (USD 5.65 billion). On the other hand, the country registered a USD 31 billion worth of merchandise imports in 2016, ranking Kuwait 60th in the world. These imports include motor vehicles, mechanical appliances, electrical machinery, iron and steel. The net value of commercial services imports reached 25 Billion USD consisting mainly of travel services, transport and other commercial services. Top import origins are the EU (7 Billion USD), China (4.6 Billion USD), the United States (2.9 Billion USD), the UAE (2.8 Billion USD) and Japan (2 Billion USD)[21]. From an Arab regional perspective, Kuwait trades in a significant amount only with its partners in the GCC (Gulf Cooperation Council) compared to other regional blocs around the world. The Project can support Kuwait's trade expansion with ESCWA member States beyond GCC

- **Tunisia**

  Tunisia is part of the Maghreb countries sub-region which comprises 5 countries (i.e. Algeria, Libya, Mauritania, Morocco, and Tunisia). Like most of the region, Tunisia faces major development challenges especially after the revolution that took place in 2011 and led to the ousting of President Zine El Abidine Ben Ali. These include a rapidly growing young population, high unemployment rates, and vulnerability to price shocks and climate change. The new government is facing a growing challenge of putting the country back on track with increased social and economic opportunities for its population while ensuring environmental sustainability. According to ESCWA analysis, Tunisia has maintained its position as a net importer since 2013 with a gradual widening of the imports scoring a trade balance of negative 12% in 2016. Between 2015 and 2016 trade deficit in Tunisia increased from 11.7% of GDP to 12.1% of GDP in Tunisia. A World Bank study[22] suggests that per-capita GDP in Tunisia would nearly double if meaningful regional integration were to take place[23]. Therefore, a clear political vision and implementation plan that emphasizes better resource allocation between regions and localities and the integration of regions through regional value-chains and dynamic comparative advantages is needed. Tunisia signed many FTAs agreements mostly with its main trade partners (EU, Arab Countries, and Turkey) and it is embarked on a new trade agreement with the EU (DCFTA). ESCWA and the government of Tunisia are finalizing the cooperation agreement which also covers many dimensions related to trade policy mainly on trade in services and trade for agricultural products.

Trade-driven economic growth has been instrumental in socio-economic improvements in a number of counties in Asia and the Pacific. However, not all countries have been able to fully utilize opportunities offered by regional integration, most specifically in the area of trade. In particular, countries in Central Asia, in part due to being land-locked, have not had the same levels of trade-driven growth as when compared to, for example, ASEAN. Conventional economic theory suggests that countries physically located next to each other should trade the most with each other. Furthermore, countries in Central Asia generally rely on relatively narrow range of exports, that are often low valued added commodities susceptible to price volatility. According to the Asia-Pacific Regional Integration Index, Central Asia is the sub-region in Asia and the Pacific with the poorest performance in regional integration; with performance in trade and investment integration as well as free movement of people and infrastructure and connectivity being significantly lower than in any other sub-regions. Recognizing that there are significant barriers to trade, during the recent meeting of the United Nations Special Programme for the Economies of Central Asia (SPECA) Governing Council, SPECA members requested the secretariat to provide assistance in conducting research on

[20] International Monetary Fund, Kuwait: Selected Issues, IMF Country Report No.17/16, available from: https://www.imf.org/~/media/Files/Publications/CR/2017/cr1716.ashx

[21] WTO Trade profile for Kuwait, Available: http://stat.wto.org/CountryProfiles/KW_e.htm.

[22] See http://documents.worldbank.org/curated/en/997471468278036144/pdf/371020MNA0WP14401PUBLIC1.pdf.

[23] In Tunisia, which already enjoy free trade in manufactures with the EU, the potential for trade diversion is minimal.

technical and procedural barriers in trade[24].

Against this background, selected countries from the Asia-Pacific region are as follow:

- **Kyrgyzstan**

  Kyrgyzstan is a highly trade-dependent economy with a trade-to-GDP ratio of at around 125%. With merchandise trade accounting for 76.3% of total trade. The country is particularly dependent on merchandise imports – which in 2015 accounted for 70.8% of merchandise trade–as the majority of the country's trade revenue is generated from re-exports activity. Kyrgyzstan's entry to the Eurasian Economic Union (EEU) in 2015 has particularly proven to be detrimental to its imports growth due to changing customs conditions in the short term and higher costs for importing goods from other countries such as China–the largest import partner (63.0%)– and which so far have notably led to falling imports volume. Similarly, merchandise exports in 2015 fell sharply by 11% while contracting only modestly by 1.2% on average over the 2010-2015 period. Lower world gold prices, currency depreciation and weak demand from within major EEU economies, especially the Russian Federation and Kazakhstan, largely explain for contracting exports growth in both value and volume terms. Intra-regional trade costs in Kyrgyzstan remained considerably higher and showed a steady increasing trend over the period 2009-2013. The country has 11 trade agreements in force, with 42% of total exports going to its preferential trade agreement (PTA) partners and 34% of its total imports are from PTA partners. Performance in regional integration, notably trade integration, for Kyrgyzstan is assessed to be amongst one of the lowest within Asia and the Pacific's countries.

- **Tajikistan**

  With a trade-to-GDP ratio of 87%, Tajikistan is also highly trade-dependent economy. As of 2015, merchandise trade accounted for 88.6% of the country's total trade. While merchandise imports grew solidly by 6.4% on average over the period 2010-2015, a sharp imports decline in 2015 by 20.9% was observed. The main import base of Tajikistan is concentrated in petroleum oils and gases, wheat, clothing and footwear. Lower world crude oil prices, prolonged economic slowdown in the Russian Federation and Kazakhstan–the second (21.5%) and third (11.8%) largest import partners– currency depreciation and, as a non-EEU member economy, higher costs for imports from EEU member economies largely explain for the imports contraction. Merchandise exports in 2015 contracted sharply by 7.9%. The main exports base is concentrated in raw and primary commodities such as unwrought aluminum, gold and cotton, which collectively account for 59.8% of total goods exports. Prolonged falls in world commodity prices, especially for aluminum and cotton, amid global fears of oversupply and weak demand largely explain for Tajikistan's deteriorating exports performance. Intra-regional trade costs in Tajikistan were substantially higher and rose steadily over the 2009-2013 period prior WTO accession in 2013. Tajikistan has 9 trade agreements in force with 51% of its total exports going to its PTA partners and 41% of its total imports are from PTA partners. While it is difficult to assess Tajikistan's overall regional integration performance due to missing data, the country performs weakly in free movement of people, infrastructure and connectivity.

2.4 Link to the SDGs

The Project will contribute to achieving and monitoring progress against the Sustainable Development Goals (SDGs) as defined by the 2030 Agenda. Indeed, the development and regular updates of regional integration indexes are expected not only to help Member States within ECA, ESCWA and ESCAP regions to measure and monitor their progress towards the regional integration frameworks they have committed to, but also to provide detailed statistics for improving data on the economic and social aspects of regional integration. While such data will enable for better policy analysis and policy making, it will clearly provide critical information to track performance in meeting SDGs. In particular, SDG 17 (Revitalize the global

[24] The requests from SPECA members states that "We note that despite recent improvements, non-physical barriers, delays and inefficiencies at border crossings and ports, including issues related to customs procedures and documentation requirements, uncertainty in logistical services and weak institutions, impose exceptionally high trade and transport transaction costs that continue to impose a burden on development" and "We support the need of preparation of the regional research on technical and procedural barriers in trade".

partnership for sustainable development) targets 17.6, 17.11, 17.13 & 17.18, and to some extent SDG 1 (End poverty in all its forms everywhere) target 1.b, SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) targets 8.2 & 8.3, and SDG 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) targets 9.1 & 9.2.

3 ANALYSIS

3.1 Situation analysis

By bringing together countries-often neighbors- around common rules and institutions, regional integration is widely perceived as a powerful vehicle to promote growth, stability and development.

The first stage of integration is largely focused on the liberalization of goods and services within a region to create a larger market that is expected to generate benefits for most (e.g. economies of scale, improved productivity, cheaper goods for consumers, increased intra-regional trade flows) but also costs for some (e.g. reallocation of resources hurting certain sectors at the advantage of others, reduced tariff revenues). The adoption of complementary measures such as the removal of non-tariff barriers (NTBs) and trade facilitation reforms, coupled with adequate domestic and regional policies, are required to ensure that benefits overweight the costs and thus can lead to increased competitiveness of the economies, job-creation and inclusive growth.

Against this backdrop, it is no wonder if regional trade agreements (RTAs) have thrived over the past two decades[25], especially as progress in the multilateral trading system has been slow. RTAs are becoming more and more complex, covering a broader range of issues beyond removal of tariffs and non-tariff barriers and including investment, intellectual property rights or competition policy. ECA, ESCWA and ESCAP Member States have all established sub regional economic groupings[26] that are even in the process of fully implementing or negotiating wider regional trade agreements, such as the Continental Free Trade Area (CFTA) in Africa, the Greater Arab Free Trade Area (GAFTA) in Western Asia, and the Regional Comprehensive Economic Partnership (RCEP) in Asia and the Pacific.

Establishing such priorities when it comes to regional integration is essential in regions where intra-regional trade is relatively low and in 2016 standing at about 18 percent in Africa, 15 percent in Western Asia, and although it tends to be higher within the rest of developing Asia and the Pacific, it remains extremely variable across sub regions-ranging from just over 2 percent in the Pacific to nearly 31 percent in more advanced developing Eastern Asia[27]; which is still lower than 32 percent in developed America or even 67 percent developed Europe[28]. Besides, regional integration is expected to ease further integration into the global trading system. As it stands, there is evidently much progress to accomplish as Africa's total exports represent only 2 percent of total world exports, Western Asia's exports (excluding those from Turkey) weight only 4 percent, and the rest of developing Asia (excluding China, the Republic of Korea and Singapore) account for merely above 10 percent of the world total[29].

Moreover, whereas regional trade agreements are supposed to bring substantial gains to the different parties engaged, with bright perspectives for diversification of economic bases and structural transformation which are much needed for most economies from ECA, ESCWA and ESCAP regions, it is essential that negotiated provisions are being quickly implemented for the benefits to materialize; and within each of the three regions, already negotiated agreements are being implemented at very uneven paces.

Furthermore, for the gains from regional integration to be maximized, it is required to go beyond just trade and investment integration. Free movement of people within the region, the development of adequate regional infrastructure, productive, financial and macroeconomic as well as institutional and even social integrations, including the role of gender and youth, are all necessary to ensure coherence and maximization of the benefits from regional integration. It is evident that in ESCAP and particularly ESCWA

[25] See https://www.wto.org/english/tratop_e/region_e/regfac_e.htm.

[26] In the ECA region, 8 regional economic communities (RECs) are recognized by the African Union, namely: the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), Southern African Development Community (SADC), Intergovernmental Authority on Development (IGAD), the Economic Community Of West African States (ECOWAS), the Community of Sahel-Saharan States (CEN-SAD), the Economic Community of Central African States (ECCAS), and the Arab Maghreb Union (AMU); AMU is also part of the ESCWA region along with the Gulf Cooperation Council (GCC); in ESCAP region, four regional groupings have been formed: the Association of Southeast Asian Nations (ASEAN), the Eurasian Economic Union (EAEU), the Pacific Island Countries Trade Agreement (PICTA) and the South Asian Association for Regional Cooperation (SAARC).

[27] Developing Eastern Asia, including China and the Republic of Korea; intra-Southern Asia is 9 percent and intra-South-Eastern Asia (which includes Singapore) is 24 percent.

[28] See intra-trade data from UNCTADStat: http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx.

[29] Computations are for the year 2016 and based on UNCTADStat.

and ECA regions, productive capacities remain often limited and the pronounced infrastructure and financial gaps need to be bridged or they risk jeopardizing economic growth.

A robust index-that measures and monitors performance in regional integration at both country and sub regional levels within ECA, ESCWA and ESCAP regions- can go a long way in allowing countries and sub regional organizations to track their own progress and be able to better identify shortcomings to advance their standing and create opportunities for further integration at the global level.

This can be partly achieved by providing to Member States and sub regional economic organizations with free, easily accessible/understandable, detailed and updated information on specific measurable indicators within each of the different regional integration dimensions of the index.

While the Project aims at fulfilling such objective, it goes a step further to offer capacity building and technical assistance to selected countries on how to interpret and use the index, and particularly its indicators, for policy analysis and guiding policy-making so that performance in regional integration can be improved. Considering the limited budget for the Project, it is not possible to provide support in all areas of regional integration. The assistance to be given to Member States will place singular emphasis on trade integration while still examining the other dimensions to some extent. Precisely, the focus will be on how to increase performance in trade integration-with special attention on gender and youth, whenever possible- and on how trade integration interacts with the other dimensions, especially those that relate to infrastructure, productive capacity and the movement of people.

3.2 Country level situation analysis

Table 1 – Country analysis

Country	Status of affairs	Realistic outcomes	
		Specific to selected countries	Common to all selected countries

Benin	Benin is a member of the ECOWAS regional economic community which has adopted a Customs Union back in January 2015. However, when it comes to implementation on the ground, Benin still has not even removed all its import tariffs on goods originating from within the ECOWAS region. Tariffs both imposed on imports to and faced on exports from the rest of Africa are even considerably higher. Moreover, Benin's trade is poorly diversified and strongly dominated by agricultural products (essentially cotton, fruit and nuts) mainly exported outside the African Continent (i.e. India, Vietnam, China, Singapore). Benin's imports are also essentially from outside Africa (i.e. China, U.S, India, France, Thailand) and made up mostly rice, petroleum products and manufacture goods. As revealed by the scores of the first edition of the African Regional Integration Index-which was launched in April 2016, Benin is qualified as an "average performer" within its sub-region. If the country's performance is satisfactory for financial/macroeconomic integration and free movement of people, it is particularly poor when it comes to trade, infrastructure and productive integration. Benin is strategically located in West Africa, especially as the country shares it borders with 4 other economies of the sub-region, including the giant economy: Nigeria. In fact, Benin's capital is situated along the Abidjan-Lagos corridor which is considered as one of the key trade and facilitation Projects of the Programme for Infrastructure	The Project will help assessing Benin's integration into ECOWAS while tracking the outcomes of the efforts the country has made so far to foster its regional integration. Through a better understanding of Benin's performance on the various dimensions of the Regional Integration Index including the underlining factors, the country will be able to frame a roadmap so as to address shortcomings and scale up efforts to integrate better regional markets and maximize its potential for regional trade.	The index will assist pilot countries to assess and track their own progress in regional integration; thereby attesting successful implementation of corresponding reforms. In the area of trade, this is key to ensure that regional trade agreements are functioning properly and favoring the creation of additional market access. Easily accessible, detailed and updated information to successfully measure the regional integration performance via clear indicators will also give the pilot countries a clearer picture of the opportunities or shortcomings for further integration prospects whether at the global, regional, or sub-regional levels. Beneficiary countries will have a better understanding of the regional integration index and its use for policy analysis and policy making. In other words, policy makers will be provided with insights about the kind of changes they need to bring in order to reap the benefit of regional integration reforms, and particularly existing regional trade agreements. As a result, this will enable them to actually use the index for better informed policy-making in regional integration, and particularly trade integration. The index

	Development in Africa (PIDA) and catalyst for economic growth. Therefore, there are clear opportunities for boosting Benin's trade within the region if progress in terms of trade, infrastructure and productive integration are achieved. It should also be noted that Benin is recognized as one of the most stable democracies in Africa. Benin latest Presidential elections were held in 2016 with next election due in 2021. Thus, no major election that could unexpectedly affect the implementation of the various activities is expected in the country during the Project.		can even provide evidence to better negotiate future trade agreements. Ultimately, and beyond the Project, it is anticipated that beneficiary countries implement recommendations from their national actions plans to enhance their performance in regional integration, as assessed by their score against the regional integration index.

Tanzania	Tanzania is a member of both EAC and SADC regional economic communities; EAC being a Customs Union and SADC a Free Trade Area. While tariff barriers have been largely removed within both EAC and SADC, NTBs and often inadequate infrastructure are still impeding intra-regional trade. Tanzania's exports towards outside the Continent are mainly directed towards India, China and Japan, and are highly dominated by gold, precious metal ore and agricultural products (such as vegetables, nuts and raw tobacco). However, Tanzania also exports within the African continent but these are essentially directed to Kenya (in East Africa) and South Africa (in Southern Africa) and tend to be more diversified; as beyond exports of gold and vegetables, Tanzanian wood, but also textile and clothing as well as machinery equipment are exported to Kenya and South Africa. In terms of imports, those are mainly coming from outside Africa (i.e. Saudi Arabia, China, India and the United Arab Emirates) and mostly refined petroleum and industrial products. According to the African Regional Integration Index, Tanzania is a "low performer" within both EAC and SADC; and performance in every of the five dimensions of regional integration as per the index is either "poor" or "average" at best. Tanzania is also expected to be one of fastest growing population which will require important economic and social reforms, including in regional integration, to generate sustainable growth and development.	Through the Project, Tanzania will be able to assess and track its integration into EAC and SADC regional economic communities. The project will also help Tanzania to understand the key impediments to its regional integration efforts and set the way forward. In particular, a road map with required actions along the various dimensions of the Index will be provided with clear deadlines. Additionally, the project will strengthen capacities to reinforce Tanzania's position as significant regional player with regards to the various dimensions of the Index.	

	Tanzania is clearly faced with challenges but also evident opportunities. For example, Tanzania shares its border with all the other members of EAC. It is the largest country of the EAC with vast areas of arable land, a large coastal strip, and plenty of potential for tourism. Tanzania also hosts EAC's headquarters. Equipped with better capacities to tackle regional integration reforms, thanks to the Project's objectives, the country could capitalize on many of its opportunities. Since its independence in 1961, the country has been politically stable. Last Tanzanian general election were held in 2015. Next major elections are due for 2020; by then the Project is expected to be near conclusion.		

Kuwait	From an Arab regional perspective, Kuwait trades in a significant amount only with its partners in the GCC compared to other regional blocs around the world. The country's trade intensity lies in the ASEAN bloc and Japan rather than with the Arab World. Nonetheless, the United Arab Emirates (UAE) is a valuable source of Kuwaiti imports, along with Saudi Arabia[30]. Kuwait is a founding member of the GCC and had joined the WTO in 1995 and GAFTA in 1997. Trade is considered a valuable asset for Kuwait as it looks at foreign markets to commercialize its oil. The country is also very open when it comes to international trade as it adopts the GCC's common external tariff of 5% for most of its imported goods. As an importer, Kuwait holds preferential tariff agreements with all member countries of the League of Arab States (LAS), with the four countries of the European Free Trade Association (EFTA) and one agreement with Singapore involving specific products. As an exporter, Kuwait has concluded many accords with multiple countries around the world based on duty-free treatment provision for its oil, from Ireland to Malta and the Netherlands[31]. Overall, Kuwait has certainly expanded its horizons and explored new export markets over the course of the last 15 years[32]. Some of Kuwait's strategies to achieving its 2030 vision aims at diversifying its production base through investment in the financial, commercial and services sectors and realizing integration and cooperation with private sector by encouraging participation of small and medium enterprises.	Kuwait as most GCC's countries is embarked in a large economic transformation process with the aims to diversity the sources of GDP and public finances but also to provide more opportunities to absorb job seekers. Regional and global integration of the Kuwaiti economy are believed to represent an important enabler to achieve such objectives. In this context, the project will support Kuwait in understanding the challenges and opportunities associated with its new diversification strategy and the repercussions of the changes in world and regional economies and track these implications on the progress and performance of the country in economic regional integration.	

[30] International Trade Center (ITC) databases available at: www.trademap.com.
[31] MACMAP Database
[32] ESCWA, Assessing Arab Economic Integration: Towards the Arab Customs Union,

	Kuwait's economy is greatly dependent on external partners. As a consequence, this makes Kuwait highly vulnerable to any headwinds that may occur in the global economy and produce an immediate impact on Kuwait's fortunes. This is why it is important that the country is provided with a monitoring tool that allows to track its progress and performance in economic regional integration.		

Tunisia	Tunisia enjoys membership in the WTO. It is also one of the founders of the AMU (Arab Maghreb Union) established in February 1989 by the Treaty of Marrakech; whose main objectives are to create a free trade area removing all tariff and nontariff obstacles, a customs union with a common external tariff, and a common market with no restrictions on the movement of people, services, goods, and capital between member states. In addition, Tunisia is a member of the Pan-Arab Free Trade Area (PAFTA), signed in 1997. Tunisia is one of the founders of the Agadir Agreement signed in 2004 for the Establishment of a Free Trade Zone. Tunisia also signed an association agreement with the EU in 1995. In addition, Tunisia is a member of the League of Arab States, founded in 1945, which has taken the lead on integration efforts in the region[33]. Tunisia Arab Economic Integration System of Indexes (AEISI) indicates the country has recorded little progress on indicators of globalization moving from a median ranking of 61 between 2000 and 2008 to 51 between 2009 and 2013; this improvement is due to other countries losing their position rather than actual improvement of the situation in Tunisia. The main channels of integration include trade and FDI inflows particularity with the EU and close Arab neighbors (i.e. Algeria and Libya). According to the first edition of the African Regional Integration Index, Tunisia's is rated as an "average performer" within AMU in terms of overall performance in regional integration. It should be noted that Tunisia strongest weakness is found in regional infrastructure.	The project will allow the country to monitor and evaluate its trade agreements mainly those already implemented (e.g. Arab countries under GAFTA) and in the negotiations of the new agreements focusing on deepening integration, particularly with the Arab countries on the Arab Customs Union (ACU) and with African sub-regions mainly accession to COMESA (already approved) and partnership with ECOWAS.	

[33] Economic Integration in the Maghreb Region, The World Bank Middle East and North Africa Region, October 2010.

	In the coming years, Tunisia will be involved in the negotiation and/or the implementation of major trade agreements that could deeply affect the economic, social and environmental situation of the country. The first is a liberalization of agricultural products with the EU that started in 2013. This agreement could bring important economic benefits to the country but significant challenges remain. The second is the implementation of the Arab Custom Union. The third major issue is the new Bali WTO agreement. Meanwhile, planning and negotiation authorities in the country recognize that they do not have the capacities to conduct ex-ante assessment of the various options offered within each one of these agreements. More importantly, the analysis of the existing supply chains for selected commodities in Tunisia, coupled with a review of broader analyses of intra-regional and international trade from the Arab region, highlights the following: persistence of established international trade links despite significant efforts to foster intra-regional trade over the last half century; the fragility of the supply chain in the Arab region due to climate and other limiting factors; importance of sustained investment in basic infrastructure and processing capabilities in the face of increasing globalization and global competition; importance of investment in innovation and migration up the value-chain over time. Tunisia has already invested in process improvement and information technology to support trade facilitation and information exchange, including single window and port community systems. However, a lot still needs to be done in adding value to its production and improving the		

	connectivity of its productions to regional and global value-chains.		

Kyrgyzstan	Kyrgyzstan is a member of ESCAP and also SPECA from the Central Asia. It is along the Silk Road, the ancient trade route between China and the Mediterranean. The economy is dominated by minerals extraction, agriculture, and reliance on remittances from citizens working abroad. Cotton, wool, and meat are the main agricultural products, although only cotton is exported in any quantity. Other exports include gold, mercury, uranium, natural gas, and-in some years- electricity. Remittances from Kyrgyz migrant workers in Russia and Kazakhstan are equivalent to about a quarter of Kyrgyzstan's GDP. Kyrgyzstan was the first Commonwealth of Independent States (CIS) country to be accepted into the World Trade Organization. Despite certain reforms, the country suffered a severe drop in production in the early 1990s and has again faced slow growth in recent years as the global financial crisis and declining oil prices have damaged economies across Central Asia. Kyrgyzstan has 11 trade agreements in force, with 42% of total exports going to its regional trade agreement (RTA) partners and 34% of its total imports are from RTA partners. Kyrgyzstan is also a member of the Eurasian Economic Union with other members being Armenia, Belarus, Kazakhstan, and the Russian Federation. The EAEU provides for free movement of goods, services, capital and labor, pursues coordinated, harmonized and single policy in the sectors determined by the Treaty and international agreements within the Union. The leaders hoped the country's accession to the Eurasian Economic Union will bolster trade and investment, but slowing economies in Russia and China, low commodity prices,	The Project will help Kyrgyzstan and Tajikistan identifying opportunities or shortcomings of their existing agreements. Many of these agreements have a review provision. This project will thus help these countries in not only future negotiations but also renegotiating existing agreements in a manner that they become more inclusive as well as deliver better integration results. Additionally, the index will equip them with a better opportunity of evidence based policy making.	

	and currency fluctuations continue to hamper economic growth. The overall score for Kyrgyzstan-as assessed by the Asian-Pacific Regional Integration Index is particularly low; with notably poor performance in trade and investment integration, money and finance integration and institutional ad social integration. In this context, the Project can support the country in improving its regional integration gaps.		

Tajikistan	Tajikistan is a member of ESCAP and also SPECA. It is one of the poorest nation of Central Asia and depends on oil and gas imports. The exports are mostly agriculture and cotton. Economic ties with neighboring China are extensive. China has extended credits and has helped to build roads, tunnels and power infrastructure. Chinese firms are investing in oil and gas exploration and in gold mining. The gradual economic recovery of Russia and other trading partners is expected to bolster remittances, accelerating poverty reduction and spurring growth in consumption and services. Tajikistan has 9 trade agreements in force with 51% of its total exports going to its RTA partners and 41% of its total imports are from RTA partners. According to the Asian-Pacific Regional Integration Index, Tajikistan's performance is particularly poor in free movement of people and infrastructure and connectivity. Its assessed performance in trade integration is slightly better but it is important to be cautious considering the lack of data available to measure regional integration in the country. The Project will offer an opportunity to feel the gap and allowing for better assessment of the country's regional integration performance.		

3.3 Stakeholder analysis and capacity assessment

Table 2 – Stakeholder Analysis

Non-UN Stakeholders	Type and level of involvement in the project	Capacity assets	Capacity Gaps	Desired future outcomes	Incentives
Analysts and policymakers from Ministries of trade/industry and economic development	Primary beneficiaries of the Project which capacities to assess, monitor and improve performance in regional integration in their own countries are expected to be enhanced. They will benefit from all capacity building and technical assistance activities of the Project	Have a good understanding of trade system and the role of trade for industrialization and economic development; have the capacity to influence (i.e. analysts) and make (i.e. policymakers) trade integration reforms	Lack of knowledge and capacity to assess, monitor and improve trade integration	Have a better understanding of the methodology to assess and monitor regional integration; Are able to better influence and make informed and effective national policies that relate to regional trade integration	Contributing to increasing regional integration performance in their own countries
Analysts and policymakers from Ministries of transport, infrastructure and finance	Secondary beneficiaries of the Project	Have a good understanding of the role of their specific sector for economic development; have the capacity to influence (i.e. analysts) and make (i.e. policymakers) integration reforms	Lack of knowledge and capacity to assess, monitor and improve integration in their respective areas of expertise	Have a better understanding of the methodology to assess and monitor regional integration; Are able to better influence and make informed and effective national policies that relate to regional integration in their respective areas of expertise	Contributing to increasing regional integration performance in their own countries
Sub-regional organizations (i.e. African RECs, GCC, ASEAN, EAEU, PICTA, SAARC)	Ensuring coherence between national efforts and regional commitments in regional integration; providing feedback on index methodology	Have the capacity to enhance the benefits of national policies in a regional perspective, and facilitating coordination of integration efforts between its Member countries	Lack of knowledge and capacity to assess, monitor and improve integration in their respective regions	Have a better understanding of the methodology to assess and monitor regional integration; Are able to better influence and make informed and effective regional policies that relate to regional integration	Contributing to increasing regional integration performance in their own sub-regions
Private sector operators and business community (i.e.	Secondary beneficiaries of the Project	Have a good understanding of regional integration challenges and opportunities from a practical and	Have limited leverage to overcome constraints and bottleneck they face and that limit	Are able to better appreciate how to effectively overcome constraints and bottlenecks	Obtaining increased business opportunities

Non-UN Stakeholders	Type and level of involvement in the project	Capacity assets	Capacity Gaps	Desired future outcomes	Incentives
Chambers of Commerce, corridor associations, entrepreneurs- particularly women entrepreneurs)		business perspective	opportunities to take advantage of the regional integration process	face and that limit opportunities to take advantage of the regional integration process	
Regional organizations (i.e. AUC, AfDB, Afrexim Bank, League of Arab States (LAS), Arab Funds for Economic and Social Development (AFESD), ADB)	Are key to determine/refine the index methodology, widely disseminating the index's information to use/monitor/improve regional integration in their respective regions, and scaling-up engagement with stakeholders	Have the capacity to assist in developing the index methodology, disseminating and enhancing the utilization of the index's information	Need a reliable tool to assist their Member States in measuring, monitoring and assessing performance in regional integration	Are better able to assist their Member States on regional integration issues; better coordination between the UN RCs and their key regional partners in the area of regional integration	Assisting their Member States in enhancing their performance in regional integration

4 PROJECT STRATEGY: OBJECTIVE, EXPECTED ACCOMPLISHMENTS, INDICATORS, MAIN ACTIVITIES

4.1 Project Strategy

The Project aims at strengthening the capacity of selected developing countries to measure, monitor and improve their performance in regional integration within ECA, ESCWA and ESCAP regions.

This is much needed considering the importance of regional integration for development and is anticipated to be achieved through two streams corresponding to the two expected accomplishments of the Project:

- EA1: Enhanced capacities of selected Member States to measure and monitor their progress in regional integration;
- EA2: Strengthened capacities of selected Member States to improve their performance in regional integration.

Towards fulfilling EA1, six successive activities are planned; activities which could be themselves subdivided into two groups.

A first set of five activities is envisioned to make a robust regional integration index widely available to all Member States and other stakeholders within ECA, ESCWA and ESCAP regions. It is also expected that target countries will be trained on the use of the index for policy making and analysis. Precisely, the following activities are planned:

- A1.1: Organizing an inter-regional Expert Group Meeting (EGM) on the regional integration index's methodology.

  This will offer a platform to critically review the existing methodologies for a regional integration index (i.e. ECA, ESCWA and ADB methodologies) and exploring how these could possibly be improved further. Such activity is essential to guarantee that Member States and other stakeholders are provided with robust information to assess and monitor their performance in regional integration. It is expected that key partners having developed or been associated with the conception of preliminary versions of regional integration indexes such as the African Union Commission (AUC), the African Development Bank (AfDB) and the Asian Development Bank will be convened to the EGM. Experts from regional economic groupings from ECA, ESCWA and ESCAP regions will also be invited to ensure that their experiences and perspectives are taken into consideration. This will further facilitate ownership of the index by regional economic groupings and Member States themselves (as regional economic groupings are representatives of Member States).

- A1.2: Revising and harmonizing to the extent possible ECA, ESCWA and ESCAP methodologies for the regional integration index.

  Building on the outcomes from the inter-regional EGM, each UN RC involved in the Project will be required to possibly make adjustments to their regional integration index's methodologies to improve them further. This will also allow to assure some convergence in methodologies across the three regions, although specificities in each of the region will need to be considered.

- A1.3: Developing a User Guide on the index for each of the 3 regions.

  Since a regional integration index is a technical tool, it must be made accessible to those who are expected to make use of it. Such index contains rich information in terms of the different dimensions of regional integration themselves subdivided into specific indicators; information which can be extremely useful to facilitate policy making and analysis by Member States and other stakeholders. A User Guide should be developed to not only explain, in a simplified and still rigorous manner the rationale behind the methodology of the index as well as its dimensions and indicators, but also to provide a clear illustration on how all the information can be interpreted and meaningfully utilized. There will be 1 User Guide developed in each of the 3 regions (i.e. ECA, ESCWA and ESCAP), considering different priorities to be addressed in each region although the template of the 3 User Guides is expected to be broadly the same.

- A1.4: Setting-up a Web platform for the regional integration index for each of the 3 regions.

  Developing a User Guide for the regional integration index will surely facilitate its understanding and use. However, the Guide as well as all other relevant information and the data must also be disseminated widely and made easily and freely accessible to all Member States and any other stakeholders which could have an interest. Therefore, it is envisaged as part of the Project that a dedicated Web platform be created in each of the three regions for the regional integration index. It is also foreseen that Member States and other stakeholders will be able to upload more up-to-date data than what is available on the Web platform to ensure greater ownership and participation of the stakeholders in the process; data which will then be checked by the UN RCs to guarantee the quality.

- A1.5: Organizing four trainings to sensitize Member States, regional and sub regional organizations on the index and its use for policy-making and analysis.

  Two training-workshops will be organized in the ECA region (i.e. 1 in English, 1 in French) while ESCWA and ESCAP will organize one training-workshop each. Each event will primarily target representatives from both public and private sectors as well as researchers from as many countries as possible from within each region (including of course from pilot countries). Moreover, it is envisaged that representatives from the Secretariat of the regional economic groupings . This will help expanding the benefits of the training-workshop beyond just the pilot countries. In practical terms, each training-workshop will consist in increasing the understanding of the participants on the information contained by the index and its possible uses as a tool for policy analysis and to guide policy making. The User Guide developed under activity A1.3 will serve as a basis for training material. Participants will also be sensitized to the use of the Web platform, and in particular on how to download data and possibly even upload more up-to-date data which the Member States and regional economic groupings may have.

In order to measure the effective contribution of the above-mentioned activities (i.e. A1.1 to A1.5)-which build on each other- to the corresponding expected accomplishment (i.e. EA1), a post-training assessment will be conducted. The contribution of the above activities to EA1 will be deemed successful if "at least 75 percent of total individual (women and men) trained on the use of the regional integration index score 70 percent or more in post-training test" as envisioned under indicator of achievement IA 1.1.

A second set of activities is directly targeted at the Project beneficiaries and even beyond to ensure that all the information provided by the regional integration index is actually being used. Precisely, the following two activities are planned:

- A1.6: Developing national overview on regional integration status and containing policy recommendations for each of the six selected Member States.

  Following the training-workshops, it is expected that all participants will be able to retrieve and use the information from the index to obtain and analyze their own countries or regions' performance in regional integration. Therefore, and to warrant actual and effective utilization of the index information by targeted beneficiaries of the Project, national overviews for each of the six pilot countries will be prepared to then feed into their respective national actions plans (on how to overcome constraints and bottlenecks to their countries' successful trade integration) to be developed under activity A2.1 (see thereafter for more details).

The contribution of activity A1.6 towards EA1 will be measured through IA 1.2 which states that "4 out of 6 selected Member States utilized the regional integration index to assess the status of regional integration in their countries". The production and availability by the end of the Project period of least 4 Official overviews on regional integration status using data generated through the regional integration index and containing policy recommendations have been produced will certify that the goal is fulfilled.

Beyond making sure that selected countries are able to make use of the index to assess and monitor their performance in regional integration (EA1), the Project aims at ensuring that the index is also utilized as a tool to assist those countries in improving their performance in regional integration (EA2). The following two additional activities are planned under the Project in order to attain EA2:

- A2.1: Developing six national action plans on how to overcome constraints and bottlenecks to selected countries' successful trade integration.

  Each of the six selected pilot countries will be supported by the Project to come up with a national action plan that will serve as a guide to formulate sound and actionable policies aimed at improving their performance in regional integration. Special emphasis will be placed on the trade integration dimension and its interaction with other dimensions (i.e. productive capacity, infrastructure, etc.) of regional integration. The action plan will start with an overview of the current regional integration status (developed under activity A1.6), followed by a clear identification of the constraints and bottlenecks to the country's successful regional integration, in particular trade integration, and how to overcome them.

- A2.2: Organizing six validation workshops to peer-review selected Member States' national actions plans and establishing roadmaps to guide implementation.

  Once the six national action plans have been developed (under activity A2.1), it will be necessary to present them to other key stakeholders in the country and even the sub-region so that they can provide their own views and feedback on the documents. This will allow for each action plan to be possibly improved further, known and properly validated for it to be better usable by the country. In that sense, six validation workshops will be organized (i.e. one for each of the pilot countries that have developed an action plan). It is anticipated that for each of the workshop representatives from different ministries within the relevant selected country be invited to facilitate proper coordination which will be particularly important when the phase of implementation comes; representatives from regional economic grouping(s) to which the selected country is a member will also be invited to ensure coherence with possible regional action plans; as well as private sector actors since they are expected to be strongly involved in the implementation phase.

- A2.3: Organizing two national review meeting to assess progress of implementation of action plan to improve selected country's integration performance against the roadmap.

  A national review meeting will be organized in at least one of the selected countries from the Africa region to assess progress made by the end of the Project period. Possible corrective actions will be made if required. Another review meeting will be organized 2 years after completion of the Project (using extra-budgetary resources) to attest of the successful implementation of the action plan.

For measuring success of the Project towards realizing EA2, the following two indicators of achievement will be used: "4 out of the 6 selected Member States developed action plans with roadmap to guide implementation to address trade integration gaps" (IA 2.1); and "1 out of the 2 selected Member States from the Africa region implemented its action plans to address trade integration gaps" (IA2.2). The availability of at least 4 Official action plans with roadmap to guide implementation followed by implementation of at least one of the action plans assessed to be on track by the end of the Project cycle (as per the established roadmap) will serve as a mean of verification that the target is reached. Two years after the end of the Project, at least one action plan is expected to have been implemented.
The Project will pay particular attention to gender and youth issues. The role of women and youth in regional integration will be examined. Specifically, indicators on gender and even possibly youth for the regional integration index will need to be considered; which is not the case in current preliminary versions of the index that are available. This should allow to assess to what women and youth contribute in the regional integration process which will be most useful for selected pilot countries to identify gaps which would need to be addressed in this respect. Moreover, the six national action plans that are to be produced under this Project will have to consider recommendations for improved participation of women and youth in regional integration looking forward. Finally, and to ensure that the capacity building and technical assistance related-activities are themselves responsive to gender concerns, at least 30% of participants attending the trainings (activity A1.5) and the validation workshops (activity 2.2) shall be women.

4.2 Logical Framework

Table 3 – Logical Framework

Intervention logic	Indicators	Means of verification
Objective To strengthen the capacity of selected developing countries to measure, monitor and improve their performance in regional integration within ECA, ESCWA and ESCAP regions		
EA1 Enhanced capacities of selected Member States to measure and monitor their progress in	**IA 1.1** At least 75 percent of total individual (women and men) trained on the use of the regional integration index score 70 percent or more in post-training assessment	• Post-training assessment

Intervention logic	Indicators	Means of verification
regional integration	**IA 1.2** 4 out of the 6 selected Member States utilized the regional integration index to assess the status of regional integration in their countries	• At least 4 Official overviews on regional integration status using data generated through the regional integration index and containing policy recommendations have been produced by the end of the Project
Main activity A1.1 Organizing an inter-regional Expert Group Meeting (EGM) on the regional integration index's methodology		
A1.2 Revising and harmonizing to the extent possible ECA, ESCWA and ESCAP methodologies for the regional integration index		
A1.3 Developing a User Guide on the index for each of the 3 regions		
A1.4 Setting-up a Web platform for the regional integration index for each of the 3 regions		
A1.5 Organizing four trainings to sensitize Member States, regional and sub regional organizations on the index and its use for policy-making and analysis		
A1.6 Developing national overview on regional integration status and containing policy recommendations for each of the six selected Member States		
EA2 Strengthened capacities of selected Member States to improve their performance in regional integration	**IA 2.1** 4 out of the 6 selected Member States developed action plans with roadmap to guide implementation to address trade integration gaps	• At least 4 Official action plans with roadmap for implementation produced and approved by selected countries
	IA 2.2 1 out of the 2 selected Member States from the Africa region started implementing its action plans to address trade integration gaps	• By the end of the Project, implementation of at least one of the action plans is on track (as per the established roadmap; implementation is expected to be completed within 2 years after the end of the Project)
A 2.1 Developing six national action plans with roadmap for implementation on how to overcome constraints and bottlenecks to selected countries' successful trade integration		
A 2.2 Organizing six validation workshops to peer-review selected Member States' national actions plans and establishing roadmaps to guide implementation		
A 2.3 Organizing two national review meetings to assess progress of implementation of action plan to improve selected country's integration performance against the roadmap		

4.3 Risks and mitigation actions

Table 4 – Risks and mitigation actions

Risks	Mitigating Actions
R1. Lack of interest and buy-in of stakeholders in selected Member States	Prior to the start of the Project implementation, consultations with selected Member States will need to take place to communicate the potential benefits/ incentives from the Project and to secure their commitment to the various activities in which they will be involved.
R2. Political instability	Careful attention was paid in selecting countries to ensure that those are not currently subject to high political uncertainties and that no major elections are expected to take place in those countries throughout the Project implementation timeline. However, conflicts and political risks are sometimes unpredictable and thus each UN RC involved in the Project has prepared a list of countries which could benefit from the Project beyond those proposed in the Project document.
R3. Change of personnel/focal points in the selected Member States during the Project implementation phase	Each UN RC will establish a close relationship with the selected Member States (possibly using UN RC's sub-regional offices) to ensure that any change in personal/focal points in the selected countries (especially from governments as they tend to have high turnover rates) have minimum negative impact on the Project. For the learnings/information to be kept and further utilize by the Member States, efforts will be made to invite several representatives from each of the Ministries for the various events of the Project as much as possible.
R4. Lack of reliable data to feed into the computation of the index indicators	Participation of regional economic groupings which represent Member States in each of the 3 regions will be invited at the Inter-Regional Expert Group Meeting which will discuss the index methodology.
R5. Lack of resources available to implement action plan to improve selected countries performance in regional trade integration	ECA to try securing extra-budgetary resources beyond the DA Project funds.

4.4 Sustainability

The Project is expected to continue positively impacting stakeholders, beyond just the selected Member States, after it is completed.

Firstly, the Web platform for the regional integration index which is to be created under the Project (activity A1.4) will contain detailed information and data from the index as well as all the material to be produced over the course of the Project (including from activities A1.3, A1.5, A1.6 and A2.1). The Web platform will remain accessible to anyone who wish to access it, consulting and retrieving the information available, after the Project is completed.

Secondly, it is expected that the UN RCs involved in the Project will continue producing updates of their respective regional integration indexes after the Project has expired. Therefore, there is a dynamic process behind the Project and it is foreseen that any new information/data will be uploaded on the Web platform. Therefore, participants whose capacity to understand and utilize the index's information as well as anyone who has consulted the index's User Guide (produced under activity A1.3) and the rest of the available material on the Web platform will be able to assess and monitor performance in regional integration for the country or sub-region of their choice.

Thirdly, it will also be possible for stakeholders to upload more up-to-date data used by the index which they may possess on the Web platform. Data which will of course need to be checked by UN RCs to certify quality. In fact, this ensure ownership and participation of the UN RCs' stakeholders in the process and will help further enhancing the quality of the information contained in the index for future use.

Fourthly, it is anticipated that pilot countries having received technical assistance in the development of their action plans and roadmaps to guide implementation on how to overcome constraints and bottlenecks to their countries' successful trade integration (under activities 2.1 and 2.2) will move towards implementation phase of the recommended actions.

ECA is committed to try securing extra-budgetary resources to support implementation of the action plans for at least one of the two selected countries of the Project. In that respect, discussions with the Afrexim Bank who has shown great interest in the African Regional Integration Index have already started. ECA's work on the regional integration index is even perceived as essential by Global Affairs Canada (who is currently providing financial support to the African Trade Policy Centre of the ECA) is assessing the performance of ECA's work, particularly in the areas of trade, regional integration and gender. Therefore, support from Global Affairs Canada to scale-up activities defined under this Project (for example, to expend the scope of the Project to countries beyond the ones selected) will also be explored.

After completion of the Project, and if UN RCs (beyond just ECA) are able to secure extra-funding, follow-up activities could be envisaged. For example, pilot countries may request assistance to implement the action plans developed under the Project. It could also be envisioned to organize regional events to showcase the work done under the Project and particularly the action plans which would have been developed so that capacity of countries and sub-regional organizations to measure, monitor and improve their performance in regional integration can be enhanced beyond the pilot countries.

5 MONITORING AND EVALUATION

A detailed M&E framework will be developed just before project implementation kicks off and will include indicators, definition of indicators, baseline, target, data source, frequency for data collection and roles and responsibilities for data collection as well as indication on where data will be reported.

As the lead implementing entity, ECA will ensure that monitoring and evaluation exercises are conducted throughout the period of the Project. These are necessary to guarantee and reinforce accountability to the funding entity and the project beneficiaries. Such exercises will of course include getting the required evidence for the indicators of achievements defined under the project. This is quite straightforward as per the means of verification mentioned in the logical framework (see Table 3).

But more generally, ECA will undertake regular follow-up with ESCWA and ESCAP on the progress made and also sharing of experiences from the Project activities and material produced. More formally, ECA will request inputs from ESCWA and ESCAP for the annual progress reports as well as the final report which must be submitted by ECA as follow:

- 1st annual progress report by 31 January 2019;
- 2nd annual progress report by 31 January 2020;
- 3rd annual progress report by 31 January 2020;
- Final report by 28 February 2022.

The reports will be produced in line with DESA guidelines and requirements and include the following details: progress under each activity and achieved results against the logical framework, staff and consultancy contribution towards each activity, possible problems encountered and revisions, detailed work plan for any possible remaining activities for interim reports, detail breakdown of expenditure and obligations incurred.

To ensure a smooth and solid monitoring and evaluation of the Project throughout the cycle, a staff member form ECA's SPOQD will be invited to the EGM (activity A1.1)and one of the validation workshops (activity 2.2) so that progress can be properly assessed against expected achievements. This will allow for corrective actions to be possibly be undertaken.

Once all planned activities have been executed, the Project will be subject to a substantive external evaluation by an independent consultant to enhance transparency and credibility of the results achieved.

Regarding management of the project evaluation, the ECA Evaluation Section will take the lead but will work in close collaboration the Regional Integration and Trade Division. The evaluation of the project will be conducted by an expert consultant following the end of the project. Provisions of $17,000 (i.e. 2.1% of the total Project's budget) and $7,500 have been made to cover the fee of the consultancy and travel, respectively, of the consultant to ECA, ESCWA and ESCAP's last workshops to validate national action plans and preparation of the roadmaps to guide implementation as well as to ECA's review meeting to assess implementation progress by one of the selected countries.

All monitoring and evaluation exercises will be conducted in compliance with the regulation and rules of the United Nations Secretariat including the Secretary General's Bulletin on "Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation"[34], ST/SGB/2016/6 (May 2016) and the United Nations Evaluations Group's updated "Norms and Standards for Evaluation" (June 2016)[35].

6 MANAGEMENT, PARTNERSHIP AND COORDINATION AGREEMENTS

The Project will be implemented jointly by ECA, ESCWA and ESCAP. As the lead entity, ECA will manage the Project, thereby assuming the overall coordination of the Project and carrying out administrative and reporting responsibilities.

Within ECA, the Project will be implemented by the Regional Integration and Trade Division (RITD). Within RITD, the African Trade Policy Centre (ATPC) is expected to take the lead. Other divisions or offices of the ECA will be involved as necessary. In particular, the African Institute for Economic Development and Planning (IDEP) will play a key role in the planning and organization of capacity building activities. ECA's sub-regional offices (SROs), particularly for West Africa (SRO-WA) and Eastern Africa (SRO-EA) are expected to be associated with the Project, especially for the technical assistance activities as those SROs cover the sub-regions of the selected Member States (Benin and Tanzania, respectively) for the Africa region. The African Centre for Statistics (ACS), the Macroeconomic Policy Division (MPD) and the Social Development Policy Division (SDPD) may also be consulted on the index methodology.

At ESCWA, the Economic Development and Integration Division (EDID), through the Trade Integration Section, will be responsible for implementing the Project.

Within ESCAP, the Project will be implemented by the Trade, Investment and Innovation Division (TIID), through its Trade Policy and Facilitation Section. ESCAP is expected to work closely with the Asian Development Bank which has recently developed a regional integration index for the Asia and Pacific region. In particular, the ADB will be invited to specific events of the Project.

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[34] See https://hr.un.org/content/regulations-and-rules-governing-programme-planning-programme-aspects-budget-monitoring.
[35] See http://www.unevaluation.org/document/detail/1914.