ECONOMIC
RESEARCH
FORUM
ERF

Annual Report
2021

ECONOMIC RESEARCH FORUM
منتدى البحوث الاقتصادية

www.erf.org.eg

About

The Economic Research Forum

Annual **Report**

2021

About ERF

Our Mission

The Economic Research Forum (ERF) is a regional network dedicated to promoting high quality economic research to contribute to sustainable development in the Arab countries, Iran and Turkey.

Our Objectives

Established in 1993, ERF's core objectives are to build strong research capacity in the ERF region, to lead and support the production of independent, high quality economic research, and to disseminate research output to a wide and diverse audience.

Our Activities

To achieve these objectives, ERF carries out a portfolio of activities. These include mobilizing funds for well conceived proposals; managing carefully selected regional research initiatives, collecting and sharing micro data and providing training and mentoring programs to junior researchers. It also includes organizing seminars and conferences based on research outcomes; and publishing research output through multiple channels including working papers, books, policy briefs and perspectives, Middle East Development Journal (MEDJ) and the ERF Policy Portal - *The Forum*.

Our Network

The ERF network comprises a distinguished Board of Trustees (BOT), accomplished researchers from the region and highly dedicated head-office staff. A not-for-profit organization, the ERF is supported by multiple donors, both regional and international.

Contact Information

ERF Office
Address: 21 Al-Sad Al-Aaly St. Dokki, Giza, Egypt
PO Box 12311
Tel: 00 202 333 18 600 - 603
Fax: 00 202 333 18 604
Email: erf@erf.org.eg
Website: http://www.erf.org.eg

ERF Dubai
Dubai International Financial Centre (DIFC)
Premises: GV-00-1003-BC-42-0
Gate Village Building 10 - Dubai, UAE
PO Box 125115
Tel: +971 4 4011980

Follow us

ERF Latest *ERFlatest* *ERF Official* *ERF Official*

Table of Contents

Message from the

Chairman of the Board of Trustees

SAMIR MAKDISI

A year in review, 2021: Moving Forward

Challenges at the global and regional levels notwithstanding , ERF remained steady on course and stood tall with outstanding achievements in 2021. Its distinguished performance is a reflection of the unwavering commitment of its constituency: the ERF Board of Trustees, the expert research and policy network affiliates, our like-minded partners and donors and the dedicated management and staff.

Building on a strong foundation and with focus on the future, the ERF management team expanded its role as a leading regional network and continued to expand its network of partnerships outside the region, attracting new partners from Europe, Africa and Latin America. The commendable agility and responsiveness of management to change led to the adoption of new platforms and modalities in support of ERF's mission and its commitment towards sharing knowledge and network participation.

With the objective of reviewing the governing structure of ERF to ensure its alignment with up to date best practices, the Board of Trustees established a Governance Committee whose task was to propose amendments to the articles of the Charter that would serve this objective taking into consideration due compliance with the laws governing ERF in Egypt. In revising the Charter, the BOT was guided by the democratic nature of the ERF and the vital role played by its Research Fellows. Accordingly, upon Board approval of the committee's proposed amendments, they were submitted for discussion and approval by the Fellows. As of end March 2022 this is an ongoing process.

The Institutional agility of ERF has time and again been demonstrated by its commitment to respond to region-wide economic crises and to face the volatile and rapidly changing political, economic and social landscape. This annual report provides a record of ERF's achievements: the adoption of new platforms and modalities in support of its mission and commitments towards sharing knowledge and network participation to sustain its outreach and activities, and the sponsorship of thematic resereach focused on challenges at the global, regional and national level.

I take this opportunity to acknowledge the highly dedicated work and guidance of the outgoing ERF Board of Trustees, and to wish the newly elected Board all

Message from the

Chairman of the Board of Trustees

success in its forthcoming term. I also wish to congratulate Ibrahim El Ebadawi for his appointment as the Managing Director of ERF for a second five-year term and to wish him and the ERF management team continued success in the fulfillment of ERF's objectives. I would also like to recognize the Advisory Committee, ERF affiliates, management and staff for their exemplary dedication and diligence.

The successful accomplishments of ERF in 2021 are the result of the devoted support by a number of institutions . On behalf of the Board of Trustees it is my distinct pleasure to acknowledge all of them. We extend our deep gratitude to the Arab Fund for Economic and Social Development (AFESD), the International Development Research Center (IDRC), the Ford Foundation and the World Bank for their unwavering commitment to our partnership. In addition, we are grateful to the International Labor Organization (ILO), UNDP, IZA Institute of Labor Economics, Foreign, Commonwealth and Development Office (FCDO) and Agence Française de Dévelopmment (AFD) for their invaluable support.

May this cooperation and shared spirit of serving common objectives continue to flourish in the years ahead.

Samir Makdisi
Chairman, ERF Board of Trustees

S. Makdisi

Message from the

Managing Director

IBRAHIM ELBADAWI

A year in review, 2021: Unique Year

In addressing reality, we are guided by our mission and commitment to promoting sustainable development towards a better future for our region for generations to come.

In view of the unprecedented consequences of the Covid-19 pandemic, I descried 2020 in my address last year as being a unique year. While the global economy continues to reel from the pandemic in 2021, the war on Ukraine early 2022 will likely have equally devastating and lasting effects on all of us for years to come.

In our region, many of us continue to witness political crises, social upheaval and traumatic outcomes, which unfortunately continue to plaque our societies and countries.

In 2021 ERF has responded to the ensuing challenges and opportunities alike by deeply reflecting upon how might, should do to fulfil our mission for meeting the unprecedented need and demand for research and policy advice. How might, should do to ensure that quality evidence-based research is at the heart of policy development. How might, should do to assist international partners, regional experts, national governments and civil society at large pursue a better future and putting the region at the forefront of socio-economic development for 2030.

Building on our strong comparative advantage, 2021 has been a year of robust and new partnerships across and beyond the region – such as the one with the African Economic Research Consortium, our sister network in SSA, to expand the geographic reach of our research and policy outreach to address continental issues, such as digital transformation, youth employment and structural transformation through regional and global value chains spanning continental Africa. ERF has also launched joint projects on the global south (with a leading Argentinian policy research network - CIPPEC); Mediterranean (with FEMISE), among other multi-faceted partnerships with our long-standing partners, ILO, UNDP, Carnegie, ESCWA. Moreover, in the context of the GCC economic research initiative (GCCeRI), ERF also made strong strides toward deepening partnerships with GCC universities, policy research institutions, private sector and public policy departments.

ERF played a vital part on connecting people and ideas, raising awareness and engaging in credible discussions, contributing data and evidence-based research to the vital policy insights on the future of work, digital transformation, economic integration, climate change, women economic integration, to name but a few.

Engaging multi-stakeholders in dialogues with researchers and policymakers in areas of, by way of example like: social protection, or economic impact of Covid-19, or moving from fragility to resilience towards developing a clear vision

Message from the

Managing Director

and envisioning contours of a better future, created a marked momentum amongst partners, generating excellent synergies and an emerging awareness shift towards evidence-based policy options.

It is indeed rewarding to witness the increased number of partnerships, projects and participation in 2021. We are privileged to have been part of the policy conversations addressing pressing challenges across difference priorities in different countries. Despite the continuously emerging challenges, we are strongly committed and are certain that our ambition towards a better future would match the increasing challenges.

Joint concern over developmental issues, joint commitment towards making a difference, joint collaborations among like-minded institutions creates an extraordinary powerful foundation and increases the likelihood of effectiveness. Our thanks are extended to our esteemed partners Arab Fund for Economic and Social Development (AFESD), the World Bank, International Development Research Center (IDRC) and the Ford Foundation, Foreign Commonwealth and Development Office (FCDO), International Labor Organization (ILO), UN Women, IZA Institute of Labor Economics and Agence Francaise de Developmment (AfD) for their continued support.

A clear vision and long-standing support are instrumental to success. A special word of gratitude is extended to the ERF Board of Trustees who kindly served over the last five years 2017 – 2021. The guidance, commitment to ERF as a leading network in the region, and wisdom in navigating hardships is noteworthy. I would like to acknowledge the ERF affiliates, advisory, management team and staff for their commitment and determination to consistently deliver to the highest standards.

In 2022 and beyond, ERF stands ready to help identify areas where its network can contribute to sustainable development. ERF stands ready to address emerging challenges and opportunities. ERF stands ready to deploy multi-stakeholder dialogue platforms to help shape future options.

ERF would continue to build its transformative capacity to connect ideas and people, create partnerships, contribute to knowledge and policy debates towards a better future.

Ibrahim Elbadawi
ERF Managing Director

ERF

Network and Capacity Building

Annual Report
2021

Network & Capacity Building

More than ever before, the region is in dire need for solid technical expertise to provide for the much needed future economic insights and policy options towards sustainable development. As part of ERF's pursuit towards connecting people, ERF is proud to have been growing steadily as the leading network of distinguished economists and policy makers in the region since 1993.

To cater for sustained growth, ERF is committed to nurturing promising junior researchers from the region by providing specialized mentorship, training and capacity building opportunities.

ERF Affiliates

By end 2021, ERF continues to be home for more than 370 prominent researchers of whom, a total of 241 are researcher fellows with an impressive academic track record; 55 promising young research associates; 44 senior associates and 32 policy affiliates. ERF affiliates bring to the network impressive research and policy expertise and provide the potential for mentoring young scholars.

372

ERF affiliates at the end of 2021

RESEARCH FELLOWS

Mohammad Bitar
Fethi Amri
Anis Samet | Jamel Boukhatem
Ahmed Elsayed

RESEARCH ASSOCIATES

Siham Matallah
Mohammad H. Mostafavi-Dehzooei
Ahmed Badreldin

SENIOR ASSOCIATES

Raimundo Soto

ERF affiliation is a highly selective process based on a robust review and assessment criteria. ERF encourages affiliates from prominent research and academic institutions, international organizations, and governments both inside and outside the region to join.

In 2021, the ERF network continued to expand, attracting economists of diverse interests, age groups, and gender. Not only has the network grown in greater number of seasoned researchers but also younger researchers aspiring to effectively advance the ERF mission towards promoting sustainable development (Table 1).

A total of nine new network members joined ERF (five Research Fellows, three Research Associates, and one Senior Associate).

Figure 1. ERF Affiliates by Category, 2021

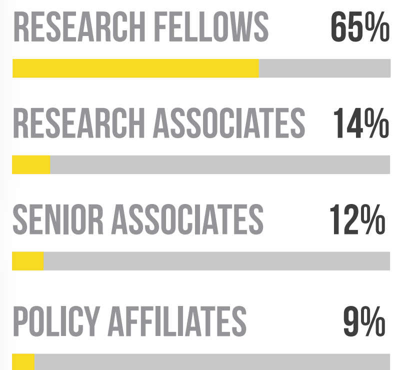


Table 1. ERF Affiliates by Residency

Affiliation	Inside	Outside	Total
Research Fellows	153	88	241
Research Associates	42	13	55
Senior Associates	29	15	44
Policy Affiliates	27	5	32
Total	251	121	372

The new members cover a broad scope of expertise and country experiences that would add to the richness and diversity of the ERF Network. Highly qualified and promising economists who are engaged in frontline research in their areas of expertise are welcomed to consider joining the network of ERF affiliates.

Capacity Building

ERF focuses on fostering the capacity to produce high quality research by providing researchers with opportunities to acquire new skills and gain exposure to new methods and concepts through tailored training workshops as well as participation in international conferences.

Training

In 2021, ERF focused on two specific areas: Applied Micro-economics and Public Policy and Computable General Equilibrium Models and Policy Analysis. Trainees were selected based on a competitive call and explicit eligibility criteria as per ERF processes. The two workshops were offered online in March/April and October. The evaluation of the workshops has been most favorable.

A total of 44 trainees participated in the two workshops. All the participants were non-ERF affiliates, most of whom were from the ERF region (93 percent), 52 percent were females. The training workshops are increasingly of interest to the young scholars and are highly regarded amongst the most valued services ERF offers to the researchers in the region.

Online Training Workshop on:
Applied Micro-econometrics and Public Policy Evaluation
March 30-31 and April 6-7

The aim of this workshop was to provide participants with a deeper understanding of micro-econometric estimation techniques that are widely used in public policy evaluation. Several methods were illustrated and discussed such as selection correction models, instrumental variables, difference-in-difference, panel data models (fixed and random effects), and matching estimators. A total of 21 young researchers from the MENA region participated in the training. Participants have acquired detailed knowledge of and hands-on experience in public policy evaluation techniques. The training was conducted by Chahir Zaki (Cairo University and ERF) and Racha Ramadan (Cairo University and ERF).

Online Training Workshop on:
Computable General Equilibrium Models and Policy Analysis
October 18, 20, 25 and 27

The workshop provided participants with the basic tools for constructing and implementing a general equilibrium model for policy analysis. This enables them to answer relevant research questions at both the academic and policy levels. The workshop emphasized theory and applications. GAMS software was used for applying the quantitative methods and running simulations studied on empirical economic problems through computer exercises. A total of 21 young

Participation in Training Events by Affiliation, Gender, and Residency

93% FROM ERF REGION

7% NON-ERF REGION

80% NON-AFFILIATES

56% FEMALES


CHAHIR ZAKI


RACHA RAMADAN

researchers from the MENA region participated in the workshop. By the end of the training, participants have acquired detailed knowledge and hands-on experience in CGE models, in particular: the structure of open economy general equilibrium models, calibrating a CGE model, implementing the model using the GAMS software, modeling trade, fiscal and environmental policies, formulating scenarios and running policy simulations, and reporting and interpreting the results. The training was conducted by Chahir Zaki (Cairo University and ERF).

Partnerships

The year was marked by various new and longstanding institutional collaborations between ERF and other institutions, including, the African Economic Research Consortium (AERC), Advancing Decent Work Agenda in North Africa (ADWA'), of International Labor Organization (ILO), Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento, (CIPPEC), and FEMISE.

ERF-AERC Collaboration on: Work and Income for Young Women and Men in Africa

The collaborative research project by the African Economic Research Consortium (AERC) in conjunction with the UK Overseas Development Institute (ODI) and the ERF on Work and Income for Young Men and Women in Africa adopted a political economy and social equity approach to assess the employment potential of specific sectors and subsectors in African economies. The project aims to identify the promising economic sectors or value chains for job creation for young men and women in selected countries in Africa; and the country specific conditions needed for local and foreign private sector to invest in these sectors or value chains. The project also highlights the country specific actors that are needed to create these conditions that enhance or reduce investment security; and the ways to promote equal access and opportunity for youth to these new sources of work and in- come, addressing inequality related to gender, socio-economic back- ground and place of residence.

ERF-ILO Network of Experts on Jobs and Growth in North Africa, in Collaboration with ILO–ADWA'

With the ongoing support of International Labor Organization (ILO), ERF launched towards the end of 2019, a special network of experts to foster dialogue and exchange between economists, social scientists, data producers and policymakers around the twin goals of promoting jobs and growth. The network is planned to be maintained for 5 years (2019 – 2023). The program activities additionally include producing a series of themed reports studying of the non-linear relationship between growth and employment creation, and of the factors and policy instruments that may influence these in the countries of North Africa. The program targets five North African countries, namely, Egypt, Tunisia, Morocco, Algeria and Sudan. The first report of this series has been disseminated in the second quarter of 2021 followed up with a designated report on the impact of COVID-19 on livelihoods, and enterprises later in the year. The network and its activities are part of the Advancing Decent Work Agenda in North Africa (ADWA') Project, a development cooperation project implemented by the ILO.

ERF- Fundación Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento, (CIPPEC)

In partnership with Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento, (CIPPEC), ERF embarked on a new initiative for the Future of Work in the Global South project (FoWiGS). The initiative, funded by the IDRC and managed by CIPPEC, aims at understanding the implications of technological change on jobs taking into account the specific contexts of developing countries and disadvantaged groups within these countries, and to influence policy towards a brighter future for workers in the emerging world. To ensure good representation of the Global South, the initiative brought together like-minded institutions from Asia, Sub-Saharan Africa (SSA), and the Middle East and North Africa to develop a better understanding of the challenges regarding the future of work considering the specific context of developing countries. A series of events were organized to address key issues pertinent to technological changes, required 21st century skills, new forms of work, demography and inequality. A synthesis report will bring together key findings to inform relevant policy processes.

ERF-IOM - COVID-19's socio-economic impact on migrants and displaced populations – Perspectives from the Middle East and Northern Africa (MENA)

The MENA region bears witness to complex and diverse mobility patterns – including labor migration, forced displacement and large-scale mixed migration flows in the Gulf of Aden and in North Africa, often characterized by high numbers of irregular migrants. In different ways, migrants and displaced populations are highly vulnerable to the socioeconomic impacts of COVID-19. A growing body of evidence outlines the ways that the socio-economic outcomes of mobile and displaced populations are negatively affected by the pandemic, including experiencing xenophobic attacks due to perceived links between migration and disease transmission, being unable to access health services or national social protection, being unable to send or receive remittances; being stranded in host country and experiencing increased violence as a result of lockdowns and restrictions on movement.

The IOM's Regional Office for the MENA developed a research tool aiming to systematically study how and to what extent COVID-19 affects the socio-economic outcomes of migrants and displaced populations in the region. Building on the United Nations' (UN) framework for the socio-economic impact of COVID-19, IOM conducted several assessments to assess the impact of the COVID-19 pandemic on six key pillars, namely: Health services and systems during the crisis; Access to social protection and basic services; Economic response and recovery; Macroeconomic response and multilateral collaboration; Social cohesion and community resilience; and Mobility.

ERF and IOM organized a series of webinars to address key timely issues of concern and to bring to the discussion the work of other UN agencies, non-governmental organizations and academics to contribute to advancing knowledge in this area.

ERF – Forum Euro- Mediterranean des Institutes des Sciences Economiques (FEMISE) Partnership

ERF, in its capacity as Southern Coordinator and President of the FEMISE network continues to play an instrumental role to secure FEMISE leadership and sustainability. In 2021, substantive institutional challenges pertaining to governance, strategic partnerships and financial sustainability have been successfully concluded. FEMISE continued to expand partnership with the Center for Mediterranean Integration (CMI) coordinating a series of online webinars and publications. The partnership is initiating work on a number of new fronts, namely in, promoting dialogue amongst key stakeholders to promote best practice for the innovation eco systems, focusing on the innovative sectors – e-health, e-education, biotech, that are implemented at the macro, meso and micro levels; and in partnership with ANIMA investment network a new Euromed project developing the knowledge on clusters and value chains.

ERF

Research Activities

Annual **Report**
2021

Research Activities

In 2021, ERF has been highly productive on the research front with the launch of 21 new research projects. Throughout the year, ERF managed a total of 111 projects engaging some 204 researchers. The projects had either been solicited or were the result of open competitions. This section provides a summary on the origin of the projects, their objectives, number of researchers involved and the geographical coverage. Whether initiated through open calls for papers or solicited, the selection process was guided by clear criteria, peer reviews and the scrutiny of thematic or project leaders.

The work covered a variety of timely topics, including impact of COVID-19 on households and firms, social protection in times of pandemic, inequality, links between growth and job creation, political economy and civil movements, digitization, natural resources and climate change, peacebuilding and reconstruction, among others. The selection of the topics was guided by their relative importance to the region and prevalent knowledge gaps. The year was also marked by an ambitious dynamic data collection effort to fill the gap regarding the impact of the pandemic in several countries of the region.

Thematic Coverage

The progress made in each area is outlined below.

- On Equity and Inequality, the research agenda continued its focus on inequality and social protection under two subthemes: (1) Impact of COVID-19 on Livelihoods in Jordan, and (2) Improving rigorous evidence for better civic engagement on social protection. In addition to a new project on Inter-Regional Comparison for the Implications of Digitalization and Disruptive Technologies for Sustainable Growth, Poverty, Inequality, Women and the Youth in North Africa and Sub-Saharan Africa.

- On Labor Markets, ERF made progress on the role of the care economy in promoting gender equality and female labor force participation in collaboration with UN Women. In addition, work continued on two fronts; jobs & growth in North Africa, and the impact of COVID-19 on households and firms in Egypt, Jordan, Morocco, Tunisia and Sudan.

- On the Macro side, two areas of focus were the main items on the research agenda: the first one on the Fiscal Sustainability in the MENA Region in Light of COVID-19 Crisis, and the second one on The Macroeconomic Impact of Covid-19 in MENA Region.

- On climate change, ERF focused on Mitigation and Adaptation to Impact of Climate change in MENA countries, and on how financial markets are affected by climate and energy-transition risks in the MENA region.

- On the Political Economy of Transformation, focus was made on two main topics: Avoiding the failed state trap in Iraq, Algeria and Sudan; and Cronyism and the Future of the Private Sector in Sudan, Algeria, and Ethiopia.

- On peace-building and reconstruction, a project was completed on economic interdependency and conflict.

- On Digitization, progress has been made in the context of the interregional collaboration with AERC on understanding Inter-Regional Comparison for the Implications of Digitalization and Disruptive Technologies for Sustainable Growth, Poverty, Inequality, Women and the Youth in North Africa and Sub-Saharan Africa. Furthermore, partnership with the Arab Development Portal (UNDP), examined how digital transformation is affecting economic growth and structural transformation through its impact on key sectors of the economy, and the opportunities that digital transformation can provide in supporting inclusive and sustainable growth, employment generation and poverty reduction.

Table 2 provides the details of the new and ongoing projects in 2021.

Research Profile

Research projects engaged 204 researchers, 83 of whom were women, 163 of whom were non-affiliates (80 percent), and 126 of whom resided in the region (more than half the total).

As of the end of 2021, ERF had completed 33 projects, continued to manage 57 ongoing projects, and initiated 21 new ones. A listing of these projects is shown in Table 3.

Table 2:
Summary of ERF Research Projects in 2021

	PROJECTS	RESEARCHERS*	COUNTRY	REGIONAL
RESEARCH COMPETITIONS	38	41	23	15
STRUCTURED RESEARCH PROJECTS	73	163	54	19
TOTAL	111	204	77	34

*These numbers exclude the research presented at the ERF 27th Annual Conference
The table does not cover the research projects undertaken under the umbrella of FEMISE.*

33 Completed Projects

57 Ongoing Projects

21 New Projects

Research Projects, 2021

STRUCTURED RESEARCH PROJECTS 77%

RESEARCH COMPETITIONS 23%

Research Projects by Affiliates

NON-AFFILIATES 79.9%

AFFILIATES 21.1%

Research Projects by Residency

ERF REGION 61.8%

NON ERF REGION 38.2%

Research Projects by Gender

MALES 59.3%

FEMALES 40.7%

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2021

	Project	Team Leaders
Completed Projects		
01	A Double-Edged Sword: Impact OF COVID-19 on environment	Belgi Turan and Mevlude Akbulut-Yuksel
02	COVID-19, Vulnerability, and Policy Response: A CGE Model of Egypt	Chahir Zaki and City Eldeep
03	Unpacking the Effects of COVID-19 on the Labor Market Status and Household Income in Turkey: Evidence from a Case Study	Aysun Hiziroglu Aygun, Gokce Uysal, and Selin Koksal
04	COVID-19 Shock Pass-through to Consumer Prices in Tunisia	Inmaculada Martinez-Zarzoso and Leila Baghdadi
05	A time of Great Intensity: The Pandemic Effect on Subjective Well-Being in Three MENA Countries	Ghada Barsoum and Mahdi Majbouri
06	Coping Strategies, Well-Being and Inequalities during the COVID-19 Pandemic Period	Oznur Ozdamar and Eleftherios Giovanis
07	Health Policies and Equity in MENA: What Will Be the “New Normal”?	Randa Alami
08	Economic Resilience in Morocco During COVID-19 Pandemic	Redouan Abddenour
09	The Impact of Climate Change and Extreme Weather Events on Budget Balances and Debt	Eleftherios Giovanis and Oznur Ozdamar
10	Dances with Wolves: Health and Weather Shocks and Fiscal Sustainability in MENA	Eman Moustafa and Amira Elshal
11	Do Economic Downturns Shift the Debt Threshold Impact on Economic Growth in MENA Countries?	Zouhair Mrabet and Mouyad Alsamara
12	Fiscal Policy Response to Public Debt: Evidence for the MENA region	Moez Ben Tahar, Sarra Ben Slimane, and Raja M. Almarzoqi
13	Fiscal Sustainability in the Time of Covid-19: the Case of Egypt	Yacoub Alatrash and Gani Nurmukhametov
14	Essays on Fiscal Sustainability in Algeria	Abderrahim Chibi, Mohamed Benbouziane, Sidi Mohamed Chekouri and Hadjer Boulila
15	Climate Change and Spatial Analysis of Agricultural Development in Turkey	Burhan Can Karahasan and Mehmet Pinar
16	Potential Impact of Climate Change on Food Consumption Through Price Channel: Case for Turkey	Emre Yüksel, Hüseyin Ikizler, and Ali Emre Mutlu
17	Is It Getting Too Hot to Work in the MENA Region?	Hala Abou-Ali, Ronia Ahmed Hawash, and Yasmine M. Abdelfattah
18	Stolen Dreams or Collateral Damage: Climate and Economic Growth in time of COVID-19	Hany Abdel-Latif, Yasmine Abdelfattah, Amal Abdelfattah, and Hala Abou-Ali
19	The Transboundary Effects of Climate Change and Global Adaptation: The Case of the Euphrates-Tigris Water Basin in Turkey and Iraq	Oznur Ozdamar and Eleftherios Giovanis

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2021

	Project	Team Leaders
20	The Effect of a Carbon Tax on the Egyptian Economy: A General Equilibrium Analysis	Abeer Elshennawy and Dirk Willenboukel
21	The role of NGOs in the Climate Policies: The Case of Tunisia	Adel Ben Youssef
22	On Stranded Assets and Climate Risk: Are Financial Markets the Last Resort?	Chahir Zaki, Mouez Fodah, and Djamel Kirat
23	The First Report on Jobs and Growth in North Africa	Ragui Assaad, Mohamed Ali Marouani, Abdel Rahmen El Lahga, Ali Souag, Chahir Zaki, Ebaidalla Mahgoub, Emilie Wojcieszynski, Fouzia Ejjanoui, Hosam Ibrahim, Irene Selwaness, Mona Amer, Moundir Lassassi, Saad Belghazi, Samia Satti, Sofiane Ghali, and Yemen Hlel
24	How do Transitory Income Shocks Affect Consumption? Evidence from Credit Card Data during Covid-19	Seyit Mumin Cilasun, Mevlude Akbulut-Yuksel, Yusuf Emre Akgunduz, and Belgi Turan
25	Determinants of Income Inequality in Jordan	Racha Ramadan
26	Inequality of Education Attainment in Jordan: Patterns and Trends	Reham Rizk and Nada Rostom
27	Evolution of Inequality of Opportunity in Education in The Jordanian Case: From 2008 to 2017	Rana Hendy and Nejla Ben Mimoune
28	What Does the Literature Tell us on the Relationship Between Economic Interdependence and Conflict Management	Katarzyna Sidło
29	Economic Interdependence and Conflict in MENA	Mohamed Ali Marouani and Gunes Asik
30	Sanctions, Wars and MENA Trade	Khalid Sekkat
31	The Relationship between Economic Interdependence and Conflict Prevention: An Institutional Perspective	Ibrahim Saif and Rani Khouri
32	Grievance and Civil War: The State of the Literature Horizontal Wealth Inequality and Oil – Is There a Contingent Effect?	Cristina Bodea and Christian Houle
33	Juba Power Sharing Peace Agreement: Will it Promote Peace and Democratic Transition in Sudan?	Ibrahim Elbadawi and Nils-Christian Bormann

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2021

	Project	Team Leaders
Ongoing Projects		
34	Estimating the Potential Effects of COVID-19 on Jordan: A Macro-Micro Approach	Chahir Zaki and Racha Ramadan
35	Inter-Regional Comparison for the Implications of Digitalization and Disruptive Technologies for Sustainable Growth, Poverty, Inequality, Women and the Youth in North Africa and Sub-Saharan Africa	Shahrokh Fardoust
36	Growth, Employment, Poverty, Inequality, and Digital Transformation in the Arab Region: How Can the Digital Economy Benefit Everyone?	Shahrokh Fardoust and Mustapha K. Nabli
37	Cronyism and the Future of the Private Sector in Sudan, Algeria, and Ethiopia	Ishac Diwan
38	Iraq's Youth: Visions and Aspirations	Ahmed Qasim and Ali Al-Hammood
39	Women, Gender, and the Iraqi Uprising: Space, Inequality and Feminist Perspectives	Zahra Ali and Asmaa Jameel Rasheed
40	The dynamics of Protest Movements in Iraq: an Institutional Approach	Bassam Youssif and Omar El-Joumayle
41	October's 2019 Protests as Perceived by the Protestors: A Field Study	Faris Nadhmi and Mazen Hatem
42	Challenges to Iraq's environment: applying the water-energy-food nexus framework	Bassam Yousif, Jehan Baban, and Omar El-Joumayle
43	On political-economic relations in Iraq	Omar Sirri
44	Decentralization in Iraq: Addressing The State – Society Gap	Hashim Al-Rikabi
45	Political Economy of the Algerian hirak	Abdallah Zouache
46	The political economy of the Algerian uprising: what prospects for economic transition?	El Mouhoub Mouhoud
47	Hirak and crisis of state representation. History in Service or against Political Transition?	Karima Dirèche
48	The Hirak in the Transnational Field	Aziz Nafa, Jean-Baptiste Meyer, and Giulia Fabbiano
49	Regional inequalities: What Do We Know About the Situation in Algeria?	Ali Souag
50	Islamist Parties as Revealing of the Limits of Co-optation and Rupture Strategies in Algeria	Amel Boubakeur
51	The Algerian Army Facing the Hirak in Search of Popular Legitimization for a Political Role	Belkacem Benzenine
52	Structuring the Revolution? Algeria's Hirak and Obstacles to Political Organisation	Tinhinan El Kadi and Hicham Rouibah
53	The Hirak and its Daily Usages in Algeria	Faisal Sahbi

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2021

Project		Team Leaders
54	Renegotiating Gender Relations in Revolutionary Algeria	Naoual Belakhdar
55	The Same Socio-Political Framework Hirak, Health and the Covid-19 Pandemic Oran (Algeria)	Mohamed Mebtoul
56	The Denial of Politics and its Daily Diversions: Hirak, Health and the COVID-19 Pandemic	Mohamed Mebtoul
57	The Education System and the Popular Protest Movement in Algeria (Hirak): Students, Elites and Intelligentsias in Social Movements	Karim Khaled and Aissa Kadri
58	The Urban: a Major Spatio-Political Issue for a Redefinition of the Social Contract	Khadidja Boussaid and Safar-Zitoun Madani
59	Gender, Intersectionality, and Sudan's 2018/2019 Uprising: Experiences of Self-Employed Women Sellers of Food and Beverages in Khartoum and Port-Sudan, and Women Farmers in South Kordofan	Nada Mustafa Ali, Sawsan Musa Abdul-Jalil, Naglaa Abdelwahid, and Mai Azzam
60	State-building and fiscal federalism in Sudan	Nada Eissa and Hamid Ali
61	Freedom, Peace and Justice: A New Paradigm for the Sudanese Health System After Sudan's 2019 Uprising	Sara Abdelazim Hassanain, Abdelhadi Eltahir and Lina Elbadawi
62	Sudan's Challenges and Opportunities: A Renaissance Project for Sudan From Poor Agriculture to Agro-Industrial Growth and Sustainable Development	Ibrahim Elbadawi, ElFatih ElTahir, Kabbashi Suliman, Abdelrazig Albasheer, Abdelrahman el khidr, Alzaki Alhelo, and Amir Elobaid
63	Addressing Sustainability and Equity Challenges in Managing the Environment and Natural Wealth in Sudan	Rashid Hassan, Hassan Abdelnur, Ismail Elgizouli, and Yasir Khairy
64	The Future of Sudanese Youth and Transition in Sudan	Walaa Ahmed Isam, Abdalla Ahmed Mohamed Elsafi, and Ahmed almojtaba
65	The Pitfalls of Education in Sudan: The Challenges of Transition, Transformation, Inclusivity and Future of Work	Saif El Din Daoud Abd El Rhman
66	The Sudan Syndrome: power relations and development in Sudan	Nada Ali
67	From protection to transformation: Understanding the landscape of formal social protection in Jordan	Mary Kawar, Zina Nimeh, and Tamara Kool
68	The Landscape of Social Protection in Tunisia	Khaled Nasri, Mohamed Amara, and Imane Helmy
69	Cash Transfers and Food Vouchers for Syrian Refugees in Jordan: Do They Reach the Multidimensionally Poor?	Ragui Assaad, Alma Boustati, and Vishal Jamkar
70	Social Safety Nets in Tunisia: Comparison of Different Targeting Methods	Khaled Nasri, Mohamed Amara, and Imane Helmy
71	Cash transfers, household food insecurity and the subjective wellbeing of youth in Jordan	Maia Sieverding and Zeina Jamaluddine

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2021

	Project	Team Leaders
72	Do social protection programs improve health related outcomes of the poor in Tunisia?	Mohamed Ali Marouani, Nidhal Ben Cheikh, and Phuong Minh Le
73	The Jordanian social contract: Shifting from direct public provision of employment-related social insurance to government-regulated social security	Irene Selwaness, and Susan Razzaz
74	Living Wages, Minimum Wages, and Poverty in Jordan and Tunisia	Caroline Krafft, and Cyrine Hannafi
75	The Role of Civil Society in Promoting Social Reforms in Tunisia and Jordan	Ahmed Awad and Asma Ben Hassen
76	Social Security Coverage and Informal Workers in Tunisia	Najat El Mekaoui, Nidhal Ben Cheikh, Jacob Emont, Yeganeh Forouheshfar, Asma Benhassen, and Arbia Saleh
77	Identifying Activities for Greater Employment Generation in Egypt: An Input-Output Analysis	Iman Amin Yassin Al-Ayouty
78	Structural change, productivity and jobs creation: Evidence from Tunisia	Mohamed Amara, Hela Jeddi and Faycel Zidi
79	Impact of COVID-19 on the MENA Labor Markets: A Gendered Analysis	Rana Hendy, Shaimaa Yassin, and Hala ElBehairy
80	COVID-19…Who will wash the dishes and change the diapers? Evidence from a post COVID-19 time use survey on Egypt	Rana Hendy and Shaimaa Yassin
81	COVID19 and the value of non-monetary job attributes to women: Evidence from a Choice Experiment in Egypt	Rana Hendy and Shaimaa Yassin
82	Policy report on the Impact of COVID-19 on livelihoods in Jordan and the associated government responses	Racha Ramadan, Rana Hendy and Reham Rizk
83	Mental Health and Gender Inequality in the MENA region: An analysis of shock related factors within the context of the COVID-19 pandemic	Irene Clavijo, Anna Spinardi, Kevin Henkens, and Nigora Isamiddinova
84	First Out, Last In amidst COVID-19: Employment Vulnerability of Youth in Egypt, Morocco, Sudan and Tunisia	Shireen Alazzawi and Vladimir Hlasny
85	Social Safety Nets and Food Insecurity in the Time of COVID-19: Selected MENA Countries	Yasmine Abdelfattah, Amira El-Shal, Eman Moustafa and Nada Rostom
86	Resilience in the Time of Covid-19: Lessons Learned from MENA SMEs	Zouheir El-Sahli and Mouyad Alsamara
87	The Impact of COVID-19 on Households and Firms in the MENA Region: the case of Sudan	Samia Satti
88	Populations' Behavior Analysis Toward COVID-19 Safety Measures in Selected MENA Countries (Algeria, Morocco, and Tunisia)	Moundir Lassassi and Lahna Idres

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2021

	Project	Team Leaders
89	Impact of COVID-19 on Small- and Medium-Sized Enterprises in Iraq	Raffaele Bertini, Julia Smith Omomo, Olga Aymerich, Diego Martin and Erin Neale
90	Navigating through a pandemic amid inflation and instability: An assessment of the socio-economic impact of COVID-19 on migrants in Eastern Sudan	Joris Jourdain, Elizabeth Griesmer and Raffaele Bertini
Initiated Projects		
91	Digitalization in MENA and sub-Saharan Africa – A comparative analysis	Izak Atiyas and Mark Dutz
92	Globalisation and structural transformation in MENA and SSA: the role of digitalization	Jaime De Melo and Jean-Marc Solleder
93	The Growth Effect of Disruptive Technology in Ethiopia: With a Case Study of Digitalization in the Financial Sector	Alemayehu Geda
94	Disruptive Technologies, Agricultural productivity and Economic Performance in Kenya	Eldah Onsomu, Boaz Munga, Boniface Munene, John Macharia and Violet Nyabaro
95	Adoption of digital technologies, productivity and dynamics of employment in the sector manufacturist and services in Senegal	Diallo Thierno Malick, Dumas Tsambou André, and Benjamin Fomba Kamga
96	Digital Technologies and Manufacturing Performance In South Africa: Firm-Level Evidence	Elvis Korku Avenyo and Jason F. Bell
97	The Impacts of Disruptive Technologies in South Africa	Lukasz Grzybowski
98	State Business Relations in Sudan and the Prospects for a Dynamic Private Sector	Kabbashi Suliman
99	A Stubborn Historical Legacy: Power Relations and Development in Sudan	Atta Al-Battahani
100	Political Islam and crony capitalism in Sudan: A case study of “Munazzamat al-Dawa al-Islamiyya	Ebaidalla Mahjoub Ebaidalla and Mohammed Elhaj Mustafa
101	Crony Capitalism in a “Developmental State” Model of an African Poor Country: Ethiopia	Alemayehu Geda
102	From Rags to Riches to Rags Again: Deconstructing the Narratives of Algeria’s Crony Capitalism Mirage	Idriss Hadj-Nacer
103	The second report on Jobs and Growth in North Africa	Caroline Krafft, Ragui Assaad, Mohamed Ali Marouani, Abdel Rahmen El Lahga, Chahir Zaki, Ebaidalla Mahgoub and Samia Satti
104	The impact of the COVID-19 pandemic on women’s time in unpaid care work	Caroline Krafft, Irene Selwaness and Maia Sieverding
105	The impact of the COVID-19 pandemic on the labor market in the Middle East and North Africa	Ragui Assaad, Caroline Krafft and Mohamed Ali Marouani

Research Activities

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2021

Project		Team Leaders
106	The impact of the COVID-19 pandemic formal and informal firms in the Middle East and North Africa	Lisa Chauvet and Mohamed Ali Marouani
107	Job loss during COVID-19: Estimating the poverty and food security effects in Egypt, Tunisia and Morocco	Adel Ben Youssef and Burim Prenaj
108	Does COVID-19 pandemic spur digital business transformation in MENA region? Evidence from firm level data	Ebaidalla Mahjoub Ebaidalla and Mohammed Elhaj Mustafa
109	Employment Promotion Project	Caroline Krafft, Ragui Assaad, Rana Hendy, Rasha Hassan, Mina Ayad, and Mohamed Azab
110	Women in the Egyptian Labor Market	Maye Ehab, Ghada Barsoum, and Caroline Krafft
111	National Child Labor Survey 2022	Ragui Assaad, Zakaria Othman and Ali Rashed
Micro Datasets		
112	Household Surveys	May Gadallah and ERF data team
113	Sudan Labor Market Panel Survey (SLMPS 2020)	Ragui Assaad and Caroline krafft
114	ERF Covid-19 MENA Monitor Panel Surveys	Ragui Assaad, Caroline Krafft and Mohamed Ali Marouani

The Open Access Micro Data Initiative and the ERF Data Portal

Data cleaning, harmonization and dissemination efforts by ERF's in-house team of statisticians continued steadily. During January 2021 to December 2021, 38 new datasets were made publicly available through OAMDI (see Annex B).

By end of 2021, the ERF data portal holds 149 datasets including:

- 28 Harmonized Household Income and Expenditure Surveys (HHIES) from seven Arab countries (Egypt, Iraq, Jordan, Palestine, Sudan, Somalia, and Tunisia);
- 50 Harmonized Labor Force Surveys (HLFS) from Egypt, Jordan, Palestine, Tunisia, and Yemen;
- 18 COVID 19 MENA Monitor Household Survey (CMMHH) for Egypt, Jordan, Tunisia, Morocco, and Sudan;
- 13 COVID 19 MENA Monitor Enterprise Survey (CMMENT) for Egypt, Jordan, Tunisia, and Morocco;
- Two Child Labor Surveys from Jordan and Egypt;
- Four Harmonized Health Surveys (HHHS) from Iraq and Sudan;
- One Health Survey from Egypt;
- Eight Labor Market Panel Surveys (LMPS) from Egypt, Jordan, and Tunisia;
- Two Higher Education Graduates Surveys (HEGS) in two Arab countries (Egypt and Jordan);
- Four Surveys of Young People from Egypt and Iraq;
- Three Harmonized Surveys of Young People in Egypt (HSYPE);
- One Survey of Young People in Informal Urban Areas of Greater Cairo (SYPE-IGC);
- Seven datasets on Micro and Small Enterprises from four countries (Egypt, Lebanon, Morocco, and Turkey);
- Two datasets on exports and imports from Egypt;
- A dataset on the constraints facing the development of Micro and Small Enterprises from two governorates in Egypt;
- Five UNIDO databases on Industrial Statistics and Industrial Demand-Supply Balance.

During the reporting period, data collection efforts have raised the ERF stock of household surveys, firm and sectoral datasets to 67 that are yet to be harmonized and disseminated.

Covid 19 MENA Monitor Surveys

The COVID 19 MENA Monitor Surveys carried out during one of most turbulent times in recent history with the COVID-19 outbreak, aimed to provide scientific and evidence-based policy insight to better understand the short-term consequences of the social and economic crisis generated by the pandemic, as well as assessing both household and enterprise behavior changes over time, and the respective coping strategies.

38

NEW DATASETS WERE MADE PUBLICLY AVAILABLE THROUGH OAMDI

43%

OF RESEARCHERS ACCESSING THE DATA ARE FROM THE ERF REGION

The generous support of ERF partners and donors: the Arab Fund for Economic and Social Development (AFESD), the International Labour Organization (ILO), Agence Française de Développement (AFD), The Foreign, Commonwealth & Development Office (FCDO) of the Government of the United Kingdom (formerly known as DFID), The World Bank, "Advancing the Decent Work Agenda in North Africa" (ADWA), and Foreign, Commonwealth and Development Office (FCDO), availed to ERF on timely basis provided for a wide-ranging, nationally representative panel survey that is constructed using a series of bi-monthly short panel phone surveys that include an economic impact questionnaire.

The Household Questionnaire: The modules cover issues such as health impacts, impact on food security and work and education patterns, including people's ability to work from home and to engage in distance learning. Given the dominant informal sector and jobs and the absence of unemployment insurance schemes in most of these countries, the shock faced by the economy is almost entirely transmitted to workers. Questions on policy responses (e.g. lockdowns, curfews, receipt of financial assistance, receipt of food, etc.) are included. Data is collected on key demographic and socio-economic characteristics in order to understand the distributional consequences of the effects of the pandemic and responses to it, which allows studying the effect of the pandemic on women, informal and irregular workers, less skilled workers, refugees and youth.

The Enterprise Questionnaire: The modules cover business closure (temporary/permanent) due to lockdowns, ability to telework/deliver the service, disruptions to supply chains (for inputs and outputs), loss of product markets, increased cost of supplies, worker layoffs, salary adjustments, access to lines of credit and delays in transportation. Understanding the strategies of firms (particularly micro and small enterprises) to cope with the crisis is one of the main objectives of this survey. Specific constraints such as weak access to the internet in some areas or laws constraining goods' delivery are analyzed. Enterprise owners are asked about prospects for the future, including ability to stay open, and whether they benefited from any measures to support their businesses.

COVID 19 MENA Monitor Surveys covered five Arab countries (Tunisia, Morocco, Egypt, Jordan, and Sudan) with different numbers of waves, as shown in Table (4).

Access to OAMDI

OAMDI is a unique initiative providing researchers with free access to several types of micro data. Since its launch in April 2013, OAMDI continues to serve the global community of researchers.

ERF firmly believes that open access to data is critical to ensure transparency. Historically, many household surveys and firm data have never been publicly shared in the region.

Providing researchers with open access to micro data will promote innovation as data collected for one purpose may be useful for many, and only open data will ensure that data are used efficiently. This online automated data portal is set up to encourage responsible use of micro data by registered researchers while respecting the confidentiality and copyrights of the national statistical offices and ERF.

Table 4:
COVID MENA Monitor Surveys

	HOUSEHOLD QUESTIONNAIRE	ENTERPRISE QUESTIONNAIRE
TUNISIA	4 WAVES	3 WAVES
MOROCCO	4 WAVES	3 WAVES
JORDAN	3 WAVES	3 WAVES
EGYPT	2 WAVES	2 WAVES
SUDAN	2 WAVES	-

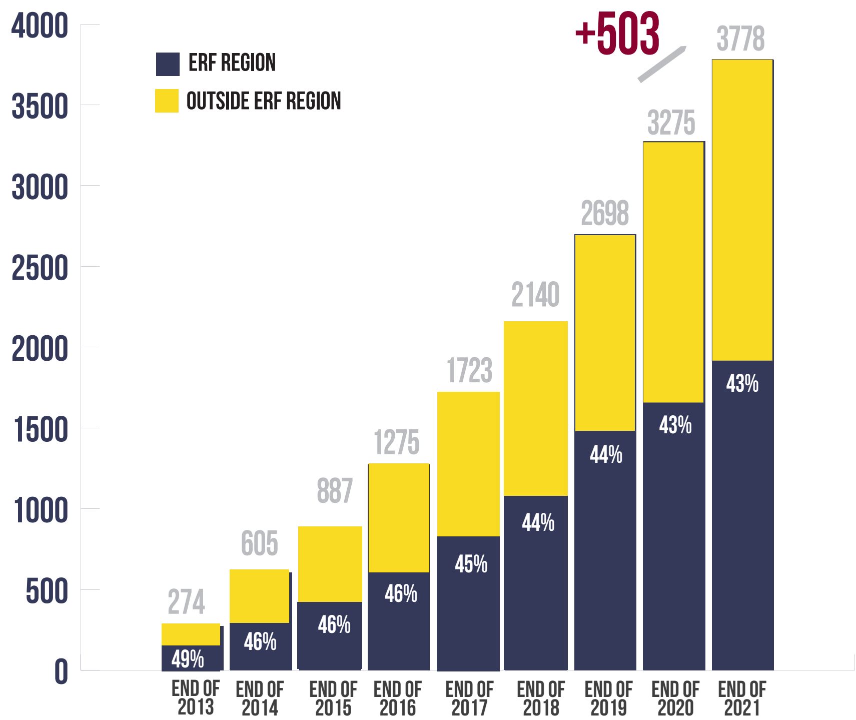
In 2021, ERF's online data portal subscribers reached 3,778 compared to 3,275 by the end of 2020, 2,698 by the end of 2019, and 2,140 by the end of 2018, as shown in Figure 2.

The outreach of the data portal extends beyond the region and network affiliation. Less than half of the researchers accessing the data are from the ERF region (43 percent). Only a minor percentage (three percent) are affiliated to ERF.

By end 2021, ERF has granted access to around 7,670 micro datasets. The number of surveys accessed in 2021 increased by 1,451 compared to the number in 2020 (7,670 datasets compared to 6,219 datasets).

Figure 2 illustrates the growing diversification in the data types provided by OAMDI. Around 66 percent of the accessed datasets were for harmonized household surveys (Harmonized Household Income and Expenditure Survey (HHIES), Harmonized Labor Force Survey (HLFS), Harmonized Survey of Young People in Egypt (HSYPE), and Harmonized Household Health Survey (HHHS)). A total of 25 percent was for labor market panel surveys (LMPS), and 4.4 percent were for different firm and sector-level datasets and other types of surveys. In Addition, there are 325 downloaded surveys for COVID-19 MENA Monitor Household Surveys (CMMHH) and COVID-19 MENA Monitor Enterprise Surveys (CMMENT).

Figure 2:
Number of OAMDI Users Since Launch by Region



Labor Market Surveys

The Sudan Labor Market Surveys (SLMPS) and the Tunisia Labor Market Surveys (TLMPS) continued to be high on the ERF management agenda. ERF continues to diligently pursue efforts with donors, partners and national statistical offices to sustain the implementation of the surveys. Conducting the surveys is dependent on the national political context which had presented a series of challenges to carrying out the surveys in 2021 as planned.

+ 7,670

NUMBER OF MICRO DATASETS, ERF HAS GRANTED ACCESS TO, 2021

66%

OF THE ACCESSED DATASETS WERE FOR HARMONIZED HOUSEHOLD SURVEYS

ERF

Communications and Outreach

Annual Report
2021

Communications and Outreach

In 2021, multi-stakeholder engagement surpassed set out targets and previous achievements. ERF continued steadily to effectively and efficiently connect people and ideas to deliver towards its mission of promoting sustainable economic development in the region. More than 60 online webinars were organized bringing together almost 3,500 participants worldwide.

ERF managed the production of more than 175 publications including 75 working papers, 16 refereed journal articles, 67 policy articles and 18 policy briefs, one edited volume and a set of joint reports. A quarterly newsletter reaching in excess of 8000 subscribers has been launched in Q3 2021.

Annual Conference

SDGs and External Shocks in the MENA Region: From Resilience to Change in the Wake of COVID-19

ERF 27th Annual Conference

May 17 to June 30 | Webinars

Since every crisis brings opportunities, the ERF 27th Annual Conference brought together world-renowned economists, social scientists and policymakers to discuss and debate key questions pertinent to: the extent of the impact of current unprecedented shocks on the the medium and long run effects with regards to SDGs; how national policies need to be adjusted in order to re-prioritize development goals and make the economies more resilient; and most importantly how to best manage the tradeoff between deeper stabilization as a short-term requirement with optimum resource allocation as a long-term goal. Furthermore, at the social level, how the MENA region can combine finance stabilization programs that are often accompanied by targeted short-term relief for a few of the vulnerable people with more systemic long-term solutions; and, in view of the shrinking fiscal space and looming debt burden, how much support could be expected from the regional and international development communities for MENA and other developing regions. Finally, the conference addressed the emerging role of the state in response to the changing technological and regulatory capacities that are likely to shape the economic policy making in the aftermath of Covid-19.

8000+
Subscribers to the ERF newsletter list

3500+
PARTICIPANTS HAVE ATTENDED THE ERF WEBINARS IN 2021

60+
WEBINARS WERE ORGANIZED DURING 2021

Plenary 1: A Global Economic System in Turmoil: What is at Stake for the MENA region?

At the outset, H.E. Dr. Hala Elsaid, Minister of Planning and Economic Development (Egypt), Dr. Mahmoud Mohieldin, Executive Director, International Monetary Fund, Mr. Mounir Thabet, Deputy Executive Director, ESCWA and Dr. Kamiar Mohaddes, Associate Professor, University of Cambridge ESCWA


HALA ELSAID


MAHMOUD MOHIELDIN


MARY KAWAR


TILMAN BRUCK

discussed the main challenges faced by the MENA region to move forward despite the higher than usual degree related to recovery.

Plenary 2: Social Protection, Inclusion and Inequality: A Pipeline of Policies

H.E. Dr. Nivin El Kabbag, Minister of Social Solidarity (Egypt), Dr. Mary Kawar, Former Minister of Planning (Jordan), Dr. Sami Atallah, The Policy Initiative (Lebanon) and Dr. Touhami Abdel Khalek, National Institute of Statistics and Applied Economics (Morocco), shed light on the acute impact of the current economic shocks on vulnerable categories. They discussed the challenges and potential for social protection programs given the specific nature of the economies in the region registering high levels of informality.

ERF 27th Annual Conference in numbers

24
ONLINE CONFERENCE SESSIONS

48
CONFERENCE PAPERS DISCUSSED

104
AUTHORS

973
PARTICIPANTS FOR THE LIVE SESSIONS

Plenary 3: Political Economy Challenges to Diversification Strategies

Dr. Ishac Diwan, Paris School of Economics, H.E. Dr. Omar Razzaz, Former Prime Minister (Jordan), Dr. Nader Kabbani, Brookings Institute, Dr. Mustapha Nabli, North African Bureau of Economic Studies (NABES) interrogated the possibilities of reforms that increase productivity, create jobs, and allow for a progressive diversification of the economy, in an environment characterized by fiscal tightness and popular unrest.

Special Panel 1: The Impact of COVID-19 on Middle Eastern and North African Labor Markets

This panel, Dr. Ragui, Assaad, University of Minnesota, Dr. May Gadallah, Economic Research Forum, Dr. Mohamed Ali Marouani, Université Paris1-Panthéon-Sorbonne and Dr. Caroline Krafft, St. Catherine University discussed the results of the ERF COVID-19 MENA Monitor Panel Surveys, focusing on how the labor markets of Egypt, Jordan, Morocco, Sudan, and Tunisia have evolved from just prior to the pandemic (in February of 2020) through spring of 2021.

Special Panel 2: Conflict and Post Conflict Economic Reconstruction Agenda

The research insights of the ERF Program on Post Conflict Contexts for Rigorous Political Economy Analysis and for Advocacy of Sustainable Reconstruction provided for a rich discussion in four panels:

The first panel: Dr. Samir Makdisi, American University in Beirut, Dr.

Communications and Outreach

Ibrahim Elbadawi, Economic Research Forum, Dr. Raimundo Soto, Pontificia Universidad Católica de Chile, Dr. Nils- Christian Bormann, Witten/Herdecke University focused on the Aftershock of the Arab Uprisings: Reconstruction, National and Democratic Change.

Second panel: Dr. Semih Tumen, TED University and Dr. Khaled Abu-Ismail, ESCWA presented The Foundations for Post Conflict Growth Agenda in the MENA Region.

Third panel: Dr. Tilman Bruck, International Security and Development Center and Nada Mustafa Ali, University of Massachusetts discussed The Impact of Violent Conflict on Lives and Livelihoods in the MENA Region. Fourth panel: Dr. Ahmed Ghoneim, Cairo University, Dr. Ibrahim Saif, Jordan Strategy Forum, addressed Economic Interdependency and Conflict.

Special Panel 3: Digital Transformation and Implications for Growth, Employment, Poverty and Inequality in the Arab Region

The panel presented and discussed the findings of the ERF Digitalization Transformation and Implications for Growth, Employment, Poverty and Inequality in the Arab Region project undertaken in partnership with The Arab Development Portal, UNDP. The panel featured: Dr. Mustapha Nabli, Dr. Shahrokh Faroust, College of William and Mary, and Dr. Paola Pagliani, UNDP. The panel explored how digital transformation affects economic growth and structural transformation through its impact on key sectors of the economy, and what are the opportunities and risks that digital transformation can create for supporting inclusive and sustainable growth, employment generation and poverty reduction. It also discussed the impact of digital transformation on human development and human capital accumulation, and what is its potential impact on inequality and poverty.

Policy Interview: The Future of ODA – Challenges and Opportunities – featuring a policy best practice and success model.

While the COVID-19 pandemic posed serious challenges towards achieving the sustainable Development Goals (SDGs), Egypt was not derailed. In 2020, the Ministry of International Cooperation secured $9.8 billion in development financing to meet targets by 2030, with $3.1 billion mobilized to support the private sector. The interview with H.E. Dr. Rania Al-Mashat, Minister of International Cooperation (Egypt) shed light on lessons learnt.

The ERF 27th annual conference convened virtually hosting 24 online conference sessions; featuring 17 distinguished experts across three plenary sessions, three special plenary sessions and one policy interview in addition to 15 conference sessions featuring 48 papers by 104 authors across 10 themes competitively selected based in a robust refereeing process engaging 18 distinguished referees. The conference convened a total of 973 participants for the live sessions. Read the full conference agenda.

12

Researchers received the Best Paper Award

BEST PAPERS AWARD WINNERS

- Onur Altindag
- Stephen O'Connell
- Samar Abdelmageed
- Ahmet Atıl Aşıcı
- Sevil Acar
- Erinç Yeldan
- Hanifa Pilvar
- Kowsar Yousefi
- Yasmine M. Abdelfattah
- Hala Abou-Ali
- Hany Abdel-Latif
- Amal Abdelfattah

Other Conferences

The GCC Economies in the Wake of COVID-19: Charting the Road to Recovery and Resilience

March 9-10 | Webinars

ERF recognizes that the GCC Governments are currently laying the

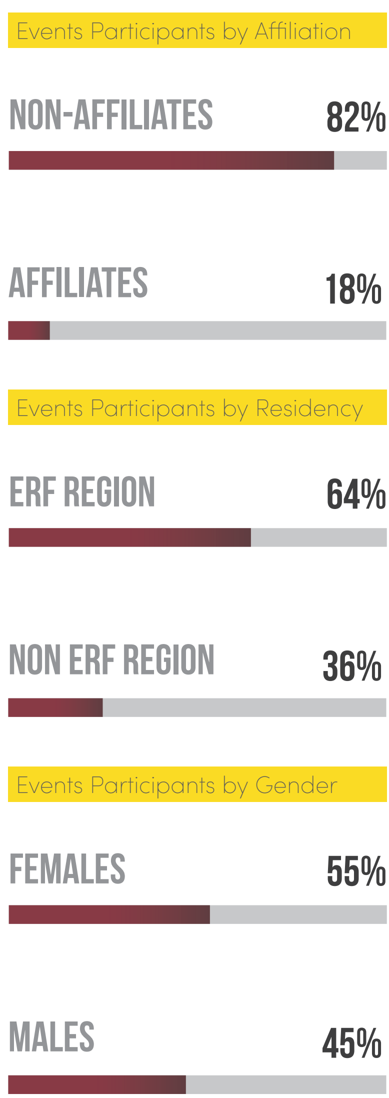
250+

PARTICIPANTS IN THE GCC CONFERENCE, MARCH 9-10

2400+

ONLINE PARTICIPANTS IN ERF ONLINE EVENTS

Figure 3: Events Participation



groundwork for an economic recovery, heeding the lessons of past experiences and seeking to build a more efficient and resilient economy of the future. They are looking ahead to ensure that the short-term impact of the pandemic does not translate into a long-term economic crisis.

As part of the ERF GCC Initiative, the conference aimed to assess the economic impact of COVID-19 on the GCC countries, identify the lessons learned from this pandemic, and explore policy responses that would improve the efficiency and resilience of the GCC economies going forward.
Looking into the future, H.E. Minister Ohood Khalfan Al-Roumi, Minister of State for Government Development and the Future, UAE delivered the opening speech in Plenary 1. Dr. Danial Kenda, International Monetary Fund presented the IMF Report on Economic Prospects and Policy Challenges for the GCC Countries for discussion amongst distinguished expertise from the GCC region. Plenary 3 focused on Economic Diversification in the Gulf: Time to Redouble Efforts. The final plenary featured a Challenges and Prospects for GCC Economies Post Covid-19 Conversation with Dr. Roula Dashti, Executive Secretary, the Economic and Social Commission for Western Asia. Read the full conference agenda.

Consultations and Workshops

Towards connecting people and ideas, ERF continues to provide a multi-stakeholder platform convening partners, organizing consultations and conducting workshops. In 2021, ERF coordinated 30 events that attracted around 2,475 participants. Figure 3 reflects on the distribution and breakdown of the participants.

Improving Rigorous Evidence for Better Civic Engagement on Social Protection and Supporting the Network's Institutional Strengthening

Towards the end of 2020, ERF launched a new project on Social Protection in Tunisia and Jordan that explores the current landscape of social protection in the region and considers how the government and civil society can collaborate to build a new social contract with robust social protection for all. The project is funded by the Ford Foundation 2020 – 2022 and is led by Ragui Assaad, Irene Selwanes and Caroline Krafft. ERF provided from the outset, a multi-stakeholder platform, convening key civil society actors, researchers and policymakers to discuss and debate research findings and potential policy options throughout the lifetime of the project.

"SOCIAL PROTECTION "IN JORDAN AND TUNISIA

Workshop on *Social Protection in Tunisia - Stakeholder Consultation and Brainstorming*

January 20 | Webinar

The decisions taken by governments to curb the COVID-19 pandemic have led countries to strengthen their social protection systems and extend the coverage of their social programs to previously uncovered categories operating within the informal economy. Tunisia's social protection system is considered one of the most comprehensive in the MENA region with respect to the current levels of legal and effective coverage in addition to the wide geographic coverage of non-contributory programs. However, the COVID-19 pandemic helped expose the current limits of the social protection system in Tunisia. This led the government to deploy urgent measures aimed at addressing the socio-economic impacts of mitigation measures on the poor and vulnerable as well as informal workers.

Questions remain unanswered about the performance and the quality of targeting of non-contributory programs, especially cash transfers and access to healthcare for the most vulnerable populations.
In this regard, this workshop was organized to give the opportunity for civil society and social protection experts to discuss:

- social coverage in Tunisia, particularly for vulnerable populations;
- the impact of the COVID-19 pandemic and the challenges for the social protection system in Tunisia;
- the health insurance system and the inequalities in access to health care;
- the priorities to be addressed for potential reforms.

National Dialogue on *The Social Protection System in Tunisia*

September 7 | Webinar

Tunisia is considered among the countries with the most comprehensive social protection system in the MENA region. However, taking into account the current levels of legal and effective coverage in addition to the wide geographical spread of non-contributory programs, more than 44% of the working population were still outside the social protection systems in 2019.

RAGUI ASSAAD

Moreover, the health crisis of COVID-19 has exposed the current limitations of the social protection system despite the government deployment since the beginning of the crisis of eight urgent measures (2 contributory and 6 non-contributory) to mitigate the socio-economic and health impacts of the crisis. Tunisia must now embark on reforms to better extend the coverage of programs especially to categories not yet covered and, more specifically, to active people in the informal economy; it must also account for the challenges faced by the social protection system such as the performance and the targeting quality of non-contributory programs, inequality of access to care services, the problem of financial imbalance of funds and the exclusion of some vulnerable categories from the social protection system.

This national dialogue provided an opportunity to convene various actors of civil society, policy makers, politicians and experts to better reflect on the reforms and measures needed for a more inclusive social protection. The discussion was based on the draft paper The landscape of social protection in Tunisia.

National Dialogue on *Landscape of Formal Social Protection in Jordan*

September 27 | Webinar

Social protection, defined as the set policies and programs designed to reduce and prevent poverty and vulnerability, is a human right. In recent years, the significance of social protection has been increasingly recognized, gaining momentum and has been incorporated into international documents and agendas. In Jordan in particular, there has been an increased attention to social protection floors by the Government. This is evidenced by the development of a National Social Protection Strategy in 2019, in which the government affirmed its commitment to break the intergenerational cycle of poverty and to provide a "social protection floor" in the context of Jordan's vision for a state of solidarity, production and justice (HKJ, 2019). The event provided a venue to present and discuss the findings of the draft paper: From protection to transformation: Understanding the landscape of formal social protection in Jordan.

ISHAK DIWAN

From Fragility to Resilience: Avoiding the Failed State Trap and the Road Ahead: Algeria, Iraq and Sudan

Ongoing consultations and workshops are integral to the design of this research program generously funded by the International Development Research Center (IDRC) to ensure multi-stakeholder engagement throughout the lifetime of the project.Throughout the year multiple events across the three program components: (i) Political Economy (Hirak) led by Ishac Diwan; (ii) Gender led by Rana Hendy and Shaimaa Yassin; (iii) Climate Change led by Atif Kubursi. There are 40 papers under production by 77 researchers regionwide.

ERF in partnership with the Institute for Social Science Research on Algeria-ISSRA, and Al-Bayan Center for Planning and Studies in Iraq convened multiple events amongst researchers and civil society players towards developing a clear vision and envisioning contours of a better future, shaping of a more progressive social contract across three countries: Algeria, Iraq and Sudan. A series of consultations and events were held for the studies in Algeria, Iraq and Sudan.

First Consultation: *Avoiding the Failed State Trap and the Road Ahead for Algeria*

January 28 & 31 | Webinar

This meeting brought together for the first time the team members of the project in Algeria to introduce the different team members and to present and discuss the outlines of each paper.

National Dialogue: *Algeria*

June 19-20 | Webinar

Over a two days period, the workshop discussed the preliminary results of the first drafts of the 12 papers. Particular emphasis was placed on the innovations produced during the latest mobilization sequences. The exchanges and discussions between researchers and social actors and the sharing of their local experiences has been essential to refine the analysis of the contours of a new culture of movements.

Communications and Outreach

First Consultation:
Avoiding the Failed State Trap and the Road Ahead for Iraq
February 13 | Webinar

Based on the first consultation meeting of the project held on November 30, 2020, it was agreed to prepare a Zero Draft for discussion. The meeting brought together team members to discuss progress to-date and refine their plans in light of peer review and feedback.

National Dialogue:
Iraq
July 9-11, and October 23 | Webinar

The three-days webinar was held in two parts to present and discuss the draft among the social movement actors and different concerned stakeholders. These exchanges between the researchers and the civil society actors are the essence and core of the initiative, as sharing their local experiences would enable the researchers to improve the study and to capture the outlines of the new culture of social movements.

Workshop on:
The Road Ahead for Sudan
April 5 | Webinar

This meeting convened the country teams to review and discuss the outlines of the papers.

“FROM FRAGILITY “TO RESILIENCE

Workshop on:
Rethinking Arab Social Movements
June 14 | Webinar

This webinar was set engage with the global research community, and cross-fertilize ideas among the research teams. Each session was designed to include considerations about the relevance of old and new theories and concepts; methodological issues; and a critical view about the relationship between the researcher and the activist.
The inaugural session addressed The New Protest Movements and the Renewal of Social Sciences. As the trajectories of the recent social movements in Algeria, Lebanon, Iraq and Sudan seem to differ from those of the Arab spring of 2011, the speakers addressed two key questions: Do these mobilizations require us to renew concepts to analyze “Arab revolutions”? What are the roles of the social sciences, and of the researcher, in the process of social change?

Workshop on:
Gender, Transformation and Politics
July 5 | Webinar

This seminar focused on what a gender analysis of the recent social movements in Algeria, Lebanon, Iraq and Sudan can teach us about the concepts of transformation, leadership, political alliances or social roles.

Workshop on:
Mitigation and Adaptation to Impact of Climate Change in the MENA Region
August 18 | Webinar

The MENA countries are particularly vulnerable to climate change disasters and their consequences given the fragility of their ecosystems, their heavy dependence on natural capital and the environment for survival and prosperity, the limited adaptive capacities of these countries to environmental shocks and the limited preparedness to mitigate these shocks. The physical vulnerability of these countries is particularly severe in low coastal lands (UAE, Egypt, Lebanon), harsh environments (those with large desert areas (Saudi Arabia, Kuwait, UAE, Oman, Bahrain, Qatar), those with fragile ecosystems (almost all of the Arab countries), and water stress problems (all Arab countries with the possible exception of Lebanon). This is further exacerbated by socioeconomic vulnerability as reflected by a high dependence on the production and export of natural resources and other environmentally sensitive commodities. This dependence on natural capital and environmental resources reduces their resilience and adaptive capacities to the consequences of climate change.

It is here where an adaptation approach that jointly addresses both types of vulnerabilities in these countries is obviously required.

Several subthemes were identified and set the basis for an ERF Call for Proposals. The drafts of the seven papers competitively selected and their preliminary findings were reviewed and discussed.

Workshop on:

The Impact of COVID 19 on Women's Time-Use, Labor Supply and Job Preferences in MENA

October 19 | Webinar

The impact of the COVID-19 health crisis on careers, and career aspirations is unprecedented. The crisis has already shown worldwide, and particularly in the MENA region, a number of challenges faced by individuals worldwide at large and in the MENA region specifically. COVID-19 related restrictions and measures such as social distancing, quarantine measures, closures of schools and daycares, work from home, etc., and have all led people to value their jobs differently. The COVID-19 crisis involved: physical distancing restrictions; closure of childcare services and schools; and work from home of most men and women. This clearly impacts labor Three draft papers were reviewed and presented during the webinar to assess the impact of the crisis on labor demand and supply.

"JOBS AND GROWTH

Jobs and Growth in North Africa Key Macroeconomic Indicators and Labour Market Trends and the COVID-19 Impact

The webinar series organized in partnership with the International Labor Organization (ILO) with support from the Swedish International Development Cooperation Agency (SIDA) brought together policymakers, academics, international organizations and other key stakeholders to discuss the ERF-ILO Regional Report on Jobs and Growth in North Africa and the key findings from the Covid-19 labor market monitor.

Webinar Series:

Jobs and Growth in North Africa key Macroeconomic Indicators and Labour Market Trends and the COVID-19 impact

July 5-8 | Webinar

Over the course of four days, from 5-8 July 2021, the webinar series tackled the jobs and growth dynamics from a broad socio-economic perspective in four different countries: Egypt, Tunisia, Algeria, and Sudan respectively.

The webinar series raised several crucial issues related to the challenge of informal economy. It also discussed the need for more indicators that reflect the actual status of unemployment in the region such as discouraged unemployment, the challenge of data availability and accessibility and the need for more homogeneity between education and labor market requirements.

ERF and ILO have also formed a network of experts for a better understanding of the non-linear relationship between growth and employment creation, and of the factors and policy instruments that may influence them in North African countries. Two meetings were coordinated in 2021.

2nd Expert Group Meeting (EGM):

Jobs and Growth in North Africa

July 12 | Webinar

The agenda focused on: an update of progress made to date since the first meeting in late 2019 including:

180+

Publications during 2021

+300

ARTICLES WERE PUBLISHED ON THE FPRUM BETWEEN 2017-2020 the production of the joint report on Jobs and Growth; the coordination of a series of dissemination webinars; the data collection to fill the data gaps on the impact of COVID-19 on households and firms in 4 countries: Tunisia, Morocco, Egypt and Sudan; and the initiation of the work on the second report on Jobs and Growth with a focus on the impact of COVID-19.

3rd Expert Group Meeting (EGM):

Jobs and Growth in North Africa

November 18 | Webinar

The 3rd EGM presented an update on the COVID-19 MENA Monitor data and the planned second report on Jobs and Growth in North Africa. The meeting also highlighted the findings of the countries' case studies. Representatives of the NSOs were invited to inform the meeting on their efforts to assess the impact of COVID-19 in their respective countries.

Post Conflict Contexts for Rigorous Political Economy Analysis and for Advocacy of Sustainable Reconstruction

Under this program in partnership with the Ford Foundation, four main areas are studied: Conflict, National Peace Building and Post Conflict Transition in War Afflicted Arab Countries; Foundations for Post Conflict Growth Agenda; The Micro-Level Analysis of the Impact of Violent Conflict on Lives and Livelihoods in the MENA Region; and Economic Interdependency and Conflict.

Workshop on:

Economic Interdependency and Conflict in the MENA Region

April 8 | Webinar

The nature and strength of the link between economic interdependency and peace is highly controversial on both theoretical and empirical grounds. While the predominant liberal economic theory predicts a positive relationship between economic exchange and political stability, other schools of thought criticize the absolutism of this view. The relationship between interdependency and conflict (if it exists at all) highly depends on the distribution of gains, political power and, importantly, the conceptualization and measurement of interdependency and conflict.

In the context of the MENA region, the mechanism through which the relationship between conflict and economic interdependency plays out is crucial. The workshop provided a platform to discuss the draft papers amongst authors and experts in the field. This project is led by Ahmed Ghoneim and is part of the broader program on Peace-Building and reconstruction in conflict affected Arab countries led by Samir Makdisi and Raimundo Soto.

To further connect people and ideas, ERF expanded its portfolio of events in Q3 and Q4, to launch new strategic partnerships, convene the various projects teams, conduct consultations with various stakeholders and theme specific experts, validate research findings and finally provide a platform to disseminate the final research findings and policy options.

Workshop on:

Private Sector Development, Digitization and Disruptive Technologies Project - Sub-Saharan Africa Case Studies

May 25 and June 23 | Webinar

ERF launched in 2021 a new project on Inter-Regional Comparison for the Implications of Digitalization and Disruptive Technologies for Sustainable Growth, Poverty, Inequality, Women and the Youth in North Africa and Sub-Saharan Africa, that addresses the inter-regional comparison for the implications of digitalization and disruptive technologies for sustainable growth, poverty, inequality, women and the youth in North Africa and Sub-Saharan Africa (SSA). ERF partnered with the African Economic Research Consortium (AERC), to develop the SSA case studies. In this regard, five concept papers were developed covering four SSA countries, namely: Ethiopia, South Africa, Senegal and Kenya. In the initial consultation meeting, the draft concept notes of the case studies were presented and reviewed. The final concept notes were presented in the second meeting.

POST CONFLICT CONTEXTS"
"FOR POLITICAL ECONOMY

Workshop on:
Estimating the Potential Effects of COVID-19 on Jordan: A Macro-Micro Approach
July 5 | Webinar

The outbreak and spread of the COVID-19 pandemic has left a profound impact on the global economy. Currently, countries all over the world are facing an incredible challenge in trying to assess the extent of the economic shocks, and pave the road to recovery.

This project on the impact of COVID-19 on Jordan aims to produce a Policy Report that would rely chiefly on a descriptive analysis to provide an assessment of the COVID-19 pandemic shock on Jordan, at both the macroeconomic level and microeconomic level. The online workshop provided a platform for discussing the data used, the technical approach, as well as to present and discuss the preliminary findings amongst the authors and experts.

Workshop on:
Income and Non-Economic Inequalities in Jordan
July 14 | Webinar

In order to ensure a comprehensive assessment of inequality in Jordan, three papers were produced that analyze three different angles of inequality: inequality of education attainment, evolution of inequality of opportunity in education, and the determinants of income inequality in Jordan. Yet, there is very limited updated data and analysis on the dimensions and core drivers of inequality. The event provided a platform for discussing the key findings of the report, the approach and data gaps, as well as policy implications.

Webinar Series on:
Dialogues of the Future of Work in the Global South: Building Narratives from the Middle East and North Africa
July 26-28 | Webinar

Over the last decade, the Global South has produced much research and data about the future of work. However, this knowledge is still fragmented and not easily accessible for policymakers and public opinion. It is time to take stock of existing research, systematize it and shape it into narratives that can feed proper policy frameworks for Global South governments. This is what the dialogues were about. Researchers were invited to share their knowledge and expertise, with a special focus on detecting the global narrative elements that need to be reconsidered when turning the attention to the Global South.

The five workshops were organized around the five following building blocks topics of a narrative about the future of work. First, Technological Change, which is already taking place in the Global North but should not be taken for granted in the Global South. Second, 21st Century Skills, which can be attained through curricular reform in the Global North but require structural changes in skills development systems in the Global South. Third, New Forms of Work (i.e., digital platform-based jobs), which might impact differently in a context of formal work arrangements –as those prevalent in the Global North- than in informal settings –as those frequent in the Global South. Fourth, Demography, as countries are going through different stages of the demographic transition, and the Global North is "older" than the Global South. Fifth, Inequality, which is increasing in the Global North due to technological change and globalization but is structural -embedded in institutions and policies- in the Global South. The Future of Work in the Global South (FoWiGS) is an initiative funded by the International Development Research Centre (IDRC) and managed by Fundación Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento (CIPPEC) in collaboration with other regional networks: African Economic Research Consortium (AERC), ERC, ERF, Just Jobs Network and Red Surf.

Workshop on:
Fiscal Sustainability in the MENA Region in Light of Large-Scale Disasters
August 11 | Webinar

Since late 2010, the economies of MENA region have been experiencing mounting socioeconomic grievances resulting in popular uprisings in parts of the region and the eruption of extended conflicts in other parts. Many of the resource-poor MENA countries continue to accumulate public debt relying on fiscal spending to reignite growth and root out popular dissent. Despite decent growth outcomes in some of the more diversified MENA economies, unemployment remains high, and poverty and inequality continue to rise. Meanwhile, the resource-rich MENA economies saw their public finances come under stress due to a secular decline in oil prices since 2014, prompting a serious re-thinking of their future fiscal sustainability. Most recently, the COVID-19 pandemic, coupled with further lows in oil prices, dealt a fierce blow to the already-weakened economies of the region.

Questions of fiscal sustainability come to the forefront. And while the rise in debt is a global phenomenon, it deserves particular attention in the MENA region for three main reasons. First, fiscal discipline is weak and often coupled with problematic governance of debt management. Second, debt sustainability in these economies is particularly vulnerable to external shocks over which they have little control. The oil price is one key variable, however, many of these economies also rely on volatile sources such as grants, tourism revenues and remittances as primary sources of foreign exchange. Therefore, there is a growing need for in-depth systematic studies about fiscal sustainability and the existing fiscal space in the MENA region to deal with the emerging challenges. The drafts of the six competitively selected papers were reviewed and discussed. This project was led by Nada Eissa and Diaa Noureldin.

Workshop on:

Estimating the Impact of COVID-19 on Households and Firms in the MENA Region using the COVID-19 MENA Monitor Data

August 24-25 | Webinar

The COVID-19 pandemic continues to take its toll on the MENA region, and while the region still accounts for relatively fewer cases, the numbers are rising. As countries strive to contain the virus, the economic repercussions and impact keep growing, leaving millions of workers vulnerable to income loss and layoffs. The impact on income generating activities is especially harsh for unprotected workers and the most vulnerable groups in the informal economy, which constitutes a considerable share of economic activity and employment in MENA. Moreover, women are among the most affected groups, as women are over-represented in more affected sectors (such as education) or in occupations that are at the frontline in dealing with the pandemic (e.g. nurses) and will bear a disproportionate burden in the care economy, with the closure of schools and care systems.

To address these challenges, ERF has developed the COVID-19 MENA Monitor Survey which is a wide-ranging, nationally representative panel survey. This series of bi-monthly short panel phone surveys, including multiple waves of interviews with the same respondents, allows for an accurate assessment of changes over time in this rapidly developing crisis. The range of questions monitor the effect of the crisis on households, workers as well as micro and small enterprises, and the way in which households and enterprises are coping with the pandemic. The purpose of this panel survey is to provide data for researchers and policy makers on the socio-economic and labor market impact of the global COVID-19 pandemic on households. The ERF COVID-19 MENA Monitor Survey covers a number of Arab countries in the MENA region including Egypt, Morocco, Tunisia, Jordan, and Sudan.

This project was made possible by the generous contributions of the International Labor Organization (ILO), Agence Française de Développement (AFD), The Foreign Commonwealth and Development Office (FCDO) of the Government of the United Kingdom (formerly known as DFID), the World Bank and the Arab Fund for Social and Economic Development (AFESD). Furthermore, the ERF and the AFD have launched a call for proposals on The Impact of COVID-19 on Households and Firms in the MENA Region, with a view to understand the consequences of the social and economic crisis generated by the pandemic. The six competitively selected papers were subject to review and discussion in this webinar.

Workshop on:

The Economic Impact of COVID-19 in MENA Region

September 26-27 | Webinar

The rapid spread of COVID-19 pandemic confronted humankind with grave challenges at the economic and social levels. In fact, the lack of prior understanding of worldwide superspreading events, such as the COVID-19, combined with the lockdown measures imposed on the economic activities to contain the virus in absence of effective anti-virus, has constrained the ability of policy makers in many countries to choose strategically in the face of growing uncertainty, lack of information and looming risks. A nascent and fast growing literature on COVID-19 has emerged focusing on the analyses of the epidemiological and economic dynamics of the disease. Yet, the continuing challenge and uncertainty of the COVID-19 pandemic as well as the strong heterogeneity of country-specific response to the virus and resultant economic cost motivate this research.

ERF launched a call to review the extent to which health, economic and security impacts of the pandemic shock are playing out in MENA countries, including reviewing the policy mix deployed to confront the disease in addition to the policies needed to start and sustain the post-COVID-19 economic recovery. At the macroeconomic level, the fiscal policy response to the COVID-19 crisis has been swift and strong in the MENA region aiming to increase spending on healthcare and mitigate the economic fallout of social distancing policies. This led to much higher fiscal deficits than normal implying a trade-off between the short-term gain against the long-term concerns. In addition to that, many governments in oil rich countries are tapping sovereign wealth funds and foreign exchange reserves to stabilize their budgets and mitigate the effects of the unfolding recession, while they are already experiencing plummeting oil prices and hydrocarbon revenues that are further aggravated by the COVID-19 pandemic.

Monetary policy has also been deployed in support of the private sector, including through postponing loans payments, lowering interest rates and increasing the flow of funds in the whole banking system. At the external level, the drop in exports and imports owing to boarders' closures could significantly reduce real growth. More importantly, the disruptions of global and domestic value chains because of social distancing and lockdowns have set the stage for a stagnation trap. Consequently, the slowdown of economic activities may significantly raise the unemployment rate especially among the younger workers, and, if informality is rampant, as for the case of MENA, this may translate into considerable reduction in consumption. These issues were accounted for the in the call for proposals on the Economic Impact of COVID-19 in MENA Region accordingly. The draft papers and the relevant preliminary findings were discussed and reviewed during the event.

Workshop on:

South-South Global Thinkers-A Global Coalition of Think Tank Networks for SSC

October 4 | Webinar

UNOSSC and UNDP launched a call for proposals inviting think tanks and research institutions to submit proposals on one of the following issues: Post-COVID-19 Socio-economic recovery policy options and SSC opportunities; South-South and Triangular Cooperation for global and regional public goods; South-South Cooperation Technology and digital transformation; Role of SSC in responding to crisis and disasters in fragile contexts; and Institutional and Policy frameworks, governance, and impact assessment for South-South and Triangular Cooperation. ERF has submitted two proposals which have been accepted for funding. The draft papers of the two selected proposals and their preliminary findings were discussed among authors and experts in the field to improve the final output.

Communications and Outreach

Workshop on:

COVID-19's Socio-economic Impact on Migrants and Displaced Populations –Perspectives from the Middle East and Northern Africa (MENA)

November 8-11 | Webinar

The MENA region is witness to complex and diverse mobility patterns – including labor migration, forced displacement and large-scale mixed migration flows in the Gulf of Aden and in North Africa, often characterized by high numbers of irregular migrants. The Arab world alone hosts about 23 million skilled and semi-skilled labor migrants in various sectors including construction, maintenance, retail and domestic services. Concurrently, protracted crisis situations and conflict have resulted in an estimated 12.5 million people living in internal displacement and more than 8 million people living in cross border displacement. Displacement can result in reducing available resources and assets, increasing the risk of impoverishment, abuse, and exacerbating pre-existing vulnerabilities. In different ways, migrants and displaced populations are highly vulnerable to the socioeconomic impacts of COVID-19.

ERF and IOM organized a webinar series aiming to showcase their joint work among other UN agencies, non-governmental organizations and academics throughout the MENA region. The aim of the webinar series was threefold: (1) Reflect upon methodological challenges when conducting research with mobile populations in times of COVID-19; (2) Take stock of existing data related to the socio-economic impact of COVID-19 on mobile populations in the region & advocate for future data collection initiatives on relevant topics; and (3) Propose and discuss recommendations to improve future policy and programming for mobile populations in the region.

Workshop on:

Series of Consultations: 2021/22 Human Development Report

Nov 22 - Dec 06 | Webinar

ERF in partnership with the Human Development Report Office, UNDP organized a series of consultations to inform the preparation of the 2021/2022 Human Development Report. These consultations intended to start a conversation on the themes of the report, seeking input and advice from thematic and regional experts. The 2021/22 Human Development Report drew from and extended the discussions of the 2019 HDR (on inequalities) and of the 2020 HDR (on the structural risks of the Anthropocene), highlighting the ways in which inequalities and uncertainty interact with one another, fanning exclusion and polarization. Through a human development lens, the Report will examine the features of policies and institutions that can be responsive and nimble to advance transformational change while committed to the protection and promotion of human rights.

The series of three consultation sessions on the 2021-2022 Human Development Report took place virtually over the course of three weeks. The consultations on the 2021/2022 Human Development Report (HDR) intended to start a conversation on the themes of the report, with the purpose of seeking input and advice on report content from thematic and regional experts. The objective of the consultation is to inform the developing of the report and ensure that it speaks to key human development issues for people and policymakers.

The three sessions focused on: Anthropocene uncertainty: imbalances and transformations; Transformation and Development uncertainty in a region of stark divisions: the digital transformation in the Arab region; Transformation metrics: a measurement agenda for the next frontier of human development.

Report Launch:

Report launch: World Bank MENA Economic Update

November 17 | Webinar

COVID-19 challenged healthcare systems across the Middle East and North Africa, many of which were overburdened even before the pandemic began. High public wage bills crowded out investments in social services such as health, a syndrome described as “fiscal myopia” by a new World Bank report. The report predicts a tenuous and uneven recovery as countries emerge from COVID-19, which will also be influenced by the widely varying pace of vaccination rates across the region.

The webinar provided a platform to present and discuss the World Bank's latest Middle East and North Africa Economic Update a twice-yearly forecast that looks at growth prospects for the region titled, Overconfident: How Economic and Health Fault Lines Left the Middle East and North Africa Ill-Prepared to Face COVID-19. This edition offers a stark assessment of the preparedness of MENA's public health systems to handle a pandemic and suggests policy recommendations, including a need to improve data transparency for public health and to remedy historical under-investment in health.

Workshop on:

Trans-regional Research on Private Sector Development, Digitization and Disruptive Technologies

December 13 and 22 | Webinar

The two webinars brought together experts and different in the field stakeholders from the MENA and SSA regions to discuss and review two papers. The first paper on Structural transformation in MENA and SSA: the role of digitalization and by Jaime De Melo and Jean-Marc Solleder focuses on two challenges of digitalization for structural transformation in MENA and SSA, one particularly relevant for SSA countries, the other for MENA countries. For SSA, the most pressing challenge is that automation presents a threat for employment.

Digital technologies (digitech) could rob SSA from its demographic dividend enabled by rising wages in China. For MENA where countries manufacturing has largely failed to take off, the digital transformation where 'value creation shifts from capital to knowledge' presents an opportunity for structural transformation. Successful digitalization would then allow MENA countries to achieve a service-sector led high-productivity growth structural transformation. For countries in both regions, improving digital skills to close the growing digital gap will be necessary.

The second consultation meeting, discussed the paper on Digitalization in MENA and sub-Saharan Africa – A comparative analysis, by Izak Atiyas and Mark Dutz. This paper focuses on uptake and use of mobile internet using smartphones, namely internet-enabled mobile phones, as a key access technology enabling many of the benefits of digitalization. Geographically, the paper focuses on three regions, namely sub-Saharan Africa (SSA), North Africa (NAfr) and non-rich Middle East (NRME) countries, in contrast to rich countries in the Middle East and North Africa (RMENA).

Workshop on:

Private Sector Development, Digitization and Disruptive Technologies Project: SSA Case Studies

December 14 | Webinar

In collaboration with the AERC, ERF organized a webinar to draft papers of the Sub-Saharan Africa case studies developed in the context of the project on Inter-Regional Comparison for the Implications of Digitalization and Disruptive Technologies for Sustainable Growth, Poverty, Inequality, Women and the Youth in North Africa and Sub-Saharan Africa funded by the Carnegie Corporation. The papers focused on the digitalization and disruption technologies in four SSA countries: Kenya, Ethiopia, Senegal and South Africa.

70+
Working Papers were produced

15+
Policy Briefs were produced

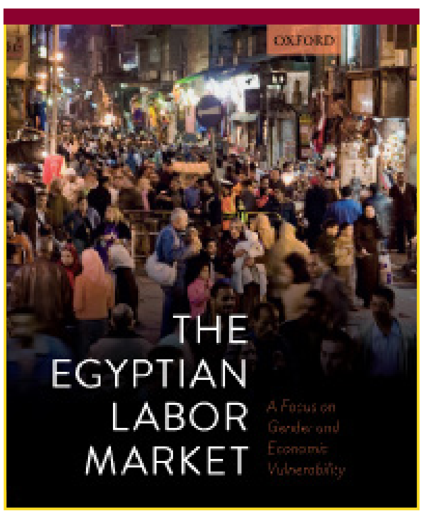
Communications and Outreach

Publications

Edited Volumes

The Egyptian Labor Market - A Focus on Gender and Economic Vulnerability

Edited by:
Caroline Krafft and Ragui Assaad
Published December 2021



The Egyptian economy has faced many challenges in the decade since the 2011 Arab Spring uprisings. Not only was job creation anaemic from 2012 to 2018, but new jobs were also of low-quality, characterized by informality and vulnerability to economic shocks. These challenges pushed many in Egypt, especially the most vulnerable, into a more precarious labor market situation. Then, in the midst of economic recovery brought on by tough reform measures adopted in 2016 and 2017, the country was hit by the widespread disruption of a global pandemic.

This book examines the plight of Egypt's most vulnerable groups by focusing on the intersection of gender and economic vulnerability in the labor market. With this emphasis on vulnerability and a lens that is sensitive to gender differences and inequities, the contributors to this volume use data from the most recent wave of a unique longitudinal survey to illuminate different aspects of Egyptians' lives. The aspects they explore include labor supply behavior, the ability to access good quality and well-paying jobs, the evolution of wages and wage inequality, the school-to-work transition of youth, the decline in public sector employment, international and internal migration, the situation of rural women, access to social protection, food security, vulnerability to shocks and coping mechanisms, health status, and access to health care services. These analyses are prescient in understanding the axes of vulnerability in Egyptian society that became all too salient during the COVID-19 pandemic.

370+

Articles published in the forum

ERF Policy Portal

The Forum: improving the economic policy debate in the MENA region

In October 2017, ERF launched The Forum, a policy portal for the Middle East and North Africa, with the aim of becoming 'the platform' for rich and relevant debates in the region on economic, social and political development issues.

The Forum features accessibly written summaries of research papers and policy reports as well as research-based commentaries on issues relevant for the ERF region, at the national, regional and international level. Over the course of 2021, for example, there have been many columns on the impact of Covid-19 on MENA and the global economy, as well as several on oil prices and on the crisis in Lebanon.

Most of the columns are commissioned directly by the co-managing editors, but The Forum also posts some unsolicited columns. Leading economists who are interested in contributing a 'research-based policy analysis and commentary' – or simply a summary of their latest research papers for a lay audience – are encouraged to communicate directly with the co-managing editors and the editorial board.

The Forum offer an opportunity for economists to write articles longer than newspaper op-eds (up to 1,500 words) containing a degree of techni-

ROMESH VAITILINGAM

Co-Managing Editors:
Romesh Vaitilingam, Ibrahim Elbadawi and Sherine Ghoneim

Editorial Board:
Hala Abou-Ali, Ragui Assaad, Ishac Diwan, Abda El-Mahdi, Ibrahim Elbadawi, Jamal Haidar, Samir Makdisi, Kamiar Mohaddes, Sherine Ghoneim (ex-officio)

30+

BROAD AREAS OF ECONOMIC POLICY CONCERNS

cal nuance, but which do not go into the same level of detail as a journal article. It provides an outlet for researchers to air policy insights and arguments based either on an existing body of original research, or to comment on unfolding economic, social and political events.

On the supply side, the platform makes it easier for economists to contribute their knowledge to important policy issues. On the demand side, it makes the knowledge of these researchers more accessible to the public, especially users of research in governments, international organisations, academia and the private sector, as well as journalists and commentators specialising in economics, finance, business, social affairs, development and public policy.

The Forum's founding editor was Mustapha Nabli and he was co-managing editor with Romesh Vaitilingam from the policy portal's launch in October 2017, Since 2018, Ibrahim Elbadawi and Sherine Ghoneim have been co-managing editors alongside Romesh.

The rest of the editorial board consists of Hala Abou Ali (Cairo University); Ragui Assaad (American University in Cairo and University of Minnesota); Ishac Diwan (Paris Sciences et Lettres and Columbia University); Abda El-Mahdi (UNICONS Consultancy); Jamal Ibrahim Haidar (American University in Cairo and Harvard University); Samir Makdisi (American University of Beirut); and Kamiar Mohaddes (King's College, University of Cambridge).

From when the policy portal was launched in October 2017 until the end of 2021, The Forum had published more than 370 columns (including 66 in 2021) written by over 280 contributors. Ten contributors have been particularly prolific, publishing at least five columns to date:

- Rabah Arezki (Chief Economist and Vice President for Knowledge Management and Economic Governance at African Development Bank Group) has written over 30 columns on macroeconomics, oil prices, competition policy, trust, structural transformation, the digital economy and the impact of Covid-19 (including 8 in 2021).
- Khalid Abu-Ismail (Chief of Economic Development and Poverty Section at the United Nations Economic and Social Commission for Western Asia) has written 16 columns on poverty, inequality, fiscal policy, aid effectiveness and the impact of Covid-19.
- Caroline Krafft (Saint Catherine University) has written 16 columns on issues around gender, migration, refugees, education, housing, marriage and the labour market in Egypt, Jordan and Tunisia.
- Simon Neaime (Director of the Institute of Financial Economics at the American University of Beirut) has written 11 columns on fiscal and monetary policy, trade agreements, financial stability and exchange rates.
- Ragui Assaad has written 11 columns on labour markets in the region, including youth transitions, refugees, Jordan and human resource development.
- The late Magda Kandil (who was Chief Economist and Head of Research and Statistics Depart-

ment at the Central Bank of the United Arab Emirates) wrote eight columns on fiscal policy, oil prices, banks, corporate ownership, Iran and the response to Covid-19.

- Jackline Wahba (University of Southampton) has written seven columns on education, gender, migration, refugees and the labour market.
- Samir Makdisi (American University of Beirut) has written seven columns on political economy, regional development, Lebanon and post-conflict reconstruction.
- Ferid Belhaj (Vice President for the Middle East and North Africa at the World Bank) has written five columns on competition policy, growth policy and trust (including four in 2019)
- Ralph De Haas (Director of Research at the European Bank for Reconstruction and Development) has written five columns on gender discrimination, life satisfaction, microcredit, constraints on private enterprise and the demographic transition.

The Forum has published columns in 34 broad areas of economic policy concerns. Topics that have received particularly extensive coverage include political economy (78 columns); labour markets and human resources (66); growth and development (63); business and productivity (53); inequality and poverty (50); education (39); international trade (39); conflict and instability (37); fiscal policy (36); oil and natural resources (34); gender (30); structural transformation (27); healthcare (27); migration and remittances (26); institutions (25); financial markets (20); and public spending (18).

Similarly, The Forum has published columns focusing on all countries in the region, as well as on particular groups of countries, such as the GCC, and on pan-regional, pan-African and global policy issues. Countries for which there has been particularly extensive coverage include Egypt (59 columns); Turkey (41); Lebanon (25); Jordan (17); Syria (16); and Tunisia (16).

The Forum welcomes ideas for new contributors and policy questions on which research evidence can provide valuable insights.

Policy Briefs

ERF Policy Briefs seek to communicate clear, research-based views on policy relevant topics in a concise manner derived mainly from ERF research as well as other sources. Policy briefs strictly present solutions or actionable recommendations to economic debates and policy problems. This year saw the publication of 18 new Policy Briefs. ERF Policy Briefs can be accessed online. The full list of Policy Briefs published in 2021 is available in Annex C).

Middle East Development Journal (MEDJ)

Letter from the Managing Editor

2021 was a hectic year for MEDJ. Lyn Squired stepped down as Managing Editor, after a long and exceedingly fruitful tenure, and Raimundo Soto was chosen as replacement. Beyond management changes, there have been important developments in the three key areas that determine the success of an academic journal: quality of published papers, efficiency of the reviewing process, and dissemination of published articles.

Regarding the quality of research articles, year 2021 saw an unprecedented surge in the number of submissions, from an historical average of 50 papers per year to 115. Around one third of these submissions were desk rejected by the Managing Editor and another 40% were rejected by the Associate Editors after sent to refereeing. The remaining submissions are in the different stages of the reviewing process.

115

NUMBER OF SUBMISSIONS FOR 2021 WITH A PERCENTAGE INCREASE OF 100%

3000+

INTERNATIONAL INSTITUTIONS RECEIVE MEDJ

7000+

DOWNLOADS OF ARTICLES

Not only the quantity of papers has increased –putting significant pressure on the reviewing process—but also the quality has improved markedly, which shows in the recent acceptance of MEDJ in quality rankings. Currently, MEDJ is being indexed by several sources, including Scopus, Scimago Journal and Country Rank (SJR), and Web of Science. MEDJ was first ranked by Scopus in 2020 in category Q3 with a citation score of 1.0, but is has already improved to 1.2 in 2021. This largely reflects the increase in the number of citations per published article which, according to SJR, improved from 0.2 in 2015 to above 1 in 2021. Web of Science, arguably the world's most trusted publisher-independent global citation database, has recently started to rank MEDJ in his Emerging Sources Citation Index, where the journal improved its ranking from 0.21 in 2019 to 0.26 in 2020 (latest data available).

RAIMUNDO SOTO

The reputation of MEDJ does not depend only in the quality of the papers published but crucially in the work of the Associate Editors in the evaluation process. The journal benefits from the enthusiasm and diligence of Mahdi Majbouri (Babson College, USA), Leila Baghdadi (University of Tunis, Tunisia), Ali F. Darrat (Louisiana Tech University, USA) and Kamiar Mohaddes (University of Cambridge, UK).

After a long and very fruitful tenure, Professor Ragui Assad (University of Minnesota) stepped down as Associate Editor in 2021. All of us involved with MEDJ are extremely grateful of Ragui's commitment to quality and relentless effort to provide each manuscript with a fair, fast, and helpful review of their merits. MEDJ also rely on the support from the editorial board, which includes François Bourguignon, Mustapha Nabli, Jeffrey Nugent, Jean-Philippe Platteau, James Robinson, Dani Rodrik, Raed Safadi, Insan Tunali and Tarik Yousef.

Beyond the quality of published articles, a critical component of a successful journal is a far reaching and efficient dissemination process. MEDJ relies on the strength of our publisher Taylor & Francis to reach around 3,000 institutions around the globe which subscribed to our journal in 2020 (the latest year for which we have complete data). An additional 10,000 institutions benefit from the Research4Life program, which provides institutions in lower income countries with online access to academic and professional peer-reviewed content.

Annual downloads of articles published in MEDJ has increased at a fast pace in the past years, surging from 3,500 in 2015 to almost 7,400 in 2020. Downloads concentrate in Europe (38%) and North America (17%). Usage of the journal is still relatively low in the Middle East, but it has increased from 7% in 2019 to 12% in 2020, a trend we would like to encourage. Jackie Fernholz, our as first responder at Taylor and Francis, has been a great help to me in my first year as Managing Editor.

Communications and Outreach

Working Papers

The ERF Working Papers Series provide a channel for research communications for papers presented at the ERF Annual Conference, or produced through ERF Research Program or authored by members of the ERF network of affiliates. ERF Working Papers are subject to a review process before publication, by the ERF Managing Editor, Hassan Hakimian. This year saw the production of 75 new working papers. The papers are fully accessible online and are widely shared through the ERF master mailing list.

ERF Website and Knowledge Portal

The ERF website and knowledge portal provides a knowledgebase featuring profiles of 370+ ERF distinguished network of affiliates, a database of all ERF publications, 1500+ working papers, an impressive archive of ERF annual conferences, policy conferences and events. It provides a gateway also to the ERF Data Portal and the ERF Policy Portal – The Forum.

1500+
WORKING PAPERS WERE PUBLISHED

250,000+
PAGE VIEWS FOR THE ERF WEBISTE AND POLICY PORTAL

ERF
Connecting People and Ideas

Follow us

ERF Official

Economic Research Forum

Economic Research Forum

ERF Latest

www.erf.org.eg

ERF

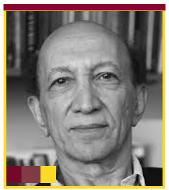
Annexes

Annual **Report**
2021

Annex A: ERF Network and Partners

ERF Board of Trustees

ERF Advisory Committee



HAMID MOHTADI (CHAIRMAN)
University of Wisconsin, USA

HALA ABOU-ALI
Cairo University

LEILA BAGHDADI
University of Tunis, Tunisia

ASENA CANER
TOBB University of Economics and Technology, Turkey

JAD CHAABAN
Paris-Dauphine PSL University

MOHAMMAD REZA FARZANEGAN
Philipps-Universität Marburg, Germany

FIDA KARAM
Gulf University for Science and Technology, Kuwait

MURAT KIRDAR
Bogazici University, Turkey

HODA SELIM
International Monetary Fund, USA

Annex A: ERF Network and Partners

ERF Affiliates: Research Fellows

Mohammad Jalal Abbasi-Shavazi
University of Tehran

Abdel Mahmoud Abdel Rahman
King Saud University

Touhami Abdelkhalek
National Institute of Statistics and Applied Economics

Abla Abdel-Latif
The Egyptian Center for Economic Studies (ECES)

Hany Abdel-Latif
Swansea University

Neveen Abdelrehim
Newcastle University

Salaheddin Abosedra
American University in UAE

Hala Abou-Ali
Cairo University

Bassam Abual-Foul
American University of Sharjah

Abdelfattah Abu-Shokor
An Najah National University

Lahcen Achy
International Monetary Fund

Ahmet Halis Akder
Middle East Technical University

Mohammad Al Ississ
Minister of Finance, Jordan

Mazin Al Janabi
Monterrey Institute of Technology

Al Mukhtar Al-Abri
Sultan Qabous University

Shireen Al-Azzawi
Santa Clara University

Yousef Al-Ebraheem
Al Diwan Al Amiri, Kuwait

Abdulrazak Al-Faris
Dubai Economic Council

Mahmoud Al-Iriani
Kuwait Fund for Arab Economic Development (KFAED)

Rania Al-Mashat
Minister of International Cooperation

Majid Al-Moneef
King Abdullah Petroleum Studies and Research Center (KAPSARC)

Barıs Alpaslan
Social Sciences University of Ankara

Sulayman Al-Qudsi
Kuwait Institute for Scientific Research

Mouyad Alsamara
Qatar University

Onur Altindag
Bentley University

Sumru Altug
American Univeristy of Beirut

Suliman Al-Turki
Deputy Minister of Finance, Saudi Arabia

Omar Al-Ubaydli
Derasat, Bahrain

Hassan Aly
Nile University

Khamis Al-Yahyaee
Sultan Qabous University

Mohamad Amerah
City University

Fethi Amri
Tunisian Higher Institute of Management of Gabes (I.S.G)

Mohammad Arzaghi
American University of Sharjah

Rabah Arezki
Harvard Kennedy School

Rima Turk Ariss
International Monetary Fund

Mohamed Arouri
Université Côte d'Azur

Ragui Assaad
University of Minnesota

Samer Atallah
The American University in Cairo

Izak Atiyas
Sabanci University

Basel Awartani
University of Westminster

Mohamed Ayadi
University of Tunis

Abdurrahman Aydemir
Sabanci University

Azzeddine Azzam
University of Nebraska-Lincoln

Leila Baghdadi
University of Tunis

Mehmet Balcilar
Eastern Mediterranean University

Mina Baliamoune-Lutz
North Florida University

Badi Baltagi
Syracuse University

Ghada Barsoum
The American University in Cairo

Cem Baslevent
Istanbul Bilgi University

Ali Bayar
EcoMod

Fateh Belaid
Lille Catholic University

Mohamed Belkhir
International Monetary Fund

Riadh Ben Jelili
Arab Investment & Export Credit Guarantee Corporation

Jess Benhabib
New York University

Omar Benkato
Ball State University

Samy Bennaceur
International Monetary Fund

Ousama Ben Salha
Northern Border University

Sarra Ben Slimane
University of Tabuk, KSA

Adel Ben Youssef
University of Côte d'Azur

Hakan Berument
Bilkent University

Sami Bibi
Human Resources and skills development, Canada

David Bishai
Jones Hopkins University

Mohammad Bitar
University of Nottingham

Mongi Boughzala
University of Tunis

Jamel Boukhatem
University of Tunis El Manar

Asena Caner
TOBB University of Economics and Technology

Jad Chaaban
American University of Beirut

Mohamed Chaffai
University of Sfax

Houssem Eddine Chebbi
University of Carthage

Mouna Cherkaoui
University of Mohamed V

Mine Cinar
Loyola University

Georges Corm
Georges Corm Consulting Office

Leila Dagher
American University of Beirut

Ali Darrat
Louisiana Tech University

Nurhan Davutyan
Kadir Has University

Meltem Dayioglu-Tayfur
Middle East Technical University

Riza Demirer
Southern Illinois University Edwardsville

Nergiz Dincer
Ted University

Ishac Diwan
Paris Sciences et Lettres

Ozan EkŞi
TOBB University

Amany El Anshasy
University of United Arab Emirates

Asmaa El Badawi
Consultant

Ibrahim Elbadawi
Economic Research Forum

Mohamed El-Erian
President of Queens' College, University of Cambridge

Mahmoud El-Gamal
Rice University

Amirah El-Haddad
German Development Institute

Fatma El-Hamidi
University of Saint Pittsburgh

Mahmoud El-Jafari
Al Quds University

Mohamed El-Komi
The American University in Cairo

AbdelRahman El Lahga
University of Tunis

Heba El-Laithy
Cairo University

Najat El Mekkaoui
Paris Dauphine University

Noha El-Mikawy
Ford Foundation

Ahmed Elsayed
Durham University

Ahmed Elsayed
IZA - Institute of Labor Economics

Hamid Eltgani Ali
American University in Cairo

Adem Yavuz Elveren
Fitchburg State University

Hasan Ersel
Sabanci University

Hasan Murat Ertugrul
Turkish Embassy, Rome

Refik Erzan
Bogazici University

Hadi Esfahani
University of Illinois

Ali Fakih
Lebanese American University

Hisham Farag
University of Birmingham

Mohammad Reza Farzanegan
Philipps-University of Marburg

Zeki Fattah
International Consultant Middle Eastern Economies

Nader Fergany
Al-Mishkat Center

Habib Fetini
Economist

Zied Ftiti
EDC Paris Business School

Ahmed Galal
MENA Health Policy Forum

Yousuf Garashi
Kuwait University

Hafez Ghanem
The World bank

Samir Ghazouani
Manouba University

Hamed Ghoddusi
California Polytechnic State University

Ahmed Ghoneim
Cairo University

Mohamed Goaied
Qatar University

Moamen Gouda
Hankuk University of Foreign Studies (HUFS)

Wafik Grais
Freelance Senior Economic Advisor

Rihab Grassa
Higher College of Technology, Dubai

Imene Guetat
Sciences Po University

Gholamreza Haddad
Sharif University of Technology

Mahmoud Haddad
University of Tennessee

Thouraya Hadj Amor
Shaqra University-KSA

Taieb Hafsi
HEC Montreal

Sam Hakim
Analytics Edge

Hassan Hakimian
Hamad Bin Khalifa University (HBKU)

Kamal Hamdan
Consultation & Research Institute

Manel Hamdi
University of Tunis ElManar

Bachir Hamdouch
University of Mohamed V

Shawkat Hammoudeh
Drexel University

Shimaa Hanafy
Hankuk University of Foreign Studies

Heba Handoussa
Egypt Network for Integrated Development

Ilham Haouas
Abu Dhabi University

Najib Harabi
University of Applied Sciences of Northwestern Switzerland

Rashid Hassan
Pretoria University

Rana Hendy
The American University in Cairo

Annex A: ERF Network and Partners

ERF Affiliates: Research Fellows

Almas Heshmati
Jönköping University

Djehane Hosni
University of Central Florida

Gamal Ibrahim
United Nations Economic Commission for Africa

Ipek Ilkkaracan
Istanbul Technical University

Ihsan Isik
Rowan University

Huricihan Islamoglu-Inan
Bogazici University

Ahmad Jalali-Naini
Institute for Management and Planning Studies

Fredj Jawadi
Université d'Évry

Nader Kabbani
Brookings Doha Center

Muhsin Kar
Yıldırım Beyazıt University

Fida Karam
Gulf University for Science and Technology

Fatih Karanfil
King Abdullah Petroleum Studies and Research Center (KAPSARC)

Massoud Karshenas
University of London

Ahmed Khalifa
Qatar University

Motaz Khorshid
Cairo University

Murat Kirdar
Bogazici University

Khalid Kisswani
Gulf University for Science and Technology

Atif Kubursi
McMaster University

Timur Kuran
Duke University

Ali Kutan
Southern Illinois University Edwardsville

Mohamed Lahouel
Government of Dubai - Department of Economic Development

Moundir Lassassi
Research Centre in Applied Economics for Development (CREAD)

Mahdi Majbouri
Babson College

Samir Maliki
University of Tlemcen

Mohamed Marouani
Universite Paris 1 - Pantheon Sorbonne

Walid Marrouch
Lebanese American University

Tarek Masoud
Harvard University

Mohamed Matoussi
University of Tunis

Sami Mensi
Manouba University

Walid Mensi
Université de Tunis El Manar and Sultan Qaboos University (SQU)

Mahmoud Messkoub
Erasmus University

Kivilcim Metin-Ozcan
Necmettin Erbakan University

Sami Miaari
Oxford University

William Mikhail
The American University in Cairo

Wasseem Mina
United Arab Emirates University

Ida Mirzaie
Ohio State University

Kamiar Mohaddes
Cambridge University

Hamid Mohtadi
University of Wisconsin

Imad Moosa
RMIT

Rim Mouelhi
Institut Supérieur de Comptabilité et d'Administration des Entreprises (ISCAE)

El Mouhoub Mouhoud
Institut Supérieur de Comptabilité et d'Administration des Entreprises

Zouhair Mrabet
Qatar University

Seyit Mumin Cilasun
The Central Bank of the Republic of Turkey and TED University

Hanan Nazier
Cairo University

George Naufal
Texas A&M University

Simon Neaime
American University of Beirut

Bilin Neyapti
Bilkent University

Diaa Noureldin
International Monetary Fund (IMF)

Ziya Onis
Koc University

Bedri Onur Tas
TOBB University

Adam Osman
University of Illinois

Mohamed Osman Suliman
Millersville University

Fatih Ozatay
TOBB University

Durmus Ozdemir
Yasar University

Zeynel Abidin Ozdemir
Gazi University

Suleyman Ozmucur
University of Pennsylvinia

Sevket Pamuk
Bogaziçi University

Mehmet Pamukcu
Middle East Technical University

Mohammad Hashem Pesaran
Cambridge University

Ahmad Qassem Bani Melhem
Abu Dhabi University

Racha Ramadan
Cairo University

Ahmed Rashad
Dubai Department of Economic Development

Gholam Reza Soltani
Shiraz University

Dani Rodrik
Harvard University

Rania Roushdy
The American University in Cairo

Javad Sadeghi
Islamic Azad University

Raed Safadi
Department of Economic Development, UAE

Afsin Sahin
Ankara Haci Bayram Veli University

Mona Said
The American University in Cairo

Nasser Saidi
Nasser Saidi & Associates

Sameh Sakr
King Abdelaziz University

Mohamed Saleh
Toulouse School of Economics

Djavad Salehi-Isfahani
Virginia Polytechnic Institute & State University

Rania Salem
University of Toronto

Nisreen Salti
American University of Beirut

Anis Samet
American University of Sharjah

Mahmoud Sami Nabi
University of Carthage

Samia Satti
Khartoum University

Serdar Sayan
TOBB University

Khalid Sekkat
University of Brussels

Hoda Selim
International Monetary Fund

Tarek Selim
The American University in Cairo

Irène Selwaness
Cairo University

Radwan Shaban
Arab Bank

Nemat Shafik
Life Peer in the House of Lords (UK)

Mesbah Sharaf
University of Alberta

Mehmet Ali Soytas
King Fahd University of Petroleum and Minerals

Aysit Tansel
Middle East Technical University

Amine Tarazi
University of Limoges

Erol Taymaz
Middle East Technical University

Ayca Tekin-Koru
TED University

Subidey Togan
Bilkent University

Mehmet Tosun
University of Nevada

Mohamed Trabelsi
International Monetary Fund

Semih Tumen
TED University
Insan Tunali
Koc University

Ercan Uygur
Turkish Economic Association

Ebru Voyvoda
Middle East Technical University

Jackline Wahba
University of Southampton

A. Erinc Yeldan
Bilkent university

Kamil Yilmaz
Koc University

Tarik Yousef
Brookings Doha Center

Chahir Zaki
Cairo University

Alireza Zarei
Sunway University

Jamel Zarrouk
Islamic Development Bank

Huda Zurayk
American University of Beirut

Annex A: ERF Network and Partners

ERF Affiliates: Research Associates

Sufian Abdel-Gadir
Sultan Qaboos University

Badreldin Abdulrahman
Jouf University

Nora Aboushady
Cairo University

Wifag Adnan
Zayed University

Obbey Ahmed Elamin
The King Faisal University

Nesma Ali
Heinrich-Heine University Düs-seldorf

Sara Alnashar
The World Bank

Salim Araji
United Nations-Economic and Social
Commision for Western Asia

Gunes Asik
TOBB Economics and Technol-ogy University

Ibrahim Awad
Al-Quds University

Ahmed Badreldin
University of Marburg

Anissa Benramadane
University of Abou BakrBelkaid Tlemcen

Moez Ben Tahar
University of Sousse

Ebaidalla Mahjoub Ebaidalla
University of khartoum

Fouzia Ejjanoui
Mohamed V University

Sarah El Khishin
British University in Egypt

Nelly EL-Mallakh
Paris School of Economics

Suzanna Elmassah
Zayed University

Yagoub Elryah
Ministry of Industry, Sudan

Haytham Ewaida
An Najah University

Riham Ahmed Ezzat
Cairo University

Ahmed Alaa Fayed
Nile University

Maleke Fourati
University of Geneva

Olfa Frini
Manouba University

May Gadallah
Cairo University

Rami Galal
The American University in Cairo

Abdelillah Hamdouch
University of Tours

Cyrine Hannafi
University Paris-Est Créteil

Sherif Maher Hassan
M&S Research Hub Limited Company

Imane Helmy
Ministry of Social Solidarity (MOSS), Egypt

Amr Hosny
International Monetary Fund

Behrang Kamali
Khatam University

Dina Kassab
Cairo University

Aysegul Kayaoglu
Istanbul Technical University

Saed Khalil
Palestine Monetary Authority

Yilmaz Kilicaslan
Anadolu University

Bashar Malkawi
University of Sharjah

Siham Matallah
University of Oran

Hela Miniaoui
Qatar University

Elwasila Saeed Elamin Mohamed
University of Khartoum

Rabeh Morrar
An Najah University

Mohammad H. Mostafavi-Dehzooei
Georgia Southwestern State University

Khaled Nasri
Faculty of Economic Sciences and Management of Tunis

Reham Rizk
British University in Egypt

Ahmed Rostom
The World Bank

Shaker Sarsour
Palestine Monetary Authority

Laura Sayah
Lebanese University

Maamar Sebri
University of Sousse

Alaa Shehabi
UCL Institute for Global Prosper-ity

Manal Shehabi
University of Oxford

Donia Smaali Bouhlila
University of Tunis

Davood Souri
Saman Bank, Iran

Gokce Uysal-Kolasin
Bahcesehir University

Mohammad Vesal
Sharif University of Technology

Shaimaa Yassin
Community Economic Develop-ment and Employability Corpora-tion (CEDEC) in Canada

Annex A: ERF Network and Partners

ERF Affiliates: Policy Affiliates

Khalid Abu Ismail
United Nations Economic and Social Commission for Western Asia (ESCWA)

Ahmed Al-Kawaz
Ministry of Finance, Kuwait

Mohammed Al-Maitami
Sana'a University

Savas Alpay
Consultant

Nourah Al-Yousef
UBS, Saudi Arabia

Marwan Alzoubi
Germany Jordanian University

Mohammad Bakhshoodeh
Shiraz University

Abdel-Hameed Bashir
Islamic Development Bank

Hakim Ben Hammouda
Former Minister of Economy and Finance, Tunisia

Ralph Chami
International Monetary Fund

Rola Dashti
Economic and Social Commission for Western Asia (ESCWA)

Ashraf El Araby
Arab Planning Institute, Kuwait

Laila El Khawaga
Cairo University

Alia El Mahdi
Cairo University

Nihal El Megharbel
Ministry of Planning, Egypt

Adam Elhiraika
United Nations Economic Commission for Africa

Mahmoud Elkhafif
UNCTAD

Safaa El-Kogali
The World Bank

Samiha Fawzy
Cairo University

Sofiane Ghali
University of Tunis

Omneia Helmy
Cairo University

Faten Jabsheh
Kuwait Institute for Scientific Research

Zohour Karray
University of Tunis

Mary Kawar
Former Minister for Planning, Jordan

Imed Limam
Arab Fund for Economic and Social Development

Hanan Morsy
African Development Bank

Sahar Nasr
Former Minister of International Cooperation, Egypt

Heba Nassar
Cairo University

Mohammed Omran
Financial Regulatory Authority

Ibrahim Saif
Jordan Strategy Forum

Wassim Shahin
Lebanese American University

Sahar Tohamy
Emory University

ERF Affiliates: Senior Associates

Samir Abdullah
Palestine Economic Policy Research
Institute

Sultan Abou-Ali
Zagazig University

Hasan Abu-Libdeh
Former Minister of National Economy

Jawad Al Anani
Amman Stock Exchange

Jassim Al Mannai
Independent Director, Blom Bank

Ali Abdel Gadir Ali
Arab Center for Research and Policy
Studies

Mutahar Al-Saidi
Sana'a University

Ali Attiga
The Arab Petroleum Investments
Corporation (APICORP)

Chedly Ayari
Former Governor of Central Bank of
Tunisia

Ziad Bahaa-Eldin
Thebes Consultancy

Adel Beshai
The American University in Cairo

Abdullah Dardari
Resident Representative in Afghanistan at UNDP

Kemal Dervis
Brookings Institute

Hazem El-Beblawi
International Monetary Fund

Abdullah El-Kuwaiz
Acwa Power, KSA

Abda El-Mahdi
UNICONS Consultancy Ltd

Habib El-Malki
Former Minister of Education, Morocco

Faika El-Refaie
Former Governor, Central Bank of
Egypt

Shahrokh Fardoust
The College of William and Mary

Bernard Hoekman
European University Institute

Jalaleddin Jalali
Institute for Management and Planning Studies

Taher Kanaan
Arab Center for Research and Policy Studies

Robert Kasparian
Presidency of Ministers in Lebanon

Samir Makdisi
American University of Beirut

Michel Marto
Housing Bank for Trade & Finance

Ali Naghi Mashyayekhi
Sharif University of Technology

Mahmoud Mohieldin
International Monetary Fund

Hicham Mutwally
Economic Consultant

Mustapha Nabli
North Africa Bureau of Economic Studies (NABES)

Masoud Nili
Sharif University of Technology

Jeffrey Nugent
University of South California

Othman Othman
Former Minister of Economic Development, Egypt

John Page
Brookings Institution

Christopher Pissarides
London School of Economics

Samir Radwan
Former Minister of Finance, Egypt

James Robinson
University of Chicago

Guven Sak
The Economic Policy Research Foundation of Turkey, TEPAV

Rusdu Saracoglu
Allianz Sigorta A.S.

Paul Schultz
Yale University

Ismail Sirageldin
Johns Hopkings University

Raimundo Soto
Pontificia Universidad Católica de Chile

Lyn Squire
Economic Research Forum

Nabil Sukkar
The Syrian Consulting Bureau

for Development and Investment

Ahmed Zakane
National Higher School of Statistics and Applied Economics

Annex A: ERF Network and Partners

ERF Management and Staff

Office of the Managing Director

Ibrahim Elbadawi
Managing Director

Marwa Afifi
Senior Executive Assistant to Managing Director

Research, Data and Programs

Yasmine Fahim
Director of Research and Programs*

Nesma Amer
Senior Statistician

Passainte Atef
Programs Assistant

Neamatallah Elsayed
Program Officer

Alia Foda
Program Assistant

May Gadallah
Statistics Manager

Dalia Hany
Statistician

Ramage Nada
Senior Programs Officer

Moheb Said
Research Assistant

Aya-Tullah Talaat
Statistician

Chahir Zaki
Lead Economist (Part-time)

Conferences, Communications and Policy Outreach

Sherine Ghoneim
Director of Communications and Policy Outreach

Hoda Azmi
Conference Manager

Mohga Barrada
Communications Officer

Namees Nabeel
Senior Manager of Communications and IT

Boules Youssef
IT Specialist

Finance

Sherif Osama
Director of Administration and Finance

Mohamed Aladdine
Senior Accountant

Ali Hashem
Accountant

Administration and HR

Anais Hagopian
Acting Administration Director

Fawkia Rizk
Administration Officer

ERF Dubai

Faiza Jafar
Director of ERF Dubai

FEMISE Network

Maryse Louis
FEMISE General Manager

ERF Donors

ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT (AFESD)

AFD
AGENCE FRANÇAISE DE DÉVELOPPEMENT

AERC CREA

Carnegie
CORPORATION OF NEW YORK

CIPPEC

EUROPEAN COMMISSION

Ford Foundation

Foreign & Commonwealth Office

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

IDRC | CRDI

I Z A Institute of Labor Economics
Initiated by Deutsche Post Foundation

International Labour Organization

THE WORLD BANK

UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

UN WOMEN

Annex B: Research Projects

Macroeconomic Management and Fiscal Sustainability

Under this theme, ERF completed 10 projects and one project is still ongoing.

Completed Projects

Do Economic Downturns Shift the Debt Threshold Impact on Economic Growth in MENA Countries?

Zouhair Mrabet and Mouyad Alsamara

This paper uses panel data analysis to examine the threshold effect of the public debt on economic growth in fourteen MENA countries from 1980 to 2015. The threshold is estimated for the whole sample and two subsamples, the non-oil countries, and the oil countries. The results show a threshold debt value of 95 percent, 90 percent, and 60 percent for the whole sample, the non-oil countries and the oil countries, respectively. Public debt has a negative and statistically significant effect on economic growth after a certain threshold only in non-oil countries. These results can be beneficial for policymakers in designing suitable fiscal policies to maximize economic growth.

Fiscal Policy Response to Public Debt: Evidence for the MENA Region

Moez Ben Tahar, Sarra Ben Slimane, and Raja M. Almarzoqi

This paper deals with fiscal sustainability by estimating fiscal reaction functions (FRF) for a panel of 15 MENA countries over the period 1990-2019. In investigating the question, this paper used various methods including the System General Method of Moments (System GMM), and common correlated effects mean group (CCEMG) estimator. Our findings reveal that MENA countries are fiscally responsible, as evidenced by the positive and significant response in the primary balance to changes in the lagged debt-to-GDP ratio and those countries adjust along the expenditure margin. Moreover, we find robust evidence of a nonlinear fiscal policy response to debt accumulation. We also show that the fiscal policy stance tends to be countercyclical, but government spending has a procyclical bias. Further, fiscal authorities in oil-exporting countries respond more strongly to rising debt levels than in net oil-importing countries.

Fiscal Sustainability in the Time of Covid-19: The Case of Egypt

Yacoub Alatrash and Gani Nurmukhametov

This paper examines the effectiveness of fiscal policy in Egypt under different debt regimes. In so doing, we evaluate the relationship between expansionary fiscal policy and real economic growth. Two elements of particular interest are the (non)linearity and the impact of domestic debt on macroeconomic variables. Specifically, we search for a threshold effect by applying the Hansen (2000) sample-splitting threshold regression model. We establish with statistical significance that fiscal expenditure leads to greater real GDP in a low-debt regime (81.5% domestic debt-to-GDP threshold) and lower real GDP in a high domestic debt above the threshold. We further explore and test possible theoretical explanation for the findings. The paper concludes with a discussion of policy implications of this research.

Essays on Fiscal Sustainability in Algeria

Abderrahim Chibi, Mohamed Benbouziane, Sidi Mohamed Chekouri and Hadjer Boulila

The topic of fiscal policy sustainability has received much attention during the last two decades, as budget deficits in developed and emerging countries have deteriorated. There is no coincidence that the sustainability of public debt became a specific research agenda in macroeconomics and public economics at about the same time. However, the economics literature lacks a clear consensus about the definition of public finance. In fact, many research papers introduce their own criteria for sustainability, with many similar but not identical elements. In this context, the concept of a debt ceiling, limit, or threshold complements debt sustainability analysis (DSA) exercises and gives a better sense of fiscal sustainability. It could be used as a starting point for determining the level at which it would be desirable to stabilize debt. Regardless of how the debt limit is derived, the debt anchor should not be set at this limit. Accordingly, this study focuses on two main aspects of fiscal sustainability in Algeria. In the first essay, we use Ostry et al.'s (2010) "fiscal space and public debt limits" approach to analyze fiscal sustainability: we use Fully Modified Least Squares and threshold models to estimate the fiscal reaction function for Algeria between 1990-2020. The second essay aims to analyze the relationship between public debt and economic growth and investigate whether a unique debt turning point (threshold) exists for Algeria. For this purpose, we used an innovative methodology, namely a regression kink with an unknown threshold (Hansen, 2017). The empirical results show a debt to GDP threshold of 31.9 percent for 1970-2020. Our estimated threshold suggests that, in Algeria, debt to GDP ratios below 32 percent would boost economic growth by 0.13 %, while any debt ratios above that threshold would harm economic growth by 0.06%.

COVID-19, Vulnerability, and Policy Response: A CGE Model of Egypt

Chahir Zaki and City Eldeep

This paper examines the effect of the COVID-19 shock on the Egyptian economy using a computable general equilibrium (CGE) model. We contribute to the literature in several ways. First, using a CGE model, we try to distinguish between supply and demand effects of COVID19 on the Egyptian economy. Second, using a dynamic model, we examine the key differences between the effects of the pandemic on the economy in both the short and long terms. Third, we identify how the pandemic and the policy responses of the government had a heterogeneous impact on different economic agents and sectors. Fourth, we modify the model to include the informal labor that was highly affected by the pandemic. We calibrate the mode using the social accounting matrix of Egypt of 2014/2015. Our main findings show to what extent the Egyptian economy has been relatively vulnerable to the world economy with the decline in most of its foreign currency sources. Yet, while the economy is negatively affected in the short term by the pandemic, most of the effects are temporary and vanish in the long run. In terms of the policy response, increasing public current consumption without sectoral targeting has positive welfare effects but hurts economic growth and employment. In contrast, increasing public investment increases growth, welfare, and employment in the short run thanks to more externalities. In terms of social policies, financial transfers to households/domestic business agents and irregular workers increase private consumption but negatively affects economic growth and employment with a deteriorated fiscal stance of the government. Finally, the monetary stimulus package has significant growth, employment, and well-being effects compared to fiscal one since the latter raises the cost of production because of the crowding-out effect, while the former reduces it.

Economic Resilience in Morocco during COVID-19 Pandemic

Redouan Abdenour

This work tests the resilience of the Moroccan economy during the COVID-19 period. This crisis, which manifests itself as both a supply and demand shock that negatively impacts all the components of the Moroccan economy, prompted the government to take measures to strengthen the resilience of the various economic agents (households, firms, central bank, Ministry of Finance, etc.). The DSGE model used in this work is based on Bayesian estimation using eleven quarterly series for Morocco covering the period 2000Q1 - 2019Q4. Our database includes real GDP, private consumption, public consumption, private investment, public investment, average interbank rate, inflation, tax revenues, primary deficit, public debt, and public transfers. This work also assesses the impact of decisions taken by the government to counter the negative effects of the COVID-19 pandemic, including the creation of a strategic investment fund, public administration spending, cash transfers to households, private consumption, and the lowering of the interest rate. It proposes a series of short-term recommendations to address the critical phase of the crisis and long-term recommendations to make the Moroccan economy more resilient.

Unpacking the Effects of COVID-19 on the Labor Market Status and Household Income in Turkey: Evidence from a Case Study

Aysun Hiziroglu Aygun, Gokce Uysal, and Selin Koksal

This paper investigates how the pandemic affected the labor market in Turkey, using a unique dataset collected via face-to-face interviews in September and October 2020. Relying on the retrospective nature of our dataset, we study a broad set of outcome variables to identify the most affected groups in labor market during the first wave of COVID-19. We contribute to the literature by providing evidence from a developing country which has long-lasting structural problems in its labor market such as gender divide in paid work and high informal employment. Our results indicate that, being a woman, having low education levels and having children at home were important risk factors in terms of labor market outcomes during the pandemic. At the intersection, women with children who did not have a high school degree are found be the most vulnerable group as they are more likely drop out of employment and to report a loss in income and in hours of paid work. Self-employment and informal employment are emerged as other risk factors contributing to the vulnerability in labor market. Our findings provide insightful evidence on discussing the effectiveness of job protection policies that cover only formal employment and disregards the gender imbalances in labor force in Turkey.

COVID-19 shock pass-through to consumer prices in Tunisia

Inmaculada Martinez-Zarzoso and Leila Baghdadi

In this paper we evaluate the pass-through of the COVID-19 shock on international prices and trade policy to consumer prices in Tunisia. In particular, we evaluate the extent to which changes in import unit values, tariffs, non-tariff measures and new export restrictions imposed by Tunisia's partner countries in times of COVID-19, are transmitted into consumer prices in Tunisia. Using monthly data from January 2018 to December 2020 a pass-through equation is estimated using sectoral panel data at the retail-product level and applying linear panel data techniques that account for unobserved heterogeneity in the dimensions of the panel. We augment the empirical specification with factors related with the current macroeconomic environment derived from the COVID-19 outbreak and persistence. The results provide important insights for Tunisian policy makers.

A Time of Great Intensity: The Pandemic Effect on Subjective Well-Being in Three MENA Countries

Ghada Barsoum and Mahdi Majbouri

In 2020, a global pandemic and its ripple effects swept through the world and disrupted every economy worldwide. We study the effect of this pandemic on employment, care work, and subjective wellbeing (SWB), particularly for women, in four countries in one of the most under-studied regions, the Middle East and North Africa (MENA). We find that although employment-to-population ratios had an initial dip in the pandemic, they rose to pre-pandemic levels by February 2021. We, however, find that unemployment-to-population ratios for women rose during the pandemic and reached to two to three times their levels before the pandemic. We also find that about 40% of women reported a rise in their hours spent on childcare and housework during the pandemic. Finally, we find that controlling for individual characteristics and geographic-time fixed effects, the main factor associated with the SWB was the decline in household income. Men and women's SWB in households that experienced a reduction in their income declined by 0.26 and 0.14 standard deviation, respectively. Increase in the time spent on housework was the second factor affecting women's SWB. All other factors had no association with SWB. The implications of the results are discussed.

Coping Strategies, Well-Being and Inequalities during the COVID-19 Pandemic Period

Oznur Ozdamar and Eleftherios Giovanis

As a response to the outbreak of the COVID-19 pandemic, governments around the globe have carried on strict lockdown measures affecting millions of jobs, public life, and the well-being of people. This study aims to examine the subjective well-being (SWB) of people, such as the perception of the economic situation and mental well-being, who made adjustments to cope with the earning losses. We estimate the well-being costs, which is the money required to compensate people because of the reduction in earnings or employment loss and the coping strategy followed, to bring their well-being at the levels of those who have not adopted any coping strategy. We examine two outcomes; the perception of the economic situation and a mental well-being index. We employ data from the ERF COVID-19 MENA Monitor Surveys for Egypt, Jordan, Morocco and Tunisia. The results show that coping strategies with the earning losses have a significant detrimental impact on well-being and are associated with significant costs. In most cases, the coping strategies of borrowing from banks or a private lender and selling assets present the highest well-being costs. Furthermore, the estimates highlight significant discrepancies across gender and types of workers, such as those employed in the informal sector and temporary contracts.

Ongoing Projects

Estimating the Potential Effects of COVID-19 on Jordan: A Macro-Micro Approach

Racha Ramadan and Chahir Zaki

The objective of this project is threefold. First, it provides an overview of the COVID-19 development impact on Jordan and the government's response to it. Second, using a descriptive analysis and based on available data, the report examines the preliminary and future potential effect of the COVID-19 on the economy. Finally, from a social perspective, the report should provide some policy recommendations to curb the negative effects of this shock for both the short and long terms.

Environmental Challenges and Implications of Climate Change

Under this theme, ERF completed 12 projects.

Completed Projects

Climate Change and Spatial Analysis of Agricultural Development in Turkey

Burhan Can Karahasan and Mehmet Pinar

Global combat with climate change is central to policymaking. However, recent discussions underline the rising disparity of the impact of climate change for countries with different topographic conditions. Motivated by the rising importance of local differences in climatic developments, this paper aims to investigate the impact of climate change on the spatial distribution of the agriculture sector in Turkey. Using provincial data between 2004 and 2019, our findings show that climate change has a pervasive impact on the regional distribution of agricultural activities. We find out that the impact of climate change on agricultural outcomes is mainly visible through rising temperatures. Those regions with accelerating average temperature are realizing falling agricultural value-added and employment. Moreover, our findings show that the same areas also experience higher food and overall price increases. Our local variability analyses reveal the non-monotonic relationships and suggest that the negative impact of climate change is more observable in for the eastern regions. Our findings demonstrate that climate change is another factor that contributing to the west-east regional development disparities in Turkey. These results are robust to different model specifications and endogeneity of climate change.

Potential Impact of Climate Change on Food Consumption through Price Channel: Case for Turkey

Emre Yüksel, Hüseyin Ikizler, and Ali Emre Mutlu

Like many MENA countries, the factors leading to climate change in Turkey have drastically escalated in the last two decades. This paper mainly focuses on the issue of ensuring food security. We aim to examine the significance of climate shocks in Turkey's food prices. The unique structures of this paper are threefold: First, we define climate shocks as persistent deviations from the long-term mean in a region regarding temperature and precipitation due to climate change; second, controlling for possible shocks, we examine the role of climate change in food price processes; and third, we examine the causal effect of food price on per capita food expenditure based on the demand equation. We find the most prominent climate change effect on prices of bread and cereals, and other food products. The estimates of the second phase of the analysis suggest that both price and the wealth effects on food consumption increase more in regions where climate change exists than in regions with no significant change in climate figures. However, we do not observe significant differences in the wealth effect on non-food consumption among the regions.

Is It Getting Too Hot to Work in the MENA Region?

Hala Abou-Ali, Ronia Ahmed Hawash and Yasmine M. Abdelfattah

Climate change and its expected consequences have been a growing global concern. This study aims to examine the impact of changes in climate indicators on labor supply in the Middle East and North Africa (MENA) region. We use different datasets, including the Integrated Labor Market Panel Surveys of Egypt, Jordan, and Tunisia spanning the period 2006-2018 matched with a globally gridded climate dataset to test the impact of changes in temperature, humidity, and precipitation on weekly labor working hours. We differentiate between "high-risk" groups engaged in economic activities with higher exposure to climate and "low-risk" groups with relatively less exposure to climate. Our results indicate that changes in temperature and humidity have a significant impact on labor working hours, whereas precipitation had no significant effect; yet, the marginal impact of changes in temperature and humidity differs between high-risk and low-risk groups. The results show that working hours are impeded by heat and humidity after a specific threshold.

Stolen Dreams or Collateral Damage: Climate and Economic Growth in time of COVID-19

Hany Abdel-Latif, Yasmine Abdelfattah, Amal Abdelfattah, and Hala Abou-Ali

This paper investigates the coupled dynamics of climate and growth in the Middle East and North Africa (MENA) region, considering exogenous shocks such as the COVID-19, with no presumptions on the direction of causality. We utilize temperature and precipitation departures from their historical trends to quantify climate change. We estimate country-specific and panel vector autoregressive models with exogenous variables to supplement existing attempts that integrate climate change in economic modelling. Our findings lend evidence to the interrelation between climate change and economic growth without ruling out bi-directional causality, a reality that many climate studies tend to overlook.

Annex B: Research Projects

The Transboundary Effects of Climate Change and Global Adaptation: The Case of The Euphrates-Tigris Water Basin In Turkey and Iraq

Oznur Ozdamar and Eleftherios Giovanis

Drought has erupted across the Middle-East, as a result of climate change and global warming, leading to a considerable reduction in rainfall and snowfall, as well as a substantial drop in water resources. Climate change is, without a doubt, one of Iraq's most pressing issues, with considerable negative consequences for the environment, water resources, and the economy, particularly in the agricultural sector. With a growing global population and other factors, the effects of climate change, water ownership and distribution will certainly become more critical. The Euphrates-Tigris water basin is a major source of water supply for Turkey and Iraq, where the latter is a downstream riparian country and the former is an upstream country. Turkey is most vulnerable to climate change as the country will experience a substantial decline in the annual surface runoff. However, Turkey will suffer less than Iraq, which as a downstream country, relies primarily on the water released by Turkey as the upstream country. The empirical analysis relies on data from the Iraqi Household Socio-Economic Survey (IHSES) conducted in 2012 and the 2017 Rapid Welfare Monitoring Survey. We apply simultaneous unrelated regressions equations (SURE) with Probit models. We further extend the analysis by incorporating an instrument variables (IV) approach considering the population of the nearest Turkish city to where the dam is located, the water capacity, and the distance between this dam and the respondent's governorate in Iraq. Similarly, we construct other two instruments considering the distance between the dams in Iraq and in Syria and the nearest governorate along with the dams' water capacity and the population of the governorate in Iraq. The findings show a significant impact of climate change-related shocks on income, assets, food production and stock, and the overall economic situation of households in Iraq.

The Effect of a Carbon Tax on the Egyptian Economy: A General Equilibrium Analysis

Abeer Elshennawy and Dirk Willenbockel

Climate change is a reality in Egypt. Temperatures in Egypt have risen 0.34o C/Decade between 1961-2000. Climate change is likely to aggravate water scarcity problems, reduce agricultural yields and agricultural output as parts of the Nile Delta is threatened by inundation due to sea level rise. Reducing carbon emissions is thus essential. Utilizing an Intertemporal General Equilibrium Model, this paper investigates the effect of implementing a carbon tax on economic growth and consumer welfare. Alternative ways to recycle the tax revenue is also considered. The effect of the carbon tax on economic growth depends on the use of the additional tax revenue. If the revenue is used to fund additional government consumption or cash transfers to private households, the effect is mildly contractionary. If the revenue is used to reduce other tax rates in a way that stimulates additional investment, the carbon tax could have a positive impact on economic activity. The carbon tax has no discernible adverse effects on the distribution of household income.

The role of NGOs in the Climate Policies: The Case of Tunisia

Adel Ben Youssef

The role of non-governmental organizations (NGOs) in climate policy and the green transition (conservation of biodiversity, energy transition, climate change) is becoming increasingly important worldwide. This paper examines the contribution of NGOs to drafting and implementing climate policy in Tunisia, engaging in climate negotiation processes and activities, and formulating effectiveness criteria related to climate change lobbying at the local, national, and international levels. First, we show that improved working conditions have a positive effect on NGO involvement in climate change actions. Second, greater professionalism has a substantial effect on Elaboration Resilience 2050, Elaboration of a Low Carbon Economy 2050, and climate change training, whereas the effect of the Conferences of the Parties (COPs) is marginally negatively significant. Third, exclusion from the drafting of government laws is a major determinant of involvement in climate change actions. Fourth, NGOs which cooperate with the government and receive funds from international organizations are more likely to be involved in climate change actions, climate policy, climate negotiations, and NGO projects. Fifth, NGOs working on project implementation do not have sufficient resources to undertake several activities simultaneously. Sixth, budget increases and the number of funding sources seem to be positively correlated to engagement in policy changes/ negotiations and the implementation of climate projects.

On Stranded Assets and Climate Risk: Are Financial Markets the Last Resort?

Chahir Zaki, Mouez Fodah and Djamel Kirat

The objective of this paper is to examine how financial markets are affected by climate and energy transition risks. Our contribution is thus twofold. First, relying on the overlapping generations' model, we develop a simple theoretical model by taking into account the interplay between environmental quality and assets market. We show that when agents are sensitive to the environmental quality, they take decisions about savings and investment in line with the need for higher environmental protection. Second, we empirically test this model by assessing the nature and magnitude of the climate and energy transition determinants of the risk premium associated with public debt, with a focus on countries of the Middle East and North Africa (MENA) region, being one of the most abundant regions in natural resources. Our main findings show that fossil fuel subsoil wealth is associated to a higher risk premium. Moreover, this risk increases also with a higher level of CO2 emissions per capita or lower level of environmental performance index (EPI). This confirms how financial markets are accounting for climate and energy-transition risks. We also show that the quality of institutions plays an important role in counterbalancing the effects of climate-related variables on the risk premium. Finally, we conclude that financial markets could foster energy transition and encourage the implementation of effective environmental policies.

A Double-Edged Sword: Impact of COVID-19 on Environment

Belgi Turan and Mevlude Akbulut-Yuksel

In this paper, we study the causal effect of COVID-19 related reduction in mobility and economic activity on environment. First using spatial and temporal variation in curfews in a difference-in-differences setup and second using a regression discontinuity design, we show that ambient air quality improved following travel restrictions, public place closures and business shutdowns. Our results confirm that economic activity induces substantial negative consequences on environment and public health and highlight the need for formulating environmentally oriented strategies that harmonize economic, public health and environmental interests.

Health Policies and Equity in MENA: What Will Be the “New Normal”?

Randa Alami

This paper reviews the impacts of COVID19 on health policies in the Arab region, benchmarking them against progress towards Universal Health Coverage (UHC). UHC aims to provide Access to Acceptable Affordable Quality Care for all, which is now endorsed as a key pillar of Sustainable Development Goals regionally and globally. Before COVID19, despite some progress, most countries displayed deficient and maldistributed health structures and provisions, and pernicious inequities in health outcomes and access to healthcare, reflecting systemic gaps in health coverage and financial risk protection. The transition towards fairer health financing mixes is lagging, with protection tilted towards richer quintiles and the formal sector. Large swathes of its population still shoulder one to two thirds of health spending from their own pockets. These swathes are concentrated among the poor and informal sectors, highlighting the link between health equity, social protection, and labour market vulnerabilities. These fault lines amplified the impacts of the ongoing complex global emergency, with large proportion of the populations battered by increased poverty, trapped in systemic precariousness and informality, and unable to access or afford decent health care. Thus the “new normal” may well be about recognizing that the “old normal” has reached its limits. “New normal” in policies need to include: speeding up the institutional prerequisites for UHC, particularly in financing mixes and supportive digitized information systems; addressing health equity more bluntly; tapping existing national wealth explicitly; and embracing more redistributive and progressive policies. Without these steps, both recovery and reintegration in the world economy will be compromised.

The Impact of Climate Change and Extreme Weather Events on Budget Balances and Debt

Eleftherios Giovanis and Oznur Ozdamar

Uncertainty is one of the most challenging aspects of incorporating climate change into financial reports. Lower tax revenues and greater government spending would result in higher deficits and public debt. As a result, determining the degree of budgetary effects is critical, but it is important to assess the degree of persistence of these effects. In the sense that these impacts are transitory, growth in public debt will spread the financial effort over time. However, if climate change effects are permanent, an increase in public debt cannot be justified. In this study, we aim to investigate the impact of climate change on the fiscal balance and public debt across the countries of the Middle East and North Africa (MENA). The empirical analysis relies on panel data in the period 1990-2019 and employs various models. The findings show that temperature changes adversely affect economic activity, but we find no significant impact of changes in rainfall. Furthermore, we find a significant association between the number of people affected by extreme weather events and the fiscal balance and public debt. Using projections of temperature and rainfall over the years 2020 to 2099, we find a significant decrease in the fiscal balance by 2.3 to 7.3 percent and a significant increase in the public debt by 6.5 percent in 2020-2039 to 18.5 percent in 2080-2099 under the assumption of a high greenhouse gas (GHG) emissions scenario. On the contrary, under the low GHG emissions scenario, the fiscal balance would deteriorate by 1.7 percent in 2020-2039 and 2.2 percent in 2080-2099, while public debt would rise by 5 percent in 2020-2039 and 6.3 percent in 2080-2099.

Dances with Wolves: Health and Weather Shocks and Fiscal Sustainability in MENA

Eman Moustafa and Amira Elshal

Fiscal sustainability is a major source of concern in light of the successive weather and health disasters. We estimate the contemporaneous and long-run effects of weather vis-à-vis health disasters on the fiscal sustainability of 21 Middle East and North Africa (MENA) economies during 1990-2020 using two-way fixed-effects and two-step system general method of moments strategies. We also examine if domestic resource mobilization and external financing act as fiscal stabilizers that mitigate disaster effects. We find that weather disasters reduce the budget and overall fiscal balances by 2.1% and 2.2% instantaneously and by 5.4% and 6.2% after one year, respectively. Health disasters reduce the budget and overall fiscal balances by, respectively, 0.4% and 0.3% instantaneously, with no long-run effects observed. Our estimates indicate that government debt can help mitigate all types of disasters. Domestic resources from sovereign wealth funds and business taxation are more effective mitigating weather disasters' effects than external sources of finance. Countries with higher foreign reserves and net savings are better able to fiscally endure health disasters. This study emphasizes the significance of domestic resource mobilization vis-à-vis external sources of finance in times of disasters.

Digital Transformation

Under this theme, ERF is managing 2 ongoing programs, and initiated seven projects.

Ongoing Projects

Inter-Regional Comparison for the Implications of Digitalization and Disruptive Technologies for Sustainable Growth, Poverty, Inequality, Women and the Youth in North Africa and Sub-Saharan Africa

Shahrokh Fardoust

This project is ongoing from last year and addresses the inter-regional comparison for the implications of digitalization and disruptive technologies for sustainable growth, poverty, inequality, women and the youth in North Africa and Sub-Saharan Africa. It examines the impact of disruptive innovation and how it is transforming the economic potential of Sub-Saharan Africa (SSA) and the Middle East and North Africa (MENA). Digital technologies have the potential to transform the global economy, in both good ways and bad. The challenge will be to capitalize on the opportunities technology creates while managing inherent risks, with a view to establishing more prosperous, inclusive, and resilient economies. ERF and the African Economic Research Consortium (AERC) are collaborating to produce a policy regional report addressing the following questions: What are the key disruptive technologies that are affecting MENA and SSA? Are they the same in both regions? Do MENA and SSA countries have adequate social safety nets to deal with the potential dislocations the new technologies may cause? What policy steps need to be taken to help countries in MENA and SSA harness the benefits of digitalization and mitigate its risks? In which countries or sectors are additional policy actions needed? Will countries in both regions have the infrastructure and enabling environments required to take full advantage of the digital revolution?

Growth, Employment, Poverty, Inequality, and Digital Transformation in the Arab Region: How Can the Digital Economy Benefit Everyone?

Shahrokh Fardoust and Mustapha K. Nabli

This policy-focused research project is a collaboration between The Arab Development Portal at the UNDP Regional Bureau for Arab States and the Economic Research Forum (ERF). This project examines how is digital transformation affecting economic growth and structural transformation through its impact on key sectors of the economy, and what are the opportunities that digital transformation can provide in supporting inclusive and sustainable growth, employment generation and poverty reduction? It examines also how digital transformation affecting human development and human capital accumulation is, and what is its potential impact on inequality and poverty? Potential risks, especially for vulnerable populations (through widening inequality, job loses, and so forth) will be assessed to the extent feasible, based on availability of data. Where data and other information are available, papers will assess the potential effects of the COVID-19 pandemic on existing vulnerabilities (including vulnerabilities in the gig economy) that can exacerbate inequalities, and discuss policy options for addressing the potential challenges. The research program will produce 5 thematic papers and 8 country-level policy briefs on the subject. The five thematic papers will focus on the following issues: Globalization and digitalization, Inequality and digitalization, Digitalization and E-commerce, financial globalization and fintech, and the global economic context and likely scenarios in light of COVID-19. The 8 country-level policy briefs will include a short and selective review of the development experience of the country, including the political economy context and progress in digitalization in the country. The case study will consider how technologies have affected and are likely to affect productivity growth, employment, poverty, and inequality in the country, and how they may affect the country's economic prospects. The papers will consider what policy steps/measures (institutional/ governance, macroeconomic, sectoral, and social protection) need to be taken to help harness the benefits of digitalization and mitigate its risks.

Initiated Projects

Digitalization in MENA and Sub-Saharan Africa – A Comparative Analysis

Izak Atiyas and Mark Dutz

This paper focuses on uptake and use of mobile internet using smartphones, namely internet-enabled mobile phones, as a key access technology enabling many of the benefits of digitalization. Geographically, the paper focuses on three regions of the African continent and the Middle East, namely sub-Saharan Africa (SSA), North Africa (NAfr) and non-rich Middle East (NRME) countries, in contrast to rich countries in the Middle East and North Africa (RMENA). These three regions are characterized by some of the lowest per capita income levels in the world at the beginning of the decade, with average annual income levels of roughly $5,000 per person in SSA, and $12,000 in NAfr and NRME in 2010, relative to almost North American levels in RME countries. The main findings of the paper are as follows: In SSA and to some extent in NAfr and NRME regions, especially in those countries where uptake is lower than regional averages, the main constraint to the benefits arising from broader digitalization lies not in internet coverage but in too little uptake and use of internet and the range of productive technologies that are enabled by internet. The paper finds that SSA, followed by NRME, South Asia and NAfr regions, have the highest uptake gaps in the world, namely the highest percentage of their populations that have no uptake and use of internet even though they are covered by at least a 3G network. On the demand side, the most important correlates of low uptake and use include low affordability as reflected in low incomes and high data prices, low capabilities as reflected in low levels of education and skills, low levels of other complementary assets (especially electricity), and low attractiveness as reflected in low perceptions of useful content. The paper finds evidence of a significant positive correlation between lower uptake and lower incomes, lower capabilities, and lower access to electricity. On the supply side, given levels of demand, the offered variety, quality, and price of internet and enabled digital services are critically associated with the level of market competition. The level of competition, in turn, depends critically on the policy and regulatory frameworks that govern the evolution of these markets. The paper finds evidence of a significant negative correlation between uptake and the degree of concentration in the mobile market as well as the key regulatory variable of Mobile Termination Rates (MTRs).

Globalization and Structural Transformation in MENA and SSA: The Role of Digitalization

Jaime De Melo and Jean-Marc Solleder

The paper focuses on two challenges of digitalization for structural transformation in MENA and SSA, one particularly relevant for SSA countries, the other for MENA countries. For SSA on the way to account for half of the growth in the global labour force over the first half of the 21st century, the most pressing challenge is that automation presents a threat for employment. Digital technologies (digitech) could rob SSA from its demographic dividend enabled by rising wages in China. For MENA where countries manufacturing has largely failed to take off, the digital transformation where 'value creation shifts from capital to knowledge' presents an opportunity for structural transformation. Successful digitalization would then allow MENA countries to achieve a service-sector led high-productivity growth structural transformation. For countries in both regions, improving digital skills to close the growing digital gap will be necessary. Digitalization is only starting across developing countries and is barely visible in the data and estimates reported in this paper. The paper covers evidence on three aspects of digitalization. First, it documents the weak performance of services in SSA and MENA, a sector that has become the engine of structural transformation. Second the paper shows the great differences in the state of national data infrastructures across both regions, a signal that many countries are not ready for cross-border e-commerce, an essential ingredient of the digital transformation. Third the paper shows that trade costs have remained higher and participation in supply chain trade lower than in most other regions.

Annex B: Research Projects

The Growth Effect of Disruptive Technology in Ethiopia: With a Case Study of Digitalization in the Financial Sector

Alemayehu Geda

Focusing on digitalization as a major disruptive technology in Ethiopia this study found that digitalization is at a very low level of development in Ethiopia, by regional standard. Yet, a 10 present rate of digitalization is found to increate GDP growth by 0.5 present – this being as high as 0.8 percent in the service sector. Digitalization in the financial sector is growing very fast but is still the lowest by regional standard. Major challenges for this are found to be the stifling regulatory environment from the central bank, the telecommunication infrastructure (though significantly improved latterly) and the low level of digital literacy both at national level and within the financial sector. Low investment from the board of banks so as to pay high dividend, failure of executives to take risk to creatively use the IT capacity in the sector and the country and the difficult of measuring the impact of digitalization for use in board and executive decision making are some of the challenges identified in the sector. Based on these findings the study derived various policy implications that needs the attention of the government policy makers.

Disruptive Technologies, Agricultural productivity and Economic Performance in Kenya

Eldah Onsomu, Boaz Munga, Boniface Munene, John Macharia and Violet Nyabaro

The study focused on the nature of disruptive technologies in Kenya with specific focus on agriculture and related ICTs; and their potential to support sustained economic performance. Disruptive technologies in agriculture consisted of digital and technical innovations that enable farmers and agribusiness entrepreneurs to leap from current methods to increase their productivity, efficiency, and competitiveness, thereby facilitating access to markets, improving nutritional outcomes, and enhancing resilience to climate change while contributing to sustained economic growth. In agriculture sector, adoption of disruptive technologies including use of innovations in the context of modern methods of farming has contributed to improved farm productivity, marketing and incomes. We find a positive correlation between fertilizer use and agricultural productivity.

Adoption of Digital Technologies, Productivity and Dynamics of Employment in The Sector Manufacturist and Services in Senegal

Diallo Thierno Malick, Dumas Tsambou André, and Benjamin Fomba Kamga

The boom in economic development, especially in developing countries, is based on the boom in digital technologies. Although these technologies disrupt the existence of the technology s old with effects possible on productivity, employment and competitiveness in different sectors, the empirical analysis of relationships is limited. This work fills this gap by examining the effect of the adoption of digital technologies on productivity and the dynamics of job s in the sector manufacturist and s services in Senegal. This work uses one hand data from the Survey has improving the Policy of Employment (SAEP) conducted in 2018 with 27, 46 in Senegal, to assess the importance of digital technology in the search for employment and the effectiveness of job search support programs. Moreover, this work uses the data of investigation on “ the art Determinants of Performance of Companies in Francophone Sub-Saharan Africa: The case of Senegal “ made 201 4 from 723 companies to assess the impact of digital technologies on productivity and employment dynamics in manufacturing and service companies. By applying econometric models, we are measuring sectoral productivity by the value added per capita in manufacturing and services; Dynamic jobs by changing the number of employees respectively lies in the sector manufacturing and services; and the adoption of digital technologies by a composite index constructed through Principal Component Analysis (PCA) that transforms the set of underlying indicators of digital technology into a linear factor.

Digital Technologies and Manufacturing Performance in South Africa: Firm-Level Evidence

Elvis Korku Avenyo and Jason F. Bell

The Fourth Industrial Revolution (4IR) is radically transforming the global manufacturing landscape. The global transformation in manufacturing is offering new prospects for sustained industrial development in developing countries through increases in productivity, value creation, and efficiency gains as well as employment creation avenues. Digitalization and the adoption of disruptive digital technologies are viewed as being crucial to these transformations. However, there are limited research into the current state of disruptive technologies' adoption, digital skills, and capabilities in developing countries, particularly in South Africa. This paper examines the effect of adoption of disruptive digital technologies on the performance of South African manufacturing firms. Using novel data from the South African digital skills survey on 516 firms and econometric analyses, our results highlight the importance of the adoption of disruptive digital technologies for the performance of manufacturing firms in South Africa. The policy implications of our results are discussed considering national policies on the Fourth Industrial Revolution (4IR).

The Impacts of Disruptive Technologies in South Africa

Lukasz Grzybowski

The last decade around the world has been marked by digital transformation of the economies and societies. Access to mobile Internet can dramatically improve standard of living in developing countries by saving wasted trips, providing information about prices or serving as a conduit to banking, health care and other services. There are different ways through which mobile services can benefit people and economies in developing countries. To date, there is only scarce research on how people in developing countries use mobile phones and Internet to access different mobile services and consequently how this impacts their well-being and the functioning of different markets. This is largely due to the shortage of individual-level data on the use of mobile services in these countries. In the proposed project we aim to fill this research gap by conducting a detailed study on the availability and access to mobile Internet services, the use of different mobile Internet services and their impact on economic outcomes such as adoption of financial services and labour market participation. More specifically, we will address the following questions using datasets to which we have access for South Africa and Sub-Saharan African countries. We will focus on selected disruptive technologies in South Africa which are enabled by smartphone ownership such as mobile financial services. Furthermore, we will study the impact of Internet technologies on labour market. We will also address the issue of digital gender divide.

The Political Economy of Transformation in the Arab Region

Under this theme, ERF continues to manage 30 projects, and 5 new projects were initiated.

Ongoing Projects

Cronyism and the Future of the Private Sector in Sudan, Algeria, and Ethiopia

Ishac Diwan

This research project looks into the nature of state-business relations (SBRs) in Algeria, Sudan, and Ethiopia, and how these might evolve in light of the changing internal circumstances. The three countries are going through a process of political change, with the possibility of transitioning from an autocratic political regime, to a more democratic and open one. While the economic conditions and performance of the economies of the three countries differ markedly, the relation between state and businesses until the recent events had a close resemblance, and the future challenges in terms of democratic aspirations, as well as private sector development also bear some similarities. The aim of the project is to understand the nature of "cronyism" in the recent past - in the sense of close relation between the state and some privileged firms, and to explore its political role and its economic consequences. An understanding of the mechanisms used to provide privileges to some firms, and impose restrictions on others, can help figure out how state business relations fits within the broader political economy framework in select countries in North Africa and Sub Saharan Africa, and how generated privileges for insiders sustained an anti-competitive business climate, and how this reduce the growth and jobs generating potential of these countries. The goal is to be in a better position to think of how these relations can be changed in the future in ways that support better political as well as economic performance, and to provide a solid evidence-based policy advice on how to move forward.

Vision that Iraq's Youth Have for Their Country

Ahmed Qasim and Ali Al-Hammood

The paper uses a recent survey of youth attitudes that aims to uncover their grievances and aspirations, how they view Iraq's past, the lessons they draw from it, and their economic and social demands looking ahead. This is especially relevant, as a number of studies have emphasized the lack of agreement about the momentous events in Iraq's past, with disparate views on how to describe them. The driving question is to understand the relation between the variations in the views of the youth relating to the past, notably the post-2003 political system, with their aspirations for the shaping of a more inclusive, representative political system, their opinions about the nature of federalism and power-sharing, their views about sectarian-based political parties and more generally the relation between religion and the state, and finally, their views about the nature of the political process (parliamentary versus presidential) and the electoral rules.

Women, Gender, and the Iraqi Uprising: Inequality, Space and Feminist Perspectives

Zahra Ali and Asmaa Jameel Rasheed

This paper explores women's involvement in the Iraqi October uprising and investigates issues of women, gender and feminisms in relation to social movements and protest politics. Beyond notions of "participation" and "representation", the paper intends to provide a complex analysis of the relationship between protest politics and gender norms and practices connecting the private to the political. It also explores issues of space, violence and biopolitics providing both a contextual and historical understanding of the significance of gender and feminisms in contemporary Iraq.

Initial economic and social conditions in Iraq

Bassam Youssif and Omar El-Joumayle

This paper evaluates existing social and economic conditions and is intended to analyze existing constraints to policy as well as, more generally, to assess the policy horizon looking ahead. We start with an examination of Iraq's developmental institutions and role that conflict has played in shaping those. We turn then to issues of corruption, rentierism, the bloated public sector and the redistributive functions of the state. This will inform us generally of what is possible and viable to undertake in terms of policy, especially as it relates to demands by youths for jobs (especially in state employment), an end to corruption, improved public services and the like. A main line of enquiry will be the financial/economic unsustainability of present policies, especially given the low levels of economic diversification and the likelihood that oil prices will remain low in the near to medium term. Finally, the paper will touch on the requisite adjustments in fiscal policy, repercussions on employment, incomes, services, and more broadly, and the role of the state, including the declining levels of oil revenue and consequent weakening of patronage and its implications for political elites.

October's 2019 Protests in Iraq as Perceived by the Protestors: A Field Study

Faris Nadhmi and Mazen Hatem

The paper is based on a quantitative field study conducted in November and December 2019, in which the opinions of a sample of demonstrators in Tahrir Square in Baghdad (about 1,000 protesters) were surveyed from different gender, age, social, economic, professional and educational backgrounds, and from various spatial gatherings within the square.

Environmental Issues, Oil and Agriculture in Iraq

Bassam Yousif, Jehan Baban, and Omar El-Joumayle

This paper provides and assessment of environmental pollution and degradation and the state of water resources and their decline, along with agriculture, over the last 50 years. While agriculture's share of GDP has declined to record lows, the sector continues to be a sizable employer and hence is a significant economic sector. Topics discussed include the economic value of the marsh regions of southern Iraq, the sharing of water with Turkey and Syria and waste management. The paper might be broadened to include the preservation of cultural and natural sites that play a symbolic role in shaping the national ethos.

On Political-Economic Relations in Iraq

Omar Sirri

Iraq's political economy was fundamentally reshaped by the US-led invasion and occupation of the country in 2003. In this chapter, I analyse Iraq's political-economic landscape by zooming in on Baghdad. One way of understanding state-business relations is by investigating social-spatial transformations in Iraq's capital city, and specifically the ways in which the country's ethnosectarian political system has infiltrated and thus can be mapped over urban spaces and social relations—in turn helping to explain how capital is created and accumulated among elites in Iraq. I focus on two of the city's most important economic, entertainment and consumer districts: Karada on the east side of Baghdad, and Mansour on the west. Studying these two economic hubs helps to show the entanglements between violence, property and consumption, and how they co-constitute. I illuminate how changes in social-spatial life across Baghdad are grounded in political-economic logics through which elites in control of state institutions and parastatal armed entities politically and financially benefit. My focus in this chapter connects concerns of political economy and state-business relations with drastic changes in the political geography of Baghdad. I spotlight specific sites and places—like a conference hall in Karada and a shopping mall in Mansour—to make tangible and visible ambiguous terminology, like "corruption," which analysts commonly use to write off Iraq and its capital city. I ground my arguments and reflections in qualitative, ethnographic research carried out in and around Baghdad between 2017 and 2019. I rely on semi-structured interviews I conducted with engineers, bureaucrats, urban planners, activists, politicians, and security personnel, among others. This qualitative approach to studying state-business relations in Iraq illuminates the mechanisms of political-economic power in and across Iraq, while also showing how the everyday lives of Baghdad's most vulnerable residents are impacted by growing levels of inequality.

Regionalism and Federalism in Iraq

Hashim Al-Rikabi

Iraq is currently deeply divided along regional (and confessional) lines. Looking forward, the paper will discuss whether and how decentralization canto start alleviating these existential tensions. (i) Technically, what are the options for dividing up functions and revenues, intergovernmental fiscal transfer (formulae with possible weights for size, population, poverty and needs, performance, presence of natural resources); what are the option for levels of decentralization and representation? (2) Can a more decentralized system work? Would corruption move to the local level? Can one expect better checks and balances due to the checks and balances created by local democracy? (3) Is decentralization a workable substitute for "consortialism"? Can groups be represented in a different way (eg. a senate), so as to avoid the Lebanese trap? To what extent can people feel secure enough in a rule of law democratic environment, and how is the balance between "liberal" and "ethno-sectarian" groups in internal politics?

Political Economy of the Algerian Hirak

Abdallah Zouache

The article proposes a political economy analysis of the Algerian Hirak in several stages. We first determine how the Hirak should be interpreted within the framework of the political economy of conflict. The Hirak does not appear as a revolutionary moment but rather as a force for the evolution of the Algerian economic balance. It is therefore crucial to define the components of the long-term political economy equilibrium, both in terms of growth regimes, and actors in the dynamics of the social contract in Algeria. We are using political economy to determine these actors. The strengths being identified; we propose some lessons for the Hirak.

The Political Economy of the Algerian Uprising: What Prospects for Economic Transition?

El Mouhoub Mouhoud

This article proposes an analysis in terms of political economy of the Algerian Hirak. The key symptoms of the growth regime are first recalled: preponderance of hydrocarbons, accelerated deindustrialization, low labor force participation rate, corruption and relations of connivance between certain companies and political power, vulnerability to external shocks... An analysis Algerian opinion reveals the harbingers of a break from 2016 to which the ruling clan has remained insensitive. Finally, economic transition scenarios cannot escape an analysis of the close links between political transition and economic transition.

Hirak and the State Representation Crisis in Algeria: History at the Service of Political Transition?

Karima Dirèche

The popular uprising of February 19, 2019 highlights the crisis of representation of the Algerian state. Faced with this now historic event, the state power has since deployed its entire arsenal of historical legitimation and repression. This contribution will address, from a historical perspective, the questioning of the political and ideological heritage of the Algerian regime. It will analyze the military and oligarchic matrix of state power as it imposed itself in 1965 and its evolution in the decades that followed. From the building of a revolutionary state to the tsunami of the Hirak, she will question the sustainability of official accounts on the historical legitimacy of the state and the possibilities of a political transition.

The Hirak in the Transnational Field

Aziz Nafa, Jean-Baptiste Meyer, and Giulia Fabbiano

It is common to analyze recent social movements in insurgent countries – such as Algeria, Iraq, Lebanon and Sudan, among others – in terms of the conditions specific to each of them and their internal developments. However, this runs the risk of demonstrating a methodological nationalism (Bach et al. 1994) that is very obsolete in the social sciences today. Above all, this amounts to taking a very fragmentary look at a situation which, precisely, completely crosses national borders. Indeed, this insurrectionary situation has both a multinational character and a trans-state dimension: on the one hand, many nations share it, at the same time or in a staggered way, with dynamics that are certainly diverse but very comparable; on the other hand, the diasporas participate remotely but also sometimes in situ in the social movements of their country of origin, dispersing the locality of the movement (Anderson et al. 1992, Sheffer 2003). Describing this collective actor located outside and nevertheless identified with the national community, the very term "diaspora" is not without controversy. However, it has recently rallied many commentators and protagonists of the actions in progress. Since the beginning of the 21st century, their notable presence has even accompanied and characterized major uprisings, from the Arab springs to the Algerian or Lebanese Hirak as well as the Chilean and Colombian paros. And this despite the diversity of the migration stories of each country. This paper develops this point of diasporic engagement more particularly in the case of Algeria. Revealing a globalized dimension of local social phenomena, it addresses the "becoming diaspora" - both from a political and economic point of view - of the Algerian population living abroad from the mobilization of February 2019, then highlights elements of very enlightening comparison with other spaces in revolt.

Regional Inequalities: What Do We Know About the Situation in Algeria?

Ali Souag

Regional balance has been and remains one of the objectives of Algerian economic and social policy. These policies began in the 1960s with the design of special programs for wilayates (governorate) experiencing deficits, both in terms of basic infrastructure and in terms of human development, and continued through the implementation of the national regional development plan. In this article, we are interested by the economic well-being at the regional level. Using data issued from Algeria Multiple Indicator Cluster Survey (MICS) 2012-2013 and Algeria Multiple Indicator Cluster Survey (MICS) 2018-2019, we first identify the inequalities in terms of wealth (in education, health, public services...) at the regional level, then ask whether the social and economic policies put in place have contributed to reduce these inequalities between 2012 and 2019?

Islamist Parties as Revealing of the Limits of Co-optation and Rupture Strategies in Algeria

Amel Boubekeur

Taking the case of the pluralization of the Algerian Islamist movement, especially after the Hirak, this paper will offer a new analysis framework to understand the limits of the official political game and the opportunities of the informal political repositioning of these actors.

The Algerian Army Facing the Hirak in Search of Popular Legitimization for a Political Role

Belkacem Benzenine

This paper focuses on how rules of political and economic competition, negotiation, rupture and conflict regulation, have been reorganized since the launching of the Hirak. We will more specifically look at their impact on elite cooptation strategies using both by official institutions and unofficial pacts. How does the ruling elite uses mechanisms such as transitional justice, elections, media, constitution writing, and reforms (both in politics and economics) to try to survive the crisis?

Structuring the Revolution? Algeria's Hirak and Obstacles to Political Organization

Tin Hinane El Kadi and Hicham Rouibah

What new political and economic culture has the Hirak produced? How are the cross-classes, cross-ideological and horizontal demands of accountability shaping the movement demands and solidarity? In which ways does the new culture explain the organic forms in which it has organized itself?

The Hirak and its Daily Usages in Algeria

Faisal Sahbi

The central idea of this text is to (de)show that there is not just one Hirak but several. Indeed, there are as many Hirak as there are actors. To each his Hirak. Each actor of Hirak, but not only, one can also be a former actor of Hirak, an opponent of Hirak, each of these actors gives meaning to Hirak; each of them adds meaning to the Hirak, through reception and daily use. What gives at the end a Hirak like a narrative, a participative, dynamic and evolutionary construction? The text is made up of two parts: a first which focuses on the Hirak, its spaces and first of all the public space which made it possible; then a second part which approaches the actors through the interposed stories of three "Hirakists", their relationship to Hirak and the meaning that each of them gives to Hirak.

Renegotiating Gender Relations in Revolutionary Algeria

Naoual Belakhdar

This paper will put gender issues as the chore of the Hirak's demands for a new social pact. Since 2002, there has been a greater solidarity towards women and their right to be full members of the movement and new cross-generational/cross-ideological gender oriented debates and actions have started to replace the old 1990s division between secular feminists and Islamists. How will gender be included in discussions around transitional justice, economic redistribution, institutional transparency etc.? Are protesters pushing for a gender balanced transitional road map?

The Same Socio-Political Framework Hirak, Health and The Covid-19 Pandemic Oran (Algeria)

Mohamed Mebtoul

This involves mobilizing across the board the dimensions of public health, the Covid-19 pandemic and the "Hirak" with reference to politics, a way of instituting society (Mouffe, 2016). Public health as a moral and political enterprise (Fassin, 2001) is understood on the basis of its impositions, its certainties, its routine insignificance (Mebtoul, 2018), the daily conflicts between the various social agents. Its implementation reveals the political fragility of health professionals and patients (Mebtoul, 2010, 2015, 2018). The pandemic, far from being confined to the sole paradigms of medicine, questions the politics at the heart of the management of bodies (Fassin, 1996). It nevertheless represents an opportunity to normalize its power in the face of the "Hirak" still present in his political imagination. It imposes "its" decisions in a patriarchal and security logic, erasing all deliberative ethics (Peretti-Watel, Moatti, 2009). The population, far from being passive, is developing very harsh social criticisms of the managed management of the Covid-19 pandemic (Meboul, 2020). The health crisis is a relevant analyzer of "Hirak". It is at the heart of its current political temporality dominated by political uncertainties and hope (Mebtoul, 2020). By deciding to suspend the "Hirak" on March 13, 2020, the demonstrators are forced to hijack in the face of political repression. They produce plural socio-political dynamics at the margins. In conclusion, we will indicate that the political emancipation of the health system goes hand in hand with that of society. One does not go without the other.

The Denial of Politics and its Daily Diversions: Hirak, Health and the Covid-19 Pandemic

Mohamed Mebtoul

This paper attempts to understand and analyze the denial of politics and its daily misappropriation by social agents at the heart of the triple social space: health, pandemic and social movement of February 22, 2019 (Hirak). Their transversality helps to grasp the political embedded in a double dynamic of exclusion-circumvention of the decisions that allow the functioning of society (Mouffe, 2016). This produces movement that articulates order and disorder (Balandier, 1988). The impositions of the dominant norms designed by the political regime to try to administer Algerian society are at the origin of multiple diversions in the daily life of the populations. Their ordinary, banal, little-recognized, self-evident acts (Mebtoul, 2018) inform about the mode of operation of politics. They express ways of doing and saying (De Certeau, 1994) that are both critical and inventive with regard to it. The daily life of people also produces "mechanisms of confrontation" (Javeau, 2006), particularly when the dominant political order is discredited by the majority of the population (Mebtoul, 2015). She tries to heal herself by mobilizing her cognitive, financial and relational resources (Mebtoul, 2010), to bring her social and political protests into the public space in search of political emancipation claimed by the Hirak, finally to rebel against the method of security management of the Covid-19 pandemic, which suppresses deliberation and discussion with the population (Mebtoul, 2021; Peretti-Watel and Moatti, 2009).

The Education System and the Popular Protest Movement in Algeria (Hirak): Students, Elites and Intelligentsias in Social Movements

Karim Khaled and Aissa Kadri

Our research proposes through a socio-historical approach of the education system in its different orders, through an analysis of the reforms undertaken and the political responses brought to the successive crises of this one, to see how the political system allowed the control, formatting and anesthesia of youth, how he was able to control the formation of elites and instrumentalize them in a process of domination for the benefit of the authoritarian system, the deep socio-political nature of which must be characterized. Further still, it will also be a question of explaining, what are the main determinants, the causes and reasons which mobilized these social categories in the protest movement and above all of measuring the objective limits which they carry and which they encounter in the expression and affirmation of their claims. Since the demonstrations, admittedly frozen due to the pandemic, but still relevant (many youth collectives continue to debate on social networks), did not allow the coalescence between these different fractions of intelligentsias for notable advances in challenging a system that is more resilient than ever.

The Urban: A Major Spatio-political Issue for a Redefinition of the Social Contract in Algeria

Khadidja Boussaid and Safar-Zitoun Madani

The purpose of this article is to document an essential element in the construction of any society, of any State: the city, in its physical, demographic and especially political dimensions in fine, if we consider the urban fact as a dynamic, a process. geo-historical and social revealing of struggles and power relations. We therefore consider that the political and economic crisis that Algeria is going through can be read through the urban issue, in the context of several issues, from environmental issues, to territorial inequalities in terms of access to services, or the issues surrounding the confiscation and re-appropriation of public space as a political sphere of debate around citizenship. After analyzing recent developments in the urban phenomenon observed over the past twenty years, in particular in the Algiers region as the territorial and societal center of the country on the one hand, and through the identification of dysfunctions and other blockages linked to the way in which Social and urban practices and policies are part of the space, on the other hand, we will try to identify the major challenges posed by these realities and their practical and political translation into the theater of urban struggles. It will be a question of putting the emphasis on two key questions: the first relating to the inconsistencies and inadequacies of the housing policies which achieve the challenge of being inclusive for certain social categories and excluding for others and the second relating to the problematic of the "right to the city", which is above all a right to the expression and to the claim of an equitable citizenship and city life, which arises as a central societal issue. These two closely related questions express the difficulty of Algerian urban systems in proposing alternatives for the expression and realization of a modern urban society, that is to say inclusive and open which is not governed by logics of predation, and the archaisms of a system of clientelist distribution of oil rent crystallized in residential or land property as a counterpart to social peace.

Gender, Intersectionality, and Sudan's 2018/2019 Uprising: Experiences of Self-Employed Women Sellers of Food and Beverages in Khartoum and Port-Sudan, and Women Farmers in South Kordofan

Nada Mustafa Ali, Sawsan Musa Abdul-Jalil, Naglaa Abdelwahid and Mai Azzam

This paper discusses the role women played in the 2018/9 uprising, and the impact of political change on women, gender and Sudan's economy. It does this through the development of two case studies. The first looks at the perspectives and experiences of women in relatively peaceful environments, focusing on street vendors in Khartoum, Port Sudan and selected other states. The second discusses the perspectives and experiences of women in the agricultural sector in the conflict-affected areas of South Kordofan, Darfur, and the Blue Nile area.

State-Building and Fiscal Federalism in Sudan

Nada Eissa and Hamid Ali

The purpose of the paper is to go beyond from the traditional center–periphery arguments in Sudan about historical centers versus the new center, which has emerged through coercion. The paper will first address the causes of regional conflict, using scholarship on resource nexus and conflict. It then recognizes the country's diversity and immense size, and imagines how a new system of d fiscal federalism can address the root cause of the ongoing conflicts in the country.

Freedom, Peace and Justice: A New Paradigm for the Sudanese Health System After Sudan's 2019 Uprising

Sara Abdelazim Hassanain, Abdelhadi Eltahir and Lina Elbadawi

The Sudan Health paper is a contribution to the Economic Research Forum (ERF) Research Project entitled: "Supporting the forces for change with research and debates in Algeria, Iraq and Sudan". The study demonstrates that health and its system is dynamic and interlinked with social and economic sectors. The paper calls for reading health and its system beyond the standard lens of economic-development. Health system optimization actually legitimizes the whole state and it's an essential pillar for state building for Sudan transition and onwards. The paper describes the current health system within the Sudan transition, gives historical background of the changes over time and the perpetuated failures with highlights and analysis on the possible determinant factors and how to reform the health system within and as a component of state building. It also examines various alternatives for addressing the health system crisis in Sudan in relation to the current situation and lack of the basic minimum needs of provision of health services. Following a careful analysis, a set of context-specific recommendations with short- and long-term impacts are provided.

These recommendations are strategic and operational in nature. The strategic recommendations focus on development of policies that address the emergency and crisis situation at a central and national level with the involvement of all the regional health authorities. The operational recommendations propose how and most effective ways of implementations. These two sets of recommendations must operate in harmony and in close communication between Ministry of finance and Ministry of Health to generate results that are aligned with the overall Sudan economic and developmental models of reforms in order to revitalize the health system and restore its functions comprehensively with emphasis on certain health system blocks and socioeconomic determinants. The unified intellectual thread covering those topics emerges during reading.

Sudan's Challenges and Opportunities: A Renaissance Project for Sudan, From Poor Agriculture to Agro-Industrial Growth and Sustainable Development

Ibrahim Elbadawi, ElFatih ElTahir, Kabbashi Suliman, Abdelrazig Albasheer, Abdelrahman el khidr, Alzaki Alhelo and Amir Elobaid

The central question of the paper is: what are the best ways of taking advantage of Sudan's comparative advantage in agriculture; geography, with a relatively long coastal line and neighborhood with four land-locked countries; and, demographic dividend buttressed by a youthful population of more than 67% below 30 years of age. The paper will argue for a model that combines inclusive agricultural production, tight linkages to industry, and strategies to rapidly improve productivity over time through education, new technologies, and investments in infrastructure.

Addressing Sustainability and Equity Challenges in Managing the Environment and Natural Wealth in Sudan

Rashid Hassan, Hassan Abdelnur, Ismail Elgizouli, and Yasir Khairy

The purpose of this paper is to analyze the natural, institutional, and socioeconomic contexts and policy environments within which the transitional period administration in Sudan is to design its reform strategies and implement programs for prudent environmental management and equitable distribution of the benefits from exploiting the country's natural wealth. The analysis will focus on identifying major challenges to pursuing the goals of inclusive and sustainable development and propose intervention measures necessary to address them. Given the intimate interconnections between the environment and all spheres of economic, social and political life, the analysis will overlap with some of the other papers of the project.

The Future of Sudanese Youth and Transition in Sudan

Walaa Ahmed Isam, Abdalla Ahmed Mohamed Elsafi, and Ahmed Almojtaba

The 2018 December uprising that changed the history of Sudan was led by the Sudanese Youth, who took the streets for 6 consecutive months. The 2018 uprising toppled one of the most extreme regimes in the region and worldwide. The National Congress Party ruled the country for 30 years, they introduced radical ideologies to our societies, sparked conflicts in different areas, isolated Sudan from the rest of the world, destroyed the economy and for sure the largest part of the population the Sudanese youth suffered the most. The Sudanese Youth were marginalized by the previous regime; there were no youth policies, and all other policies like, economic, health, and social protection were never youth friendly or centric. Furthermore, youth were targeted by different oppressive laws, like the public order law, that forces young people to dress and act in a way that was vague and not explained or identified thoroughly by the law, but was left to the judgment of the law enforcement personnel. As well the national civil service law by which many young people were forced to join the army in their war against the armed movement in South Sudan. Now two years after the uprising, vital question remains unanswered, what are the aspirations of the Sudanese youth, bearing in mind the obvious differences in culture, education, geographical areas and so on. This research paper will focus thoroughly on the Aspirations of the Sudanese youth, economically, especially when it comes to employment as Sudan doesn't differ than the rest of the African and Mena region countries, educationally, because some studies have shown that there is a mismatch between the job market needs and the education levels and skills for fresh graduates. The paper will assess as well the government efforts in meeting these aspirations when it comes to national polices and strategies. Models from regional countries and worldwide will be studied as a bench mark.

The Pitfalls of Education in Sudan: The Challenges of Transition, Transformation, Inclusivity and Future of Work

Saif El Din Daoud Abd El Rhman

Inspired by popular protests that swept autocrat Omar al-Bashir from power, drawings and reflecting on the revolution's slogans for "freedom, justice and peace", to translate the revolution logos Toward an education that meet Sudan's education development agenda. The paper therefore analyses major themes such as: the nexus between education, technology, future of work, and as a practice of freedom, inclusivity and transformation of the society through examines the current challenges to build sound education system in the country that response to presence and future economic- namely future of work. This is a new kind of education that advocates for use of technology in the process of teaching students to think critically and making use of technology of creating more fiscal space in public spending to education through progressive, holistic education in engaged pedagogy which is more demanding. The scoping paper aims to present ideas and conversations in education as on the top policy agenda to the Transitional government of Sudan with respect to challenges facing Sudan's education system to catch up in with fourth industrial revolution – namely the era of automation from three perspectives: First, building an inclusive society through advance education system to overcome the current obstacles and spur inclusive knowledge-based growth. Second, the danger of education in widening inequality, disparities in the country, and instability. The third part dealing with debating the education system and the biggest challenges facing the higher education model – and what to do about them to meet the future of work, societal and global transformation in the edge of technology and automation. The paper contributes to these debates by suggesting policy options that would help the Transitional Government to exploit the bounty afforded by digital technologies in schooling. The hope is that it will inform current policy debates and help produce the reforms required to improving both quality and quantity of the education process, minimizing its costs for change in society, and creation of a digital society maximizes societal well-being and transformation to fourth industrial revolution. In the absence of labor market survey for decades in Sudan, it is hard to predict the direction of newly created jobs and the leading sector in job creation. The paper calls for urgent survey to highlights the direction of jobs including the future jobs the economy is likely and able to generate. The mismatch between education and future of work is likely to create inverse relation between years of schooling and possibilities of finding job. The sign is already emerging, and the sector require a serious overhaul. The rapid expansion of salaries by almost 100% initiated by the former first revolutionary and Transitional Government Minister of Finance to the education sector was highly welcomed as necessary and first step laid the foundation forward to transform the sector. More policy measures are required to envision the education sector. Technology can help in both ways: to create more fiscal space for macroeconomic stability and other resources for social sector spending – namely education and enable technology into education sector as part of wider ambitious reform and learning program for transformation and inclusivity of education for future of work and technology adaptation. Other policy recommendations and lessons from reviewed literature suggest that, Sudan still have an opportunity to leap development steps in the age of technology and automation. This is only possible under strong leadership with clear vision and determination to make a difference and take the education sector to a new level. Others policy conclusions and policy recommendations were drawn.

The Sudan Syndrome: Power Relations and Development in Sudan

Nada Ali

Despite Sudan's legacy of abrupt but successful popular uprisings, the country has failed to date to chart a path towards sustainable democracy. This paper seeks, through a review of Sudan's contemporary political history, to understand the failures of successive democratic governments to pursue an effective program of nation building, ensure peace and move the country out of this dysfunctional cycle of long autocratic military rule, interrupted by popular uprisings and failed democratic transitions. Theoretical literature in this area is neither uniform nor discipline-specific. This paper uses insights from political science, sociology and economics to reach conclusions. Apart from economist who tended to focus on structural factors hindering political transitions (e.g. conflict and the relevance of oil rents) enough commentators agree that the kernel of the problem is the political elite, their decision making and behaviour vis-à-vis pivotal national questions (See Khalid, 1990, De Waal 2015). We understand the relevant questions as including the conceptualization of national identity post-independence, the development of a coherent and effective citizenship construct, defining the relationship of the centre to the periphery – in terms both of rights and obligations, understanding the regional and international forces affecting the internal politics in Sudan, Sudan's position in the modern World and issues of justice and accountability for past wrongs.1 This approach subordinates the "economic" to the "political" in the sense that it treats the issue as a political problem which then generates economic effects such as economic stagnation, development impasse and clientelism and cronyism. We are also aware of the particular challenges facing Sudan by way of inheritance from the previous regime (See Elbattahani (2017)). These include a disintegrated state, ongoing conflicts, fragile state institutions and an ongoing economic crisis. However, if we are to learn anything from the brief periods of failed democratic rule in the 60s and 80s it ought to be that short term solutions to long-term problems seldom work.

Initiated Projects

State Business Relations in Sudan and the Prospects for a Dynamic Private Sector

Kabbashi Suliman

The main objective of the paper is to draw from North et al

(2009, henceforth NWW) theory of violence and social orders to establish a framework for analyzing the development of the Sudanese state as an overarching institution that contextualizes the interactions and choices of the political elite including the non-state actors, defined as heterogeneous competitive private entities, businesses, communities and organizations that are largely informal from the state sector view point. The state is basic unit of analyses in NWW; hence, the taxonomy of state-institutions—in terms of capacity to create and manipulate interests to ensure particular social order as proposed by the NWW—will be used to review the development of the Sudanese state, since 1821, in terms of the quality of organizations it supported and the major interest-groups served. This analysis is motivated by the observation that, in terms of the predictions of NWW theory, even within limited access orders that prevailed in most of history and still present, the post-independence Sudanese state, which progressively evolved out of fragility as basic-state should at least after decades of trails put in place the foundations for transitioning to mature orders. But contrary to the prediction of NWW theory, in 2006 the Sudanese state topped the rank of fragile states according to the Fund for Peace's Fragile States Index (FSI), and in 2011, the dominant ruling coalition opted for secession—after an unpresented peaceful election— that let to formation of South Sudan State. Thus, the question remains, why the post-independence Sudanese state regressed in terms of transitioning along the continuum of the general framework of the limited and open access societies discussed in NWW?

A Stubborn Historical Legacy: Power Relations and Development in Sudan

Atta Al-Battahani

The paper centers on a critical review of the evolution of power relations between state, business, and society in Sudan. The political economy analysis will delineate the various development phases and political transitions, highlighting the role of structural forces bedeviling the country since independence - including center-periphery tensions and civil wars, development impasse, Political Islam, oil revenues, the role of armed forces, as well as clientelism and cronyism as a form of rent distribution and state disintegration. Exploring the mechanisms of privilege, and how these impacted on and influenced economic performance is a key objective. The crippling power of history as exemplified in the failure of the political class in transformative political transition. The second goal of the paper explores institutional ways to neutralize the structural weaknesses identified in part one, including democratic accountability, decentralization, and growth strategies. The history of political transitions in Sudan, most notably the current one, suggests that transitional governments that follow popular uprisings had to deal with large macroeconomic imbalances, inherited from a former authoritarian regime, before they could fashion medium to longer run institutional reforms and growth strategies. However, aligning the political economy to garner support for necessary economic reforms has proven to be challenging. The third goal of the paper is to collect evidence-based data for verification. The objective is to produce an academically sound study, not a political statement on the record of political Islam in Sudan. Given the sensitivity of real or alleged links between state and business, and the fact that a number of official investigation committees are still working on in this field, care must be taken with quality data. Here, there are some limitations since many stories are not yet revealed. Methods of data collection should address these concerns.

Political Islam and crony capitalism in Sudan: A case study of "Munazzamat al-Dawa al-Islamiyya

Ebaidalla Mahjoub Ebaidalla and Mohammed Elhaj Mustafa

This study investigates the role of political Islam in stimulating cronyism in the Sudanese context with an emphasis on Munazzamat al-Dawa al-Islamiyya (MADA) businesses during Islamists' rule (1989-2019). The study focuses on the mechanisms through which MADA's businesses had dominated the private sector and sustained the Islamists' authoritarian rule. It also examines the extent to which the regime's affiliates had gained in exchange for the privileges they provided to MADA. The study is based on data and information collected via desk review and key informants' interviews. The analysis indicated that even though that the main goal of establishing the organization was to propagate Islam among non-Muslim societies, however, this mission was found to be representing a negligible part of its activities. MADA engaged intensively in business and its size increased remarkably during al-Bashir's regime. The investigation shows that MADA has disproportionately benefited from privileged access to credit, tax breaks, trade protection, land, and preferential financial transactions, granted via the Act of 1990. As a reward for these privileges, Islamists received many gains including job opportunities, training of cadres, and continuous political support. Despite the lack of data, the analysis approves that the rise of radical Islamists' ideology stimulated the emergence of cronyism in Sudan. This indicated that MADA played an important role in lengthening Islamists' rule for three decades and, thus, represents a pioneering experiment in the field of Islamist politics over the globe.

Annex B: Research Projects

Crony Capitalism in a "Developmental State" Model of an African Poor Country: Ethiopia

Alemayehu Geda

The general aim of this study is to offer the context, extent and historical and political origins of crony capitalism in Ethiopia. More specifically, it aims: to identify analytically the general couture of stat-private sector relationships from historical and policy perspectives and its implication for crony capitalism; to demonstrated empirically the extent of crony-capitalism in Ethiopia across the major economic sectors; and to Identify the general landscape of crony capitalism and the challenges it poses for growth and development of Ethiopia that could be explored by focusing on their detailed political and economic implications.

From Rags to Riches to Rags Again: Deconstructing the Narratives of Algeria's Crony Capitalism Mirage

Idriss Hadj-Nacer

As defined by the guidelines of the research project, this paper aims to establish the preparatory mapping necessary to analyse the nature of state-business relations (SBRs) in Algeria since the end of the country's civil war, or Black Decade, and the start of the 21st century. Through a number of case studies (5), it will aspire to give a detailed understanding of the main corruption scandals that have marred the country's recent history. It will also focus on deconstructing the common narrative tropes used to describe the rise and fall of the individuals, companies, political and economic circles at the centre of these scandals. The paper will then conclude on the consequences of crony capitalism on Algeria's political economy.

Labor and Human Resource Development

Under this theme, ERF completed two projects, 24 are still ongoing, and nine were initiated.

Completed Projects

The First Report on Jobs and Growth in North Africa

Ragui Assaad, and Mohamed Ali Marouani , Abdel Rahmen El Lahga, Ali Souag, Chahir Zaki, Ebaidalla Mahgoub, Emilie Wojcieszynski, Fouzia Ejjanoui, Hosam Ibrahim, Irene Selwaness, Mohamed Ali Marouani, Mona Amer, Moundir Lassassi, Ragui Assaad, Saad Belghazi, Samia Satti, Sofiane Ghali, and Yemen Hlel

This report examines the relationship between the pace and pattern of growth and labour market outcomes in North Africa. Recent experience has shown that the relationship between job creation and the promotion of decent work, on the one hand, and economic growth, on the other, is complex and highly conditional on the growth path pursued. While it is clear that growth is often a necessary condition to promote job creation and to improve the quality of employment, it is by no means sufficient. Not only can growth be jobless, meaning that it does not positively affect employment rates, at least in the short to medium run, but it could also be associated with poor quality jobs and increased precariousness of employment. The report includes an overview chapter that examines the relationship between jobs and growth comparatively across Algeria, Egypt, Sudan and Tunisia, followed by four country chapters looking at each country in detail. Subject to data limitations, all chapters attempt to cover the period from the early 2000s to 2019, thus describing the situation leading up to the start of the COVID-19 pandemic. While some of the chapters attempt to speculate about the implications of the pandemic on North African labour markets in light of their findings, a full analysis of the effects of the pandemic is beyond the scope of the analysis.

How do Transitory Income Shocks Affect Consumption? Evidence from Credit Card Data during Covid-19

Seyit Mumin Cilasun, Mevlude Akbulut-Yuksel, Yusuf Emre Akgunduz and Belgi Turan

In this paper, we explore universe of administrative data on daily credit card spending at the province and sector level provided by the Interbank Card Center in Turkey to study the dynamics of consumption response to COVID-19 shock. Using the Regression Discontinuity Design, we first document that travel, hospitality, and apparel sectors were hit the hardest from the contraction of the aggregate demand since these sectors were deemed luxury and unsafe immediately after the first lockdown. Conversely, we find that estimated effects of the second lockdown have been limited on the household credit card spending. Our difference-in-differences results further point to a significant heterogeneity in response to the pandemic, where the employment of the informal sector workers have significantly worsened and resulted in a lower credit card spending in the big budget items. These results are robust to alternative samples, specifications and a wide array of controls.

Ongoing Projects

From Protection to Transformation: Understanding the Landscape of Formal Social Protection in Jordan

Mary Kawar, Zina Nimeh and Tamara A. Kool

This paper provides a broad overview of the formal contributory and non-contributory programs provided formally by the Jordanian Government. The paper utilizes the Social Risk Management framework and the concept of Transformative Social protection to examine existing programmes and reflect on social protection policy. Contextualized to the experience of Jordan and its socio-economic realities, the paper presents a comprehensive gap analysis which stems from the mapping of social protection programmes. The paper argues that the way forward for social protection policy and programming in Jordan should focus on recognizing and building upon the work that has been already done (especially the National Strategy for Social Protection), future roadmaps and plans of implementation processes and procedures must be coupled with clear monitoring and evaluation mechanisms to ensure their implementation. Additionally, the paper argues that international assistance should take the form of sustainable technical assistance, fiscal training and support, as well as inter-agency coordination to ensure a holistic approach based on a national Jordanian vision through a joint focus on policy and programmes.

The Landscape of Social Protection in Tunisia

Khaled Nasri, Mohamed Amara and Imane Helmy

This paper aims to provide a comprehensive overview of the social protection system in Tunisia based on discussions with policy makers and civil society actors and a document review of academic literature and reports produced by the government, international organizations, and other stakeholders. After a general presentation of information on the economic, demographic, and social factors influencing social protection strategies in Tunisia, the second section of the paper will cover the legal framework related to contributory social protection schemes in the public and private sectors including the national pension and social insurance funds, as well as the National Health Insurance Fund.

Cash Transfers and Food Vouchers for Syrian Refugees in Jordan: Do They Reach the Multidimensionally Poor?

Ragui Assaad, Alma Boustati and Vishal Jamkar

The question we examine in this paper is who gets access to transfers in the context of the Syrian refugee influx to Jordan. In particular, we analyze access to unconditional cash assistance and food vouchers as a function of refugee characteristics separately for those residing in camps and in host communities. Access to food vouchers is much more universal than to cash transfers, but the two decisions are likely inter-related, which we take into account in our analysis. We also apply the multi-dimensional poverty framework to identify vulnerable refugees and determine how access to both types of transfers depends on vulnerability to multi-dimensional poverty.

Social Safety Nets in Tunisia: Comparison of Different Targeting Methods

Khaled Nasri, Mohamed Amara and Imane Helmy

This Research paper aims to compare Tunisia's current PNAFN targeting accuracy with alternative targeting methods such as proxy-means-test (PMT) and multi-dimensional targeting based on household deprivation, among others. The paper will yield important implications for future reforms of PNAFN to ensure a robust social protection system.

Cash Transfers, Household Food Insecurity and the Subjective Wellbeing of Youth in Jordan

Zeina Jamaluddine and Maia Sieverding

A better understanding of the potential role of cash transfers in improving youth wellbeing can provide important policy lessons for supporting more successful transitions to adulthood. Our specific objectives in this paper are to: (1) Examine the household-level correlates of receiving different types of cash transfers among households containing youth; (2) Quantify the prevalence of food insecurity and poor subjective wellbeing among Jordanian and Syrian refugee youth; (3) Analyze the predictors of subjective wellbeing among youth in Jordan; and (4) Analyze the degree to which the relationship between cash transfers and subjective wellbeing is mediated by food insecurity. Our analysis is based on a new survey that is nationally representative of Jordanian and Syrian refugee youth, the Survey of Young People in Jordan. This rich dataset is the first in the country to include measures of food security and subjective wellbeing as well as an extensive set of cash transfers implemented by government and United Nations (UN) agencies.

Do Social Protection Programs Improve Health Related Outcomes of the Poor in Tunisia?

Mohamed Ali Marouani, Nidhal Ben Cheikh and Phuong Minh Le

In this study, we analyze the impact of the PNAFN, a social protection program combining a cash transfer and the access to a free healthcare insurance program. The outcomes of interest are healthcare out-of-pocket spending, financial risk associated to illness, and healthcare utilization. Using the national household survey, we implement various regression techniques taking into account the endogeneity of selection into the program. We find that the access to PNAFN reduces the risks of incurring high and catastrophic out-of-pocket expenses. It also encourages the PNAFN families to spend more on medications than any of three control groups. However, PNAFN beneficiaries have a higher probability to be unable to visit the doctor when having an illness due to a higher demand for health facilities coupled to financial deficiencies.

The Jordanian Social Contract: Shifting from Direct Public Provision of Employment-Related Social Insurance to Government-Regulated Social Security

Irene Selwaness and Susan Razzaz

This paper focuses on the employment-related social insurance components of Jordan's social contract – assured income in old-age and during maternity and in case of sudden economic shocks or disability. Under the previous social contract these components were primarily provided through public sector jobs. Income during old-age and in case of disability was provided through pensions. Income during maternity was provided through maternity leave. Also, income was protected from sudden shocks by job security – the fact that a public sector job was a job for life. One of the most consistently stated goals of the Jordanian government over the past two decades has been private sector provision of employment that meets the needs and aspirations of the citizens. In particular, this means a shift from direct public provision of the social insurance components of the social contract to government as a regulator and facilitator of social insurance through private sector employment. We use the term social security to refer to the package of four employment-related social insurance, because the four components are linked under the heading social security for private sector workers. For public sector employment – as was the core of the social insurance in the previous social contract – insurance against sudden shocks was implicit rather than an explicit part of a benefit package but nevertheless a well-understood part of the contract. This paper examines the extent to which the social contract as it currently exists provides these main employment-related social insurance components in private sector employment. The main question is: are private jobs providing these social insurances?

Minimum and Living Wages in Jordan and Tunisia

Caroline Krafft and Cyrine Hannafi

Countries around the world are working to develop social protection floors to help reduce poverty. Ensuring workers can earn adequate wages is an important component of social protection floors. In this paper, we explore who receives minimum, poverty, and living wages in Jordan and Tunisia, as well as estimating the wage gaps between what workers earn and minimum, poverty, and living wages. We demonstrate that while the majority of workers do earn at least minimum and poverty wages, only a minority of workers earn a living wage. The chances of earning minimum, poverty, and living wages depend on the characteristics of workplaces, specific work characteristics (especially job formality and skills required), and the demographic characteristics of workers. These findings highlight which workers are vulnerable to low earnings and where greater enforcement of minimum wage legislation might be needed. Furthermore, we use our results to simulate a number of social protection floor policy options, from universal basic income to more targeted transfers. We demonstrate that most of these policies are not fiscally viable; they would require far more social assistance spending than is currently undertaken in Jordan and Tunisia.

The Role of Civil Society in Promoting Social Protection Reforms: A Comparative Study Between Jordan and Tunisia

Ahmed Awad and Asma Ben Hassen

There are lessons to be learned from both Tunisia and Jordan, as a comparative approach can facilitate knowledge-sharing and provide new insights on successful strategies. To this end, a comparative research paper will be developed to identify similarities and differences between social protection systems in Jordan and Tunisia as well as to determine the role of civil society in promoting social protection reforms in both countries.

Social Security Coverage and Informal Workers in Tunisia

Najat El Mekaoui, Nidhal Ben Cheikh, Jacob Emont, Yeganeh Forouheshfar, Asma Benhassen, and Arbia Saleh

Informality is prevalent in Tunisia, limiting the access of large share of population to social safety nets. The COVID-19 pandemic has demonstrated more than ever the importance of an inclusive and stable social protection system. Meanwhile, informal workers have been disproportionately affected by the health crisis, hence, extending social security coverage to workers in the informal sector is vital. This paper provides an overview of the existing social protection schemes and programs in Tunisia and aims to analyze challenges and opportunities for the extension of social protection to informal workers in the labor market, through studying the main characteristics of Tunisia's informal workforce and also the characteristics of those informal workers who transitioned to formality. Finally, we propose a set of different strategies for the extension of social protections and provide policy recommendations tailored to Tunisia's current situation.

Identifying Activities for Greater Employment Generation in Egypt: An Input-Output Analysis

Iman Al-Ayouty

Between2006-2017, Egypt's average rate of unemployment was 11.2%, and 23.8% among the youth. Promoting employment-generating industries may mitigate unemployment. The present study, therefore, identifies industries (agricultural, extraction and mining, manufacturing, and services activities) with an employment-generating potential, with special reference to youth. The study uses input-output analysis to compute employment and output multipliers for Egypt in the year 2016-2017. A spatial analysis is also employed to test for spatial autocorrelation (dependence) in total employment and youth employment. Results show that the highest manufacturing employment multipliers, ranging from 4.30 to 1.90, are: Food products; Basic metals; Motor vehicles; Paper products: Non-metallic mineral products; Beverages; Wearing apparel; Coke and refined petroleum products. Among primary industries, agriculture, extraction of crude petroleum, and mining employment multipliers are 1.45, 1.43, and 1.37, respectively. The employment multipliers of the leading service industries range from 2.66 to 1.44: Real estate; Hotels and restaurants; Administrative & support services; Communication; and Construction. Total and youth employment are found to have positive spatial dependence, with evident clustering of total and youth employment among governorates of the regions of Greater Cairo, the Delta, and Upper Egypt. Many of the high ranking employment multiplier industries and the feeding industries along their value chains are also located in these regions, and in geographically close regions. With the established spatial dependence, a key policy implication is to direct investment to where these industries are located, and possibly to locations of the feeding industries along their value chain. With potential vertical integration across regions, employment and youth employment may be generated.

Structural Change, Productivity and Jobs Creation: Evidence from Tunisia

Mohamed Amara, Faycel Zidi and Hela Jeddi

This paper combines macro and micro level analysis to identify the main sectors and firms that present the greatest potential to boost productive employment in Tunisia. The macro level analysis uses aggregate data at the sectoral level to understand the main characteristics of structural changes, employment, and productivity growth in Tunisia. It aims also to study the structure of jobs using the Shapley decomposition method. The micro or firm-level analysis goes into more details of the process of reallocation by using microdata from the Tunisian Business Register (Répertoire National des Enterprises - RNE) covering the last two decades (10 years before and 10 years after the 2011 revolution). Exploring dynamics at the firm level (or business dynamics) is critical to strengthening our understanding of the main principles and factors contributing to the economic transformation and the jobs creation. More specifically, we use static and dynamic decompositions (Olleyand Pakes 1996, Foster et al. 2001) to empirically examine the importance of market share reallocation (between firm), improved firm performance (within firm), and the net entry effects in driving aggregate productivity growth. Identifying the determinants of productivity growth is crucial, not only for job creation, but also for the development process in the long run. Several studies have shown the importance of this exercise. For example, Krugman (1997) concludes that "productivity isn't everything, but, in the long run, it is almost everything. A country's ability to improve its standard of living over time depends almost entirely on its ability to raise its output per worker". Cusolito and Maloney (2018) argue that raising global productivity growth is the pivotal element of an integrated strategy to generate jobs – and good jobs –and reduce poverty.

Impact of COVID-19 on the MENA Labor Markets: A Gendered Analysis

Rana Hendy, Shaimaa Yassin and Hala ElBehairy

The objective of this paper is to use micro-economic data from the ERF COVID-Monitor data on three MENA countries (Egypt, Morocco and Tunisia) in addition to other sources of both micro and macro-data from 8 MENA region countries (Egypt, Tunisia, Jordan, Iraq, Palestine, Somalia, Sudan and Yemen) to analyze labor market conditions in the region on a country-by-country basis amid and post the COVID-19 pandemic outbreak. We also produce simulations (theoretical and empirical) aiming at anticipating future labor market conditions in a number of MENA countries. We rely on multiple data sources to calibrate the benchmark of our theoretical simulations, as well as the empirical projected simulations. This includes estimations from micro-economic data of Country-specific Labor Force Surveys, population projections by country, gender, age group and education provided by the United Nations Population Division and Lutz et al. (2018). The analysis here intends to use a gendered lens to show how the pandemic differently affects women and men labor market outcomes, focusing on how women labor force participation and unemployment would change. The paper follows Margolis and Yassine (2015) in adopting different models that takes into consideration the individual's educational attainment and age and apply several scenarios for the projection. The IMF projections are used in building these scenarios focusing on how projected increase in total unemployment rate and decrease in GDP growth rate would affect women labor market statuses in the MENA countries in question. The analysis intends to apply various scenarios to the projections, ranging from naive assumptions about the stock of available jobs or raw participation rates to more sophisticated models based on econometric estimates of differential behavior by type of worker and accounting for expected changes in the composition of the workforce. The main research question of the paper can therefore be summarized as follows: How do -and will (relying on forecasts)- labor market conditions evolve post the COVID-19 in MENA countries? How is the pandemic affecting different subgroups' outcomes, particularly women's and men's labor force participation and unemployment rates?

COVID-19...Who will wash the dishes and change the diapers? Evidence from a post COVID-19 time use survey on Egypt

Rana Hendy and Shaimaa Yassin

The main hypothesis of this study is that the increase in the hours spent on care and household activities as a result of the COVID-19 crisis and related restrictions, has not been equally shared among Egyptian couples, leading to a significant increase in the double burden faced by Egyptian working women and consequently to a decrease in female's labor supply. To document and discuss the shifts in time use towards more home-based activities and implications such shifts might have on women's market employment-related decisions, we construct time-use profiles using the newly collected time-use survey from CETUS20. The provided results intend to highlight how differences in care, household chores and leisure can lead to larger post-shock gender differences in the Egyptian labor market. Specifically, we aim to quantify the response of within-household and market labor supplies to the COVID-19 crisis.

COVID19 and the Value of Non-Monetary Job Attributes to Women: Evidence from a Choice Experiment in Egypt

Rana Hendy and Shaimaa Yassin

Boosting low levels of female labor force participation remains a challenge in the MENA region. Women, especially after marriage and childbirth, typically forgo the labor market (LM), particularly when their jobs and/or the job offers they receive are non-family-friendly. Female labor force participation is an underutilized potential of Economic Growth and development in the MENA region. This paper therefore relies on an attribute-based discrete choice experiment using hypothetical job offers, as opposed to the employment situation pre and post the outbreak of the Coronavirus. The objective is to estimate the willingness to pay (WTP) distribution for non-monetary job attributes. Since the experiment has been administered within a COVID-19 impact survey in Egypt (namely CETUS20) - 5 months into the outbreak of the pandemic, it is possible to measure the change in job preferences following the COVID19 health shock. The hypothetical choice method robustly identifies preferences, and overcomes challenges to estimate WTP for specific non-monetary job attributes from hedonic wage regressions or from observed LM transitions. Transitions data in the region are rarely available, suffer from inaccuracy and biased where a substantial share of workers are informally or self-employed. Our findings reveal that COVID-19 has led workers to value more positive job amenities, such as part-time jobs, work from home and shorter commutes. With the increased burden of domestic work, females with children value the most jobs where they can work on a part-time basis. They would require to receive substantial increases to their current labor income to accept jobs with a non-family friendly set-up, such as the need to work in weekends or nightshifts. Interestingly, however, respondents in the experiment, particularly male workers, have perceived overtime as a positive job amenity. Their WTP for the latter increased post-COVID suggesting income challenges faced by workers post-COVID. Generally, a substantial proportion of our experiment's employed respondents accept the hypothetical job o_ers they receive during the interview (about 40% of the males and 70% of the females). More than 50% of those who accepted those offers would have never accepted them prior to COVID. Our results reveal the change in the value of employment to workers, particularly females, which comprises both the wage and the non-monetary attributes associated with employment.

Mental Health and Gender Inequality in the MENA Region: An Analysis of Shock Related Factors Within the Context of the COVID-19 Pandemic

Irene Clavijo, Anna Spinardi, Kevin Henkens and Nigora Isamiddinova

This paper investigates the potential associations between factors that affected households during the pandemic (such as food insecurity) and the gendered mental health inequalities in the MENA region. To analyze these potential associations, the paper used data from the World Health Organization (five-question module to measure mental health and well-being) and the ERF COVID-MENA Monitor Survey panel dataset. The results indicate a statistically significant difference in the mental health well-being between men and women, with women's mental health being significantly poorer than that of men. These differences in mental health well-being are associated with higher food insecurity levels in the MENA countries under the study. The results reveal that women, on average, worry more over the health consequences of the pandemic and the household's economic situation. The analysis also indicates that women on average report higher levels of food insecurity in their households, and this variable significantly explains the observed difference in mental health outcomes between genders. In terms of potential policy recommendations to address the burden of the pandemic affecting women's mental health disproportionately, it is crucial to provide gender-sensitive targeted social protection and assistance to the households most affected by loss of income-generating activities and with limited coping capacities, particularly those run by women.

First Out, Last in amidst COVID-19: Employment Vulnerability of Youth in Egypt, Morocco, Sudan and Tunisia

Shireen Alazzawi and Vladimir Hlasny

This study estimates the impacts of the evolving COVID crisis on the trends in workers' employment outcomes in Egypt and Jordan. Using panel microdata from ERF COVID-19 MENA Monitors, waves 1–5 (July '20–September '21), we estimate logit models of workers' job loss, and multinomial logits of workers' labor market statuses. We confirm that the COVID regime stringency affects negatively employment and labor participation of most groups of workers – particularly youths, even if they were not disadvantaged pre-COVID. Higher education is associated with the retention of a better employment status, conferring consistently high returns in terms of remaining economically active, employed, and in formal employment. Workers' pre-COVID employment status affects their outcomes amid COVID, implying strong employment-status dependence. Those laid off amid COVID come predominantly from among those without (formal) employment pre-pandemic. Between mid-2020 and mid-2021, men's employment prospects gradually improved, but women faced a stagnation by being largely excluded from work opportunities. Youths trailed non-youths early during the pandemic, but have caught up during recovery. In sum, evidence suggests that youths and women are affected more adversely than non-youths and men at the height of the pandemic, face higher risks of getting laid off, and have a harder time returning to work – supporting the 'last in' if not the 'first out' hypothesis.

Annex B: Research Projects

Social Safety Nets and Food Insecurity in the Time of COVID-19: Selected MENA Countries

Yasmine Abdelfattah, Amira El-Shal, Eman Moustafa and Nada Rostom

COVID-19 is testing food and social protection systems in the Middle East and North Africa (MENA) region at an unprecedented scale. Governments and non-governmental institutions have expanded existing social safety nets (SSNs) and/or distributed new cash transfers. We estimate if and to what extent SSNs have mitigated food insecurity in MENA during COVID-19, using a unique panel survey of four MENA countries for November 2020–June 2021. Our difference-in-differences (DD) fixed-effects estimates show that those who received non-usual government support in Tunisia were 15 percentage points (ppts) less likely to be unable to buy their typical amount of food due to price increases than those who did not receive support. No significant effects are observed in Egypt, Jordan, and Morocco. Non-usual social support from non-governmental institutions had greater effect. Individuals who received non-usual support from non-governmental institutions in Morocco and Jordan were, respectively, 22 ppts and 15 ppts less likely to report being unable to buy their typical amount of food due to decreased income. Our estimates also show that government SSNs have mitigated the negative effect of food insecurity on resorting to adverse coping strategies during COVID-19, especially selling assets.

Resilience in the Time of Covid-19: Lessons Learned from MENA SMEs

Zouheir El-Sahli and Mouyad Alsamara

We investigate the effects of the Covid-19 pandemic on small and medium-sized enterprises (SMEs) in four non-oil-exporting MENA countries (Jordan, Morocco, Tunisia, and Egypt). Using data from a recent enterprise survey, we highlight several new findings. MENA SMEs resorted to wage and work hours reductions more readily than layoffs in the wake of the pandemic. Within SMEs, larger firms are more resilient, recover faster, and adapt more often. On the sector level, the accommodation and food services sector is the worst affected in most outcomes. There is, however, clear recovery in Q2 (versus Q1) 2021 across sectors and countries. Furthermore, SMEs that switch to remote work are less likely to face closures, recover faster, and adapt more frequently, signaling higher resilience and adaptability. On the other hand, participation in government assistance programs does not improve firm outcomes, whereas firms that participate in international trade are more resilient and adaptable in the face of the shock. The results of the study carry very important policy implications to support SMEs in developing countries in time of extreme exogenous shocks.

The Impact of COVID-19 on Households and Firms in the MENA Region: The Case of Sudan

Samia Satti

This paper discusses the impacts of COVID-19 on households and firms in Sudan as a case study of the MENA countries. The research uses the descriptive and comparative approaches and uses new primary data obtained from the ERF COVID MENA Monitor Household Survey (2021) and from the World Bank and Sudan Central Bureau of Statistic High Frequency Survey on COVID-19 (2020). Our results from the World Bank Survey on COVID-19 (2020) show the impact of COVID-19 on employment status that appears from the loss of jobs for the majority and nearly two thirds of households during June – July 2020. We explain that the main reason for the households' loss of job, unemployment and even changing jobs was because of business / gov't close due to coronavirus legal restrictions. The impact of COVID-19 also appears from the loss of payment for nearly fifth of households, partial payment for nearly half of households, and loss and reduction of households' means of livelihood or source of income since mid-March 2020 from non-farm family business, income from properties, investments or savings, and income from family farming, livestock or fishing. The impact of COVID-19 on micro, small and medium size enterprises appears from temporary or permanently close of establishments, substantial decrease in sales or stagnation in sales. Our results from ERF COVID MENA Monitor Survey data (2021) show the impacts of COVID-19 on labour market and working conditions that appears from the increase in temporary or permanent layoff/suspension of workers, reduced hours, reduced wages, and delays in wage payment for workers in Sudan between April 2021 and August 2021, these results are consistent with the results in the MENA countries. Between April 2021 and August 2021 the delay in wage payment is more than doubled, the temporary layoff/suspension of workers increased from nearly tenth in April 2021 to nearly fifth in August 2021. In August 2021 the status of workers in business indicates temporary layoff/suspension for nearly fifth of workers, permanent layoff/suspension for nearly tenth of workers, and delay and change in wage payment for nearly a quarter of workers. Attainment of social insurance decreased from nearly third of all households in April 2021 compared to nearly a quarter of all households in August 2021.

Our results concerning the temporarily or permanently close of business due to factors related to COVID-19, reduction in business working hours, and the challenge facing businesses due to loss in demand, and access to customers due to mobility restrictions in Sudan are consistent with the results across MENA countries. From policy perspectives our findings that the most common types of support needed included business loans, salary subsidies and reduced/delayed taxes in Sudan are consistent with the results in the MENA countries. Our findings regarding limited provision of social protection (social insurance) and the importance of supporting social protection for workers in Sudan are consistent with the findings in the MENA countries. The major policy recommendation is increasing government support to manage COVID-19 economic and social impacts on workers in Sudan.

Populations' Behavior Analysis Toward COVID-19 Safety Measures in Selected MENA Countries (Algeria, Morocco, and Tunisia)

Moundir Lassassi and Lahna Idres

The present study aims to analyze the populations' behavior toward COVID-19 safety measures in each of Algeria, Morocco, and Tunisia. In this direction, a particular focus is put on which safety measures are observed and which category of people is most likely to observe them. To answer these questions, household data provided by Economic Research Forum (ERF) rapid phone survey are used for both Morocco and Tunisia. However, the used data for Algeria are provided by a household survey conducted by the Research Center of Applied Economics for Development (CREAD). The obtained results show some similarities among the population's behavior of these countries. In fact, in all these countries, women are those who mostly observe the safety measures. The educational level also plays a behavior, nevertheless, its impact on these behaviors differs from a country to another. Moreover, an ordered probit model is estimated to identify the determinants of the observed safety measures intensity in each country. In this regard, it is shown that women, married people, oldest people, and those who have less than basic educational level are those who observe the more important number of safety measures. Furthermore, simulations results show that the percentage of Moroccans observing three safety measures converges to 80%, against 59% in Tunisia, and only 5% in Algeria.

Impact of COVID-19 on Small- and Medium-Sized Enterprises in Iraq

Raffaele Bertini, Julia Smith Omomo, O. Aymerich, Diego Martin and Erin Neale

Among the main socio-economic effects of the COVID-19 pandemic in Middle Eastern countries, the impact on small- and medium-sized enterprises (SMEs) is one of the most relevant especially in post-conflict and fragile countries and contexts. To analyze this, the United Nations' International Organization for Migration (IOM) in Iraq, Food and Agriculture Organization (FAO), and the International Trade Centre (ITC) jointly conducted a panel study tracking the pandemic's impact on SMEs in Iraq. The survey was administered to over 700 SMEs across the country covering 16 economic sectors. Four rounds of data were collected at four points in time between June 2020 and June 2021 (June/July 2020, September 2020, November/December 2020, and June 2021) from businesses registered in IOM's database, located in both urban and rural areas. Findings from four rounds of data collection show that COVID-19 negatively affected production, revenue, and employment—notably, the gender gap on the labour force—at the beginning of the pandemic (February to June 2020) and COVID-19-related movement restrictions. This study concludes with related policy recommendations for the Iraqi and Middle Eastern countries.

Navigating Through A Pandemic Amid Inflation and Instability: An Assessment of The Socio-Economic Impact of COVID-19 on Migrants in Eastern Sudan

Joris Jourdain, Elizabeth Griesmer and Raffaele Bertini

The coronavirus disease 2019 (COVID-19) pandemic and associated containment measures have impacted numerous dimensions of the lives of migrants, including their health, education, livelihoods and economic security, social cohesion and mobility. As part of the International Organization for Migration's (IOM) efforts to draw attention to the adverse consequences of the pandemic for migrants in the Middle East and North Africa (MENA) region, this study focuses on international migrants (mainly from Ethiopia and Eritrea) living in Kassala and Gedaref states in Sudan. To differentiate between various forms of mobility between countries of origin and Sudan, this report disaggregates the impact of the pandemic across three categories of migrants: 1) long-term migrants in Sudan; 2) migrants in transit who seek to settle in a third country other than Sudan; and 3) seasonal migrant workers 1 whose stay in Sudan is temporary and who migrate between Sudan and their country of origin regularly.

Annex B: Research Projects

Initiated Projects

The Second Report on Jobs and Growth in North Africa – A Focus on The Impact of COVID-19 on Households and Firms

Caroline Krafft, Ragui Assaad, Mohamed Ali Marouani, Abdel Rahmen El Lahga, Chahir Zaki, Ebaidalla Mahgoub and Samia Satti

The second round of the report will focus on the effects of the COVID-19 pandemic on growth and labour market outcomes in North Africa. It will start with an overview of the progression of the pandemic and closure policies in each country as well as country economic and social support policies in response to the pandemic. The various teams will then update the macroeconomic and labour market data from 2018 to 2021, preferably using quarterly data. This will include overall GDP growth rates as well as value added growth rates by broad industry sector. On the labour market side, it will include updated statistics on labour market aggregates such as labour force participation, employment-to-population ratios, and unemployment rates, as well as statistics on employment by broad industry sector and by type of employment (public, formal private wage employment, informal private wage employment) and time-related underemployment. The report will also use the COVID-19 MENA Monitor data to further examine the impact of the COVID-19 crisis on labour markets in North Africa by examining job loss and recovery rates for different types of workers, challenges facing wageworkers, such as layoffs and earnings reductions.

The Impact of the COVID-19 Pandemic on Women's Time in Unpaid Care Work

Caroline Krafft, Irene Selwaness and Maia Sieverding

This paper will use the waves of the ERF COVID-19 MENA Monitor phone surveys in five countries to examine how women's unpaid care responsibilities have changed during the COVID-19 pandemic in the region and the subsequent impacts on their employment. Several research questions will be addressed: (1) How has the Covid-19 pandemic impacted women's overall time spent in care work?; (2) How has the closure of schools/nurseries and alternative education strategies impacted women's time in unpaid care work?; and (3) How have changes in unpaid care responsibilities impacted women's employment?

The Impact of the COVID-19 Pandemic on the Labor Market in the Middle East and North Africa

Ragui Assaad, Caroline Krafft and Mohamed Ali Marouani

The paper will use the waves of the ERF COVID-19 MENA Monitor phone surveys in five countries, including information on status in February of 2020, prior to the pandemic. Impacts on employment, unemployment, and labor force participation will be examined. Among those who were working in February 2020, the paper will examine changes in hours of work and pay. The key outcomes by the characteristics of workers and their jobs in February 2020 will also be analyzed. Moreover, the paper will examine the extent to which affected workers and their households were reached by government programs designed to mitigate the effects of the crisis.

The Impact of the COVID-19 Pandemic Formal and Informal Firms in the Middle East and North Africa

Lisa Chauvet and Mohamed Ali Marouani

The objective of this study is to understand the impact of COVID-19 on formal and informal firms and how structural factors interacted with the health crisis to lead to the observed outcomes. To do so, the paper will adopt a comparative approach across the MENA surveyed countries, based on firms' surveys (formal firms) and households' surveys (household informal firms). Specifically, the impact of COVID-19 on Tunisian, Moroccan, and Egyptian firms will be examined by distinguishing exposure to COVID-19 in these countries (and within these countries, by region or governorate), as well as the public policies implemented during the health crisis (including containment by date, region, and sector of activity), and countries' economic and political characteristics (openness to trade and foreign direct investment, stability, demonstrations). The effect of exposure to COVID-19 and social distancing policies on firm performance will be estimated.

Job Loss during COVID-19: Estimating the Poverty and Food Security Effects in Egypt, Tunisia and Morocco

Adel Ben Youssef and Burim Prenaj

This paper explores the effects of job loss because of COVID-19 on household income and food security and the coping mechanisms of these effects. In addition, it also explores the heterogeneous effects of job loss due to Covid-19 on the same outcomes, for different vulnerable subgroups of the population, e.g. for women, young workers, informal workers, rural workers etc. Methodologically, the paper assesses the effect of COVID-19 on individual outcomes in Tunisia, Morocco and Egypt by comparing the differences in outcomes of interests between respondents who lost their jobs due to the pandemic and those who did not. To account for selection into job loss, a propensity score weighting procedure, which balances the job-losses and job retainers in a set of common characteristics, is employed.

Does COVID-19 Pandemic Spur Digital Business Transformation in MENA Region? Evidence from Firm Level Data

Ebaidalla Mahjoub Ebaidalla and Mohammed Elhaj Mustafa

This study attempts to answer the question about whether the advent of COVID-19 accelerates the pace of digital transformation in business sectors in the region. From policy perspective, this study has many advantages. First, examining the impact of COVID-19 on technology adoption in the MENA region would support any efforts that aim to minimize the consequences of the pandemic on the business sector. Second, the study helps in better understanding how digitization can play a role in post-COVID-19 pandemic recovery plans. Finally, the study uses panel data for four MENA countries, hence will be effective in identifying the digital disparities across MENA countries and over time.

Employment Promotion Project

Caroline Krafft, Ragui Assaad, Rana Hendy, Rasha Hassan, Mina Ayad and Mohamed Azab

The objective of the Employment Promotion Project is to assess the research gaps pertaining to the Egyptian labor market, and support the generation of information about the labor demand. The findings of this research will in turn reform the education sector to facilitate school-to-work transition, provide labor market intelligence, and facilitate evidence-based dialogue on the future of work. The topics that are covered in this research include school-to-work transition of graduates of technical education, analysis of the growing and shrinking job sectors in Egypt, the informal/gig economy, and labor market entry mechanisms. Part of the outputs of this project include the production of an occupational outlook, which is a database that is projected to include all the relevant information relating to each occupation in Egypt, including which jobs are demanded/growing/shrinking, the skill sets and education level required for each occupation, the gender distribution for each occupation etc. This online platform is to be hosted by the Ministry of Planning of Egypt. Additionally, global labor market trends such as the adoption of artificial intelligence, digitalization, automation, and the rise of the green economy, will also be analyzed in our research on the future of work.

Women in the Egyptian Labor Market

Maye Ehab, Ghada Barsoum and Caroline Krafft

Although there has been a large body of research on patterns of women's employment over the life course, that body of research has yet to be synthesized to extract key messages. Moreover, there is very little research on the employer, labor demand side of the market. This project attempts to address these gaps through three components: (1) a literature review on women in the Egyptian labor market (2) A qualitative study of employers' perceptions of working women in less-feminized sectors and (3) an audit study addressing discrimination by gender and marital status in the Egyptian labor market.

National Child Labor Survey 2022

Ragui Assaad, Zakaria Othman and Ali Rashed

Through this project, ERF aims to support the improvement and maintenance of a reliable child labour knowledge base at CAPMAS and to support with the design and implementation of the new round of the NCLS. The new round of the NCLS will aim to estimate the size of child employment and child labour in addition to exploring the relationship child labour and schooling and child wellbeing., It will also study the impact of COVID-19 on this phenomenon. The proposed National Child Labour Survey (NCLS) project will be considered as the second round of its type in Egypt after the first round that was conducted in cooperation between CAPMAS and the ILO in 2010. This project will be conducted in a collaborative manner among the three main institutions namely, ILO, ERF and CAPMAS.

Annex B: Research Projects

Equity, Inequality and Inclusive Growth

Under this theme, three projects were completed while one is still ongoing.

Completed Projects

Determinants of Income Inequality in Jordan

Racha Ramadan

Income inequality is relatively low in Jordan when measured using the common inequality measure, Gini index. However, other income inequality measures show higher level of inequality as the pre-tax national income share of the highest 10 percent is more than 40 percent in 2016; additionally, income inequality is expected to increase with the spread of the COVID-19 pandemic and the slowdown of economic growth. Thus, understanding income inequality and its main drivers is key factor to address it adequately and achieve inclusive growth where no one is left behind. The present paper tackles expenditure inequality, as proxy for income, in Jordan by examining the main drivers of expenditure gap between urban and rural areas and between female headed households and male-headed households using the most recent available Households Expenditure and Income Survey (HEIS, 2017/2018). Using Unconditional Quantile Regression, the gender expenditure inequality and spatial expenditure inequality is decomposed into endowment effect and returns effect. The results show that spatial expenditure gap is in favor of urban areas, and the gender gap is in favor of female headed households. Education of households' heads and households' geographical location are the key determinants of expenditure gaps between urban and rural households and between female headed households and male headed households.

Inequality of Education Attainment in Jordan: Patterns and Trends

Reham Rizk and Nada Rostom

There is substantial inequality in educational achievement in Jordan, but few studies examine its extent and the way forward to reduce inequality and achieve social mobility. This paper attempts to examine the sources and trends of inequality in educational outcomes in Jordan using Household Income and Expenditure Surveys (HIES) from 2008 to 2017. In addition, using the D-index and shapely decomposition, we model the sequential nature of attaining education to give an overall view of the influence of circumstances on child progression through schooling years. We find that inequality is high, especially with respect to transition from basic completion to secondary education and above. Parents' education, in particular fathers' education, and family financial resources are considered the main drivers of the inequality in the transition from basic to secondary and tertiary education levels. In the 2017 HIES wave, shapely decomposition shows an increasing gender gap over time where girls have lower completion rates compared to boys.

Evolution of Inequality of Opportunity in Education in The Jordanian Case: From 2008 to 2017

Rana Hendy and Nejla Ben Mimoune

Using data from the Household Expenditure and Income Surveys (HIES), we examine the status of inequality of opportunity in education in Jordan at different points in time. Through our analysis, we track the changes in trends in inequality of opportunity of education and decompose inequality into the contributions of different circumstances using the Shapley decomposition. We find that inequality in education opportunities at the completed primary level for youth is still high. As for secondary completion rates, wide inequality gaps have persisted between 2008 and 2013, but then sharply fell in 2017. In addition, similar to other Arab countries, inequality of opportunities at the above secondary level has worsened over time. When investigating the main factors driving such inequalities, we find that family wealth is among the most important determinant for the opportunity of attending or completing an educational level over time, followed by the parents' level of education, more specifically the mother's.

Ongoing Projects

Policy Report on the Impact of COVID-19 on Livelihoods in Jordan and the Associated Government Responses

Racha Ramadan, Rana Hendy and Reham Rizk

Based on COVID-19 survey conducted by the Department of Statistics (DOS), this report will overview the socio-economic characteristics of the vulnerable groups who had been affected by the pandemic. The paper will tackle the change in living standards, access to education and internet, and change in employment status and work environment resulted from the pandemic. Finally, the paper will overview the government of Jordan responses to cushion the negative impacts of the pandemic on the vulnerable group and will provide policy recommendations.

Peace-Building and Reconstruction

Under this theme, ERF completed six projects.

Completed Projects

What Does the Literature Tell Us on The Relationship between Economic Interdependence and Conflict Management?

Katarzyna Sidło

The present paper provides the conceptual framework for the analysis of relationship between economic interdependence and conflict prevention, management, and solving. It starts by providing an overview of arguments of two main schools of thought that have been in debate over relationship between the two variables: the liberals, arguing for the pacifying effects of economic interdependence, and the realists, according to whom as interdependence between countries increases, so does the threat to their autonomy and national security, and thus likelihood of a conflict. It subsequently explores research focused on the question of conditionality of the relationship between the economic interdependence (usually operationalized in terms of trade exchange) and conflict: the impact of the type of political regime, (a)symmetry of relationship between economic partners, multilateralism, and trade agreements on the strength (and indeed outcome) on the interdependence-peace nexus. Further, analytical papers focused specifically on the countries in the Middle East and North Africa are reviewed. Finally, the paper examines specific aspects of the MENA region, focusing on factors flagged in the literature investigated as having a potential impact on the strength (or otherwise) of the pacifying effect of the economic interdependence. It concludes with summary of the findings from the literature review conducted, highlighting new variables such as potential trade wars or the ongoing Covid-19 pandemic, that might have to be taken into consideration in future research.

Economic Interdependence and Conflict in MENA

Mohamed Ali Marouani and Gunes Asik

Militarized conflict worldwide has been on a declining trend after World War II while trade and economic interdependence have been in-creasing rapidly. Whether trade and economic interdependence promote peace and whether conflict harms trade ties between countries are critical questions which have been studied widely in the conflict literature. A strand of this literature finds that bilateral trade reduces the probability of militarized conflict while multilateral trade increases the probability of conflict. In this research, we ask whether the relationship between trade and conflict is different for the MENA region as compared to the rest of the world. Using the dataset on Militarized Interstate Dispute between 1960 and 2014, we find that trade is not disrupted significantly after a conflict episode in the region. We find that unlike previous studies, both bilateral and multilateral trade induce conflict in the overall MENA region, however, as for oil rich countries, the increase in bilateral trade links is associated with lower probability of militarized conflict. RTAs within the region almost do not have an impact, due to their low effects on regional trade. Deeper RTAs may have had a different impact. Furthermore, countries with higher export sophistication are more likely to engage in conflict in the region. Finally, we do not find a statistically significant relationship between FDI flows and conflict in general, but FDI outflows seem to be more deterrent for conflict than inflows.

Sanctions, Wars and MENA Trade

Khalid Sekkat

The paper investigates to what extent the intra-MENA political tensions adversely affect intraregional trade (IRT). While traditional economic and political science literature focus on trade and wars, the paper considers other expressions of political tensions. In addition to inter-state wars, countries impose sanctions on financial collaboration, military collaboration, travel freedom, commercial relationships and diplomatic arrangements. The sanctions can be combined and simultaneous is order to achieve the highest impact. The analysis applies the gravity approach and the Pseudo-Poisson Maximum Likelihood estimator (PPML) to bilateral trade between the 18 MENA countries and 128 of their partners over the period 1971-2014. The results are that only commercial sanctions and inter-state wars are significant. They are negative meaning that they harm IRT.

Annex B: Research Projects

The Relationship between Economic Interdependence and Conflict Prevention: An Institutional Perspective
Ibrahim Saif and Rani Khouri

This paper investigates the relationship between economic interdependence and conflict prevention. It will focus on the institutional dimensions of the relationship between economic interdependence and conflict prevention & management. The early days of what has been dubbed the 'Arab Spring' raised some expectations about whether the region could see a new era of renewed regional cooperation and integration after several failed attempts. Instead, the unfolding of events across different countries has further weakened the Arab state system and has thus given rise to new transnational identities such as tribalism, sectarianism, and outright fundamentalism, rather than regional unity. Regional institutions have played a limited role in entrenching economic integration and preventing or managing conflicts. The region has been historically a volatile region of instability and till today, it remains one of the least integrated and most unstable regions globally. While integration momentum was gaining pace before 2010, the instability associated with the Arab Spring moved the region one step behind. The paper discusses the complex relationship between economic interdependence and conflict prevention/management from an institutional lens, and analyzes the main institutional factors influencing this relationship. It provides an account of the main functional regional institutions related to economic interdependence and conflict management in the Arab World and discusses their quality and effectiveness. The last section presents policy directions to enhance the role of institutions and allow for deeper integration and less conflict.

Grievance and Civil War: The State of the Literature Horizontal Wealth Inequality and Oil – Is there a Contingent Effect?
Cristina Bodea and Christian Houle

Prominent early accounts of the determinants of civil war downplay the role of "grievance" as a determinant of civil conflict. The authors study how grievance is perceived in the literature from democratic institutions and horizontal wealth inequality (HWI) to the exclusion of groups from political power. They investigate how HWI interacts with natural resource endowments to increase or mitigate the risk of civil war. A key point in the data used from Cederman et al. (2011) is that wealth inequality among groups generates an emotional reaction to the perceived lack of resources compared to other groups, or the need to redistribute to poorer groups. On the one hand, oil resources can aggravate the distributional conflict when the state does not spend on public goods, for example. On the other hand, grievance is argued to contribute to violent collective action. Oil resources can have a counter effect by affording higher military spending, which deters mobilization and civil war onset. The authors find that the effect of HWI is likely limited to oil-rich countries and does not increase the likelihood of conflict in oil-poor countries. Oil-rich countries show large variations in how oil revenue is allocated to military and other types of spending, and results show that more military spending mitigates the risk of civil war that emanates from high HWI.

Juba Power Sharing Peace Agreement: Will it Promote Peace and Democratic Transition in Sudan?
Ibrahim Elbadawi and Nils-Christian Bormann

The signing of the Juba Agreement for Peace in Sudan (JAPS) constitutes an important step for the country to achieve lasting peace and complete its transition towards democracy. In this paper, we will review the JAPS in light of scientific evidence on the effectiveness of power-sharing. Reviewing multiple studies that evaluate power-sharing, we conclude that a larger number of power-sharing provisions and the effective inclusion of previously marginalized ethnic groups increase the chances of peace. However, leaving out previously peaceful groups carries some risk. The beneficial effects of power-sharing provisions in peace agreements and ethnically inclusive governments pertain to the likelihood of democratic transitions. We find only weak evidence for the benefits of power-sharing in ensuring democratic survival due to the small number of post-conflict democracies that exist around the world. While the JAPS contains a reassuring number of power-sharing provisions and should be effective in bringing about stability and improving the chances of democratization according to the best available scientific evidence, much uncertainty remains. For Sudan to succeed in achieving lasting stability and effective democracy, political leaders will be required to respect the agreement and depend as much on positive background factors such as economic development outside the scope of the JAPS. To address these concerns, we propose five future initiatives: a national peace conference; a firm term limitation for the transitional authority; broad-based political parties and coalitions; a better institutionalized and sufficiently funded "Peace Fund"; and two national bargains in the critical areas of security reforms and transitional justice.

Annex C: Publications

Middle East Development Journal (MEDJ)

MEDJ, Vol. 13, No. 1, June 2021

The Arab inequality puzzle: the role of income sources in Egypt and Tunisia
Caroline Krafft & Elizabeth E. Davis
DOI: 10.1080/17938120.2020.1716429

Effect of oil revenues on size and income of Iranian middle class
Mohammad Reza Farzanegan, Pooya Alaedini, Khayyam Azizimehr & Mohammad M. Habibpour
DOI: 10.1080/17938120.2020.1717805

Optimal government size and economic growth in developing and MENA countries: A dynamic panel threshold analysis
Ridha Nouira & Mohamed Kouni
DOI: 10.1080/17938120.2020.1719471

Macroeconomic policies and the Iranian economy in the era of sanctions
Magda Kandil & Ida A. Mirzaie
DOI: 10.1080/17938120.2020.1719700

Macro-finance determinants and the stock market development: evidence from Morocco
Karim Belcaid & Ahmed El Ghini
DOI: 10.1080/17938120.2020.1720333

Gendered patterns of industrialization in MENA
Yasemin Dildar
DOI: 10.1080/17938120.2020.1723297

Global value chain integration and productivity: the case of Turkish manufacturing firms
Yılmaz Kılıçaslan, Ugur Aytun & Oytun Meçik
DOI: 10.1080/17938120.2020.1731200

Tackling market distortions to rise productivity: a study using firm-level manufacturing sector data from Morocco
Jean-Pierre Chauffour & Jose L. Diaz-Sanchez
DOI: 10.1080/17938120.2020.1714347

Remittances and disaggregated country risk ratings in Tunisia: an ARDL approach
Dorsaf Sridi & Wafa Ghardallou
DOI: 10.1080/17938120.2020.1716619

MEDJ, Vol. 13, No. 2, December 2021

Growth in Syria: losses from the war and potential recovery in the aftermath
Sharmila Devadas, Ibrahim Elbadawi & Norman V. Loayza
DOI: 10.1080/17938120.2020.1753978

On the nexus between economic growth and bank-based financial development: evidence from Morocco
Ahmed Kchikeche & Ouafaà Khallouk
DOI: 10.1080/17938120.2020.1753995

An inquiry into the regional unemployment disparities in Tunisia: a spatial Durbin model
Khaled Jeguirim
DOI: 10.1080/17938120.2020.1770476

New measure of catastrophic health expenditures with application on rural Egypt
Suzan Abdel-Rahman & Mohamed R. Abonazel
DOI: 10.1080/17938120.2020.1756097

Unemployment hysteresis in Middle East and North Africa countries: panel SUR-based unit root test with a Fourier function
Oladapo Gbenga Awolaja, OlaOluwa Simon Yaya, Ahamuefula Ephraim Ogbonna, Solomon Onuche Joseph & Xuan Vinh Vo
DOI: 10.1080/17938120.2020.1770488

Labor demand shocks, unemployment, and suicide: evidence from provinces across Iran
Hamid Noghanibehambari, Nahid Tavassoli & Farzaneh Noghani
DOI: 10.1080/17938120.2020.1756105

A decomposition analysis of total factor productivity growth in MENA countries: stochastic frontier analysis approach
Mushtaq Ahmad Malik & Tariq Masood
DOI: 10.1080/17938120.2020.1770564

Edited Volume

The Egyptian Labor Market – A Focus on Gender and Economic Vulnerability
Edited by Caroline Krafft and Ragui Assaad
Oxford University Press
In Press

Policy Briefs

The Impact of COVID-19 on Middle Eastern and North African Labor Markets: Vulnerable Workers, Small Entrepreneurs, and Farmers Bear the Brunt of the Pandemic in Morocco and Tunisia
Caroline Krafft, Ragui Assaad and Mohamed Ali Marouani
PB 55

Trade and SDGs in the MENA Region: Towards a More Inclusive Trade Policy
Nora Aboushady and Chahir Zaki
PB 56

The Impact of COVID-19 on Middle Eastern and North African Labor Markets: Glimmers of Progress but Persistent Problems for Vulnerable Workers a Year into the Pandemic
Caroline Krafft, Ragui Assaad and Mohamed Ali Marouani
PB 57

How Do Conflicts Affect Firms in the MENA Region?
Daniel Mirza and Chahir Zaki
PB 58

Human Capital Accumulation and Conflicts: Insights from the MENA Region
Moheb Said and Chahir Zaki
PB 59

The Impact of COVID-19 on Middle Eastern and North African Labor Markets: A Focus on Micro, Small, and Medium Enterprises
Caroline Krafft, Ragui Assaad and Mohamed Ali Marouani
PB 60

Dams as Drivers of Droughts and Water Pollution: Evidence from the Euphrates-Tigris Basin in Turkey and Iraq
Eleftherios Giovanis and Oznur Ozdamar
PB 61

How Does Climate Change Affect Food Consumption in Turkey?
Emre Yüksel, Hüseyin Ikizler and Ali Emre Mutlu
PB 62

Stolen Dreams or Collateral Damage: Climate and Economic Growth in time of COVID-19
Hany Abdel-Latif, Hala Abou-Ali, Yasmine Abdelfattah, Nada Rostom, Amal Abdelfatah and Said Kaawach
PB 63

Spatiality of Climate Change and Agricultural Development in Turkey
Burhan Can Karahasan and Mehmet Pinar
PB 64

The Effect of a Carbon Tax on the Egyptian Economy: A General Equilibrium Analysis
Abeer Elshennawy and Dirk Willenbockel
PB 65

Effectiveness and Constraints of NGOs on Climate Policies in Developing Countries: The Case of Tunisia
Adel Ben Youssef
PB 66

Is It Getting Too Hot to Work in the MENA Region?
Hala Abou-Ali, Ronia Hawash, Rahma Ali and Yasmine Abdelfattah
PB 67

COVID-19 Shock on Quality of Life: How Do People Cope and What is the Cost?
Eleftherios Giovanis and Oznur Ozdamar
PB 68

Annex C: Publications

Are Financial Markets the Last Resort to Save the Environment?
Mouez Fodha, Djamel Kirat and Chahir Zaki
PB 69

Health Policies in MENA After Covid: Accelerating Reforms, Spearheading Health Equity
Randa Alami
PB 70

COVID-19, Vulnerability, and Policy Response: The Case of Egypt
City Eldeep and Chahir Zaki
PB 71

The Effects of COVID-19 on Labor Market Outcomes in Turkey
Aysun Hiziroglu Aygun, Selin Koksal and Gokce Uysal
PB 72

Working Papers

The Determinants of Defense Spending in the Gulf Region: Evidence from Seemingly Unrelated Regressions
A. Talha Yalta and A. Yasemin Yalta
WP 1455

Exploring the Relationship between Electricity Consumption and Drivers of Climate Change: A Functional Data Analysis Approach
Amira Elayouty and Hala Abou-Ali
WP 1456

The Impact of Cash Transfers on Syrian Refugee Children in Lebanon
Wael Moussa, Alexandra Irani, Nisreen Salti, Rima Al Mokdad, Zeina Jamaluddine, Jad Chaaban and Hala Ghattas
WP 1457

Geographical Exposure to Conflicts and Firm Performance: Evidence from The MENA Region
Daniel Mirza, Rita Der Sarkisian and Chahir Zaki
WP 1458

Measuring the Economic Cost of Conflict in Afflicted Arab Countries
Elif Semra Ceylan and Semih Tumen
WP 1459

Armed Conflict and Household Source of Water
George Naufal, Michael Malcolm and Vidya Diwakar
WP 1460

Immigration and Inter-Regional Job Mobility: Evidence from Syrian Refugees in Turkey
Yusuf Emre Akgündüz, Altan Aldan and Yusuf Kenan Bagır
WP 1461

Human Capital Index (HCI) - From Uncertainty to Robustness of Comparisons
Touhami Abdelkhalek and Dorothee Boccanfuso
WP 1462

Can Unconditional Cash Transfers Mitigate the Impact of Armed Conflict on Child Nutrition in Yemen?
Olivier Ecker and Jean-François Maystadt
WP 1463

A Novel Supply-Side Input-Output Approach for A Quick Measurement and Decomposition of the Economywide Effects of Sectoral Shutdowns Against Covid-19 and an Application to the Turkish Economy
Serdar Sayan and Ayla Alkan
WP 1464

COVID-19 Fiscal Support and Its Effectiveness
Alexander Chudik, Kamiar Mohaddes and Mehdi Raissi
WP 1465

Can Disaster Preparedness Change the Game? Mitigating the Health Impact of Disease Outbreaks
Amira El-Shal, Mahmoud Mohieldin and Eman Moustafa
WP 1466

Do Social Transfers Benefit Local Economic Development? The Case of Cash-for-Work Programmes in Jordan
Markus Loewe and Tina Zintl
WP 1467

Developing Countries' Access to International Capital Markets: What Constraint MENA?
Shereen Attia
WP 1468

Syrian Refugees, Public Attitudes, Policy Areas and Political Parties in Turkey: A Systematic Analysis of Twitter Data
Osman Zeki Gokce and Emre Hatipoglu
WP 1469

Do Refugees Cause Crime?
Aysegul Kayaoglu
WP 1470

Lives Versus Livelihoods: Who Can Work from Home in MENA?
Shireen AlAzzawi
WP 1471

A Multidimensional Approach to Measuring Vulnerability to Poverty of Syrian Refugees in Lebanon
Angela C. Lyons, Josephine Kass-Hanna and Alejandro Montoya Castano
WP 1472

Policy Analysis for A Developing Country in A Financial CGE Model: Case of Tunisia After the 2011's Revolution
Mahmoud Sami Nabi
WP 1473

Financial Stability and Monetary Policy Reaction: Evidence from the GCC Countries
Ahmed H. Elsayed, Nader Naifar and Samia Nasreen
WP 1474

Sanctions, Wars and MENA Trade
Khalid Sekkat
WP 1475

The Nexus between Construction Investment and Economic Development: Evidence from MENA Countries
Hasan Murat Ertugrul and Burak Pirgaip
WP 1476

Measuring Multidimensional Poverty in Palestine
Marwan Khawaja, Jawad Al-Saleh, Nathan Reece and Adriana Conconi
WP 1477

Minimum Wages, Labor Market Institutions, and the Distribution of Earnings in Iran
Massoud Karshenas
WP 1478

The Relationship between Economic Interdependence and Conflict Prevention: An Institutional Perspective
Ibrahim Saif and Rami Khoury
WP 1479

Evolution of Inequality of Opportunity in Education in The Jordanian Case: From 2008 to 2017
Rana Hendy and Nejla Ben Mimoune
WP 1480

Economic Interdependence and Conflict in MENA
Gunes Asik and Mohamed Ali Marouani
WP 1481

Shooting Down Trade
Ugur Aytun and Cem Özgüzel
WP 1482

What Does the Literature Tell Us on The Relationship Between Economic Interdependence and Conflict Management? An Overview with A Focus on The Middle East And North Africa (MENA) Region
Katarzyna W. Sidło
WP 1483

Digitalization, International Trade, and Arab Economies: External Policy Implications
Bernard Hoekman
WP 1484

From Rentiert Digital Capitalism In Lebanon: Effects, Prospects, and Policies
Ghassan Dibeh
WP 1485

Digital Technology and Inequality: The Impact on Arab Countries
Shahid Yusuf
WP 1486

Digitalization, E-Commerce, and Private Sector Development in Arab States
Sami Mahroum
WP 1487

The Potential Impact of Digital Transformation on Egypt
Sherif Kamel
WP 1488

Globalization of Finance and Fintech in The MENA Region
Franklin Allen
WP 1489

Annex C: Publications

The Juba Power-Sharing Peace Agreement: Will It Promote Peace and Democratic Transition in Sudan?
Nils-Christian Bormann and Ibrahim Elbadawi
WP 1490

Inequality of Education Attainment in Jordan: Patterns and Trends
Reham Rizk and Nada Rostom
WP 1491

GCC Migration - A Longitudinal Migrant Network Approach
Jala Youssef and Chahir Zaki
WP 1492

Monetary-Fiscal Policy Interactions During Uncertainty Shocks: Evidence from Egypt
Sarah El-Khishin and Dina Kassab
WP 1493

Conditional Convergence in Agricultural Productivity: The Case of Sudan
Ibrahim Elbadawi and Soha Ismail
WP 1494

Civil Conflicts and Exchange Rate Misalignment: Evidence from MENA and Arab League Members
Thibault Lemaire
WP 1495

Policy Responses, Social Norms, and Behavior Change in the Time of Covid-19
Amira El-Shal and Eman Moustafa
WP 1496

Does Maternal Education Curb Female Genital Mutilation? Evidence from a Natural experiment in Egypt
Ahmed Shoukry Rashad and Mesbah Fathy Sharaf
WP 1497

How Economic, Political, and Institutional Factors Influence the Choice of Exchange Rate Regimes? New Evidence from Selected Countries of the MENA Region
Najia Maraoui, Thouraya Hadj Amor, Islem Khefacha, and Christophe Rault
WP 1498

Economic Resilience in Developing Countries: The Role of Democracy in the Face of External Shocks
Mohamed Ali Trabelsi and Salah Ahmed
WP 1499

Potential Effects of the EU's Carbon Border Adjustment Mechanism on the Turkish Economy
Sevil Acar, Ahmet Atıl Asıcı and A. Erinç Yeldan
WP 1500

Corruption: A Brutal Enemy of Economic Diversification in MENA Oil Exporters
Siham Matallah
WP 1501

Climate Change and Fiscal Sustainability: Risks and Opportunities
Matthew Agarwala, Matt Burke, Patrycja Klusak, Kamiar Mohaddes, Ulrich Volz, and Dimitri Zenghelis
WP 1502

How Can the Digital Economy Benefit Morocco and All Moroccans?
Touhami Abdelkhalek, Aziz Ajbilou, Mohamed Benayad, Dorothée Boccanfuso and Luc Savard
WP 1503

The Gender Gap in Political Participation: Evidence from the MENA Region
Ali Fakih and Yara Sleiman
WP 1504

The Externality of Public Housing Projects: The Case of the Mehr Housing Project in Iran
Saeed Tajrishy and Mohammad Vesal
WP 1505

Covid-19 and Food Security Challenges in the MENA Region
Dina Atef Mandour
WP 1506

The Impact of Twin Shocks on Learning Outcomes and Education Financing in Sudan
Safaa El Tayeb El-Kogali, Tanya June Savrimootoo, Kebede Feda, and Dmitry Chugunov
WP 1507

Testing the External Shock Narrative of the Conflict on Transition Towards Knowledge Economy in Syria
Ibrahim Alnafrah and Suliman Mouselli
WP 1508

Wage Inequality Dynamics in Turkey
Ozan Bakis and Sezgin Polat
WP 1509

Capital Flight and the Real Exchange Rate in Resource Scarce MENA Countries
A. Yasemin Yalta and A. Talha Yalta
WP 1510

Hedging the risks of MENA stock markets with gold: Evidence from the spectral approach
Awatef Ourir, Elie Bouri, Essahbi Essaadi
WP 1511

Digital Transformation in Tunisia: Under Which Conditions Could the Digital Economy Benefit Everyone?
Adel Ben Youssef
WP 1512

Determinants of Income Inequality in Jordan
Racha Ramadan
WP 1513

Inequality of Opportunities in Access to Basic Services Among Children in Host Communities in Jordan and Lebanon: A Comparative Analysis
Asmaa Ezzat and Chahir Zaki
WP 1514

Is It Getting Too Hot to Work in the MENA Region?
Hala Abou-Ali, Ronia Hawash, Rahma Ali, and Yasmine Abdelfattah
WP 1515

Potential Impact of Climate Change on Food Consumption Through Price Channel: Case for Turkey
Emre Yüksel, Hüseyin Ikizler and Ali Emre Mutlu
WP 1516

The Transboundary Effects of Climate Change and Global Adaptation: The Case of The Euphrates-Tigris Water Basin in Turkey and Iraq
Eleftherios Giovanis and Oznur Ozdamar
WP 1517

Financial Integration, Inclusion and Stability During Crises: Insights from the MENA Region
Samar Abdelmageed
WP 1518

The Role of NGOs in Climate Policies: The Case of Tunisia
Adel Ben Youssef
WP 1519

Dances with Wolves: Weather and Health Disasters and Fiscal Sustainability in MENA
Eman Moustafa and Amira El-Shal
WP 1520

Coping Strategies, Well-Being and Inequalities During the Covid-19 Pandemic Period
Eleftherios Giovanis and Oznur Ozdamar
WP 1521

The Effect of Primary School Construction on Later Outcomes
Hakan Ercan, Ahmet Ozturk and Semih Tumen
WP 1522

Stolen Dreams or Collateral Damage: Climate and Economic Growth in Time of Covid-19
Hany Abdel-Latif, Hala Abou-Ali, Yasmine Abdelfatah, Nada Rostom, Amal Abdelfatah and Said Kaawach
WP 1523

Climate Change and Spatial Agricultural Development in Turkey
Burhan Can Karahasan and Mehmet Pinar
WP 1524

The Effect of a Carbon Tax on The Egyptian Economy: A General Equilibrium Analysis
Abeer Elshennawy and Dirk Willenbockel
WP 1525

On Stranded Assets and Climate Risk: Are Financial Markets the Last Resort?
Mouez Fodha, Djamel Kirat and Chahir Zaki
WP 1526

Fiscal Policy Effectiveness Under Different Debt Regimes: The Case of Egypt
Yacoub Alatrash and Gani Nurmukhametov
WP 1527

A Time of Great Intensity: The Pandemic Effect on Work, Care Work and Subjective Wellbeing in MENA Countries
Ghada Barsoum and Mahdi Majbouri
WP 1528

Do Egyptian Trade Unions Have Any Bargaining Power?
Bjorn Nilsson
WP 1529

Annex C: Publications

ERF Policy Portal: *The Forum*

When gender matters for exports by MENA firms
Fida Karam and Chahir Zaki
Published: January 4, 2021

Crude lessons: what history teaches about the future of oil prices
Djavad Salehi-Isfahani and Udval Batbayar
Published: January 12, 2021

Do coronavirus containment measures work? Worldwide evidence
Raimundo Soto
Published: January 19, 2021

How can the Biden administration help improve MENA's economic prospects?
Shahrokh Fardoust
Published: January 26, 2021

A Sherman Act-like moment is needed in Africa and the Middle East
Rabah Arezki
Published: January 26, 2021

Ministerial rotations and effective government in Lebanon
Mounir Mahmalat and Sami Zoughaib
Published: February 2, 2021

Cooperation and recovery in the Middle East and Central Asia
Jihad Azour
Published: February 9, 2021

Multidimensional poverty in Algeria
Walid Merouani and Nacer eddine Hammouda
Published: February 16, 2021

After the Arab uprisings: reconstruction, peace and democratic change
Samir Makdisi and Raimundo Soto
Published: February 23, 2021

The impact of Covid-19 on labour markets: evidence from Morocco and Tunisia
Caroline Krafft, Ragui Assaad and Mohamed Ali Marouani
Published: March 2, 2021

Recognising and redistributing unpaid care work in Egypt
Irene Selwaness
Published: March 2, 2021

Trade openness and global value chains: effects on Turkish industries
Halit Yanıkkaya, Abdullah Altun and Pınar Tat
Published: March 9, 2021

Income inequality convergence across Egyptian governorates
Ioannis Bournakis
Published: March 9, 2021

Can preparedness for a health disaster change the game?
Amira El-Shal, Mahmoud Mohieldin and Eman Moustafa
Published: March 17, 2021

E-governance for sustainable development in MENA countries
Iyad Dhaoui
Published: March 23, 2021

Shaping Africa's post-Covid recovery: a new eBook
Rabah Arezki, Simeon Djankov and Ugo Panizza
Published: March 30, 2021

No sticks, just carrots: a negative income tax for Egypt
Ahmed Rashad
Published: April 6, 2021

The construction industry and economic growth in MENA countries
Hasan Murat Ertugrul and Burak Pirgaip
Published: April 12, 2021

Managing divergent recoveries
Gita Gopinath
Published: April 12, 2021

Rising temperatures, melting ratings
Patrycja Klusak, Matthew Agarwala, Matt Burke, Moritz Kraemer and Kamiar Mohaddes
Published: April 20, 2021

Learning about long-term consequences of armed conflict
George Naufal
Published: April 27, 2021

Labour market flexibility, unemployment and social protection
Wasseem Mina
Published: April 27, 2021

Socio-economic inequality across religious groups in Egypt
Mohamed Saleh
Published: May 4, 2021

Public sector reform in MENA: the achievable governance revolution
Robert Beschel and Tarik Yousef
Published: May 4, 2021

Cash-based assistance programmes for refugees: evidence from Lebanon
Onur Altindag and Stephen O'Connell
Published: May 11, 2021

Access to finance for Egypt's private sector during the pandemic
Jamal Ibrahim Haidar
Published: May 11, 2021

Living with debt: how institutions can chart a path to recovery in MENA
Roberta Gatti, Daniel Lederman, Ha Nguyen, Sultan Abdulaziz Alturki Rachel Yuting Fan, Asif Islam and Claudio Rojas
Published: May 18, 2021

Covid-19 impacts could be severe and long-lasting for developing countries
Ibrahim Elbadawi
Published: May 18, 2021

Oil rents and Iran's middle class
Mohammad Reza Farzanegan and Pooya Alaedini
Published: May 25, 2021

Improving access to finance and social cohesion in MENA
Mahmoud-Sami Nabi
Published: May 25, 2021

Kuwaiti small businesses after the pandemic: time for a new social contract
Amirah El-Haddad
Published: June 1, 2021

Three types of populism: economic, political and cultural
Ali Akarca
Published: June 1, 2021

Economic and political populism – and an application to Turkey
Ali Akarca
Published: June 8, 2021

Vulnerable workers in MENA a year into the pandemic
Caroline Krafft, Ragui Assaad and Mohamed Ali Marouani
Published: June 8, 2021

Interactions of economic, political and cultural populism
Ali Akarca
Published: June 15, 2021

When market contestability is not enough
Roberta Gatti and Daniel Lederman
Published: May 28, 2020

Covid-19: forging a new social contract in the Middle East and North Africa
Rabah Arezki and Mahmoud Mohieldin
Published: June 22, 2021

Harmonising rules of origin for the African continental free trade area
Jaime de Melo, Dzmitry Kniahin, Julien Gourdon and Mondher Mimouni
Published: June 22, 2021

Dependency on natural resources and diversification of economies in MENA
Goran M. Muhamad and Almas Heshmati
Published: June 29, 2021

Why does growth generate so few and such low-quality jobs in North Africa?
Ragui Assaad and Mohamed Ali Marouani
Published: July 5, 2021

Tax policy for the post-Covid-19 era
Rabah Arezki and Grégoire Rota-Graziosi
Published: July 13, 2021

Inequality of income and education in Jordan
Rana Hendy, Racha Ramadan and Reham Rizk
Published: July 13, 2021

The Lebanese tragedy: who is to blame?
Kassim M. Dakhlallah
Published: July 27, 2021

A looming oil price super cycle will likely be the last
Rabah Arezki and Per Magnus Nysveen
Published: July 27, 2021

Experiencing the Iran-Iraq war: effects on later life views on defence
Mohammad Reza Farzanegan and Hassan F. Gholipour
Published: August 3, 2021

Annex C: Publications

Productivity, global value chains and cross-industry spillovers in Turkey
Nasser Dine Mohamedou
Published: August 10, 2021

In defence of regional development banks in the Covid-19 era
Rabah Arezki and Patrick Bolton
Published: August 24, 2021

Physicians' incentives and rising births by c-section: evidence from Iran
Hanifa Pilvar and Kowsar Yousefi
Published: August 31, 2021

Aid in the development of the Kurdistan region of Iraq
Goran M. Muhamad and Almas Heshmati
Published: September 7, 2021

On the economics and politics of IMF loans
Jala Youssef and Chahir Zaki
Published: September 7, 2021

Trading with China: implications for growth in MENA countries
Merve Aksoylar Baysoy and Sumru Altug
Published: September 14, 2021

Contours of Middle East economics
Hassan Hakimian
Published: September 21, 2021

Building a knowledge economy in Syria: external and internal shocks
Ibrahim Alnafrah and Suliman Mouselli
Published: September 28, 2021

Transnational governance of natural resources for the 21st century
Rabah Arezki
Published: September 28, 2021

Civil conflicts and exchange rate misalignment
Thibault Lemaire
Published: October 5, 2021

Europe's carbon pricing plans: potential effects on Turkey's economy
Sevil Acar, Ahmet Atıl Asıcı and Erinç Yeldan
Published: October 12, 2021

Maternal education to curb female genital mutilation: evidence from Egypt
Mesbah Sharaf and Ahmed Rashad
Published: October 19, 2021

Digital technology and inequality: the Impact on Arab countries
Shahid Yusuf
Published: October 26, 2021

Energy subsidies: easy pickings for climate policy or political bombshell?
Rabah Arezki, Rachel Yuting Fan and Ha Nguyen
Published: November 2, 2021

Climate finance: poorer countries need it as a matter of urgency
Kamiar Mohaddes, Matt Burke, Matthew Agarwala and Patrycja Klusak
Published: November 9, 2021

MENA public healthcare systems: building resilience for future emergencies
Roberta Gatti, Daniel Lederman, Rachel Yuting Fan, Arian Hatefi, Ha Nguyen, Anja Sautmann, Joseph Martin Sax, Christina A. Wood
Published: November 16, 2021

Getting the private sector to generate decent jobs in Arab countries
Khalid Abu-Ismail and Salim Araji
Published: November 23, 2021

Prospects for Sudan's peace agreement in the shadow of the coup
Nils-Christian Bormann and Ibrahim Elbadawi
Published: November 30, 2021

Accelerating Africa's economic transformation
Rabah Arezki
Published: November 30, 2021

Oil price shocks, protest and the shadow economy
Phoebe Ishak and Mohammad Reza Farzanegan
Published: December 7, 2021

Better roads improve regional economies: evidence from Turkey
Kerem Cosar, Banu Demir, Devaki Ghose and Nathaniel Young
Published: December 14, 2021

Financial informality among formal firms: evidence from Egypt
Frank Betz, Farshad Ravasan and Christoph Weiss
Published: December 21, 2021

ERF

Financial Statements

Annual **Report**

2021

Annex D: Financial Statements

Auditors' Report

To the Board of Trustees of the Economic Research Forum

Report on the separate financial statements

We have audited the accompanying separate financial statements of Economic Research Forum which comprise the statement of financial position as of 31 December 2021 and the statements of activities and change in net assets and cash flows for the fiscal year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the separate financial statements

These financial statements are the responsibility of the Organization's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Economic Research Forum as at 31 December 2021, and of its financial performance and its cash flows for the fiscal year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Economic Research Forum annual report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ashraf Mamdouh

Ashraf Mamdouh
R.A.A. 26231
F.R.A. 383

R.A.A. 26231
F.R.A. 383
Cairo: March 30, 2022

Annex D: Financial Statements

Statement of Financial Position

As of 31 December 2021

(All amounts in US Dollars)

Assets	Notes	2021	2020
Non-Current Assets			
Fixed assets	(5)	4,122,400	4,147,229
Investments	(6)	17,560,167	14,849,432
Total non-current assets		**21,682,567**	**18,996,661**
Current Assets			
Contributions and grants receivable	(7)	1,167,667	1,764,601
Due from related party	(8)	151,250	164,997
Prepaid expenses and other receivables	(9)	131,702	182,230
Cash on hand and at banks	(10)	530,279	3,783,694
Total current assets		**1,980,898**	**5,895,522**
Total assets		**23,663,465**	**24,892,183**
Net Assets			
Unrestricted	(11)	8,367,390	8,037,954
Temporarily restricted	(11)	1,411,971	2,946,615
Permanently restricted	(11)	13,313,403	13,313,403
Total net assets	(12)	**23,092,764**	**24,297,972**
Liabilities			
Non-current liabilities			
Employees' end of service benefits	(13)	213,937	231,352
Total non-current liabilities		**213,937**	**231,352**
Current Liabilities			
Provisions	(14)	117,439	162,851
Accrued expenses and other payables	(15)	239,325	200,008
Total current liabilities		**356,764**	**362,859**
Total liabilities and net assets		**23,663,465**	**24,892,183**

- The accompanying notes on pages 6 to 28 form an integral part of these separate financial statements
- Auditor's report attached

Sherif Osama Elghaty

Director of Finance
30 March, 2022 - Cairo

Managing Director
30 March, 2022 - Cairo

Statement of Activities and Change in Net Assets

For the Year Ended 31 December 2021

(All amounts in US Dollars)

Revenues and other support	Notes	**2021**	**2020**
Grants	(16)	550,438	3,106,897
Interest on time deposits		3,542	4,255
Return on investments	(17)	1,154,150	1,200,225
Other income		3,886	16,322
Realized gain from investments		7,817	5,739
Unrealized gain from investments		666,038	406,465
Total revenues and other support		**2,385,871**	**4,739,903**

Research programs	(18)	(1,386,442)	(393,373)
Events	(18)	(135,838)	(137,555)
Publications	(18)	(344,923)	(275,791)
General and administrative expenses	(18)	(1,008,059)	(671,364)
Unrealized loss from investments		-	(6,148)
realized loss from investment		(425)	(663.00)
Change in net assets before foreign exchange		**(489,816)**	**3,255,009**
Foreign exchange loss		(461,087)	(36,057)
Change in net assets		**(950,903)**	**3,218,952**
Net assets - beginning of the year		24,297,972	21,872,072
Grants Transferred to related parties		-	(786,102)
Actuarial losses	(13)	(11,105)	(6,950)
Effect of adoption of new accounting standards		(243,200)	-
Net assets - end of the year		**23,092,764**	**24,297,972**

- The accompanying notes on pages 6 to 28 form an integral part of these separate financial statements

Annex D: Financial Statements

Statement of Cash Flows

For the Year Ended 31 December 2021

(All amounts in US Dollars)

	Notes	2021	2020
Cash flows generated from operating activities			
Change in net assets		(950,903)	3,218,952
Adjustments to reconcile change in net assets to cash provided by operating activities			
Fixed assets depreciation	(5)	56,663	60,296
Provisions formed	(14)	71,741	64,223
Provision no longer required	(14)	-	(1,514)
Impairment of investments no longer required	(6)	(1,845)	-
Impairment of grant receivables	(7)	5,191	-
Write offs		41,350	-
Defined employees' benefits obligation	(13)	78,137	78,396
Net realized loss from investments		(7,392)	(5,076)
Net unrealized gain from investments		(666,038)	(400,317)
Net assets before changes in assets and liabilities		**(1,373,096)**	**3,014,960**
Changes in assets and liabilities			
Change in contributions and grants receivable		551,256	(1,032,455)
Change in debtors and other debit balances		50,528	(105,202)
Change in creditors and other credit balances		39,317	12,202
Change in due from related parties		13,747	(67,407)
Cash flows generated (used in)/from operating activities		**(718,248)**	**1,822,098**
Provisions utilised during the year	(14)	(117,153)	(19,977)
Defined employees' benefits paid	(13)	(106,657)	(4,007)
Net cash flow generated from (used in) operating activities		**(942,058)**	**1,798,114**
Cash flows from investing activities			
Change in investments		(2,279,523)	1,524,533
Payments for purchase of fixed assets		(31,834)	(34,293)
Net cash generated (used in)/from investing activities		**(2,311,357)**	**1,490,240**
Net (decrease)/ increase in cash and cash equivalents		**(3,253,415)**	**3,288,354**
Cash and cash equivalents at beginning of year	(10)	3,783,694	495,340
Cash and cash equivalents at end of year	(10)	**530,279**	**3,783,694**

- The accompanying notes on pages 6 to 28 form an integral part of these separate financial statements

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

1. General information

The Economic Research Forum (ERF or organization) is an independent international, non-governmental, Not- for-Profit Organization that launched working in Egypt through an annual agreement with UNDP under contract no. 0012365, based on a Circular from the Egyptian Government dated 2 August 1995. Later on, ERF applied to the Ministry of Foreign Affairs to be registered under the Non-Governmental Organization Law Number 84 for 2002 and accordingly acquired on the 23rd of February 2005 License No. 37 from The Ministry of Social Solidarity, for a Non-Governmental Foreign Organization to practice the activity of societies, and the license has been renewed until 2026.

The Board of Trustees shall comprise thirteen Trustees, of which seven are elected by the General Assembly of Research Fellows, four are appointed by the Board of Trustees from among representatives of donors to ERF and two are appointed by the Board of Trustees.

On the 18th of March 2019 the Board of Trustees decided to establish a branch in Dubai which was closed down on the 26th of December 2020. However, ERF registered in Dubai a new entity through Dubai International Financial Center (DIFC) as a Non-Profit Incorporated Organization in the name of Economic Research Forum - NPIO.

The principle activity of the ERF is to promote high quality economic research to contribute to sustainable development in the MENA Region. ERF's core objectives are to build strong research capacity in the region; to encourage the production of independent high quality economic research; and to disseminate research output to a wide and diverse audience through mobilizing funds for well-conceived proposals; managing regional research initiatives; training and monitoring programs seminars and conferences and publishing research output through various types of publications.

Users of these separate financial statements should read them together with the consolidated financial statements available with the organization, as of December 31, 2021 in order to obtain complete information about the organization's financial position, its activities results, cash flows and changes in the net assets of the group as a whole.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these separate financial statements are summarised below.They were applied consistently over the presented financial periods except as stated in note 2B:

A. Basis of preparation

These separate financial statements have been prepared in accordance with the Egyptian Accounting Standards (EASs) and the relevant laws, and on the basis of the historical cost convention, except for investments which are measured at fair value.

The Organization presents its assets and liabilities in statement of financial position based on current/ non-current classification. The asset is classified as current when it is:

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

- Expected to be realised or intended to be sold or used in normal operating course.
- Held primarily for trading.
- Expected to be realised within 12 months after the end of the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the financial reporting period.

All other assets are classified as non-current.

The liability is classified as current when:
- It is expected to be settled in normal operating course.
- Held primarily for trading.
- Expected to be settled within 12 months after the end of the financial reporting period, or
- The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Organization classifies all other liabilities as non-current.

The preparation of the financial statements in conformity with EASs requires the use of certain critical accounting estimates. It also requires the Organization's management to exercise its judgment in the process of applying the Organization's accounting policies. Note (4) describes the significant accounting estimates and assumptions of these financial statements, as well as

Significant judgments used by the Organization's management when applying the Organization's accounting policies.

The EASs require the reference to the International Financial Reporting Standard (IFRS) when there is no EAS, or legal requirements that explain the treatment of specific balances and transactions.

B. New and amended standards adopted by the Organization
The Organization applied the following standards, amendments and interpretations for the first time to its annual report as of 1 January 2021:

- EAS (47) - "Financial instruments" - The standard includes new classification and measurement method categories of financial assets that reflect the business model in order to manage the assets and the characteristics of its cash flows.
- EAS (48) - "Revenue from Contracts with Customers" - This standard establishes a comprehensive concept framework by determining the amount and timing of revenue recognition.
- EAS (49) - "Leases" - The standard relates to lease arrangements.

(In the notes all amounts are shown in USD unless otherwise stated)

(1) EAS No. (47) – "Impact of adoption":

EAS 47 replaces the provisions of EAS 26 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

(i) Classification and measurement

On 1 January 2021 (the date of initial application of EAS 47), the organization's management has assessed which business models apply to the financial assets held by the Organization and has classified its financial instruments into the appropriate EAS 47 categories.

The adoption of EAS 47 Financial Instruments from 1 January 2021 resulted in changes in accounting policies and change in the classification of some of the debt instruments from FVTPL to Amortized cost, please refer to note 6 for the full impact details.

(ii) Impairment of financial assets

The Organization was required to revise its impairment methodology under EAS 47 for its financial assets. please refer to note 6 and note 7 for the full impact details for the change in impairment methodology on the Organization's Net assets.

The Organization applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for the trade receivables and the remaining financial assets the general approach (three stage approach) is applied.

(2) EAS No. (48) – "Revenue from contracts with customers":

The Organization has adopted EAS 48 Revenue from Contracts with Customers from 1 January 2021 there is no adjustments to the amounts recognized in the separate financial statements. As the types of revenues are not under the scope of EAS 48.

(3) EAS No. (49) – "Leases":

The Organization has adopted EAS 49 from 1 January 2021 which resulted in changes in accounting policies the Organization has adjusted at 1 January 2021 without restating the comparative, In accordance with the transition provisions in EAS 49. And no impact this year from the new standard.

Annex D: Financial Statements

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

Impact on the separate financial statements:

The following tables show the adjustments recognized for each individual line item:

(All amounts in US Dollars)

Separate statement of financial position	Opening balance 1/1/2021	EAS 47	Adjusted opening balance sheet
Assets			
Non-current assets			
Fixed assets	4,147,229	-	4,147,229
Investments	14,849,432	(242,217)	14,607,215
Contributions and grants receivable	-	-	-
Total non-current assets	**18,996,661**	**(242,217)**	**18,754,444**
Current assets			
Contributions and grants receivable	1,764,601	-	1,764,601
Due from related party	164,997	-	164,997
Prepaid expenses and other receivables	182,230	-	182,230
Cash on hand and at banks	3,783,694	-	3,783,694
Total current assets	5,895,522	-	**5,895,522**
Total assets	24,892,183	**(242,217)**	**24,649,966**
Net Assets			
Unrestricted	8,037,954	(237,488)	7,800,466
Temporarily restricted	2,946,615	(4,729)	2,941,886
Permanent y restricted	13,313,403	-	13,313,403
Total net assets	**24,297,972**	**(242,217)**	**24,055,755**
Liabilities			
Non-current liabilities			
Employees' end of service benefits	231,352	-	231,352
Total non-current liabilities	**231,352**	-	**231,352**
Current liabilities			
Provisions	162,851		**162,851**
Accrued expenses and other payables	200,008	-	**200,008**
Total current liabilities	**362,859**	-	**362,859**
Total liabilities and net assets	**24,892,183**	**(242,217)**	**24,649,966**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

C. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in US Dollars, which is the Organization's functional and presentation currency.

(2) Transactions and balances

Transactions made in foreign currency during the period are initially recognized in the functional currency of the Organization on the basis of translation of foreign currency using the spot prevailing exchange rates between the functional currency and the foreign currency at the date of the transaction. The monetary items denominated in foreign currency are also translated using the closing rates at the end of each financial period. Foreign exchange gains and losses resulting from the settlement of such monetary items and from the translation of monetary items denominated in foreign currencies at the same period or in previous financial statements, are generally recognised by the Organization in the statement of activities and change in net assets in the period in which these difference arise, except when currency exchange differences resulting from the translation of non-monetary items are deferred in statement of activities and change in net assets, which constitute an effective part of net investment hedges in a foreign operation or an effective part of cash flow risk hedges.

Translation differences on non-monetary financial assets and liabilities are recognised as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the separate Statement of Activities and change in net assets as part of fair value gain or loss.

D. Reporting polices

ERF reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

- Unrestricted net assets are assets with no restrictions imposed by donors, or assets in which the donor-imposed restrictions have expired.
- Temporarily restricted net assets are assets with restrictions imposed by donors that require ERF to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by the action taken. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and are included in the Statement of Activities and change in net assets as net assets released from restrictions.
- Permanently restricted net assets contain donor-imposed stipulations that require ERF to maintain the resources permanently, but permit the ERF to use or expend part or all of the income derived from the restricted net assets as specified by the donor.

Notes to the Financial Statements

E. Fixed assets

The Organization applies the cost model at measurement of Fixed assets, and the Fixed assets are recognized at their costs net of the accumulated depreciation and accumulated impairment losses. The cost of the Fixed assets includes any costs directly associated with bringing the asset to a working condition for its use intended by the management of the Organization.

The Organization recognises subsequent costs of the acquisition of the Fixed assets as a separate asset, only when it is probable that future economic benefits will flow to the Organization and the cost of the item can be measured reliably. The Organization recognizes in the carrying value of fixed asset the cost incurred to replace part of that asset on the date such costs are borne, and the carrying amount of replaced parts are derecognised. The Organization recognizes the costs of daily servicing of the Fixed assets in the statement of activities and change in net assets.

The straight line method is used to allocate the depreciation of Fixed assets consistently to their residual values over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life. Below are the estimated useful lives of each type of the assets' groups:

Description	Useful life
Building	50 years
Furniture and fixtures	05 years
Office equipment	03 years
Motor Vehicles	03 years

The Organization reviews the residual value of Fixed assets and estimated useful lives of Fixed assets at the end of each fiscal year, and adjusted when expectations differ from previous estimates.

The carrying amount of the fixed asset is reduced to the recoverable amount, if the recoverable amount of an asset is less than its carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses on the disposal of an item of Fixed assets from the books are determined based on the difference between the net proceeds from the disposal of the item and the book value of the item. The gain or loss resulting from the disposal of Fixed assets is included in the statement of activities and change in net assets.

F. Impairment of non-financial assets

Non-financial assets that have definite useful lives are tested by the Organization for impairment, and they are subject to depreciation or amortisation whenever events or changes in circumstances indicate that there is a possibility for the asset to incur impairment losses.

The asset is tested for impairment by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows from other inflows of assets or groups of assets (cash-generating units).

The Organization recognises impairment losses in the separate statement of activities and change in net assets whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment losses recognised in prior years are reversed except for goodwill when there is an indication that such losses no longer exist or have decreased. Loss of impairment, which should not exceed the carrying amount would have been determined (net of depreciation). Such reversal is recognised in the separate statement of activities and change in net assets.

G. Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand and with banks, deposits held at call with banks with original maturities of not more than three months from the date of placement, less bank overdrafts. In the statement of financial position, bank overdrafts are shown within current liabilities.

H. Financial instruments

Key measurement terms.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL"). Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Initial recognition.
Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

Financial assets – classification and subsequent measurement – measurement categories.
The Organization classifies financial assets as AC except for a part of investments which is classified as FVTPL. The classification and subsequent measurement of debt financial assets depends on: (i) the Organization's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Notes to the Financial Statements

Financial assets – classification and subsequent measurement – business model.
The business model reflects how the Organization manages the assets in order to generate cash flows – whether the Organization's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the organization undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Organization in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected., how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.
Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Organization assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Organization considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Financial assets – reclassification.
Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Organization changed its business model during the current for the investments in Bonds and treasury bills and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL.
The Company assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts, for contract assets. The Company measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and

supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Trade and other receivables are presented in the statement of financial position net of the allowance for ECL

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Organization identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Organization determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL.

Financial assets – write-off.
Financial assets are written-off, in whole or in part, when the Organization exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Organization may write-off financial assets that are still subject to enforcement activity when the Organization seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – derecognition.
The Organization derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Organization has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial liabilities – measurement categories.
Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

All the Organization financial liabilities are measured at AC.

Financial liabilities – derecognition.
Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

I. Offsetting financial asset and liability

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Organization has an intention to settle on a net basis or realise the asset and settle the liability simultaneously. In order for the legal right to make an offset be enforceable, it must be available on future events which are usually represented in the other party's failure and should reflect the Organization's normal practices and requirements of financial requirements and other conditions related to the considerations of the risk and timing of the Organization's cash flows.

J. Employees' benefits

(i) Defined benefit plans

A defined benefit plan is a post-employment plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, using a formula that is usually dependent on employees' final wages, and the number of the years of service.

The contributions made by the Organization and the employee are as follows:
5% of the monthly salary by the employee,
2.5% - 5% of the monthly salary by the Organization based on the years of service.

The net defined benefit obligation recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period ,the present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using discount rate at the end of the financial reporting period on market returns of government bonds that are denominated in the currency and the estimated period for the defined benefit obligations.

(ii) Defined contribution plans

The defined contribution plan is a pension plans under which the Organization pays fixed contributions to the General Authority for Social Insurance on mandatory basis. The Organization had no further payment obligations once it discharged its obligations. The regular contributions constitute net year costs for the year in which they are due and as such are included in staff costs.

K. Provisions

Provisions are recognised when the Organization has a present (legal or constructive) obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. The Organization recognises the commitments required for restructuring and not related to the Organization's effective activities within the costs of the provision for restructure.

Possible contingent liability is a present obligation that arose due to past events, and was not recognised because it was not expected to have an outflow of resources embodying economic benefits to the Organization to settle the

Notes to the Financial Statements

obligation, or the amount cannot be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. However, it is expected that an outflow of resources is required to settle all items of obligations.

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the book value of the provision due to passage of time is recognised as borrowing cost in the statement of activities and change in net assets.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party outside the Organization, the Organization recognises the reimbursement when it is virtually certain that reimbursement will be received if the Organization settles the obligation. The reimbursement should be recognised as a separate asset in the statement of financial position. The amount recognised should not exceed the amount of the provision.

L. Creditors and other credit balances

Trade payables are recognised initially at the amount of goods or services received from others, whether they have been billed or not.

M. Revenue recognition

(a) Contribution and grants

The ERF records contributions and grant receivables received as temporarily restricted revenue if they are received with donor stipulations that limit their use either through purpose or time restrictions and The ERF believes that it will ultimately meet the restrictions. The ERF recognizes conditional contributions as revenue when the organization substantially meets the conditions on which they depend.

The part of the restricted revenues that should cover ERF overheads are released from restriction upon receiving the money from the donors.

(b) Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method. When a receivable balance resulting from the recognition of interest is impaired, the carrying amount is reduced to the present value of the future cash flows discounted at the original effective interest rate.

N. Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

(In the notes all amounts are shown in USD unless otherwise stated)

3. Financial risk management

(1) Financial risk factors

The Organization's activities expose it to a variety of financial risks. These risks include market risks (including foreign currency exchange risks and cash flow and fair value interest rate risks and fair value risks), and liquidity risks. The Organization's management aims to minimise the potential adverse effects on the Organization's financial performance.

The Organization does not use any derivative financial instruments to hedge specific risks.

A. Market risk

(i) Foreign currency exchange risk

Foreign exchange rates risks are the risks of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates. The following analysis shows the calculation of the effect of reasonable and possible changes in foreign currencies against the functional currency of the Organization while keeping all other variables constant, on the statement of activities and change in net assets:

	2021	2020
EGP 10%	4,538	4,316
EUR 10%	11,956	10,057
GBP 10%	5,071	-
KWD 10%	1,133,863	1,081,417

The following table shows the currencies' position denominated in US Dollars at the date of the financial position:

			2021	2020
	Assets	Liabilities	Net	Net
EGP	470,805	(425,424)	45,381	43,157
EUR	119,557	-	119,557	100,572
GBP	50,705	-	50,705	-
KWD	11,338,630	-	11,338,630	10,814,170

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in interest rates.

The Organization is exposed to interest rate risk on all interest-bearing assets and liabilities (bank deposits).

The below table shows the analysis of sensitivity to possible and reasonable changes in interest rates, while holding the other variables constant on the statement of activities and change in net assets.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

The sensitivity on the statement of activities and change in net assets is the effect of the assumed changes in the interest rates on the Organization's results for one year based on financial assets and liabilities with variable interest rates at 31 December.

	Increase/ decrease	Effect of Statement of Activities and change in net
31 December 2021	+ 1%	138
31 December 2020	+ 1%	43

B. Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they fall due, due to shortage of funding. Organization's exposure to liquidity risk results primarily from the lack of offset between profiles of maturities of assets and liabilities.

The management makes cash flow projections on periodic basis, which are discussed, and necessary actions are taken to negotiate with suppliers, follow-up the collection process from Donors in order to ensure sufficient cash is maintained to discharge the Organization's liabilities. The Organization's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations to be able to maintain financial terms, guarantees and covenants at all times.

The Organization limits liquidity risk by maintaining sufficient bank facilities and reserves, and by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Balances due to suppliers are normally settled within 30 days from the date of purchase.

The table below summarises the maturities of the Organization's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2021	Less than 6 months	Between 6 months & 1 year	Between 1 & 2 years	More than 2 years
Accounts payable	122,522	-	-	-
Accrued expenses	444	-	-	-
Other credit balances	116,359	-	-	-
Total	**239,325**	-	-	-

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

At 31 December 2020	Less than 6 months	Between 6 months & 1 year	Between 1 & 2 years	More than 2 years
Accounts payable	101,021	-	-	-
Accrued expenses	725	-	-	-
Other credit balances	98,262	-	-	-
Total	**200,008**	-	-	-

(2) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Organization should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Organization does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Organization takes into consideration all information reasonably available.

The table below shows the financial assets and liabilities at fair value in the financial statements at 31 December 2021 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which the organization can have access to at the date of measurement.
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3- Unobservable inputs of the asset or the liability.

Financial assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments at fair value through profit or loss	-	-	13,187,726	13,187,726
Total financial assets	-	-	**13,187,726**	**13,187,726**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

The table below shows the financial assets and liabilities at fair value in financial statements at 31 December 2020 within the hierarchy of fair value.

Financial assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments at fair value through profit or loss	-	-	14,849,432	14,849,432
Total financial assets	-	-	**14,849,432**	**14,849,432**

The Organization determines the level, in the case of transfers between levels within the hierarchy of fair value through the revaluation of the classification (based on the lowest input levels that are considered to be significant to the fair value measurement as a whole). The Organization did not make any transfers between levels 1, 2 and 3 during the year.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) Critical accounting estimates and assumptions
The Organization makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results.

(1) Fair value of Financial instruments
The fair values of financial instruments traded in an active market are determined based on quoted prices at the reporting date. The market is active when the items that are dealt with in the market are identical and that there are usually buyers and sellers willing to deal at any time normally. ERF has used the quoted bid price to determine the fair value of this level. Instruments included in the first tier include the investments related to AFESD Endowment fund.

Unlisted equity investments compose interest in an investment fund and the investments related to AFESD Endowment fund. Fair value is measured by reference to published net asset value of the fund.

(B) Critical judgments in applying the Organization's accounting policies
Generally, the Organization's accounting policies do not require from management the use of judgment (except relating to critical accounting estimate and judgments "Note 4-1"), as such judgment could have a material effect on the amounts recognised in its financial statements.

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

5. Fixed assets

	Land	Building	Furniture & Fixtures	Office equipment	Motor vehicles	Total
1 January 2020						
Cost	2,822,749	1,564,962	576,160	488,414	49,746	5,502,031
Accumulated depreciation	-	(267,813)	(530,031)	(470,984)	(49,746)	(1,318,574)
Accumulated Impairment	-	-	(9,944)	(281)	-	(10,225)
Net carrying value	**2,822,749**	**1,297,149**	**36,185**	**17,149**	**-**	**4,173,232**
Net book value at the beginning of the year	2,822,749	1,297,149	36,185	17,149	-	4,173,232
Additions	-	34,293	-	-	-	34,293
Depreciation expense	-	(31,319)	(21,221)	(7,756)	-	(60,296)
Net book value at the end of the year	**2,822,749**	**1,300,123**	**14,964**	**9,393**	**-**	**4,147,229**
31 December 2020						
Cost	2,822,749	1,599,255	576,160	488,414	49,746	5,536,324
Accumulated depreciation	-	(299,132)	(551,252)	(478,740)	(49,746)	(1,378,870)
Accumulated Impairment	-	-	(9,944)	(281)	-	(10,225)
Net carrying value	**2,822,749**	**1,300,123**	**14,964**	**9,393**	**-**	**4,147,229**
Net book value at the beginning of the year	2,822,749	1,300,123	14,964	9,393	-	4,147,229
Additions	-	-	-	31,834	-	31,834
Depreciation expense	-	(31,319)	(12,088)	(13,256)	-	(56,663)
Net book value at the end of the year	**2,822,749**	**1,268,804**	**2,876**	**27,971**	**-**	**4,122,400**
31 December 2021						
Cost	2,822,749	1,599,255	576,160	520,248	49,746	5,568,158
Accumulated depreciation	-	(330,451)	(563,340)	(491,996)	(49,746)	(1,435,533)
Accumulated impairment	-	-	(9,944)	(281)	-	(10,225)
Net carrying value	**2,822,749**	**1,268,804**	**2,876**	**27,971**	**-**	**4,122,400**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

6. Investments

	2021	2020
EFG-Hermes Portfolio*	6,662,998	4,495,500
AFESD Endowment fund**	10,897,169	10,353,932
	17,560,167	**14,849,432**

EFG-Hermes Portfolio

* During February 2006, a contract was signed between the Organization and EFG-Hermes Financial Management (Egypt) Ltd. to invest its long-term investments in debt securities, time deposits and secured money market instruments according to the Organization's policies endorsed by the Board of Trustees. The portfolio is as follows:

	2021				2020		
	No. of Shares	**Cost**	**Fair value**	**Amortized cost ***	**No. of Shares**	**Cost**	**Fair value**
Middle East and Development Africa (MEDA)	43,830	1,209,000	2,290,556	-	43,830	1,209,000	1,631,352
Egypt Euro Bonds	15,000	1,437,500	-	1,501,984	15,000	1,437,500	1,753,415
Oman Euro Bonds	10,000	949,500	-	989,130	10,000	949,500	957,551
Treasury Bills	29,250	143,769	-	179,212	25,000	143,769	153,182
			2,290,556	**2,670,326**			**4,495,500**
Time deposits			-	1,705,000			-
			2,290,556	**4,375,326**			**4,495,500**
Allowance for Expected credit loss			-	(2,884)			-
			2,290,556	**4,372,442**			**4,495,500**

*The organization implemented the new EAS 47 , which resulted in a reclassification of the bonds and treasury bills from FVTPL to amortized cost , On the transition date, 1 January 2021, the debt instrument was measured at amortised cost as if it had always been measured at amortised cost since it was initially recognised by the entity and the excess fair value was reclassified to the net assets:

(In the notes all amounts are shown in USD unless otherwise stated)

Debt instrument at the 1 January 2021 in FV	2,864,148
Excess FV to AC	(237,488)
Debt instrument at the 1 January 2021 in AC	**2,626,660**

The Impairment of investments movement represented as follows:

Balance as of January 1 before EAS 47 adjustment	-
Adjustment due to EAS 47	4,729
Balance as of January 1 after EAS 47 adjustment	**4,729**
No longer required	(1,845)
Allowance for Expected credit loss	**2,884**

AFESD Endowment fund

** ERF agreed with AFESD to invest the fund on behalf and in favour of ERF. This amount represents the endowment fund and is financed by donor.

	2021	2020
Endowment fund	10,353,932	8,832,383
Transferred from Grant Receivables	-	494,951
Return/(loss) on endowment fund	967,187	1,061,222
Currency revaluation	(423,950)	(34,624)
	10,897,169	**10,353,932**

7. Contributions and grants receivable

The balance due to the Organization from donors as of 31 December 2021 amounted to USD 1,167,667 as follows:

	2021	2020
Grand balance due	1,173,841	1,764,601
Excepted credit loss	(6,174)	-
Net Balance due	**1,167,667**	**1,764,601**

(In the notes all amounts are shown in USD unless otherwise stated)

Notes to the Financial Statements

The Balance by donor is as follow:

	2021	2020
Arab Fund for economic and social development (AFESD)	441,400	460,239
International labour organization (ILO)	206,207	327,125
Carnegie Corporation of New York	176,600	176,600
European Commission	123,894	13,148
World bank	117,910	330,000
United Nations Development Programme	54,775	111,300
FCDO - Foreign, Commonwealth & Development Office	50,705	230,102
The United nation entity for gender equality and empowerment of women (UN Women)	2,350	29,924
Agence francaise de developpement (AFD)	-	86,163
	1,173,841	**1,764,601**
Excepted credit loss	(6,174)	
	1,167,667	**1,764,601**

The Impairment of investments movement represented as follows:

Balance as of January 1 before EAS 47 adjustment	-
Adjustment due to EAS 47	983
Balance as of January 1 after EAS 47 adjustment	**983**
Formed	5,191
Allowance for Expected credit loss	**6,174**

8. Due from related parties

The Organization entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, “Disclosure of related parties”. The related parties comprise of companies under common control, and/ or joint management and control, and their partners and employees of senior management. The partners of joint arrangement and non-controlling interest are considered by the Organization as related parties. The management decides the terms and conditions of transactions and services provided from/ to related parties, as well as other expenses. Below is the statement that shows the nature and values of transaction with related parties during the year, and the balances due at the date of the financial statements:

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

(A) Related party transactions

	Nature of relationship	Nature of transactions	2021	2020
Economic Research Forum - NIPO	Affiliate	Amounts paid on behalf of the affiliate	-	46,389
		Amounts paid on behalf of the organization	13,747	
		Transfer of activities related to Dubai grants	-	786,102

(B) Due from related parties

	2021	2020
Economic Research Forum (Dubai)	151,250	164,997
	151,250	**164,997**

9. Prepaid expenses and other receivables

	2021	2020
Advances to researchers	112,845	143,641
Other receivables	10,624	12,067
Prepaid expenses	5,352	9,910
Advances to suppliers	2,881	16,612
	131,702	**182,230**

10. Cash on hand and at banks

	2021	2020
Current accounts- USD	403,842	3,679,785
Current accounts- foreign currencies	74,256	42,045
Time deposits	51,946	54,353
Cash on hand	235	7,511
	530,279	**3,783,694**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

11. Net assets

Unrestricted net assets

This type of funds is used by ERF management in order to be expensed on any type of ERF activities without restrictions from the respective donor(s).

Temporarily restricted net assets

This type of temporary restricted revenue represents a restriction on the time and purpose of the fund, the details of all the temporarily restricted endowments are as follows:

	2021	2020
Arab Fund for economic and social development (AFESD)	467,739	858,790
Carnegie Corporation of New York	331,764	458,125
International labour organization (ILO)	294,511	596,098
World bank	93,152	453,084
United Nations Development Programme (UNDP)	76,251	214,977
Agence francaise de developpement (AFD)	62,335	83,605
FCDO - Foreign, Commonwealth & Development Office	46,301	230,102
New FEMISE Medvalley	39,918	-
The United nation entity for gender equality and empowerment of women (UN Women)	-	51,834
	1,411,971	**2,946,615**

Permanently restricted net assets

This type of funds is restricted by the donor for a designated purpose and has a time restriction that will never expire throughout the ERF's life, the purpose is that the principle amount of the fund could be utilized in investment, time deposit or anything else throughout the ERF's life and ERF will utilize the return on this fund for its activities.

ERF has no right to utilize the principal amount of the fund unless it gets a written approval from the respective donor. The details of all the permanently restricted endowments are as follows:

	2021	2020
Arab Fund for economic and social development (AFESD)	9,750,901	9,750,901
International development research centre (IDRC)	2,562,505	2,562,505
Ford Foundation	999,997	999,997
	13,313,403	**13,313,403**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

12. Statement of Activities and change in net assets

	Unrestricted	Temporarily restricted	Permanently restricted	2021	2020
Revenues and other support					
Grants	-	550,438	-	550,438	3,106,897
Interest Income	3,542	-	-	3,542	4,255
Return on investments	1,154,150	-	-	1,154,150	1,200,225
Other operating income	3,886	-	-	3,886	16,322
Realized gain from investments	7,817	-	-	7,817	5,739
Unrealized gain from investments	666,038	-	-	666,038	406,465
Total revenues and other support	**1,835,433**	**550,438**	**-**	**2,385,871**	**4,739,903**
Net assets released from restriction	2,037,558	(2,037,558)	-	-	-
Total revenues and other support	**3,872,991**	**(1,487,120)**	**-**	**2,385,871**	**4,739,903**
Research programs	(1,386,442)	-	-	(1,386,442)	(393,373)
Events	(135,838)	-	-	(135,838)	(137,555)
Publications	(344,923)	-	-	(344,923)	(275,791)
General and administrative expenses	(961,518)	(46,541)	-	(1,008,059)	(671,364)
Unrealized Loss from investments	-	-	-	-	(6,148)
Realized gain/loss from investments	(425)	-	-	(425)	(663)
Change in net assets before foreign exchange	**1,043,845**	**(1,533,661)**	**-**	**(489,816)**	**3,255,009**
Foreign exchange gain	(461,087)	-	-	(461,087)	(36,057)
Change in net assets	**582,758**	**(1,533,661)**	**-**	**(950,903)**	**3,218,952**
Net assets - beginning of the year	8,037,954	2,946,615	13,313,403	24,297,972	21,872,072
Grants Transfer to related parties	-	-	-	-	(786,102)
Actuarial losses	(11,105)	-	-	(11,105)	(6,950)
Effect of adoption of EAS 47	(242,217)	(983)	-	(243,200)	-
Net assets - end of the year	**8,367,390**	**1,411,971**	**13,313,403**	**23,092,764**	**24,297,972**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

13. Defined employees' benefits obligations

The Organization pays an amount to employees at retirement according to the defined benefits plan. The amount is paid based on the employee's period of service, salaries and benefits enforced at the date of retirement. The result of the defined benefits plan is calculated using the projected unit credit method, after taking into consideration the following assumptions:

	2021	2020
Discount Rate	13.1%	13.4%
Average rate of salaries increase	10%	10%

Amounts recognized at the date of the separate statement of financial position are as follows:

	2021	2020
Present value of liabilities	213,937	231,352
Liabilities as per the statement of financial position	**213,937**	**231,352**

The movement of the net liabilities shown in the separate statement of financial position is as follows:

	2021	2020
Balance at 1 January	231,352	150,013
Additions during the year	78,137	78,396
Actuarial loss	11,105	6,950
Paid during the year	(106,657)	(4,007)
Balance at 31 December	**213,937**	**231,352**

The amounts recognized in the statement of the profit and loss are as follows:

	2021	2020
Service cost	58,805	71,258
Interest cost	19,332	7,138
	78,137	**78,396**

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

14. Provisions

	2021	2020
Balance, at the beginning of the year	162,851	120,119
Formed during the year	71,741	64,223
Used during the year	(117,153)	(20,435)
Revaluation	-	458
No longer required	-	(1,514)
	117,439	**162,851**

15. Accrued expenses and other payables

	2021	2020
Accounts payable	122,522	101,021
Accrued expenses	444	725
Other credit balances	116,359	98,262
	239,325	**200,008**

16. Grants

The organization was granted the following temporarily restricted grants:

	2021	2020
International labour organization (ILO)	190,441	533,728
Eouropean Comission	145,061	30,633
Arab Fund for Economic and Social Development (AFESD)	99,073	915,628
United Nations Development Programme	50,463	233,200
World Bank	41,400	580,000
Agence francaise de developpement (AFD)	24,000	83,605
Carnegie Corporation of New York	-	500,000
FCDO - Foreign, Commonwealth & Development Office	-	230,103
	550,438	**3,106,897**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

17. Return on investments

	2021	2020
Return on endowment fund	967,187	1,061,222
Interest from bonds carried at amortized cost	174,480	92,619
Interest from time deposits – investments	12,483	46,384
	1,154,150	**1,200,225**

18. Expenses by Nature

	Notes	2021	2020
Wages, salaries and in-kind benefits		1,123,132	831,444
Professional and research fees		1,188,061	226,356
Editing, designing and formatting		71,815	93,425
Provisions expenses		71,741	62,710
Fixed assets depreciation		56,663	60,296
Supplies		96,428	52,608
Other		100,510	48,154
Travel and Accommodation		40,231	41,313
Insurance		35,164	25,958
Communications		21,487	16,246
Administrative Fees		14,375	11,053
Utilities		7,473	8,100
Rent		1,641	420
Write off		41,350	-
Grant receivables allowance		5,191	-
		2,875,262	**1,478,083**

19. Tax position

(A) Corporate taxes

The Organization is not subject to corporate tax.

(B) Payroll taxes

The Organization's records were inspected till the year 2019 and the taxes due were paid.

The Organization is currently under tax inspection for the year 2020

(In the notes all amounts are shown in USD unless otherwise stated)

20. Financial instruments by category

	31 December 2021		
Assets as per statement of financial position	**Assets at fair value through profit or loss**	**Assets at amortized cost**	**Total**
Investments	13,187,725	4,372,442	**17,560,167**
Contributions and grants receivable	-	1,167,667	**1,167,667**
Prepaid expenses and other receivables	-	131,702	**131,702**
Due from related parties	-	151,250	**151,250**
Total	**13,187,725**	**5,823,061**	**19,010,786**

	31 December 2021	
Liabilities as per the statement of financial position	**Other financial liabilities**	**Total**
Accrued expenses and other payables	239,325	239,325
Total	**239,325**	**239,325**

	31 December 2020		
Assets as per statement of financial position	**Assets at fair value through profit or loss**	**Receivables**	**Total**
Investments	14,849,432	-	**14,849,432**
Contributions and grants receivable	-	1,764,601	**1,764,601**
Prepaid expenses and other receivables	-	182,230	**182,230**
Due from related parties	-	164,997	**164,997**
Total	**14,849,432**	**2,111,828**	**16,961,260**

Notes to the Financial Statements

(In the notes all amounts are shown in USD unless otherwise stated)

	31 December 2020	
Liabilities as per the statement of financial position	**Other financial liabilities**	**Total**
Accrued expenses and other payables	200,008	200,008
Total	**200,008**	**200,008**

21. Significant changes in the current reporting period

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across mainland China and beyond, causing disruptions to businesses and global economic activity.

The potential impact of the coronavirus outbreak on the Organization ‘s performance remains uncertain. up to the date of this report, the outbreak has not had a material impact on the results of the Organization. However, management continue to monitor the situation closely, including the potential impacts on the Organization’s results and its employees. The situation could change at any time and there can be no assurance that the coronavirus outbreak will not have a material adverse impact on the future results of the Organization.

Independent Auditor's Report

to the Board of Trustees of Economic Research Forum NPIO

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Economic Research Forum - NPIO ("the Organisation") as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Organisation's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of activities and change in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organisation in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other information

The management is responsible for the other information. The other information comprises the information included in the Economic Research Forum - NPIO annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

Independent Auditor's Report

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Further, we report that the Company's financial statements have been properly prepared in accordance with the applicable provisions of the Non Profit Incorporated Organizations Law - DIFC Law No. 6 of 2012 (as amended).

PricewaterhouseCoopers
31 March 2022

PricewaterhouseCoopers

Dubai, United Arab Emirates

Statement of Financial Position

(ERF-NPIO)

The financial statements were approved by the Board of Trustees on **8 June 2021** and signed on its behalf by:

(All amounts in US Dollars)

Assets	Notes	As at 31 December 2021	As at 31 December 2020
Non-Current Assets			
Right of use assets	(4)	85,567	-
Grants receivable	(5)	27,396	82,993
		112,963	**82,993**
Current Assets			
Grants receivable	(5)	355,564	1,222,912
Prepayments and other receivables	(6)	175,543	122,795
Cash at banks	(7)	919,697	641,134
		1,450,804	**1,986,841**
Total assets		**1,563,767**	**2,069,834**
Net Assets and Liabilities			
Net Assets			
Unrestricted	(8)	(149,072)	(136,677)
Temporarily restricted	(8)	1,463,962	2,026,691
Total net assets		**1,314,890**	**1,890,014**
Liabilities			
Non-Current Liabilities			
Lease liability	(4)	16,931	-
Current liabilities			
Lease liability	(4)	66,620	-
Accruals and other payables	(9)	14,076	14,823
Due to a related party	(10)	151,250	164,997
Total liabilities		**231,946**	**179,820**
Total liabilities and net assets		**1,563,767**	**2,069,834**

Sherif Osama Elghaty

Director of Finance
31 March, 2022 - Cairo

Managing Director
31 March, 2022 - Cairo

Annex D: Financial Statements

Statement of Activities and Change in Net Assets

(*ERF-NPIO*)

(All amounts in US Dollars)

Revenues and other support	Notes	**For the year ended 31 December 2021**	**For the year ended 31 December 2020**
Grants	(11)	219,576	1,790,173
Other income		2,569	24,764
		222,145	**1,814,937**
Functional expenses	(12)	(790,954)	(645,806)
Finance change on Lease Liability		(3,711)	-
Change in net assets before foreign exchange impact		**(572,520)**	**1,169,131**
Foreign exchange gain		(2,604)	22,880
Change in net assets		**(575,124)**	**1,192,011**
Net assets, beginning of the year / period		1,890,014	(88,099)
Grants transferred from related party		-	**786,102**
Net assets, end of the year		**1,314,890**	**1,890,014**

Statement of Cash Flows
(ERF-NPIO)

(All amounts in US Dollars)

	Notes	For the year ended 31 December 2021	For the year ended 31 December 2020
Operating activities			
Change in net assets		(575,124)	1,192,011
Adjustments for:			
Depreciation	(4)	62,464	
Grants receivable impairment	(5)	669	
Lease interest expenses	(4)	3,711	
Changes in working capital			
Grants receivable		922,276	(519,803)
Prepayments and other receivables		(52,749)	(103,304)
Other payables		(747)	4,823
Due to a related party		(13,747)	67,407
Net cash generated from operating activities		**346,753**	**641,134**
Cash flows from financing activities			
Principal elements of lease payments	(4)	(64,479)	-
Lease payments	(4)	(3,711)	-
Net cash generated used in financing activities		**(68,190)**	-
Net increase in cash at banks		278,563	641,134
Cash and cash equivalents at beginning of the year	(7)	641,134	-
Cash at banks at the end of the year	**(7)**	**919,697**	**641,134**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

1. General information

The Economic Research Forum - NPIO ("the Organisation") is an independent international, non-governmental, non-profit incorporated organization ("NPIO") in the Dubai International Financial Centre ("DIFC"), registered under the operating licence No.OL3299.

The Board of Trustees shall comprise thirteen trustees, of which seven are elected by the General Assembly of Research Fellows, four are appointed by the Board of Trustees from amongst the representatives of donors to the Organisation and two are appointed by the Board of Trustees.

The principal activity of the Organization is to promote high quality economic research to contribute to sustainable development in the Arab countries. The Organization's core objectives are to build strong research capacity in the region; to encourage the production of independent high quality economic research; and to disseminate research output to a wide and diverse audience through mobilizing funds for well-conceived proposals; managing regional research initiatives; training and monitoring programs seminars and conferences and publishing research output through various types of publications.

The Organisation's registered office is at Unit GV-00-10-03-BC-42-0, level 3, Gate Village Building 10, Dubai International Financial Centre, PO Box 345012, Dubai, United Arab Emirates.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretation Committee ("IFRS IC") applicable to entities reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Organisation's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

(a) New and amended standards adopted by the Organisation

The Organisation has applied the following standards and amendments for the first time for their reporting period commencing from 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

These amendments use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting, clarify the explanation of the definition of material and incorporate some of the guidance in IAS 1 about immaterial information.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to affect the current or future periods.

There are no other IFRSs or IFRIC interpretations that are effective and would be expected to have a material impact on the financial statements of the Organisation.

(b) New standards and amendments not yet adopted by the Organisation

The following new accounting standards and interpretation have been published that are mandatory for the Organisation's accounting periods beginning 1 January 2023 or later periods but have not been early adopted by the Organisation. These standards are not expected to have a material impact on the Organisation's financial statements in the current or future reporting periods and on foreseeable future transactions:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Organisation are measured using the currency of the primary economic environment in which the Organisation operates ("the functional currency"). These financial statements are presented in United States Dollar ("USD"), which is the Organisation's functional and presentation currency.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end and exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of activities and change in net assets in the period in which these differences arise.

2.3 Reporting policies

The Organisation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

- Unrestricted net assets are assets with no restrictions imposed by donors, or assets in which the donor-imposed restrictions have expired.
- Temporarily restricted net assets are assets with restrictions imposed by donors that require the Organisation to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by the action taken. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and are included in the statement of activities and change in net assets as 'net assets released from restrictions'.
- Permanently restricted net assets contain donor-imposed stipulations that require the Organisation to maintain the resources permanently, but permit the Organisation to use or expend part or all of the income derived from the restricted net assets as specified by the donor.

2.4 Financial assets

(a) Classification

The Organisation classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Management determines the classification of its investment at initial recognition.

(b) Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Organisation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Organisation has transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

(c) Measurement

At initial recognition, the Organisation measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of financial instruments depends on the Organisation's business model for managing the asset and the cash flow characteristics of the asset. The Organisation classifies its financial assets in the following category:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of activities and change in net assets. Impairment losses are presented as separate line item within the statement of activities and change in net assets.

(d) Impairment

The Organisation assesses on a forward-looking basis, the expected credit losses associated with its financial instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Organisation applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance to be recognised from initial recognition for all the financial assets at amortised costs. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2.5 Offsetting financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Organisation or the counterparty.

2.6 Cash at banks

For the purpose of presentation in the statement of cash flows, cash at banks comprise bank balances in current account.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

2.7 Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection is expected in one year or less (or in the normal operating cycle of the business if longer) from the statement of financial position date, they are classified as current assets. If not, they are presented as non-current assets.

Other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less loss allowance.

2.8 Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortised cost. The Organisation determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value.

The Organisation's financial liabilities include accruals and other payables and due to a related party.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of activities and change in net assets.

2.9 Other payables

These represents liabilities for goods and services provided to the Organisation prior to the end of the financial year which are unpaid. The amounts are unsecured. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) after the statement of financial position date. If not, they are presented as non-current liabilities.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Grants from donors

The Organisation records grants received as 'temporarily restricted' if they are received with donor stipulations that limit their use either through purpose or time restrictions and the Organisation believes that it will ultimately meet the restrictions. The Organisation recognizes conditional grants when the Organisation substantially meets the conditions on which they depend.

The part of the restricted contribution that cover the Organisation's overheads are released from restriction upon receiving the money from the donors.

2.11 Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2.12 Leases

The Organization leases buildings. Rental contracts are typically made for fixed periods of 12 months to 2 years. Lease terms are negotiated on an individual basis. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Organization. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

To determine the incremental borrowing rate, the Organization:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the component, which does not have recent third-party financing.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of trivial lease value.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated), the Organization don't have termination and extension in their contracts.

3. Financial risk management

3.1 Financial risk factors

The Organisation's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. These risks are evaluated by management on an ongoing basis to assess and manage critical exposure. The Organisation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Organisation's financial performance.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Organisation's measurement currency.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

The following table shows the currencies' position denominated in USD at the date of the financial position:

			2021			2020
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
CAD	48,423	-	48,423	492,211	-	492,211
EUR	100,909	(93,604)	7,305	55,519	(40,513)	15,006
AED	71,219	(747)	70,472	62,856	-	62,856
	220,551	**(94,351)**	**126,200**	**610,586**	**(40,513)**	**570,072**

The Organisation is exposed to foreign currency risk from transactions in Canadian Dollar (CAD) and Euro (EUR). There is no currency risk with respect to transactions in United Arab Emirates Dirham (AED) as it is pegged to USD.

The following analysis shows the calculation of the effect of reasonable and possible changes in foreign currencies against the functional currency of the Organization while keeping all other variables constant, on the statement of activities and change in net assets:

	2021	2020
	USD	**USD**
CAD 10%	4,842	49,221
EUR 10%	731	1,501

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual instrument or its issuers or factors affecting all the instruments traded in the market.

The Organisation has no significant exposure to price risk as it does not have any price sensitive financial instruments.

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Organisation is not exposed to interest rate risk as it does not have any interest-bearing financial assets and liabilities.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from bank balances, contribution and grant receivable and other receivables.

The Organisation seeks to limit its credit risk with respect to receivables from donors and other customers by constantly monitoring outstanding receivables.

Bank balances are limited to high-credit-quality financial institutions and bank ratings are reviewed on an annual basis. Management expects any credit losses from non-performance by these counterparties would be insignificant.

(c) Liquidity risk

Liquidity risk is the risk that the Organisation will not be able to meet its financial obligations as they fall due. The Organisation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Organisation's reputation.

The management makes cash flow projections on periodic basis, which are discussed, and necessary actions are taken to negotiate with suppliers, follow-up the collection process from Donors in order to ensure sufficient cash is maintained to discharge the Organization's liabilities. The Organization's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations to be able to maintain financial terms at all times.

The table overleaf analyses the Organisation's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(In the notes all amounts are shown in USD unless otherwise stated)

At 31 December 2021	Notes	Carrying value USD	Less than 12 months - USD	More than 12 months - USD
Accruals and other payables	(9)	14,076	14,076	-
Due to a related party	(10)	151,250	151,250	-
Lease Liabilities	(4)	83,552	17,047	68,189
Total		**248,878**	**182,373**	68,189

At 31 December 2020	Notes	Carrying value USD	Less than 12 months - USD	More than 12 months - USD
Accruals and other payables	(9)	14,823	14,823	-
Due to a related party	(10)	164,997	164,997	-
Total		**179,820**	**179,820**	-

3.2 Fair value estimation

The fair values of the Organisation's financial assets and liabilities as at 31 December 2021 and 2020 approximate their carrying amounts as reflected in these financial statements..

4. Leases

(a) Right of use assets

	Buildings	Total
Year ended 31 December 2021		
Adoption	148,031	148,031
Depreciation for the year	(62,464)	(62,464)
Net book value	**85,567**	**85,567**

	Buildings	Total
Cost	148,031	148,031
Accumulated Depreciation	(62,464)	(62,464)
Net book value	**85,567**	**85,567**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

(b) Lease liabilities

	2021	2020
Current	66,620	-
Non-current	16 ,931	-
	83,551	-

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(i) Amounts recognized in the statement of activities and change in net assets:

The statement of activities and change in net assets shows the following amounts relating to lease liabilities:

	2021	2020
Lease Interest expense (Note 24)	3,711	-
Total cash outflow for leases	**68,190**	-

5. Grants receivable

The balance due to the Organization from the donors as at 31 December 2021 amounted to USD 382,960 (2020: USD 1,305,905) as follows:

	2021 USD	2020 USD
Gross grant receivable	383,629	1,305,905
Less: Expected credit loss	(669)	-
Net Grant receivable	382 ,960	1,305,905
Less: current portion	(355,564)	(1,222,912)
Non-current portion	**27,396**	**82,993**

The contribution and grants are receivable from the following donors:

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

	2021 USD	2020 USD
Forschungsinstitut zur Zukunft der Arbeit GmbH (IZA)	213,846	365,150
Deutshe Gesellschaft Fur Int. Zusammenarbeit (GIZ)	93,040	-
International development research centre (IDRC)	48,455	490,755
African Economic Research Consortium (AERC)	22,500	-
United nations development programme (UNDP)	5,788	-
Ford Foundation	-	450,000
	383,629	1,305,905
Less : Loss allowance	(669)	-
Net grant receivables	382 ,960	1,305,905

6. Prepayments and other receivables

	2021 USD	2020 USD
Prepaid expenses	-	8,647
Advances to researchers	170,132	108,736
Other receivables	5,411	5,412
	175,543	**122,795**

With respect to other receivables, the Organisation has assessed the impairment provision as per IFRS 9 expected credit loss model and based on the assessment performed, the credit loss would be insignificant and therefore the Organisation has not booked any provision for impairment in this regard.

7. Cash at banks

	2021 USD	2020 USD
Current accounts- USD	918,150	639,524
Current accounts- foreign currencies	1,547	1,610
	919,697	**641,134**

With respect to cash at banks, the Organisation has assessed the impairment provision as per IFRS 9 expected credit loss model and based on the assessment performed, the credit loss would be insignificant and therefore the Organisation has not booked any provision for impairment in this regard.

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

8. Net assets

Unrestricted net assets

These type of funds are used by the management to be expensed on any type of activities carried out by the Organisation without restrictions from the respective donor(s).

Temporarily restricted net assets

These type of temporary restricted funds represents a restriction on the time and purpose of the funds, the details of all the temporarily restricted endowments are as follows:

	2021 USD	2020 USD
International development research centre (IDRC)	540,298	757,912
Ford Foundation	454,070	905,815
Forschungsinstitut zur Zukunft der Arbeit GmbH (IZA)	278,129	362,964
Deutshe Gesellschaft Fur Int. Zusammenarbeit (GIZ)	111,442	-
Center for Implementation of Public Policies (CIPPEC)	29,980	-
United nations development programme (UNDP)	29,055	-
African Economic Research Consortium (AERC)	20,988	-
	1,463,962	2,026,691

9. Accrued expenses and other payables

	2021 USD	2020 USD
Accounts payable	13,804	10,000
Accrued expenses	272	4,823
	14,076	**14,823**

10. Related party disclosures

Related parties comprise of trustees and businesses which are controlled directly or indirectly by the trustees ("Affiliates") and affiliated organisations which have full control through the board of trustees on the Economic Research Forum NPIO

Transactions with related parties

During the year, the Organisation entered into the following significant transactions with related parties in the ordinary course of business at mutually agreed terms.

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

	For the year ended 31 December	Period from 16 May to 31 December
	2021 USD	**2020 USD**
Amounts paid on behalf of the ERF Egypt	13,747	-
Transfer of activities related to Dubai grants (Affiliate)*	-	786,102
Amounts paid on behalf of the Organisation (Affiliate)	-	46,389

*On 1 January 2020 , the Economic Research Forum NPIO and Economic Research Forum-Egypt, have entered into an agreement where the Economic Research Forum-Egypt agreed to transfer all the grants related to the activities in Dubai and its related net assets to Economic Research Forum NPIO.

Balances with related parties

Amounts due to a related party represent balances arising from payment made on behalf of the organization in the normal course of business. Outstanding balance is unsecured and interest free.

		2021 USD	**2020 USD**
	Relationship		
Due to a related party			
Economic Research Forum (Egypt)	Parent	151,250	164,997

11. Grants

During the year ended 31 December 2021 and 2020, the Organization was granted the following temporarily restricted grants:

	2021 USD	**2020 USD**
Deutsch Gesellschaft Fur int. Zusammenarbeit (GIZ)	115 ,497	-
African Economic Research Consortium (AERC)	45,000	-
Center for Implementation of public policies (CIPECC)	30,000	-
United Nations Development Programme (UNDP)	29,079	-
International development research centre (IDRC)	-	903,429
Forschungsinstitut zur Zukunft der Arbeit GmbH (IZA)	-	36,744
Ford Foundation	-	850,000
	219,576	1,790,173

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

12. Functional expenses

	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD
Wages, salaries, and in-kind benefits	359,469	350,992
Professional and research fees	305,894	143,002
Depreciation of right-of-use assets (Note 4)	62,464	-
Travel and accommodation	23,404	49,349
Editing, designing and formatting	12,582	-
Communication expenses	7,237	7,628
Insurance expenses	5,099	8,996
Administrative fees	3,744	1,932
Supplies	1,147	6,368
Rent	8 ,647	69,768
Others	1 ,267	7,771
	790,954	**645,806**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

13. Statement of activities and change in net assets

	Unrestricted	Temporarily restricted	Year ended 31 December 2021 USD	Unrestricted	Temporarily restricted	Year ended 31 December 2020 USD
Revenues and other support						
Grants	-	219,576	219,576	-	1,790,173	1,790,173
Other operating income	-	2,569	2,569	2,049	22,715	24,764
	-	**222,145**	**222,145**	**2,049**	**1,812,888**	**1,814,937**
Net assets released from restriction	784,874	(784,874)	-	572,299	(572,299)	-
Total revenues and other support	**784,874**	**(562,729)**	**222,145**	**574,348**	**1,240,589**	**1,814,937**
Research programs	(442,711)	-	(442,711)	(235,604)	-	(235,604)
Events (Conferences, Workshops)	(8,769)	-	(8,769)	(14,019)	-	(14,019)
Publications (Books, Reports, Online Subscription)	(101,827)	-	(101,827)	(79,124)	-	(79,124)
Administrative expenses	(237,647)	-	(237,647)	(317,059)	-	(317,059)
Finance change on Lease Liability	(3,711)	-	(3,711)	-	-	-
Change in net assets before foreign exchange	**(9,791)**	**(562,729)**	**(572,520)**	**(71,458)**	**1,240,589**	**1,169,131**
Foreign exchange gain	(2,604)	-	(2,604)	22,880	-	22,880
Change in net assets	**(12,395)**	**(562,729)**	**(575,124)**	**(48,578)**	**1,240,589**	**1,192,011**
Net assets - beginning of the year	(136,677)	2,026,691	1,890,014	(88,099)	-	(88,099)
Grants transferred from related party	-	-	-	-	786,102	786,102
Net assets - end of the year	**(149,072)**	**1,463,962**	**1,314,890**	**(136,677)**	**2,026,691**	**1,890,014**

Notes to the Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

14. Financial instruments by category

	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD
Financial assets – at amortised cost		
Grants receivable (Note 5)	382,961	1,305,905
Prepayments and other receivables (excluding prepaid expenses and advance to researchers) (Note 6)	5,411	5,412
	388,372	**1 ,311,317**
Financial liabilities –at amortised cost		
Accrued expenses and other payables (Note 9)	14,076	14,823
Due to a related party (Note 10)	151,250	164,997
Lease liabilities (Note 4)	83 ,552	-
	248,878	**179,820**

15. Significant changes in the current reporting period

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across mainland China and beyond, causing disruptions to businesses and global economic activity.

In response to the spread of the Covid-19 pandemic in Dubai and other territories and its resulting disruption to the social and economic activities in those markets, the Organization's management has proactively assessed its impact on its operations and has taken a series of preventative measures, including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees and the wider community as well as to ensure the continuity of its activities.

The organization has signed this year 4 new grants, all of which include a part to be spent on the overhead expenses of the organization also the organization have signed a collaboration agreement with Economic research forum-Egypt in which it agreed to allocate financial resources within its annual budget to support the activities and operations of economic research forum NPIO, and shall cover the costs and expenses associated with setting up an office for operations in Dubai.

Auditor's Report and Consolidated Financial Statements

To the Board of Trustees of the Economic Research Forum

Report on the Consolidated financial statements

We have audited the accompanying consolidated financial statements of Economic Research Forum which comprise the consolidated statement of financial position as of 31 December 2021 and the statements of activities and change in net assets and cash flows for the fiscal year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Consolidated financial statements

These consolidated financial statements are the responsibility of the Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Economic Research Forum as at 31 December 2021, and of its financial performance and its cash flows for the fiscal year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Other information

Management is responsible for the other information. The other information comprises the information included in the Economic Research Forum annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material miss statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ashraf Mamdouh
R.A.A. 26231
F.R.A. 383

Ashraf Mamdouh
R.A.A. 26231
F.R.A. 383

Cairo: March 30, 2022

Annex D: Financial Statements

Consolidated Statement of Financial Position

As of 31 December 2021

(All amounts in US Dollars)

Assets	Notes	**2021**	**2020**
Non-Current Assets			
Fixed assets	(5)	4,122,400	4,147,229
Right of use assets	(6)	85,567	-
Investments	(7)	17,560,168	14,849,432
Contributions and grants receivable	(8)	27,396	82,992
Total non-current assets		**21,795,531**	**19,079,653**
Current Assets			
Contributions and grants receivable	(8)	1,523,232	2,987,513
Prepaid expenses and other receivables	(9)	307,245	305,026
Cash on hand and at banks	(10)	1,449,976	4,424,828
Total current assets		**3,280,453**	**7,717,367**
Total assets		**25,075,984**	**26,797,020**
Net Assets			
Unrestricted	(11)	8,367,390	8,037,954
Temporarily restricted	(11)	1,411,971	3,732,717
Permanent y restricted	(11)	13,313,403	13,313,403
Total net assets attributable to Economic Research Forum – Egypt		**23,092,764**	**25,084,074**
Net Assets attributable to Economic Research Forum – NPIO		1,314,890	1,103,912
Total net assets	(12)	**24,407,654**	**26,187,986**
Non-current liabilities			
Employees' end of service benefits	(13)	213,937	231,352
Lease liability	(6)	16,931	-
Total non-current liabilities		**230,868**	**231,352**
Current Liabilities			
Provisions	(14)	117,439	162,851
Lease liability	(6)	66,620	-
Accrued expenses and other payables	(15)	253,403	214,831
Total current liabilities		**437,462**	**377,682**
Total liabilities and net assets		**25,075,984**	**26,797,020**

The accompanying notes on pages 6 to 32 form an integral part of these consolidated financial statements
Auditor's report attached

Sherif Osama Elghaty

Director of Finance
30 March 2022 - Cairo

Managing Director
30 March 2022 - Cairo

Consolidated Statement of Activities and Change in Net Assets

For the Year Ended 31 December 2021

(All amounts in US Dollars)

	Notes	2021	2020
Grants	(16)	770,014	4,897,070
Interest on time deposits		3,542	4,255
Return on investments	(17)	1,154,149	1,200,225
Other income		6,456	41,086
Realized gain from investments		7,817	5,739
Unrealized gain from investments		666,038	406,465
Total revenues and other support		**2,608,016**	**6,554,840**
Research programs	(18)	(1,829,153)	(628,977)
Events	(18)	(144,607)	(151,574)
Publications	(18)	(446,750)	(354,915)
General and administrative expenses	(18)	(1,245,706)	(988,423)
Finance charge on lease liability		(3,711)	-
Unrealized loss from investments		-	(6,148)
realized loss from investment		(425)	(663)
Change in net assets before foreign exchange		**(1,062,336)**	**4,424,140**
Foreign exchange loss		(463,691)	(13,177)
Change in net assets		**(1,526,027)**	**4,410,963**
Net assets - beginning of the year		26,187,986	21,872,072
Net assets – beginning of the year -Economic re-search forum -NPIO (First time consolidation)		-	**(88,099)**
Actuarial losses		(11,105)	(6,950)
Effect of adoption of new accounting standards		(243,200)	-
Net assets - end of the year		**24,407,654**	**26,187,986**

- The accompanying notes on pages 6 to 32 form an integral part of these consolidated financial statements

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2021

(All amounts in US Dollars)

	Notes	2021	2020
Cash flows generated from operating activities			
Change in net assets		(1,526,027)	4,410,963
Adjustments to reconcile change in net assets to cash provided by operating activities			
Fixed assets depreciation	(5)	56,663	60,296
Right of use amortization	(6)	62,464	-
Provisions formed	(14)	71,741	64,223
Provision no longer required	(14)	-	(1,514)
Impairment of investments no longer required	(7)	(1,845)	-
Impairment of grant receivables		5,860	-
Defined employees' benefits obligation	(13)	78,137	78,397
Net realized gain from investments		(7,392)	(5,076)
Net unrealized gain from investments		(666,038)	(400,317)
Write off		41,350	-
Lease interest expenses	(6)	3,711	-
Net assets before changes in assets and liabilities		**(1,881,376)**	**4,206,972**
Changes in assets and liabilities			
Change in contributions and grants receivable		1,473,531	(1,552,258)
Change in debtors and other debit balances		(2,221)	(208,507)
Change in creditors and other credit balances		38,571	17,025
Cash flows (used in)/ generated from operating activities		**(371,495)**	**2,463,232**
Provisions utilised during the year	(14)	(117,153)	(19,977)
Defined employees' benefits paid	(13)	(106,657)	(4,007)
Net cash flow (used in)/ generated from operating activities		**(595,305)**	**2,439,248**
Cash flows from financing activities			
Change in investments		(2,279,523)	1,524,533
Payments for purchase of fixed assets		(31,834)	(34,293)
Net cash (used in)/generated from investing activities		**(2,311,357)**	**1,490,240**
Cash flows from financing activities			
Principal elements of lease payments	(6)	(64,479)	-
Lease Interest payments	(6)	(3,711)	-
Net cash used in from investing activities		**(68,190)**	**-**
Net (decrease)/ increase in cash and cash equivalents		**(2,974,852)**	**3,929,488**
Cash and cash equivalents at beginning of year		4,424,828	495,340
Cash and cash equivalents at end of year	(10)	**1,449,976**	**4,424,828**

The accompanying notes on pages 6 to 32 form an integral part of these consolidated financial statements

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

1. General information

The Economic Research Forum (ERF or organization) is an independent international, non-governmental, Not- for-Profit Group that launched working in Egypt through an annual agreement with UNDP under contract no. 0012365, based on a Circular from the Egyptian Government dated 2 August 1995. Later on, ERF applied to the Ministry of Foreign Affairs to be registered under the Non-Governmental Group Law Number 84 for 2002 and accordingly acquired on the 23rd of February 2005 License No. 37 from The Ministry of Social Solidarity, for a Non-Governmental Foreign Group to practice the activity of societies, and the license has been renewed until 2026.

The Board of Trustees shall comprise thirteen Trustees, of which seven are elected by the General Assembly of Research Fellows, four are appointed by the Board of Trustees from among representatives of donors to ERF and two are appointed by the Board of Trustees.

On the 18th of March 2019 the Board of Trustees decided to establish a branch in Dubai which was closed down on the 26th of December 2020. However, ERF registered in Dubai a new entity through Dubai International Financial Center (DIFC) as a Non-Profit Incorporated in the name of Economic Research Forum-NPIO. On 1 January 2020 The Board appointed Economic Research Forum - Egypt to manage the activities of Economic Research Forum- NPIO. This agreement was formalised through a Collaboration arrangement. accordingly, the Group consolidated "Economic Research Forum- NPIO" in the consolidated financial statements. Please refer to note (4(b)) for the significant judgement in determining the appropriate accounting treatment for the consolidation.

The principle activity of the ERF is to promote high quality economic research to contribute to sustainable development in the MENA Region. ERF's core objectives are to build strong research capacity in the region; to encourage the production of independent high quality economic research; and to disseminate research output to a wide and diverse audience through mobilizing funds for well-conceived proposals; managing regional research initiatives; training and monitoring programs seminars and conferences and publishing research output through various types of publications.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are summarised below. They were applied consistently over the presented financial periods except as stated in note 2B:

A. Basis of preparation

These consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards (EASs) and the relevant laws, and on the basis of the historical cost convention, except for investments (excluding bonds and treasury bills) which are measured at fair value.

The Group presents its assets and liabilities in consolidated Statement of financial position based on current/ non-current classification. The asset is classified as current when it is:

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021
(In the notes all amounts are shown in USD unless otherwise stated)

- Expected to be realised or intended to be sold or used in normal operating course.
- Held primarily for trading.
- Expected to be realised within 12 months after the end of the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the financial reporting period.

All other assets are classified as non-current.

The liability is classified as current when:
- It is expected to be settled in normal operating course.
- Held primarily for trading.
- Expected to be settled within 12 months after the end of the financial reporting period, or
- The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

The preparation of the consolidated financial statements in conformity with EASs requires the use of certain critical accounting estimates. It also requires the Group's management to exercise its judgment in the process of applying the Group's accounting policies. Note (4) describes the significant accounting estimates and assumptions of these consolidated financial statements, as well as

Significant judgments used by the Group's management when applying the Group's accounting policies.

The EASs require the reference to the International Financial Reporting Standard (IFRS) when there is no EAS, or legal requirements that explain the treatment of specific balances and transactions.

B. New and amended standards adopted by the Group
The Group applied the following standards, amendments and interpretations for the first time to its annual report as of 1 January 2021:

- EAS (47) - "Financial instruments" - The standard includes new classification and measurement method categories of financial assets that reflect the business model in order to manage the assets and the characteristics of its cash flows.
- EAS (48) - "Revenue from Contracts with Customers" - This standard establishes a comprehensive concept framework by determining the amount and timing of revenue recognition.
- EAS (49) - "Leases" - The standard relates to lease arrangements.

(1) EAS No. (47) – "Impact of adoption":

EAS 47 replaces the provisions of EAS 26 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

(i) Classification and measurement

On 1 January 2021 (the date of initial application of EAS 47), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate EAS 47 categories.

The adoption of EAS 47 Financial Instruments from 1 January 2021 resulted in changes in accounting policies and change in the classification of some of the debt instruments from FVTPL to Amortized cost, please refer to note 7 for the full impact details.

(ii) Impairment of financial assets

The Group was required to revise its impairment methodology under EAS 47 for its financial assets. please refer to note 7 and note 8 for the full impact details for the change in impairment methodology on the Group's Net assets.

The Group applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for the trade receivables and the remaining financial assets the general approach (three stage approach) is applied.

(2) EAS No. (48) – "Revenue from contracts with customers":

The Group has adopted EAS 48 Revenue from Contracts with Customers from 1 January 2021 there is no impact on the consolidated financial statements. As all the types of revenues are not under the scope of EAS 48.

(3) EAS No. (49) – "Leases":

The Group has adopted EAS 49 from 1 January 2021 which resulted in changes in accounting policies the Group has adjusted at 1 January 2021without restating the comparative In accordance with the transition provisions in EAS 49.

(i) Adjustments recognised on adoption of EAS 49

On adoption of EAS 49, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of EAS 20 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2021. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2021 was 3.25%

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 1 January 2021.

(ii) Practical expedients applied

In applying EAS 49 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Impact on the separate financial statements:

The following tables show the adjustments recognized for each individual line item:

(All amounts in US Dollars)

Consolidated statement of financial position	Opening balance 1/1/2021	EAS 47	EAS 49	Adjusted opening balance sheet
Assets				
Non-current assets				
Fixed assets	4,147,229	-	-	4,147,229
Right of use assets	-	-	148,031	148,031
Investments	14,849,432	(242,217)	-	14,607,215
Contributions and grants receivable	82,992	-	-	82,992
Total non-current assets	**19,079,653**	**(242,217)**	**148,031**	**18,985,467**
Current assets				
Contributions and grants receivable	2,987,513	(983)	-	2,986,530
Prepaid expenses and other receivables	305,026	-	-	305,026
Cash on hand and at banks	4,424,828	-	-	4,424,828
Total current assets	7,717,367	**(983)**	-	**7,716,384**
Total assets	26,797,020	**(243,200)**	**148,031**	**26,701,851**

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

Net Assets				
Unrestricted	8,037,954	(242,217)	-	7,795,737
Temporarily restricted	3,732,717	(983)	-	3,731,734
Permanent y restricted	13,313,403	-	-	13,313,403
Total net assets attributable to Economic Research Forum – Egypt	**25,084,074**	**(243,200)**	-	**24,840,874**
Net Assets attributable to Economic Research Forum – NPIO	1,103,912	-	-	1,103,912
Total net assets	**26,187,986**	**(243,200)**	-	**25,944,786**
Liabilities				
Non-current liabilities				
Employees' end of service benefits	231,352	-	-	231,352
Lease liabilities	-	-	83,551	83,551
Total non-current liabilities	**231,352**	-	**83,551**	**314,903**
Current liabilities				
Provisions	162,851	-	-	**162,851**
Accrued expenses and other payables	214,831	-	-	**214,831**
Lease liabilities	-	-	**64,480**	**64,480**
Total current liabilities	**377,682**	-	**64,480**	**442,162**
Total liabilities and net assets	26,797,020	(243,200)	**148,031**	**26,701,851**

C. Consolidation

The consolidated financial statements include the accounts of Economic research forum-NPIO as the requirement for consolidation has been met by the nature of control and majority voting interest in the board of Economic research forum -NPIO. All significant intercompany accounts and transactions have been eliminated in consolidation

D. Foreign currency translation

(1) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US Dollars, which is the Group's functional and presentation currency.

Notes to the Consolidated Financial Statements

(2) Transactions and balances

Transactions made in foreign currency during the period are initially recognized in the functional currency of the Group on the basis of translation of foreign currency using the spot prevailing exchange rates between the functional currency and the foreign currency at the date of the transaction. The monetary items denominated in foreign currency are also translated using the closing rates at the end of each financial period. Foreign exchange gains and losses resulting from the settlement of such monetary items and from the translation of monetary items denominated in foreign currencies at the same period or in previous consolidated financial statements, are generally recognised by the Group in the consolidated Statement of activities and change in net assets in the period in which these difference arise, except when currency exchange differences resulting from the translation of non-monetary items are deferred in consolidated Statement of activities and change in net assets, which constitute an effective part of net investment hedges in a foreign operation or an effective part of cash flow risk hedges.

Translation differences on non-monetary financial assets and liabilities are recognised as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in consolidated statement of Activities and change in net assets as part of fair value gain or loss.

E. Reporting polices

ERF reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

- Unrestricted net assets are assets with no restrictions imposed by donors, or assets in which the donor-imposed restrictions have expired.
- Temporarily restricted net assets are assets with restrictions imposed by donors that require ERF to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by the action taken. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and are included in the consolidated statement of activities and change in net assets as net assets released from restrictions.
- Permanently restricted net assets contain donor-imposed stipulations that require ERF to maintain the resources permanently, but permit the ERF to use or expend part or all of the income derived from the restricted net assets as specified by the donor.

F. Fixed assets

The Group applies the cost model at measurement of Fixed assets, and the Fixed assets are recognized at their costs net of the accumulated depreciation and accumulated impairment losses. The cost of the Fixed assets includes any costs directly associated with bringing the asset to a working condition for its use intended by the management of the Group.

The Group recognises subsequent costs of the acquisition of the Fixed assets as a separate asset, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. The Group recognizes in the carrying value of fixed asset the cost incurred to replace part of that asset on the date such costs are borne, and the carrying amount of replaced parts are derecognised. The Group recognizes the costs of daily servicing of the Fixed assets in the consolidated statement of activities and change in net assets.

The straight line method is used to allocate the depreciation of Fixed assets consistently to their residual values over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life. Below are the estimated useful lives of each type of the assets' groups:

Description	Useful life
Building	50 years
Furniture and fixtures	05 years
Office equipment	03 years
Motor Vehicles	03 years

The Group reviews the residual value of Fixed assets and estimated useful lives of Fixed assets at the end of each fiscal year, and adjusted when expectations differ from previous estimates.

The carrying amount of the fixed asset is reduced to the recoverable amount, if the recoverable amount of an asset is less than its carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses on the disposal of an item of Fixed assets from the books are determined based on the difference between the net proceeds from the disposal of the item and the book value of the item. The gain or loss resulting from the disposal of Fixed assets is included in the consolidated statement of activities and change in net assets.

G. Impairment of non-financial assets

Non-financial assets that have definite useful lives are tested by the Group for impairment, and they are subject to depreciation or amortisation whenever events or changes in circumstances indicate that there is a possibility for the asset to incur impairment losses.

The asset is tested for impairment by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows from other inflows of assets or groups of assets (cash-generating units).

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

The Group recognises impairment losses in the consolidated statement of consolidated statement of activities and change in net assets whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment losses recognised in prior years are reversed except for goodwill when there is an indication that such losses no longer exist or have decreased. Loss of impairment, which should not exceed the carrying amount would have been determined (net of depreciation). Such reversal is recognised in the consolidated statement of activities and change in net assets.

H. Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and with banks, deposits held at call with banks with original maturities of not more than three months from the date of placement, less bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within current liabilities.

I. Financial instruments

Key measurement terms.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL"). Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Initial recognition.
Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

Financial assets – classification and subsequent measurement – measurement categories.
The Group classifies financial assets as AC except for a part of investments which is classified as FVTPL. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model.
The business model reflects how the Group manages the assets in order to generate cash flows – whether the

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected., how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.
Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Financial assets – reclassification.
Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Group changed its business model during the current for the investments in Bonds and treasury bills and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL.
The Company assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts, for contract assets. The Company measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and

supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Trade and other receivables are presented in the statement of financial position net of the allowance for ECL

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL.

Financial assets – write-off.

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – derecognition.

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial liabilities – measurement categories.

Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

All the Group financial liabilities are measured at AC.

Notes to the Consolidated Financial Statements

Financial liabilities – derecognition.
Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

J. Offsetting financial asset and liability
Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Group has an intention to settle on a net basis or realise the asset and settle the liability simultaneously. In order for the legal right to make an offset be enforceable, it must be available on future events which are usually represented in the other party's failure and should reflect the Group's normal practices and requirements of financial requirements and other conditions related to the considerations of the risk and timing of the Group's cash flows.

K. Leases
The Group leases buildings. Rental contracts are typically made for fixed periods of 12 months to 2 years. Lease terms are negotiated on an individual basis. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the component, which does not have recent third-party financing.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of trivial lease value.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated), the Group don't have termination and extension in their contracts.

L. Employees' benefits

i. Defined benefit plans

A defined benefit plan is a post-employment plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, using a formula that is usually dependent on employees' final wages, and the number of the years of service.

The contributions made by the Group and the employee are as follows:
5% of the monthly salary by the employee,
2.5% - 5% of the monthly salary by the Group based on the years of service.

The net defined benefit obligation recognised in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period ,the present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using discount rate at the end of the financial reporting period on market returns of government bonds that are denominated in the currency and the estimated period for the defined benefit obligations.

Notes to the Consolidated Financial Statements

ii. Defined contribution plans

The defined contribution plan is a pension plans under which the Group pays fixed contributions to the General Authority for Social Insurance on mandatory basis. The Group had no further payment obligations once it discharged its obligations. The regular contributions constitute net year costs for the year in which they are due and as such are included in staff costs.

M. Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. The Group recognises the commitments required for restructuring and not related to the Group's effective activities within the costs of the provision for restructure.

Possible contingent liability is a present obligation that arose due to past events, and was not recognised because it was not expected to have an outflow of resources embodying economic benefits to the Group to settle the obligation, or the amount cannot be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. However, it is expected that an outflow of resources is required to settle all items of obligations.

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the book value of the provision due to passage of time is recognised as borrowing cost in the consolidated statement of activities and change in net assets.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party outside the Group, the Group recognises the reimbursement when it is virtually certain that reimbursement will be received if the Group settles the obligation. The reimbursement should be recognised as a separate asset in the consolidated statement of financial position. The amount recognised should not exceed the amount of the provision.

N. Creditors and other credit balances

Trade payables are recognised initially at the amount of goods or services received from others, whether they have been billed or not.

O. Revenue recognition

(a) Contribution and Grants

The ERF records contributions and grant receivables received as temporarily restricted revenue if they are received with donor stipulations that limit their use either through purpose or time restrictions and The ERF believes that it will ultimately meet the restrictions. The ERF recognizes conditional contributions as revenue when the Group substantially meets the conditions on which they depend.

The part of the restricted revenues that should cover ERF overheads are released from restriction upon receiving the money from the donors.

(b) Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method. When a receivable balance resulting from the recognition of interest is impaired, the carrying amount is reduced to the present value of the future cash flows discounted at the original effective interest rate.

P. Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

3. Financial risk management

(1) Financial risk factors

The Group's activities expose it to a variety of financial risks. These risks include market risks (including foreign currency exchange risks and cash flow and fair value interest rate risks and fair value risks), and liquidity risks. The Group's management aims to minimise the potential adverse effects on the Group's financial performance.

The Group does not use any derivative financial instruments to hedge specific risks.

A. Market risk

(i) Foreign currency exchange risk

Foreign exchange rates risks are the risks of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates. The following analysis shows the calculation of the effect of reasonable and possible changes in foreign currencies against the functional currency of the Group while keeping all other variables constant, on the consolidated statement of activities and change in net assets:

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

	2021	2020
EGP 10%	4,538	4,316
CAD 10%	7,938	49,221
EUR 10%	12,686	11,558
AED 10%	7,122	6,286
KWD 10%	1,133,863	1,081,417
GBP 10%	5,071	-

The following table shows the currencies' position denominated in US Dollars at the date of the financial position:

			2021	2020
	Assets	Liabilities	Net	Net
EGP	470,805	(425,424)	45,381	43,157
CAD	79,384	-	79,384	492,211
EUR	220,466	(93,604)	126,862	115,578
AED	71,216	-	71,216	62,856
KWD	11,338,630	-	11,338,630	10,814,170
GBP	50,705	-	50,705	-

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in interest rates.

The Group is exposed to interest rate risk on all interest bearing assets and liabilities (bank deposits).

The below table shows the analysis of sensitivity to possible and reasonable changes in interest rates, while holding the other variables constant on the consolidated statement of activities and change in net assets.

The sensitivity on the consolidated statement of activities and change in net assets is the effect of the assumed changes in the interest rates on the Group's results for one year based on financial assets and liabilities with variable interest rates at 31 December.

	Increase/ decrease	Effect of consolidated statement of activities and change in net
31 December 2021	+ 1%	138
31 December 2020	+ 1%	43

(In the notes all amounts are shown in USD unless otherwise stated)

B. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, due to shortage of funding. Group's exposure to liquidity risk results primarily from the lack of offset between profiles of maturities of assets and liabilities.

The management makes cash flow projections on periodic basis, which are discussed, and necessary actions are taken to negotiate with suppliers, follow-up the collection process from Donors in order to ensure sufficient cash is maintained to discharge the Group's liabilities. The Group's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations to be able to maintain financial terms, guarantees and covenants at all times.

The Group limits liquidity risk by maintaining sufficient bank facilities and reserves, and by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Balances due to suppliers are normally settled within 30 days from the date of purchase.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2021	Less than 6 months	Between 6 months & 1 year	Between 1 & 2 years	More than 2 years
Accounts payable	136,326	-	-	-
Accrued expenses	717	-	-	-
Other credit balances	116,360	-	-	-
Total	-	**17,047**	**68,189**	-
	253,403	**17,047**	**68,189**	

At 31 December 2020	Less than 6 months	Between 6 months & 1 year	Between 1 & 2 years	More than 2 years
Accounts payable	111,021	-	-	-
Accrued expenses	5,548	-	-	-
Other credit balances	98,262	-	-	-
Total	**214,831**	-	-	-

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

(2) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Group should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Group does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Group takes into consideration all information reasonably available.

The table below shows the financial assets and liabilities at fair value in the consolidated financial statements at 31 December 2021 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which the Group can have access to at the date of measurement.
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3- Unobservable inputs of the asset or the liability.

Financial assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Trading investments	-	-	13,187,726	13,187,726
Total financial assets	**-**	**-**	**13,187,726**	**13,187,726**

The table below shows the financial assets and liabilities at fair value in the consolidated financial statements at 31 December 2020 within the hierarchy of fair value.

Financial assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Trading investments	-	-	14,849,432	14,849,432
Total financial assets	**-**	**-**	**14,849,432**	**14,849,432**

The Group determines the level, in the case of transfers between levels within the hierarchy of fair value through the revaluation of the classification (based on the lowest input levels that are considered to be significant to the fair value measurement as a whole). The Group did not make any transfers between levels 1 , 2 and 3 during the year.

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(1) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. No estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year.

(a) Fair value of Financial instruments

The fair values of financial instruments traded in an active market are determined based on quoted prices at the reporting date. The market is active when the items that are dealt with in the market are identical and that there are usually buyers and sellers willing to deal at any time normally. ERF uses the quoted bid price to determine the fair value of this level.

Unlisted equity investments compose interest in an investment fund and the investments related to AFESD Endowment fund. Fair value is measured by reference to published net asset value of the fund.

(2) Critical judgments in applying the Group's accounting policies

Management have considered the accounting treatment and the principals in EAS 42 "consolidated financial statements" and have determined that Economic Research Forum - NPIO is controlled by the Group. In determining the appropriate accounting treatment for Economic Research Forum - NPIO, management applied significant judgment and if management's judgments were to change, this would result in the deconsolidation of Economic Research Forum - NPIO.

On 1 January 2020 The Board appointed Economic Research Forum - Egypt to manage the activities of Economic Research Forum- NPIO. This agreement was formalised through a Collaboration arrangement which gave Economic Research Forum – Egypt the right to select at least two of its distinguished members of its Board of Trustees, who are residents of the GCC, to form the Executive Board of Economic Research Forum- NPIO, which shall be composed of three Founding Members. The Executive Board of Economic Research Forum- NPIO will adopt the same strategy, policies and decisions adopted by the Board of Trustees of Economic Research Forum- Egypt with respect to its research activities, also Economic Research Forum- Egypt will have the supervisory authority on the activities of Economic Research Forum- NPIO, as well as oversight and direction (as necessary) of the administrative and financial aspects of Economic Research Forum- NPIO , therefore power to control its relevant activities.

The following are the key considerations and judgements applied by management in concluding that the Group had control over Grandview:

- The Group is able to appoint 2 of the 3 Executive Board of Economic Research Forum- NPIO;
- Economic Research Forum- Egypt has power over Economic Research Forum- NPIO, which is demonstrated by the terms of the Collaboration agreement, whereby it has full discretion and responsibility over Economic Research Forum- NPIO.

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

Accordingly, the Group consolidated “Economic Research Forum- NPIO” in the consolidated financial statements.
Key financial information for significant subsidiaries

	Total Assets	Total net assets	Revenue	Net Deficit
Economic Research Forum - NPIO	1,563,767	1,314,890	222,145	(575,124)

5. Fixed assets

	Land	Building	Furniture & Fixtures	Office equipment	Motor vehicles	Total
1 January 2020						
Cost	2,822,749	1,564,962	576,160	488,414	49,746	5,502,031
Accumulated depreciation	-	(267,813)	(530,031)	(470,984)	(49,746)	(1,318,574)
Accumulated impairment	-	-	(9,944)	(281)	-	(10,225)
Net carrying value	**2,822,749**	**1,297,149**	**36,185**	**17,149**	**-**	**4,173,232**
Net book value at the beginning of the year	2,822,749	1,297,149	36,185	17,149	-	4,173,232
Additions	-	34,293	-	-	-	34,293
Depreciation expense	-	(31,319)	(21,221)	(7,756)	-	(60,296)
Net book value at the end of the year	**2,822,749**	**1,300,123**	**14,964**	**9,393**	**-**	**4,147,229**
31 December 2020						
Cost	2,822,749	1,599,255	576,160	488,414	49,746	5,536,324
Accumulated depreciation	-	(299,132)	(551,252)	(478,740)	(49,746)	(1,378,870)
Accumulated Impairment	-	-	(9,944)	(281)	-	(10,225)
Net carrying value	**2,822,749**	**1,300,123**	**14,964**	**9,393**	**-**	**4,147,229**
Net book value at the beginning of the year	2,822,749	1,300,123	14,964	9,393	-	4,147,229
Additions	-	-	-	31,834	-	31,834
Depreciation expense	-	(31,319)	(12,088)	(13,256)	-	(56,663)
Net book value at the end of the year	**2,822,749**	**1,268,804**	**2,876**	**27,971**	**-**	**4,122,400**
31 December 2021						
Cost	2,822,749	1,599,255	576,160	520,248	49,746	5,568,158
Accumulated depreciation	-	(330,451)	(563,340)	(491,996)	(49,746)	(1,435,533)
Accumulated impairment	-	-	(9,944)	(281)	-	(10,225)
Net carrying value	**2,822,749**	**1,268,804**	**2,876**	**27,971**	**-**	**4,122,400**

NOTES TO THE FINANCIAL STATEMENTS - FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

(In the notes all amounts are shown in USD unless otherwise stated)

6. Leases

(a) Right of use assets - Building

	2021	2020
Year ended 31 December 2021		
Opening balance	-	-
Adoption	148,031	-
Amortization expenses	(62,464)	-
Net book value	**85,567**	**-**

(b) Lease liabilities

	2021	2020
Current	66,620	-
Non-current	16,931	-
	83,551	**-**

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(i) Amounts recognized in the statement of profit or loss:

The statement of Activities shows the following amounts relating to lease liabilities:

	2021	2020
Lease Interest expense (Note 24)	3,711	-
Total cash outflow for leases	**68,190**	**-**

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

7. Investments

	2021	2020
EFG-Hermes Portfolio*	6,662,998	4,495,500
AFESD Endowment fund**	10,897,170	10,353,932
	17,560,168	**14,849,432**

EFG-Hermes Portfolio

* During February 2006, a contract was signed between the Group and EFG-Hermes Financial Management (Egypt) Ltd. to invest its long term investments in debt securities, time deposits and secured money market instruments according to the Group's policies endorsed by the Board of Trustees. The portfolio is as follows:

	2021				2020		
	No. of Shares	Cost	Fair value	Amortized cost *	No. of Shares	Cost	Fair value
Middle East and Development Africa (MEDA)	43,830	1,209,000	2,290,556	-	43,830	1,209,000	1,631,352
Egypt Euro Bonds	15,000	1,437,500	-	1,501,985	15,000	1,437,500	1,753,415
Oman Euro Bonds	10,000	949,500	-	989,130	10,000	949,500	957,551
Treasury Bills	29,250	143,769	-	179,211	25,000	143,769	153,182
			2,290,556	**2,670,326**			**4,495,500**
Time deposits			-	1,705,000			-
			2,290,556	4,375,326			4,495,500
Allowance for expected credit loss			-	(2,884)			-
Net portfolio			**2,290,556**	**4,372,442**			**4,495,500**

*The organization implemented the new EAS 47 , which resulted in a reclassification of the bonds and treasury bills from FVTPL to amortized cost , On the transition date, 1 January 2021, the debt instrument was measured at amortised cost as if it had always been measured at amortised cost since it was initially recognised by the entity and the excess fair value was reclassified to the net assets:

(In the notes all amounts are shown in USD unless otherwise stated)

Debt instrument at the 1 January 2021 in FV	2,864,148
Excess FV to AC	(237,488)
Debt instrument at the 1 January 2021 in AC	**2,626,660**
The Impairment of investments movement represented as follows:	
Balance as of January 1 before EAS 47 adjustment	-
Adjustment due to EAS 47	4,729
Balance as of January 1 after EAS 47 adjustment	**4,729**
No longer required	(1,845)
Allowance for Expected credit loss	**2,884**

AFESD Endowment fund

** ERF agreed with AFESD to invest the fund on behalf and in favour of ERF. This amount represents the endowment fund and is financed by donor.

	2021	2020
Endowment fund	10,353,932	8,832,383
Transferred from Grant Receivables	-	494,951
Return/(loss) on endowment fund	967,187	1,061,222
Currency revaluation	(423,949)	(34,624)
	10,897,170	**10,353,932**

8. Contributions and grants receivable

The balance due to the Group from donors as of 31 December 2021 amounted to USD 1,550,628 as follows:

	2021	2020
Gross grant receivable	1,557,471	3,070,505
Less: Expected credit loss	(6,843)	-
Net Grant receivable	**1,550,628**	**3,070,505**
Less: current portion	(1,523,232)	(2,987,513)
Non-current portion	**27,396**	**82,992**

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

The Balance by donor is as follow:

	2021	2020
International development research centre (IDRC)	48,455	490,754
Arab Fund for economic and social development (AFESD)	441,400	460,239
Ford Foundation	-	450,000
Forschungsinstitut zur Zukunft der Arbeit GmbH (IZA)	213,847	365,150
World bank	117,910	330,000
International labour organization (ILO)	206,207	327,125
Foreign, Commonwealth & Development Office (FCDO)	50,705	230,103
Carnegie Corporation of New York	176,600	176,600
United Nations Development Programme (UNDP)	60,563	111,300
Agence francaise de developpement (AFD)	-	86,163
The United nation entity for gender equality and empowerment of women (UN Women)	2,350	29,924
European Commission	123,894	13,147
Deutshe Gesellschaft Fur Int. Zusammenarbeit (GIZ)	93,040	-
African Economic Research Consortium (AERC)	22,500	-
	1,557,471	**3,070,505**
Excepted credit loss	(6,843)	-
	1,550,628	**3,070,505**

9. Prepaid expenses and other receivables

	2021	2020
Prepaid expenses	5,352	18,557
Advances to researchers	282,977	252,377
Advances to suppliers	2,881	16,612
Other receivables	16,035	17,480
	307,245	**305,026**

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

10. Cash on hand and at banks

	2021	2020
Current accounts- USD	1,321,992	4,319,309
Current accounts- foreign currencies	75,803	43,655
Time deposits	51,946	54,353
Cash on hand	235	7,511
	1,449,976	**4,424,828**

11. Net assets

Unrestricted net assets

This type of funds is used by ERF management in order to be expensed on any type of ERF activities without restrictions from the respective donor(s).

Temporarily restricted net assets

This type of temporary restricted revenue represents a restriction on the time and purpose of the fund, the details of all the temporarily restricted endowments are as follows:

	2021	2020
Arab Fund for economic and social development (AFESD)	467,739	858,790
International development research centre (IDRC)	540,298	1,216,037
Forschungsinstitut zur Zukunft der Arbeit GmbH (IZA)	278,129	593,066
Ford Foundation	454,070	1,120,792
Carnegie Corporation of New York	331,764	453,084
United Nations Development Programme (UNDP)	105,306	83,605
World bank	93,152	-
The United nation entity for gender equality and empowerment of women (UN Women)	-	51,834
International labour Group (ILO)	294,510	596,098
Agence francaise de developpement (AFD)	62,335	-
New FEMISE Medvalley	39,918	-
Foreign, Commonwealth & Development Office (FCDO)	46,301	-
African Economic Research Consortium (AERC)	20,988	-
Center for Implementation of Public Policies (CIPPEC)	29,980	-
Deutshe Gesellschaft Fur Int. Zusammenarbeit (GIZ)	111,443	-
Deutshe Gesellschaft Fur Int. Zusammenarbeit (GIZ)	**2,875,933**	**4,973,306**
Economic Research Forum – NPIO	(1,463,962)	(2,026,691)
Economic Research Forum – Egypt	**1,411,971**	**2,946,615**

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

Permanently restricted net assets

This type of funds is restricted by the donor for a designated purpose and has a time restriction that will never expire throughout the ERF's life, the purpose is that the principle amount of the fund could be utilized in investment, time deposit or anything else throughout the ERF's life and ERF will utilize the return on this fund for its activities.

ERF has no right to utilize the principal amount of the fund unless it gets a written approval from the respective donor. The details of all the permanently restricted endowments are as follows:

	2021	2020
Arab Fund for economic and social development (AFESD)	9,750,901	9,750,901
International development research centre (IDRC)	2,562,505	2,562,505
Ford Foundation	999,997	999,997
	13,313,403	**13,313,403**

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

12. Consolidated Statement of Activities and change in net assets

	Unrestricted	Temporarily restricted	Permanently restricted	2021	2020
Revenues and other support					
Grants	-	770,014	-	770,014	4,897,070
Interest Income	3,542	-	-	3,542	4,255
Return on investments	1,154,149	-	-	1,154,149	1,200,225
Other operating income	3,887	2,569	-	6,456	41,086
Realized gain from investments	7,817	-	-	7,817	5,739
Unrealized gain from investments	666,038	-	-	666,038	406,465
Total revenues and other support	**1,835,433**	**772,583**	-	**2,608,016**	**6,554,840**
Net assets released from restriction	2,822,432	(2,822,432)	-	-	-
Total revenues and other support	**4,657,865**	**(2,049,849)**	-	**2,608,016**	**6,554,840**
Research programs	(1,829,153)	-	-	(1,829,153)	(628,977)
Events	(144,607)	-	-	(144,607)	(151,574)
Publications	(446,750)	-	-	(446,750)	(354,915)
General and administrative expenses	(1,199,165)	(46,541)	-	(1,245,706)	(988,423)
Finance charge on lease liability	(3,711)			(3,711)	
Unrealized Loss from investments	(425)	-	-	(425)	(6,148)
Realized gain/loss from investments	-	-	-	-	(663)
Change in net assets before foreign exchange	**1,034,054**	**(2,096,390)**	-	**(1,062,336)**	**4,424,140**
Foreign exchange gain	(463,691)	-	-	(463,691)	(13,177)
Change in net assets	**570,363**	**(2,096,390)**	-	**(1,526,027)**	**4,410,963**
Net assets - beginning of the year	7,901,277	4,973,306	13,313,403	26,187,986	21,872,072
Net assets – beginning of the year -ERF-NPIO	-	-	-	-	(88,099)
Actuarial losses	(11,105)	-	-	(11,105)	(6,950)
Effect of adoption of new accounting standards	(242,217)	(983)	-	(243,200)	-
Net assets - end of the year	**8,218,318**	**2,875,933**	**13,313,403**	**24,407,654**	**26,187,986**
Net Assets attributable to Economic Research Forum – NPIO	**(149,072)**	**1,463,962**	-	**1,314,890**	**1,103,912**
Total net assets attributable to Economic Research Forum – Egypt	**8,367,390**	**1,411,971**	**13,313,403**	**23,092,764**	**25,084,074**

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

13. Defined employees' benefits obligations

The Group pays an amount to employees at retirement according to the defined benefits plan. The amount is paid based on the employee's period of service, salaries and benefits enforced at the date of retirement. The result of the defined benefits plan is calculated using the projected unit credit method, after taking into consideration the following assumptions:

	2021	2020
Discount Rate	13.1%	13.4%
Average rate of salaries increase	10%	10%

Amounts recognized at the date of the consolidated statement of financial position are as follows:

	2021	2020
Present value of liabilities	213,937	231,352
Liabilities as per the Consolidated statement of financial position	**213,937**	**231,352**

The movement of the net liabilities shown in the consolidated statement of financial position is as follows:

	2021	2020
Balance at 1 January	231,352	150,013
Additions during the year	78,137	78,396
Actuarial loss	11,105	6,950
Paid during the year	(106,657)	(4,007)
Balance at 31 December	**213,937**	**231,352**

The amounts recognized in the statement of the profit and loss are as follows:

	2021	2020
Service cost	58,805	56,792
Interest cost	19,332	4,395
	78,137	**61,187**

(In the notes all amounts are shown in USD unless otherwise stated)

14. Provisions

	2021	2020
Balance, at the beginning of the year	162,851	120,119
Formed during the year	71,741	64,223
Used during the year	(117,153)	(20,435)
Revaluation	-	458
No longer required	-	(1,514)
	117,439	**162,851**

15. Accrued expenses and other payables

	2021	2020
Accounts payable	136,326	111,021
Accrued expenses	717	5,548
Other credit balances	116,360	98,262
	253,403	**214,831**

16. Grants

The Group was granted the following temporarily restricted grants:

	2021	2020
International labour Group (ILO)	190,441	533,728
Eouropean Comission	145,061	30,633
Deutsch Gesellschaft Fur int. Zusammenarbeit (GIZ)	115,497	-
Arab Fund for Economic and Social Development (AFESD)	99,073	915,628
United Nations Development Programme	79,542	233,200
African Economic Research Consortium (AERC)	45,000	-
World Bank	41,400	580,000
Center for Implementation of public policies (CIPECC)	30,000	-
Agence francaise de developpement (AFD)	24,000	83,605
Ford Foundation	-	850,000
International development research centre (IDRC)	-	903,429
Forschungsinstitut zur Zukunft der Arbeit GmbH (IZA)	-	36,744
Carnegie Corporation of New York	-	500,000
FCDO - Foreign, Commonwealth & Development Office	-	230,103
	770,014	**4,897,070**

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

17. Return on investments

	2021	2020
Return on endowment fund	967,187	1,061,222
Interest from bonds carried at amortized cost	174,480	92,619
Interest from time deposits – investments	12,483	46,384
	1,154,149	**1,200,225**

18. Expenses by Nature

	2021	2020
Wages, salaries and in-kind benefits	1,482,601	1,182,436
Professional and research fees	1,493,955	369,358
Editing, designing and formatting	84,397	93,425
Provisions expenses	71,741	62,710
Fixed assets depreciation	56,663	60,296
Supplies	97,575	58,976
Other	101,777	55,925
Travel and Accommodation	63,635	90,662
Insurance	40,263	34,954
Communications	28,724	23,874
Administrative Fees	18,119	12,985
Utilities	7,473	8,100
Rent	10,288	70,188
Amortization Expense Lease	62,464	-
Write off	41,350	-
Grant receivables Impairment	5,191	-
	3,666,216	**2,123,889**

(In the notes all amounts are shown in USD unless otherwise stated)

19. Tax position

(A) Corporate taxes

The Group is not subject to corporate tax.

(B) Payroll taxes

The Group's records were inspected till the year 2019 and the taxes due were paid.

The Group is currently under tax inspection for the year 2020

20. Financial instruments by category

	31 December 2021		
Assets as per Consolidated Statement of financial position	**Assets at fair value through profit or loss**	**Amortized cost**	**Total**
Investments	13,187,725	4,372,442	**17,560,167**
Contributions and grants receivable	-	1,550,628	**1,550,628**
Prepaid expenses and other receivables	-	307,245	**307,245**
Total	**13,187,725**	**6,230,315**	**19,418,040**

	2021	
Liabilities as per the Consolidated Statement of financial position	**Other financial liabilities**	**Total**
Accrued expenses and other payables	253,403	253,403
Lease liabilities	83,551	83,551

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

Total	**336,954**	**336,954**

	2020		
Assets as per Consolidated Statement of financial position	**Assets at fair value through profit or loss**	**Receivables**	**Total**
Investments	14,849,432	-	**14,849,432**
Contributions and grants receivable	-	3,070,505	**3,070,505**
Prepaid expenses and other receivables	-	305,026	**305,026**
Total	**14,849,432**	**3,375,531**	**18,224,963**

	2020	
Liabilities as per the Consolidated Statement of financial position	**Other financial liabilities**	**Total**
Accrued expenses and other payables	214,831	214,831
Total	**214,831**	**214,831**

21. Significant changes in the current reporting period

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across mainland China and beyond, causing disruptions to businesses and global economic activity.

The potential impact of the coronavirus outbreak on the Group 's performance remains uncertain. Up to the date of this report, the outbreak has not had a material impact on the results of the Group. However, management continue to monitor the situation closely, including the potential impacts on the Group's results and its employees. The situation could change at any time and there can be no assurance that the coronavirus outbreak will not have a material adverse impact on the future results of the Group.

Notes to the Consolidated Financial Statements

Notes to the financial statements - for the financial year ended 31 December 2021

(In the notes all amounts are shown in USD unless otherwise stated)

www.erf.org.eg