

Economic Research Forum

ANNUAL REPORT

2023

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FORUM



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Economic Research Forum

ANNUAL REPORT

2023

About

The Economic Research Forum

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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.

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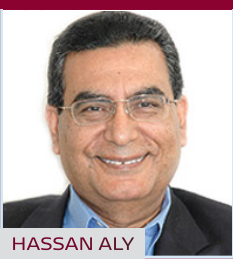
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Message from the

Chairman of the Board of Trustees



A year in review, 2023: Testament and Resilience

Last year has been a testament to our collective dedication, resilience, and innovative spirit in navigating the dynamic landscape of economic and financial challenges.

Throughout the year, ERF has continued to uphold its commitment to fostering insightful research, promoting informed dialogue, and driving impactful changes in our regional economic and financial spheres.

Our dedicated team of researchers and collaborators have worked tirelessly to produce cutting-edge analyses, policy recommendations (briefs), and most importantly, data collection and development that have significantly contributed to shaping the discourse on key issues affecting our region.

In parallel, we have relentlessly pursued our capacity building objectives that ERF is renowned for, by fostering a talented pool of young promising researchers who will lead the way in reshaping the research landscape of the region and impact its socio-economic future.

Despite the uncertainties and disruptions brought about by global events, we have remained steadfast in our mission to provide evidence-based insights and strategic guidance to policymakers, businesses, and the wider community. The challenges we have faced have only served to strengthen our resolve and sharpen our focus on resolving critical issues and identifying opportunities for growth, sustainability, and inclusivity in the economic and financial realms.

As we look ahead to the coming year, and as ERF turns thirty, I am confident that ERF will be well-positioned to continue making a meaningful impact through our research initiatives, collaborative partnerships, and advocacy efforts.

With a renewed sense of purpose and a commitment to excellence, we are poised to tackle emerging problem such as Gaza's reconstruction and rebuilding and how we may contribute to the positive changes that will benefit not only our region but also the global economic/social and peaceful landscape.

I would like to express my heartfelt gratitude to all our affiliates for their unwavering dedication, passion, and contributions towards advancing the mission of ERF. Most importantly I extend my thanks and gratitude to our donors who spared no efforts to support our activities. In particular, International Development Research Center (IDRC), The Arab Fund for Economic and Social Development (AFESD), Ford

Message from the

Chairman of the Board of Trustees

Foundation and the World Bank. Additionally, my gratitude extends to the African Economic Research Consortium (AERC), Agence Francaise de Developpment (AfD), Carnegie Corporation of New York, European Commission, International Labor Organization (ILO), UNDP, UNICEF, UN Women for their invaluable support.

For our research fellows, your collective efforts have been instrumental in shaping our successes and reinforcing our reputation as a trusted source of expertise in economic and financial matters. And its my sincere hope that you will continue to dedicate yourselves to ERF's mission and bring your best efforts to our research projects. With your collective passion, intelligence and expertise, I am confident that ERF will continue to produce ground-breaking results.

My gratitude to our Board of Trustees' devotion and guidance. I would also like to recognize the Advisory Committee, management and staff for their exemplary dedication and diligence. Your collective efforts have been instrumental in shaping our successes and reinforcing our reputation as a trusted source of expertise in economic and financial matters.

As ERF turns 30, I am keen to honor all distinguished members of the ERF Board of Trustees, Advisory Board, Network and Managing Directors. This outstanding list has been most influential to securing ERF recognition as the leading research network and eminent think tank in the region it is today.

I would particularly like to express special gratitude to the founders and builders of our esteemed institution, particularly, ERF founder and first Managing Director, Dr. Heba Handoussa, inaugural Chairman Dr. Samir Makdisi and longest serving/standing Chairman of the ERF Board of Trustees, Mr. Abdelatif Alhamad, for providing visionary leadership and unwavering commitment to ERF. It is with pride, on behalf of the ERF Board of Trustees, Network and Secretariat, I acknowledge the instrumental role they played in establishing ERF, identifying regional expertise, building capacity, coordinating research, facilitating timely effective engagement with multi-stakeholders, maximizing research outreach and uptake, to inform policy processes towards a better future for generations to come.

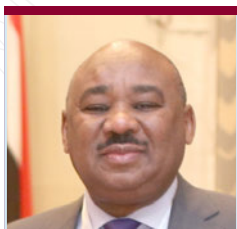
I am certain that ERF has the potential and is well positioned to best serve our region effectively and efficiently under the leadership of Dr. Ibrahim Elbadawi and the dedicated management team to continue the journey leading the nations towards a more peaceful, prosperous future.

Hassan Y. Aly

Hassan Aly
Chairman, ERF Board of Trustees

Message from the

Managing Director



IBRAHIM ELBADAWI

A year in review, 2022: Unprecedented Challenges

Despite the unprecedented regional and institutional challenges, ERF@30 continues to steadily play an instrumental role in addressing the region's most pertinent concerns.

In 2023, not only the region remains plagued by violent conflicts in several countries as it continues to reel from the unprecedented debt crises and the major challenges of maintaining stable debt dynamics and igniting broad-based, sustainable job-creating growth, it has to prepare now for a major far reaching economic and political ramifications of the ongoing tragic war in Gaza. In anticipation of a more serious consideration of the two-state solution to the intergenerational Middle East conflict, it is imperative on a leading development research network like ERF, to take a lead role in undertaking objective, evidence-based policy research on the economics, politics and political economy of this topic.

ERF@30, we continue on our path and commitment to our mission pursuing sustainable development. We are committed to connecting people and ideas nurturing creativity and promoting evidence-based dialogue towards a much-needed systemic change.

On the research and data fronts, the research agenda continued to focus on key issues pertaining to macroeconomic challenges, social protection, labor markets and development, political economy of transformation, digital transformation and climate change; while we continue to build research capacity on issues of conflicts and peacebuilding, where we concluded a major project and planning to continue this effort in the wake of the recent tragic war in Gaza. On the environment and climate change issues, with support from IDRC, ERF launched a multi-year research program on energy transition: The role of MSMEs in fostering inclusive and equitable economic growth in the context of the clean energy transition in MENA, worked on climate change and macro policy in support of a green transition, and mapping MENA's Renewable Energy Supply Chains. On the data front, The Sudan Labor Market Panel Survey (SLMPS 2022) has been completed, the Egypt Labor Market Panel Survey (ELMPS) 2023 launched (to be completed January 2024), and ongoing management of the ERF Open Access Micro Data Initiative.

On the communications and policy outreach fronts, a wide array of conferences and consultations were organized in person, online or hybrid throughout the year. The ERF 29th Annual Conference – The Future of MENA Development Path: Risks and Opportunities in an Emerging World Order was hosted by Nile University, Cairo, Egypt 4 – 6 May. Stabilization and Adjustment: Towards Inclusive and Sustainable Policies in MENA Regional Conference and Trans-Regional Research on Private Sector Development, Digitization and Disruptive Technologies in MENA and SSA Conference were held 3 and 5 May respectively. Reimagining Social Protection was organized on

Message from the

Managing Director

19 – 20 November in Cairo, Egypt. Full calendar of events detailed in the Communications and Policy Outreach Section.

Guided by the GCC Advisory Committee, in Q4, the Third ERF GCC Conference- GCC Economies in an Era of Energy was organized on 30 – 31 October at KAPSARC King Abdullah Petroleum Studies and Research Center. The leadership and commitment of the GCC advisory Board, gratefully acknowledged.

ERF publications record sustained a solid production of some 80 working papers, 80+ policy publications, 12,000+ newsletter subscribers and a campaign portfolio reaching 900 000 emails extending ERF outreach and uptake.

These achievements would not have been feasible without the un-wavering commitment of our partners. I would like to gratefully acknowledge our donors and partners: African Economic Research Consortium (AERC), Agence Francaise de Developpment (AfD), Arab Fund for Economic and Social Development (AFESD), Carnegie Corporation of New York, European Commission, International Development Research Center (IDRC), International Labor Organization (ILO), IZA Institute of Labor Economics, Ford Foundation, UNDP, UNICEF, UN Women and the World Bank for their invaluable support.

I am also particularly grateful to our partners in success: our board, advisory committee, affiliates, network, management and staff. I am keen to particularly acknowledge the wisdom of the Board guiding ERF institutional growth and resilience.

ERF@30, we are ready to embark on an ambitious research and communications agenda with particular attention to emerging challenges, strengthening research capacities and expertise, deepening the knowledge of the regional context to provide for independent evidence-based policy options and recommendations.

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



Ibrahim Elbadawi
ERF Managing Director

ERF

Network and Partnerships

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Network & Partnerships



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 of the region to join. ERF has been growing steadily as the leading network of distinguished economists and policy makers in the region since 1993.

ERF AFFILIATES

This year, ERF received the highest number of nominations and a total of 45 new network members joined the network following a robust review process to fulfil membership criteria.

By end of 2023, ERF continues to be home for more than 431 prominent researchers. The network comprises of 282 distinguished Research Fellows with an impressive academic record contributing to the body of knowledge; 74 promising young Research Associates well positioned to undertake future challenges; 43 Senior Associates and

Figure 1. ERF Affiliates by Category, 2023

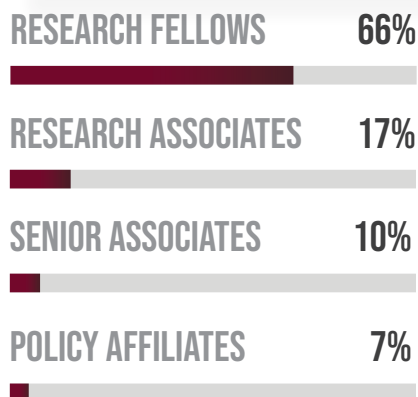


Table 1. ERF Affiliates by Residency

Affiliation	Inside	Outside	Total
Research Fellows	177	105	282
Research Associates	60	14	74
Senior Associates	28	15	43
Policy Affiliates	28	4	32
Total	293	138	431

32 Policy Affiliates bringing the network a wealth of wisdom and expertise.

ERF firmly believes that our network members are a cornerstone towards fulfilling the ERF mandate promoting sustainable development. ERF affiliates are instrumental to provide for future foresight, economic insights and policy options to address regional challenges and opportunities, towards a more resilient, prosperous future for next generations. ERF aims to secure a regional balance in terms of representation, outreach and engagement to ensure ownership of national concerns and to efficiently and effectively address region wide potential.

CAPACITY BUILDING

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

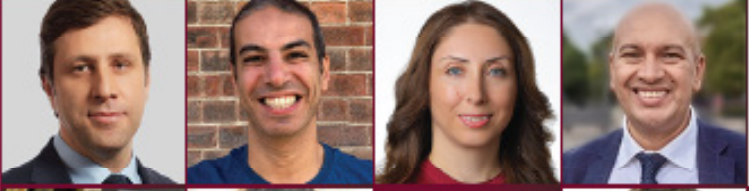
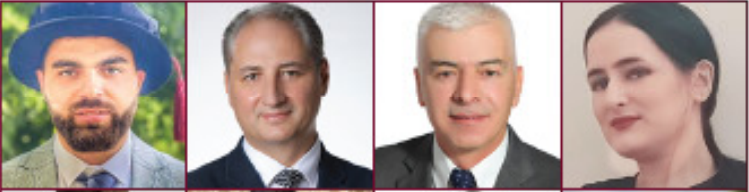
The ERF capacity building portfolio is unique and integral to ERF mission and activities.

This year capacity building efforts focused primarily on strengthening the data management capacity of national statistical offices and partners to deploy latest tools, technologies and methodologies for data management and survey administration.

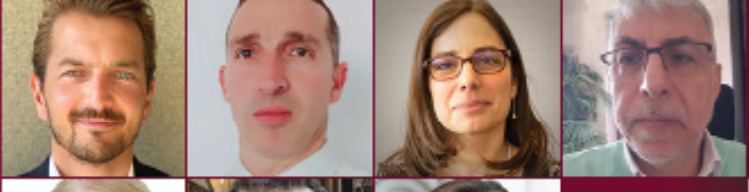
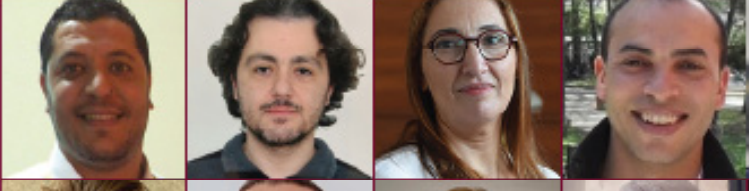
ERF organized four data-related workshops in 2023. A total of 59 participants benefited from these workshops.

Preserving, Archiving and Managing Social Science Data, organized in cooperation with the Arab Council for Social Sciences, 17 – 19 January 2023, Egypt. The workshop brought together 19 participants from the national statistical offices of various Arab countries. The training led by Dr. Dalal Al-Hakim and ERF data

New ERF Affiliates
in 2023



Research
Fellows



Research
Associates



Network & Partnerships

team, focused on data management methods and data sharing for social science researchers.

Introduction to Stata and Sampling using GIS, 7 – 10 January 2023, Sudan. The training led by Prof. Ragui Assaad brought together 15 participants from the Central Bureau of Statistics, Sudan. It covered Introduction to Stata, and descriptive statistics and graphs using Stata. In addition, participants received an introduction to: QGIS, data sources for geospatial data, working with data in QGIS; preparation of sampling frame in Stata and sampling; maps of population and sample in Stata; and manipulation of sample data in QGIS.

In-depths Analysis of Panel Survey, 4 – 6 September, 2023. The three-days workshops brought together 15 participants from National Statistical Offices from different Arab Countries.

Harmonizing Labor Force Surveys, 26 – 28 December, 2023. Led by Dr. Niveen Elzayat and the ERF data team brought together 10 participants from the Central Authority for Public Mobilization and Statistics (CAPMAS) and the Egyptian Ministry of Planning. The workshop covered the documentation of the harmonization process, the process of data cleaning, the harmonization of education-related variables, the harmonization of variables related to main activity (MAS) and the harmonization of employment related variables.

PARTNERSHIPS

To address unfolding challenges in the region with regards to energy crises, future of work and role of NGOs, three new programmatic partnerships with like-minded institutions including IDRC, UNDP and Sawiris Foundation were initiated and the scope and portfolio of activities of relevance to ELMPS consortium expanded. Institutional relationship endorsed with African Economic Research Consortium (AERC) and Forum Euro-Mediterranean des Institutes des Science Economiques (FEMISE) to further extend outreach to Africa and Europe respectively. Given the ERF longstanding expertise in designing and managing knowledge platforms, a new three-year partnership was initiated with the Arab Fund for Economic and Social Development (AF-ESD) towards management of the [Arab Development Portal \(ADP\)](#).

*ERF- LCPS- MEI Program:
The role of MSMEs in fostering
inclusive and equitable economic
growth in the context of the clean
energy transition in MENA*

Access to energy is becoming more challenging in MENA, particularly for energy importing countries in the region. This makes the transition to clean energy in MENA a vital one. Luckily, the region has inherent comparative advantages given the natural endowments of high solar radiation over much of the year and strong

wind nodes. Besides, renewable energy is the cheapest power option today particularly in MENA. Add to this that prices for renewable energy technologies are dropping rapidly, and that the cost of electricity from solar power fell by 85 percent between 2010 and 2020. Furthermore, cheap electricity from renewable sources could decarbonize 90 percent of the power sector by 2050, massively cutting carbon emissions and helping to mitigate climate change.

The importance of this transition in MENA lies in the need to meet the region's growing energy demand at affordable prices, promoting inclusive sustainable development, creating new jobs while adhering to climate change mitigation and adaptation policies, and building climate change resilience. In this regional context, where medium, small and micro enterprises (MSMEs) play a significant role in the economy, understanding MSMEs potential, challenges and opportunities in the context of this transition as well as their prospects for job creation, enhancing climate resilience women empowerment and youth is crucial.

This project aims to enhance the knowledge on the role of MSMEs in energy transition in six MENA countries namely, Egypt, Tunisia, Jordan, Lebanon, Morocco, and Sudan. The research will generate new micro data, new knowledge, and insights about cross-cutting issues as well as the current state of renewable energy adoption by

MSMEs, the institutional, financial, technical, and regulatory obstacles faced by them, the demand for skills, and the potential impact of the transition on more sustainable energy employment opportunities for youth, women, and marginalized groups.

The partnership for this 30-months projects was initiated in February 2023, with support from International Development Research Center (IDRC), Canada.

Partnering for Gender-Inclusive Growth in the Future of Work: ERF and UNDP Collaborate on Green, Blue, Digital, and Care Sectors in Arab States

The concept of the Future of Work has gained significant attention, particularly in light of the need to reassess work environments in the wake of the COVID-19 pandemic. The digital and green/blue transitions in the Arab States region, together with the expansion of the care economy, offer a range of opportunities and challenges in the pursuit of gender equality and inclusivity. If managed effectively, these transitions can empower women by providing them with more productive and better-paying jobs, promoting work-life balance, and facilitating a reduction or redistribution of unpaid care and domestic work.

The cooperation between ERF and UNDP seeks to address the implica-

tions of growing and shrinking jobs on skills and training requirements as well as the re-skilling needs of the labor force in general. Understanding the intricacies of the megatrends in the digital, green/blue, and care sectors, is crucial to provide insights for policy-makers to foster gender-inclusive opportunities.

Launched in October 2023, the 16-months project is funded by UNDP.

Assessment of the Role of NGOs in Social Protection in Egypt: A Collaboration between ERF- Sawiris Foundation, CAPMAS and the Ministry of Social Solidarity

Given their flexibility, accountability, and cost efficiency, NGOs actively seek to cater to the needs of the society and marginalized communities. Social safety nets in Egypt are not limited to state efforts, NGOs in Egypt have a long history of providing aid and support to the poor. For instance, many private companies have established affiliated NGOs for the purpose of institutionalizing social responsibility initiatives and facilitating the ability to build partnerships, both with the relevant state institutions and with specialized NGOs.

The role of NGOs in Egypt became even more prominent with the rise of social and economic challenges experienced by Egyptians throughout the recent years. These chal-

lenges created a vacuum for NGOs to fill, where the government was in dire need of support to provide development programs to assist vulnerable communities. Hence, NGOs in Egypt represent the force of support for vulnerable citizens, providing them with services to meet their basic needs and helping them overcome their day-to-day challenges, thus filling the void that the government could not and reaching grassroots and beneficiaries.

The one-year project launched in December 2023, with support from the Sawiris Foundation aims to examine the role of civil society organizations in social protection, economic empowerment and education.

The Fifth Round of the Egypt Labor Market Panel Survey: an ERF- MOPED- CAPMAS Collaboration

The collaboration between the ERF, the Central Agency for Public Mobilization and Statistics (CAPMAS), and the Egyptian Ministry of Planning and Economic Development (MOPED) aims to conduct a new round of the Egypt Labour Market Panel Survey (ELMPS) following the previous 1998, 2006, and 2018 waves. Tracking a panel of households and individuals over two decades, the ELMPS data have become the workhorse of research on labour markets, human development, migration, family formation, and social protection in Egypt in recent years.

Network & Partnerships

The panel design offers substantial advantages over multiple cross-sections, allowing for a more accurate assessment of dynamic changes in the labour market. This enables researchers to examine change while controlling for household and individual characteristics.

In addition to updating the available evidence on the Egyptian labour market, the ELMPS 2023 aims to unpack the sources of economic vulnerability among Egypt's poorest communities. The survey will enable an in-depth analysis of the distributional implications of recent fiscal and exchange rate reforms undertaken in the country, and a detailed examination of the barriers and opportunities that women face in the Egyptian labour market, including the changing conditions in their own households as well as changes in the economic environment they face.

The signing of the tripartite Memorandum of Understanding (MoU) between the ERF, MoPED, and CAPMAS ensured the reflection of the Egyptian government priorities and needs for filling data gaps especially with regards to digitization, platform economies, and green jobs.

The two year partnership with support of six donors, namely: AfD, ILO, The World Bank Egypt, The World Bank MENA, UNICEF, UN Women was launched in February 2023.

ERF - African Economic Research Consortium (AERC) Partnership

The joint research and outreach partnership agenda with AERC continues to evolve. In 2023, a significant number of joint projects were rolled out to further extend ERF expertise and voice in Africa.

ERF -AERC- PEP collaborative research: Impacts of War in Ukraine on Food Security in Low Income Countries

The project, October 2023 – March 2025, is a collaborative study between the AERC, ERF and the Partnership for Economic Policy network (PEP) with generous funding from the IDRC. The main objective of the collaborative research effort will be to better understand how African countries have been responding to the crisis in terms of policies and the impact of these policies, how to build resilience, as well as the distributional welfare implications related to who is most impacted by the crisis.

ERF-Politecnico di Milano University: Promoting Stability and Resilience in MENA Food Systems

In December 2023, ERF joined a seven-member consortium, three year partnership led by Politec-

nico di Milano and funded by the European Union to address issues of access, prices and shocks in the region to inform private and public resilience strategies through new evidence-based knowledge that is created, systematized and spread on external stressors and shocks deriving from cereal global value chains (GVCs) on the MENA region with special focus on the case of Morocco and Egypt.

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

In 2023, ERF continued its leadership successfully, as president and sole coordinator of the network. To ensure sustainability of FEMISE, established in 2005 as an independent French association, the Charter amendments have been completed and approved. Related governance plans rolled out including Board renewal and establishment of a number of committees, including a governance and membership committee. Efforts focused on fundraising and establishing strategic partnerships to secure network engagement and visibility on the one hand and on expanding its project portfolio on the other. With support from the Spanish Development Agency and in partnership with IE Med the 2023 FEMISE Conference was held in 27 – 29 September, 2023

in Barcelona Spain. Management continued to deliver on the projects portfolio including the WEF-CAP project concluded in September 2023; the partnership with ANIMA to deliver on the Euromed Cluster Forward (ECF) project and the partnership with the African Export Import Bank Afreximbank to address African industrial value chains.

*ERF –AFESD Partnership:
Arab Development Portal*

ERF and AFESD (on behalf of the Arab Development Portal Coordinating Group: Abu Dhabi Fund for Development, Arab Bank for economic Development in Africa, Arab Fund for Economic and Social Development (AFESD), Arab Gulf Programme for Development (AG-FUND), Kuwait Fund for Economic Development, The OPEC Fund for International Development, Saudi Fund for Development), have initiated a collaborative effort to reposition, redesign and revamp the Arab Development Portal introducing new strategy, new partnerships, new modalities to ensure that the Arab Development Portal (ADP) fulfills its mandate, value and relevance and extends its outreach, uptake, engagement and impact.

The proposal for 2023 – 2026 setting the basis for the partnership aims to: 1) promote nationally produced macroeconomic data, analysis and insights on timely basis; 2) nurture relationships with NSO to strength-

en their knowledge management and communications capacity towards effective outreach and monitoring of macroeconomic data; 3) strengthen the regional voice highlighting pertinent thematic and development issues to extend the Arab voice region-wide and globally. The proposal introduces new modalities to align with emerging technologies, initiatives and requirements with regards to macroeconomic data accessibility and analytical review to best inform policy processes.

The proposed partnership acknowledges the need to availing nationally generated macroeconomic data and insights on timely basis and engaging with the relevant research, policy making and relevant stakeholders to contribute effectively to the making a difference in the short term. It also takes into account the longer-term sustainability requirements by strengthening the capacity and visibility of the expert network in the region.

It builds on lessons learnt from ADP historical development and operations since its establishment, recommendations from previous evaluations and consultations conducted with expert macroeconomists and with ERF affiliates to best guide plans for 2023 – 2026.

During the next phase 2023- 2026, ERF aims to re-position the Arab Development Portal (ADP) towards provision of a portfolio of distinguished services namely: 1) Coun-

try Macroeconomic Outlook; 2) Country Data Monitor; 3) Regional Economic Insights Gateway. This would significantly contribute to the much-needed informed discussion and debate on country specific economic challenges to contribute to evidence based development policy strategies. To ensure visibility and maximize outreach, a push strategy would be adopted towards increased awareness, and engagement with target stakeholders.



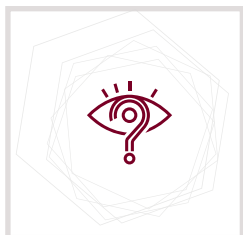
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Research Activities

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Research Activities



In 2023, the research agenda was quite diverse. Throughout the year, ERF has managed a total of 49 projects directly engaging 124 researchers in research production and 37 as reviewers and advisors. New projects in 2023 were mainly solicited, guided by clear criteria, peer reviews and the scrutiny of Principal Investigators or project leaders.

The work covered a variety of timely topics for the region as outlined below. 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 primary data collection effort to fill the data gaps. ERF continued to work on labor market surveys; completing Sudan's first round, initiating the Egyptian fifth round and fundraising for the Jordanian third round. Data collection also included a firm's survey on energy transition for SMEs in five countries in the region.

Thematic Tracks

Thematic highlights and progress made are outlined below:

- *Social Protection issues* remained prominent on the ERF research agenda. The work on Jordan and Tunisia, covering a variety of social protection topics, including the current landscape of social protection, expansion of social insurance, minimum and living wages, provision of cash assistance and wellbeing, targeting of assistance for the refugee population, was successfully completed in 2022. In 2023, the research in this area was extended to social insurance in Egypt and encompassed the role of NGOs in social protection. ERF also conducted multidisciplinary research on social protection for non-nationals including refugees and asylum seekers, as well as inclusive social protection and the impact of the Ukraine crisis on children in Egypt.
- *On the Macro side*, two main areas of focus were the main items on the research agenda: the first is debt sustainability, stabilization and adjustment in six countries in MENA in light of high fuel and food prices, and to rising global interest rates and debt ratios. The second area focused on the macroeconomic impact of the Ukraine- Russia crisis on feed security in continental Africa.
- *On the Political Economy*, ERF focused on Cronysim, state business relations and the role of private sector in Sudan, Algeria, Iraq and Ethiopia.
- *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 youth in Africa.
- *On Regional Integration*, ERF conducted work on mapping and assessing the performance of clusters in Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine, and Tunisia. Additionally, ERF conducted a benchmark study on South Neighborhood policies and frameworks for cluster creation and development based upon relevant best practices at the European and global levels.
- *On Labor Markets*, ERF initiated two research programs. The Sudan Labor Market program would address gender and employment changes post covid-19 pandemic and an investigation of the future of work in Arab countries from a gender perspective.
- *On the Environment and climate issues*, ERF worked on energy

transition in six countries in the region, addressing potential for employment generation through SMEs, and the challenges faced in each national context. The work on this area also addressed cross-cutting issues such as the outlook for energy demand in the region, gender equality in the context of green transition, the energy transition in the context of Crises, and the political economy of energy transition in the MENA region. ERF also worked on climate change and macro policy in support of a green transition, and mapping MENA's Renewable Energy Supply Chains.

Table 2 provides details of the completed, ongoing and new projects in 2023. Full project details can be found in Annex B.

RESEARCH PROFILE

Research projects directly engaged 124 researchers, 60 of whom were women, 91 of whom were non-affiliates (73 percent), and 65 of whom resided in the region (more than half the total). As of the end of 2023, ERF had completed 25 projects, continued to manage eight ongoing projects, and initiated 16 new ones. A listing of these projects is shown in Table 3.

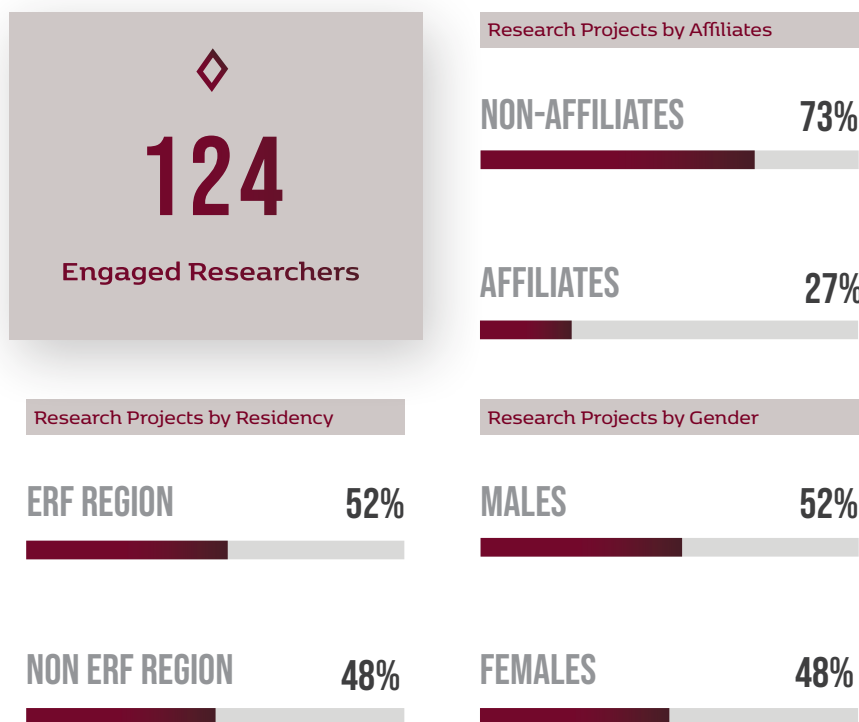


Table 2:
Summary of ERF Structured Research Projects in 2023

PROJECTS	49
RESEARCHERS	124
GEOGRAPHICAL COVERAGE	
COUNTRY	40
REGIONAL	9

Research Activities

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2023

Project	Team Leaders
Completed Projects	
01 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, Ahmed Ghoneim, Dina Mandour and Jaime de Melo
02 Cronyism and the Future of the Private Sector in Sudan, Algeria, and Ethiopia	Ishac Diwan
03 The Growth Effect of Disruptive Technology in Ethiopia: With a Case Study of Digitalization in the Financial Sector	Alemayehu Geda
04 Disruptive Technologies, Agricultural productivity and Economic Performance in Kenya	Eldah Onsomu, Boaz Munga, Boniface Munene, John Macharia and Violet Nyabaro
05 Adoption of Digital Technologies, Productivity and Dynamics of Employment in the Manufacturing and Services Sector in Senegal	Diallo Thierno Malick, Dumas Tsambou André and Benjamin Fomba Kamga
06 Digital Technologies and Manufacturing Performance in South Africa: Firm-Level Evidence	Elvis Korku Avenyo and Jason F. Bell
07 The Impacts of Disruptive Technologies in South Africa	Lukasz Grzybowski
08 State Business Relations in Sudan and the Prospects for a Dynamic Private Sector	Kabbashi Suliman
09 A Stubborn Historical Legacy: Power Relations and Development in Sudan	Atta Al-Battahani
10 Political Islam and Crony Capitalism in Sudan: A Case Study of “Munazzamat al-Dawa al-Islamiyya	Ebaidalla Mahjoub Ebaidalla and Mohammed Elhaj Mustafa
11 Crony Capitalism in a “Developmental State” Model of an African Poor Country: Ethiopia	Alemayehu Geda
12 From Rags to Riches to Rags Again: Deconstructing the Narratives of Algeria’s Crony Capitalism Mirage	Idriss Hadj-Nacer
13 Trade, Food Security and the War in Ukraine: The Cases of Egypt and Sudan	Chahir Zaki, Kabbashi M. Suliman and Alzaki Alhelo
14 Impacts of the Ukraine Crises on Food Security in Kenya and Ethiopia: Options for Regional Trade Collaboration	Alemayehu Geda and Phillip Musyoka Michael
15 Case of the Development of Agricultural Trade between Morocco and Senegal	Mohamed Benayad
16 Food Security Effects of Food and Agricultural Inputs Trade Shocks from the Russia-Ukraine Region in South Africa and Mozambique: Exploring the Roles of the Maputo Corridor, SADC, and Continental Sources	Nicholas Ngepah
17 Employment Promotion Project	Caroline Krafft, Ragui Assaad, Rana Hendy, Rasha Hassan, Mina Ayad, Mohamed Azab, Irene Selwaness and Ghada Barsoum

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2023

Project	Team Leaders
18 Stabilization and Adjustment in MENA	Ishac Diwan, Mustapha Nabli, Laila Baghdadaï, Moez Labidi, Karim El Aynaoui, Abdelaziz Ait Ali, Abla Abdelatif, Ibrahim Saif, Laith Alajlouni, Zafiris Tzannatos, Henry Chaoul, Magdi Amin, Alzaki Alhelo, Kabbashi Suliman, Amir Hamid Elobeid, Abdelrahman Khidir Osman, Omar Razzaz, Maha Yehia, Nada Eissa, Alia ElMahdi, Mahmoud Mohieldin, Nesreen Barakat and Ibrahim ElBadawi
19 The Socioeconomic Impact of the Russia-Ukraine Crisis on Vulnerable Families and Children in Egypt: Mitigating Food Security and Nutrition Concerns	May Gadalla, Nesma Mamdouh and Rania Roushdy
20 Why Is Social Insurance Coverage Declining in Egypt? A Decomposition Analysis	Ragui Assaad and Sarah Wahby
21 When Formality Is Costly and Informality Is Legal: Social Insurance Design Woes at A Time of Economic Crises	Irene Selwaness and Ghada Barsoum
22 Working Conditions in the Paid Care Economy in Egypt: Improvement or Deterioration?	Caroline Krafft and Maye Ehab
23 The Dynamics of Social Insurance in Egypt	Caroline Krafft and Cyrine Hannafi
24 Social Insurance from A Regional Perspective: Egypt, Jordan and Tunisia	Zina Nimeh, Tamara A. Kool and Guido Heins
25 Women in the Egyptian Labor Market	Maye Ehab, Ghada Barsoum and Caroline Krafft
Ongoing Projects	
1 National Child Labor Survey 2022	Ragui Assaad, Zakaria Othman and Ali Rashed
2 EuroMed Cluster Forward (ECF)	Chahir Zaki, Myriam Gad, Al Anoud Ehab Mohamed, Yasmeen Oraby, Passainte Atef and Anna Maria Ferragina
3 The Voices of Refugees and Asylum Seekers: Social Protection Needs, Challenges and the Way Forward	Maia Sieverding and Salma Abou Hussein
4 Costing for the Inclusion of Refugees within the Takaful and Karama Program	Heba Al Laithy and Dina Armanious
5 Integrating Refugees and Asylum Seekers within Egypt's TKP: Promoting Long-Term Financial Sustainability	Sherine Al-Shawarby, Dina A. Fattah, Nour Abou-Ismaïl and Noha Sami
6 Integrating Refugees and Asylum Seekers within Egypt's Universal Health Insurance Scheme: Promoting Long-Term Financial Sustainability	Sherine Al-Shawarby, Dina A. Fattah, Nour Abou-Ismaïl and Noha Sami
7 Legal and Policy Frameworks for An Inclusive Social Protection System	Ghada Barsoum and Alaa Al Barrawi

Research Activities

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2023

Project	Team Leaders
8 Informality and Access to Social Insurance for Refugees and Asylum Seekers in the Egyptian Labor Market	Rania Roushdy and Al Anoud Mohamed
Initiated Projects	
1 Making Macroeconomic Policies More Environment Friendly: A CGE Analysis for Egypt	Chahir Zaki, City Eldeep and Abeer Elshinnawy
2 Shifting Sands: Gender and Employment in Post-COVID-19 Egypt	Rana Hendy and Amira El-Shal
3 The Role of MSMEs in Fostering Inclusive and Equitable Economic Growth in the Context of the Clean Energy Transition in MENA	Atif Kubursi, Abeer Elshennawy, Adeel Malik, Muez Ali, Hala Abou Ali, Nada Mustafa Ali, Racha Ramadan, Esraa Medhat, Sara Ragab, May Gadallah, Mryiam Haggag, Dalia Hany, Racha Hassan, Salma Abou Hussein, Colby Connelly, Michael Tanchum, Karen Young, Li-Cehn Sim, Ali Taha, Ibrahim Saif, Mohammed Bouaddi, Adel Ben Youssef, Mahmoud ElKassabi, Monia Elazali, Mohamed Shible, Walid Hadhri and Mounir Dahmani
4 Research on Gender and the Future of Work in the Arab States Region	Amira El Shal, Adelina Zeqiri, Burim Prenaj, Adel Ben Youssef , Mounir Dahmani, Nathalie Hilmi, Alain Safa, Shekoofeh Farahmand, Belal Fallah, Vladimir Hlasny and Irene Selwaness
5 The Assessment of the Role of NGOs in Social Protection in Egypt	Ghada Barsoum, Christine Valente, Muhamed Haseeb, May Gadallah and Nesma Mahgoub
6 Stable Food Access and Prices and Lower Exposure to Shocks (STAPLES)	Chahir Zaki, Amr K.Fida and Yasmine Eissa
7 Impacts of War in Ukraine on Food Security in Low Income Countries	Chahir Zaki and Philliph Musyoka Michael
8 Introducing the Sudan Labor Market Panel Survey 2022	Caroline Krafft, Ragui Assaad and Ruby Cheung
9 The Structure of the Labor Force and Employment in Sudan	Caroline Krafft, Ragui Assaad, Adriana Cortes-Mendoza and Isabel Honzay
10 Labor Market Dynamics in Sudan through Political Upheaval and Pandemic	Ragui Assaad, Caroline Krafft and Sarah Wahby
11 Women's Economic Empowerment in Sudan: Assets and Agency	Caroline Krafft and Heather Moylan
12 Gender, Work, and Time Use in the Context of a Low-Income Agrarian Economy: The Case of Sudan	Ragui Assaad, Vishal Jamkar and Caroline Krafft

Table 3. ERF Research Activities by Processing Stage & Lead Researchers, 2023

Project	Team Leaders
13 Refugees and Internally Displaced Persons in Sudan: Evidence from SLMPS	Ragui Assaad, Caroline Krafft and Jackline Wahba
14 Education in Sudan: Disparities in Attainment, Dropout and Quality Issues	Ebaidalla Mahjoub
15 Determinants of High Fertility in Sudan	Maia Sieverding
16 The Main Features of Sudan's Income and Wages Structure	Nesma Mamdouh, Sara Ragab and Dalia Hany
Micro Datasets	
1 Sudan Labor Market Panel Survey (SLMPS) 2022	Ragui Assaad, Caroline Krafft and May Gadallah
2 Egypt Labor Market Panel Survey (ELMPS)	Ragui Assaad, Caroline Krafft and May Gadallah
3 Clean Energy Transition MENA Countries	May Gadallah and Mahmoud Al Kassabi
4 National Child Labor Survey 2023	May Gadallah and Ali Rashed
5 Jordan Labor Market Panel Survey (ELMPS 2023)	Ragui Assaad, Caroline Krafft and May Gadallah

THE OPEN ACCESS MICRO DATA INITIATIVE AND THE ERF DATA PORTAL

ERF has long recognized that micro data is essential for conducting solid policy-relevant research.

To facilitate accessibility and extend outreach, ERF established a solid data infrastructure and instated collaboration with national statistical offices across the region to acquire micro datasets and provide open access to researchers.

In 2023, ERF data efforts continued to focus on three main tracks: (i) Data Collection, Harmonization and Dissemination, (ii) Primary Data

Collection and Surveys, and (iii) Provision of access to users of the data portal.

Data Collection, Harmonization and Dissemination

Data cleaning, harmonization and dissemination efforts by ERF's in-house team of statisticians continued steadily.

In 2023, 13 new datasets were made publicly bringing the total number of online datasets to 173 including:

- **29** Harmonized Household Income and Expenditure Surveys (HHIES) from seven Arab countries (Egypt, Iraq, Jordan, Palestine, Sudan, Somalia, and Tunisia);
- **54** 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)

Research Activities

- for Egypt, Jordan, Tunisia, and Morocco;
- **4** Harmonized Health Surveys (HHHS) from Iraq and Sudan;
- **2** Health Surveys from Egypt;
- **2** Socio-economic Survey from Palestine;
- **4** Census Data from Egypt;
- **9** Labor Market Panel Surveys (LMPS) from Egypt, Jordan, Sudan, and Tunisia;
- **2** Higher Education Graduates Surveys (HEGS) in two Arab countries (Egypt and Jordan);
- **6** Surveys of Young People from Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, and Tunisia;
- **3** Harmonized Surveys of Young People in Egypt (HSYPE);
- **1** Survey of Young People in Informal Urban Areas of Greater Cairo (SYPE-IGC);
- **2** Child Labor Surveys from Jordan and Egypt;
- **7** Datasets on Micro and Small Enterprises from four countries (Egypt, Lebanon, Morocco, and Turkey);
- **2** Datasets on exports and imports from Egypt;
- **1** Dataset on the constraints facing the development of Micro and Small Enterprises from two governorates in Egypt;
- **5** UNIDO databases on Industrial Statistics and Industrial Demand-Supply Balance;
- **4** Datasets on enterprises' digitization from three countries (Egypt, Morocco, Jordan, and a combined data version);
- **2** Datasets on Time Use from Egypt and Palestine;
- **1** Dataset on Labor Market Discrimination Audit Study (RCT) from Egypt;
- **1** Survey of Industrial Firm Behavior from Egypt;
- **1** Survey on Transition to Clean Energy for Enterprises from Jordan

To enhance bilateral relations with national statistical offices and research centers, ERF signed three new Memoranda of Understanding in 2023, with: National Institute of Statistics in Djibouti (INSD), the Central Bureau of Statistics in Sudan (CBS), and with the Arab Council for Social Sciences (ACSS). The ERF and ACSS MOU formalized the Dataverse collaboration which links datasets between their respective portals to improve data visibility and outreach.

Primary Data Collection and Surveys

During 2023 ERF carried out 4 major data collection endeavors:

Completing the Sudan Labor Market Panel Survey (SLMPS) 2022

SLMPS 2022, the first wave of a longitudinal study of the Sudanese labor market designed to elucidate the way in which human resources are developed and deployed in the Suda-

nese economy. The SLMPS 2022 is a nationally-representative longitudinal household survey on a panel of about 5,000 households to be repeated every six years. The focus of the survey is to understand key relationships between labor market processes and outcomes and other socio-economic processes such as education, training, family formation and fertility, internal and international migration, gender equality and women's empowerment, enterprise development, housing acquisition, and equality of opportunity and intergenerational mobility. The SLMPS 2022 is modeled on a similar survey carried out in Egypt in 1998, 2006, 2012, and 2018 in Jordan in 2010 and 2016, and in Tunisia in 2014.

The Sudan Labor Market Panel Survey 2022 (SLMPS 2022) was made available for the public in August 2023 on the ERF's Open Access Microdata Initiative Website (OAMDI), to mark the ninth survey in the series of LMPSs.

Egypt Labor Market Panel Survey (ELMPS)

ERF carried out the Egypt Labor Market Panel Survey (ELMPS) 2023 in cooperation with CAPMAS and Ministry of Planning and Economic Development, and a tripartite MOU was signed in May 2023 to solidify this collaboration and ensure national priorities are reflected in the data

to be generated. The data collection phase for the Egyptian Labor Market Panel Survey (ELMPS) began in September, 2023, and this phase will end in January 2024.

This survey is the fifth in a series that began with the 1998 ELMPS and continued with the 2006, 2012 and 2018 ELMPS. Tracking a panel of households and individuals over two decades, the ELMPS data have become the workhorse of research on labour markets, human development, migration, family formation, and social protection in Egypt in recent years. By fielding a 2023 wave of the ELMPS, it will leverage the ELMPS panel to examine how Egypt's labour market has been affected by the COVID-19 pandemic, while placing the impact of the pandemic and the recovery from it in a longer historical context. The planned ELMPS follow-up wave is being conducted in partnership with the CAPMAS, which has been a partner with the ERF on the ELMPS since 1998.

The survey will enable an in-depth analysis of the distributional implications of recent fiscal and exchange rate reforms undertaken in the country and a detailed examination of the barriers and opportunities that women face in the Egyptian labour market, including the changing conditions in their own households as well as changes in the economic environment they face.

Clean Energy Transition MENA Countries

The MENA region grapples with intensified climate challenges and mounting energy issues. Access to energy is becoming more challenging, particularly for energy importing countries in the region. This makes the transition to clean energy in MENA a vital one. Luckily, the region has inherent comparative advantages given the natural endowments of high solar radiation over much of the year and strong wind nodes. To better understand the challenges and opportunities facing small, medium and micro enterprises in the context of transition to cleaner energy, ERF will conduct a series of firm surveys in five countries. The data is collected under a comprehensive cross-sectional survey that investigates how Micro, Small, and Medium Enterprises (MSMEs) in MENA countries navigate their transition towards clean energy.

These data sets will be collected over one round, covering a spectrum of company-specific details, including sector categorization, employee count, regulatory compliance, experiences with grid-based electricity, and the extent/potential of use of clean energy. These surveys come under the activities of ERF newly launched project "The role of MSMEs in fostering inclusive

and equitable economic growth in the context of the clean energy transition in MENA" project funded by IDRC.

This initiative aims to gather crucial data reflecting the ongoing energy transition in these countries. The objective of this survey data aims at enhancing knowledge and contributing to strategic policy initiatives, seeking to pave the way for sustainable, efficient, and equitable energy management while addressing mitigation of emission and ensuring energy security and equity.

The data collection phase for the surveys began in September, 2023, and is expected to be completed by February 2024.

National Child Labor Survey 2023

In partnership with the ILO, the ERF oversaw the implementation of the 2023 National Child Labor Survey conducted by CAPMAS. This involvement encompassed tasks such as formulating the questionnaire, structuring the sample, and providing assistance in conducting routine data consistency checks, cleaning the data as well as providing initial results and key findings from the data.

Research Activities

Access to OAMDI

OAMDI is a unique initiative providing researchers with free access to several types of micro data. This online automated data portal is set up to encourage responsible use of microdata by registered researchers while respecting the confidentiality and copyrights of the national statistical offices and ERF.

In 2023, ERF's online data portal subscribers reached 4,716 compared to 4144 by the end of 2022, 3,778 by the end of 2021, and 3275 by the end of 2020, as shown in Figure 2. Based on OAMDI users' survey, it was highlighted that the data is mainly employed in publishing research papers, obtaining academic degrees and other research purposes as producing Poverty Probability index.

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 (44 percent). Only a minor percentage (two percent) are affiliated to ERF.

To date, ERF has also granted access to around 10,216 micro datasets. The number of surveys accessed in 2023 increased by 1,596 compared to 2022 (10,216 datasets compared to 8,620 datasets), confirming the users' growing trust in OAMDI data quality and credibility.

Figure 2: Number of OAMDI Users Since Launch by Region

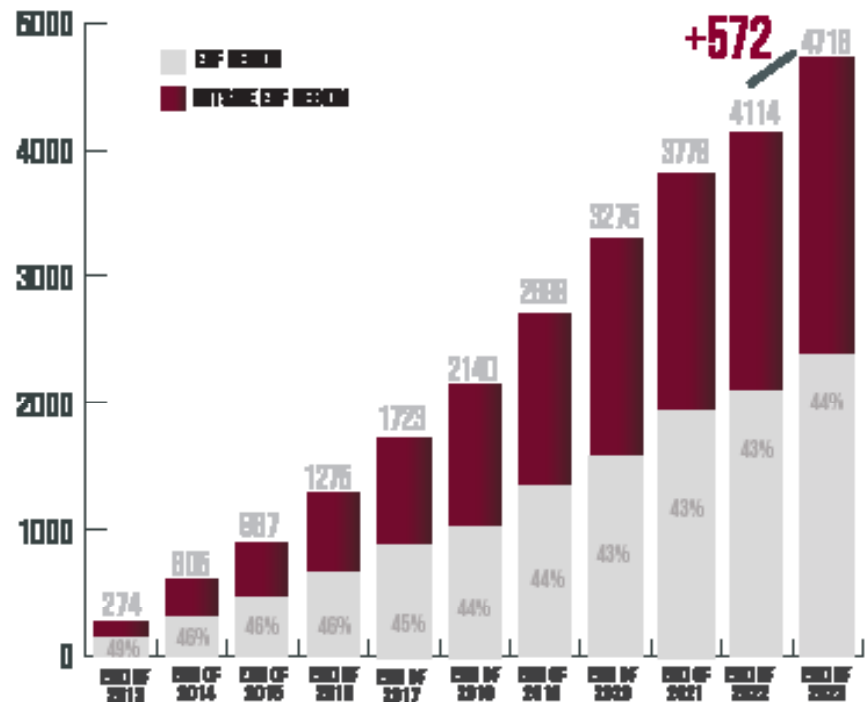


Figure 3: Number of Accessed/ Downloaded Surveys since Launch

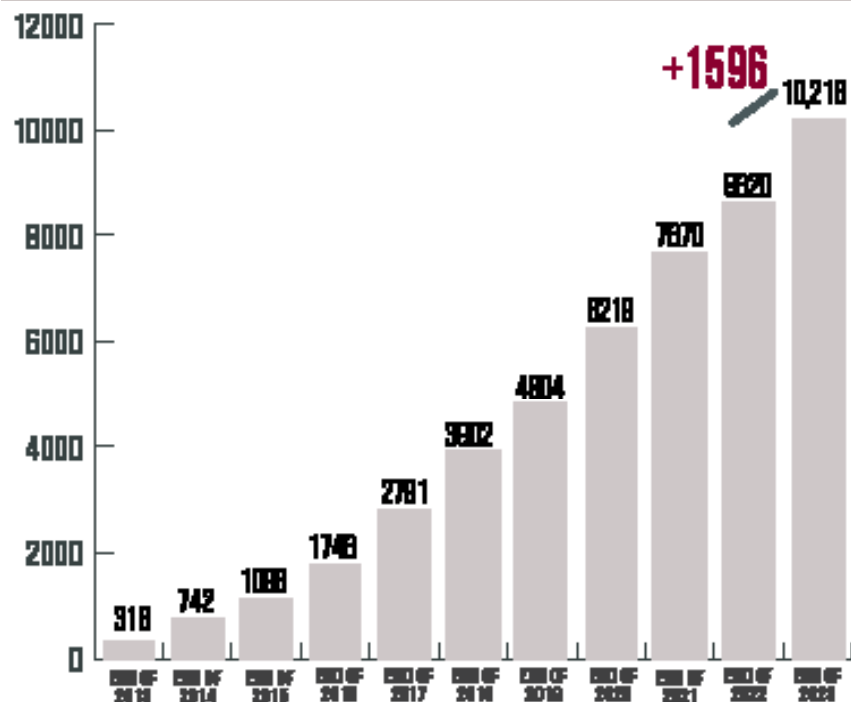


Figure 3 illustrates the growing diversified interest in the in the data types provided by OAMDI. Around 61 percent of the accessed datasets were for harmonized household surveys (Harmonized Household Income and Expenditure Survey (HHIES), Harmonized Labor Force Survey (HLFS), Harmonized Survey of Young People in Egypt (HSYPE), and Harmonized Household Health Survey (HHHS)).

A total of 26 percent was for labor market panel surveys (LMPS), and around 8 percent were for different firm and sector-level datasets and other types of surveys.

In Addition, 5 percent (with 555 total number of downloads) was for COVID-19 MENA Monitor Household Surveys (CMMHH) and COVID-19 MENA Monitor Enterprise Surveys (CMMENT).

To acquaint academics and potential researchers with OAMDI, a series of in-person seminars were conducted throughout the year. A dedicated session at the ERF 29th Annual Conference was organized in May 2023. Similarly, a series of special presentations was arranged for during the Conference on Social Security in Jordan in September 2023, and at Cairo University in October and December 2023.

10,000 +

TOTAL NUMBER OF DOWNLOADS OF ONLINE DATASETS

170 +

TOTAL NUMBER OF ONLINE DATASETS

4700 +

TOTAL NUMBERS OF OAMDI SUBSCRIBERS

ERF

Communications and Outreach

2023
ANNUAL
REPORT



Communications & Outreach



Connecting people and ideas. Relevance, reach and resilience mark ERF communications and policy outreach activities in 2023. The portfolio of activities are presented along five main tracks: (i) Visibility and Networking and Capacity Building; (ii) Multi-stakeholder Engagement Platform; (iii) The Regional Voice and Engagement; (iv) Publications; (v) Knowledge Platforms and Networks.

ERF continuously strives to engage independent network expertise to address regional issues on timely basis. Systems, modalities, technologies are adopted to best extend outreach to inform policy processes.

In 2023, ERF organized a series of events. ERF flagship event, 29th Annual Conference brought together more than 430 participants together in person and online. Program related events systematically pursued effective engagement with stakeholders, consultation with respective stakeholders at the outset, peer review of work in progress and open dissemination of final studies. The Third ERF GCC Conference – GCC Economies in an Era of Transition focused on emerging challenges in the Gulf as part of the ERF GCC initiative as a regular platform for research and policy dialogue. Extending regional voice actively pursued with international organization to extend visibility and outreach of our network expertise.

In 2023, the ERF publications contributed equally to ERF academic and policy publications portfolio. A total of 79 working papers, 16 refereed journal articles in two volumes of Middle East Development Journal (MEDJ), and some 80 policy publi-

cations: articles, briefs and reports. Managing newsletters subscription of some 12,000 subscribers sending out some 900,000 emails. Full record detailed in this section.

ERF 29th
Annual Conference
in numbers

25

PLENARY
& PARALLEL
SESSIONS

120

AUTHORS
OF PAPERS

430

PARTICIPANTS
FOR BOTH ONLINE
& IN-PERSON

VISIBILITY, NETWORKING AND CAPACITY BUILDING

**The Future of MENA
Development Path:
Risks and Opportunities
in an Emerging World Order**

ERF 29th Annual Conference
May 4-6 | Cairo, Egypt | Hybrid

While the Middle East and North Africa (MENA) region suffers from several structural characteristics related to the diversification of their economies, the quality of economic and political institutions, and high levels of inequality, poverty, youth unemployment and informality, it is facing several external shocks that add another layer of complexity to its development path. Thus, the 29th ERF Annual Conference chiefly focused on both the risks and opportunities faced by this region in such a changing and challenging environment. Moreover, it shed the light on the importance of reorganizing priorities and adopting active economic and social policies at both the short and long-term horizons, especially in terms of digital transformation,

green economy, and fintech that are indispensable for a new development model.

Under this overarching theme regarding the risks and opportunities of MENA's development path, the 29th Annual Conference articulated the issues in question in the context the plenary sessions, the special panels and a select number of the parallel sessions.

The ERF 29th Annual Conference: The Future of MENA Development Path: Risks and Opportunities in an Emerging World Order was held at Nile University, Zayed, Cairo, Egypt during the period 4 – 6 May, 2023 .

The conference brought together 200 participants together in person and 230 online (total 430 participants). ERF gratefully acknowledges the hosting of the ERF 29th Annual Conference by Nile University.

The conference featured seven plenary sessions and 18 parallel sessions providing a platform for some 50 papers by more than 120 authors competitively selected through a robust refereeing process. Full conference agenda accessible [online](#). Six research papers, were particularly acknowledged as part of the ERF Best Paper Award process celebrating excellence and unveiling outstanding performance.

On the occasion of the ERF 29th Annual Conference, ERF also orga-

nized two pre-conference events on May 3rd, namely: one special event featuring the ERF's Micro Data Sharing Initiative – Launch of the Egyptian Industrial Firm Behavior Survey (EIFBS) Dataset (2020/2021) and one consultation on the role of MSMEs in fostering inclusive and equitable economic growth in the context of clean energy in MENA which covers six countries marking the launch of the ERF-IDRC multi-year project.

Furthermore, two conferences marking the successful completion of two major ERF programs in partnership with IDRC Stabilization and Adjustment: Towards Inclusive and Sustainable Policies in MENA on 3 May featuring six country studies and Carnegie Corporation - Trans-Regional Research on Private Sector Development, Digitization and Disruptive Technologies in MENA and SSA on 5 May, 2023 during which four MENA case studies and the regional report produced under the ERF-Carnegie project on state business relations in the MENA region were shared.

The conference brought together key stakeholders who have important roles to play in shaping new research findings, paving new policy directions, and initiating innovative practices in the areas of private sector development and disruptive technologies.

88,000 +

CONFERENCE WEB
PAGE VIEWS (JUNE 2023)



HASSAN ALY



OMAR RAZZAZ



ADNAN MAZAREI



IBRAHIM ELBADAWI

Communications & Outreach

Plenary 1 – Embarking on a Path of Renewal – MENA Commission on Stabilization and Growth – Perspectives and Feedback from the Policy Community

In the chaotic global post-COVID-19 economy, with the ongoing war in Ukraine, the challenge of adjusting to the global stagflation that is engulfing the world is particularly hard for the oil importing countries of the Middle East and North Africa (MENA) region. Public debts are rising fast towards unsustainable levels. Already, high interest rates, currency devaluation and inflation are combining to lower economic growth, increase poverty, and put more stress on a battered middle-class, leading to a rise of social unrest.

A regional commission of experts, working under the auspices of the ERF, and the Finance for Development Lab (FDL), was asked to evaluate the macro-economic risks ahead, and to make recommendations on the best course correction to avoid them. After an elaborate process of analysis, consultation, and deliberation, a regional report was prepared, with the aim to convey coherent and comprehensive messages about the risks and opportunities of the region's development path, and that is anchored around the following questions:

- In light of the recent major macroeconomic shocks, coming on the heels of a disappointing growth performance over the

last decade, how risky is the current development path in MENA, and especially in highly indebted Egypt, Jordan, Lebanon, Morocco, Sudan, and Tunisia?

- How to avoid financial crises and recessions, and initiate and begin to sustain a higher, more inclusive, and more sustainable growth path?
- The focus should be on three main policy spaces and how they connect: (i) debt workouts and stabilization measures; (ii) innovative economic, social, and climate-related structural reforms; and (iii) political reform and government accountability.
- How can the proposed reforms add up to a coherent MENA specific program of progress, adapted to the realities and challenges of our times? What are the main recommendations to national governments, and to the regional and international communities?

This session reflected on the key findings of the report and responses from senior policy makers from the region and regional and global development partners, covering issue of the financial risks, the contours of national salvation plans that can reduce those risks, and how economic growth can be at the centre of the new reform agenda. In addition, the panel reflected on short and medium-term reforms that can improve short-term prospects, and help ignite a virtuous cycle of progress as well as longer terms sustainability issues.

A welcome statement by Prof. Hassan Aly, Dean of School of Business and Chairman of the ERF Board of Trustees, Prof. Wael Akl, President, Nile University and Dr. Ibrahim Elbadawi, Managing Director (ERF) was shared at the outset inaugurating the conference.

The session featured keynote speaker: Dr. Ibrahim Elbadawi, Managing Director presenting the key findings of the ERF- FDL Policy Report - Embarking on a Path of Renewal: MENA Commission on Stabilization and Growth and distinguished policy panel: H.E. Dr. Omar Razzaz, Former Prime Minister, Jordan and Mr. Arjan de Haan, Senior Program Specialist, International Development Research Center (IDRC)

Plenary 2 – Embarking on a Path of Renewal – MENA Commission on Stabilization and Growth – Research Insights – Insights into Future Directions

The ERF-FDL report on Embarking on a Path of Renewal finds that while some reduction in government expenditure is unavoidable, much of the political capital invested in adjusting to the current macro shocks and to high indebtedness should go towards improving growth prospects. Several dimensions of the challenge can be highlighted:

- Public expenditure should be re-oriented to social protection and pro-growth spending. To what extent can debt restructuring

help achieve these goals? Can countries count on more cooperation between the IMF and the World Bank in shaping longer term growth-focused adjustment programs?

- How to adapt the growth agenda to new global circumstances? Global conditions are not favorable. But there are new possibilities. Export-led growth can get boosted by the delocalization of value chains close to the GCC and Europe. Digitalization can improve labor productivity. Green growth needs to focus on adaptation but can also develop comparative advantage in green-energy intensive products.
- There seems to be enormous new opportunities to expand regional cooperation that can be mobilized in support of reformist national programs on climate adaptation, technology, food security, energy.
- Political leaders need to lead the reform effort. They need to mobilize winners and compensate losers. Improved trust in institutions and confidence about the future can support collective action and generate a virtuous process of progress on all fronts.

In light of these findings, this session drew the outlines of a research agenda that can take a deep dive to ultimately generate knowledge that can enlighten the policy debate with evidence and rigorous analysis.

Chairman & Moderator: Dr. Ishac Diwan, Finance for Development



MARY KAWAR



ADEL BEN YOUSSEF



HÉLÈNE DJOUFELKIT



MAHMOUD MOHIELDIN

Lab & ERF. Research Panel: Dr. Adnan Mazarei, Peterson Institute for International Economics; Prof. Adel Ben Youssef: University of Nice Sophia-Antipolis & ERF; Dr. Hafez Ghanem: Former Vice President, Eastern & Southern Africa; Prof. Ellen Lust: University of Gothenburg; Prof. Shantayanan Devarajan, Prof.

of Practice of International Development, Edmund A. Walsh School of Foreign Service, Georgetown University.

Plenary 3 – Global View – A Panoramic Perspective of Risks and Opportunities

Since 2020, the MENA region has been subject to several external shocks. First, these economies have been severely affected by the pandemic that led to a global contraction of 3.6% and caused a decline in global trade by 8.1%. The COVID-19 shock also revealed the fragility of these economies, especially at the macroeconomic level. The debt ratios reached crisis-proportion levels in several major MENA countries outside the GCC, while continuing to face increasingly limited fiscal space. Second, the ensuing slowdown of oil prices exacerbated an already precarious and unsustainable macroeconomic stance, especially in populous oil-dependent economies of the region. Finally, while not fully recovered from the pandemic, the war on Ukraine led to global consequences, including sharp inflationary spikes, food shortages, disruptions of finance, trade and supply chains all over the world. In view of its heavy dependence on tourism and food imports from Russia and Ukraine, the shock has been much stronger for MENA.

Moreover, available evidence on heat waves, water scarcity and sea level rise suggest that the agenda

Communications & Outreach

of environmental sustainability and mitigation and adaptation to climate change are likely to be particularly challenging for the case of MENA. This coupled with the high social mobilization that continues to shape the socio-political landscape since the Arab Spring, is bound to complicate policy making and development planning in the region. However, the region has good prospect should it embrace an inclusive and creative development discourse, prioritizing SDGs, exploiting the emerging digital technology and expanding economic space through bottom up, self-reinforcing regional integration. Against this backdrop, this plenary examined the following questions:

- Where is globalization and development strategy heading in the wake of post-covid-19, the war on Ukraine and beyond?
- What are the main tenets of the emerging development model under the emerging digitech economic order?
- How might the new development model be adapted to the challenges and prospects that are most salient to the MENA region?

Chairman & Moderator: Dr. Mahmoud Mohieldin, Climate Change Champion & ERF. Keynote Speaker: Dr. Jeffrey Sachs, Distinguished Economist, Academic, Public Policy Analyst. Lead Commentators: H.E. Rania Al-Mashat Minister of International Cooperation, Egypt; Prof. Klaus Schmidt-Hebbel, Universidad

del Desarrollo, Chile; Mrs. Saba Nabil Almbaslat, Regional Director, Ford Foundation, Prof. Hassan Hakimian, Hamad Bin Khalifa University & ERF.

Plenary 4 – Challenges and Opportunities – Knowledge Economy and Digital Transformation: Focus on Knowledge Economy Useful Insight to Inspire Future Research in the Region

There is a broad consensus among the academic and development policy communities that digital transformation will have a major impact on developing economies in general and MENA countries in particular.

Two new policy reports by the ERF and UNDP (Fardoust and Nabli, 2022) and the World Bank (Cusolito et al, 2022) have reviewed progress of MENA countries in digitalization, its impact so far on their economies as well as challenges they face in unleashing its potential while mitigating its adverse effects.

In view of the challenges facing developing countries in the coming decade, ranging from slowdown in growth and rising debt and high youth unemployment to climate change, this plenary would discuss how policy makers in MENA countries could address these challenges and position their economies and to partake in the potentially tremendous development potential of the



STEPHEN CECCHETTI



AHMED GHONEIM

ongoing digitally- based technological revolution. In this context, the plenary asked the following specific questions:

- How much progress have countries made in harnessing digital technologies?
- What has been the impact on their economies and societies?
- What are the main constraints in the MENA countries that may have slowed down the pace of structural transformation in their economies and benefiting more from digital technologies?
- What are the critical policy and investment initiatives concerning digitalization of economy that would need to be seriously considered by policy makers in the region in order to achieve a higher and more inclusive growth in the coming decade?
- What kind of research and evaluation work is needed in MENA

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countries to understand better the impact of digital technologies on the economies' growth and inequality and thereby support better policy-making?

- How can the MENA region develop a network of research centers, think tanks, private enterprises, and community groups to increase the stock of relevant and impactful knowledge about digitalization of economies and emerging lessons of experience?

Chairman & Moderator: Dr. Mary Kawar, Former Minister for Planning, Jordan. Keynote Speakers: Dr. Mustapha Nabli, North Africa Bureau of Economic Studies & ERF and Prof. Shahrokh Fardoust, College of William and Mary & ERF. Panelists: Prof. François Bourguignon, École des Hautes Études en Sciences Sociales, Paris, Prof. Ahmed Ghoneim, Professor, Faculty of Economics and Political Sciences, Cairo University and Mrs. Paola Pagliani, Regional Programme Coordinator, UNDP

Plenary 5 – Cryptocurrencies and Central Bank Digital Currencies (CBDCs): Between Myth and Reality

As the pioneer of all cryptocurrencies, Bitcoin emerged as a solution to the global development issues just after the 2008 global financial crisis outbreak. The primary developmental concerns for the Bitcoin proponents are still the monetary policy practices by the central

banks. Since then, cryptocurrencies have increased in number and claimed to provide various digital solutions for the issues of financial systems. Some of these solutions are more substantiated than others. But certainly, there are private solutions and hence pose a challenge to the solutions traditionally provided and designed by the central banks. Central banks had perceived such a challenge very early with the advent of cryptocurrencies and started developing their alternatives, namely Central Bank Digital Currencies (CBDCs). Among many others, CBDCs have lots of developmental benefits depending on the economic development level of a country, including the cost of managing and transferring funds, technological efficiency, financial inclusion, preventing illicit activity, protection of money as a public utility, the safety of payments systems, preservation of seigniorage income. These are still potential but likely to occur disruptively in the near future. Thus, this panel focused on:

- What are the monetary policy implications of CBDCs, and how are the developing countries and MENA countries likely to be affected? How will the global monetary policy coordination change with CBDCs?
- Will Cryptocurrencies and CBDCs coexist, and how much will they cater to the needs of the market and the states?
- How will the CBDCs and cryptocurrencies change the doing business in financial markets

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and affect the competition, M&As, especially in banking?

- Will CBDCs help with more micro-targeted developmental policies? Will Blockchain-based private coins foster trust in developmental policies? How do they help to reach SDGs?
- From a development perspective, how can FinTech solutions, including cryptocurrencies and CBDCs, lead to the financial inclusion of both households and firms?
- What is the new global governance structure for the future of money? How does digitalization affect governance and regulations within and across countries?
- Is the Central Bank digital currency feasible for MENA countries? What are the financial and legal requirements needed for such a new product?

Chairman & Moderator: Prof. Hassan Aly, Dean of School of Business, Nile University & ERF. Speakers: Prof. Stephen Cecchetti, Brandeis International Business School; Prof. Ahmet Faruk Aysan, Hamad Bin Khalifa University, Qatar; Prof. David Lee, School of Business, Singapore University of Social Sciences.

Plenary 6 – Commemorating Prof. Ali Abdel-Gadir Ali Contributions to Development Policy in the Arab World

This session honoured the legacy of the late Prof. Ali Abdel Gadir Ali as a development thinker, distinguished

professor of economics and senior affiliate of ERF. The Arab and African economic communities lost one of the most prominent Sudanese and Arab economists and thinkers. Prof. Ali's long standing career teaching economics at Khartoum and Gezira Universities in Sudan influenced the lives of many generations in Sudan. His leadership roles at the various Arab and African development institutions, in addition to his seminal research contributions to leading research networks in Africa and MENA, contributed to highly influential publications and policy discussions on Arab and African development policy issues. He published widely on governance, conflict and peace-building, economic reforms and most notably on poverty and inequality agenda. He was not only a respected high profile academic researcher but he was also a passionate advocate in public forums for commitment to the fight against poverty and inequality.

The session featured presentations and reflections by his friends and professional colleagues, who worked and collaborated with him on research and policy debates throughout his illustrious career.

Chairman & Moderator: Dr. Ibrahim El Souri, Retired Ambassador and Former Advisor to the former Arab League SG on Arab National Security and Combating Terrorism. Speakers: Dr. Ibrahim Elbadawi, Managing Director, ERF; Dr. Khalid Abu Ismail, UN Economic and Social Commission for Western Asia & ERF, Prof. Gouda Abdel-Khalek,

Faculty of Economics & Political Science, Cairo University; Prof. Samir Makdisi, American University of Beirut & ERF.

Plenary 7 – Green Economy and Energy Transition – Focus on Growth and Development

The United Nations defines the green economy as “low carbon, resource efficient and socially inclusive”. At the MENA region level, there is an urgent need to adopt mitigation and adaptation strategies in order to meet its commitments in environmental agreements and avoid the negative consequences of climate changes. Moreover, the latter will exacerbate other structural challenges related to water scarcity, energy security, and political stability that affect the development of MENA countries in the long-run. This plenary examined the following questions:

- Bearing in mind the nature of MENA exports, specialization and patterns on economic interactions among the countries in the region, how can these countries reduce carbon emissions? How can the resources of these economies be re-allocated more efficiently to achieve a greener economy? What are the likely consequences on oil exporters in the region if fossil fuels become stranded assets? What are the likely consequences on countries in the region that depend on remittances, exports and development aid from the oil producing countries in the region?

What are the expected risks of this possibility and how best to mitigate them?

- What is the nature of public and private investments that will lead to reduced carbon emissions and pollution and prevent the loss of biodiversity? How much investment is needed to adapt to the likely consequences of climate change in the region? How would these investments in adaptation programs reduce the expected costs of climate change disasters if nothing is done to mitigate and invest in adaptation programs to the likely climate change impacts?
- What is the nature of policies implemented so far in the MENA region to reduce carbon emissions and pollution? How effective were they and what are the constraints and challenges impeding their efficient implementation?
- What is the role of international donors in achieving such goals? what specific and special adaptation programs are needed in the region and why? What is the cost of these programs? What sources of funds are available domestically and internationally to tap into? What share and in what programs should international donors invest in the region to help them deal with climate change?
- From a socioeconomic perspective, what are the most likely impacts of climate change in the region given its food security vulnerability, water shortages, sea level rise, high tempera-

tures. What vulnerable groups are likely to suffer most from climate change? How to adopt more proactive policies that would help curb or moderate these negative effects?

- How can the region meet growing energy demands in cleaner and more affordable ways? How to support the transition from fossil fuels to clean and renewable energy? Who are the main players, what motivates them and how to influence their choices and behavior? Who are the main beneficiaries and how to make it more inclusive?

Chairman & Moderator: Prof. Hala Abou Ali, Faculty of Economics & Political Science, Cairo University & ERF. Speakers: Prof. Atif Kubursi, McMaster University & ERF; Dr. Homi Kharas, Brookings Institution, Dr. Kamiar Mohaddes, Macroeconomist, Judge Business School, University of Cambridge & ERF and Dr. Hélène Djoufelkit, Director, Economic Diagnostics and Public Policy Department, AFD.

ERF acknowledges support from Agence Francaise de Development (AfD) to climate change and southern participation track during the ERF 29th Annual Conference.

Celebrating Excellence – ERF 29th Annual Conference Best Papers Award!

In keeping with ERF tradition to unveil talent, raise profile of young researchers, encourage innovative approaches to address key regional challenges, six teams were awarded Best Papers Award during the ERF 29th Annual Conference Closing Plenary. ERF extends special congratulations and best wishes to all in their pursuit of their career. Congratulations to all! Best Paper are:

- The Greater Beast: Weather-related and Health Disasters in MENA, *Eman Moustafa and Amira El-Shal*
- Oil Shocks and Financial Stability in MENA Countries, *Ahmed H. Elsayed, Kazi Sohag and Ricardo M. Sousa*

ERF 29th Annual Conference
Best Paper Award
May 4-6 2023

 Amira El-Shal Cairo University & ERF	 Mounir Mahmalat The Policy Initiative	 Jala Youssef University of Paris 1 Panthéon-Sorbonne
 Eman Moustafa African Export-Import Bank & ERF	 Ahmed H. Elsayed Durham University & ERF	 Shireen Alazzawi Santa Clara University, & ERF
 Vladimir Hlasny ESCWA	 Kazi Sohag Ural Federal University	 Wassim Maktabl The Policy Initiative

The Forum of Middle East Development Studies
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In an Emerging World Order

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- Distributional Impacts of the Russia–Ukraine Crisis: The Case of Egypt, *Shireen AlAzzawi and Vladimir Hlasn*
- Which Policies Induce Structural Change in MENA Countries? Evidence from Macro and Micro Data, *Jala Youssef*
- Cartels in Infrastructure Procurement – Evidence from Lebanon, *Mounir Mahmalat and Wassim Maktabi*
- Who Pay Bribes and How Much? Gender and Firm-Level Corruption in MENA and Egypt, *Amira El-Shal*

GCC Economies in an Era of Energy Transition

Third ERF GCC Conference

October 30 – 31 | Riyadh, Saudi Arabia | Hybrid

This conference was hosted by the King Abdullah Petroleum Studies and Research Center (KAPSARC) in Riyadh, 30 – 31 October 2023. It aimed to build on the previous two events and to solidify GCCERI as a regular platform for research and policy dialogue.

The conference mainly focused on diversification challenges and opportunities within the hydrocarbon sector in the light of the looming risks of stranded assets, but also the potential for integrating the hydrocarbon sector into the emerging decarbonization and energy transition regime. Moreover, the conference also addressed other associated research and policy agenda, including



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the macroeconomic impacts of diversification and energy transition; as well as the implications of energy transition on the private sector and labor markets of the region.

The conference featured four plenary sessions: Plenary 1: Energy Transition and the GCC Future Development Strategy; Plenary 2, Product Space and within Hydrocarbon diversification potential; Plenary 3: Innovation and Technological Change in GCC Hydrocarbon Sector; Plenary 4: Celebrating Excellence and Regional Future Outlook: Challenges and Opportunities – COP27 and beyond.

The conference also hosted four special panels of experts dealing with diverse topics ranging from: Panel Session (A) - Renewable Energies in GCC and the Diversification of the Economy; Special Panel (B) - The potential of energy efficiency in GCC countries; Special Panel (C) – Macroeconomic agenda for decarbonization and energy transitions; Special Panel (D) - Labor Markets and Private Sector Focus.

Four parallel sessions showcased 16 competitively selected research

papers contributing innovative ideas and policy options contributing to the ongoing discussions and debates pertaining to five main tracks: Fiscal and Monetary Aspects of Energy Transitions; Energy Transitions, Growth and Economic Diversification; Special Session on Kuwait; Climate Change and Renewable Energy; Energy Transition and Finance. The hybrid arrangements brought together 88 participants online and in person. conference Full [conference details](#) and [agenda](#) accessible online.

Following the conference and in preparation for COP 28, a Special ERF Session was convened on 4 November as part of the 17th Annual Conference of the Arab Society for Economic Research (ASFER) hosted by Mohammed Bin Rashed School of Government in Dubai featuring key messages emanating from the GCC conference deliberations.

WORKSHOPS AND WEBINARS

In 2023, a number of ERF large programs came to successful fruition. By design, from the outset, engaging with key stakeholders was built in all consultations throughout the lifetime of the programs. To ensure quality production, peer review workshops are held consistently to provide technical input to ensure relevance of policy question investigated, adoption of robust methodology and clarity of policy options and recommendations. At project end, relevant country specific policy dialogue or region-wide conferences are held to exchange lessons learnt and maximize on outreach and impact.

MULTI-STAKEHOLDER ENGAGEMENT PLATFORM

ERF multi-stakeholder engagement platform provides for an effective and efficient modality convening key civil society actors, researchers and policymakers, to discuss and debate research findings and potential policy options. This year focus has been primarily on: macroeconomic challenges, social protection, labor markets and development, political economy of transformation, digital transformation and climate change.

Macroeconomic Challenges

Stabilization and Adjustment: Towards Inclusive & Sustainable Policies in MENA

In some ways, the economic and financial situations in several MENA countries resemble those that prevailed in the late 1980s and early 1990s. Back then, structural adjustment programs managed to gradually reduce macro-imbalances, but the forced rollback of the state led to a worsening of state services, halting social mobility. At the same time, the economy was only liberalized in a selective manner, resulting in the development of a form of capitalism with limited competition and innovation, which did not manage to generate sufficient inclusive growth.

The overall objective of the project has been to develop macro-economic scenarios with improved external and internal balances, and a program of structural reforms that can foster sustainable and inclusive growth paths, in Egypt, Lebanon, Tunisia, Morocco, Sudan and Jordan. The project is co-directed by a team from ERF and from Finance for Development Lab (FDL), and it relies on a technical secretariat. The project is funded by IDRC 2022 – 2023 and is led by Dr. Ishac Diwan.

Systematically, for each of the country studies, initial consultations with concerned national stakeholders were held at the project outset in Q1

2023 to share and discuss the main focus and outline of each of the studies. The series of six country specific consultations webinars were scheduled as follows: Jordan | 16 January; Sudan | 22 January; Morocco | 23 January; Egypt | 24 January; Tunisia | 26 January.

The preliminary research findings benefited from a research review and discussion with peers in Q1 – Q2: Sudan 18 March | Sudan; Morocco 20 March | Morocco in partnership with the Policy Center for New South; Jordan 30 March | Jordan; Egypt 4 April | Egypt; Lebanon 5 April | Lebanon; Tunisia 11 April | Tunisia.

The end of project [Regional Conference: Stabilization and Adjustment: Towards Inclusive and Sustainable Policies in MENA](#) took place 3 May, 2023 in Cairo, Egypt with online hybrid arrangements to extend outreach and engagement. The agenda featured the six final country reports. A total of 85 participants took part in the conference.

Growing Out of Debt:

*Perspectives from Developing
Countries around The World*
July 4 | Webinar

Organized by ERF with FDL, Red-Sur, and IDRC, the webinar served as a platform to present findings from recent research in low-income countries, highlight tensions and trade-offs generated by the debt difficulties

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Table 4. ERF Calendar of Events in 2023

Event	Date	
Jan.	Introduction to Stata and Sampling using GIS	7-10 Jan.
	A New State of Mind: The Learning State	12 Jan.
	Sudan and the Narrow Corridor	15 Jan.
	Consultation Meeting: Stabilization and Adjustment in MENA – Jordan Case Study	16 Jan.
	Preserving, Archiving, and Managing Social Science Data	17-19 Jan.
	Consultation Meeting: Stabilization and Adjustment in MENA- Sudan Case Study	22 Jan.
	Consultation Meeting: Stabilization and Adjustment in MENA- Morocco Case Study	23 Jan.
	Consultation Meeting: Stabilization and Adjustment in MENA- Egypt Case Study	24 Jan.
	Consultation Meeting: Stabilization and Adjustment in MENA- Morocco Case Study	26 Jan.
Mar.	State Business Relations in Algeria, Sudan and Ethiopia	11 Mar.
	Inclusive Social Protection for Migrants, Refugees and Asylum Seekers	13 Mar.
	Consultation Meeting: The Impact of the War in Ukraine: Food Security and Compounding Development Challenges	14 Mar.
	Review of Preliminary Results Workshop: Stabilization and Adjustment in MENA - Sudan Case Study	18 Mar.
	The Globe is under Climatic Stress	19 Mar.
	Business, Government and the SDGs: The Role of Public- Private Engagement in Building a Sustainable Future	19 Mar.
	Review of Preliminary Results Workshop: Stabilization and Adjustment in MENA – Morocco Case Study	20 Mar.
	Review of Preliminary Results Workshop: Stabilization and Adjustment in MENA – Jordan Case Study	30 Mar.
Apr.	Review of Preliminary Results Workshop: Stabilization and Adjustment in MENA – Egypt Case Study	4 Apr.
	Review of Preliminary Results Workshop: Stabilization and Adjustment in MENA – Lebanon Case Study Lebanon at risk the uncertain road from a debt overhang to a new growth path	5 Apr.
	Review of Preliminary Results Workshop: Stabilization and Adjustment in MENA – Tunisia Case Study	11 Apr.
May	Regional Conference: Stabilization and Adjustment: Towards Inclusive and Sustainable Policies in MENA	3 May
	Kick off meeting -Energy Transition in MENA	3 May
	Trans-Regional Research on Private Sector Development, Digitization and Disruptive Technologies in MENA and SSA	5 May
	ERF 29th Annual Conference: The Future of MENA Development Path: Risks and Opportunities in an Emerging World Order	4-6 May
	ILO – ERF Launch Event Towards More Job-Rich Growth: The Case of Egypt	31 May

Table 4. ERF Calendar of Events in 2023

	Event	Date
Jun.	Expecting the Unexpected: Strengthening Fiscal Risk Management in the Middle East & North Africa	11 Jun.
	MENA Economic Update: Altered Destinies	14 Jun.
	Exploring the impacts of the war in Ukraine on Lower Income Countries – Final Review Workshop	27 Jun.
Jul.	Consultation Meeting: Energy Transition in MENA – The Case of Tunisia	3 Jul.
	Webinar: Growing Out of Debt: Perspectives from Developing Countries Around The World	4 Jul.
	Consultation Meeting: Energy Transition in MENA – The Case of Morocco	6 Jul.
	Consultation Meeting: Energy Transition in MENA – The Case of Egypt	12 Jul.
	Consultation Meeting: Energy Transition in MENA – The Case of Sudan	13 Jul.
	Consultation Meeting: Energy Transition in MENA – The Case of Lebanon	20 Jul.
	Consultation Meeting: Energy Transition in MENA – The Case of Jordan	26 Jul.
	Workshop on Social Insurance in Egypt	30 Jul.
Sep.	In-depth Analysis of Panel surveys	4-6 Sep.
	Dissemination Webinar of Sudan Labor Market Panel Survey 2022 (SLMPS 2022)	18 Sep.
	The Impact of the War on Ukraine: Food Security & Compounding Development Challenges	19 Sep.
	Book Launch: Retooling Development Aid in the 21st Century – The Importance of Budget Support	20 Sep.
	FEMISE Annual Conference: Shifting paradigms: opportunities for a deeper EU-Mediterranean integration in a changing world	27-29 Sep.
Oct.	Resilience to Shocks and Pathways to Recovery: Perspectives from the Global South	10 Oct.
	Roundtable discussion about Morocco’s renewable energy ecosystem with a focus on the food-water-energy nexus	11 Oct.
	Resilience Building in Africa: navigating shocks and policy implications	11 Oct.
	GCC Economies in an Era of Transition – Third GCC Conference	30-31 Oct.
Nov.	Policy Conference on ‘Women Access to Labour Market in Egypt	6 Nov.
	Reimagining Social Protection in MENA” Policy Conference	19-20 Nov.
	Balancing Act: Jobs and Wages in the Middle East and North Africa When Crises Hit	29 Nov.
Dec.	Harmonizing Labor Force Surveys	26-28 Dec.

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across the countries studied, and explore policy recommendations from a Southern perspective.

Social Protection

Workshop on:

Inclusive Social Protection for Migrants, Refugees and Asylum Seekers

March 13 | Cairo

In partnership with UNICEF, meeting convened at ERF offices to provide an opportunity for authors to share their respective research focus, proposed methodology and initial outlines of their respective papers.

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

ERF launched the Social Protection in Tunisia and Jordan project in 2020 to explore the current landscape of social protection in the region and to consider how government and civil society can collaborate to build a new social contract with robust social protection for all. Extending the work to include Egypt was launched in 2022. The project is funded by the Ford Foundation 2020 – 2023 and is led by Dr. Ragui Assaad, Dr. Irene Selwaness and Dr. Caroline Krafft.

Workshop on

Social Insurance

July 20 | Cairo | Hybrid

This workshop was organized to present the preliminary results of the five research papers.

Policy Conference on:

Reimagining Social Protection in MENA

Nov. 19-20 | Cairo | Hybrid

The conference aimed to encourage discussion of the current state of social insurance in Egypt, while reflecting on and comparing it to the regional perspectives and findings obtained from Jordan and Tunisia. The conference attracted 109 participants. The agenda was designed to promote civic



H.E. NIVINE EL KABBAG



RAGUI ASSAAD

engagement, discuss policy solutions, disseminate, compare and contrast the different research findings across all three countries.

Labor Markets and Development

ILO – ERF Launch Event:

Towards More Job-Rich Growth: The Case of Egypt

May 31 | Egypt

Through a partnership between ILO ADWA' project and ERF two regional reports on jobs and growth were

Selected Working Papers related to Policy Conference



WHY IS SOCIAL INSURANCE COVERAGE DECLINING IN EGYPT? A DECOMPOSITION ANALYSIS



SOCIAL INSURANCE FROM A REGIONAL PERSPECTIVE: EGYPT, JORDAN AND TUNISIA

produced. The first report examines the relationship between the pace and pattern of growth and labour market outcomes in North Africa. The second provides an update to the first report and focuses on the impact of the COVID-19 pandemic.

In this context, the ILO- ERF event was organized to discuss the Egypt policy note, which builds on the findings of the 2nd Report on Jobs and Growth with a view to providing policymakers and social partners with action-oriented recommendations to be implemented at country level in line with respective specificities, needs and challenges.

Dissemination Webinar of:
Sudan Labor Market Panel Survey 2022 (SLMPS 2022)
Sep. 18 | Webinar

To mark successful completion and launch of the SLMPS 2022, ERF held a dissemination event to introduce the SLMPS, outlining the details of the design of the survey, including the topics covered by this multi-purpose household survey and the complexities of the sampling. In addition, the event provided a platform to discuss key findings on the structure of the labor force and employment in Sudan among the research and policy communities. The event was also an opportunity for researchers to get an introduction to the SLMPS data.



Policy Conference on:
Women Access to Labor Market in Egypt
Nov. 6 | Egypt

Organized by ILO, the event aimed to share the findings of the Women Access to Labour Market in Egypt set of studies. The two studies discussing gender implications in the world of work in Egypt have been produced within the framework of the ILO joint project Promoting productive Employment and decent work for Women in Egypt, Jordan and Palestine funded by SIDA and the joint program on Promoting Decent Employment for Women through Inclusive Growth Policies and Investments in the Care Economy.

Political Economy of Transformation

Webinar on:
State Business Relations, Cronyism and the Role of Private Sector in Algeria, Sudan and Ethiopia
Mar. 11 | Webinar

Building on ERF work on the nature of state-business relations (SBR) in MENA countries, project investigations were extended to countries in the region and Africa, namely: Algeria, Ethiopia, Iraq and Sudan. Study findings and results were shared and discussed among 44 participants.

Digital Transformation

Session on:
Transregional Research on Private Sector Development, Digitization and Disruptive Technologies in MENA and SSA
May 5 | Egypt | Hybrid

Marking successful completion of the project, four MENA case studies and regional report were presented to diverse research and policy audience.

Climate Change

The Role of MSMEs in: Fostering Inclusive and Equitable Economic Growth in the Context of the Clean Energy Transition in MENA

Kick-off meeting:
Energy Project
May 3 | Egypt | Hybrid

Project team convened to share country study focus, outline and data collections tools with a select group of experts and relevant stakeholders.

To draw the parameters of the country studies, a series of country specific consultations were convened online in Q2: Tunisia 3 July; Morocco 6 July; Egypt 12 July; Sudan 13 July; Lebanon 20 July; Jordan 26 July 2023.

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REGIONAL VOICE AND ENGAGEMENT

ERF is exceedingly recognized as the leading think tank in the region attracting national, regional and international partnerships to engage with ERF network expertise and extend the regional voice prominently addressing pertinent issues on timely basis. 2023 witnessed emerging interest for ERF affiliates effectively using this modality to further extend outreach of regional perspectives on global issues of interest.

This modality catered to extend outreach and engagement of ERF network: Research Fellows and Affiliates; extend beyond the region to Africa, Europe and nurture partnerships with International Organizations, namely International Monetary Fund and The World Bank.

ERF Network – Research Fellows & Affiliates-led events

Webinar on:
The Globe Is Under Climatic Stress
Mar. 19 | Webinar

Nile University and ERF organized this special address by H.E. Dr. Abdulla Belhaif AlNuami, Former Minister of Climate Change and Environment, United Arab Emirates, to address the pressing issues on climate change. Dr. Mahmoud Mo-

hieldin, Special Envoy on Financing the 2030 Agenda for Sustainable Development, United Nations acted as lead commentator. Session moderated by Dr. Hassan Aly, Dean Business School, Nile University and Chairman of the ERF Board of Trustees.

Webinar on:
Business, Government and the SDGs: The Role of Public-Private Engagement in Building a Sustainable Future
Mar. 19 | Webinar

Business, Government and the SDGs: The Role of Public-Private Engagement in Building a Sustainable Future aims to analyze and challenge the roles and traditional realms of influence of national and local governments, and businesses at a critical juncture in terms of achieving sustainable development, faces when tackling the dual challenges of climate change and post-COVID recovery. It establishes by evidence the necessity of adopting a holistic approach to sustainable development, as reflected in the 2030 UN Sustainable Development Goals (SDGs), that realizes that bold climate action should come within the broader lens of sustainability. It offers arguments, case studies, and examples to showcase that neither national or local governments, nor companies, could afford to deviate from the SDGs in the recovery from the current crisis. The analysis frames the debate of how a balance between people, planet, and profits

can be achieved and how nations, regions and cities, and businesses, with their representative organizations, can achieve a sustainable recovery from the current global crisis, and contribute to climate smart, resilient and inclusive development. Published by Palgrave MacMillan.

The panel brought together the authors: Dr. Mahmoud Mohieldin, Dr. Sameh Wahba, Maria Alejandra Gonzalez-Perez and Miral Shehata and lead commentators: Dr. Abla Abdel-Latif, Dr. Sarah El Khishin and Dr. Suzanna Elmassah.

Webinar on:
Retooling Development Aid in the 21st Century – The Importance of Budget Support- Book Launch
Sep. 20 | Webinar

The book, published by Oxford University Press (OUP), 2023, highlights the need to revisit the role of budget support in delivering aid in an uncertain world and changing international financial architecture; examines how budget support has evolved from its controversial past, including debates over conditionality and unmet expectations; Provides extensive evidence on the effectiveness of budget support to deliver financing and support key economic reforms across a diverse set of countries; draws lessons learned for budget support practice to strengthen its impact, and address critical challenges in supporting global public

goods including addressing the effects of climate change, pandemics and fragility.

The panel brought together the authors: Dr. Shahrokh Fardoust, Dr. Stefan G. Koeberle and Moritz Piatti-Funfkirchen and lead commentators: Dr. Rabah Arezki and Dr. Mary.

Extending Outreach to Africa and Europe

In the context of the partnership with AERC and the Partnership for Economic Policy (PEP), ERF organized three events:

Webinars on:

The Impact of the War in Ukraine: Food Security and Compounding Development Challenges

Mar. 14 | Webinar

The workshop aimed to discuss the preliminary findings of three components of the project: (i) Multi-country Global Vector Autoregression (GVAR) modelling; (ii) Computable general equilibrium, CGE, modelling, and (iii) Country case studies covering 8 countries; Egypt, Sudan,

Morocco, Senegal, Kenya, Ethiopia, Mozambique and South Africa among authors and research experts in the field to improve the final output.

Webinars on:

Exploring the Impact of the War in Ukraine on Lower Income Countries

Jun. 27 | Webinar

The final review workshop was convened to discuss the findings of the revised drafts of the three components of the project.

Webinars on:

The Impact of the War in Ukraine: Food Security and Compounding Development Challenges

Sep. 19 | Webinar

The webinar marked the final dissemination event focused on sharing the key policy findings amongst policy experts in the field.

In partnership with FEMISE and IEMED, ERF contributed to the design and organization of:

FEMISE Annual Conference:

Shifting Paradigms: Opportunities for a Deeper EU-Mediterranean Integration in a Changing World

Sep. 27-29 | Spain

The FEMISE conference was jointly organized by FEMISE, IEMED and ERF, addressing important regional issues such as the consequences of climate change, slow economic growth and increasing youth unemployment, and the potential for the SMCs to exploit their comparative advantages to position themselves to meet economic, climate and human development challenges, while developing and strengthening a robust reciprocal, self-reinforcing, win-win partnership with the EU.

The objectives of the FEMISE annual conference were threefold:

- To bring forward issues that are of concern to the Euro-Mediterranean region and more precisely to explore how to turn challenges into opportunities for a deeper and closer partnership.
- To exchange on how to build a Euro-Mediterranean region that is better integrated and resilient to shocks while putting its young population at the heart of this partnership to allow them to play their role as the Mediterranean Change Makers.
- To explore ways through which this deeper integration between the EU and SMCs, notably enhanced trade and investments, could lead to better opportunities for the youth, providing im-

Featured Forum Article

RETOOLING DEVELOPMENT AID IN THE 21ST CENTURY,
SHAHROKH FARDOUST, STEFAN G. KOEBERLE,
MORITZ PIATTI-FÜNFKIRCHEN,
LODEWIJK SMETS AND MARK SUNDBERG



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portant inputs to Team Europe’s Initiative Jobs through Trade and Investment in the Southern Neighborhood.

Extending Platform to International Debates

ERF consistently plays a key role extending the regional voice and expertise to discuss and debate publications of international organizations such as the World Bank and IMF.

Seminar on:

*A New State of Mind:
The Learning State*

Jan 12 | Webinar

The report argued that the MENA region is facing important vulnerabilities, which the current crises—first the pandemic, then the war in Ukraine—have exacerbated. Prices of food and energy are higher, hurting the most vulnerable, and rising interest rates from the global tightening of monetary policy are making debt service more burdensome. It is suggested that heightened uncertainty, puts heavy demands on the state: to inform and coordinate individual action during a pandemic; to sustain economic production through unprecedented cyclical swings; to protect the most vulnerable from poverty; to dial back the rapid losses in schooling and ramp up the capacity of health systems. As never before, authorities must learn from the past, identify the state’s

strengths and weaknesses, and be ready to change the direction of public policy towards increased effectiveness.

In Part II of this report, authors are keen to re-open the conversation about governance, particularly about two of its core dimensions — transparency and accountability. Good measurement and transparent information can shape an understanding of challenges shared across different stakeholders, within and outside the state. Accountability aligns incentives for action. Together, transparency and accountability are essential for a “learning state,” one that is well equipped to measure, experiment, and adjust policy action towards a common goal of inclusive and sustainable development — with reforms that require political will but that are not necessarily costly fiscally.

Webinar on:

*Expecting the Unexpected:
Strengthening Fiscal Risk
Management in the Middle
East and North Africa*

Jun. 11 | Egypt | Hybrid

This panel was organized by the Egyptian Ministry of Finance, the Economic Research Forum and the International Monetary Fund.

The event marked the launch of a departmental paper on Managing Fiscal Risks in the Middle East and North Africa, prepared by IMF staff.

The panel discussion brought together IMF Deputy Manager Director Antoinette Sayeh, Egyptian Minister of Finance Dr. Mohamed Maait, Jordanian Minister of Finance Dr. Mohamad Al-Ississ and Arab Monetary Fund Director General Dr. Abdulrahman Al-Hamidy. It discussed the experience of low-and middle-income countries in the region in managing fiscal risks, the challenges they are facing in this area and avenues for reforms to strengthen the resilience of the region’s public finances to shocks. The panel discussion was moderated by Dr. Abla Abdel Latif, Director of the Egyptian Center for Economic Studies, and included time for questions from the audience.

Seminar on:

*The World Bank’s MENA
Economic Update – Altered
Destinies*

Jun. 14 | Webinar

The June report forecasts that growth in the region will be 3.0% in 2023, almost half of 2022 (5.8%). The slowdown is concentrated in Gulf economies that benefitted from oil windfalls in 2022 (GDP growth fell from 7.3% in 2022 to 3.2% in 2023). In addition to falling incomes, the purchasing power of the people in MENA was also eroded by sharply increasing prices. Double-digit food inflation is weighing heavily on developing economies in the region, with the poor being hit hardest by food price hikes. More importantly,

food inflation, even if temporary, may have lasting effects through generations.

Rising food prices are making it difficult for families to put meals on the table. The immediate effects of food insecurity can be a devastating loss of life, but even temporary increases in food prices can cause long-term irreversible damages to children. Rising food prices due to the war in Ukraine may have altered the destinies of hundreds of thousands of children in the region, setting them on paths to limited prosperity. The challenges are compounded by the inadequate child nutrition and health pre- COVID-19 pandemic. The report discusses policy options, highlighting the need for data for effective decision making.

ERF also organized and participated in a number of events held alongside The World Bank meetings in October in Morocco, in partnership with IDRC, ODI and MEI.

Resilience to Shocks and Pathways to Recovery:

*Perspectives
from the Global South*

Oct. 10 | Morocco

The event brought together the contributions of several regional organizations to share knowledge and engage with the wider development community on how to mitigate, adapt to, and recover from shocks such as the impact of the War on Ukraine

and related food security challenges, as well as dealing with debt sustainability challenges. The event built upon the findings of research carried out by ERF and other partners conducted in other developing regions, such as Latin America and Sub-Saharan Africa.

Resilience-building in Africa: *Navigating Shocks and Policy Implications*

Oct. 11 | Morocco

Organized by ODI, on the side of the World Bank meetings in Morocco, the event gathered a number of stakeholders and policy makers to discuss means to define effective strategies for building resilience in Africa through policy reform and implementation. The discussion was initiated following the presentations on the transformative research undertaken by the IDRC in collaboration with AERC, ERF, PEP and ODI.

Roundtable discussion about:

*Morocco's Renewable Energy
Ecosystem with a Focus on the
Food-water-energy Nexus*

Oct. 11 | Morocco

Organized by the Middle East Institute (MEI), the event served as a second consultation to discuss the current status and context of the clean energy transition in Morocco, along with potential opportunities to enhance the role of micro, small,

and medium enterprises (MSMEs) in fostering comprehensive and equitable economic growth in the country with key national experts.

Seminar on:

*Balancing Act: Jobs and Wages
in the Middle East and North
Africa When Crises Hit*

Nov. 29 | Webinar

The Russian invasion of Ukraine. Commodity price volatility. The rise of global inflation and interest rates. Currency depreciations among indebted middle-income economies. And now, natural disasters. As a sequence of events, the consequences can be both tragic and long-lasting.

After analyzing the macroeconomic prospects of the Middle East and North Africa (MENA) Region, this edition of the regional Economic Update assesses the human toll of macroeconomic shocks in terms of lost jobs and deteriorating livelihoods of the people of MENA. Growth is forecast to decelerate in 2023 after experiencing an oil-price induced growth spurt in 2022 among the high-income oil exporters of the region. Yet as the region continues to recover from the impact of the COVID-19 shock and navigates the heightened volatility in its terms of trade, the region's labor force is contending with the ramifications for their livelihoods of the inflationary pressures associated with currency fluctuations in some countries.

Communications & Outreach

The authors estimate that the macroeconomic shocks of 2020-22 led to an additional 5.1 million individuals becoming unemployed in MENA. Will these shocks permanently scar the hard-working people of MENA? The report answers this question by highlighting the trade-offs facing labor markets when facing macroeconomic shocks. A critical trade-off pertains to the loss of jobs versus decreases in real incomes, neither of which is desirable. The report advocates for maintaining the flexibility of real wages and discusses policy options to support the most vulnerable.

PUBLICATIONS

ERF produced an impressive set of publications in 2023. Publications include 79 working papers, 14 refereed journal articles in two volumes of Middle East Development Journal.

The ERF website and knowledge portal provides gateway to ERF network, publications, events, dataportal and policy portal – The Forum facilitating access to some 110,000+ users accessing ERF knowledge services.

To maximize outreach, ERF manages a newsletters subscription list of some 12,000 subscribers sending out some 900,000 emails in 2023. Full record detailed in this section.

Check All ERF publications online



POLICY PUBLICATIONS

ERF produced 82 policy publications including: six policy reports, 26 policy briefs and 50 policy articles.

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.

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 technical 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



ROMESH VAITILINGAM

Co-Managing Editors:

Romesh Vaitilingam,
Ibrahim Elbadawi
and Sherine Ghoneim

Editorial Board:

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

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.

Listing of Highest Accessible Forum Articles per Month, 2023

Article	Author	Month
Public banks and development in Egypt	Jasmin Fouad and Chahir Zaki	Jan.
The grand waiting game: why Lebanon's elites postpone compromise	Mounir Mahmalat	Feb.
The impact of revolution and war on income inequality in Iran	Mohammad Reza Farzanegan and Mohammad Ali Kadivar	Mar.
How the crisis in Ukraine affects Egypt's vulnerable families and children	May Gadallah and Nesma Mamdouh	Apr.
How can the digital economy benefit everyone in the Arab world—and prevent the region from falling farther behind?	Shahrokh Fardoust and Mustapha K. Nabli	May
Geopolitical and economic tension in the 21st century: Not your grandfather's cold war	Rabah Arezki	Jun.
Supporting employment opportunities for women in Egypt's ICT sector	Ragui Assaad and Irène Selwaness	Jul.
The human toll: Assessing the damage caused by revolution and war in Iran	Mohammad Reza Farzanegan	Aug.
North Africa's hydrogen mirage	Rabah Arezki	Sep.
The India-Middle East-Europe economic corridor: an early assessment	Steve L. Monroe	Oct.
The importance of budget support for progress on sustainable development	Shahrokh Fardoust , Stefan G. Koeberle , Moritz Piatti-Fünfkirchen , Lodewijk Smets and Mark Sundberg	Nov.
Challenges of GCC investment in the energy transition	Héla Miniaoui	Dec.

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 (UNI-CONS 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 2023, The Forum had published more than 470 columns (including 50 in 2023) written by well

over 300 contributors. Ten contributors have been particularly prolific, publishing at least eight columns to date:

- Rabah Arezki (Chief Economist and Vice President for Knowledge Management and Economic Governance at African Development Bank Group) has written over 40 columns on macroeconomics, oil prices, competition policy, trust, structural transformation, the digital economy, climate change, the impact of Covid-19 and the impact of the war against Ukraine (including 4 in 2023).
- Caroline Krafft (Saint Catherine University) has written 26 columns on issues around

gender, migration, refugees, education, housing, marriage, the impact of Covid-19 and the labour market in Egypt, Jordan and Tunisia.

- Khalid Abu-Ismaïl (Chief of Economic Development and Poverty Section at the United Nations Economic and Social Commission for Western Asia) has written 23 columns on poverty, inequality, wealth concentration, fiscal policy, aid effectiveness, conflict and the impact of Covid-19.
- Ragui Assaad has written 19 columns on labour markets in the region, including youth transitions, refugees, Jordan and human resource development.
- 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.
- Mohammad Reza Farzanegan (Philipps-Universität Marburg) has written ten columns on Iran, war and civil conflict, migration, pollution, inequality, environment and defence budgets
- Daniel Lederman (World Bank) and colleagues have written ten columns on growth, debt, reform, healthcare, inflation, jobs and food insecurity.
- Chahir Zaki (University of Or-léans) has written ten columns on jobs, skills, trade, productivity, innovation and growth.

Communications & Outreach

- Ishac Diwan (Paris School of Economics) has written nine columns on the pandemic, lockdowns, education, cronyism, state capacity and Lebanon's economic and political crisis.
- Samir Makdisi (American University of Beirut) has written eight columns on political economy, regional development, Lebanon and post-conflict reconstruction.

The Forum has published columns in 34 broad areas of economic policy concerns. Topics that have received particularly extensive coverage include political economy (95 columns); labour markets and human resources (91); growth and development (90); business and productivity (62); inequality and poverty (62); conflict and instability (54); international trade (48); education (41); fiscal policy (40); oil and natural resources (38); gender (38); health-care (35); institutions (31); structural transformation (29); migration and remittances (27); financial markets (25); climate change (22); and public spending (22).

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 (67 columns); Turkey (42); Lebanon (27); Tunisia (18); Jordan (18); Syria (16); Iran (16); and Sudan (8).

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 26 new policy briefs. ERF Policy Briefs can be accessed online. The full list of Policy Briefs published in 2023 is available in Annex C.

Policy Research Reports

ERF published 6 policy reports this year, of which, five are jointly published with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GIZ as an output of the joint project on Employment Promotion. The project aims to support the generation of information about the current and future demands of the Egyptian labour market and equipping relevant partners with high quality evidence which would support them in making labour market-oriented decisions. The project aimed to produce sound research findings that aimed to address several topics related to

the future of work, published during the national forums on the future of work in Egypt.

Edited Volumes

The Sudanese Labor Market in an Era of Upheaval

Edited by:

Caroline Krafft and Ragui Assaad

Expected Publication date:
(2024)

The new book is a collection of papers that are the first analyses of the 2022 Sudan Labor Market Panel Survey (SLMPS). The SLMPS 2022 is the first wave of a planned longitudinal survey, the first labor force survey in Sudan since 2011, and the first nationally representative household survey of any kind since 2014.

Featured Policy
Research Report



THE PROMISE
OF INFORMATION
AND COMMUNICATION
TECHNOLOGY (ICT) JOBS
IN EGYPT,

IRÈNE SELWANESS, RAGUI ASSAAD
AND MONA EL-SAYED

Middle East Development Journal (MEDJ)

The Middle East Development Journal aims to deepen understanding of development in the Middle East and North Africa and strengthen the social science research community in the region. The journal emphasizes research falling under the heading of applied economics, although theoretical papers and contributions from related disciplines such as political science and sociology are also considered. Submissions are actively sought from scholars within the region as well as worldwide. The ultimate goal of the journal is to contribute to the formulation of policy through the provision of world-class analytical and empirical research. Submissions undergo a blind review with an average time from submission to first decision of fourteen weeks. The journal accepts contributions on a wide range of topics: analyses of particular problems or challenges confronting the region; evaluations of economic and social policies or programs implemented within, or relevant to, the region; explorations of progress within certain segments of the region's population or locations; investigations of country-specific and cross-country issues; assessments of the impact of external factors; and comparisons with other regions. In all cases, submissions receive an initial editor screening and, if of sufficient merit, undergo a double-anonymous peer review by two referees.

12,000 +

ANNUAL DOWNLOADS
AND VIEWS
FOR MEDJ ARTICLES

106

MANUSCRIPTS
SUBMITTED TO MEDJ
IN 2023

Letter from the Managing Editor

MEDJ is currently in its 16th year of publications, with around 240 papers published since its inception in 2008. The journal has achieved wide and representative regional coverage, as well as a balanced mix of topics and themes that are at the core of development in the Middle East. Between 2017 and 2023, 96 papers were published, of which 30% were devoted to MENA issues, 8% dealt with GCC countries, and the rest focused on individual countries (Egypt, 21%; Tunisia, 10%; Turkey, Morocco, and Iran, 8% each). In terms of topics, 23% of articles in MEDJ were on labor markets (micro and macro); 22% were related to macroeconomics issues (fiscal and monetary policies, growth); 16% on social policies (health, edu-



Associate Editors

Chahir Zaki and Shireen Al Azzawi

Editorial Board:

François Bourguignon, Mustapha Nabli, Jeffery Nugent, Jean-Philippe Platteau, James Robinson, Dani Rodrik, Raed Safadi, Insan Tunali and Tarik Yousef

cation, poverty, and inequality); 13% in finance (banking, insurance); 10% in trade and productivity; and 7% in natural resources.

During 2023 MEDJ continued to receive a very high number of submissions, a trend that started in 2021. While the average number of submissions in the decade of the 2010s was 45, between 2021 and 2023 MEDJ received slightly over 100 submissions per year. Submissions to MEDJ come primarily from the MENA region (mainly Egypt, Iran, Palestine, Morocco, Tunisia, and Saudi Arabia), India and Pakistan, and the US. The set of researchers, nevertheless, is much broader in geographic terms. Referees are based mainly in the US, Tunisia, Turkey, and Egypt.

Given the unprecedented number of submissions, the managing editor of MEDJ continued the process of pre-

Communications & Outreach

screening papers (desk-rejection) before being assigned to the associate editors, so to avoid overburdening their work and, particularly, that of referees. Between 2021 and 2023, 180 papers of 331 submissions were desk rejected. The remaining papers were sent to refereeing, of which on average 80% were rejected or withdrawn by authors after receiving the referee reports. One pressing issue is MEDJ's high rejection rate (around 85% of submissions are rejected); while this ensures higher quality of published papers, it may discourage researchers to submit their work.

Since MEDJ only publishes eight articles per issue, this indicates that accepted papers wait for a rather long time to get published in one of the two yearly issues (online publication is, on the other hand, immediate). This needed attention. The alternatives solutions (a) increase the number of papers per issue or (b) increase the frequency of MEDJ by publishing a third issue, being both expensive and needing financing. Time between submission to first decision has been on the rise (50 days on average) due to excess burden. Time between acceptance and online publication, on the other hand, reduced to less than 19 days.

The readability and citation of MEDJ is increasing steadily: according to our editorial house –Taylor and Francis—downloads in 2022 reached almost 12,000 (up from 5,200 in 2019) and surpassed 13,300 in 2023. Note that MEDJ is not an open-access

journal and, therefore, the increase in downloads is a sign of increasing reputation of the journal. The 2022 Journal Impact Factor of MEDJ is 0.5 for first-year papers and 0.8 for 5-year papers (Journal Citation Reports® Clarivate Analytics, 2023). This is the first year that MEDJ is measured. Scimago rankings indicate that in 2022 (latest) MEDJ was ranked in Q3 in Development, as well as in Economics, Econometrics, and Finance, as well as in Sociology and Political Science, which is not a bad ranking for an interdisciplinary journal, but it can certainly be improved.

In 2023, and after 7 years of service, Associate Editor Kamiar Mohades resigned. Prof. Chahir Zaki and Prof. Shireen Al Azzawi have been appointed as Associate Editors. Welcome Chahir and Shireen. Much of the recent success of MEDJ has been the result of the meticulous and dedicated work of Associate Editors, for which ERF and I are very grateful.

In 2024, MEDJ management in coordination with T&F will focus on three main areas: increased number of published papers, reduced time of review and publication, extended outreach and improved citations.

Raimundo Soto

Working Papers

ERF Working Papers are a quick and efficient way of sharing research work to disseminate knowledge, receive feedback, obtain preliminary recognition, and ultimately, to prepare publications.

The series provides a channel for research communications for papers presented at the ERF Annual Conference, or produced through ERF Research Programs or authored by members of the ERF network of affiliates.

ERF Working Papers were subject to a review process before publication, by the ERF Managing Editor, Dr. Bernard Hoekman. This year saw the production of 79 new working papers. The papers are fully accessible online and are widely shared through the ERF master mailing list.

1,700 +

ERF WORKING PAPERS
PRODUCED TO DATE

Featured MEDJ Paper

**THE IMPACT OF SANCTIONS
ON HOUSEHOLD WELFARE
AND EMPLOYMENT IN IRAN,**

DJAVAD SALEHI-ISFAHANI



Listing of Highest Accessible Working Papers in 2023

Paper	Author
They Still Got the Power: The Enduring Connections between Lebanon's Banking Sector and the Ruling Class	Jad Chaaban, Jonathan Cole, Nizar Ghanem, and Sami Halabi
Introducing the Sudan Labor Market Panel Survey 2022	Caroline Krafft, Ragui Assaad and Ruby Cheung
Public Debt, Growth, and Stabilization in Tunisia: A New Narrative for A Structural Reform Agenda	Leila Baghdadi and Moez Labidi
Vulnerability to Multidimensional Poverty in Algeria and Tunisia Using the Counting Based Approach and Bayesian Networks Classifiers	Valérie Berenger
Technological Innovation and Climate Change Mitigation: Effects and Transmission Channels	Fethi Amri
The Structure of the Labor Force and Employment in Sudan	Caroline Krafft, Ragui Assaad, Adriana Cortes-Mendoza and Isabel Honzay
Food Insecurity: The Role of Income Instability and Social Transfers in Tunisia During Covid-19	Hajer Habib and Amal Jmaii
Financial Development, Corruption and Shadow Economy: Evidence from MENA Countries	Houda Haffoudhi and Brahim Guizani
Social Insurance from A Regional Perspective: Egypt, Jordan and Tunisia	Zina Nimeh , Tamara A. Kool and Guido Heins
Women's Economic Empowerment in Sudan: Assets and Agency	Caroline Krafft and Heather Moylan

ERF working papers attract highest traffic flow online and is exceedingly recognized as a reference for the work generated by ERF.

ERF Website and Knowledge Portal

The ERF website and knowledge portal provides a knowledgebase featuring profiles of 2200+ ERF distinguished network, a database of all ERF publications, 1700+ working papers, an impressive archive of ERF annual conferences, policy conferences and events featuring relevant speakers, panelists, session material, agenda and recording. It

provides a gateway also to the ERF Data Portal and the ERF Policy Portal – The Forum. It further provided for an efficient and effective networking platform for event organization, visibility and outreach. Online users are exceedingly adopting a targeted approach and so is ERF to ensure targeted outreach to relevant stakeholders. In 2023, to extend outreach, ERF managed a newsletters subscription of some 12,000 subscribers sending out some 900,000 emails announcing relevant publications and events. Targeted outreach and social media, namely: facebook, linkedin, and twitter has been instrumental to extending outreach to new users at the national, regional and international level.

Nurturing partnerships, identifying pertinent thematic areas of interest, careful design of events and forums seeking varied perspectives, adopting an integrated approach linking and timing the production of publications and policy articles with events contributed significantly in expanding the ERF outreach and engagement.

Arab Development Portal

The ERF capacity to manage research and knowledge management programs is unrivaled, its capacity to provide for a multi-stakeholder platform and policy dialogue are exceedingly positioning ERF as the most sought-after institution to strategically partner with to secure a leading position. ERF knowledge products, platforms and portals are based on robust systems and processes in place that enable this growth and expansion, quality of its knowledge products, institutional prominence and leadership.

In October 2023, ERF initiated the work towards a strategic repositioning, developing, managing, operating

900,000

EMAILS
ANNOUNCING DIFFERENT
ERF ACTIVITIES

Communications & Outreach

and hosting the Arab Development Portal over the period 2023 – 2026.

The proposed partnership builds upon the key winning tenets of ERF to set a clear agenda to guide the Arab Development Portal (ADP) three-year agenda and value proposition.

The new portal strategy will entail new and major elements of departure from the current platform in view of:

- The glaring country specific needs and gaps in terms of access to nationally produced macroeconomic data and evidence based analytical perspectives to provide for an independent technical documentation and reference to inform the policy making processes at a national level.
- The changing data provision landscape and technology advancements by international and regional institutions data producers and technology providers on the one hand, and the lagging capacities by national producers to extend their outreach on timely basis.
- ERF network capacity to provide for expert review and insights to best contribute to the economic debate on timely basis.

Subscribing to the above emerging challenges and lingering geographic unevenness, embedding focus on relevance, timeliness, outreach,

uptake, engagement and focus on impact are critical to success of the design for the new phase.

Platform development will aim to deploy latest design thinking and information systems development to best fulfil requirements of the next phase of the Arab Development Portal project 2023 – 2026.

ERF network expertise would be called upon to effectively engage and contribute to the country outlook and thematic policy insights.

ERF aims to launch the new bilingual Arab Development Portal Platform in Q3 – Q4 2024.

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ERF

Annexes

2023
ANNUAL
REPORT



Annex A: ERF Network and Partners

ERF Board of Trustees



Hassan Aly (Chairman)
Nile University,
Egypt



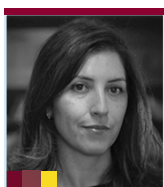
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Kuwait



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Regional Director, Middle East and North
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Leila Baghdadi
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Ziad Bahaa Eldin
Thebes Consultancy,
Egypt



Arjan de Haan
International Development
Research Center (IDRC), Canada
(Till September 2023)



Wessam El Beih
International Development
Research Center (IDRC), Canada
(Starting September 2023)



Roberta Gatti
The World Bank



Mahmoud Haddad
University of Tennessee at Martin,
USA



Hassan Hakimian
Hamad Bin Khalifa University (HBKU) and
University of London



Imed Limam
Arab Fund for Economic and Social Development (AFESD), Kuwait



Nisreen Salti
American University of Beirut,
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Cairo University, Egypt



Mohammad Reza Farzanegan
Philipps-Universität Marburg, Germany



Annex A: ERF Network and Partners



ERF Affiliates: Research Fellows

Mohammad Jalal Abbasi-Shavazi
University of Tehran

Islam Abdeljawad
An-Najah National University

Touhami Abdelkhalek
National Institute of Statistics
and Applied Economics

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

Hany Abdel-Latif
Swansea University

Abdel Mahmoud Abdel Rahman
King Saud University

Neveen Abdelrehim
Newcastle University

Salaheddin Abosedra
American University in UAE

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tural Sciences

Abdelfattah Abu-Shokor
An Najah National University

Lahcen Achy
International Monetary Fund

Ahmet Halis Akder
Middle East Technical
University

Saziye Pelin Akyol
Bilkent University

Mohammad Al Ississ
Minister of Finance, Jordan

Mazin Al Janabi
Monterrey Institute
of Technology

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Santa Clara University

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Abdelrahman Alfar
University College London

Abdulrazak Al-Faris
Dubai Economic Council

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

Rania Al-Mashat
Minister of International
Cooperation, Egypt

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

Baris 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
Muscat University

Mohamed Amara
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Mohamad Amerah
City University

Fethi Amri
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Management of Gabes (I.S.G)

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Cairo

Izak Atiyas
Sabanci University

Basel Awartani
University of Westminster

Mohamed Ayadi
University of Tunis

Abdurrahman Aydemir
Sabanci University

Ahmet Faruk Aysan
Hamad Bin Khalifa University

<i>Azzeddine Azzam</i> University of Nebraska-Lincoln	<i>Abderrezak Benhabib</i> Tlemcen University	<i>Mohamed Chaffai</i> University of Sfax	<i>Ibrahim Elbadawi</i> Economic Research Forum
<i>Sofiane Baba</i> University of Sherbrooke	<i>Jess Benhabib</i> New York University	<i>Raida Chakroun</i> University of Carthage	<i>Mohamed El-Erian</i> President of Queens' College, University of Cambridge
<i>Leila Baghdadi</i> University of Tunis	<i>Omar Benkato</i> Ball State University	<i>Mouna Cherkaoui</i> University of Mohamed V	<i>Mahmoud El-Gamal</i> Rice University
<i>Mohamed Bakoush</i> University of Southampton	<i>Samy Bennaceur</i> International Monetary Fund	<i>Mine Cinar</i> Loyola University	<i>Ceyhun Elgin</i> Bogazici University
<i>Mehmet Balcilar</i> Eastern Mediterranean University	<i>Ousama Ben Salha</i> Northern Border University	<i>Georges Corm</i> Georges Corm Consulting Office	<i>Amirah El-Haddad</i> German Development Institute
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<i>Badi Baltagi</i> Syracuse University	<i>Adel Ben Youssef</i> University of Côte d'Azur	<i>Ali Darrat</i> Louisiana Tech University	<i>Mahmoud El-Jafari</i> Al Quds University
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Annex B: Research Projects

Completed 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, Ahmed Ghoneim, Dina Mandour, Jaime de Melo, Izak Atiwas, Adel Ben Youssef and Chahir Zaki

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?

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 solid evidence-based policy advice on how to move forward.

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 percent rate of digitalization is found to increase GDP growth by 0.5 percent – 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 difficulty 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 needed 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 consist 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 the 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 Manufacturer 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 jobs in the sector manufacturing and 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 2014 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 is limited research into the current state of disruptive technologies’ adoption, digital skills, and capabilities in developing countries, particularly in South Africa. This study 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

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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 the labour market. We will also address the issue of digital gender divide.

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

Kabbashi Suliman

The main objective of the study 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 analysis 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 unprecedented peaceful election—that led 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 study 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 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 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.

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 couteure 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 analyze 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 center of these scandals. The paper will then conclude on the consequences of crony capitalism on Algeria’s political economy.

Trade, Food Security and the War in Ukraine: The Cases of Egypt and Sudan

Chahir Zaki, Kabbashi M. Suliman, AlZaki Alhelo

The objective of this project is to examine the nexus between trade, food security and the war in Ukraine with a special focus on Egypt and Sudan. Given the high dependency of the two countries on wheat imports, both experienced high inflation and lower economic growth, threatening their food security. Thus, the contribution of the project is threefold: first, it examines the macroeconomic implications of the war on the two economies. Second, it analyzes the extent to which food security deteriorated and finally how trade can partially help improve food security in the two countries. To do so, using an error correction model, our results show that the exchange rate pass through was high in Egypt and Sudan and can have long-term implications on inflation. To move forward, we explore how the two countries might develop bilateral capacities targeting agriculture, electricity, and infrastructure with the view to scale-up the economic cooperation. We show, using the trade complementarity index, that despite a limited complementarity between their trade structures, there is room to increase their bilateral exports if infrastructure and other behind-the-border barriers are addressed.

Impacts of the Ukraine Crisis on Food Security in Kenya and Ethiopia: Options for Regional Trade Collaboration

Alemayehu Geda and Philliph Musyoka Michael

The world economy experienced a slowdown in growth from 2018 driven by the negative effects of the novel coronavirus. Short-term policy responses and the global slowdown have had major impacts on growth, value chains, incomes, trade, poverty, and consumption. Sub-Saharan Africa suffered modest effects of the pandemic and is recovering from the slowdown. This recovery is, however, likely to be affected by the Russian-Ukraine war. The years running up to the COVID-19, Ethiopia and Kenya, like all other developing countries, were a step behind in achieving equitable access to food for all. Now, the effects of the COVID-19 are still lurking, and the Russian-Ukraine war put the two countries steps away from ensuring equitable access to food for all; and in both countries, ravaging drought and high inflation is likely to exacerbate poverty and food insecurity, demeaning the gains made towards SDG

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2: Zero Hunger by 2030. The impacts of rising poverty and reduced livelihoods are reflected clearly in rising levels of food insecurity and decreasing diet quality. For example, in Kenya, the national poverty headcount ratio increased by 13 percentage points, from 28.9% in the pre COVID-19 (2019) to 41.9% in 2020, with income losses more pronounced in urban than rural areas (Nafula et al., 2020). The estimation for Ethiopia also shows that the poverty rate has increased by 10 (in mild scenario) to 15 percentage points or by about 15 million people (worst scenario) due to the COVID-19 effect.

Case of the development of agricultural trade between Morocco and Senegal

Mohamed Benayad

The war in Ukraine has created a sense of scarcity of food products and their inputs, which has not failed to impact their world prices and generate significant risks to food security, particularly in developing countries. Morocco and Senegal are closely concerned by these risks given their level of dependence on food imports. The main objective of this project is to identify the direct and indirect effects of the war in Ukraine on food security in Morocco and Senegal with reference to the first two criteria mentioned above. It also aims to explore the possibilities of developing trade between Morocco and Senegal in order to reduce the food insecurity induced by the war in Ukraine.

Food Security Effects of Food and Agricultural Inputs Trade Shocks from the Russia-Ukraine Region in South Africa and Mozambique: Exploring the Roles of the Maputo Corridor, SADC, and Continental Sources

Nicholas Ngepah

The ongoing conflict between Russia and Ukraine has had significant implications for global food and nutrition security, particularly in Mozambique and South Africa. This project examines the extent and the causes of food and nutrition insecurity in both countries with an econometric focus on the role of external trade shocks from the Russia-Ukraine region relative to other regions. It considers the potential contribution of the Maputo Corridor in alleviating food insecurity. While both countries rely on imports from Ukraine and Russia, the study suggests that alternative sources within Africa and the Southern African Development Community (SADC) region can mitigate the impact of trade shocks. Additionally, the establishment and enhancement of the Maputo Corridor

play a crucial role in improving food security, particularly for Mozambique. The study recommends strengthening trade linkages within the Maputo Corridor, SADC, and Africa to enhance food security. Challenges to the potential of the corridor, such as trade imbalance, limited infrastructure, and weak institutional frameworks, need to be addressed through diversifying the agricultural sector, improving transportation infrastructure, promoting regional cooperation, and streamlining implementation. Overall, the project's study highlights the importance of addressing internal factors, diversifying trade partnerships, and leveraging regional cooperation to ensure long-term food and nutrition security in the face of external shocks such as the Russian-Ukraine war.

Employment Promotion Project

Caroline Krafft, Ragui Assaad, Rana Hendy, Rasha Hassan, Mina Ayad and Mohamed Azab, Irene Selwaness & Ghada Barsoum

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.

Stabilization and Adjustment in MENA

Ishac Diwan and Ibrahim Elbadawi

Post-Covid-19, the challenge of adjusting to high fuel and food prices, and to rising global Interest rates are particularly hard for the oil importing countries of the MENA region. Public debts are rising fast towards unsustainable levels. Already, currency devaluation and inflation are combining to lower economic growth, increase poverty, and put more stress on a

battered middle-class, leading to a rise of social unrest. Against this backdrop, ERF launched a research project on Stabilization and Adjustment in MENA, conducted in collaboration with the Finance for Development Lab (FDL), with the aim to clarify the macro-economic risks related to external and internal balances (and the sustainability of public and external debt), and to propose an overall strategy for dealing with these risks - with a special focus on the balance between austerity and innovative growth measures in ways that can clarify the central trade-offs faced by the main actors, in response to a series of negative shocks, to structural weaknesses in the economy, and to new challenges in Egypt, Lebanon, Tunisia, Morocco, Sudan and Jordan.

The Socioeconomic Impact of the Russia-Ukraine Crisis on Vulnerable Families and Children in Egypt: Mitigating Food Security and Nutrition Concerns

May Gadallah and Nesma Amer

The “Inclusive Social Protection and the Impact of Ukraine Crisis on Children in Egypt” program comes as part of an ERF/ UNICEF partnership. The project focuses on the implications of the Russia Ukraine crisis both globally and on Egypt’s economy and people, with a particular focus on the concerning impact the crisis is expected to have on children’s holistic development. It reviews existing global and local evidence to determine these potential effects and reviews existing policies and programs that could play a role in mitigating the impact within the Egyptian context. It also explores the impact that the crisis has had on Egypt’s economy and reviews the impact of the crisis on food security globally and in Egypt, particularly for children from vulnerable households. To make a case for the possible consequences that the crisis could have on poor Egyptian families and their children, the project’s research paper builds on studies that analyzed how the spikes in inflation rates in 2017 affected Egypt’s poverty rate, as well as the consumption patterns of vulnerable households with children. Moreover, it investigates how the stability in prices, in tandem with different social protection programs, was concurrent with a reduction in poverty rates. The project also describes the situation of another group of vulnerable households in Egypt, namely migrants, refugees, and asylum seekers, who are likely to be more affected by the crisis. It addresses the importance of social protection programs in mitigating the effects of the crisis to reduce the risk of falling into poverty, or into even deeper poverty, and food insecurity. Finally, it presents short- and medium-term policy recommendations to address or alleviate the economic devastation that vulnerable households and children in Egypt are likely to face.

Why Is Social Insurance Coverage Declining in Egypt? A Decomposition Analysis

Ragui Assaad and Sarah Wahby

This project analyzes the decline in social insurance coverage in Egypt from 2007 to 2021 to determine the extent to which it was due to compositional shifts in the structure of the economy or the workforce as opposed to changes in coverage for specific types of jobs and workers. It mainly concludes that only a fraction of the decline in coverage can be attributed to structural changes in the economy or to changes in the characteristics of firms and workers. The largest decline in coverage occurred in the period from 2014 to 2017 and was concentrated among male new entrants with no formal education in private sector services working in micro and small enterprises. Although the declines occurred for both wage and non wage workers, they were larger for the latter. Correcting for firm size, we see that there was a slight reversal in the declining trend post 2018, but coverage rates in 2021 remain well below what they were in 2014 when the declining trend accelerated.

When Formality Is Costly and Informality Is Legal: Social Insurance Design Woes at A Time of Economic Crises

Irene Selwaness and Ghada Barsoum

The project examines the extent to which the institutional framework for social insurance (SI) might constrain access to contributory schemes and explain workers’ coverage gaps. We use nationally representative microdata from Egypt to test how the design leads to the exclusion of specific categories of workers. We show that the legal framework for SI allows certain types of workers (the self-employed and employers in unregistered enterprises) to opt out of the SI system, thus legalizing and legitimating employment informality. Although the law explicitly highlights the objective of including informal workers, the difficulty of the required documentation and the focus on specific occupations show that it fails to recognize the diversity of this group. Our findings also show that the lack of SI coverage happened even among workers who should be covered by law, i.e., regular wage workers, due to the substantial increases in the minimum insurable wage upon which contributions are calculated, rendering the scheme less attractive for both employers and employees. It demonstrates that the conditions of enrollment, cost, and benefit design for SI schemes disincentivize both employers and employees from contributing to the system. well below what they were in 2014 when the declining trend accelerated.

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Working Conditions in the Paid Care Economy in Egypt: Improvement or Deterioration

Caroline Krafft and Maye Ehab

The paid care economy plays a crucial role in employing women. This sector also acts as a mechanism to reduce care work within households, which disproportionately affects women. This project examines the evolution of the paid care economy in Egypt, over the period 2009-2021, drawing on three different data sources to assess trends in employment and working conditions. The analyses demonstrate that, despite stated goals to grow the paid care economy, paid care employment has shrunk over time in Egypt, driven by the retreat of the public sector. While private sector care employment has grown, it has not done so sufficiently to compensate for the decline of the public sector. Furthermore, working conditions in care employment have worsened over time, in part due to the increasing privatization of care employment. The informal share of care employment (without social insurance coverage) has increased over time. Informalization and privatization have particularly affected women in paid care employment. While initially there was not a care pay gap, one has formed over time. Encouraging not only the growth of the paid care economy, but also decent and equitable working conditions is a pressing issue for human development and women's employment.

The Dynamics of Social Insurance in Egypt, Caroline Krafft and Cyrine Hannafi

Caroline Krafft and Cyrine Hannafi

Contributory social insurance provides essential benefits to workers when they retire and is associated with a host of other benefits while working. Yet social insurance coverage is low and declining in Egypt. This research project uses both panel and retrospective data from Egypt to assess the dynamics behind these trends in social insurance coverage. Analyses examine the dynamics of gaining social insurance, including specifically at entry and when already working but uninsured. Losing social insurance, both when continuing to work and due to existing work, is also examined. The results highlight not only the decline of social insurance coverage but an informality trap: workers often obtain social insurance at the start of a job, and so long as they remain employed in that job, are unlikely to lose social insurance. However, workers who start work without social insurance coverage rarely gain social insurance thereafter, unless they change jobs. One reason for the decline in social insurance may be the low value workers place on coverage; the unemployed have, typically, the same reservation wages for jobs with and without social insurance coverage.

Social Insurance from A Regional Perspective: Egypt, Jordan and Tunisia

Zina Nimeh, Tamara A. Kool and Guido Heins

This research project is a comparative analysis of social insurance systems in Egypt, Jordan, and Tunisia. It examines legal, structural, and institutional distinctions and investigates efforts to extend coverage to challenging-to-insure groups and sectors. Conceptualized within the framework of the social contract, the analysis takes a two-pronged approach. Firstly, a mapping of the legal provisions and de jure coverage of social insurance schemes is conducted for all three countries to assess the inequalities in access to contributory social insurance schemes and identify vulnerable groups at risk of exclusion due to labor market dynamics and economic structures. Secondly, de facto social insurance coverage is explored by analyzing data from the Integrated Labor Market Panel Surveys (ILMPS) for Egypt (2018), Jordan (2016), and Tunisia (2014). The analysis reveals that in all three countries, gaps are present between de jure and de facto social insurance coverage. This is especially true for those engaged in sectors characterized by high informality, daily wage laborers, women, youth, and low-income individuals. Additionally, significant gaps persist between the private sector and the public sector. The findings underline the need for a comprehensive approach to foster inclusivity in the social insurance system, which can significantly upgrade the broader social contract.

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.

Ongoing Projects

National Child Labor Survey 2022

Ragui Assaad, Rania RoushdyZakaria 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.

EuroMed Cluster Forward (ECF)

EuroMED Cluster Forward (ECF) is a four-year EU-funded project. Led by ANIMA Investment Network, ECF brings together a rich consortium with the Economic Research Forum (ERF), Berytech and Leaders International (Qeiadat) as lead partners and more than 8 affiliates (e.g., FEMISE, Malta Enterprise, etc.) from the Mediterranean region. ECF aims to empower clusters in promoting inclusive innovation and competitiveness in the Euro med region with a view to enhancing growth, economic diversification, sustainable development, and employment.

Under ECF project, ERF, in cooperation with FEMISE, is leading several activities including mapping and assessing the performance of clusters in Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine, and Tunisia. Additionally, ERF is to conduct a benchmark study on South Neighbourhood policies and frameworks for cluster creation and development based upon relevant best practices at European and global levels.

In addition to supporting the dissemination of the project activities through online webinars, ERF and FEMISE will conduct a series of country case studies and dissemination reports to highlight sectors with strong comparative advantages and collaboration potential in the EuroMed region.

The Voices of Refugees and Asylum Seekers: Social Protection Needs, Challenges and the Way Forward

Maia Sieverding and Salma Abou Hussein

This study aims to understand refugees' and asylum seekers' experiences with and perspectives on existing cash assistance and in-kind benefits that they receive from UN agencies and NGOs, as well as their perspectives on the potential for incorporation into Egypt's national social protection systems. Understanding refugees' and asylum seekers' social protection needs and how they view different systems' ability to meet those needs can contribute to designing policy interventions that have greater potential for efficacy and uptake. It addresses the following research questions: (1) What is refugees' and asylum seekers' knowledge of i) existing humanitarian cash and in-kind benefits for refugees and asylum seekers provided by UN agencies and the NGO sector?; and ii) benefits provided by national social protection systems?; (2) What challenges do refugees and asylum seekers experience in accessing cash and in-kind benefits from UN agencies and/or the NGO sector?; (3) In times of economic shocks or income loss, what are the coping mechanisms of refugees and asylum seekers? How do these coping mechanisms affect children?; (4) What are the social protection needs of different groups of refugees and asylum seekers?; (5) How do refugees and asylum seekers perceive the benefits and disadvantages of integration in national social protection systems?; and (6) How does the above differ by the nationality and other sociodemographic characteristics of refugees and asylum seekers?

Costing for the inclusion of refugees within the Takaful and Karama Program

Heba Al Laithy & Dina Armanious

The study aims to assess the scale of the costs for potential inclusion of refugees in the national system for social assistance (building on the Takaful and Karama model) and the associated benefits or drawbacks for refugees and asylum seekers with costing scenarios based on vulnerability. The project's paper argues that the inclusion of refugees into national social assistance programs can provide sustainable and cost-effective solutions to moving away from parallel humanitarian assistance, particularly in protracted situations. By addressing the following specific objectives, the project demonstrates the potential benefits of such inclusiveness, not only for the refugees themselves but also for the broader Egyptian society in terms of poverty reduction. The paper

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presents two cost scenarios as follows: (1) Applying TKP's current benefit level and (2) Applying TKP's current benefit level in addition to food subsidies (food ration cards and balady bread) currently received by nationals.

For each scenario, the cost of two coverage options is estimated; the first option is to cover the poor (40% of population) and the second option is to cover the poor and near poor (75%). As of October 2023, Egypt hosts 430,000 registered refugees from 59 countries. The targeted refugees for receiving benefits are 172,000 individuals when the poorest 40% are targeted and 322,500 individuals when 75% of the population are targeted.

Integrating Refugees and Asylum Seekers within Egypt's TKP: Promoting Long-Term Financial Sustainability

Sherine Al-Shawarby, Dina A. Fattah, Noha Sami and Nour Abou-Ismaïl

The aim of this project is to present policy makers, donors and other relevant stakeholders with viable financing options for the inclusion of refugees and asylum seekers in Egypt's social assistance system (building on the Takaful and Karama model), while aligning their rights and benefits with those of Egyptian nationals, in line with Egypt's obligations under international legal frameworks. It also aims to demonstrate the broader system strengthening benefits that such interventions can bring for both nationals and non-nationals. The paper recognizes that globally there is a shortage in funding to cater to this group and therefore calls for a shared-responsibility- approach that ensures that the Government of Egypt is supported in these efforts through international and regional commitments. The paper notes that the key challenge for host countries is effective cost management, which can be achieved through a combination of strategies: (i) sharing costs globally through responsible arrangements, (ii) adopting comprehensive policies – streamlined programming - beyond emergency responses can help reduce costs while maintaining high protection standards, and (iii) progressing towards durable solutions, where refugees no longer need protection, through innovative approaches that combine legal status with access to opportunities (e.g. access to labor markets). The paper also discusses the financing mechanism of four host states' social assistance programs to refugees and asylum seekers, namely, Turkey, Jordan, Uganda, and Lebanon with the aim of drawing transferable conclusions and lessons learned.

Integrating Refugees and Asylum Seekers within Egypt's Universal Health Insurance Scheme: Promoting Long-Term Financial Sustainability

Sherine Al-Shawarby, Dina A. Fattah, Noha Sami and Nour Abou-Ismaïl

The aim of this research study is to present policy makers, donors and other relevant stakeholders with viable financing options for the inclusion of refugees and asylum seekers in Egypt's universal health insurance system (UHS), while aligning their rights and benefits with those of Egyptian nationals, in line with Egypt's obligations under international legal frameworks. It also aims to demonstrate the broader system strengthening benefits that such interventions can bring for both nationals and non-nationals. The paper recognizes that globally there is a shortage in funding to cater to this group and therefore calls for a shared-responsibility- approach that ensures that the Government of Egypt is supported in these efforts through international and regional commitments. The paper notes that the key challenge for host countries is effective cost management, which can be achieved through a combination of strategies: (i) sharing costs globally through responsible arrangements, (ii) adopting comprehensive policies – streamlined programming - beyond emergency responses can help reduce costs while maintaining high protection standards, and (iii) progressing towards durable solutions, where refugees no longer need protection, through innovative approaches that combine legal status with access to opportunities (e.g. access to labor markets). The paper also discusses the financing mechanism of four host states' social assistance programs to refugees and asylum seekers, namely, Turkey, Jordan, Uganda, and Lebanon with the aim of drawing transferable conclusions and lessons learned.

Legal and Policy Frameworks for An Inclusive Social Protection System

Ghada Barsoum and Alaa Al Barrawi

This study seeks to assess policy and legislative frameworks governing social protection for refugees and asylum seekers in Egypt. The assessment focuses on: (1) the interaction between the national social protection policy and legal frameworks and the wider framework governing refugees and asylum seekers in Egypt such as policies and laws on migration, residence and employment; (2) identifying discrepancies between national policies and laws on social protection and international

obligations; (3) examining conflict among national policy and legislative frameworks on social protection for refugees and asylum seekers; and finally (4) assessing the extent to which there are gaps between these laws and policies and actual practice during service delivery. Accordingly, and building on international best practice, the paper provides policy makers with practical adjustments to policy and legal frameworks to address barriers to the inclusion of refugees and asylum seekers in national systems.

Informality and Access to Social Insurance for Refugees And Asylum Seekers in the Egyptian Labor Market

Rania Roushdy and Al Anoud Mohamed

The main objective of this project is to build a case for the extension of social insurance benefits to refugees and asylum seekers, who are working in the informal economy, under a contributory scheme, parallel to that governing national workers. Accordingly, it presents policy makers with practical solutions for the adoption of a clear set of national procedures that regulate refugees and asylum seekers' work in the informal sector of the Egyptian labor market.

Initiated Projects

Making Macroeconomic Policies More Environment Friendly: A CGE Analysis for Egypt

Chahir Zaki, City Eldeeb and Abeer Elshinnawy

Climate change and extreme weather events negatively affect land and labor productivity and lead to destruction of the capital stock. This is why active carbon pricing policies are needed to reduce greenhouse gas emissions. Such policies cause changes in relative prices of energy-intensive goods and services versus less energy-intensive ones. In turn, this will affect the composition of final and intermediate demand and labor demand, and thus household's income. On the other hand, carbon pricing will increase public revenues that can be utilized to stimulate R&D investment in energy-saving technologies and make agriculture and fisheries more climate-resilient. This is why it is important to examine the impact of such policies in a general equilibrium framework.

Against this background and in the context of the World Bank preparatory work for the Egypt Country Economic Memorandum, ERF prepared this paper to examine the role of macro policies to adapt and mitigate the effects of

climate change. The paper simulated the impact of various macroeconomic, mainly fiscal policies on green transition. Using a single-country dynamic CGE model for Egypt, the paper investigated the impact of fiscal policy instruments to foster green transition, including both carbon pricing and expenditure policy measures and, in a novel addition, it explored these climate effects taking into account the gender dimension.

Shifting Sands: Gender and Employment in Post-COVID-19 Egypt

Amira El-Shal and Rana Hendy

Women in the Middle East and North Africa (MENA) region struggle with significant challenges in the labor markets. Research to date has focused on explaining women's persistently low labor force participation rate and high unemployment rate in some countries in MENA. However, there is limited evidence on the impact of recent trends in sectoral and economic activity performance, as well as broader structural changes, and recent trends in firm performance, on gender-inclusive labor markets, especially in the context of labor market transitions and re-entry post-COVID-19.

Against this background and in the context of the World Bank preparatory work for the Egypt Country Economic Memorandum, ERF prepared this paper aiming to contribute to the literature on gender and employment in Egypt by focusing on the unique dynamics and challenges arising in the post-COVID-19 pandemic context, bridging the gap between micro and macro data analyses. The paper shows evidence on the long-term gendered impact of the pandemic on the Egyptian labor market. It also investigates the gender-based sectoral and occupational segregation in the economy and estimates how this segregation has contributed to the persistently low female labor force participation in Egypt. It analyzes labor market transitions and re-entry post-COVID-19, as well.

The Role of MSMEs in Fostering Inclusive and Equitable Economic Growth in the Context of the Clean Energy Transition in MENA

Access to energy is becoming more challenging in MENA, particularly for energy importing countries in the region. This makes the transition to clean energy in MENA a vital one. Luckily, the region has inherent comparative advantages given the natural endowments of high solar radiation over much of the year and strong wind nodes. The importance of this transition in MENA lies in the need to meet the region's growing energy demand at affordable prices, promoting inclusive sustainable development, creating new jobs while adhering to climate

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change mitigation and adaptation policies, and building climate change resilience. In this regional context, where medium, small and micro enterprises (MSMEs) play a significant role in the economy, understanding MSMEs potential, challenges and opportunities in the context of this transition as well as their prospects for job creation and enhancing climate resilience and empowerment of women and youth is crucial.

Within this context, ERF launched this project funded by IDRC and in collaboration with The Middle East Institute (MEI) and the Lebanese Centre for Policy Studies (LCPS). The aim of this project is to enhance the knowledge on the role of MSMEs in energy transition in six MENA countries namely, Egypt, Tunisia, Jordan, Lebanon, Morocco, and Sudan. The research will generate new micro data, new knowledge, and insights about cross-cutting issues as well as the current state of renewable energy adoption by MSMEs, the institutional, financial, technical, and regulatory obstacles faced by them, the demand for skills, and the potential impact of the transition on more sustainable energy employment opportunities for youth, women, and marginalized groups.

Research on Gender and the Future of Work in the Arab States Region

Amira El Shal, Adelina Zeqiri, Adel Ben Youssef, Nathalie Hilmi, Belal Falla, Vladimir Hlasny and Irène Selwaness

In line with the UNDP's overall work on women's economic empowerment and gender inclusive economies, ERF is joining forces with the UNDP for the purpose of informing policies towards creating new gender-inclusive opportunities in the green, blue, digital, and care sectors, as sectors of potential growth, by producing research papers on the "Future of Work" and gender equality in the Arab States region. The concept of the "Future of Work" has gained significant attention, particularly in light of the need to reassess work environments in the wake of the COVID-19 pandemic. The digital and green/blue transitions in the Arab States region, together with the expansion of the care economy, offer a range of opportunities and challenges in the pursuit of gender equality and inclusivity. If managed effectively, these transitions can empower women by providing them with more productive and better-paying jobs, promoting work-life balance, and facilitating a reduction or redistribution of unpaid care and domestic work.

ERF & UNDP new collaboration seeks to provide a strong foundation for addressing the implications of growing and shrinking jobs on skills and training requirements as well as the re-skilling needs of the labor force in general. Understanding

the intricacies of the megatrends in the digital, green/blue, and care sectors, is thus crucial to provide insights for policy-makers to foster gender-inclusive opportunities.

The Assessment of the Role of NGOs in Social Protection in Egypt

Given their flexibility, accountability, and cost efficiency, NGOs actively seek to cater to the needs of the society and marginalized communities. Social safety nets in Egypt are not limited to state efforts; NGOs in Egypt have a long history of providing aid and support to the poor. For instance, many private companies have established affiliated NGOs for the purpose of institutionalizing social responsibility initiatives and facilitating the ability to build partnerships, both with the relevant state institutions and with specialized NGOs.

The role of NGOs in Egypt became even more prominent with the rise of the social and economic challenges experienced by Egyptians throughout the recent years. These challenges created a vacuum for NGOs to fill, where the government was in dire need of support to provide development programs to assist vulnerable communities. Hence, NGOs in Egypt represent the "force of support" for vulnerable citizens, providing them with services to meet their basic needs and helping them overcome their day-to-day challenges.

In light of this, ERF is joining forces with the Sawiris Foundation for Social Development (SFSD), and the Central Agency for Public Mobilization and Statistics (CAPMAS), and the Ministry of Social Solidarity kicking off this project to examine the role of Civil Society Organizations (CSOs) in various areas including social protection, economic empowerment and education.

Stable food Access and Prices and Lower Exposure to Shocks (STAPLES)

Stability is a pillar of food security which does not only require food to be available, accessible, and well utilized, but also that these conditions are stable and predictable, stressing the centrality of information. Stability is put at risk by several domestic and external factors. Hence, policymakers, supported by researchers and international organizations, have made big efforts to understand and track the main factors of risk for the domestic production of food, like meteorology, water stress, local conflicts...etc. There is less understanding and systematized knowledge about which external shocks and

stressors may derive from international markets, how they can be transmitted domestically to the cereal supply chains, and what solutions such actors have to deal with these shocks. MENA countries are particularly exposed to international shocks in cereals' markets because they largely rely on imports to feed their population and food self-sufficiency is not an option for them, due to water scarcity. A deep understanding of such external shocks and stressors and of coping strategies is fundamental.

In this context, the project aims at informing private and public resilience strategies through new evidence-based knowledge that is created, systematized and spread on external stressors and shocks deriving from cereal global value chains (GVCs) on the MENA region and on the feasible local solutions to address them, with a specific focus on Morocco and Egypt. Led by Politecnico di Milano University (PoliMi), ERF joined 7 partners in the Mediterranean as the consortium leading the implementation of this project funded by the European Union.

Impact of War in Ukraine on Food Security in Low Income Countries: The case of Egypt and Kenya

Chahir Zaki and Philliph Musyoka Michael

The global economy has endured crisis after crisis in less than a decade. No sooner had the global economy recovered from the effects of the Covid-19 than the Russia-Ukraine war (RUW) set in doing a devastating blow to growth and almost eroding the gains made on recovery. The RUW buffeted the global economy through fuel, fertilizer, and food price increases. The crisis also interrupted logistics and supply channels negatively impacting the global trade patterns. This is why several reports and studies described the war as devastating 'three-dimensional crisis' involving high food and energy prices as well as tightening finance that not only have important impacts on their own but could feed into each other to generate vicious cycles of poverty, hunger, food insecurity, and inequalities (see e.g., the UN Global Crisis Response Group 2022a and 2022b). Africa was particularly affected by the war in addition to other external and internal shocks that amplified the negative impact on households (debt crisis in Egypt, war in Gaza, etc.).

Against this background, ERF in cooperation with the African Economic Research Consortium (AERC) and the Partnership for Economic Policy (PEP) launched this project funded by the International Development Research Center (IDRC) of Canada. The overall objective of the collaborative research effort is to support policy responses that are evidence-informed and gender-responsive, to address the current impacts of the war on food security and enhance longer-term resilience to shocks for vulnerable populations in low-income countries in Africa and the Middle East.

Under this project, ERF is leading in the primary data collection (through phone surveys) and macro-micro level analysis/simulations of impact on households and vulnerable groups in the in-depth country case studies in Egypt and Kenya.

Introducing the Sudan Labor Market Panel Survey 2022

Caroline Krafft, Ragui Assaad and Ruby Cheung


This research study describes the new Sudan Labor Market Panel Survey (SLMPS) 2022, the first nationally representative survey in Sudan in almost a decade. It details the design of the survey, including the topics covered by this multi-purpose household survey and the complexities of the sampling strategy, which over-sampled refugees and the internally displaced. The training, fieldwork, resulting sample, and weights are described. Key demographic and labor market indicators are then compared to other, older nationally representative data sources, both to assess the validity of the SLMPS data and update our understanding of Sudan's labor market. The rich, publicly available data of the SLMPS provide substantial opportunities for researchers to better understand the evolution of Sudan's labor market, economy, and society.

The Structure of the Labor Force and Employment in Sudan

Caroline Krafft, Ragui Assaad, Adriana Cortes-Mendoza, and Isabel Honzay

Sudan's economy and society have been repeatedly disrupted by political turmoil since 2018, with challenges further compounded by the COVID-19 pandemic. How this turbulent period has affected Sudan's labor market was previously unknown, as Sudan's last household survey was in 2014/15. It investigates the state of Sudan's labor market as of 2022, using the new, nationally-representative Sudan Labor Market Panel Survey data. The analyses examine labor supply, including the evolution of the age structure of the Sudanese population, the trends in age at marriage and fertility, the educational composition of the population, current enrollment rates, labor force participation, as well as employment and unemployment rates. The analyses also investigate the structure of employment by broad economic activity and institutional sector, by occupation, and by degree of informality. The results of the analyses show sizable demographic pressures on Sudan's labor market from a large youth population. While historically Sudan had made appreciable progress in expanding access to education, that progress plateaued for cohorts born in the 1980s and later. Declines in labor force participation over

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time and particularly for women may reflect the labor market impacts of Sudan's recent political and economic turbulence. Unemployment is primarily a challenge for youth, new entrants to the labor market. Agriculture continues to play a sizable role in employment in Sudan, along with non-wage non-agricultural work and informal wage work. Informality is extremely high in private sector wage work (98%), and employment is largely within microenterprises. Relatively few private sector wage workers receive employment benefits or protections, with 60% working outside establishments and 37% working irregularly, highlighting the elevated level of vulnerable employment in Sudan.

Labor Market Dynamics in Sudan through Political Upheaval and Pandemic

Ragui Assaad, Caroline Krafft and Sarah Wahby

Sudan's economy, society, and labor market have experienced a large number of shocks since Sudan's last household survey in 2014/15. Pre-existing political and economic challenges contributed to the revolution in 2018 and substantial political change in 2019, followed by the COVID-19 pandemic in 2020, and further political and economic turmoil in 2021-2022. The new Sudan Labor Market Panel Survey 2022 provides an important opportunity to understand labor market dynamics in Sudan during this turbulent period. Both contemporaneous and retrospective data allow the creation and analysis of monthly statuses and transitions throughout the 2015-2021 period. This project specifically examines the dynamics of job finding and entry into the labor market, unemployment durations, and employment exits. The results show the increased difficulties in entering employment as Sudan was beset by shocks.

Women's Economic Empowerment in Sudan: Assets and Agency

Caroline Krafft and Heather Moylan

This research project investigates women's economic empowerment in Sudan, with a particular focus on their agency and assets. The analyses use the nationally-representative Sudan Labor Market Panel Survey 2022 data and compare agency and assets by gender. Rights to parcels, livestock, durables, mobile phones, and financial assets are explored, along with gender role attitudes, justification of domestic violence, mobility, and decision-making. The findings show how agency and assets evolve over the life course differently for men and women, with empowerment often diminishing at marriage for women but rising for men.

Gender, Work, and Time Use in the Context of a Low-Income Economy: The Case of Sudan

Ragui Assaad, Vishal Jamkar, and Caroline Krafft

The main objective of this project is to build a case for the extension of social insurance benefits to refugees and asylum seekers, who are working in the informal economy, under a contributory scheme, parallel to that governing national workers. Accordingly, it presents policy makers with practical solutions for the adoption of a clear set of national procedures that regulate refugees and asylum seekers' work in the informal sector of the Egyptian labor market.

Refugees and Internally Displaced Persons in Sudan: Evidence from the SLMPS Data

Ragui Assaad, Caroline Krafft and Jackline Wahba

As of 2022, Sudan was home to 1.1 million refugees and 3.7 million internally displaced persons (IDPs), along with a substantial population that had previously experienced displacement. The Sudan Labor Market Panel Survey (SLMPS) 2022 over-sampled locations hosting the displaced in order to facilitate research on refugees and IDPs. This paper investigates, for the displaced, their demographics, labor market outcomes, education, health, food security, experiences of shocks, coping, and social assistance received. Important distinctions are made between current and returned refugees and IDPs and their outcomes in comparison to Sudanese who were never displaced. Analyses also explore differences by location of residence (in host communities, formal, or informal camps), sex, and across different age groups.

Education in Sudan: Disparities in Attainment, Dropout and Quality Issues

Ebaidalla Mahjoub

Like many fragile countries in the MEAN region, Sudan has struggled with recurrent economic and political instability, leading to unfavorable human capital outcomes, particularly in the field of education. Despite efforts to expand educational opportunities over the past few decades, Sudan continues to contend with high rates of illiteracy and school dropout. Furthermore, statistics from the Sudan Labor Market Panel Survey (SLMPS, 2022) show significant disparities in educational attainment and enrollment across regions, age and gender groups (Krafft, Assaad, Cortes-Mendoza and Honzay, 2023). This paper discusses the pattern of education in Sudan

based on the 2022 Sudan labor market panel Survey (SLMPS) as well as the available statistics from previous household budget surveys, focusing on disparities in enrollment and attainment, quality and dropout.

Determinants of High Fertility in Sudan

Maia Sieverding

A country's fertility rate is the main driver of its demographic structure. Fertility rates thus have important implications for dependency ratios, the size of the future labor force, and ultimately economic growth. Sudan has the highest fertility rate in the Middle East and North Africa region, at over four births per woman. The rate of fertility decline seen in available surveys has been so slow that some analyses categorize This paper will explore some of the correlates and proximate determinants of fertility in Sudan, based on the Sudan Labor Market Panel Survey (SLMPS), which is the first nationally representative survey to collect birth histories since the 2014 Multiple Indicator Cluster Survey (MICS). The paper examine fertility differentials by rural/urban residence, region, and women's educational attainment. It also examines differentials in contraceptive use by these background characteristics. It explores in-depth trends and patterns in age at marriage, which is the most important determinant of fertility in contexts, such as Sudan, where contraceptive prevalence is low. As there is a debate in the demographic literature on the role of conflict and unrest – which has been prevalent in Sudan – in increasing rates of early marriage and fertility, it will also examine differentials in age at marriage, contraceptive use, and fertility among non-nationals and Sudanese who have been internally displaced.

The Main Features of Sudan's Income And Wages Structure

May Gadallah, Nesma Mamdouh, Sara Ragab and Dalia Hany

For years, the Sudanese economy has been grappling, even prior to the recent conflict. The escalation of the recent events in Sudan has aggravated matters resulting in devastating impacts on the country's economy. The rise of the civil war has been associated with the disruption of global and local trade and transportation, and has also led to a decline in foreign investment. The aforementioned factors have been detrimental to the country's economy, hence we seek to examine the economic shifts manifested in income and wages in line with the current circumstances. Accordingly, this paper aims to investigate income including wage levels as well as inequality in the country. This research starts off by setting the lay of the land in Sudan by describing its pre-conflict status in terms of poverty and development measures.

Given the current instability in the country, and its need for income diversification as a resilience strategy, we analyze the intensity of income diversification and the contribution to the total income. We seek to analyze income distribution in Sudan across different variables including sex, sector, educational level of the household head, as well as location. Additionally, we seek to identify the factors which determine the level of income diversification in the country where the capability to pursue various sources of income may represent a strategy for mitigating risks during the ongoing conflict. Finally, we aim to explore income and wage inequality using main factors and to be able to identify the main sources that mostly contribute to inequality.

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ERF OAMDI

OPEN ACCESS
MICRO DATA INITIATIVE

New Datasets Made Publicly Available through OAMDI

Data cleaning, harmonization and dissemination efforts by ERF's in-house team of statisticians continued steadily. During January 2023 to December 2023, 13 new datasets were made publicly available through OAMDI. By end of 2023, the ERF data portal holds 173 datasets.

1. Combined Survey of Enterprises' Digitization, SED_2022 | Published: January 2023
<http://www.erfdataportal.com/index.php/catalog/250>
2. Palestine- Socio-Economic Survey, HSOCIOECOS 2020 | Published: March 2023
<http://www.erfdataportal.com/index.php/catalog/251>
3. Egyptian Industrial Firm Behavior Survey, EIFBS 2020/21 | Published: April 2023
<http://www.erfdataportal.com/index.php/catalog/252>
4. Egypt- General Census for Population, Housing and Establishments 2006 | Published: May 2023
<http://www.erfdataportal.com/index.php/catalog/253>
5. Egypt- Household Income, Expenditure, and Consumption Survey, HIECS 2019/2020 | Published: June 2023
<http://www.erfdataportal.com/index.php/catalog/254>
6. Sudan Labor Market Panel Survey, SLMPS 2022 | Published: August 2023
<http://www.erfdataportal.com/index.php/catalog/265>
7. Egypt- Economic Census 2012/2013, ECOCENS 2012/2013 | Published: September 2023
<http://www.erfdataportal.com/index.php/catalog/267>
8. Egypt Labour Market Discrimination Audit Study 2023 (LMD Audit Study) | Published: October 2023
<http://www.erfdataportal.com/index.php/catalog/268>
9. SAHWA Youth Survey 2016 (2021) | Published: November 2023
<http://www.erfdataportal.com/index.php/catalog/282>
10. Egypt- Labor Force Survey, LFS 2022 | Published: November 2023
<http://www.erfdataportal.com/index.php/catalog/283>
11. Palestine- Time Use Survey, TUS 2012-2013 | Published: December 2023
<http://www.erfdataportal.com/index.php/catalog/284>
12. Egypt- Time Use Survey, TUS 2015 | Published: December 2023
<http://www.erfdataportal.com/index.php/catalog/286>
13. Jordan- Transition to Clean Energy Enterprise Survey- Jordan, TCEESJ_2023 | Published: December 2023
<http://www.erfdataportal.com/index.php/catalog/287>

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Middle East Development Journal (MEDJ)

MEDJ, Vol. 15, No. 1, June 2023

Does the structure of state budget matter for Egypt's fiscal deficit? An empirical investigation using an ARDL bounds testing approach

Israa A. El Hussein

DOI: 10.1080/17938120.2022.2160179

Globalization and obesity in the GCC countries

Zouheir El-Sahli

DOI: 10.1080/17938120.2022.2160182

The impact of sand and dust storms on agriculture in Iraq

Hayatullah Ahmadzai

DOI: 10.1080/17938120.2023.2166748

On the unfinished business of stabilization programs: a CGE model of Egypt

City Eldeeb & Chahir Zaki

DOI: 10.1080/17938120.2023.2200727

Who can work from home in MENA?

Shireen AlAzzawi

DOI: 10.1080/17938120.2023.2200729

Do labor markets and the social contract increase female youth unemployment in the GCC countries?

Wasseem Mina

DOI: 10.1080/17938120.2023.2206759

Overeducation wage penalty for university graduates: evidence from the MENA region using machine learning techniques

Obbey A. Elamin

DOI: 10.1080/17938120.2023.2167482

MEDJ, Vol. 15, No. 2, December 2023

The impact of sanctions on household welfare and employment in Iran

Djavad Salehi-Isfahani

DOI: 10.1080/17938120.2023.2248697

COVID-19 shock 2020: impact on foreign and Kuwaiti workers and contrasts with employment, earnings and consumption during normal times

Ahmad Alawadhi, Mohammad Alali, Shaikha Al-Fulaij, Weam Behbahani, Marwa Al-Musallam & Sulayman Al-Qudsi

DOI: 10.1080/17938120.2023.2254186

An empirical investigation of COVID-19 impact on the finance and human resources of logistics and supply chain companies in Oman

Ashraf Mishrif & Asharul Khan

DOI: 10.1080/17938120.2023.2254187

Institutional quality and inward FDI: empirical evidence from GCC economies

Andrzej Cieslik & Sarhad Hamza

DOI: 10.1080/17938120.2023.2254188

How does political risk matter for foreign direct investment into Arab economies?

Riadh Ben Jelili

DOI: 10.1080/17938120.2023.2254190

The tale of three public debt crises in Tunisia, Egypt, and the Ottoman Empire in the 1860s and 1870s

Mustapha Kamel Nabli

DOI: 10.1080/17938120.2023.2206754

Book Review: Tunisia's economic development: why better than most in the Middle East but not East Asia, by Mustapha K. Nabli and Jeffrey Nugent

Roberto Zagha

DOI: 10.1080/17938120.2022.2143749

Policy Briefs

Toward More Job-Rich Growth: The Case of Egypt

| English version | Arabic version

Moheb Said and Chahir Zaki

SP 1

Pour une Politique de Développement Durable Riche en Emploi au Maroc
| French version | Arabic version

Saâd Belghazi

SP 2

Towards More Job-Rich Growth: The Case of Tunisia

| English version | French version | Arabic version

Khaled Nasri

SP 3

Climate Change in the Middle East and North Africa: Between the Repercussions of A Lived Reality and Opportunities for A Brighter Future

Héla Miniaoui

PB 109

Adoption of E-commerce Activities by Moroccan Firms: What Should Be Done?

Adel Ben Youssef

PB 110

Which Firms Are More Digitized in Egypt and Jordan?

Chahir Zaki

PB 111

Does Digitalization Matter for Egyptian and Jordanian Firms?

Chahir Zaki

PB 112

Lebanon at risk – the uncertain road to a new growth path

Ishac Diwan and Henri Chaoul

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Fiscal Policy, Private Sector Development and Social Outcomes in an Indebted Arab Country: Balancing Austerity with Pro-growth policies in Jordan

Ibrahim Saif and Zafiris Tzannatos

PB 114

Debt and Stabilization in Tunisia: How to Build Resilience and Avoid the Austerity Trap?

Leila Baghdadi and Moez Labidi

PB 115

Why do so few married women work in Egypt?

Caroline Krafft

SP 6

No Place for a Woman: Employers' Discrimination and Hiring Challenges in Less Feminized Sectors in Egypt

Ghada Barsoum

SP 7

The Dynamics behind the Decline of Social Insurance in Egypt and Directions for Reform

Caroline Krafft and Cyrine Hannafi

PB 116

Deteriorating Working Conditions in the Care Economy in Egypt: Directions for Reform

Caroline Krafft and Maye Ehab

PB 117

What is Driving the Decline in Social Insurance Coverage in Egypt? Understanding the Relative Role of Structural Change

Ragui Assaad and Sarah Wahby

PB 118

Trade, Food Security and the War in Ukraine: The Cases of Egypt and Sudan

Chahir Zaki and Alzaki Alhelo

PB 119

Regional Insights into Social Insurance: Egypt, Jordan, and Tunisia

Zina Nimeh, Tamara A. Kool and Guido Heins

PB 120

Between Costly Formality and Legal Informality: Egypt's Social Insurance Design Woes

Irene Selwaness and Ghada Barsoum

PB 121

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ERF-FDL Project on Stabilization, Adjustment and Growth in MENA: Post-conflict Reconstruction, Stabilization and Growth Agenda for Sudan

Amir Hamid Elobaid and Alzaki Alhelo

PB 122

Morocco — Beyond debt: sustainable pathways to higher growth
Abdelaaziz Ait Ali, Fatima Ezzahra Mengoub, Mahmoud Arbouch, Fahd Azaroual, Oumayma Bourhriba, Youssef El Jai and Badr Mandri

PB 123

Lebanon's Untapped Potential: The Persistent Challenge of High Economic Inactivity among Young Women

Lea Bou Khater, Marion Dosis, Josephine Kass-Hanna, Karine Moukaddem and Eva Raiber

PB 125

Policy Research Reports

The Socioeconomic Impact of the Russia-Ukraine Crisis on Vulnerable Families and Children in Egypt – Mitigating Food Security and Nutrition Concerns | English version | Arabic version

May Gadallah and Nesma Amer

PRR 46

The Future of Skills in the Egyptian Labor Market

Caroline Krafft

SPRR 2023-1

Green Jobs and the Future of Work in Egypt: A Focus on the Agriculture and Renewable Energy Sectors

Ghada Barsoum and Alanoud Ehab

SPRR 2023-2

The Promise of Information and Communication Technology (ICT) Jobs in Egypt

Irène Selwaness, Ragui Assaad and Mona El-Sayed

SPRR 2023-3

Work Arrangements in the Informal Sector and Gig Economy/Digital Platform Economy in Egypt

Rasha Hassan

SPRR 2023-4

Growing and Shrinking Occupations and the Demand for Skills in Egypt

Rana Hendy and Rasha Hassan

SPRR 2023-5

Working Papers

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Aditya Sarkar and Alex De Waal

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Deposit Dollarization in Turkey: A Rolling Window Analysis

A. Yasemin Yalta and A. Talha Yalta

WP 1626

Investigating the Effects of Monetary Policy Shocks on Growth and Inflation in Egypt: Asymmetry and the Long-term Impact

Nadeen Omar and Dina Yousri

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On Trade Policy and Workers' Transition between the Formal and Informal Sectors: An Application to The MENA Region in the Time of Covid-19

Fida Karam and Chahir Zaki

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Demand Volatility and Firm Export Margins: Evidence from Egypt

Yasmine Kamal

WP 1629

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Mounir Mahmalat

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Raimundo Soto and Samir Makdisi

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Idriss Hadj Nacer

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Political Islam and Crony Capitalism in Sudan: A Case Study of “Munazzamat al-Dawa al-Islamiyya”

Mohammed Elhaj Mustafa Ali and Ebaidalla M. Ebaidalla

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Crony Capitalism through the “Developmental State” Model of Ethiopia: An Identification of Its Main Manifestations

Alemayehu Geda

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Chahir Zaki

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Chahir Zaki

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Digitalization and Firm Performance in the Middle East and North Africa: Case Studies of Jordan, Morocco and Egypt

Nong Zhu and Xubei Luo

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Digitalization and Disruptive Technologies in Middle East North Africa (MENA) and Sub-Saharan Africa (SSA) Regions

Ahmed Farouk Ghoneim and Dina Atef Mandour

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Determinants of Adoption of Online Commercial Activities by Moroccan Firms

Adel Ben Youssef

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The Effects of Exchange Rate Changes on Sudanese Output: An Asymmetric Analysis using the NARDL Model

Mesbah Fathy Sharaf and Abdelhalem Mahmoud Shahan

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Estimating the Causal relationship between External Debt and Inflation in Jordan: Evidence from an ARDL and Toda-Yamamoto approaches

Mesbah Fathy Sharaf and Abdelhalem Mahmoud Shahan

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Kabbashi M Suliman

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Introducing the Sudan Labor Market Panel Survey 2022

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The Structure of the Labor Force and Employment in Sudan

Caroline Krafft, Ragui Assaad, Adriana Cortes-Mendoza and Isabel Honzay

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The Past and the Future Trade Patterns of the MENA Region: The Pursuit of Growth

Pınar Tat, Abdullah Altun and Halit Yanıkkaya

WP 1650

Digitalization and The UAE Economy: A New Driver of Sustainable Development

Jamel Zarrouk

WP 1651

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The Impact of Maternal Education on Early Childhood Development: The Case of Turkey

Deniz Karaoglan, Serap Sagir, Meltem Dayioglu and Dürdane Sirin Saraçoğlu

WP 1652

Public Debt, Growth, and Stabilization in Tunisia: A New Narrative for a Structural Reform Agenda

Leila Baghdadi and Moez Labidi

WP 1653

A No Woman's Place: Employers' Discrimination and Hiring Challenges in Less Feminized Sectors in Egypt

Ghada Barsoum

SWP_2023_1

Do Employers Discriminate against Married Women? Evidence from a Field Experiment in Egypt

Caroline Krafft

SWP_2023_2

A Machine Learning Approach to Targeting Humanitarian Assistance Among Forcibly Displaced Populations

Angela C. Lyons, Alejandro Montoya Castano, Yifang Zhang, Aiman Soliman and Josephine Kass-Hanna,

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The Dynamics of Social Insurance in Egypt

Caroline Krafft and Cyrine Hannafi

WP 1655

Choosing Exchange Regimes in Oil-Exporting Countries: Frankel's Proposal (CCB) versus the Actual Regime: The Case of Algeria (In Arabic)

Abderazak Madouri and Hacene Tchoketch-Kebir

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Working Conditions in the Paid Care Economy in Egypt: Improvement or Deterioration?

Caroline Krafft and Maye Ehab

WP 1657

Why is Social Insurance Coverage Declining in Egypt? A Decomposition Analysis

Ragui Assaad and Sarah Wahby

WP 1658

Trade, Food Security, and the War in Ukraine: The cases of Egypt and Sudan

Chahir Zaki, Alzaki Alhelo and Kabbashi Suliman

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Iman Cheratiana, Saleh Goltabara and Mohammad Reza Farzanegan

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Shahrokh Fardoust

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Mohammad Reza Farzanegan and Mohammad Ali Kadivar

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Mahmoud Mohieldin, Sameh Wahba, Maria Alejandra Gonzalez-Perez and Miral Shehata

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Rachel Yuting Fan, Daniel Lederman, Ha Nguyen and Claudio Rojas

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Lamia Jaidane-Mazigh and Islem Khefacha

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Zina Nimeh

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Measuring poverty in Lebanon in the time of economic collapse

Paul Makkissi, Walid Marrouch and Myra Yazbeck

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How the crisis in Ukraine affects Egypt's vulnerable families and children

May Gadalla and Nesma Mamdouh

Published: April 4, 2023

Demographic pressures on the Egyptian labour market

Ragui Assaad

Published: April 4, 2023

Food security and child malnutrition in Africa

Hala Abou-Ali, Amira Elayouty and Ronia Hawwash

Published: April 11, 2023

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How can the digital economy benefit everyone in the Arab world—and prevent the region from falling farther behind?

Shahrokh Fardoust and Mustapha K. Nabli

Published: May 2, 2023

Public employment in Arab countries: A Reassessment

Khalid Abu-Ismaïl

Published: May 30, 2023

Creating jobs: making Egypt's economy work for everyone

Chahir Zaki

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Altered destinies: the long-term effects of food insecurity in the MENA region

Roberta Gatti, Daniel Lederman, Asif M. Islam, Federico Bennett and Hoda Assem

Published: June 14, 2023

Geopolitical and economic tension in the 21st century: Not your grandfather's cold war

Rabah Arezki

Published: June 20, 2023

Supporting employment opportunities for women in Egypt's ICT sector

Ragui Assaad and Irène Selwaness

Published: July 4, 2023

Insiders and outsiders: the political economy of Arab labour markets

Steffen Hertog

Published: July 11, 2023

Reframing sustainable finance: lessons from Lebanon

Mahmoud Arayssi

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The human toll: Assessing the damage caused by revolution and war in Iran

Mohammad Reza Farzanegan

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Fighting poverty: innovative policy lessons from the second Arab Multidimensional Poverty Report

Khalid Abu-Ismaïl and Sabina Alkire

Published: August 28, 2023

Debt clouds over the Middle East

Adnan Mazarei

Published: September 12, 2023

North Africa's hydrogen mirage

Rabah Arezki

Published: September 18, 2023

Sudan's labour market: new data in turbulent times

Caroline Krafft, Ragui Assaad, Ruby Cheung and Joy Moua

Published: October 24, 2023

Sudan's labour market in an era of shocks

Caroline Krafft, Ragui Assaad, Adriana Cortes-Mendoza, Isabel Honzay and Joy Moua

Published: October 24, 2023

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Steve L. Monroe

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Pinar Tat, Abdullah Altun and Halit Yanıkkaya

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Assem Abu Hatab, Lena Krautscheid and Franklin Amuakwa-Mensah

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The importance of budget support for progress on sustainable development

Shahrokh Fardoust, Stefan G. Koeberle, Moritz Piatti-Fünfkirchen, Lodewijk Smets and Mark Sundberg

Published: November 7, 2023

Retooling development aid in the 21st century

*Shahrokh Fardoust, Stefan G. Koeberle, Moritz Piatti-Fünfkirchen,
Lodewijk Smets and Mark Sundberg*

Published: November 7, 2023

Balancing act: jobs and wages in MENA when crises hit

Roberta V. Gatti, Daniel Lederman, Nelly Elmallakh and Jesica Torres

Published: November 28, 2023

Egypt's care economy needs to address deteriorating working conditions

Caroline Krafft and Maye Ehab

Published: December 12, 2023

The decline of social insurance in Egypt: directions for reform

Caroline Krafft and Cyrine Hannaft

Published: December 19, 2023

Boosting trade through flexible rules of origin in preferential agreements

Julien Gourdon, Karin Gourdon and Jaime de Melo

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Unemployment among young women in GCC countries

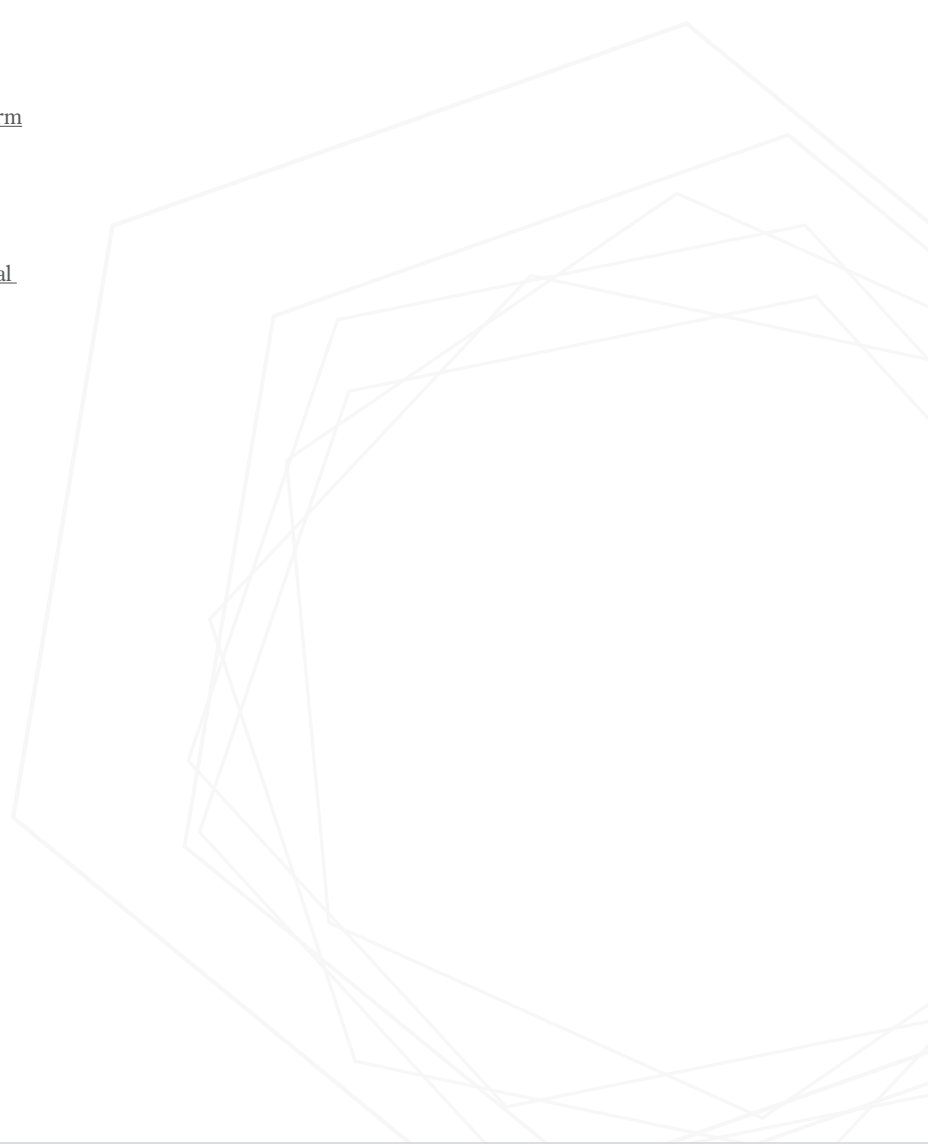
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Published: December 26, 2023

Challenges of GCC investment in the energy transition

Héla Miniaoui

Published: December 26, 2023



ERF

Financial Statements

2023
ANNUAL
REPORT



Annex D: Financial Statements



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AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF ECONOMIC RESEARCH FORUM – CAIRO ON THE AUDIT OF THE FINANCIAL STATEMENTS

Introduction

We have audited the accompanying financial statements of **Economic Research Forum – Cairo** (“ERF”), represented in the Statement of financial position as at 31 December 2023, and the related statements of activities and Statement of changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of ERF's Management, as management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable 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. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 applicable 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.

The financial statements of ERF for the year ended as at 31 December 2022 were audited by another auditor, whose report dated 2 May 2023 expressed an unqualified opinion on those financial statements.

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 professional 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.

Annex D: Financial Statements



Translation of financial statements
Originally issued in Arabic

AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF ECONOMIC RESEARCH FORUM – CAIRO ON THE AUDIT OF THE FINANCIAL STATEMENTS – (CONTINUED)

Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of ERF, as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

External Auditor

Ahmed Awad Elsherbiny
FESAA
MEST
(RAA 31387)



Cairo: 12 August 2024

Annex D: Financial Statements

Economic Research Forum – Cairo

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31 December 2023	31 December 2022	1 January 2022
		USD	Restated USD	Restated USD
ASSETS				
Noncurrent assets				
Fixed assets	(3)	4,017,622	4,070,814	4,122,400
Investments	(4)	14,363,376	15,227,587	17,560,168
Total non-current assets		18,380,998	19,298,401	21,682,568
Current assets				
Contributions receivable	(6)	2,815,573	1,256,630	1,167,666
Due from a related party	(7-b)	118,441	138,386	151,250
Prepaid Expenses and Other current assets	(8)	165,155	40,170	131,702
Investment in treasury bills and time deposits	(5)	728,213	626,439	-
Cash on hand and at banks	(9)	611,701	765,038	530,279
Total current assets		4,439,083	2,826,663	1,980,897
Total assets		22,820,081	22,125,064	23,663,465
Net Assets				
Permanently restricted contribution		13,313,403	13,313,403	13,313,403
Unrestricted contribution		5,456,621	6,477,902	8,367,390
Total net assets		18,770,024	19,791,305	21,680,793
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits	(10)	303,922	244,426	213,937
Total non-current liabilities		303,922	244,426	213,937
CURRENT LIABILITIES				
Provisions	(11)	113,798	60,373	117,439
Accrued expenses and other payables	(12)	264,125	212,047	239,325
Temporarily restricted contribution	(13)	3,368,212	1,816,913	1,411,971
Total current liabilities		3,746,135	2,089,333	1,768,735
Total liabilities		4,050,057	2,333,759	1,982,672
Total liabilities and net asset		22,820,081	22,125,064	23,663,465

Director of Finance



Managing Director



The accompanying notes from 1-22 form an integral part of these financial statements.

Annex D: Financial Statements

Economic Research Forum – Cairo

STATEMENT OF ACTIVITIES

For the year ended 31 December 2023

	Note	2023 USD	2022 USD
REVENUE			
Temporarily restricted contribution released	(13)	1,537,749	1,360,241
Interest on time deposits		4,836	4,169
Return on investments	(14)	190,690	207,341
Other income	(15)	48,734	7,024
Unrealized gain from investments		464,040	188,469
Total revenues and other support		2,246,049	1,767,244
EXPENSES			
Research programs	(16)	(1,087,027)	(1,224,890)
Events	(16)	(328,141)	(195,570)
Publications	(16)	(446,058)	(345,465)
General and administrative expenses	(16)	(601,614)	(568,049)
Loss on investments - AFESD Endowment fund	(4)	-	(1,258,047)
loss on investments - Euro bonds	(4)	(82,887)	
Expected credit losses for contributions receivable	(6)	(134)	-
Expected credit losses for investment	(6)	-	(8,211)
Depreciation expense	(3)	(56,012)	(56,286)
Impairment AFESD Endowment fund	(4)	(623,135)	-
Provision for annual leave	(11)	(69,652)	(32,383)
Actuarial losses	(10)	-	(10,073)
Total expenses and other losses		(3,294,660)	(3,698,974)
Change in net assets before foreign exchange		(1,048,611)	(1,931,730)
Foreign exchange gain		27,330	42,242
Net deficit		(1,021,281)	(1,889,488)

Director of Finance



Managing Director



The accompanying notes from 1-22 form an integral part of these financial statements.

Annex D: Financial Statements

Economic Research Forum – Cairo

STATEMENT OF CHANGES IN NET ASSETS

For the year Ended 31 December 2023

	<i>Permanently restricted USD</i>	<i>Unrestricted USD</i>	<i>Total USD</i>
Balance as at 1 January 2023	13,313,403	6,477,902	19,791,305
Net deficit during the year	-	(1,021,281)	(1,021,281)
Balance as at 31 December 2023	13,313,403	5,456,621	18,770,024
Balance as of 1 January 2022	13,313,403	8,367,390	21,680,793
Net deficit before adjustment	-	(1,484,547)	-
Adjustment (Note 21)	-	(404,941)	-
Net deficit after adjustment	-	(1,889,488)	(1,889,488)
Balance as at 31 December 2022	13,313,403	6,477,902	19,791,305

Director of Finance

Managing Director

The accompanying notes from 1-22 form an integral part of these financial statements.

Annex D: Financial Statements

Economic Research Forum – Cairo

STATEMENT OF CASH FLOWS

For the year Ended 31 December 2023

	Note	2023 USD	2022 USD
OPERATING ACTIVITIES			
Net deficit		(1,021,281)	(1,889,489)
Adjustments:			
Depreciation expense	(3)	56,012	56,286
Gain on sale of fixed assets	(3)	-	(262)
Provisions formed	(11)	69,652	32,383
Expected credit loss formed on investments	(4)	-	8,211
Impairment loss of the investment	(4)	623,135	-
Expected credit loss formed on contributions receivable	(6)	134	-
Expected credit loss on contributions receivable no longer required	(6)	-	(4,403)
Write off adjustments to temporarily restricted contributions		-	15,311
Employees' end of service benefits - Additions during the year	(10)	112,994	99,155
Foreign exchange gain on defined employees' benefits obligation	(10)	(36,734)	(75,057)
Actuarial gain	(10)	-	10,073
Foreign exchange gain/loss on provisions	(11)	(8,302)	(18,412)
Foreign exchange gain		(27,330)	(42,242)
Net unrealized gain from investments and treasury bills		(479,600)	(188,469)
Net assets before changes in assets and liabilities		(711,320)	(1,996,915)
Change in contributions receivable	(6)	(1,559,077)	(99,871)
Change in Prepaid Expenses and Other current assets	(8)	(124,985)	91,532
Change in accrued expenses and other payables	(12)	52,078	(27,278)
Change in temporarily restricted contribution	(13)	1,551,299	404,942
Change in due from related parties	(7)	19,945	12,864
		(772,060)	(1,614,726)
Provisions utilized during the year	(11)	(7,925)	(71,037)
Defined employees' benefits paid	(10)	(16,764)	(3,682)
Net cash flow used in operating activities		(796,749)	(1,689,445)
INVESTING ACTIVITIES			
Net Proceeds from investments		705,116	1,933,400
Payments for purchase of fixed assets	(3)	(2,820)	(4,700)
Proceed from sale of fixed assets	(3)	-	262
Proceeds from treasury bills	(5)	169,812	151,917
Payments for purchase of treasury bills	(5)	(256,026)	(198,917)
Net cash generated from investing Activities		616,082	1,881,962
Net (decrease)/increase in cash and cash equivalents		(180,667)	192,517
Foreign exchange gain		27,330	42,242
Cash and cash equivalents at beginning of year	(9)	765,038	530,279
Cash and cash equivalents at end of the year	(9)	611,701	765,038

Director of Finance



Managing Director



The accompanying notes from 1-22 form an integral part of these financial statements.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1. BACKGROUND

The Economic Research Forum – Egypt (“ERF”) 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. On January 17, 2005, 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 23 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 December 18, 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, to ensure regional, gender and professional balance.

On the 11 March 2019 the Board of Trustees decided to establish a branch in Dubai which was closed down on the 26 December 2020. However, on 16 May 2019 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 principal 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 financial statements should read them together with the consolidated financial statements, as of 31 December 2023 in order to obtain complete information about the Forum’s financial position, its activities result, cash flows and changes in the net assets of the forum.

The financial statements for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Managing Director on 04 August 2024

2. SIGNIFICANT ACCOUNTING POLICIES

- The financial statements are prepared under the going concern assumption on a historical cost basis.
- The financial statements are prepared and presented in USD, which is ERF’s functional currency.

STATEMENT OF COMPLIANCE

The financial statements of ERF have been prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations.

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Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.1 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted to classify, and the Expenses, Income and Other Assets and Liabilities are in consistent with that of last year.

The following are the most important changes in Egyptian accounting standards “Amendments 2023:

Revised Egyptian Accounting Standard 10: Fixed Assets

Egyptian Accounting Standard 10 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after January 1, 2023. Retrospective application must be made, and comparative information must be amended.

The amended Egyptian Accounting Standard 10 allows the use of the revaluation model when measuring fixed assets. The gains and losses resulting from the revaluation of fixed assets are recognized in other comprehensive income and collected within equity in the “revaluation surplus” account. ERF chose not to change the current accounting policy and did not apply the alternative accounting treatment.

Revised Egyptian Accounting Standard 23: Intangible Assets

Egyptian Accounting Standard 23 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after 1 January 2023. Retrospective application must be made, and comparative information must be amended.

The amended Egyptian Accounting Standard 10 allows the use of the revaluation model when measuring the subsequent measurement of intangible assets. Gains and losses resulting from the revaluation of intangible assets are recognized in other comprehensive income and collected within equity in the “revaluation surplus” account. This standard does not apply to ERF.

Egyptian Accounting Standard 34: Modifier: Real Estate Investment

Egyptian Accounting Standard 34 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after 1 January 2023. Retrospective application must be made, and comparative information must be amended.

Entities have been allowed to use the fair value model option when subsequently measuring their real estate investments, while requiring real estate investment funds only to use the fair value model when measuring all their real estate assets, with the increase in fair value recognized when subsequently measuring real estate investment within other comprehensive income items, instead of profits Or losses and collect them within equity in the “Real Estate Investment Evaluation Surplus at Fair Value” account. This standard does not apply to ERF.

Egyptian Accounting Standard 35 Revised: Agriculture

Egyptian Accounting Standard 35 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after 1 January 2023. Retrospective application must be made, and comparative information must be amended.

Fruit-bearing plants have been excluded from AASB 35: Agriculture to fall under the scope of AASB 10: Fixed Assets. This standard does not apply to ERF.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.1 CHANGES IN ACCOUNTING POLICIES – (CONT.)

Revised Egyptian Accounting Standard 36: Exploration and Evaluation of Mining Resources.

Egyptian Accounting Standard 36 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after 1 January 2023. Retrospective application must be made, and comparative information must be amended.

The amended Egyptian Accounting Standard 36 allows the use of the revaluation model when measuring subsequent mining resources. Gains and losses resulting from the revaluation of mining resources are recognized in other comprehensive income and collected within equity in the “revaluation surplus” account. This standard does not apply to ERF.

2.2 BASIS OF PREPARATION

These 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 Forum 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:

- Expected to be realized or intended to be sold or used in normal operating course.
- Held primarily for trading.
- Expected to be realized 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 Forum 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 Forum's management to exercise its judgment in the process of applying the Forum's accounting policies. note (2) describes the significant accounting estimates and assumptions of these financial statements, as well as significant judgments used by the Forum's management when applying the 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.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.3 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 Forum'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 Forum 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 recognized by the Forum in the statement of activities and change in net assets in the period in which these differences arise, except when currency exchange differences resulting from the translation of non-monetary items are deferred in the

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 recognized 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 recognized in the Statement of Activities and change in net assets as part of fair value gain or loss.

2.4 REPORTING POLICIES

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 Contribution are Deferred Net assets (Liability) 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 Contribution 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.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.5 FIXED ASSETS

The Forum 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 Forum.

The Forum recognizes subsequent costs of the acquisition of the Fixed assets as a asset, only when it is probable that future economic benefits will flow to the Forum and the cost of the item can be measured reliably. The Forum 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 derecognized. The Forum 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 characterized with unlimited estimated useful life. Below are the estimated useful lives of each type of the assets' groups:

Asset	Useful Life (Years)
Building	50 Years
Furniture and fixtures	5 Years
Office equipment	3 Years
Motor Vehicles	3 Years

ERF 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.

2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that have definite useful lives are tested by ERF for impairment, and they are subject to depreciation or amortization 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).

ERF recognizes impairment losses in the statement of activities and change in net assets whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment losses recognized 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 recognized in the statement of activities and change in net assets.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.7 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.

Amortized Cost ("AC") is the amount at which the financial instrument was recognized 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 amortization 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 amortized 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 amortized 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.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.7 FINANCIAL INSTRUMENTS – (CONT.)

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 recognized for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss. certain investments that are measured at fair value using the Net Asset Value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

Financial assets – classification and subsequent measurement – measurement categories

The Forum 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 Forum 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 Forum manages the assets in order to generate cash flows – whether the Forum 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 Forum undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Forum 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 Forum 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 Forum 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 – Adjustment

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The Adjustment has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.7 FINANCIAL INSTRUMENTS – (CONT.)

Financial assets impairment – credit loss allowance for ECL

The Forum assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI. The Forum measures ECL and recognizes 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 Forum 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 Forum 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 Forum exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Forum may write-off financial assets that are still subject to enforcement activity when the Forum seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – derecognition

The Forum derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Forum 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 recognized 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 Forum financial liabilities are measured at AC.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.7 FINANCIAL INSTRUMENTS – (CONT.)

Financial liabilities – derecognition

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

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

2.8. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions to the ERF, either from donors or grantors, provide funding for researches and projects Contributions due after one year are discounted to their fair value, based upon the fiscal year in which the contribution is to be received. Amortization of discount is recorded as revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for potentially uncollectible contributions receivable is provided based upon management's judgment and analysis of the creditworthiness of the donors or grantors, past collection experience and other relevant factors.

2.9. OTHER CURRENT ASSETS

Other current assets include prepayments and other debit balances are carried at cost less provision for impairment. Other current assets are classified as non-current when the goods or services relating to the other current assets are expected to be obtained after one year, or when the other current assets relate to an asset which will itself be classified as non-current upon initial recognition. Other current assets to acquire assets are transferred to the carrying amount of the asset once the Forum has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Forum. Other current assets are expensed into the statement of activities and change in net assets when the services relating to the other current assets are received. If there is an indication that the assets, goods or services relating to an other current asset will not be received, the carrying value of the other current assets is written down accordingly and a corresponding impairment loss is recognized in the statement of activities and change in net assets for the year.

2.10 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.

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.11 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 Forum and the employee are as follows:

- 5% of the monthly salary by the employee,
- 2.5% - 5% of the monthly salary by the Forum based on the years of service.

The net defined benefit obligation recognized 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 Forum pays fixed contributions to the General Authority for Social Insurance on mandatory basis. The Forum 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.

2.12 PROVISIONS

Provisions are recognized when the Forum 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 Forum recognizes the commitments required for restructuring and not related to the Forum 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 recognized because it was not expected to have an outflow of resources embodying economic benefits to the Forum 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 recognized 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.



Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.12 PROVISIONS– (CONT.)

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 recognized 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 Forum, the Forum recognizes the reimbursement when it is virtually certain that reimbursement will be received if the Forum settles the obligation. The reimbursement should be recognized as an asset in the statement of financial position. The amount recognized should not exceed the amount of the provision.

2.13. Creditors and other credit balances

Trade payables are recognized initially at the amount of goods or services received from others, whether they have been billed or not. When they are material, goods and services received, as well as the trade payables are recognized at the present value of the cash outflow expected by using interest rate of similar loans. Trade payables are then carried at amortized cost using the effective interest rate.

2.14 REVENUE RECOGNITION

(a) Donation revenues

Donors' unconditional pledges are those pledges where donors do not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Donation revenues from unconditional pledges are recognized as follows:

- Unconditional pledges that are not restricted for a specific purpose or time are recognized when the pledge is obtained.
- Unconditional pledges that are temporarily restricted by the donor for a specific purpose or time are recognized when such purpose or time is satisfied.

(b) Interest income

Interest income is recognized 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.

2.15 COMPARATIVES

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

Annex D: Financial Statements

Economic Research Forum – Cairo

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2. SIGNIFICANT ACCOUNTING POLICIES – (CONT.)

2.16 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 Forum makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results.

(2) Fair value of Financial Instruments

certain investments that are measured at fair value using the Net Asset Value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table in note (19) are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(3) Critical judgments in applying the Forum 's accounting policies

Generally, the Forum 's accounting policies do not require from management the use of judgment, as such judgment could have a material effect on the amounts recognized in its financial statements.



Annex D: Financial Statements

Economic Research Forum – Cairo
 NOTES TO THE FINANCIAL STATEMENTS
 31 December 2023

3. FIXED ASSETS

<u>Cost</u>	<u>Land</u>	<u>Building</u>	<u>Furniture and fixtures</u>	<u>Office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
USD	USD	USD	USD	USD	USD	USD
As of 1 January 2023	2,822,749	1,599,255	576,160	516,792	49,746	5,564,702
Additions	-	-	-	2,820	-	2,820
As at 31 December 2023	2,822,749	1,599,255	576,160	519,612	49,746	5,567,522
<u>Accumulated depreciation</u>						
As of 1 January 2023	-	(370,872)	(576,160)	(497,110)	(49,746)	(1,493,888)
Depreciation	-	(43,297)	-	(12,715)	-	(56,012)
As of 31 December 2023	-	(414,169)	(576,160)	(509,825)	(49,746)	(1,549,900)
<u>Net Book Value</u>						
31 December 2023	2,822,749	1,185,086	-	9,787	-	4,017,622
31 December 2022	2,822,749	1,228,383	-	19,682	-	4,070,814

Proceeds from sale of fixed assets in the statement of cash flow are as follows:

	2023	2022
	USD	USD
Net book value of disposed assets	-	-
Gain from sale of fixed assets	-	262
Proceeds from sales of fixed assets	-	262

Annex D: Financial Statements

Economic Research Forum – Cairo
 NOTES TO THE FINANCIAL STATEMENTS
 31 December 2023

3. FIXED ASSETS – (CONT.)

	Land USD	Building USD	Furniture and fixtures USD	Office equipment USD	Motor vehicles USD	Total USD
Cost						
As of 1 January 2022,	2,822,749	1,599,255	576,160	520,248	49,746	5,568,158
Additions	-	-	-	4,700	-	4,700
Disposals	-	-	-	(8,156)	-	(8,156)
As at 31 December 2022	2,822,749	1,599,255	576,160	516,792	49,746	5,564,702
Accumulated depreciation						
As of 1 January 2022,	-	(330,451)	(563,340)	(491,996)	(49,746)	(1,435,533)
Depreciation	-	(40,421)	(2,876)	(12,989)	-	(56,286)
Disposals	-	-	-	8,156	-	8,156
Impairment	-	-	(9,944)	(281)	-	(10,225)
As of 31 December 2022,	-	(370,872)	(576,160)	(497,110)	(49,746)	(1,493,888)
Carrying Amount						
31 December 2022	2,822,749	1,228,383	-	19,682	-	4,070,814

Annex D: Financial Statements

ECONOMIC RESEARCH FORUM – Cairo
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

4. INVESTMENTS

	<i>31 December 2023 USD</i>	<i>31 December 2022 USD</i>
A) Investments at fair value through profit or Loss		
EFG-Hermes Portfolio *	2,903,300	2,479,025
AFESD Endowment fund **	9,643,575	9,643,512
	<u>12,546,875</u>	<u>12,122,537</u>
Impairment ***	(623,135)	-
	<u>11,923,740</u>	<u>12,122,537</u>
B) Investments at amortized cost		
EFG-Hermes Portfolio *	2,450,731	3,116,145
Expected credit loss	(11,095)	(11,095)
	<u>2,439,636</u>	<u>3,105,050</u>
	<u>14,363,376</u>	<u>15,227,587</u>

* EFG-Hermes Portfolio

During February 2006, a contract was signed between the Forum 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 Forum's policies endorsed by the Board of Trustees. The portfolio details represent the follows:

	<i>31 December 2023</i>				<i>31 December 2022</i>			
	<i>No of Shares</i>	<i>Cost</i>	<i>Fair Value</i>	<i>Amortized costs</i>	<i>No of Shares</i>	<i>Cost</i>	<i>Fair Value</i>	<i>Amortized costs</i>
Middle East and Development								
Africa (MEDA)	43,830	1,209,000	2,903,300		43,830	1,209,000	2,479,025	
Egypt Euro Bonds	15,000	1,437,500	-	1,554,268	21,000	2,040,500	-	2,121,963
Oman Euro Bonds	10,000	949,500	-	979,350	10,000	949,500	-	994,182
			<u>2,903,300</u>	<u>2,533,618</u>			<u>2,479,025</u>	<u>3,116,145</u>
Loss on Euro Bonds			-	(82,887)			-	-
			<u>2,903,300</u>	<u>2,450,731</u>			<u>2,479,025</u>	<u>3,116,145</u>
Expected credit loss			-	(11,095)			-	(11,095)
			<u>2,903,300</u>	<u>2,439,636</u>			<u>2,479,025</u>	<u>3,105,050</u>

** AFESD Endowment fund

ERF agreed with AFESD to invest the fund on behalf and in favor of ERF. This amount represents the endowment fund and is financed by donor.

	<i>31 December 2023 USD</i>	<i>31 December 2022 USD</i>
Endowment fund	9,643,512	10,897,169
(Loss)/return on endowment fund	-	(1,258,047)
Currency revaluation	63	4,390
	<u>9,643,575</u>	<u>9,643,512</u>
Impairment ***	(623,135)	-
	<u>9,020,440</u>	<u>9,643,512</u>

The movement of the expected credit loss of investments was as follows:

	<i>2023 USD</i>	<i>2022 USD</i>
Balance as of 1 January	11,095	2,884
Formed during the year	-	8,211
Balance as of 31 December	<u>11,095</u>	<u>11,095</u>

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4. INVESTMENTS (CONT.)

*** Impairment

Subsequent to the date of the financial statements, on 7 February 2024, ERF signed a memorandum of understanding and amendment regarding the transfer of the balance of technical assistance provided in the form of endowments from the Arab Fund for Economic and Social Development (AFESD) to support the investments and activities and programs of ERF to support sustainability of ERF (Grant No. 25/2023-W) / Programs and Studies Department. ERF invested through the endowment allocated by AFESD to finance ERF's activities and programs, amount of KWD 3,057,468, equivalent to U.S. \$ 9,643,575 as at 31 December 2022. Based on the AFESD's decision, it was decided to cancel the endowment system, liquidate the existing endowments, and convert them into contributions to finance the activities of the beneficiary entities. Accordingly, the fund agreed to convert an amount of KWD 2,860,000, equivalent to U.S. \$ 9,020,440 into a contribution to be used to finance the costs of ERF's activities and programs, instead of the balance existing as at 31 December 2022, with the disbursement and management of the bank accounts to which the contribution will be transferred being under the supervision and approval of AFESD. Consequently, ERF's management decided to recognize the impairment provision value resulting from the decrease in the investment value based on the understandings with the AFESD, with amount of U.S. \$ 623,135.

5. INVESTMENT IN TREASURY BILLS AND TIME DEPOSITS

	<i>2023</i> <i>USD</i>	<i>2022</i> <i>USD</i>
Par value	230,146	188,707
Unearned revenue	(15,560)	(17,103)
Earned revenue	8,627	6,835
	223,213	178,439
Time deposit	505,000	448,000
	728,213	626,439

6. CONTRIBUTIONS RECEIVABLE

	<i>31 December</i> <i>2023</i> <i>USD</i>	<i>31 December</i> <i>2022</i> <i>USD</i>
Gross balance due	2,817,478	1,258,401
Excepted credit loss	(1,905)	(1,771)
	2,815,573	1,256,630

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6. CONTRIBUTIONS RECEIVABLE – (CONT.)

Contributions' receivables comprise unconditional pledges to give. The balances at the end of the year were as follow:

	<i>31 December</i> <i>2023</i> <i>USD</i>	<i>31 December</i> <i>2022</i> <i>USD</i>
European Commission	544,168	551,253
World bank	60,000	216,000
Arab Fund for Economic and Social Development (AFESD)	1,954,050	186,760
The Agence Francaise De Development (AFD)	55,175	106,110
International Labour Organization (ILO)	70,315	94,064
International Development Research Centre (IDRC) - through ERF Dubai	25,134	9,648
United Nations International Children's Emergency Fund (UNICEF)	-	94,566
United Nations Development Program (UNDP)	81,180	-
The United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)	27,456	-
	2,817,478	1,258,401
Excepted credit loss	(1,905)	(1,771)
	2,815,573	1,256,630

The movement of the expected credit loss on contributions receivable was as follows:

	<i>2023</i> <i>USD</i>	<i>2022</i> <i>USD</i>
Balance as of 1 January	1,771	6,174
Formed during the year	134	-
No longer required	-	(4,403)
Balance as of 31 December	1,905	1,771

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7. DUE FROM RELATED PARTIES

The Forum 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 Forum 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:

A) Related party transactions

	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>2023 USD</i>	<i>2022 USD</i>
Economic research forum – NIPO (Dubai)	Subsidiary	Amounts paid on behalf of the affiliate	43,156	14,805
Economic research forum – NIPO (Dubai)	Subsidiary	Subgrants from ERF -NIPO (Dubai)	-	126,033
Economic research forum – NIPO (Dubai)	Subsidiary	Collection from ERF - NPIO (Dubai) Subgrants	43,156	(116,395)

B) Due from related parties Balances

	<i>31 December 2023 USD</i>	<i>31 December 2022 USD</i>
Economic research forum – NIPO (Dubai)	118,441	138,386
	<u>118,441</u>	<u>138,386</u>

C) Key management compensation cost

The total cost of key management amount of USD 552,182 include salaries, benefits, and other cost to senior management personnel during the year 2023 (2022: USD 563,735.56).

8. PREPAID EXPENSES AND OTHER RECEIVABLES

	<i>31 December 2023 USD</i>	<i>31 December 2022 USD</i>
Advances to researchers	155,330	33,060
Other receivables	5,960	3,137
Prepaid expenses	3,322	3,297
Advances to suppliers	543	676
	<u>165,155</u>	<u>40,170</u>

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9. Cash on hand and at banks

	<i>31 December 2023 USD</i>	<i>31 December 2022 USD</i>
Cash on hand	232	235
Current accounts- USD	485,989	592,807
Current accounts- foreign currencies	83,474	144,444
	<u>569,695</u>	<u>737,486</u>
Time deposits *	42,006	27,552
	<u>611,701</u>	<u>765,038</u>

* Time deposits represent deposits in U.S. \$ at local bank with an original maturity of less than three months after the financial statements date. The average interest rate on these deposits was (6% for EGP and 1 % for U.S. \$ deposits for the year 2023) and (6% for EGP and 0.6 % for U.S. \$ deposits for the year 2022)

10. EMPLOYEES' END OF SERVICE BENEFITS

The Forum 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:

	<i>2023 USD</i>	<i>2022 USD</i>
Discount rate	25.11%	15.38%
Average rate of salaries increases	13%	12%

Amounts recognized at the date of the statement of financial position are as follows:

	<i>2023 USD</i>	<i>2022 USD</i>
Present value of liabilities	303,922	244,426
Balance as of 31 December	<u>303,922</u>	<u>244,426</u>

The movement of the net liabilities shown in the statement of financial position is as follows:

	<i>2023 USD</i>	<i>2022 USD</i>
Balance at 1 January	244,426	213,937
Additions during the year	112,994	99,155
Actuarial loss	-	10,073
Paid during the year	(16,764)	(3,682)
Foreign exchange gain	(36,734)	(75,057)
Balance at 31 December	<u>303,922</u>	<u>244,426</u>

The amounts recognized in the statement of activities and change in net assets are as follows:

	<i>2023 USD</i>	<i>2022 USD</i>
Service cost	94,189	86,392
Interest cost	18,805	12,763
	<u>112,994</u>	<u>99,155</u>

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11. PROVISIONS

	<i>2023</i> <i>USD</i>	<i>2022</i> <i>USD</i>
Balance as of 1 January	60,373	117,439
Formed during the year	69,652	32,383
Used during the year	(7,925)	(71,037)
Foreign currency	(8,302)	(18,412)
Balance as of 31 December	113,798	60,373

12. ACCRUED EXPENSES AND OTHER PAYABLES

	<i>31 December</i> <i>2023</i> <i>USD</i>	<i>31 December</i> <i>2022</i> <i>USD</i>
Accounts payable	98,375	69,705
Accrued expenses	1,447	2,770
Other credit balances	164,303	139,572
	264,125	212,047



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ECONOMIC RESEARCH FORUM – Cairo NOTES TO THE FINANCIAL STATEMENTS 31 December 2023

13. TEMPORARILY RESTRICTED CONTRIBUTION RELEASED

This item comprises temporarily restricted contributions subject to purpose restriction. It represents the difference between the donation pledged and the expenditures made out to satisfy the purpose stipulated by the donor. Movement on temporarily restricted contributions during the year was as follows:

	<i>Balance as of 1 January 2023</i>	<i>Additions</i>	<i>Released from restriction</i>	<i>Transferred to Un-restricted</i>	<i>Write off</i>	<i>Balance as of 31 December 2023</i>
	USD	USD	USD	USD	USD	USD
European Commission	582,651	7,848	(175,163)	-	-	415,336
International Labor Organization (ILO)	120,514	275,000	(221,311)	-	(5,556)	168,647
The Agence Francaise De Development (AFD)	97,981	15,000	(38,344)	-	-	74,637
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - through ERF Dubai	-	2,671	(2,671)	-	-	-
Ford Foundation - through ERF Dubai	-	29,400	(29,400)	-	-	-
International Development Research Centre (IDRC) - through ERF Dubai	-	164,175	(139,041)	-	-	25,134
The United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)	-	34,320	(10)	-	-	34,310
United Nations Development Program (UNDP)	-	81,180	-	-	-	81,180
World Bank	460,915	163,950	(349,273)	(32,952)	-	242,640
Arab Fund for Economic and Social Development (AFESD)	251,834	2,314,000	(357,868)	-	-	2,207,966
United Nations International Children's Emergency Fund (UNICEF)	113,545	40,012	(35,239)	-	-	118,318
Carnegie Corporation of New York	189,473	-	(189,429)	-	-	44
	1,816,913	3,127,556	(1,537,749)	(32,952)	(5,556)	3,368,212

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14. RETURN ON INVESTMENTS

	<i>2023</i> <i>USD</i>	<i>2022</i> <i>USD</i>
Interest from bonds carried at amortized cost	167,058	183,954
Interest from time deposits – investments	3,380	6,621
Interest from Treasury Bills carried at amortized cost	20,252	16,766
	190,690	207,341

15. OTHER INCOME

	<i>2023</i> <i>USD</i>	<i>2022</i> <i>USD</i>
Un-restricted Revenue released from restriction	32,952	-
Provision no longer required	-	4,403
Miscellaneous Income	15,782	2,621
	48,734	7,024



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16. EXPENSES

2023	Research programs USD	Events USD	Publications USD	General and administrative USD	Total USD
Professional and research fees	468,232	46,000	29,020	69,044	612,296
Salaries, wages, and other benefits	595,039	63,779	256,032	450,350	1,365,200
Travel and accommodation	-	179,592	16,701	3,313	199,606
Editing, designing, and formatting	736	6,972	81,129	164	89,001
Rent	-	15,668	1,000	19	16,687
Communication expenses	-	8,686	10,299	6,662	25,647
Supplies	13,384	761	16,125	8,594	38,864
Administrative fees	-	572	-	13,745	14,317
Insurance expenses	9,636	184	3,659	22,558	36,037
Utilities	-	-	-	5,556	5,556
Other	-	5,927	32,093	21,609	59,629
	1,087,027	328,141	446,058	601,614	2,462,840
	<i>Research programs</i>	<i>Events</i>	<i>Publications</i>	<i>General and administrative</i>	<i>Total</i>
	USD	USD	USD	USD	USD
2022	Research programs USD	Events USD	Publications USD	General and administrative USD	Total USD
Professional and research fees	660,200	32,058	4,949	52,438	749,645
Salaries, wages, and other benefits	539,183	60,424	242,844	412,346	1,254,797
Travel and accommodation	3,428	73,643	3,726	6,088	86,885
Editing, designing, and formatting	-	20,757	33,818	10	54,585
Rent	-	6,686	-	15,310	21,996
Communication expenses	31	1,636	15,520	8,242	25,429
Supplies	9,869	69	21,741	5,668	37,347
Administrative fees	-	-	-	16,288	16,288
Insurance expenses	12,179	-	2,278	26,472	40,929
Utilities	-	-	-	8,160	8,160
others	-	297	20,589	17,027	37,913
	1,224,890	195,570	345,465	568,049	2,333,974

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17. TAX POSITION

A. Corporate taxes

ERF is a not-for-profit organization; accordingly, it is not subject to corporate income tax.

B. Payroll taxes

From the inception of business until 2020

The Forum 's records were inspected till the year 2020 and the taxes due were paid.

Years 2021, 2022

The Forum is currently under tax inspection for the year 2021 and 2022.

Years 2023

Salary tax was not inspected.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(1) Financial risk factors

The Forum'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 Forum 's management aims to minimize the potential adverse effects on the Forum 's financial performance.

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

ERF has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

This note presents information about ERF's exposure to each of the above risks, ERF's objectives, policies and processes for measuring and managing risk, and ERF's management of capital.

The Board of Trustees of ERF has overall responsibility for the establishment and oversight of ERF's risk management framework. ERF's senior management are responsible for developing and monitoring the risk management policies.

ERF's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

a) Credit risk

Credit risk is the risk of financial loss to ERF if a customer or counterparty to a financial instrument fails to meet its contractual obligations. ERF is exposed to credit risk principally from its other debit balances and from its financing activities, including deposits with banks and financial institutions.

Contribution Receivables

ERF's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of ERF's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. ERF earns its revenues from a large number of customers.

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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (CONT.)

Other financial assets and cash deposits

With respect to credit risk arising from the other financial assets of ERF, which comprise bank balances and cash, financial assets at amortized cost, ERF's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by local ERF's treasury Management. ERF limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

Due from related parties

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk, with a maximum exposure equal to the carrying amount of these balances.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect ERF's income. Financial instruments affected by market risk include interest-bearing loans, borrowings, and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. ERF does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. ERF's exposure to the risk of changes in market interest rates relates primarily to ERF's obligations with floating interest rates and interest-bearing time deposits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of ERF's profit before tax (through the impact on floating rate borrowings).

There is no impact on ERF's equity other than the profit impact stated below:

	2023		2022	
	Change in rate	Effect on Net Assets	Change in rate	Effect on Net Assets
Financial liability	+1%	102	+1%	108

Exposure to foreign currency risk

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on ERF's profit before tax is due to changes in the value of monetary assets and liabilities (NET). ERF's exposure to foreign currency changes for all other currencies is not material:

	2023		2022	
	Change in rate	Effect on Net Assets	Change in rate	Effect on Net Assets
EGP	+10%	156,620	+10%	95,168
EUR	+10%	58,687	+10%	67,923
KWD	+10%	305,747	+10%	983,027

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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (CONT.)

c) Liquidity risk

ERF's management monitors the cash flows, funding requirements and liquidity of ERF. ERF's objective is to maintain a balance between continuity of funding and flexibility. ERF manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

ERF currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below summarizes the maturity profile of ERF's financial liabilities based on contractual undiscounted payments.

d) ERF's management monitors the cash flows, funding requirements and liquidity of ERF. ERF's objective is to maintain a balance between continuity of funding and flexibility. ERF manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

e) ERF currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

f) The table below summarizes the maturity profile of ERF's financial liabilities based on contractual undiscounted payments.

As at 31 December 2023	<i>Less than 3 Months USD</i>	<i>3 to 12 Months USD</i>	<i>1 to 7 Years USD</i>	<i>Total USD</i>
Accounts payable	98,376	-	-	98,376
Accrued expenses	1,447	-	-	1,447
Other credit balances	164,303	-	-	164,303
Total	264,125	-	-	264,125

As at 31 December 2022	<i>Less than 3 Months USD</i>	<i>3 to 12 Months USD</i>	<i>1 to 7 Years USD</i>	<i>Total USD</i>
Accounts payable	69,705	-	-	69,705
Accrued expenses	2,770	-	-	2,770
Other credit balances	139,572	-	-	139,572
Total	212,046	-	-	212,046

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19. 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 Forum should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Forum does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Forum 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 2022 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 Forum 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.

The table below shows the financial assets and liabilities at fair value in financial statements at 31 December 2023, 2022, within the hierarchy of fair value.

Financial assets 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments at fair value through profit or loss	-	-	11,923,740	11,923,740
Total financial assets	-	-	11,923,740	11,923,740

Financial assets 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments at fair value through profit or loss	-	-	12,122,537	12,122,537
Total financial assets	-	-	12,122,537	12,122,537

The Forum 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 Forum did not make any transfers between levels 1, 2 and 3 during the year.

20. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

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21. COMPARATIVE FIGURES

The corresponding figures for the year 2022 have been adjusted in order to be align with the presentation for the current year as follow:

- The Forum was recording new agreements with donors directly to revenues instead of recognizing them as Temporarily Restricted Contributions (TRC) in the liability. At the end of the year, the released TRC amounts were recorded directly to net assets, which affected the presentation of revenue in the statement of activities but did not impact the net assets balance due to the direct entry to net assets.

However, this year, the Forum has corrected their recognition process in line with EAS 12: "Accounting for Government Grants and Disclosure of Government Assistance." Which requires the recognition of grants in the income statement in a manner that matches them with the related costs they are intended to compensate.

As a result of this change, there is a difference in the net deficit for the 2022 year, but there is no change to the accumulated net assets. The Forum has adjusted the presentation of the income statement from the prior year without affecting the accumulated net assets. For the current year, the Forum has recorded actual revenue based on the progress made on the donation contracts. The net impact align with the correct practice, as the Forum made an adjustment entry at the end of the period ending on 31 December 2022, for the value of the difference between Temporarily restricted and unrestricted net assets by U.S. \$404,941. This adjustment ensures that the statement of financial position reflects the correct value of net assets.

On 31 December 2022, the Forum included the net deficit amount after adjustments made during the previous year at the correct value of U.S. \$1,889,488 by moving U.S. \$404,941 in the Unrestricted and Temporarily Restricted Contributions (TRC). This movement corrects the presentation of the net assets in the financial statements to reflect the correct amount and align with the changes to comply with the relevant accounting standards.

Effect on restated Statement of activities for the year ended 31 December 2022

	Statement of activities for the year ended 31 December 2022		
	Before adjustment	adjustment	After adjustment
	USD	USD	USD
Revenues			
Grant	1,780,494	(1,780,494)	-
Temporarily restricted contribution released		1,360,241	1,360,241
Interest on time deposits	4,169	-	4,169
Return on investments	207,341	-	207,341
Other income	7,024	-	7,024
Unrealized gain from investments	188,469	-	188,469
Expenses			
Research programs	(1,094,672)	(130,218)	(1,224,890)
Events	(178,450)	(17,120)	(195,570)
Publications	(296,254)	(49,211)	(345,465)
General and administrative expenses	(876,790)	308,741	(568,049)
(Loss)/return on endowment fund	(1,258,047)	-	(1,258,047)
Expected credit losses for investment	-	(8,211)	(8,211)
Depreciation expense	-	(56,286)	(56,286)
Provision for annual leave	-	(32,383)	(32,383)
Actuarial losses	(10,073)	-	(10,073)
Foreign exchange gain	42,242	-	42,242
Net deficit	(1,484,547)	*(404,941)	*(1,889,488)

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22. MAJOR AND SUBSEQUENT EVENT – (CONT.)

During the subsequent period, Moody's (credit rating) announced that it has altered its outlook on Egypt's rating to "positive." Moody's (credit rating) also kept Egypt's credit rating at Caa1, with a stable outlook, and ERF reviewed the potential effects resulting from downgrading Egypt's sovereign rating and its impact on ERF's financial statements. ERF's management believes that there is no material impact on ERF's financial statements as of 31 December 2023, and ERF will assess the potential impact on ERF's financial statements in subsequent periods.

The impact of the current uncertain economic environment is discretionary, and management will continue to regularly assess the current situation and its related impact. It should be taken into consideration that the assumptions used about economic forecasts are subject to a high degree of inherent uncertainty and therefore the actual result may differ significantly from the forecast information.

ERF considered the potential effects of current economic fluctuations in determining the amounts reported for ERF's financial and non-financial assets, and they represent the best assessment of management based on available information. However, markets remain volatile and recorded amounts remain sensitive to market fluctuations.

In January 2023, the CBE devalued the EGP for the third time, resulting in a loss of approximately 40 percent of its value reaching approx. 31 pounds per 1 USD.

In March 2023, the CBE decided to raise the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points, to reach 18.25%, 19.25% and 18.75% respectively. The credit and discount rate were also raised by 200 basis points, to reach 18.75%. Also, the CBE floated the exchange rate of EGP against other foreign currencies.

In August 2023, the CBE decided to raise the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points, to reach 19.25%, 20.25% and 19.75% respectively. The credit and discount rate were also raised by 100 basis points, to reach 19.75%. Also, the CBE floated the exchange rate of EGP against other foreign currencies.

On 1 February 2024, the Central Bank of Egypt has resolved to increase its overnight deposit and lending rates, along with the price of main operation by 200 basis points to be 21.25%, 22.25% and 21.75%, respectively. The credit and debit rates have been also raised by 200 basis points to be 21.75%. ERF is considering the impact on the subsequent financial statements.

On 6 March 2024, and proceeding in the policy of monetary compliance adopted by the Central Bank, the Monetary Policy Committee has resolved in its extraordinary meeting to increase its overnight deposit and lending rates along with the price of the main operation of the Central Bank by 600 basis points, to be 27.25%, 28.25%, and 27.75%, respectively. The credit and debit rates have been also raised by 600 basis points, to be 27.75%. ERF is considering the impact on the subsequent financial statements. In order to explain the impact of interest rate risks and the impact on ERF as of 31 December 2023.

On 6 March 2024, the Central Bank agreed to continue its hedging efforts towards a flexible inflation-targeting framework by amending the interest rates on deposit, borrowing, and discount, as well as allowing the exchange rate to be determined according to the market mechanisms, including the consequent significant future financial impacts on ERF's financial position, future business results, and equity.

The Management is studying the impact of these decisions on the forum and the solutions available to overcome the challenges resulting from those decisions.

Minister of Finance's Resolution No. 34 of 2024 was issued on 27 January 2024, regarding the adoption of the change percentage in price differences resulting from the management of foreign currencies when determining the income tax base for 2023. The percentages approved in accordance with such Resolution were used when estimating the income tax that was recognized for 2023.

Annex D: Financial Statements



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AUDITOR'S REPORT TO THE MEMBERS OF OF THE BOARD OF TRUSTEES OF ECONOMIC RESEARCH FORUM NPIO

Report on the audit of the financial statements.

Opinion

We have audited the financial statements of Economic Research Forum NPIO (the “forum”) (“ERF Dubai”) which comprise the statement of financial position as at 31 December 2023, the statements of activities and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Forum as at 31 December 2023, and its financial policies, performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS’s”).

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 *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Forum in accordance with the International Ethics Standard Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in the Dubai International Financial Centre (“DIFC”), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Forum for the year ended 31 December 2023, were audited by another auditor whose report dated on 2 May 2023 which expressed an unqualified opinion on those financial statements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018, 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 Forum’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 forum or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Forum'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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Annex D: Financial Statements



AUDITOR'S REPORT TO THE MEMBERS OF OF THE BOARD OF TRUSTEES OF ECONOMIC RESEARCH FORUM NPIO (continued)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 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 Forum'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 Forum's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Forum 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

We also confirm that the financial statements include, in all material respects, the applicable requirements of the Companies Law pursuant to DIFC Law No. 5 of 2018. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Companies Law pursuant to DIFC Law No. 5 of 2018 have occurred during the year which would have had a material effect on the business of the Forum or on its financial position.

16 July 2024



Dubai, United Arab Emirates

A member firm of Ernst & Young Global Limited

Annex D: Financial Statements

Economic Research Forum NPIO

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 USD	2022 USD
ASSETS			
Non-current assets			
Right of use assets	(3)	<u>98,849</u>	23,102
TOTAL NON-CURRENT ASSETS		<u>98,849</u>	<u>23,102</u>
Current assets			
Contributions receivable	(4)	2,062,023	406,774
Other current assets	(5)	98,166	78,941
Cash at bank	(6)	91,506	505,316
TOTAL CURRENT ASSETS		<u>2,251,695</u>	<u>991,031</u>
TOTAL ASSETS		<u>2,350,544</u>	<u>1,014,133</u>
NET ASSETS AND LIABILITIES			
Net assets			
Unrestricted net assets		<u>(142,060)</u>	(121,834)
TOTAL NET ASSETS		<u>(142,060)</u>	<u>(121,834)</u>
Non-current liabilities			
Lease liabilities - Long-term Portion	(3)	<u>33,852</u>	-
TOTAL NON-CURRENT LIABILITIES		<u>33,852</u>	-
Current liabilities			
Other current liabilities	(7)	30,163	15,573
Lease liabilities - Short-term Portion	(3)	65,174	17,035
Due to related party	(8)	124,959	148,034
Temporarily restricted contributions	(9)	<u>2,238,456</u>	955,325
TOTAL CURRENT LIABILITIES		<u>2,458,752</u>	<u>1,135,967</u>
TOTAL LIABILITIES		<u>2,492,604</u>	<u>1,135,967</u>
TOTAL NET ASSETS AND LIABILITIES		<u>2,350,544</u>	<u>1,014,133</u>


 Director of Finance
 Economic Research Forum
 15 July 2024


 Managing Director
 Economic Research Forum
 15 July 2024

The accompanying notes from 1-14 form an integral part of these financial statements.

Annex D: Financial Statements

Economic Research Forum NPIO

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended 31 December 2023

	Note	2023 USD	2022 USD
Revenues			
Temporarily restricted contributions released from restriction	(9)	1,389,097	1,205,208
Other income		-	10,000
Total revenues		<u>1,389,097</u>	<u>1,215,208</u>
Expenses			
Programs and administrative expenses	(10)	(1,329,797)	(1,126,789)
Depreciation of right-of-use assets	(3)	(68,283)	(62,465)
Finance cost	(3)	(6,382)	(1,615)
Expected credit losses	(4)	(17,959)	(5,862)
Change in net assets before currency exchange differences		(33,324)	18,477
Currency exchange differences		13,098	8,760
(Decrease) increase in net assets for the year		(20,226)	27,237
Net assets, beginning of the year		(121,834)	(149,071)
Net assets, end of year		<u>(142,060)</u>	<u>(121,834)</u>

The accompanying notes from 1-14 form an integral part of these financial statements.

Annex D: Financial Statements

Economic Research Forum NPIO

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 USD	2022 USD
OPERATING ACTIVITIES			
Decrease (increase) in net assets		(20,226)	27,237
Adjustments:			
Depreciation of right-of-use assets	(3)	68,283	62,465
Expected credit losses	(4)	17,902	5,193
Finance cost	(3)	6,382	1,615
		<u>72,341</u>	<u>96,510</u>
Changes in working capital:			
Contributions receivable	(4)	(1,673,151)	(29,006)
Other current assets	(5)	(19,225)	96,602
Temporarily restricted contributions	(9)	1,283,131	(508,637)
Other current liabilities	(7)	14,591	1,497
Due to related parties	(8)	(23,075)	(3,216)
Net cash used in operating activities		<u>(345,388)</u>	<u>(346,250)</u>
FINANCING ACTIVITIES			
Payment for lease liability	(3)	(68,422)	(68,131)
Net cash used in financing activities		<u>(68,422)</u>	<u>(68,131)</u>
Decrease in cash and cash equivalents	(6)	<u>(413,810)</u>	<u>(414,381)</u>
Cash and cash equivalents, at 1 January	(6)	<u>505,316</u>	<u>919,697</u>
Cash and cash equivalents, at 31 December		<u><u>91,506</u></u>	<u><u>505,316</u></u>

The accompanying notes from 1-14 form an integral part of these financial statements.

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

1. BACKGROUND

The Economic Research Forum NPIO (•the Forum•) (•ERF Dubai•) is a not-for-profit incorporated organization NPIO in the Dubai International Financial Centre (DIFC), registered on 16 May 2019 under operating license 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 Organization and two are appointed by the Board of Trustees.

The principal activity of the Forum is to promote high-quality economic research to contribute to sustainable development in the Arab countries. The Forum'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 Chairman of the Organization board is Dr. Hassan Aly and the founding members are:

- 1- HE Abdelatif Al-Hamad
- 2- Dr. Fatma Al-Shamsi
- 3- Dr. Ibrahim El-Badawi

Economic Research Forum in Egypt (•ERF Egypt•) is considered the parent Organization of Economic Research Forum NPIO (the Forum)

The following are the key considerations and judgements applied by management in concluding that ERF Egypt had control over ERF Dubai:

- ERF Egypt is able to appoint two of the three Executive Board of ERF Dubai.
- ERF Egypt has power over ERF Dubai, which is demonstrated by the terms of the collaboration agreement, whereby it has full discretion and responsibility over ERF Dubai.

Accordingly, ERF Egypt consolidated the results of ERF Dubai in its consolidated financial statements.

The financial statements for the year ended 31 December 2022 were authorized for issue in accordance with a resolution of Board of trustees on 6 May 2023

The financial statements for the year ended 31 December 2023 were approved with a resolution of the Managing Director on 15 July 2024

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), interpretations issued by the IASB Standing Interpretations Committee (“SIC”) and, the IFRS Interpretations Committee (“IFRIC”).

Currently, IFRS does not contain specific guidelines for the accounting treatment and presentation of the financial statements of non-profit organizations. Therefore, accounting policies have been based on similar transactions and the general IFRS principles detailed in the IASB Framework.

The financial statements have been presented in the U.S Dollar, which is the functional currency of the Forum.

The financial statements have been prepared on a historical cost basis.

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the prior year except for the adoption of new amendments on the standards effective as at 1 January 2023 shown below:

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Forum’s financial statements.

Disclosure of Accounting Policies-Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice statement 2 making materiality judgments provide guidance and examples to help entities apply materiality judgements to accounting policies disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had an impact on the Forum’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Forum’s financial statements.

Issued but not yet effective standards:

The following amendments have been issued but are not yet mandatory and have not been adopted by the Forum. The Forum intends to adopt these amendments, if applicable when they become effective.

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Forum's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Forum is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Forum's financial statements.



Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, financial assets and liabilities and disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.

The key estimates and assumptions involved in the financial statements are as follows:

Useful lives of property and equipment

The Forum's management reassesses the useful lives of property and equipment, and makes adjustments if applicable, at each financial year-end.

Expected Credit Loss "ECL"

In determining impairment of financial assets, the Forum uses judgement to estimate the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses.

Allocation of expenses

Allocation of the Forum's expenses to programs, administrative and general functions is based on the Forum management's best estimate of allocation basis.

Determining the lease term of contracts with renewal and termination options

The Forum determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Management believes that the estimates and assumptions used are reasonable.

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.4.1. DONATION REVENUES

Donors' unconditional pledges are those pledges where donors do not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Donation revenues from unconditional pledges are recognized as follows:

- Unconditional pledges that are not restricted for a specific purpose or time are recognized when the pledge is obtained.
- Unconditional pledges that are temporarily restricted by the donor for a specific purpose or time are recognized when such purpose or time is satisfied.

2.4.2. INTEREST INCOME

Interest income is recognized as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash inflow through the expected life of the financial asset to the net carrying amount of the financial asset.

2.4.3. EXPENSES RECOGNITION

Expenses are recognized when incurred based on the accrual basis of accounting.

2.4.4. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less.

2.4.5. LEASES

The Forum assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Forum applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Forum recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-use assets

The Forum recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received, unless the Forum is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Forum recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Forum and payments of penalties for terminating a lease, if the lease terms reflect the Forum's intentions to exercise the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Forum uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Forum applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4.6. RELATED PARTY TRANSACTIONS

Related parties comprise trustees and businesses which are controlled directly or indirectly by the trustees ("Affiliates") and affiliated organizations which have full control through the board of trustees on the Forum. Pricing policies and terms of these transactions are approved by the board of trustees.

2.4.7. CONTRIBUTIONS RECEIVABLE

Contributions receivable are stated at the original amount of the unconditional pledge less amounts received net of expected credit loss.

2.4.8. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Forum presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.4.9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Where the fair value of financial assets and financial liabilities cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment includes input factors and assumptions used in determining fair value such as liquidity risk, credit risk and other market volatility factors. Changes in assumptions may impact fair values presented in the financial statements.

2.4.10. IMPAIRMENT OF FINANCIAL ASSETS

For all debt instruments, the center has applied the standard's simplified approach and has calculated ECL based on lifetime expected credit losses. To measure ECL, debit balances are classified based on their credit factors and maturities.

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4.10. IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

Financial assets that are measured at amortized cost are tested as to whether they are credit impaired. Objective evidence that a financial asset is credit-impaired may include a breach of contract, such as default or delinquency in interest or principal payments, the granting of a concession that, for economic or legal reasons relating to the borrower's financial difficulties.

2.4.11. INCOME TAX

The Forum is a not-for-profit organization; accordingly, it is not subject to income tax.

2.4.12. ACCOUNTS PAYABLE AND ACCRUALS

Liabilities are recognized for amounts to be paid in the future for goods or services received whether billed by the supplier or not.

2.4.13. FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are recognized in the statement of activities and changes in net assets.

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

3. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The following table shows the carrying amounts of The Forum's right-of-use assets and lease liabilities and the movements for the year ended 31 December 2023 and 2022:

Right-of-use

	2023 USD	2022 USD
<u>Cost</u>		
Balance as of 1 January	148,030	85,567
Addition during the year	144,031	62,464
Balance as of 31 December	<u>292,061</u>	<u>148,031</u>
<u>Accumulated Depreciation</u>		
Balance as of 1 January	(124,929)	(62,464)
Depreciation for the year	(68,283)	(62,465)
Balance as of 31 December 2023	(193,212)	(124,929)
Net Book Value Balance as of 31 December	<u>98,849</u>	<u>23,102</u>

Lease Liabilities

	2023 USD	2022 USD
Balance as of 1 January	17,035	83,551
Addition during the year	144,031	-
Finance costs	6,382	1,615
Paid during the year	(68,422)	(68,131)
Balance as of 31 December	<u>99,026</u>	<u>17,035</u>

The lease liabilities represent in Current and Non-Current portion as follow:

	2023 USD	2022 USD
Total lease liabilities	99,026	17,035
Less: Current portion of lease liabilities	(65,174)	(17,035)
Non-Current portion	<u>33,852</u>	<u>-</u>

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

4. CONTRIBUTION RECEIVABLES

Contributions' receivables comprise unconditional pledges to give. The contribution receivables represent the following balances:

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Ford Foundation	1,015,000	-
Forschungsinstitut Zur Zukunft Der Arbeit GmbH (IZA)	77,173	191,770
International development research Center (IDRC)	980,698	168,773
Deutsche Gesellschaft Fur Int. Zusammenarbeit (GIZ)	-	42,381
African Economic Research Consortium (AERC)	12,916	9,712
	2,085,787	412,636
Expected credit losses *	(23,764)	(5,862)
	2,062,023	406,774

* Expected Credit loss movement:

	2023 USD	2022 USD
Balance at 1 January	5,862	669
Charge for the year	17,902	5,193
	23,764	5,862

5. OTHER CURRENT ASSETS

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Advances to researchers	85,990	60,106
Prepaid expenses	6,773	13,432
Other receivables	5,403	5,403
	98,166	78,941

6. CASH AT BANK

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Current accounts at banks – USD	89,773	502,640
Current accounts at banks – foreign currencies	1,733	2,676
	91,506	505,316

Annex D: Financial Statements

Economic Research Forum NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

7. OTHER CURRENT LIABILITIES

	<i>31 December 2023 USD</i>	<i>31 December 2022 USD</i>
Accounts payable	29,891	15,301
Accrued expenses	272	272
	<u>30,163</u>	<u>15,573</u>

8. DUE TO RELATED PARTY

Amounts due to a related party represent balances arising from payments made on behalf of the Forum in the normal course of business. Outstanding balance is unsecured and interest-free.

	<i>Nature of relationship</i>	<i>31 December 2023 USD</i>	<i>31 December 2022 USD</i>
Economic research forum – ERF (Egypt)	Affiliated	<u>124,959</u>	<u>148,034</u>
		<u>124,959</u>	<u>148,034</u>

During the year, the Forum entered into the following significant transactions with related parties in the ordinary course of business at mutually agreed terms.

	Nature of relationship	Nature of transactions	<i>2023 USD</i>	<i>2022 USD</i>
ERF Egypt	Affiliate	Subgrants to ERF Egypt	-	126,033
ERF Egypt	Affiliate	Payments on behalf of the Forum	43,156	14,805
ERF Egypt	Affiliate	Subgrants to ERF Egypt	(43,156)	116,395

Related parties represent directors and key management personnel of the Forum.

The statement of activities and changes in net assets includes the following related party transactions:

	2023 USD	2022 USD
<u>Compensation of key management personnel:</u>		
Salaries and related benefits	<u>226,382</u>	<u>221,399</u>

Annex D: Financial Statements

ECONOMIC RESEARCH FORUM NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

9. TEMPORARILY RESTRICTED CONTRIBUTIONS

This item comprises temporarily restricted contributions subject to purpose restriction. It represents the difference between the donation pledged and the expenditures made out to satisfy the purpose stipulated by the donor. Movement on temporarily restricted contributions during the year was as follows:

	<i>Balance, as of 1 January 2023</i>		<i>write-off</i>		<i>Additions</i>		<i>Temporarily restricted contributions released from restriction</i>		<i>Balance, as of 31 December 2023</i>	
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Ford Foundation	323,375	1,015,000	-	-	(285,848)	-	1,052,527			
International Development Research Centre (IDRC)	268,092	1,560,800	-	-	(740,936)	-	1,087,956			
Forschungsinstitut Zur Zukunft Der Arbeit GmbH (IZA)	163,972	-	-	-	(103,192)	-	60,780			
Africa Economic Research Consortium (AERC)	105,703	72,054	(5,085)	-	(135,479)	-	37,193			
Deutsche Gesellschaft Fur Int. Zusammenarbeit (GIZ)	62,660	11,807	(2,348)	-	(72,119)	-	-			
Center for Implementation of Public Policies Promoting Equity and Growth (CIPPEC)	19,980	-	-	-	(19,980)	-	-			
United Nations Development Programme (UNDP)	11,543	-	-	-	(11,543)	-	-			
The Middle East Council on Global Affairs - ME Council	-	10,000	-	-	(10,000)	-	-			
Investcorp Holdings B.S.C.	-	10,000	-	-	(10,000)	-	-			
	955,325	2,679,661	(7,433)	-	(1,389,097)	-	2,238,456			
	<i>Balance, as of 1 January 2022</i>		<i>Currency exchange differences</i>		<i>Additions</i>		<i>Temporarily restricted contributions released from restriction</i>		<i>Balance, as of 31 December 2022</i>	
Ford Foundation	454,070	230,000	-	-	323,375	-	323,375			
International Development Centre (IDRC)	540,298	398,213	-	-	268,092	-	268,092			
Forschungsinstitut Zur Zukunft Der Arbeit GmbH (IZA)	278,129	-	(32,681)	-	163,972	-	163,972			
Africa Economic Research Consortium (AERC)	20,988	101,039	-	-	105,703	-	105,703			
Deutsche Gesellschaft Fur Int. Zusammenarbeit (GIZ)	111,442	-	-	-	62,660	-	62,660			
Center for Implementation of Public Policies Promoting Equity and Growth (CIPPEC)	29,980	-	-	-	19,980	-	19,980			
United Nations Development Programme (UNDP)	29,055	-	-	-	11,543	-	11,543			
	1,463,962	729,252	(32,681)	-	(1,205,208)	-	955,325			

Annex D: Financial Statements

ECONOMIC RESEARCH FORUM NPIO
 NOTES TO FINANCIAL STATEMENTS
 31 December 2023

10. PROGRAMS AND ADMINISTRATIVE EXPENSES

	Research Programs		Events (conference, and workshops)		Publications		Administrative		Total	
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
2023										
Professional and research fees	912,280	19	5,000	28,802	946,101					
Wages, salaries, and in-kind benefits	108,571	-	-	117,811	226,382					
Travel and accommodation	-	96,365	-	1,618	97,983					
Editing, designing, and formatting	-	6,444	718	-	7,162					
Rent	-	20,762	-	115	20,877					
Communication expenses	-	465	5,690	8,465	14,620					
Supplies	-	217	5,811	-	6,028					
Administrative fees	-	20	-	1,925	1,945					
Insurance expenses	-	-	-	6,116	6,116					
Others	64	1,832	-	687	2,583					
	<u>1,020,915</u>	<u>126,124</u>	<u>17,219</u>	<u>165,539</u>	<u>1,329,797</u>					
2022										
Professional and research fees	700,185	8,500	1,500	19,559	729,744					
Wages, salaries, and in-kind benefits	108,571	-	-	112,828	221,399					
Travel and accommodation	109,667	-	-	-	109,667					
Editing, designing, and formatting	475	12,880	23,188	-	36,543					
Rent	-	7,790	-	-	7,790					
Communication expenses	-	325	5,422	-	5,747					
Supplies	-	-	4,151	-	4,151					
Administrative fees	-	-	-	2,763	2,763					
Insurance expenses	-	-	-	548	548					
Others	-	2,564	5,000	873	8,437					
	<u>918,898</u>	<u>32,059</u>	<u>39,261</u>	<u>136,571</u>	<u>1,126,789</u>					



Annex D: Financial Statements

ECONOMIC RESEARCH FORUM NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

11. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and banks' balances, contributions receivable, and some other current assets. financial liabilities consist of some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

12. RISK MANAGEMENT

Liquidity risk

The Forum's management limits its liquidity risk by maintaining adequate cash balances through funding from multiple donors to meet its current obligations and to finance its activities. The table below summarizes the maturity profile of the Forum's financial liabilities at 31 December 2023 and 2022 based on contractual undiscounted payments.

	<i>Less than 3 Months</i>	<i>3 to 12 months</i>	<i>More than 1 year up to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
31 December 2023					
Lease liability	17,105	48,069	33,852	-	99,026
Other current liabilities	30,166	124,959	-	-	155,125
	47,271	173,028	33,852	-	254,151
	<i>Less than 3 Months</i>	<i>3 to 12 months</i>	<i>More than 1 year up to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
31 December 2022					
lease liability	17,035	-	-	-	17,035
Other current liabilities	15,573	148,034	-	-	163,607
	32,608	148,034	-	-	180,642

Credit risk

Credit risks arising from the contribution receivable, exposure to credit risk arises from default of donors to transfer the donations according to the contracts signed with them which represent the carrying amount of these receivables.

With respect to credit risk arising from the other financial assets which consist of cash and banks' balances and some other current assets, exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

Interest rate risk

Interest rate risk arising from the changes in interest rates on the Forum's financial assets and financial liabilities which subject to floating interest rate.

The assets and liabilities of the Forum as at 31 December 2023 are not subject to interest rate risk, as rates are fixed.

Foreign currency risk

The table below indicates the Forum's foreign currency exposure, as a result of its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the USD currency rate against the EURO, Canadian Dollar (CAD), and other currencies with all other variables held constant, on the statement of activities and changes in net assets.

The effect of decrease in foreign currency exchange rates is expected to be equal and opposite to the effect of increases shown below:

Annex D: Financial Statements

ECONOMIC RESEARCH FORUM NPIO

NOTES TO FINANCIAL STATEMENTS

31 December 2023

12. RISK MANAGEMENT (CONT.)

	<i>Increase in EURO rate to U.S.\$ %</i>	<i>Effect on statement of activities and changes in net assets for the year USD</i>	<i>Increase in CAD rate to U.S.\$ %</i>	<i>Effect on statement of activities and changes in net assets for the year USD</i>	<i>Increase in other currencies rate to U.S.\$ %</i>	<i>Effect on statement of activities and changes in net assets for the year USD</i>
2023	10	1,500	10	(10,726)	10	(8,972)
2022	10	2,444	10	2,072	10	(7,023)

13. RECLASSIFICATION OF COMPARATIVE FIGURES

The corresponding figures for the year 2022 have been reclassified in order to conform with the presentation for the current year, following are the effects on the presentation:

The effect of the reclassifications on the financial statements for the year ended 31 December 2022 were as follows:

	<i>Before reclassification USD</i>	<i>Reclassification USD</i>	<i>After reclassification USD</i>
Liabilities			
Temporarily restricted contributions	-	955,325	955,325
Net assets			
Temporarily restricted contributions	955,325	(955,325)	-

Reclassification to the statement of activities and changes in net assets:

	<i>Before reclassification USD</i>	<i>Reclassification USD</i>	<i>After reclassification USD</i>
Grants	729,252	(729,252)	-
Temporarily restricted contributions released from restriction *	-	1,205,208	1,205,208
Programs and administrative expenses	(1,221,934)	95,145	(1,126,789)
Depreciation of right-of-use assets	-	(62,465)	(62,465)
Net assets, beginning of the year	1,314,890	(1,463,962)	(149,072)
Net assets, end of year	833,491	(955,326)	(121,835)

* In prior years, the Forum recognized revenues from grants based on new agreements and recorded these amounts directly as revenues instead of as temporarily restricted contributions. Additionally, the Forum recorded the amounts temporarily restricted contributions released from restriction directly to net assets. This practice affects the presentation of revenue in the statement of activities. In contrast, recording temporarily restricted contributions released from restriction directly to net assets prevents any impact on the accumulated net assets.

Annex D: Financial Statements



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AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF ECONOMIC RESEARCH FORUM ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have audited the accompanying Consolidated financial statements of **Economic Research Forum** ("ERF" or "the Organization") and its subsidiary (the "Group"), represented in the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of activities and changes in net assets, and cash flows for the 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 ERF's Management, as management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Egyptian Accounting Standards and applicable 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. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 applicable 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.

The consolidated financial statements of the Group for the year ended as at 31 December 2022 were audited by another auditor, whose report dated 2 May 2023 expressed an unqualified opinion on those consolidated financial statements.

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 professional 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.

Annex D: Financial Statements



AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF ECONOMIC RESEARCH FORUM ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Opinion

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of the Group, as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

External Auditor



Ahmed Awad Elsherbiny
Fellow of the Egyptian Society of Accountants and Auditors
Member of the Egyptian Society of Tax
(Register of Accounting and Auditing No. 31387)

Cairo: 9 October 2024

Annex D: Financial Statements

ECONOMIC RESEARCH FORUM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2023

	Note	31 December 2023	31 December 2022	1 January 2022
		USD	Restated USD	Restated USD
Assets				
Non-current assets				
Fixed assets	3	4,017,622	4,070,814	4,122,400
Right of use assets	4-a	98,849	23,102	85,567
Investments	5	14,363,376	15,227,587	17,560,168
Contributions and grants receivable		-	-	27,396
Total non-current assets		18,479,847	19,321,503	21,795,531
Current assets				
Investment in treasury bills and time deposits	6	728,213	626,439	-
Contributions and grants receivable	7	4,845,943	1,653,755	1,523,230
Prepaid expenses and other receivables	8	263,321	119,111	307,245
Cash and cash equivalents	9	703,207	1,270,354	1,449,976
Total current assets		6,540,684	3,669,659	3,280,451
Total assets		25,020,531	22,991,162	25,075,982
Net Assets				
Unrestricted contribution		5,456,621	6,477,902	8,367,390
Permanently restricted contribution		13,313,403	13,313,403	13,313,403
Total net assets attributable to Parent		18,770,024	19,791,305	21,680,793
Net Assets attributable to NCI		(142,061)	(121,835)	(149,072)
Total net assets		18,627,963	19,669,470	21,531,721
Non-current liabilities				
Employees' end of service benefits	10	303,922	244,426	213,937
Lease liabilities – long-term portion	4-b	33,852	-	16,931
Total non-current liabilities		337,774	244,426	230,868
Current liabilities				
Provisions	11	113,798	60,373	117,439
Lease liabilities – short-term portion	4-b	65,174	17,035	66,620
Accrued expenses and other payables	12	294,288	227,620	253,401
Temporarily restricted contribution	13	5,581,534	2,772,238	2,875,933
Total current liabilities		6,054,794	3,077,266	3,313,393
Total Liabilities		6,392,568	3,321,692	3,544,261
Total liabilities and net assets		25,020,531	22,991,162	25,075,982

Director of Finance



Managing Director



The accompanying notes from 1-23 form an integral part of these financial statements.

Annex D: Financial Statements

ECONOMIC RESEARCH FORUM

CONSOLIDATED STATEMENT OF ACTIVITIES

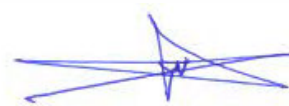
For the year ended 31 December 2023

	Note	2023 USD	2022 USD
Temporarily restricted contribution released	13	2,755,734	2,439,416
Interest on time deposits		4,836	4,169
Return on investments	14	190,690	207,341
Other income	15	48,734	17,024
Unrealized gain from investments		464,040	188,469
Total revenues and other support		3,464,034	2,856,419
Research programs	16	(1,936,830)	(2,017,755)
Events	16	(454,265)	(227,629)
Publications	16	(463,277)	(384,726)
General and administrative expenses	16	(767,210)	(705,289)
Loss on investments - AFESD Endowment fund		-	(1,258,047)
Loss on investments - Euro bonds	5	(82,887)	-
Impairment loss in investments	5	(623,135)	-
Right of use assets amortization	4-a	(68,283)	(62,465)
Fixed assets depreciation	3	(56,012)	(56,286)
Provision for annual leave	11	(69,652)	(32,383)
Actuarial losses	10	-	(10,073)
Expected credit losses - contribution receivable	7	(18,036)	(5,193)
Expected credit losses - Investments	5	-	(8,211)
Finance cost	4-b	(6,382)	(1,615)
Total Expenses and other losses		(4,545,969)	(4,769,672)
Change in net assets before foreign exchange		(1,081,935)	(1,913,253)
Foreign exchange gain/loss		40,428	51,002
Net deficit		(1,041,507)	(1,862,251)
Net deficit allocated as follows:			
Parent		(1,021,281)	(1,889,488)
NCI		(20,226)	27,237
		(1,041,507)	(1,862,251)

Director of Finance



Managing Director



The accompanying notes from 1-23 form an integral part of these financial statements.

Annex D: Financial Statements

ECONOMIC RESEARCH FORUM
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
 For the year Ended 31 December 2023

	Permanently restricted USD	Unrestricted USD	Total net assets attributable to Parent	Net assets attributable to NCI	Total net assets USD
Balance as at 1 January 2023	13,313,403	6,477,902	19,791,305	(121,835)	19,669,470
Net deficit during the year	-	(1,021,281)	(1,021,281)	(20,226)	(1,041,507)
Balance as at 31 December 2023	13,313,403	5,456,621	18,770,024	(142,061)	18,627,963
Balance as of 1 January 2022	13,313,403	8,367,390	21,680,793	(149,072)	21,531,721
Net deficit before adjustment	-	(1,484,547)	(1,484,547)	(481,399)	(1,965,946)
Adjustment (Note 21)	-	(404,941)	(404,941)	508,636	103,695
Net (deficit) / surplus after adjustment	-	(1,889,488)	(1,889,488)	27,237	(1,862,251)
Balance as at 31 December 2022	13,313,403	6,477,902	19,791,305	(121,835)	19,669,470

Director of Finance



Managing Director



- The accompanying notes from 1 to 23 form an integral part of these financial statements.

Annex D: Financial Statements

ECONOMIC RESEARCH FORUM

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year Ended 31 December 2023

	Note	2023 USD	2022 USD
Cash flows from operating activities			
Change in net assets		(1,041,507)	(1,862,251)
Adjustments to reconcile change in net assets to cash provided by operating activities:			
Fixed assets depreciation	3	56,012	56,286
Gain on sale of fixed assets	3	-	(262)
Right of use amortization	4-a	68,283	62,465
Provisions formed	11	69,652	32,383
Expected credit losses – contribution and grants receivable	7	18,036	5,193
Expected credit loss no longer required – contribution and grants receivable	7	-	(4,403)
Expected credit losses - Investments	5	-	8,211
Impairment loss in investments	5	623,135	-
Employees' end of service benefits - additions during the year	10	112,994	99,155
Foreign exchange gain on defined employees' benefits obligation	10	(36,734)	(75,057)
Actuarial loss	10	-	10,073
Foreign exchange gain on provisions	11	(8,302)	(18,412)
Foreign exchange gain		(40,428)	(51,002)
Finance cost	4-b	6,382	1,615
Net unrealized gain from investments		(479,600)	(188,469)
Net assets before changes in assets and liabilities		(652,077)	(1,924,475)
Changes in assets and liabilities:			
Change in contributions and grants receivable		(3,210,224)	(103,919)
Change in prepaid expenses and other receivables		(144,210)	188,134
Change in accrued expenses and other payables		66,668	(25,781)
Change in Temporarily restricted contribution		2,809,296	(103,695)
Cash flows used in operating activities		(1,130,547)	(1,969,736)
Provisions used during the year	11	(7,925)	(71,037)
Employees' end of service benefits paid	10	(16,764)	(3,682)
Net cash flow used in operating activities		(1,155,236)	(2,044,455)
Cash flows from investing activities			
Net proceeds from investments		705,116	1,933,400
Payments for purchase of fixed assets		(2,820)	(4,700)
Proceed from sale of fixed assets	3	-	262
Proceeds from treasury bills		169,812	151,917
Payments for purchase of treasury bills		(256,026)	(198,917)
Net cash generated from investing activities		616,082	1,881,962
Cash flows from financing activities			
Payments for lease liabilities	4-b	(68,421)	(68,131)
Net cash used in from financing activities		(68,421)	(68,131)
Net decrease in cash and cash equivalents		(607,575)	(230,624)
Foreign exchange gain		40,428	51,002
Cash and cash equivalents at beginning of year		1,270,354	1,449,976
Cash and cash equivalents at end of the year	9	703,207	1,270,354

The accompanying notes from 1-23 form an integral part of these financial statements.

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. General information

The Economic Research Forum (“ERF” or “the 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 11 March 2019 the Board of Trustees decided to establish a branch in Dubai which was closed down on the 26 December 2020. However, on 16 May 2019 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.

On 1 January 2020 the Board appointed Economic Research Forum - Cairo 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.

The principal 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.

The Chairman of the Organization board is Dr. Hassan Aly.

Economic Research Forum in Egypt (“ERF Cairo”) is considered the parent Organization of Economic Research Forum NPIO (the Forum) The following are the key considerations and judgements applied by management in concluding that ERF Egypt had control over ERF Dubai:

- ERF Egypt is able to appoint two of the three Executive Board of ERF Dubai.
- ERF Egypt has power over ERF Dubai, which is demonstrated by the terms of the collaboration agreement, whereby it has full discretion and responsibility over ERF Dubai.

The consolidated financial statements of Economic Research Forum - Cairo and Economic Research Forum - NPIO for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Managing Director on 30 September 2024

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies

- The financial statements are prepared under the going concern assumption on a historical cost basis.
- The financial statements are prepared and presented in USD, which is ERF's functional currency.

Statement of compliance

- The consolidated financial statements of ERF have been prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations.

2.1 Changes in accounting policies

- The accounting policies adopted to classify, and the Expenses, Income and Other Assets and Liabilities are in consistent with that of last year.
- The following are the most important changes in Egyptian accounting standards "Amendments 2023:

- Revised Egyptian Accounting Standard 10: Fixed Assets

- Egyptian Accounting Standard 10 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after January 1, 2023. Retrospective application must be made, and comparative information must be amended.
- The amended Egyptian Accounting Standard 10 allows the use of the revaluation model when measuring fixed assets. The gains and losses resulting from the revaluation of fixed assets are recognized in other comprehensive income and collected within equity in the "revaluation surplus" account. ERF chose not to change the current accounting policy and did not apply the alternative accounting treatment.

- Revised Egyptian Accounting Standard 23: Intangible Assets

- Egyptian Accounting Standard 23 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after 1 January 2023. Retrospective application must be made, and comparative information must be amended.
- The amended Egyptian Accounting Standard 10 allows the use of the revaluation model when measuring the subsequent measurement of intangible assets. Gains and losses resulting from the revaluation of intangible assets are recognized in other comprehensive income and collected within equity in the "revaluation surplus" account. This standard does not apply to ERF.

- Egyptian Accounting Standard 34: Modifier: Real Estate Investment

- Egyptian Accounting Standard 34 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after 1 January 2023. Retrospective application must be made, and comparative information must be amended.
- Entities have been allowed to use the fair value model option when subsequently measuring their real estate investments, while requiring real estate investment funds only to use the fair value model when measuring all their real estate assets, with the increase in fair value recognized when subsequently measuring real estate investment within other comprehensive income items, instead of profits or losses and collect them within equity in the "Real Estate Investment Evaluation Surplus at Fair Value" account. This standard does not apply to ERF.

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (Continued)

2.1 Changes in accounting policies (Continued)

- **Egyptian Accounting Standard 35 Revised: Agriculture**
- Egyptian Accounting Standard 35 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after 1 January 2023. Retrospective application must be made, and comparative information must be amended.
- Fruit-bearing plants have been excluded from AASB 35: Agriculture to fall under the scope of AASB 10: Fixed Assets. This standard does not apply to ERF.
- **Revised Egyptian Accounting Standard 36: Exploration and Evaluation of Mining Resources.**
- Egyptian Accounting Standard 36 was amended and reissued in 2023, and these amendments begin to apply to financial periods beginning on or after 1 January 2023. Retrospective application must be made, and comparative information must be amended.
- The amended Egyptian Accounting Standard 36 allows the use of the revaluation model when measuring subsequent mining resources. Gains and losses resulting from the revaluation of mining resources are recognized in other comprehensive income and collected within equity in the "revaluation surplus" account. This standard does not apply to ERF.

2.2 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:

- * Expected to be realized or intended to be sold or used in normal operating course.
- * Held primarily for trading.
- * Expected to be realized 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.

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (Continued)

2.3 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.

2.4 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.

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.

2.5 Reporting policies

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.

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (Continued)

2.6 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	5 years
Office equipment	3 years
Motor Vehicles	3 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.

2.7 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).

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.

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.8 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 consolidated 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.



Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

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. Certain investments that are measured at fair value using the Net Asset Value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

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 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.

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

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.

Financial assets impairment – credit loss allowance for ECL

The group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI. The organization 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.



Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

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).

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy

2.9 Contributions and grants receivable

Contributions to the ERF, either from donors or grantors, provide funding for research and projects Contributions due after one year are discounted to their fair value, based upon the fiscal year in which the contribution is to be received. Amortization of discount is recorded as revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for potentially uncollectible contributions receivable is provided based upon management's judgment and analysis of the creditworthiness of the donors or grantors, past collection experience and other relevant factors.

2.10 Prepaid expenses and other receivables

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the organization has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Organization. Other prepayments and receivables are expensed into the consolidated statement of activities and change in net assets when the services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in the statement of activities and change in net assets for the year.

2.11 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

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.12 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.

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.13 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.

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.

2.14 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.

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.15 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. When they are material, goods and services received, as well as the trade payables are recognised at the present value of the cash outflow expected by using interest rate of similar loans. Trade payables are then carried at amortised cost using the effective interest rate.

2.16 Revenue recognition

(a) Donation revenues

Donors' unconditional pledges are those pledges where donors do not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Donation revenues from unconditional pledges are recognized as follows:

- Unconditional pledges that are not restricted for a specific purpose or time are recognized when the pledge is obtained.
- Unconditional pledges that are temporarily restricted by the donor for a specific purpose or time are recognized when such purpose or time is satisfied.

(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.

2.17 Comparatives

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

2.18 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.

(2) Fair value of Financial Instruments

Certain investments that are measured at fair value using the Net Asset Value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table i are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

(3) Critical judgments in applying the Forum 's accounting policies

Generally, the Groups' accounting policies do not require from management the use of judgment, as such judgment could have a material effect on the amounts recognized in its financial statements.



Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.18 Critical accounting estimates and judgments (Continued)

(4) Critical judgments in applying the Group's accounting policies

On 1 January 2020 the Board appointed Economic Research Forum - Cairo to manage the activities of Economic Research Forum - NPIO. This agreement was formalised through a Collaboration arrangement which gave Economic Research Forum – Cairo 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- Cairo with respect to its research activities, also Economic Research Forum - Cairo 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 Economic Research Forum- NPIO:

- The Group is able to appoint 2 of the 3 Executive Board of Economic Research Forum - NPIO;
- Economic Research Forum- Cairo 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.

Accordingly, the Group consolidated “Economic Research Forum- NPIO” in the consolidated financial statements.

Key financial information for significant subsidiaries:

	<u>Total Assets</u>	<u>Total net assets</u>	<u>Revenue</u>	<u>Net deficit</u>
Economic Research Forum - NPIO	2,350,544	(142,061)	1,389,097	(20,226)

Annex D: Financial Statements

Economic Research Forum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. Fixed assets

<u>Cost</u>	<u>Land</u>	<u>Building</u>	<u>Furniture and fixtures</u>	<u>Office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
As of 1 January 2023	2,822,749	1,599,255	576,160	516,792	49,746	5,564,702
Additions	-	-	-	2,820	-	2,820
As at 31 December 2023	2,822,749	1,599,255	576,160	519,612	49,746	5,567,522
<u>Accumulated depreciation</u>						
As of 1 January 2023	-	(370,872)	(576,160)	(497,110)	(49,746)	(1,493,888)
Depreciation	-	(43,297)	-	(12,715)	-	(56,012)
As of 31 December 2023	-	(414,169)	(576,160)	(509,825)	(49,746)	(1,549,900)
<u>Net Book Value</u>						
31 December 2023	2,822,749	1,185,086	-	9,787	-	4,017,622
31 December 2022	2,822,749	1,228,383	-	19,682	-	4,070,814

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3. Fixed assets (continued)

	Land USD	Building USD	Furniture and fixtures USD	Office equipment USD	Motor vehicles USD	Total USD
Cost						
As of 1 January 2022	2,822,749	1,599,255	576,160	520,248	49,746	5,568,158
Additions	-	-	-	4,700	-	4,700
Disposals	-	-	-	(8,156)	-	(8,156)
As at 31 December 2022	2,822,749	1,599,255	576,160	516,792	49,746	5,564,702
Accumulated depreciation						
As of 1 January 2022	-	(330,451)	(573,284)	(492,277)	(49,746)	(1,445,758)
Depreciation	-	(40,421)	(2,876)	(12,989)	-	(56,286)
Disposals	-	-	-	8,156	-	8,156
As of 31 December 2022	-	(370,872)	(576,160)	(497,110)	(49,746)	(1,493,888)
Net Book Value						
31 December 2022	2,822,749	1,228,383	-	19,682	-	4,070,814
31 December 2021	2,822,749	1,268,804	2,876	27,971	-	4,122,400

Proceeds from sale of fixed assets in the consolidated statement of cash flow are as follows:

	2023 USD	2022 USD
Net book value of disposed assets	-	-
Gain from sale of fixed assets	-	262
Proceeds from sales of fixed assets	-	262

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4. Right of use assets and Leases liabilities

The following tables shows the carrying amount of The Forum's right of use assets and lease liabilities and the movements for the year ended 31 December 2023 and 2022:

a) Right of use assets - Building

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Cost		
Balance as of 1 January	148,031	85,567
Addition during the year	144,030	62,464
Balance as of 31 December	<u>292,061</u>	<u>148,031</u>
Accumulated Amortization		
Balance as of 1 January	(124,929)	(62,464)
Amortization during the year	(68,283)	(62,465)
Balance as of 31 December	<u>(193,212)</u>	<u>(124,929)</u>
Net book value balance as of 31 December	<u>98,849</u>	<u>23,102</u>

b) Lease liabilities

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Balance as of 1 January	17,035	83,551
Addition during the year	144,030	-
Finance costs	6,382	1,615
Paid during the year	<u>(68,421)</u>	<u>(68,131)</u>
Balance as of 31 December	<u>99,026</u>	<u>17,035</u>

The lease liabilities represent in Current and Non-Current portion as follows:

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Total lease liabilities	99,026	17,035
Less: Current portion of lease liabilities	<u>(65,174)</u>	<u>(17,035)</u>
Non-Current portion	<u>33,852</u>	<u>-</u>

5. Investments

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
A) Investments at fair value through profit or Loss		
EFG-Hermes Portfolio *	2,903,300	2,479,025
AFESD Endowment fund **	9,643,575	9,643,512
	12,546,875	12,122,537
Impairment ***	<u>(623,135)</u>	<u>-</u>
	<u>11,923,740</u>	<u>12,122,537</u>
B) Investments at amortized cost		
EFG-Hermes Portfolio *	2,450,731	3,116,145
Expected credit loss	<u>(11,095)</u>	<u>(11,095)</u>
	<u>2,439,636</u>	<u>3,105,050</u>
	<u>14,363,376</u>	<u>15,227,587</u>

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5. Investments (continued)

* EFG-Hermes Portfolio

During February 2006, a contract was signed between the Forum 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 Forum's policies endorsed by the Board of Trustees. The portfolio details represent the follows:

	31 December 2023				31 December 2022			
	No of Shares	Cost	Fair Value	Amortized costs	No of Shares	Cost	Fair Value	Amortized costs
Middle East and Development								
Africa (MEDA)	43,830	1,209,000	2,903,300		43,830	1,209,000	2,479,025	-
Egypt Euro Bonds	15,000	1,437,500	-	1,554,268	21,000	2,040,500	-	2,121,963
Oman Euro Bonds	10,000	949,500	-	979,350	10,000	949,500	-	994,182
			2,903,300	2,533,618			2,479,025	3,116,145
Loss on Euro Bonds			-	(82,887)			-	-
			2,903,300	2,450,731			2,479,025	3,116,145
Expected credit loss			-	(11,095)			-	(11,095)
			2,903,300	2,439,636			2,479,025	3,105,050

** AFESD Endowment fund

ERF agreed with AFESD to invest the fund on behalf and in favor of ERF. This amount represents the endowment fund and is financed by donor.

	31 December 2023	31 December 2022
	USD	USD
Endowment fund	9,643,512	10,897,169
(Loss)/return on endowment fund	-	(1,258,047)
Currency revaluation	63	4,390
	9,643,575	9,643,512
Impairment ***	(623,135)	-
	9,020,440	9,643,512

The movement of the expected credit loss of investments was as follows:

	31 December 2023	31 December 2022
	USD	USD
Balance as of 1 January	11,095	2,884
Formed during the year	-	8,211
Balance as of 31 December	11,095	11,095

*** Impairment

After the date of the financial statements, on 7 February 2024, ERF signed a memorandum of understanding and amendment regarding the transfer of the balance of technical assistance provided in the form of endowments from the Arab Fund for Economic and Social Development (AFESD) to support the investments and activities and programs of ERF to support sustainability of ERF (Grant No. 25/2023-W) / Programs and Studies Department. ERF invested through the endowment allocated by AFESD to finance ERF's activities and programs, amount of KWD 3,057,468, equivalent to U.S. \$ 9,643,575 as at 31 December 2022. Based on the AFESD's decision, it was decided to cancel the endowment system, liquidate the existing endowments, and convert them into contributions to finance the activities of the beneficiary entities. Accordingly, the fund agreed to convert an amount of KWD 2,860,000, equivalent to U.S. \$ 9,020,440 into a contribution to be used to finance the costs of ERF's activities and programs, instead of the balance existing as at 31 December 2022, with the disbursement and management of the bank accounts to which the contribution will be transferred being under the supervision and approval of AFESD. Consequently, ERF's management decided to recognize the impairment provision value resulting from the decrease in the investment value based on the understandings with the AFESD, with amount of U.S. \$ 623,135.

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6. Investment in treasury bills and time deposits

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Par value	230,146	188,707
Unearned revenue	(15,560)	(17,103)
Earned revenue	8,627	6,835
Treasury Bills	<u>223,213</u>	<u>178,439</u>
Time deposit	<u>505,000</u>	<u>448,000</u>
	<u>728,213</u>	<u>626,439</u>

7. Contributions and grants receivable

The balance due to the Group from donors as of 31 December 2023 amounted to USD 4,871,078 as follows:

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Gross balance due	4,871,612	1,661,388
Excepted credit loss	(25,669)	(7,633)
	<u>4,845,943</u>	<u>1,653,755</u>

The Balance by donor is as follows:

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
European Commission	544,168	551,253
World bank	60,000	216,000
Forschungsinstitut zur Zukunft der Arbeit GmbH (IZA)	77,173	191,770
Ford Foundation	1,015,000	-
Arab Fund for economic and social development (AFESD)	1,954,050	186,760
International development research centre (IDRC)	974,179	168,772
Agence francaise de developpement (AFD)	55,175	106,110
(UNICEF)	-	94,566
International labour organization (ILO)	70,315	94,064
Deutsche Gesellschaft Fur Int. Zusammenarbeit (GIZ)	-	42,381
African Economic Research Consortium (AERC)	12,916	9,712
United Nations Development Programme (UNDP)	81,180	-
The United nation entity for gender equality and empowerment of women (UN Women)	27,456	-
	<u>4,871,612</u>	<u>1,661,388</u>
Excepted credit loss	(25,669)	(7,633)
	<u>4,845,943</u>	<u>1,653,755</u>

The movement of the expected credit loss on contributions and grants receivable was as follows:

	<i>31 December</i> 2023 USD	<i>31 December</i> 2022 USD
Balance as of 1 January	7,633	6,843
Formed during the year	18,036	5,193
No longer required	-	(4,403)
Balance as of 31 December	<u>25,669</u>	<u>7,633</u>



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8. Prepaid expenses and other receivables

	<i>31 December</i> 2023	<i>31 December</i> 2022
	USD	USD
Advances to researchers	241,320	93,166
Prepaid expenses	10,095	16,729
Other receivables	11,363	8,540
Advances to suppliers	543	676
	<u>263,321</u>	<u>119,111</u>

9. Cash and cash equivalents

	<i>31 December</i> 2023	<i>31 December</i> 2022
	USD	USD
Current accounts - USD	575,762	1,095,447
Current accounts - foreign currencies	85,207	147,120
Time deposits	42,006	27,552
Cash on hand	232	235
	<u>703,207</u>	<u>1,270,354</u>

10. Employees' end of service benefits

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:

	2023	2022
	USD	USD
Discount rate	25.11%	15.38%
Average rate of salaries increase	13%	12%

Amounts recognized at the date of the consolidated statement of financial position are as follows:

	<i>31 December</i> 2023	<i>31 December</i> 2022
	USD	USD
Present value of liabilities	303,922	244,426
Liabilities as per the consolidated statement of financial position	<u>303,922</u>	<u>244,426</u>

The movement of net liabilities shown in the consolidated statement of financial position is as follows:

	<i>31 December</i> 2023	<i>31 December</i> 2022
	USD	USD
Balance as of 1 January	244,426	213,937
Additions during the year	112,994	99,155
Actuarial loss	-	10,073
Paid during the year	(16,764)	(3,682)
Foreign exchange gain	(36,734)	(75,057)
Balance as of 31 December	<u>303,922</u>	<u>244,426</u>

The amounts recognized in the consolidated statement of activities are as follows:

	2023	2022
	USD	USD
Service cost	94,189	86,392
Interest cost	18,805	12,763
	<u>112,994</u>	<u>99,155</u>

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11. Provisions

	<i>31 December</i> 2023	<i>31 December</i> 2022
	USD	USD
Balance as of 1 January	60,373	117,439
Formed during the year	69,652	32,383
Used during the year	(7,925)	(71,037)
Foreign exchange gain	(8,302)	(18,412)
Balance as of 31 December	113,798	60,373

12. Accrued expenses and other payables

	<i>31 December</i> 2023	<i>31 December</i> 2022
	USD	USD
Other credit balances	164,303	139,572
Accounts payable	128,266	85,006
Accrued expenses	1,719	3,042
	294,288	227,620



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13. Temporarily restricted contribution released

This item comprises temporarily restricted contributions subject to purpose restriction. It represents the difference between the donation pledged and the expenditures made out to satisfy the purpose stipulated by the donor. Movement on temporarily restricted contributions during the year was as follows:

	Balance as of		Additions	Released from restriction		Transferred to Un-restricted		Currency exchange differences		Write off		Balance as of	
	1 January 2023	USD		USD	USD	USD	USD	USD	USD	USD	USD	31 December 2023	USD
Forschungsinstitut Zur Zukunft Der Arbeit GmbH (IZA)	163,972	-	-	(103,192)	-	-	-	-	-	-	-	60,780	
Africa Economic Research Consortium (AERC)	105,703	72,054	72,054	(135,479)	-	-	-	-	-	(5,085)	-	37,193	
Center for Implementation of Public Policies Promoting Equity and Growth (CIPPEC)	19,980	-	-	(19,980)	-	-	-	-	-	-	-	-	
The Middle East Council on Global Affairs - ME Council	-	10,000	10,000	(10,000)	-	-	-	-	-	-	-	-	
Investcorp Holdings B.S.C.	-	10,000	10,000	(10,000)	-	-	-	-	-	-	-	-	
European Commission	582,651	7,848	7,848	(175,163)	-	-	-	-	-	-	-	415,336	
International Labor Organization (ILO)	120,514	275,000	275,000	(221,311)	-	-	-	-	-	(5,556)	-	168,647	
The Agence Francaise De Development (AFD)	97,981	15,000	15,000	(38,344)	-	-	-	-	-	-	-	74,637	
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	62,660	11,807	11,807	(72,119)	-	-	-	-	-	(2,348)	-	-	
Ford Foundation	323,375	1,015,000	1,015,000	(285,848)	-	-	-	-	-	-	-	1,052,527	
International Development Research Centre (IDRC)	268,092	1,560,800	1,560,800	(740,936)	-	-	-	-	-	-	-	1,087,956	
The United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)	-	34,320	34,320	(10)	-	-	-	-	-	-	-	34,310	
United Nations Development Program (UNDP)	11,543	81,180	81,180	(11,543)	-	-	-	-	-	-	-	81,180	
World Bank	460,915	163,950	163,950	(349,273)	(32,952)	-	-	-	-	-	-	242,640	
Arab Fund for Economic and Social Development (AFESD)	251,834	2,314,000	2,314,000	(357,868)	-	-	-	-	-	-	-	2,207,966	
United Nations International Children's Emergency Fund (UNICEF)	113,545	40,012	40,012	(35,239)	-	-	-	-	-	-	-	118,318	
Carnegie Corporation of New York	189,473	-	-	(189,429)	-	-	-	-	-	-	-	44	
	2,772,238	5,610,971	5,610,971	(2,755,734)	(32,952)					(12,989)		5,581,534	

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13. Temporarily restricted contribution released (Continued)

	Balance as of 1 January 2022		Additions	Released from restriction		Transferred to Un-restricted	Currency exchange differences		Write off	Balance as of 31 December 2022	
	USD	USD		USD	USD		USD	USD		USD	USD
Forschungsinstitut Zur Zukunft Der Arbeit GmbH (IZA)	278,129	-	-	(81,476)	-	-	(32,681)	-	-	163,972	
Africa Economic Research Consortium (AERC)	20,988	101,039	-	(16,324)	-	-	-	-	-	105,703	
Center for Implementation of Public Policies Promoting Equity and Growth (CIPPEC)	29,980	-	-	(10,000)	-	-	-	-	-	19,980	
European Commission	39,918	606,987	-	(64,254)	-	-	-	-	-	582,651	
International Labor Organization (ILO)	294,511	83,115	-	(250,079)	-	-	-	(7,033)	-	120,514	
The Agence Francaise De Development (AFD)	62,335	97,993	-	(62,347)	-	-	-	-	-	97,981	
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	111,442	-	-	(48,782)	-	-	-	-	-	62,660	
Ford Foundation	454,070	230,000	-	(360,695)	-	-	-	-	-	323,375	
International Development Research Centre (IDRC)	540,298	398,213	-	(670,419)	-	-	-	-	-	268,092	
United Nations Development Program (UNDP)	105,306	-	-	(93,763)	-	-	-	-	-	11,543	
World Bank	93,152	533,000	-	(165,237)	-	-	-	-	-	460,915	
Arab Fund for Economic and Social Development (AFESD)	467,739	186,775	-	(402,680)	-	-	-	-	-	251,834	
United Nations International Children's Emergency Fund (UNICEF)	-	122,796	-	(9,251)	-	-	-	-	-	113,545	
Carnegie Corporation of New York	331,764	14,462	-	(156,753)	-	-	-	-	-	189,473	
Foreign, Commonwealth & Development Office (FCDO)	46,301	9,333	-	(47,356)	-	-	-	(8,278)	-	-	
	2,875,933	2,383,713	-	(2,439,416)	-	-	(32,681)	(15,311)	-	2,772,238	

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14. Return on investments

	2023 USD	2022 USD
Interest from bonds carried at amortized cost	167,058	183,954
Interest from Treasury Bills carried at amortized cost	20,252	16,766
Interest from time deposits – investments	3,380	6,621
	<u>190,690</u>	<u>207,341</u>

15. Other income

	2023 USD	2022 USD
Un-restricted Revenue released from restriction	32,952	-
Provision no longer required	-	4,403
Miscellaneous Income	15,782	12,621
	<u>48,734</u>	<u>17,024</u>

16. Expenses

2023	<i>Research programs USD</i>	<i>Events USD</i>	<i>Publications USD</i>	<i>General and administrative USD</i>	<i>Total USD</i>
Professional and research fees	1,209,400	46,019	34,020	97,846	1,387,285
Salaries, wages, and other benefits	703,610	63,779	256,032	568,161	1,591,582
Travel and accommodation	-	275,957	16,701	4,931	297,589
Editing, designing, and formatting	736	13,416	81,847	164	96,163
Rent	-	36,430	1,000	134	37,564
Communication expenses	-	9,151	15,989	15,127	40,267
Supplies	13,384	978	21,936	8,594	44,892
Administrative fees	-	592	-	15,670	16,262
Insurance expenses	9,636	184	3,659	28,674	42,153
Utilities	-	-	-	5,556	5,556
Other	64	7,759	32,093	22,353	62,269
	<u>1,936,830</u>	<u>454,265</u>	<u>463,277</u>	<u>767,210</u>	<u>3,621,582</u>

2022	<i>Research programs USD</i>	<i>Events USD</i>	<i>Publications USD</i>	<i>General and administrative USD</i>	<i>Total USD</i>
Professional and research fees	1,234,352	40,558	6,449	71,997	1,353,356
Salaries, wages, and other benefits	647,754	60,424	242,844	525,174	1,476,196
Travel and accommodation	113,095	73,643	3,726	6,088	196,552
Editing, designing, and formatting	475	33,637	57,006	10	91,128
Rent	-	14,476	5,422	15,310	35,208
Communication expenses	31	1,961	19,671	8,242	29,905
Supplies	9,869	69	21,741	5,668	37,347
Administrative fees	-	-	-	19,051	19,051
Insurance expenses	12,179	-	2,278	27,020	41,477
Utilities	-	-	-	8,160	8,160
Other	-	2,861	25,589	18,569	47,019
	<u>2,017,755</u>	<u>227,629</u>	<u>384,726</u>	<u>705,289</u>	<u>3,335,399</u>

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17. Tax position

Economic Research Forum - Cairo:

A. Corporate taxes

ERF is a not-for-profit organization; accordingly, it is not subject to corporate income tax.

B. Payroll taxes

From the inception of business until 2020

The Forum 's records were inspected till the year 2020 and the taxes due were paid.

Years 2021, 2022

The Forum is currently under tax inspection for the year 2021 and 2022.

Years 2023

Salary tax was not inspected.

Economic Research Forum - NPIO:

- Economic Research Forum-NPIO is exempted from all Taxes.

18. Financial risk management objectives and policies

Financial risk factors

The Forum'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 Forum 's management aims to minimize the potential adverse effects on the Forum 's financial performance.

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

ERF has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

This note presents information about ERF's exposure to each of the above risks, ERF's objectives, policies and processes for measuring and managing risk, and ERF's management of capital.

The Board of Trustees of ERF has overall responsibility for the establishment and oversight of ERF's risk management framework. ERF's senior management are responsible for developing and monitoring the risk management policies.

ERF's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

a) Credit risk

Credit risk is the risk of financial loss to ERF if a customer or counterparty to a financial instrument fails to meet its contractual obligations. ERF is exposed to credit risk principally from its other debit balances and from its financing activities, including deposits with banks and financial institutions.

Contribution Receivables

ERF's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of ERF's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. ERF earns its revenues from a large number of customers.



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18. Financial risk management objectives and policies (Continued)

Other financial assets and cash deposits

With respect to credit risk arising from the other financial assets of ERF, which comprise bank balances and cash, financial assets at amortized cost, ERF's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by local ERF's treasury Management. ERF limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect ERF's income. Financial instruments affected by market risk include interest-bearing loans, borrowings, and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. ERF does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. ERF's exposure to the risk of changes in market interest rates relates primarily to ERF's obligations with floating interest rates and interest-bearing time deposits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of ERF's profit before tax (through the impact on floating rate borrowings).

There is no impact on ERF's net assets other than the profit impact stated below:

	2023		2022	
	<i>Change in rate</i>	<i>Effect on Net Assets</i>	<i>Change in rate</i>	<i>Effect on Net Assets</i>
Financial liability	+1%	102	+1%	108

Exposure to foreign currency risk

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on ERF's profit before tax is due to changes in the value of monetary assets and liabilities (NET). ERF's exposure to foreign currency changes for all other currencies is not material:

	2023		2022	
	<i>Change in rate</i>	<i>Effect on Net Assets</i>	<i>Change in rate</i>	<i>Effect on Net Assets</i>
EGP	+10%	156,620	+10%	95,168
EUR	+10%	60,187	+10%	70,367
CAD	+10%	(10,726)	+10%	2,072
KWD	+10%	305,747	+10%	983,027

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18. Financial risk management objectives and policies (Continued)

c) Liquidity risk

ERF's management monitors the cash flows, funding requirements and liquidity of ERF. ERF's objective is to maintain a balance between continuity of funding and flexibility. ERF manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

ERF currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below summarizes the maturity profile of ERF's financial liabilities based on contractual undiscounted payments.

ERF's management monitors the cash flows, funding requirements and liquidity of ERF. ERF's objective is to maintain a balance between continuity of funding and flexibility. ERF manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

ERF currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below summarizes the maturity profile of ERF's financial liabilities based on contractual undiscounted payments.

As of 31 December 2023	<i>Less than 3 Months USD</i>	<i>3 to 12 Months USD</i>	<i>1 to 7 Years USD</i>	<i>Total USD</i>
Lease liabilities	17,105	48,069	33,852	99,026
Accounts payable	128,266	-	-	128,266
Accrued expenses	1,719	-	-	1,719
Other credit balances	164,303	-	-	164,303
Total	311,393	48,069	33,852	393,314

As of 31 December 2022	<i>Less than 3 Months USD</i>	<i>3 to 12 Months USD</i>	<i>1 to 7 Years USD</i>	<i>Total USD</i>
Lease liabilities	17,035	-	-	17,035
Accounts payable	85,006	-	-	85,006
Accrued expenses	3,042	-	-	3,042
Other credit balances	139,572	-	-	139,572
Total	244,655	-	-	244,655

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

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19. Fair value estimation (Continued)

The table below shows the financial assets and liabilities at fair value in the financial statements at 31 December 2022 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 Forum 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.

The table below shows the financial assets and liabilities at fair value in financial statements at 31 December 2023, 2022, within the hierarchy of fair value.

Financial assets 2023	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets at fair value through profit or loss				
Investments at fair value through profit or loss	-	-	11,923,740	11,923,740
Total financial assets	-	-	11,923,740	11,923,740

Financial assets 2022	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets at fair value through profit or loss				
Investments at fair value through profit or loss	-	-	12,122,537	12,122,537
Total financial assets	-	-	12,122,537	12,122,537

The Forum 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 Forum did not make any transfers between levels 1, 2 and 3 during the year.

20. Fair values of financial instruments

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

21. Key management compensation

The total cost of key management amount of USD 778,564 include salaries, benefits, and other cost to senior management personnel during the year 2023 (2022: USD 785,135).

22. Comparative figures

The corresponding figures for the year 2022 have been adjusted in order to be align with the presentation for the current year as follow:

- The Forum was recording new agreements with donors directly to revenues instead of recognizing them as Temporarily Restricted Contributions (TRC) in the liability. At the end of the year, the released TRC amounts were recorded directly to net assets, which affected the presentation of revenue in the consolidated statement of activities but did not impact the net assets balance due to the direct entry to net assets.

However, this year, the Forum has corrected their recognition process in line with EAS 12: "Accounting for Government Grants and Disclosure of Government Assistance." Which requires the recognition of grants in the income statement in a manner that matches them with the related costs they are intended to compensate.

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For the year ended 31 December 2023

22. Comparative figures (Continued)

As a result of this change, there is a difference in the net deficit for the 2022 year, but there is no change to the accumulated net assets. The Forum has adjusted the presentation of the consolidated statement of activities from the prior year without affecting the accumulated net assets. For the current year, the Forum has recorded actual revenue based on the progress made on the donation contracts. The net impact aligns with the correct practice, as the Forum made an adjustment entry at the end of the year on 31 December 2022, for the value of the difference between Temporarily restricted and unrestricted net assets by USD 103,695. This adjustment ensures that the consolidated statement of financial position reflects the correct value of net assets.

On 31 December 2022, the Forum included the net deficit amount after adjustments made during the previous year at the correct value of USD 1,862,251 by moving USD 103,695 in the Unrestricted and Temporarily Restricted Contributions (TRC). This movement corrects the presentation of the net assets in the consolidated financial statements to reflect the correct amount and align with the changes to comply with the relevant accounting standards.

Effect on restated Consolidated Statement of activities for the year ended 31 December 2022

	Consolidated Statement of activities for the year ended 31 December 2022		
	Before		After
	Adjustment	Adjustment	Adjustment
	USD	USD	USD
Revenues			
Grant	2,509,746	(2,509,746)	-
Temporarily restricted contribution released	-	2,439,416	2,439,416
Interest on time deposits	4,169	-	4,169
Return on investments	207,341	-	207,341
Other income	17,024	-	17,024
Unrealized gain from investments	188,469	-	188,469
Expenses			
Research programs	(2,018,762)	1,007	(2,017,755)
Events	(210,509)	(17,120)	(227,629)
Publications	(335,515)	(49,211)	(384,726)
General and administrative expenses	(1,103,314)	398,025	(705,289)
Loss on investments - AFESD Endowment fund	(1,258,047)	-	(1,258,047)
Right of use assets amortization	-	(62,465)	(62,465)
Fixed assets depreciation	-	(56,286)	(56,286)
Actuarial losses	(10,073)	-	(10,073)
Expected credit losses - contribution receivable	(5,862)	669	(5,193)
Expected credit losses - investments	-	(8,211)	(8,211)
Provision for annual leave	-	(32,383)	(32,383)
Finance cost	(1,615)	-	(1,615)
Foreign exchange gain	51,002	-	51,002
Net deficit	(1,965,946)	103,695	(1,862,251)
	1 January		31 December
	2022	Reclassification	Adjustment
	USD	USD	USD
Permanently restricted	13,313,403	-	-
Unrestricted contribution	8,367,390	-	(1,889,488)
Temporarily restricted contribution	2,875,933	(2,772,238)	(103,695)
Total net assets attributable to ERF - Cairo	24,556,726	(2,772,238)	(1,993,183)
Net assets attributable to ERF - Dubai	(149,072)	-	27,237
Total net assets	24,407,654	(2,772,238)	19,669,470

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22. Comparative figures (Continued)

	31 December 2022		
	Before		After
	Reclassification	Reclassification	Reclassification
	USD	USD	USD
Net assets			
Temporarily restricted contributions	2,772,237	(2,772,237)	-
Liabilities			
Temporarily restricted contributions	-	2,772,237	2,772,237
	1 January 2022		
	Before		After
	Reclassification	Reclassification	Reclassification
	USD	USD	USD
Net assets			
Temporarily restricted contributions	2,875,933	(2,875,933)	-
Liabilities			
Temporarily restricted contributions	-	2,875,933	2,875,933

The investment has been reclassified to separate its current and non-current portions as follows:

	31 December 2022		
	Before		After
	Reclassification	Reclassification	Reclassification
	USD	USD	USD
Noncurrent assets			
Investments	15,854,026	(626,439)	15,227,587
Current assets			
Investments - Treasury bills	-	626,439	626,439

23. Major and subsequent events

Standard Poor's (credit rating) and Fitch Ratings lowered Egypt's sovereign rating in foreign and local currencies from B to B-, with a stable expectation. Moody's (credit rating) also lowered Egypt's sovereign rating from B3 to Caa1, with a negative outlook. ERF reviewed the potential effects resulting from downgrading Egypt's sovereign rating and its impact on ERF's financial statements. ERF's management believes that there is no material impact on ERF's financial statements as at 31 December 2023, and ERF will assess the potential impact on ERF's financial statements in the subsequent periods.

During the subsequent period, Moody's (credit rating) announced that it has altered its outlook on Egypt's rating to "positive." Moody's (credit rating) also kept Egypt's credit rating at Caa1, with a stable outlook, and ERF reviewed the potential effects resulting from downgrading Egypt's sovereign rating and its impact on ERF's financial statements. ERF's management believes that there is no material impact on ERF's financial statements as of 31 December 2023, and ERF will assess the potential impact on ERF's financial statements in subsequent periods.

The impact of the current uncertain economic environment is discretionary, and management will continue to regularly assess the current situation and its related impact. It should be taken into consideration that the assumptions used about economic forecasts are subject to a high degree of inherent uncertainty and therefore the actual result may differ significantly from the forecast information.

ERF considered the potential effects of current economic fluctuations in determining the amounts reported for ERF's financial and non-financial assets, and they represent the best assessment of management based on available information. However, markets remain volatile and recorded amounts remain sensitive to market fluctuations.

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23. Major and subsequent events (Continued)

In January 2023, the CBE devalued the EGP for the third time, resulting in a loss of approximately 40 percent of its value reaching approx. 31 pounds per 1 USD.

In March 2023, the CBE decided to raise the overnight deposit and lending rates and the central bank's main operation rate by 200 basis points, to reach 18.25%, 19.25% and 18.75% respectively. The credit and discount rate were also raised by 200 basis points, to reach 18.75%. Also, the CBE floated the exchange rate of EGP against other foreign currencies.

In August 2023, the CBE decided to raise the overnight deposit and lending rates and the central bank's main operation rate by 100 basis points, to reach 19.25%, 20.25% and 19.75% respectively. The credit and discount rate were also raised by 100 basis points, to reach 19.75%. Also, the CBE floated the exchange rate of EGP against other foreign currencies.

On 1 February 2024, the Central Bank of Egypt has resolved to increase its overnight deposit and lending rates, along with the price of main operation by 200 basis points to be 21.25%, 22.25% and 21.75%, respectively. The credit and debit rates have been also raised by 200 basis points to be 21.75%. ERF is considering the impact on the subsequent financial statements.

On 6 March 2024, and proceeding in the policy of monetary compliance adopted by the Central Bank, the Monetary Policy Committee has resolved in its extraordinary meeting to increase its overnight deposit and lending rates along with the price of the main operation of the Central Bank by 600 basis points, to be 27.25%, 28.25%, and 27.75%, respectively. The credit and debit rates have been also raised by 600 basis points, to be 27.75%. ERF is considering the impact on the subsequent financial statements. In order to explain the impact of interest rate risks and the impact on ERF as of 31 December 2023.

On 6 March 2024, the Central Bank agreed to continue its hedging efforts towards a flexible inflation-targeting framework by amending the interest rates on deposit, borrowing, and discount, as well as allowing the exchange rate to be determined according to the market mechanisms, including the consequent significant future financial impacts on ERF's financial position, future business results, and equity.

The Management is studying the impact of these decisions on the forum and the solutions available to overcome the challenges resulting from those decisions.

Minister of Finance's Resolution No. 34 of 2024 was issued on 27 January 2024, regarding the adoption of the change percentage in price differences resulting from the management of foreign currencies when determining the income tax base for 2023. The percentages approved in accordance with such Resolution were used when estimating the income tax that was recognized for 2023.





ERF HONORS

Three Decades of Connecting People & Ideas

30
years