

CALL FOR PROPOSALS ON

ENVIRONMENTAL CHALLENGES IN THE MENA REGION

The Economic Research Forum (ERF) is pleased to announce a call for proposals in the context of its new competition on Environmental Challenges in the Region. ERF and non-ERF affiliates from the region are invited to submit proposals for original research under the theme of **“New Frontiers in the Economics of Environment in the ERF-Region”**¹. Researchers are invited to submit proposals where economic analysis is used to study the environmental problem in question leading to policy implications and recommendations under the following sub-themes and related topics. Proposals on other topics involving economic analysis of environmental issues are also welcomed.

1. ECONOMIC VALUATION

Many people argue that environmental (e.g., land, air, and water) and natural resources (e.g., coal, trees, and fish) are, in fact, priceless. Thus, they say, it is not appropriate to consider them within the context of economic valuation. However, it is certain that society values environmental resources, monetizing the value placed on changes in environmental assets such as coastal areas and water quality is complex. Valuation of environmental resources enables planners and policymakers to weigh environmental policies and strategies and select the course of action that yields the most benefits to society. There remains a dire need to improve the economic valuation of environmental degradation impacts on ecosystems and human health, infrastructure and the wider economy using market and non-market economic valuation techniques. Thus it may be useful to address:

- Cost assessment of environmental degradation, including: (i) Health damage cost of air, water and waste pollution; (ii) Cost of land degradation: agricultural land (soil salinity), rangeland (overgrazing), forestland (deforestation), and coastal zone; (iii) Cost of depleting underground water resource (over-pumping, water salinity).
- The evaluation of climate change impacts, especially those arising from catastrophic changes.
- Valuation of ecosystem services, as recreational services of protected areas.

2. POLICY ASSESSMENT/MICROECONOMIC STUDIES

¹ The ERF-Region includes the Arab Countries, Iran and Turkey. Funding from the International Development Research Center (IDRC) will support projects in Morocco, Algeria, Tunisia, Egypt, Yemen, Lebanon, Syria, Jordan and Palestine (Gaza/West Bank). Funding for the remaining ERF-Region countries is currently being sought; approval of grants for those countries is subject to availability of funding.

There is widespread interest in minimizing pollution and resource degradation by ensuring that economic agents face the full economic, social and environmental costs of their activities. Many questions remain to be answered in the MENA region; submissions are thus encouraged that address questions such as:

- What will be the effect of an Emissions Trading Scheme and other policies impacting on carbon emissions in the region?
- What are the implications of full-cost pricing for economic growth and structural change?
- Does full-cost pricing have negative effects on the poor and how might these be mitigated?
- What will be the effect of environmental policies on the industrial sector and hence the diversification of the economies of the region?
- To what extent will a more sound environmental policy affect agriculture productivity?
- What are the welfare effects of existing and/or potential green policies?
- What is the role of decentralization in addressing environmental problems?

3. POLITICAL ECONOMY OF ENVIRONMENT AND NATURAL RESOURCES

Natural resources play different roles and have varying importance on four actor-based categories: separatism, the state vs. community, company vs. community and inter-communal groups. The relationships can be direct or indirect. There are also three sub-literatures which present the deleterious effects natural resources can have on development. First, comparative cross-country studies on economic performance have shown that an abundance of natural resources, especially particular resources such as minerals and oil, can lead to undesirable economic consequences, such as slow or negative economic growth, inflation, low savings, high unemployment, export earnings instability, corruption, poverty, and low levels of human development. Second, scholars have looked at the link between natural resources and civil war, and have found statistical evidence that natural resource abundance may increase the onset, duration, and intensity of civil war. Finally, the resource curse is connected with political regime types, with many cross-country analyses showing that resource-rich countries are less likely to be democratic, especially in the cases of oil and mineral wealth. The aim of this theme is to stimulate research in the field and to provoke further enquiry to the region on such issues as:

- What is the optimal rate of natural resource (e.g., Oil and groundwater) extraction?
- How do governance and diverse political systems affect natural resource use?
- To what extent have natural resources been a factor in different types of conflict in the region and what channeling mechanisms are in place?
- To what extent can trade liberalization and globalization lead to deterioration or improvement in environmental quality and in natural resource depletion in the region?

4. NATIONAL ENVIRONMENTAL ACCOUNTING AND GLOBAL PARAMETERS

One of the greatest challenges facing the MENA region in the 21st century is sustaining natural resources and safeguarding environmental assets for future generations while promoting economic growth and improving the quality of life. To

manage natural resources effectively and efficiently, policymakers need information and methods to analyze the dynamic interplay between the economy and the environment. Enhancing the information to make sound decisions can be facilitated by developing national environmental accounts. These accounts provide a framework for organizing information on the status, use, and value of natural resources and environmental assets, as well as on expenditures on environmental protection and resource management. While many countries have developed and are using environmental accounts, the MENA region lags behind. The understanding of future environmental challenges raises a number of issues and questions; these could be addressed through research projects that:

- Test the feasibility of constructing environmental accounts and the usefulness of the accounts for policymakers.
- Develop an environmental accounting framework for regional, transboundary resource management issues in key areas such as water, natural gas and tourism; and advance policy initiatives based on environmental accounts.
- Analyze the appropriate discount rate for discounting future environmental impacts such as climate change, desertification.
- Assess the contribution and benefits of participating in Clean Development Mechanism on the environment and economic growth.

5. CLIMATE CHANGE

For over the past 200 years, the burning of fossil fuels, such as coal and oil, and deforestation has caused the concentrations of heat-trapping "greenhouse gases" to increase significantly in our atmosphere. These gases prevent heat from escaping to space, somewhat like the glass panels of a greenhouse. Greenhouse gases are necessary to life, because they keep the planet's surface warmer than it otherwise would be. But, as the concentrations of these gases continue to increase in the atmosphere, the Earth's temperature is climbing above past levels affecting people, plants, and animals. Human health can be affected directly and indirectly by climate change in part through extreme periods of heat and cold, storms, and climate-sensitive diseases such as malaria, and smog episodes. Climate change, like other environmental problems, involves an externality: the emission of greenhouse gases damages others at no cost to the agent responsible for the emissions. Thus it may be useful to address:

- The evaluation of climate change impacts, especially those arising from catastrophic changes.
- The exploration of uncertainties about the nature and scale of long-term impacts of climate change.
- How can the region's economic activity (e.g., agriculture and industry) adapt to climate change?

GUIDELINES FOR RESEARCHERS / PROPOSALS

The selection process will be made on two stages:

1. **Step one:** All interested researchers should first submit a two-page, or 700 words **preliminary proposal** containing: Title of the project, Project Leader,

Institution, Contact information (name, address, telephone, fax, email) and general description of the problem. Preliminary proposals must consist of the three following sections:

- **Motivation and Outline:** This section should provide a clear statement of the problem at hand, the knowledge gap the paper will address in light of existing literature, and how the proposed research will contribute to advancing our knowledge about it. It should also provide an outline of the final paper.
- **Methodology and Analysis:** This section should clearly identify the question or hypothesis to be tested, as well as the research methodology that will be employed. It should describe the data that will be used in the analysis, as well as its sources and time span for each variable. It should describe the analytical technique (case studies and/or econometrics) and explain the rationale for using the said methodology.
- **Policy Implications:** Researchers are encouraged to describe preliminary results and policy implications if possible. If not, they should explain how the findings will contribute to the understanding of the topic under investigation as well as any relevant policy implications.

Proposals will be assessed on receipt. ERF reserves the right to exclude proposals that are not consistent with these guidelines. Only authors of the most promising entries will be invited to the second step.

2. **Step two:** Authors selected through the first process will be asked to submit a **full research proposal** of a maximum length of twenty pages where the authors must follow closely the "Guidelines for the Elaboration of Research Proposals" that will be then provided by ERF. The research budget may vary between USD 2,000 and USD 20,000 depending on the project duration, length, effort, scope and team. Expected duration of the project is 12 month.

*The following are the different **criteria for the submission and selection of proposals***

ELIGIBILITY CRITERIA

- Researchers should have expertise in the topic being researched.
- The primary target of the research competition is researchers from the region, with interest in environmental issues.
- Researchers must be affiliated with a research or academic institution.

SELECTION CRITERIA:

All proposals will be evaluated by a refereeing committee on the basis of the following criteria:

- Value added: In particular, the project should have value added in terms of contributing to the advancement of existing knowledge on economic analysis of environmental issues.
- Methodological soundness: It is important to have a sound methodology and adequate methods or techniques to achieve the research objectives.
- Policy relevance of the findings: Is the policy issue well chosen and clearly specified such that it will prove potentially useful to policy makers, and not be a purely academic exercise?
- Scope of the proposed research and whether it is feasible within the timeframe proposed and resources available.

- Novelty: The study should not in any case duplicate any existing studies.
- Literature: Is the literature survey relatively comprehensive and reflect a good understanding of this literature and how the proposal fits into it?

TIMETABLE AND DEADLINES

The deadline to submit preliminary proposals according to the terms outlined above is **September 15st, 2008**. A detailed timetable is given below.

IMPORTANT DATES

September 15 th , 2008	Deadline for first submissions (2 pages preliminary proposals) in response to Call for Papers
September 30 th , 2008	Notification of first selected proposals
December 31 st , 2008	Deadline for submissions of fuller proposals (up to 20 pages based on specific criteria and guidelines provided by ERF)
March 31 st , 2009	Notification of selected applicants

All proposals must specify the theme under which they are submitted.

PLEASE FORWARD YOUR SUBMISSION TO: habouali@erf.org.eg or yfahim@erf.org.eg , **TOGETHER WITH:**

- **AUTHOR(S)' CV(S)**
- **ONE PUBLISHED PAPER, IF ANY**

CONTACT

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