



NEW! Deadline for submission of proposals: June 2, 2020 (23:59 CET)

DG ECFIN FELLOWSHIP-INITIATIVE 2020-2021

Shifting paradigms: The quest for new modes of sustainable growth and convergence

Specifications - Call for tenders ref. 2020 ECFIN 005/B

The European economy has left the years of financial crisis management behind. While it is now in its seventh year of consecutive growth, external and geopolitical risks are dimming, uncertainty is running high and Europe looks to be heading towards a period of subdued growth and below-target inflation.

10 years after the Great Recession, Member States face a combination of old and new challenges. While the recovery since then has been historically long, the growth potential of many Member States has not recovered to pre-crisis levels and interest rates have remained persistently low. The decline in potential growth and interest rates, in a context of ageing population, has gone hand in hand with persistently low inflation. The pace of reform implementation has slowed down and progress has become uneven across Member States and policy areas. In general, the economic context has fundamentally changed, conventional economic paradigms are called into question, and an intense quest for new modes of sustainable growth and convergence has set in.

This must be seen against the broader aim spelled out in the European Commission's Annual Sustainable Growth Strategy to generate a new growth model that will respect limitations of our natural resources and ensure job creation and lasting prosperity for the future. Concretely, this objective is inherent in the European Green Deal and the Communication on a Strong Social Europe for Just Transition, which outline a sustainable growth strategy that aims to make the EU the world's first climate-neutral continent, resource efficient and fit for the digital age, while ensuring social fairness. Achieving such goals will require significant additional private and public investment over a sustained period. Those ambitions are in line with Europe's commitment to put the Sustainable Development Goals at the heart of EU's policymaking and action. Economic growth is not an end in itself; it is a means to an end, i.e. an economy that works for the people and the planet. Climate and environmental concerns, technological progress and demographic change are set to transform our societies profoundly.

The European Union and its Member States must now respond to these challenges with new modes of sustainable growth and convergence that will respect the limitations on our natural resources and ensure job creation and lasting prosperity for the future.

Against that backdrop, the fellowship initiative solicits contributions analysing shifting paradigms and new challenges for economic policy making related to two broad areas:

- (i) Low for long? Interest rates, inflation and potential growth over the medium term; and
- (ii) Transition challenges in going grey, green and digital

Specific issues and topics to be addressed could include, inter alia:

For theme (i)

- Main determinants (cyclical vs. structural, local vs. global) of euro area long-term interest rates and risk premia.
- Demographics and savings behaviour revisited
- Fiscal policy and fiscal rules in a low-for-long interest rate environment
- Link between low interest rates environment and productivity (incl. micro evidence)
- Impact of low interest rate environment on private saving and investment, asset valuation (incl. house prices) and financial sector (profitability, risk taking, non-banking sector)
- Policy mix at LIRE (monetary, fiscal, macroprudential, structural)

For theme (ii)

- The economic impact of climate change, e.g.:
 - Assessing the impact of climate change on the structure of economies in EU Member States.
 - Measuring climate related risks and their macroeconomic impact.
 - Assessing investment needs due to climate adaptation in EU Member States.
- The institutional capacity to define and implement climate policies , e.g.:
 - Policy design and the distributional impact of climate change and climate-change related policies.
 - The role of macroeconomic and institutional factors for defining policy options to fight climate change.
- Defining sectoral policies and driving the transition:
 - The adequacy of the principle of technological neutrality in EU policy in a situation of fast policy induced structural transformation.
 - Assessing international spill-overs from domestic climate change-related policies, including on trade, investment, capital flows and global value chains? Particularly in relation to clean technologies.
 - Investment policies to enable a deep restructuring of energy and transport networks.
 - Drivers for the adoption of low emission mobility.
 - The role of smart, innovative solutions in climate policy.

- Efficient use of natural resources
 - Analysis and design of economically efficient policies for the transition to a circular economy i.e. enhance material efficiency, and creation of efficient secondary materials markets (including for recycled waste).
 - Differences in designing policies for managing renewable/exhaustible resources as compared to non-renewable/non-exhaustible resources.
- Digital transformation, productivity and demographics
 - Reallocation trends and requirements, including spatial aspects, of labour and capital
 - The economic value of data : public vs private
 - The public good nature of cyber security, including incentives for investment and provision of efficient, secure and reliable networks
 - The fiscal impacts of the digital economy on government revenues, finances, and operations, also from an international perspective (e.g. a digital tax)
 - The impact of digital transformation on monetary policy, in particular the introduction of central bank digital currencies, and possible implications for a multipolar international monetary system.

DG ECFIN, in its capacity of contracting authority, intends to award around eight contracts for "Research Fellowships" to academics/researchers covering specific issues/topics outlined above. In particular, we are seeking to establish a discursive interaction process between the group of fellows and DG ECFIN staff.

As a minimum, the candidate-fellow's proposal must fit into one of the two main themes of DG ECFIN's 2020-2021 Fellowships' subject.

Technical specifications of the services under the "fellowship" contracts:

Each fellowship comprises the following elements:

- ❖ The fellowship runs from 1st October 2020 to 31st May 2021.
- ❖ Fellows will be asked to provide *consultancy services* in the form of regular interactions and discussions on the subject field with Commission staff (amounting to a total equivalent of approximately 20 working hours).
- ❖ Each of the fellows will be invited to a *maximum of 2 events* in Brussels: they will be requested:
 - to participate to one or two seminar/workshop-type events (one of which could also be via video-link); the dates will be set in common agreement between the fellow and DG ECFIN.
 - fellows assigned to theme (i) should, in particular, stand ready to participate in DG ECFIN's Annual Research Conference scheduled for November 13, 2020.
- ❖ The *final essay/study/lecture notes* will have to be work created in response to this call and should be about 20-30 pages (approx. 15,000 words in length). The fellows will be required to send an electronic version (Word) of their final written contribution to DG ECFIN as by **10th May 2021**. The contribution could draw on previous/ongoing work of the fellow.

- ❖ The essay/study/lecture notes can be *co-authored*, but the fellowship contracts are signed by one fellow, i.e. a designated lead author based on proxy form(s) in case of co-authorship.

In the provision of their services, the fellows will of course retain complete academic independence and freedom of expression of opinions.

Fee – travel and accommodation arrangements – contractual conditions

- In accordance with the conditions of the contract, the Commission intends to pay a global fee (all-in price) of maximum €10,000 for the fellowship services (presentation and consultancy services, written contribution in form of essay/study/lecture notes).
- With respect to the meetings in Brussels, travel and accommodation arrangements will be organized in common agreement with the fellow and DG ECFIN. In principle, such arrangements will be organized by the Commission via its travel agency, acting on behalf of the Commission.
- In case of co-authorship, the Commission may provide travel and accommodation for one co-author after prior approval of the Commission.
- No other allowances or reimbursement of costs is possible since they are comprised in the all-in price of the contract.

Submission provisions of proposal

Candidate-fellows are invited to submit their **proposal, consisting of an expression of interest form, an extended abstract and the below mentioned compulsory documents** (*) solely to the e-mail address ECFIN-2020-005-B@ec.europa.eu, clearly mentioning the following words 'Proposal for DG ECFIN's 2020-2021 Research Fellowships' in the subject line of the e-mail.

(*) The following documents must thus be attached in the proposal email:

1. a duly completed and signed expression of interest form (in case of co)authorship, one form completed by the designated lead author is sufficient)
2. an extended abstract (up to 1,500 words) of the research essay/study/lecture notes
3. a curriculum vitae of the author and co-author(s), if applicable
4. a list of publications of author and the (co-)author(s), if applicable
5. signed proxy form(s), in case of co-authorship
6. The administrative documents for the person/entity signing the contract, if awarded:
 - a) a signed legal entity form with supporting document(s):
http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm
 - b) a signed financial identification form (bank account) with supporting document(s):
http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm

The mailbox ECFIN-2020-005-B@ec.europa.eu is reserved **solely for submission of your proposal**. Submissions sent to other mailboxes or to Commission staff cannot be accepted. No other communication should be addressed to this mailbox.

Candidate-fellows may submit separate proposals for more than one topic/theme but can only be awarded one contract.

Submission of a proposal implies that the candidate accepts all the terms and conditions set out in these specifications and in the contract. Period of validity of the proposal during which candidates may not modify the terms of their proposals: 6 months from the deadline for submission.

NEW! Deadline for submission of proposals **is prolonged** from May 12, 2020 (23:59 CET) **to June 2, 2020 (23:59 CET)**. Proposals received after this date will be non-admissible.

The Commission may publish any additional information, inaccuracy, omission or any other clerical error regarding this call on this website. It is the candidate's responsibility to regularly check for updates during the submission period.

Assessment procedure of the proposals

The assessment procedure for the award of the contracts will consist of the following elements:

- compliance with the participation modalities of the call and the minimum requirements of the technical specifications;
- verification of selection criteria and
- evaluation on the basis of award criteria.

The assessment will be carried out in no particular order. The successful candidates must pass all criteria to be awarded a contract.

Verification of compliance with participation modalities of the call and the minimum requirements of the technical specifications

Participation in this procurement procedure is open on equal terms to all natural and legal persons coming within the scope of the Treaties, as well as to international organisations. It is also open to all natural and legal persons established in a third country which has a special agreement with the Union in the field of public procurement on the conditions laid down in that agreement. Where the plurilateral Agreement on Government Procurement concluded within the World Trade Organisation applies, the participation to this procedure is also open to all natural and legal persons established in the countries that have ratified this Agreement, on the conditions it lays down.

In order to identify the candidate, a signed Legal Entity Form with its supporting evidence must be provided. The form is available on:

http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cf m.

Candidates that are already registered in the Contracting Authority's accounting system (i.e. they have already been direct contractors) must confirm the existing information is still valid.

Proposals that are found not to be compliant with the technical specifications, i.e. fitting into one of the two main themes of DG ECFIN's 2020-2021 Fellowships' theme, will be rejected.

Verification of selection criteria

Candidate_fellows will have to pass the following professional and technical selection criteria.

1. The professional standing of the candidate as demonstrated by outstanding academic excellence in the subject field and measured by academic achievements, employment history and research experience.
2. A track record of publishing path-breaking research on issues relating to the subject field in leading, peer-reviewed journals.
3. Typically, meeting the above criterion will require the candidate to hold a senior faculty position at an academic institution/economic research institute, or equivalent, having obtained a PhD in economics and a minimum of 5 years of postdoctoral work and research experience in the subject field.

Evaluation on the basis of award criteria

The proposals will receive points in accordance with the following award criteria:

Technical award criteria		Points
1. The clarity of the proposal as assessed by the precision with which:		30
(i) it explains how the research topic will be addressed,	10	
(ii) it discusses the theoretical and empirical techniques that will be used to analyze specific issues,	10	
(iii) it explains the policy relevance of this analysis	10	
2. The quality of the proposal as measured by:		70
(i) its potential to provide robust economic analysis that offers value-added vis-à-vis the existing academic literature on the subject field.	20	
(ii) the comprehensiveness of the proposal to address the research topic	20	
(iii) the potential of the proposal to provide new insights on highly pertinent policy issues specific to the research topic	30	
Total quality score		100

The pass mark for the total quality score for the technical award criteria is set at 65 points.

Ranking of the proposals - Award process

With a view to awarding around 8 contracts under this research project, the proposals will be ranked in accordance with the following award formula.

$$\text{Score for candidate Z} = \frac{\text{cheapest price}}{\text{price of candidate Z}} * \text{total quality score of candidate Z}$$

In the event a candidate would be shortlisted for more than one proposal, the Commission will autonomously determine which proposal will be retained. Candidate-fellows are reminded they can only be awarded one contract.

The assessment procedure is expected to be completed by June 2020. Candidates will be informed by e-mail (to your e-mail address used for submission of the proposal) of the outcome of the procedure. Please check your e-mail address regularly.

Publication of the results

DG ECFIN envisages publishing the essays/studies/lecture notes in its Economic Papers series. Ownership and exploitation of the results will be governed by the provisions specified in the draft contract.

Further information

Information of a clarifying nature can be requested solely in writing via the mailbox ECFIN-FELLOWS-2020@ec.europa.eu. Requests received less than five working days before the final date for submission of proposals might not be processed. This mailbox cannot be used for submitting proposals.

This invitation to tender is in no way binding on the Commission. The Commission's contractual obligation commences only upon signature of the contract with the successful candidate(s). Up to the point of signature, the contracting authority may either abandon the procurement or cancel the award procedure, without the candidates being entitled to claim any compensation.

If processing a reply to the invitation to tender involves the recording and processing of personal data (such as name, address and CV), such data will be processed pursuant to Regulation (EU) 2018/1725 of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC. Unless indicated otherwise, any personal data will be processed solely for evaluation purposes under the call for tender by the Head of Unit Finance of Directorate General Economic and Financial Affairs, who will be acting as data controller; the practical organisation of the data processing being assured by the person responsible for this call for tender. Details concerning the processing of personal data are available in the privacy statement at: https://ec.europa.eu/info/data-protection-public-procurement-procedures_en.

The tenderer's personal data may be registered in the Early Detection and Exclusion System (EDES) if the tenderer is in one of the situations mentioned in Article 136 of the Financial Regulation. For more information, see the privacy statement: http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm.