



Request for research proposals

# Macro-fiscal analysis and policy modelling

## Background

The United Nations University World Institute for Development Economics Research (UNU-WIDER), together with the National Treasury of South Africa, is requesting research proposals under the second phase of the Southern Africa – Towards Inclusive Economic Development (SA-TIED) programme.

The papers generated under this Request for Research Proposals (RfRP) will be published as a part of the macro-fiscal analysis and policy modelling workstream of the programme.

Arguably, one of South Africa's main challenges is to generate economic growth that is inclusive, thus reducing unemployment, poverty, and inequality. Both fiscal and monetary policy might play a role in this. Investigating the roles of fiscal and monetary policy and understanding the nature and drivers of investment and economic growth in South Africa, the following are priority research areas:

- 1) The role of fiscal anchors (fiscal targets) to guide sustainable fiscal policymaking and execution. The South African government is no stranger to some form of fiscal anchors. Even the GEAR strategy in the late 1990s had broad guiding targets, while in more recent years the government used expenditure ceilings. The usefulness of such targets, their design, implementation and especially the corrective steps and systems in place should the government deviate from a target, are all important questions.
- 2) Fiscal risk as key component of fiscal policymaking. Increasingly it is recognised that budgeting and fiscal policymaking entail more than setting the levels of revenue, expenditure, deficits, and debt. These activities are also subject to risk. Accounting and planning for these risks, will require fiscal risk management to be included explicitly in fiscal policymaking. How this should be done, and which risks are likely to play a significant role in future will require extensive research, drawing on a relatively recent, but fast-expanding literature. (Examples include the unexpected impact of COVID-19 on health and social expenditure, and the unexpected impact of events resulting from climate change on expenditure.)
- 3) The macro-fiscal position in support of sustainable and inclusive economic growth. This will focus on the role of fiscal and monetary policy in improving economic growth, and reducing unemployment, poverty, and inequality. It will also look at changes needed in the size and composition of expenditure and revenue measures to support sustainable and inclusive economic growth.
- 4) The determinants of (potential) economic growth, investment, and total factor productivity, both on a macroeconomic and sectoral level.
- 5) The co-ordination of fiscal and monetary policy in support of macroeconomic stability and sustainable economic growth.

6) Monetary policy and inflation; micro- and macro-prudential policy and financial stability, and economic growth.

Against this backdrop, UNU-WIDER together with the National Treasury of South Africa announce a Request for Research Proposals on topics within the above research areas.

## Offer and expectations

UNU-WIDER and the National Treasury of South Africa invite proposals from qualified researchers for papers examining the questions as outlined above. Papers that pass initial screening will be considered for publication under UNU-WIDER copyright as an SA-TIED research paper and possibly also in the [WIDER Working Paper Series](#). The working papers need to be written in English and limited to 10,000 words or less (inclusive of text, tables, figures, footnotes, references, etc. — further information is found [here](#)). Papers may use either theoretical or empirical approaches.

Proposals from individuals (or groups of individuals) as well as non-profit organizations are welcome. Applications from women and South African researchers are particularly encouraged. Proposals may address one or more of the research questions.

Individual researchers will be issued UNU Consultant Contracts (CTC), while non-profit organizations will be issued UNU Institutional Contractual Agreements (ICA). A total research honorarium in the range of US\$6,000–10,000 will be paid upon delivery of a working paper and one-page summary of the main research findings, depending on the qualifications of the lead researcher and assessment of the proposal.<sup>1</sup>

Both of these deliverables must be deemed acceptable by UNU-WIDER before payment will be made. The honorarium is expected to cover all expenses associated with the conduct of the proposed research (including data collection, research assistance, etc.). It is not required to submit a budget.

Authors (of accepted proposals) will be expected to attend a 1–2-day workshop in March 2023 to present their near-final papers prior to them being published as SA-TIED papers (date, venue and modality TBD). The 1–2-day workshop in March 2023 will also include a Young Economist Article Retreat to which young authors will be invited to bring the papers emanating from this RfRP. These papers should be 70% complete and at the retreat there will be a number of critical readers (typically senior economists) to guide and mentor young economists. Costs of attending an in-person workshop will be borne by UNU-WIDER in accordance with United Nations University travel policy.

Payment of the honorarium will be made upon delivery of the working paper and one-page summary discussed above. After payment has been made, researchers may be asked to:

Participate in at least one knowledge-sharing event.

Engage with the SA-TIED communications team to develop the one-pager further into a knowledge mobilization output (e.g. video, social media products, infographics, brief, blog, op-ed).

## Dates

1 August 2022	launch of request for research proposals
31 August 2022	deadline for questions on the proposal process
15 September 2022	proposal submission deadline
13 October 2022	target date for informing on funding decisions
28 February 2023	target date for submission of first drafts of papers
Week of 20 March 2023	target date for work-in-progress workshop

<sup>1</sup> In case of co-authorship the honorarium will be divided equally among the contributors.

20 April 2023	target date for submission of revised near-final draft papers and a one-page summary of key findings
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Knowledge-sharing events will be planned subsequently.

## Evaluation process and criteria

Each proposal will be reviewed for scientific merit and feasibility. Proposals will be selected on the basis of three criteria: (i) relevance to the research project, (ii) strength of empirical and policy contributions, and (iii) quality and clarity of writing. Preference will be given to applications from early-career and female scholars, as well as researchers from South Africa. Only the final decision on whether the proposal is accepted or not will be communicated to applying researchers. Applicants must not expect feedback on their proposals.

## Other considerations

For successful proposals:

Researchers or their institutions (non-profit) will sign a consultant contract or an institutional contractual agreement with UNU-WIDER that follows the UNU conditions of service for Consultant Contracts (CTC), or [Institutional Contractual Agreements \(ICA\)](#).

Researchers/institutions will transfer copyright of research produced under the contract to UNU-WIDER. The purpose of this copyright transfer is to allow UNU-WIDER to effectively negotiate with top academic publishers in order to seek the most desirable possible publication outlet for a related set of papers/studies. If no (further) publication is to be expected by UNU-WIDER, the copyright can be transferred to the author(s). Any material published externally thereafter resulting from this body of work should carry due acknowledgement of UNU-WIDER as the original commissioning institute.

## Proposal submission procedure

The proposal should be no more than three pages of A4 paper in length, excluding cover page and references. Please use 12-point font, 1.5 line spacing, and standard margins. The proposal should clearly state the research objectives, study design and methods, data sources, and policy relevance. The cover page should contain the complete contact information of researcher(s) and a 120-150-word proposal abstract which should summarize the research question, main method, data, and expected contribution to policy debate.

Submission of proposals is done electronically by using the online form on the RFRP announcement page. There are three forms to select from: one for individuals, another for groups of individuals, and a third for non-profit organizations. Details (such as address, gender, nationality, date of birth) of all researchers involved need to be entered onto the form and the cover page, the proposal, and short CVs (five pages or less) of researcher/s uploaded. Please familiarize yourself with the form in advance.

Submission of a budget is not required for the proposal.

Any questions on the proposal process should be sent to [research-proposal@wider.unu.edu](mailto:research-proposal@wider.unu.edu) by 31 August 2022. All queries and responses will be published on the [RfRP announcement page](#). Selected answers will be updated on a rolling basis.