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(Notices)

COMMISSION

CALL FOR PROPOSALS

A European Forecasting Network

(2001/C 132/06)

The European Commission is launching a call for proposals to set up a European network of economic research institutes. This European forecasting network (EFN) will be formed by leading research institutes from European Union Member States. The purpose of the EFN is to improve the understanding of euro-zone economic developments and policies, to augment the analytical basis for economic policy decisions in the euro-zone and to increase the visibility of economic and monetary union (EMU) in the Member States. To achieve these objectives, the EFN will produce independent, rigorous and joint assessments of the economic situation, the aim being to identify key policy challenges in the euro-zone. The creation and work of the EFN should be of benefit to policy-makers, economic agents and the general public.

1. Background

The completion of EMU and the introduction of the euro have changed radically the framework for economic policy analysis, including economic forecasts. Indeed, the historically unique nature of EMU, combining a single monetary policy with decentralised economic policies, is bringing about a new economic environment with fundamental consequences for the behaviour of policy-makers and economic agents alike. As a result, essential economic relationships need to be reassessed and reliable indicators need to be developed. In addition, there is a need for improved analyses from a euro-zone perspective on budgetary policies, wage developments and economic reforms.

In the recent past, economic research institutes have undertaken efforts to refocus their work away from a predominant focus on national economic developments and policies towards a broader, euro-zone perspective. Nevertheless, at present, the research community arguably does not yet fulfil a critical function in terms of stimulating public discussion in the euro-zone to a degree equivalent to that which exists at national level, especially in those countries with a long tradition of well-established economic research institutes.

The lack of a sufficiently influential role for leading economic research institutes in the euro-zone policy debate is even more significant and unfortunate given that successful policy coordination — which is key to the smooth functioning of EMU — requires a common understanding of economic conditions and policy challenges. This, in turn, rests on a thorough, systematic

and regular examination — not only at national but also at euro-zone level — of current and prospective economic developments, including an assessment of risks, and policy challenges. Although the Commission services already produce economic forecasts and policy analyses for the euro-zone, high-quality, independent, and authoritative analysis from the research community would provide a valuable, complementary contribution to euro-zone policy-makers and economic agents in their assessment of the economic situation and policy requirements.

This is the right moment to establish such a network. The euro has been in place for more than two years. Improved and additional statistical information on euro-zone economic developments is becoming available and first insights have been gained into the operation of the policy framework of EMU. This experience has confirmed the need for a deeper knowledge and a better economic assessment of the euro-zone. At the same time, the policy challenges have become clearer and more pressing and there is a growing recognition of the need for a better coordination of economic policies in the euro-zone.

2. Objective

The aim of this call for proposals is to improve the understanding of the economic conditions, prospects, and the policy framework and challenges in the euro-zone as a whole. This, in turn, will support the basis for policy discussions of the Euro-group. To this end, a European network that links leading EU economic research institutes in applied macroeconomics and forecasting will be established. The network, combining resources and expertise, will develop and release independent, influential and consensual analyses of the economic situation and outlook for the euro-zone, which will take the form of joint reports. In particular, the reports should provide an in-depth analysis of the current conjuncture and examine policy-relevant issues against the background of short-term economic forecasts for the euro-zone as whole.

So far, initiatives for the analysis of euro-zone conditions by research institutes have tended to focus almost exclusively on monetary conditions, with the institutes adopting an 'ECB-watcher' role. The work of the EFN should, on the contrary, adopt a broader macroeconomic perspective.

Finally, by combining institutes with different theoretical and empirical backgrounds, the EFN will contribute to reaching a common understanding on key economic issues of concern for the proper functioning of EMU. The EFN will contribute to the necessary public debate and help build bridges between academic research and practical advice for economic policy in the euro-zone.

The Commission will assist the network in defining the structure and focus of the reports. To this end, the network will submit an outline for agreement of the Commission. However, the network will have full independence and responsibility as to the substance and conclusions of the reports. The Commission will be ready to discuss with the network issues relevant to the reports.

3. Mandate

The network will prepare two reports per year focused on an explicit euro-zone-wide approach. The reports should present rigorous analysis, robust conclusions and a consensus view on policy-relevant topics. These reports will include the following parts:

- a detailed analysis of the economic situation and outlook, including quantitative forecasts,
- an examination of policy issues in key areas,
- thematic analyses, focusing on euro-zone economic characteristics (e.g. euro-zone growth potential, investment decisions, labour markets, financial markets, etc.).

4. Functioning of the network

One of the participating institutes will take the role of network coordinator. The network coordinator shall:

- assume the overall responsibility for the network vis-à-vis the Commission,
- monitor the activities of participating institutes with regard to the network activities,
- provide leadership and ensure adequate communication between participants,
- ensure the overall coherence and timely submission of the reports,
- centralise communications with the Commission and inform the latter about developments concerning the network's activities in a timely manner,

- centralise the signature of the contract and deliver the contract duly signed by all partners to the Commission,
- centralise the Commission's financial contributions and disburse corresponding payments to participants,
- collect receipts of expenditures incurred by each institute and present them all in a single submission.

In addition, the network coordinator will submit to the Commission, for agreement, an annotated outline for the first semester report within four weeks of signature of the contract, and thereafter, an annotated outline for the following report within four weeks upon submission of each semester report. The outlines will be discussed with the Commission, which may request changes before its agreement. However, the network will retain full independence and responsibility as to the results of its analyses.

5. Timing and submission of reports

The reports will be submitted in early March and in early September to the Commissioner for Economic and Financial Affairs and to the Presidency of the Euro-group. The reports will also be sent to the Presidency of the Ecofin Council and to the Chairperson of the Economic and Monetary Affairs Committee of the European Parliament. The network should be prepared to present the reports, upon request, to the above-mentioned bodies.

Only after submission to the Commissioner for Economic and Financial Affairs and the Euro-group Presidency, will the reports be publicly released by the network. Whilst the network will retain ownership over the reports, the Commission will be entitled to use and publish them.

6. Duration

The network will be selected for a period of three years, with the agreements being proposed annually by the Commission.

7. Financing

The Commission's share in the joint financing may not exceed 50 % of the expenditure incurred by the network.

The maximum annual budget available for the programme is EUR 300 000.

8. Drawing-up and submission of proposals

Instructions and rules for drawing up and submitting proposals, covering all the relevant information, formalities and documentation, are given below in points 9, 10 and 11.

A copy of the standard agreement can be obtained from the Commission together with annexes setting out the general terms and conditions applicable to European Community grant agreements, a budget statement form for providing an overall estimate of the cost of the network and the required Community contribution, and the proposal specifications.

The standard agreement and annexes can be obtained by either:

(a) writing to the Commission at: European Commission, Directorate-General for Economic and Financial Affairs, Unit C3 (Coordination of the economic policies of the Member States and the euro-zone), BU-1 0/147, Fax (32-2) 299 35 05, rue de la Loi/Wetstraat 200, B-1049 Brussels. E-mail address: servaas.deroose@cec.eu.int. Please mention 'call for proposals'. In the case of e-mail requests, candidates should indicate whether they accept to receive the documents by e-mail;

or

(b) downloading them, together with this notice, from the following internet address: http://europa.eu.int/comm/economy_finance/tenders/call0105.htm. It would help the Commission if candidates did use this method.

Proposals must be submitted in triplicate.

Whether delivered by hand or posted, proposals must be in a sealed cover contained in another sealed envelope. The outside envelope should bear the address given in point 10 below and should be marked 'call for proposals'. The sealed inner envelope containing the proposal must be marked 'call for proposals — not to be opened by the internal mail department'.

The Commission will notify candidates that their proposal has been received by returning the acknowledgement of receipt slip submitted with the proposal.

9. Contents of proposals

The proposal must include:

- a project proposal describing how the network plans to proceed regarding the elaboration of the reports. The proposal should specify the methodology, time horizon, description of the diagnostic tools and indicators that it plans to use and/or develop, and a tentative structure for the reports,
- a list of participating institutes that identifies the network coordinator, and a detailed description of the distribution of duties among network participants and the envisaged means of communication between the institutes, including planned meetings and regular communication channels. Reference can be made to past cooperation between all

or some of the network members in macroeconomic analyses or in other fields,

- a description of the activities of each of the candidate institutes, with particular focus on their capacity for macroeconomic analysis and forecasting. Previous studies, service contracts, consultancy work, surveys, publications or other work should be mentioned, indicating the name(s) of the client(s) and stating, if any, which ones were prepared for the European Commission. A short summary of the relevant work should be attached,
- a description of the resources (qualified staff and facilities) at the disposal of each of the institutes to carry out the proposal. Concise CVs of the research staff involved in the project should be attached,
- the following administrative information about all participating institutes:
 - full name of the organisation, legal status, address, person to contact, person authorised to sign on behalf of the organisation, telephone number, facsimile number, e-mail address and VAT number. In addition the coordinating institute will provide the following banking details: bank name, account name and number, branch address, sort code and SWIFT address of bank,
 - proof of enrolment (declaration or certificates) in one of the professional or trade registers, in the country of establishment,
 - proof of a sound financial situation (either a statement from bankers or balance sheets or extracts from balance sheets),
- a detailed breakdown of the costs of the project. Candidates should in any case provide one summary table, using the model provided in Annex II, that indicates in a synthetic way the costs per category (i.e. personnel costs for research, administrative costs, travel and subsistence, overhead costs) for each participant as well as in the total, and the requested contribution from the Commission. All quantities should be quoted in euro,
- a statement by the institutes in which they indicate their willingness to participate in the network and to sign the standard agreement proposed by the Commission, if selected,
- all other information and documents that the proposers may judge necessary for the appraisal of proposals on the basis of the eligibility and award criteria set out in point 12.

10. Address for submitting proposals

European Commission
Directorate-General for Economic and Financial Affairs
For the attention of Mr Servaas Deroose (BU1 0/147) — 'Call for proposals'
Rue de la Loi/Wetstraat 200
B-1049 Brussels.

11. Application deadline

Proposals sent by post should be received no later than 20 June 2001. Proposals delivered by hand should be received by 16.00 on 20 June 2001.

12. Selection of the network

12.1. Eligibility criteria

- All EU economic research institutes with at least five years' proven experience in the field of macro-economic analysis and forecasting,
- networks should include a minimum of six institutes from at least five EU Member States.

12.2. Award criteria

The following criteria will be used to evaluate the proposals and award the agreement to only one network:

- the level of competence of both the institutes and the persons proposed to carry out the work and their proven expertise in undertaking the type of analysis required by the call for proposals' specifications, to be judged on the basis of studies previously carried out, publications, participation in conferences, seminars, etc. in the field of macroeconomic analysis and forecasting,

- the efficiency of the work organisation to deliver high-quality regular reports, and the sustainability of the structure over time (assessed for instance on the basis of existing ties between the institutes and on past or ongoing cooperation),
- the explanatory capacity of the approach to analyse the euro-zone economic situation and outlook, and to derive policy conclusions (assessed for instance on the basis of whether the proposal yields valuable insights into the questions to be addressed, the familiarity with the relevant literature and the diagnostic tools and indicators to be used and/or developed),
- the reliability of the methodologies proposed for the economic analysis and forecasting,
- the degree of EU geographical coverage of the network institutes.

13. Examining committee

An examining committee is to be set up under the authority of the Directorate-General for Economic and Financial Affairs to evaluate all proposals and select the preferred one. It will be made up of members representing different specialised units and will have its own secretariat responsible for handling communication with the successful network following the selection procedure. Unsuccessful candidates will also be notified individually.

14. Important

This call for proposals does not constitute any sort of contractual obligation on the part of the Commission towards any network of institutes submitting a proposal on the basis of it. All communication regarding this call for proposals must be in writing to the address mentioned in point 10.