REGULAR GRANT AWARD

ROUND 3

Economic Research Institute (ERI) is pleased to announce the 3rd round of Regular Grants to implement the following policy studies:

1. *Inflationary pressure on households*
2. *Assessment of government accountability in Mongolia*
3. *Analysis of the housing market: case of Mongolia*
4. *Economic diversification and political economy*

**General information**

The solicited studies are expected to highlight and analyze policy dilemmas and tradeoffs associated with the above issues; provide impact assessments of policy alternatives; and produce policy recommendations as appropriate.

The studies will be communicated to the Cabinet of Ministers, the Parliament, the Bank of Mongolia, government agencies and research institutions; their targeted audiences also include economic policy experts, private sector firms, international development agencies, and the civil society. Funding for the studies is provided by the World Bank and AusAID.

**Eligibility**

Qualified policy experts who are Mongolian nationals and permanent residents are invited to submit their proposals which can be filed by individuals or teams of experts (a team could include up to three participants). Foreign experts can serve as team members or consultants, on the condition that their services are provided pro bono. Government officials are not eligible to apply for these grants.

A team of researchers can submit proposals at most on two separate topics. An individual researcher can be a member of at most two proposal writing teams.

However, a research team will not be awarded two separate research grants.

**Deliverables**

A grantee is required to produce a policy paper on the chosen topic, as well as a policy brief summarizing main findings, conclusions and recommendations of the study. Policy papers shall be submitted in English, whereas policy briefs in Mongolian and English.

**Professional standards**

Supported policy studies shall meet modern professional standards of applied economic and public policy research with regard to methodologies, collection and use of data, and relations to the existing literature on the subject.

**Peer review**

Policy papers will be subject to peer reviews that will be arranged by ERI. Grantees will be required to respond to reviewers’ reports and revise their papers as necessary.

**Project duration**

Grantees shall turn in the above deliverables no later than in six months since the signing of grant agreements.

**Funding**

Budget for each study shall not exceed $15,000.

**Grant proposals**

Applicants should submit their proposals to ERI. Each proposal should include the following components:

* Brief description of the problem
* Hypotheses
* Description of proposed methodologies
* Sources of data
* Anticipated policy implications
* CVs of researchers

Each proposal should also include a grant budget with line items reflecting the following allowable expenditures: honoraria, costs of data, publications, postage and communications.

Proposal must be submitted in English.

**Thematic focus**

A grant proposal is expected to address one of the policy issues listed in the attached thematic focus of the grant competition. Each policy issue on the list is illustrated by a set of research questions; such illustrative questions are neither mandatory nor exclusive, and a prospective grantee could modify them in a grant proposal. Policy issues other than those on the list can also be proposed for funding; however in this case an applicant should provide compelling arguments as to why this issue requires urgent attention.

**Due date**

Proposals are due to ERI by 1 pm November 25th, 2013. Proposals can be submitted electronically at contact@eri.mn, or by mail to the following address:

Suite 503, Building 5

Economic Research Institute

School of Economic Studies

Baga toiruu 4

Sukhbaatar district

Ulaanbaatar

**Evaluation criteria**

Proposals will be evaluated according to the following criteria:

* Applicants’ grasp of the problem
* Clarity of hypotheses formulation
* Credibility and soundness of proposed methodologies and data collection strategy
* Reasonableness of budget proposal

**Grant agreements**

Winning applicants will conclude grant agreement with ERI. Per such agreements, the total budget will be disbursed in three installments, 30% upon signing, 30% upon submission of the first draft that is acceptable for peer-reviews, and 40% upon submission and acceptance by ERI of grant deliverables and budget reports summarizing grant expenditures. Payments of grant monies are made in Mongolian Togrogs at the Golomt Bank of Mongolia’s official exchange rate in effect on the date of payment.

**Inquiries**

Questions about the program should be addressed to: B.Tuvshintugs, 353470 or contact@eri.mn

**Annex. to Terms of references**

**REGULAR GRANT TOPICS**

Inflationary pressure on households:

* how inflation affects households’ real income differently?
* what is the implication of inflation on income re-distribution
* how much is the exchange rate pass-through and its implication on households’ real income
* what are policy implications of the discussion above in terms of inflation targeting or exchange rate targeting

Assessment of government accountability in Mongolia

* what evidence of government accountability
* how broad societal interests and special interests are balanced in policy-making
* are there sufficient safeguards to prevent corruption, incompetence or policy capture
* what implications for political reform and civil society empowerment such analysis could produce

Analysis of the housing market: case of Mongolia

* what are determinants of new housing start-ups in Mongolia
* what mortgage programs in Mongolia exist and how effective are they
* what are constraints in the mortgage market: housing collateral and down payments
* what are implications of current mortgage programs on the number of start-ups and housing prices
* what kind of institutional arrangements that regulates the housing market exist in Mongolia
* what is the future role of government in the mortgage market
* can housing market become a source of economic vulnerability in the future, what can we learn from experiences in other countries

Economic diversification and political economy

* what policies of diversification have taken place in other countries similar to Mongolia and whether they were effective: what are cross-country experiences of failed and successful diversification policies
* what are roles of geographic location and institutional structure of the country in successful diversification of the economy
* what diversification policies taken place in Mongolia and their effectiveness
* does election cycle affect these diversification policies, why
* what are major obstacles in diversification policies in Mongolia and political viability of alternative policies
* what is the role of investment in successful diversification and the role of goverement