

## CALL FOR PROPOSALS

### A European Forecasting Network

(2004/C 113/03)

The European Commission is launching a call for proposals with the purpose of ensuring a long term co-operation with a European Forecasting Network. This co-operation shall take the form of a partnership framework agreement between the Commission and the network over a period of three years. The network's tasks will be to complement the analysis of the Commission concerning economic developments and economic policies in the euro area. The network should consist of independent research institutes and should produce bi-annual reports containing a macro-economic forecast of the euro area together with an analysis of topical policy issues. This work should focus exclusively on the euro area as a whole and aim at providing additional analytical support to economic policy discussions of the Commission and the Eurogroup.

#### I. CONTEXT AND PURPOSE

##### I.1. Background

The introduction of the euro and the creation of an economic and monetary union have changed to a substantial degree the framework for economic forecasting and economic policy analysis. Moreover, the accession of new Member States and their real and nominal convergence process adds a further dimension to economic integration in the EU and, eventually, in the euro area. While in the past the focus of the research community was largely on national analyses, the new framework makes it increasingly necessary to take into account the wider context, i.e. developments at the euro-area level as a whole. Despite the required reorientation, discussions on economic policy matters at euro-area level do not yet benefit from research institutes' analyses to the same degree as does the policy debate at national level.

In response to the lack of a sufficiently influential role of research institutes in the euro-area policy debate, the European Commission set up a European Forecasting Network (EFN) in 2001. The total period foreseen for this co-operation was three years, i.e. will be completed by the end of 2004. During this period, the EFN consisted of eight national institutes from six different countries in the European Union. The EFN has provided useful supplementary research on various important topics, as well as regular forecasts for the economy of the euro area. The overall experience with the network's accomplishments has been positive, and their research achievements have contributed to the euro-area debate.

The European Commission wants to continue to support and promote high-quality independent macro-economic analysis on the euro area from the research community. This will be accomplished by the renewed constitution of an EFN and its

complementary contribution to euro-area policy-makers in their economic assessment of the euro area.

##### I.2. Objective

The aim of the EFN will be, as in the past, to improve the understanding of the economic conditions and outlook for the euro area and, in turn, to allow the Commission to improve the basis for policy discussions and decisions of the Eurogroup. To this end, a network that links leading EU research institutes in forecasting and applied macroeconomics should be created. Combining its resources and expertise, the network's objective is to produce consistent macro-economic forecasts of the euro area and to develop independent and consensual analyses of the economic situation and outlook, which will take the form of joint reports. As a major part of the objective the network will also provide an in-depth analysis of pertinent economic policy issues for the euro area.

##### I.3. Mandate

The network will prepare two reports per year. These reports will focus on the euro area as a whole and will consist of two parts, namely:

- a part containing a detailed analysis of the economic situation and outlook, including forecasts of the main macro-economic variables. These forecasts should be derived from a consistent macro-economic model based on solid macro-economic analysis,
- a part containing the discussion of the specific policy-relevant topics. Policy conclusions should be derived from thorough and authoritative analysis and, if necessary, corroborated by empirical evidence based on state-of-the-art methodology.

The reports do not need to draw from a single analytical framework, but would preferably build on the strengths of each participating institute. Whilst attempting to present robust conclusions and a consensus view on policy-relevant issues, the reports should also reflect and comment upon potentially different approaches.

The network will choose the economic policy topics contained in the reports in agreement with the Commission services. The network will discuss a draft of the report with the Commission services in advance of its publication. While remaining solely responsible for the content of the report, the network should, whenever possible, take due account of the comments received from the Commission services.

#### I.4. Functioning of the network

One of the participating institutes will take the role of the network co-ordinator. The network co-ordinator 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 all 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 expenditure incurred by each institute and present them all in a single submission.

In addition, the network co-ordinator will submit a draft outline for the first semester report within 4 weeks of signature of the contract, and thereafter, a draft outline for the following report upon submission of each semester report. Final outlines will be agreed with the Commission services, which will assist in identifying the key policy priorities, notably with regard to the choice of economic policy topics.

#### I.5. Timing and submission of reports

The reports will be submitted in March/April and in September/October to the Commission, which will transmit them to the Eurogroup. The reports will also be presented to the European Parliament.

### II. 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 in the region of EUR 300 000.

### III. ADMINISTRATIVE PROVISIONS

The Commission wishes to establish a long term co-operation with the successful applicant. For this purpose it is proposed to conclude a three year multi beneficiaries framework partnership agreement between the parties. Under this multi beneficiaries framework agreement, which will specify the common objectives the nature of the actions planned, three specific annual grant agreements may be concluded between the parties.

### IV. ELIGIBILITY

#### IV.1. Legal Status of applicants

The call for proposals is open to bodies and institutes (legal entities) with legal status in one of the current and new EU Member States.

#### IV.2. Financing applications

The proposal shall show that the applicant has the financial capacity to complete the proposed work programme. To this effect, an external audit report by an approved auditor must be submitted. The report shall certify the accounts for the last two financial years available and give an assessment of the financial viability of the applicant to maintain his activity throughout the period of the agreement. This obligation may be waived for

- beneficiaries who have accepted joint and several liability in the case of agreements with number of beneficiaries,
- public bodies, secondary and higher education establishments and international organisations.

#### IV.3. Exclusion

Applications will not be considered for a grant if the applicants are in any of the following situations: <sup>(1)</sup>

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- (e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (f) following another procurement procedure or grant award procedure financed by the Community budget, they have been declared to be in serious breach of contract for failure to comply with their contractual obligations;
- (g) they are faced with a conflict of interest;
- (h) they have been guilty of misrepresentation in supplying the information required or have failed to supply this information.

<sup>(1)</sup> In compliance with Articles 93 and 94 of the Financial Regulation applicable to the general budget of the European Communities.

## V. SELECTION CRITERIA

Among the proposals found eligible the following criteria will be used to assess the applicant's ability to complete the proposed work programme:

- participating institutes should have at least five years proven experience in the field of forecasting and macroeconomic analysis,
- networks should include a minimum of 6 economic research institutes from at least 5 current and new EU Member States,
- technical capacity of producing consistent euro area forecasts and policy analysis,
- the applicant's financial and operational capacity to complete the proposed work programme.

## VI. AWARD CRITERIA

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

- the level of competence of both the institutes and the natural 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 forecasting and macroeconomic analysis with particular emphasis on policy issues,
- 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 on-going co-operation),
- the explanatory capacity of the approach to analyse the issues and to derive policy conclusions,
- the reliability of the methodologies proposed for the economic analysis and forecasting,
- in case of equivalent proposals in terms of the above criteria the most cost effective proposal will be chosen.

## VII. SELECTION COMMITTEE

A selection 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 awarded one. It will be made up of at least five 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.

## VIII. PRACTICAL PROCEDURES

### VIII.1. 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 VIII.2, VIII.3 and VIII.4.

Proposals must be submitted on a standard proposal form.

A copy of the proposal form, the standard grant agreement; a budget statement form for providing an overall estimate of the cost of the network and the required Community contribution, and other relevant standard forms can be obtained from the Commission by either:

- (a) writing to the Commission at: European Commission, Directorate-General for Economic and Financial Affairs, Directorate A (Research and Studies), BU-1 3/146, Fax No. (32-2) 296 36 50, B-1049 Brussels. E-mail address: peter.weiss@cec.eu.int. Please mention 'Call for proposals – ECFIN/2004/Dir A'. 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/call0404\\_en.htm](http://europa.eu.int/comm/economy_finance/tenders/call0404_en.htm)

It would help the Commission if candidates did use this method.

Proposals must be submitted in triplicate in English.

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 VIII.3 below and should be marked 'Call for proposals– ECFIN/2004/Dir A'. The sealed inner envelope containing the proposal must be marked 'Call for proposals – ECFIN/2004/Dir A - 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.

### VIII.2. Contents of proposals

The proposal must include:

- The completed and signed proposal form;

and the following in triplicate:

- A description how the network plans to proceed in the elaboration of the reports. The proposal should specify the methodology, time horizon, description of the diagnosis tools and indicators that it plans to use and/or develop, and preferably a tentative structure for the reports.
- A list of participating institutes that identifies the network co-ordinator, 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 co-operation 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 the capabilities for macroeconomic analysis and forecasting. All studies, service contracts, consultancy work, surveys, publications or other relevant work previously carried out 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 all relevant work should be attached.

- A description of the resources (qualified staff and requisite facilities) at the disposal of each of the institutes to carry out the proposal. Concise CVs of all 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 and VAT number. In addition the co-ordinating 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: a statement from bankers or balance sheets or extracts from balance sheets; an external audit report if required (see also point IV.2).
- A detailed breakdown of the costs of the project. Candidates should in any case provide one summary table, using the standard budget model 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 total, and the requested contribution from the Commission. All quantities should be quoted in euros.

- 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.
- A declaration of applicant's eligibility; certifying that he/she is not in one of the situations listed in articles 93 and 94 of the Financial Regulation of the European Communities (Official Journal L 248 of 16.9.2002).
- The financial identification form.

All other information and documents that the candidates may judge necessary for the appraisal of proposals on the basis of the selection and award criteria set out in points V and VI.

### VIII.3. Address for submitting proposals

European Commission  
Directorate-General for Economic and Financial Affairs  
Call for proposals – ECFIN/2004/Dir A  
BU-1 3/13  
B-1049 Brussels

### VIII.4. Application deadline

The deadline for proposals delivered by hand is 16.00 h on 25 June 2004.

Proposals sent by post should be postmarked no later than 25 June 2004. If express delivery is used, the proposals must arrive by 16.00 on 25 June 2004.

### IX. 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 VIII.3.