

## REGULAR GRANT AWARD

### ROUND 1

Economic Research Institute (ERI) in collaboration with the IRIS Center at the University of Maryland (USA) invite applications to implement the following policy studies:

1. Demographic dynamics and social welfare system in Mongolia
2. Risks assessment of the “Dutch disease” in Mongolia due to major resource industry projects and expected massive capital inflow
3. Macroeconomic risks and how they could be mitigated
4. Assessment of government accountability in Mongolia
5. Small and medium business development: does rising tide lift all boats?
6. Analysis of post-secondary education system in Mongolia

#### **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. More detailed terms of references for the announced policy studies are specified below.

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.

#### **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.

#### **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 Mongolian and English, whereas policy briefs only in Mongolian.

#### **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 and IRIS. 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

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 May 9<sup>th</sup>, 2011. Proposals can be submitted electronically at [ERI.mongolia@gmail.com](mailto:ERI.mongolia@gmail.com), or by mail to the following address:

Room 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 two equal installments, the first upon signing, and the second 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 Bank of Mongolia's official exchange rate in effect on the date of payment. ERI will deduct personal income tax.

### **Inquiries**

Questions about the program should be addressed to: B.Tuvshintugs (PhD), 353470 or [ERI.mongolia@gmail.com](mailto:ERI.mongolia@gmail.com)

## **Annex. Terms of references**

### *1. Demographic dynamics and social welfare system in Mongolia*

- Does social welfare programs benefit the poor?
- Assessment of the impact of the demographic trends on social programs and safety nets, especially of their fiscal feasibility and sustainability.
- Targeting and means-testing in social safety nets administration.
- Demography, social safety nets, poverty reduction and social mobility in Mongolia

### *2. Risks assessment of the “Dutch disease” in Mongolia due to major resource industry projects and expected massive capital inflow*

- Does the present regulatory and policy framework provide sufficient protection from the “Dutch disease”?
- What are the existing vulnerabilities and how they should be addressed?
- What lessons can be learned from the international experience? What policy tools should be deployed to effectively avert the “Dutch disease”?

### *3. Macroeconomic risks and how they could be mitigated*

- What are the main macroeconomic risks in Mongolia in short-to-medium terms?
- Assessment and analysis of risks of inflation, exchange rate volatility, capital inflow, fiscal dominance, etc.
- Is the existing policy and regulatory framework adequate to control and mitigate macroeconomic risks?
- What macroeconomic risk mitigation policies should be implemented? What international experience is relevant/applicable in Mongolia?

### *4. Assessment of government accountability in Mongolia*

- What evidence of government accountability (or lack thereof) on the national and local level exist (provision of public goods and services; economic regulation; economic development policies and priorities)?
- 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?

### *5. Small and medium business development: does rising tide lift all boats?*

- Analysis of SME development trends and patterns in Mongolia.
- Role of SME in employment and income creation.
- Barriers to SME development in Mongolia: access to finance, access to markets, red tape? Outsourcing to SMEs in resource industry projects.
- SME creation in the countryside.
- Assessment of SME development policies in Mongolia.

6. *Analysis of post-secondary education system in Mongolia*

- Assessment of personal and social rates of returns to higher education in Mongolia.
- To what extent the national university system serves the needs of Mongolia's social and economic development?
- Trends in quality of education and academic standards.
- Access to education and socio-economic inequality.
- Efficacy of government regulation and funding of the national system of post-secondary education.