



Request for research proposals

Firm-level and tax analysis using micro data

Background

The United Nations University World Institute for Development Economics Research (UNU-WIDER) is pursuing a research programme focused on transformation, inclusion, and sustainability over the period 2014-18. An important element of economic growth and transformation relates to the characteristics, determinants and behaviours of firms. Firms are the economic agents that interact at the micro level but ultimately shape aggregate economic trajectories. Firm level data has high potential for enhancing understanding of these interactions as the heterogeneous characteristics of firms are not masked.

Offer

The National Treasury (NT) of the Republic of South Africa and UNU-WIDER, in collaboration with the South African Revenue Service (SARS), invite proposals from qualified researchers which exploit tax administrative data based on company and individual records for purposes of conducting rigorous economic firm-level analysis.

The specific objectives of this request for research proposals are:

- 1 To obtain policy-relevant research findings on the determinants of productivity, investment, employment, exports, profitability and output by different firms with different characteristics (incl. size, sector, ownership, export intensity, degree of competition faced, age, past behaviour, and skills makeup). Also, where possible, to examine dynamic decision making effects on outcomes.
- 2 To obtain research findings relevant to government policy questions on the impact of tax incentives (e.g. research & development, MIDP, learnership, section 12I manufacturing) and non-tax incentives on investment, value-add, job creation, capital/labour intensity and growth.
- 3 To obtain economic analyses that could improve policymakers' insights on issues pertinent to base erosion and profit shifting, including but not limited to corporate leverage and structuring, interest expense in relation to earnings, and linkages between R&D expense and the creation of intangibles.
- 4 To analyse depreciation allowances claimed by companies by asset class and/or sector, and how this relates to economic depreciation of assets.

- 5 To obtain economic analysis that improves the understanding of tax behaviour of individuals and firms.

Proposals from individuals, groups of individuals, as well as non-profit organizations are welcome.

Researchers with successful proposals will gain access to generally inaccessible data sets located at the National Treasury, subject to agreed restrictions to preserve confidentiality. It is important to highlight that, as of this call, the data are only made available to researchers while physically on National Treasury premises in Pretoria. An inventory of potential data sets is appended to this RFRP.

Researchers should be aware that this RFRP will give preference to proposals that utilize this inventory of data in order to deepen government and researchers' understanding of how economic agents react to changes in tax legislation. Individual researchers will be issued Consultant Contracts (CTC), while non-profit organizations will be issued an Institutional Contractual Agreement (ICA) by UNU-WIDER. A staff member from UNU-WIDER will assess adequate completion of the contract.

The research fee is USD 10,000 for an accepted proposal. In addition, a local expense allowance up to a maximum of USD 5,000 per proposal will be paid, depending on an assessment of costs required to undertake the proposed research.

The remuneration and local expense allowance will be expected to cover all costs associated with the conduct of all research and research outputs proposed under this proposal. Attendance of the work-in-progress workshop and final knowledge-sharing and dissemination events (see below) will be considered separately.

Expectations of researchers

All successful research grant applicants will be expected to:

- 1 Produce a paper of sufficient quality to merit publication in the [UNU-WIDER Working Paper series](#).
- 2 Produce a five page or fewer non-technical summary of the research paper that will adequately communicate the policy-relevant findings to decision makers and senior management.
- 3 Sign agreements and abide by all restrictions imposed by SARS and other government agencies with respect to disclosure of confidential firm- and individual information.
- 4 Attend and participate in a 1-1.5 day workshop in South Africa (venue to be announced) where work in progress will be presented to other contracted consultants, researchers, government officials and selected international experts.
- 5 Contribute to data documentation and descriptive analysis using the framework developed by staff from NT and SARS of the newly available data.
- 6 Participate in at least one knowledge-sharing event after final paper submission.
- 7 Be flexible in their research approach, particularly for those researchers planning on exploiting data sets that have been lightly analysed to date. Researchers should consult with SARS and NT officials on what data can be made available.

Dates

22 February 2016	Final opportunity for questions on the request for research proposals.
29 February 2016	Proposals due 23:59 EET.
15 March 2016	Target date for informing on funding decisions.
20 March 2016	Target date for completion of necessary administrative procedures.

1 April 2016	Researchers granted initial access to data.
01 July 2016	Preliminary / progress reports submitted followed by a work in progress workshop (date to be confirmed)
30 September 2016	Final papers and non-technical summary submitted to UNU-WIDER.
November 2016	Research conference

Evaluation process and criteria

Proposal evaluation will follow the process described below:

Technical panel

A technical panel drawn together by NT (Economic Policy and Tax Policy), SARS and UNU-WIDER will score proposals along four criteria: technical merit, technical capabilities of the research team, policy relevance, and capacity building. During this assessment, proposals must meet both a minimum level of technical merit and research team capabilities, and a minimum total score.

The assessment of the technical aspects of the proposal will be in accordance with the following criteria:

1	Technical merit (TM):	30 points
2	Capabilities of the research team (RT):	25 points

The proposals will need to score a minimum of 40 points out of the total of 55 points awarded for technical aspects to be recommended by the panel. Assessments by the technical panel of the ability of research teams to adjust to unforeseen circumstances will form an important part of scoring under these criteria.

As the programme aims to both support policy-relevant research and build research capacity in South Africa, the proposals will also be awarded points for their degree of policy relevance and their potential contribution to South African analytical capacity.

3	Policy relevance (PR):	25 points
4	Capacity building (CB):	20 points

A maximum of 100 points can therefore be awarded. Proposals must meet a minimum of 70 points to be recommended by the technical panel to qualify for stage two of the assessment.

Policy panel

The policy panel will comprise of officials from relevant institutions such as NT (Economic Policy and Tax Policy), DTI, SARS and StatsSA. The policy panel will consider not only the relevance of the proposal, but also consider whether the proposed paper/outputs can be published without contravening confidentiality issues and that the proposed use of data is in line with international best practice.

The policy panel will recommend proposals to the technical panel for decision. UNU-WIDER will make final funding decisions taking into account inputs provided by the technical and policy panels.

A maximum number of 2 proposals per researcher may be received, and only 1 contract per individual researcher may be awarded (the panel may consider more awards in the case where the researcher is part of multiple teams). Only the final decision on whether to fund the proposal or not will be communicated to applying researchers.

Other considerations

Once a proposal has been submitted, the research idea developed in the proposal has been delivered into the public domain.

For successful proposals:

- 1 Researchers or their institutions (non-profit) will sign a consultant contract or institutional contractual agreement with UNU-WIDER that follows the UNU conditions of service for [Consultant Contracts \(CTC\)](#), or [Institutional Contractual Agreements \(ICA\)](#).
- 2 Researchers/institutions will transfer copyright of research produced under the contract to UNU-WIDER. An important purpose of this copyright transfer is to allow UNU-WIDER to effectively negotiate with book publishers and editors of journals in order to seek the most desirable possible publication outlet for a related set of papers. If no (further) publication is to be expected by UNU-WIDER, the copyright can also be returned to the author(s).

Proposal submission details

- 1 The submission of proposals is done electronically using a form on the [RFRP announcement page](#). There are three forms to select from; one for individuals, another for groups of individuals, and a third one for NGOs. Details (such as address, gender, nationality, date of birth) of all researchers involved are required to be entered into the form, and the proposal as well as brief CVs (five pages or less) of researcher(s) uploaded. It is recommended to familiarize yourself with the form in advance.
- 2 The proposal ('plan of action') should be no more than five pages of A4 paper in length excluding cover page and references, using 12 point font, 1.5 line spacing, and standard margins. The cover page should contain the complete contact information of researcher(s) and a 200-word proposal abstract, which should summarize the research question, main methods, data, and expected contribution to the policy debate.
- 3 Submission of a budget is not required for the proposal.
- 4 Any questions on the proposal process should be sent to researchproposal@wider.unu.edu by 22 February 2016. All queries and responses will be published on the [RFRP announcement page](#) after this date.