



## **Research Facility on Inequalities**

### **Guidelines for the 2<sup>nd</sup> global research and thematic call**

**Proposal submission period**  
**6 February to 6 April 2018**

#### **Contact**

French Agency for Development (AFD)

Dr. Anda David [davida@afd.fr](mailto:davida@afd.fr)

Ms Sarah Diemu-Trémolières [diemutremolieress@afd.fr](mailto:diemutremolieress@afd.fr)

Phone: + 33 1 53 44 48 09



## 1. Background and objectives

### 1.1. Research Facility on Inequalities

The world today has never been so rich, providing that wealth is measured in terms of goods and services that are consumed and produced. And this wealth has never been so unevenly distributed. The share of national wealth owned by the top 1% and the richest 10% reaches – in countries where tax data is available – the record levels that were reached in the beginning of the last century. The increase of inequality that we observe within countries is also observed throughout the world. In 2016, half of the world's wealth is owned by 1% of the population.

Seven out of ten people live in a country where the gap between the rich and the poor is greater than it was 30 years ago (Oxfam, 2014 quoting Milanovic, 2013). In OECD countries, the gap between the rich and the poor has never been greater: the income of the richest 10% is 9.6 times that of the poorest 10% (OECD 2015); the ratio was 7 to 1 in the 1980s. In the few Latin American countries that have experienced a decline in inequality, the Gini coefficient, which measures income inequality, remains at elevated levels. However, for the first time, the reduction of household income inequality is set as a goal in the international agenda. It explicitly appears among the universal Sustainable Development Goals (SDGs) adopted in September 2015 by the United Nations.

Inequalities are not perceived anymore as necessary and temporary, as suggested by the Kuznets curve, but they are considered as a real problem (by 90% of respondents in Sub-Saharan Africa in the Pew Global Attitudes Survey 2014). The increase of the middle classes' wealth has been lower than that of the richest. The economic crisis of 2008 gave a halt to the upward mobility perspectives and to wealth accumulation in many emerging and developing countries. The feeling of injustice that resulted from the exponential enrichment of some "happy few", while the majority expected better days, made inequality socially unacceptable. High levels of inequalities are also now recognised as economically inefficient, both for growth and for poverty reduction: OECD countries lost an average growth rate of 4.7 percent (accumulated) due to inequality, between 1985 and 2005 (OECD 2011).

As impelled by SDG 10 and in order to respond to an identified demand from national governments, international organisations and development partners for accurate and reliable evidence on policies and interventions that can effectively reduce inequality, the European Commission (EC) will fund the *Research Facility on Inequalities* under the Development Cooperation Instrument that will be implemented by the French Agency for Development (AFD).

The objective of this action is to enhance the knowledge and understanding of economic and social inequalities, their drivers and underlying factors at different spatial levels, as well as the most effective policies and approaches to address and reduce them. As an underlying objective, the action intends to initiate a common reflection with Member States on ways to strengthen the contribution of EU development cooperation to the fight against inequalities, in the framework of the implementation of the 2030 Agenda, and enhance the EU development policy overarching objective of poverty eradication.

This action is funded by the European Commission under the Development Cooperation Instrument (DCI).



## 1.2. Objective of the Call

The main objective of the call is to conduct original global and thematic research on the drivers and dynamics of economic and social inequalities in low and middle income countries, and most successful policy responses to address them. After the first call, launched in 2017, three research projects have been accepted for funding. Their focus evolved around the issues of inequality and taxation, equity in health spending and higher education and inequality.

The research projects to be submitted under this second call will have to cover the broad spectrum of inequalities in order to provide a holistic understanding on their drivers, consequences and how they are affected, positively or negatively, by public policies. The research projects will have to take a cross-country or regional approach in order to highlight a diversity of experiences and lessons learnt with regards to the dynamics of inequalities and how they are impacted by public policies. This call for proposals represents one of the activities implemented under the umbrella of the action and its aim is to initiate and mobilise a global partnership between like-minded donors.

## 2. Eligibility criteria for funding recipients

Research proposals can only be submitted by EU Member States donors, as well as Switzerland, Iceland, Norway, and UN Agencies, in partnership with a university, a research centre or an NGO recognised for its high-quality research<sup>1</sup>. Donors must commit to co-finance the research project they propose<sup>2</sup>. Research proposals involving research centres from [DCI eligible countries](#) will be favoured in the evaluation process.

In terms of geographical focus, the research projects should not be country-based, but rather have a cross-country or regional approach, concentrating on DCI eligible countries. Thematically, research projects can cover the following non-exhaustive list of subjects:

- Patterns of growth: sector composition of economic growth, macroeconomic policy, initial levels of inequality, inequalities and labour policies;
- Trade policies and inequalities;
- Distributional incidence of tax policies;
- Distributional incidence of spending policies: social spending (particularly education, social protection) including its impact on horizontal and spatial inequalities;
- Inequalities and their impact on the national urban policies;
- Inequalities and decentralization, the link between local governance and territorial inequalities.

---

<sup>1</sup> The NGO needs to be an entity internationally recognised for its outstanding research and publication of studies on inequalities. In addition, the list of publications of the researchers involved will be taken into account.

<sup>2</sup> This does not concern the Commission, EU Delegations, and the AFD.



### **3. Funding modalities**

#### **3.1. Funding framework**

The project will be co-financed by AFD through the Facility and by the donor who is supporting the proposal. The latter must commit to provide at least 25% of the total amount of the funding required by the project. The remaining budget will be funded by the Facility up to a maximum of EUR 125 000 (including tax) per project.

The signing of the contract will undergo the following process:

- Prior to the starting date, a memorandum of understanding (MoU) will be signed among AFD, the donor supporting the proposal and the university/research centre/NGO, establishing the funding modalities and scope of the research project.
- Once the MoU is signed by the three parties, a separate research agreement will be signed between AFD and the university/research institute/NGO.

The funding will be provided in 3 instalments conditioned on the validation of required deliverables.

#### **3.2. Duration of the funding**

AFD will fund research projects for a maximum duration of 18 months, following a proposed starting date of 15 June 2018.

#### **3.3. Eligible costs**

The AFD funding through the Facility will cover personnel costs, production of publications, mobility activities and the organisation of workshops (logistics, travel costs and accommodation).

**ATTENTION:** All costs must be incurred within the contractual period of funding of each project.

**ATTENTION:** Data collection costs will not be covered by the project.

### **4. Application procedure**

Only applications submitted by EU Member States donors, as well as Switzerland, Iceland, Norway, and UN Agencies, using the attached application form, will be accepted.

Proposal submitted after the deadline of 06/04/2018 will not be accepted. Incomplete applications will not be considered in the evaluation.

The applications have to be sent in English electronically to [researchfacilityinequality@afd.fr](mailto:researchfacilityinequality@afd.fr).

This action is funded by the European Commission under the Development Cooperation Instrument (DCI).



The following documents are additionally requested:

- Detailed information on each involved institution and the staff involved in the project;
- CVs of the researchers involved, including list of main publications,;
- For NGOs, the national registration certificate;
- Provisional budget;
- Program and tentative timeline of planned activities.

## 5. Evaluation process

Each application will be evaluated by a high-level scientific committee of experts in the field of inequalities according to the following criteria:

|   |     |
|---|-----|
| - Scientific quality  | 30% |
| - Innovative approach   | 25% |
| - Relevance for the design and implementation of public policies aimed at reducing inequalities in low and middle income countries      | 20% |
| - Relevance for strengthening the EU contribution to the fight against inequalities in developing countries and actions by other donors | 15% |
| - North-South scientific collaboration  | 10% |

## 6. Project output

The project outputs will be research papers, policy briefs and workshops.

## 7. Calendar

|   |                   |
|---|-------------------|
| <b>Launch of call for proposals</b>                   | <b>06/02/2018</b> |
| <b>Deadline of submission phase</b>                   | <b>06/04/2018</b> |
| <b>Notification to applicants of funding decision</b> | <b>15/05/2018</b> |
| <b>Indicative date for the start of projects</b>      | <b>15/06/2018</b> |



## Annex 1 - APPLICATION FORM

| <b>1. Identification (1 for each institution involved)</b>                     |  |
|--|--|
| <b>Donor or Development Agency</b>   |  |
| <b>Contact Person: Name / Title / Phone number / email</b>                     |  |
| <b>Co-implementing Partner (specify if research centre / university / NGO)</b> |  |
| <b>Title of the proposal</b>   |  |

  

| <b>2. Research proposal (4 pp. max.)</b>  |
|---|
| <ul style="list-style-type: none"><li>• <b>Abstract (half-page)</b></li><li>• <b>Justification / Background (1 page)</b></li><li>• <b>Thesis / Hypothesis (1 page)</b></li><li>• <b>Methodology (1 page)</b></li><li>• <b>Main existing Literature (half-page)</b></li><li>• <b>Annex – CVs</b></li><li>• <b>Annex – Budget</b></li><li>• <b>Annex - Workplan</b></li></ul> |

  

| <b>3. References</b> |
|----------------------|
|                      |

  

| <b>4. Brief presentation of the project governance and articulation between the Donor/Development Agency and the Research Center/University/NGO (1 page max)</b> |
|--|
|  |