

# TERMS AND CONDITIONS

## Connecting Latin America and the Caribbean: infrastructure for regional integration



### Why are we launching this call?

Improvements in cross-border infrastructure<sup>1</sup>, both physical and digital, serve to deepen and strengthen regional integration and, thereby, bring about multiple and diverse economic benefits.

Specifically, enhancements in cross-border physical and digital infrastructure can significantly reduce the transportation and administrative processing costs of trade and investment flows<sup>2</sup>. This tends to favor an expansion of intra-regional trade given the prevailing location of firms, as well as a re-optimization of the spatial configuration of economic activity. In turn, the consequent increase in market size and dynamism contributes to raising the region's attractiveness as a destination for foreign direct investment (FDI) in general, and as a location for multinational firms in particular. This may specifically foster the establishment of cross-border productive linkages involving multinational and domestic firms. As a result, innovative activity, total factor productivity, and growth may increase, especially when interventions in physical and digital infrastructure are coordinated within and between countries.

Latin America and the Caribbean (LAC) face significant challenges related to the availability and quality of physical and digital infrastructure (Brichetti et al., 2021), which condition their competitiveness in international markets and future development. Deficiencies in physical and digital assets that enable regional connectivity (the hardware of integration), and the lack of harmonization of regulatory frameworks and administrative procedures that facilitate cross-border circulation of goods, services, and people (the software of integration), hinder the ability to harness the economic benefits associated with integration processes in the region<sup>3</sup>.

In this context, the region has been making efforts to close connectivity gaps, attempting to coordinate and articulate the deployment of software and hardware in various regional integration initiatives. Among them: 1) the Central American Electrical Interconnection System (SIEPAC) under the Mesoamerica Integration and Development Project, which seeks to develop regional markets for electricity, natural gas, and renewable energies, among others; 2) the Andean Electrical Interconnection System (SINEA)<sup>4</sup>; 3) binational hydroelectric plants, such as Salto Grande (Argentina and Uruguay), Itaipú (Paraguay and Brazil), and Yacyretá (Argentina and Paraguay)<sup>5</sup>; 4) the Initiative for the Integration of South American Regional Infrastructure (IIRSA)<sup>6</sup> which originated in 2000, with the aim of structuring the territorial planning of infrastructure projects through multinational integration and development axes; among other examples.

Beyond the actions taken in past years, LAC still has a long way to go to physically and digitally integrate the region's economic space, promote regional value chains, and enhance LAC's insertion in the global economy. The challenge is even greater in the face of climate change, which demands the deployment of resilient and sustainable infrastructure projects.

This call for research papers organized by the **Institute for the Integration of Latin America and the Caribbean** (INTAL), belonging to the **Integration and Trade Sector** (INT), together with the **Infrastructure and Energy Sector** (INE) of the **Inter-American Development Bank** (IDB), and the **Interdisciplinary Institute of Political Economy** (IIEP - UBA CONICET), aims to deepen knowledge about the link between infrastructure, connectivity, and regional integration.

<sup>1</sup>-Refers to infrastructure works aimed at increasing connectivity and trade flows between two or more countries. For example, border crossings, highways, bridges, railroads, sea and inland ports, among others. It also includes the regulatory aspects that govern this issue at national and regional level.

<sup>2</sup>-For instance, an improved digital infrastructure facilitates the incorporation of new technologies such as artificial intelligence, the Internet of Things, and blockchain, which enable the simplification and acceleration of such administrative processes.

<sup>3</sup>-Indeed, because of these limitations, transportation costs in LAC have a greater impact on foreign trade than tariffs (IDB, 2013); with this phenomenon having a greater incidence on intra-regional trade. Likewise, the high levels of concentration by country in regional external sales are explained, among other factors, by the high internal transportation costs. Specifically, the geographic areas where costs are higher are those with lower participation in LAC's external sales.

<sup>4</sup>-<https://blogs.iadb.org/energia/es/iniciativa-sinea-hacia-la-integracion-electrica-de-la-region-andina>

<sup>5</sup>-<https://blogs.iadb.org/energia/es/integracion-electrica-en-el-cono-sur/>

<sup>6</sup>-<https://www.iirsa.org/>

The goal is to have relevant information and analysis for decision-makers in the public and private sectors of the region's countries, in order to advance the quantitative and qualitative improvement of services related to connectivity, transportation, and logistics, fundamental inputs for the advancement of trade and productive integration in the region.

## What are we looking for?

The objective of the call is to select **research investigations that allow the generation of diagnoses and specific intervention proposals** focused on the thematic areas detailed below (although not limited to them). The analyses can be conceptual, empirical, or may consist of case studies of relevant regional or extra-regional experiences of regulatory frameworks, policies, and bilateral or subregional initiatives. Below are some indicative areas where proposals could focus on.

**1. Measurement:** evolution and patterns of physical (air, land, maritime and river transportation, energy, water) and digital integration of countries in Latin America and the Caribbean compared to other regions of the world; the role of FDI.

**2. Interactions and effects:** theoretical and conceptual aspects and/or empirical evidence of interactions between physical and digital infrastructure, trade facilitation and coordination between them and trade, investment and regional integration in general; the channels through which these interactions operate; and their effects on productivity and growth.

**3. Regulatory frameworks and policies:** similarities and differences in national regulatory frameworks for physical and digital infrastructure and associated services relevant to regional integration; degree of progress and coherence of countries' trade facilitation policies (e.g., risk management systems, authorized economic operator schemes, single windows for foreign trade, and international transit systems); and opportunities and challenges for coordinating or harmonizing such frameworks and policies.

**4. Specific regional integration initiatives:** cases of schemes and mechanisms for coordinating physical and digital infrastructure and trade facilitation between countries (e.g., construction or improvement of routes and border crossings with coordinated management between countries), governance of regional physical and digital integration, financing of regional physical and digital infrastructure in general, and the role of foreign direct investment, in particular.

## Who can submit a proposal?

The call is open to independent researchers and teams from universities, research centers, and think tanks from the 48 member countries of the IDB - [26 borrowers](#) and [22 non-borrowers](#). When it comes to individuals or teams from non-borrowing member countries, they must submit their proposals in partnership with a native or research team from one of the 26 borrowing member countries

## What are the evaluation criteria?

The main selection criteria will be based on:

- The potential **ability to develop valid diagnoses** in a short period and suggest specific policy interventions/initiatives (preferably replicable and feasible to implement) primarily linked to the trade and infrastructure integration agenda.
- The **relevance of the proposed topics**, analytical capacity, and the generation of new empirical and quantifiable knowledge regarding the deepening and modernization of integration schemes in LAC.
- The **strength, relevance, and originality** of the methodologies to be implemented.
- The **experience and capabilities** of the researchers/research teams (both general and specific to the area of the proposal's investigation).

A preselection of proposals will be made, followed by interviews with the researchers and a final selection of 6 research projects. The winning projects may be considered for inclusion in the next edition of the IDB INTAL Integration and Trade Journal, as dissemination articles (between 15 and 20 pages), with corresponding editorial adaptations and authorship acknowledgments. In a later phase, the projects may also be selected for publication by the IDB as technical notes, which consist of a more academic and extensive publication format.

## How to apply?

The submitted proposals must include the following components:

- Identification of the problem** to be studied and its relevance (max. 1 page).
- Goals** (max. 1/2 page).
- Methodology and type and sources of data.** If the data are not public, the team must demonstrate that access to them is possible (max. 1.5 pages).
- Impacts** and expected policy interventions (max. 1 page).
- Relevant experience of the researchers/teams/institutions involved (max. 1 page).

Proposals can be submitted in **English, Spanish, or Portuguese** and must not exceed 5 pages (including, in addition to the above components, the respective bibliography). Brief CVs (maximum 4 pages each) of the members of the research teams must also be attached.

Proposals should be sent to: [propuestas@intalbid.org](mailto:propuestas@intalbid.org)

Any questions related to the call for proposals can also be sent to the above mentioned e-mail address. Please follow the recommendations provided at the end of the document.

## Who are the Evaluation Committee members?

- Ana Basco (Director, IDB INTAL)
- Andrés López (Director, IIEP UBA-CONICET)
- Christian Volpe (Principal Economic Advisor, INT/IDB)
- Ricardo Rozemberg (Integration and Trade Specialist, IDB INTAL)
- Agustina Calatayud (Transport Sector Leader INE/TSP, IDB)

## How is the selection process structured?

The key dates for the call during 2024 are:

- April 22:** Opening of the call for proposals.
- May 31:** Deadline for submitting proposals.
- June 14:** Announcement of preselected proposals for interview.
- June 25:** Announcement of selected proposals.
- September 20:** Delivery of preliminary version.
- October 31:** Delivery of final versions.

## What is the funding for selected proposals?

The available budget will be US\$8,000 for each of the six selected proposals.<sup>7</sup>

## Payment schedule:

- 50% upon delivery and approval of the preliminary version.
- 50% upon delivery and approval of the final version.

<sup>7</sup>In the case of Argentina, the equivalent in pesos will be taken based on the official dollar exchange rate.

## Further considerations

- The call is open to both individual researchers or specialists and teams who wish to submit their proposal independently of their country or institutional affiliation, provided they are natives of one of the 48 member countries of the IDB - [26 borrowers](#) and the [22 non-borrowers](#). When it comes to individuals or teams from non-borrowing member countries, they must submit their proposals in partnership with a native or research team from one of the 26 borrowing member countries.
- The same participant can be part of different teams and submit individual entries at the same time, provided they are different works.
- No administrative documentation justifying institutional affiliation will be required, but the accuracy of this information provided in the CV will be considered, as well as its relevance to the content of the proposal.
- Some works may be considered for publication by IDB INTAL and INE in the Integration and Trade Journal with corresponding editorial adaptations and authorship acknowledgments. Under a Creative Commons CC BY 3.0 IGO license (<https://creativecommons.org/licenses/by/3.0/igo/legalcode>) which includes personal authorship with due recognition and institutional authorship by IDB INTAL and INE.
- All inquiries will be directed to the email address: [propuestas@intalbid.org](mailto:propuestas@intalbid.org) provided in the Terms and Conditions up to the closing date.
- IDB INTAL will announce the winners via email at the close of the call and will communicate with the researchers.
- The closing calendar and dates may undergo modifications, which will be announced via email, social media, and the institution's or call's website.