

THE GREEN TURN

THE NEW TRADE AGENDA OF LATIN AMERICA AND THE CARIBBEAN



INTAL



Call for research proposals targeting diagnoses and policy interventions

1 • Background and motivation

International trade is an essential channel for advancing on the path towards green, resilient and inclusive development in the coming years, as it can contribute to reducing the effects of climate change and accompany adaptation and mitigation efforts, as well as achieving the sustainable development goals (World Bank, 2021).

Latin America and the Caribbean (LAC) faces major challenges related to environmental issues and trade. Indeed, flows abroad represent between 19.8% and 26.5% of the region's total emissions, depending on whether or not household emissions and land use are included in the denominator (Mesquita Moreira and Dolabella, 2022). In addition, climate change is already affecting the regional exportable supply (droughts and extreme natural events), impacting harvests, yields and agricultural/livestock production. Thus, environmental issues must be actively addressed, seeking to reconcile the need to grow in a sustainable and inclusive manner and to integrate into the world, with the need to adapt to and mitigate the negative climatic/productive effects.

In the transition to a more environmentally friendly growth pattern, trade can help generate new comparative advantages in countries of LAC through the incorporation of cleaner technologies, energy sources and process designs; the development and exchange of environmental goods and services and greater use of the benefits associated to circular economies, among other things. There are many opportunities for LAC in this regard. For instance, the region could exploit the possibilities implicated in having one of the cleanest energy matrices in the world, with nearly 30% renewable sources, a proportion significantly higher than the world average (14%). Or the fact that LAC is the largest producer of environmental services on an international scale (Mesquita Moreira et al, 2022).

Trade policy is called upon to play an important role in the context of the climate and environmental crisis, which has naturally become one of the main public policy challenges of our time (Branstetter and Pizer, 2014). In this regard, many countries have adopted measures that directly affect international trade -permitted considering that they do not generate unnecessary obstacles- through border taxes related to carbon content, technical regulations, labeling and packaging requirements, performance standards, requirements for the transport of goods and private standards, among others (Mesquita Moreira and Dolabella, 2022).

On the other hand, these policies can also be directed to reduce trade barriers, as considered in the WTO discussions on how to eliminate tariffs on environmental goods and subsidies on fossil fuel.

This call for research papers seeks to deepen knowledge on trade and the environment in LAC, in order to generate relevant information and analysis for decision-making in the public and private sectors of countries in the region.

2- Objectives

Select research papers that will make it possible to generate diagnoses and proposals for specific interventions in different aspects related to international trade and the environment in Latin America and the Caribbean.

Analyze the challenges and identify opportunities for the region's exports in the face of the need to mitigate the effects of climate change and achieve the objectives of sustainable development.

Identify actions that can be taken by the public and private sectors to support competitive adaptation and take advantage of the region's export potential.

In this regard, it will be encouraged the presentation of proposals focused on the following thematic areas, which may be based on specific cases of sectoral, country or subregional experiences. For each topic, some sub-areas in which the proposals could be concentrated are included as a guideline.

a / Energy transition and international insertion

1. Export potential of renewable energies (wind, solar, hydro) in the region
2. Green hydrogen as a possible vector for integration into the world
3. Biomass production and global insertion
4. Nuclear energy, energy transition and regional integration
5. Lithium and its incorporation into the global value chain
6. Inputs, machinery and technologies for the generation and distribution of renewable energies: effects on imports and local development/exports

b / Trade policy and environmental bias

1. Environmental rules and border adjustment mechanisms
2. Tariff and para-tariff structure and environmental impact
3. Trade agreements, environmental clauses and the coordination of joint actions
4. Environmental requirements (e.g. certifications and private standards) and technical barriers to trade

c / Environmental goods and services and production/export supply

1. Current and potential export supply
2. Environmental policy, sectoral competitive adaptation and international insertion.
3. Circular economy and the use of currently unused resources
4. Export potential of organic production
5. New green niches in the international market
6. Complexity of green exports and the possibility of regional and global value chains.
7. Environmental services and carbon credits markets
8. Clean trade and gender
9. Inputs, machinery and technologies for the supply of environmental goods and services.

3 - Organization

The call is open to researchers and teams from universities, research centers and think tanks in from the IDB's [48 member countries](#). Proposals may address one country, several countries, a sub-region (e.g. CAN, MERCOSUR, CARICOM, SICA) or LAC as a whole.

Research proposals are expected to be developed in a short period of time (see below the timetable) and to result in short papers (maximum 30 pages including bibliography), where the objectives, research hypothesis, methodology, data sources, diagnosis of the problem/opportunity and suggested intervention proposals are presented in a concise and clear manner.

The main selection criteria will be based on:

a) The potential ability to produce valid diagnoses in a short time frame and suggest concrete, replicable and feasible policy interventions/initiatives for implementation. It will be valued that the intervention proposals resulting from the research be as specific and concrete as possible.

- b) The relevance of the issues addressed by the proposals and the expected impacts of the resulting policy interventions.
- c) The soundness of the methodologies intended to be used.
- d) The experience and capabilities of the researchers/research teams (both general and specific to the area of work of the proposal submitted).

The call includes a section open to researchers in general, and another specifically targeting young researchers (up to 35 years of age at the time of the submission of the proposal). In this case, if there is more than one member, the entire team must meet the maximum age requirement mentioned above to be considered.

Contents of the proposals

- i. Proposals submitted must include the following components:
- ii. Identification of the problem to be studied and its relevance (max 1 page). Objectives (max 1/2 page).
- iii. Methodology, type and sources of data. If the data intended to be used is not public, the team must demonstrate that the access to this data is possible (max 1.5 pages).
- iv. Expected impacts and policy interventions (max 1 page).
- v. Relevant experience of the researchers/teams/institutions involved (max 1 page).

Proposals may be submitted in English, Spanish or Portuguese, and should not exceed 5 pages (including, in addition to the above components, the respective bibliography). Moreover, brief CVs of the research team members should be attached separately (maximum of 4 pages each).

Proposals should be sent to: propuestas@intalbid.org

Any questions related to the call for proposals can also be sent to the above mentioned e-mail address.

4 - Calendar

The following are the main dates of the call:

- i. November 22, 2022:** Opening of the call for proposals.
- ii. February 28, 2023:** End of the call for proposals (6:00 PM Argentina time).
- iii. March 15, 2023:** Announcement of the selected proposals.
- iv. March 20, 2023:** First virtual meetings between the coordination team and researchers of the selected proposals.
- v. July 10, 2023:** Delivery of preliminary draft.
- vi. July 20, 2023:** Second round of virtual meetings to address feedback on the preliminary draft.
- vii. August 15, 2023:** Delivery of final versions.

5 - Financing and Payment schedule:

A budget of USD 8,000* is available for each of the selected proposals. Up to 6 proposals will be selected and at least 2 of them will come from young researchers (between 18 and 35 years of age).

Payment schedule: 50% following delivery and approval of the preliminary version.
50% upon delivery and approval of the final version.

*In the case of Argentina, the equivalent in pesos will be taken on the value of the official dollar.