

## CALL FOR RESEARCH PROPOSALS

### TRANSPORT INFRASTRUCTURE FOR THE DEVELOPMENT OF LATIN AMERICA

#### **I - Context**

There is a global consensus on the importance of infrastructure as a determinant of economic development. Transport infrastructure, in particular, is key since it enables the movement of workers and the diversity of inputs necessary for production, as well as the final goods that individuals want to consume. This relevance is manifest in the amount that is allocated annually to investments in transportation infrastructure globally, exceeding one trillion dollars (Lefevre, Leipziger, and Raifman, 2014).

The importance of transport as a key part of economic development and the correspondingly large amount of resources destined to finance these interventions highlight the importance of answering two associated questions: first, if the committed resources generated a positive and cost-effective impact on development, and second, what is the best destination for the next dollar invested in transportation infrastructure.

Answering these retrospective and prospective questions requires overcoming numerous challenges associated with lack of data and methodological problems, partly common to evaluating causal effects in any public policy intervention. However, the measurement of impacts in the case of transport infrastructure works is particularly challenging. First, because it is characterized by a network structure, that is, an improvement in the connectivity between two points generates changes in all the links in the network despite not having been directly modified. Second, because when faced with a transport network modified by some investment project, companies and workers can react by changing their location, resulting in changes in the spatial distribution of economic activity, even in non-intervened regions. This in turn results in further changes to the mobility flows of people and goods. Finally, these infrastructure works not only have aggregate effects, but also have relevant local effects, for example at the town or city level, for which little information is available.

Recent developments in quantitative spatial economics (see Redding & Rossi-Hansberg, 2017), frequently leveraged on non-traditional data sources (e.g. satellite imagery, mobile phone data, etc.) allow for increasingly robust analyses on transport infrastructure projects. These show great potential to inform policy making on investment decisions and thus contribute to enhancing their impact on the region's development.

## **II – General objective**

Through this call for proposals, we seek to finance promising research projects that implement quantitative spatial economic models to the analysis of transportation projects and their impact on development in Latin America.

## **III – Budget**

Each winning proposal will receive a research grant of up to USD 15000.00 to carry out the project. This grant will be disbursed through a consulting contract entrusted to any member of the research team or her institution. We do not require a budget on eligible proposals.

Note 1: we will accept multiple submissions by the same research team. Each proposal will be evaluated independently, and more than one proposal may be selected per team.

Note 2: promising research projects that have larger budgetary requirements due, for example, to data collection needs, may exceptionally be considered. In these cases, please contact the organization through [investigacion@caf.com](mailto:investigacion@caf.com). You will be asked for adequate justification and budget details.

## **IV – Topics**

We will select proposals that cover finished, prospective or hypothetical transportation projects in Latin America, of the following types:

- Road infrastructure
- Rail infrastructure
- Air, inland or maritime navigation
- Logistic corridors, including multisectoral projects (e.g. railroad and seaports, multimodal freight infrastructure, etc.)
- Urban transportation

Proposals should focus on the impact of transport infrastructure on economic and/or social development, at the subnational, regional or global level, and the mechanisms involved. Some of the outcomes of interest for this call are:

- Trade costs
- Trade flows
- Spatial distribution of economic activity
- Integration in value chains
- Interaction of ICTs and transport infrastructure

## V – How to apply

To apply, you should fill this [online form](#) before August 30, at 23:59 (Buenos Aires time). (Note that you need a Google account in order to apply.) You will have to upload the following three PDF documents:

- (i) Research proposal: it should be **4 pages long at most** and **2000 words at most**. We will value a clearly stated research question, and well-suited models, data and empirical approach to address the question. Proposals that surpass the maximum length will not be evaluated.
- (ii) Research team: it would include the list of team members, including full name, affiliation, and email address.
- (iii) CV of the lead researcher.

## VI – Activities, deliverables and schedule

Winning proposals will have 12 months to complete the project. In that time, selected research teams commit to the following activities:

30-ago-2020	Proposal submission deadline.
16-Sep-2020	Notification of winning proposals.
28-feb-2021	<b>Submission of the first draft</b> of the working paper, including some preliminary results.
March-2021	Presentation of the work in progress, in a closed-doors seminar organized by CAF. This seminar will be held in a city in the region to be defined and CAF will cover the expenses for economy-class air-fare and lodging for one author per project.
August-2021	<b>Final submission</b> , consisting of a completed <b>research paper</b> and a short <b>policy brief</b> , that highlights the main results. The paper will be published in CAF's working paper series, after which authors may freely submit their paper to any academic journal. Both the paper and the policy brief should follow a template that will be provided by CAF to each winning team.

## VII – Selection committee

The committee in charge of the selection decisions will be composed of Gilles Duranton (University of Pennsylvania), Pablo Fajgelbaum (Princeton University), Esteban Rossi-Hansberg (Princeton University), Lian Allub (CAF), Guillermo Alves (CAF), Walter Cont (CAF), y Pablo Sanguinetti (CAF).

## VIII – Contact

You may find answers to frequently asked questions in this [document](#). In case any questions remain, please contact us at [investigacion@caf.com](mailto:investigacion@caf.com).