



APPLICATION GUIDELINES

1. Introduction

The South American Network on Applied Economics/Red Sur has opened a call for research proposals on “**The Future of Extractive Industries in Latin America and the Caribbean: science, technology and innovation (STI) challenges and opportunities**”, an initiative funded by the International Development Research Centre (IDRC, Canada).

Five research projects will be funded to the value of up to CAD 13,500 each (Canadian Dollars), over a period of 6 months, initiating activities on 15 December 2015 until 15 June 2016.

For inquiries concerning the content and for the submission of the call, please contact Red Sur's coordination office at coordinacion@redmercosur.org. **Submission deadline** is 30 **November 2015 at 23.59** (Montevideo, Uruguay), with the subject line: *Call for proposals Red Sur/South American Network on Applied Economics 2015-2016*.

The **South American Network on Applied Economics/Red Sur**¹ was created in 1998 as a result of a consultation process with representatives from governments and civil society, as an academic network revolving around applied economics, with the purpose of producing and disseminating innovative research aimed at deepening and strengthening the regional integration process. Red Sur works to promote, coordinate and develop studies relevant for decision makers and non-government stakeholders that address key issues for the countries of the region, with a multi-country, independent and rigorous approach.

Red Sur links thirteen research centers² with extensive experience in applied economics. Along with its members and in partnership with other centers in the region, Red Sur develops research and advice around the following programs:

1. **Natural resources, inclusive growth and employment.**
2. **The new global scenario and the South American macroeconomic agenda.**
3. **Integration, trade and value chains.**
4. **Productivity, business development and innovation.**

¹ <http://www.redsudamericana.org/>

² <http://www.redsudamericana.org/instituciones>

2. Context and objectives

Latin America and the Caribbean is one of the resource rich regions of the world, including non-renewable resources such as minerals, oil and gas. The continent accounts for one-fifth of the world's iron ore deposits and one quarter of the world's known copper reserves.

National and international actors have increased interest in these resources and their potential role in development strategies, and many governments are undertaking reviews of their regulatory frameworks around mining, oil and gas exploration and operations including those related to land rights, environmental and social protection and resource royalties. This is the case of countries with a long history of mining such as Chile and Peru, and also the case of emerging extractive countries such as Guatemala and Uruguay.

There are many opportunities related to the extractive sector, in addition to its economic importance. Being point-source activities, the participation of the public sector in the income generated by them is enabled, either through taxes or property redistribution. Moreover, being a science and technology intensive activity, further development of this sector offers the opportunity to strengthen capacities related to the management and exploitation of natural resources. The royalties from petroleum or mining are also being directed towards these ends in several countries of the region, such as Colombia and Peru, providing an influx of much needed resources into traditionally weak science, technology and innovation (STI) systems. As a result, science granting councils are under pressure to play new roles as they work to respond to both industry needs and development challenges.

However, extractive industries also present challenges particularly associated to their social and environmental impacts (well-known but not always addressed) and for supposedly being a typical enclave activity with little effect on aggregated employment (though this has been changing in recent years). Changing demographic realities in the region are also coming into play, as migration into urban areas persists and rural populations decline in areas where mining activities are located, reducing the pool of human capital available for the sector. Companies are interacting actively with governments on factors determining domestic and international mobility of workers, an issue poorly discussed in specialized literature.

Governments in countries not traditionally associated with the extractive industries are showing interest in prospecting and developing the sector, but without much know-how or experience in the subject. The practice of inviting international experts and consultants to provide advice on specific topics is reaching its limitations and is proving insufficient for addressing extractive industry issues.

Despite the growing interest on the part of actors in science, technology and innovation systems in Latin America and the Caribbean in the extractive sector, there is a lack of evidence on specific challenges and opportunities and the best way to tackle or take advantage of them. For this reason, the objective of this call for papers is to help fill the knowledge gaps where research can make a significant contribution and/or identify specific areas for strengthening the organizational, knowledge and human capital of the sector.

3. Subject areas

Five research proposals will be selected and their results will be presented at a workshop to be held between the months of August and September 2016. Furthermore, the documents produced by the research projects will be considered for publication by Red Sur and will integrate its Annual Report 2016.

Issues to be considered for the development of research projects should help answer one or more of the following research questions and may be applied to sectoral, local, national or multi-country studies:

- | | |
|--|---|
| <p>a) <i>Public policies, taxation and institutional framework</i></p> <ul style="list-style-type: none">• How can the existing governance mechanisms of the sector be improved to achieve a more appropriate intra and inter-temporal distribution of the income generated by these industries and the internalization of the environmental and social impacts they generate?• What are the costs and benefits of establishing specific funds with revenues generated by extractive industries with countercyclical purposes or for the promotion of STI activities, or other socially desirable goals? What types of governance mechanisms are the most appropriate for this type of funds, in light of the specific realities of the countries in the region?• How can conflicts between the economic interest of extractive industries and the rights and objectives of local communities where those industries operate be attenuated? | <ul style="list-style-type: none">• What successful experiences of value chains "upgrading" related to extractive industries exist in the region and what are their chances of replication? What areas have the biggest deficits in terms of productivity/quality of extractive industries and what are the best approaches to address them?• What opportunities do exist for cooperation and sharing experiences and knowledge among advanced countries with well-developed extractive industries and Latin American and Caribbean nations? |
| <p>b) <i>Innovation, productivity and diversification</i></p> <ul style="list-style-type: none">• What are the most promising areas for a closer link between STI systems in the region and extractive industries?• To what extent have the countries with extractive industries developed knowledge-intensive clusters of goods and services suppliers and what are the opportunities and challenges to make progress in this area? | <p>c) <i>Employment and capabilities</i></p> <ul style="list-style-type: none">• To what extent does the lack of human capital in the private and public sectors and the academia constitutes an obstacle to a rapid, sustainable and inclusive growth of this sector? What are the most effective approaches to meet the challenges in this matter?• How can the generation of direct and indirect jobs be enhanced, especially in the local areas where extractive industries are developed (and going beyond corporate social responsibility actions)? |
| | <p>d) <i>Environment and sustainability</i></p> <ul style="list-style-type: none">• What are the success stories of addressing the trade-offs involved in the development of these industries from the point of view of their environmental impacts and what lessons emerge from them? |

Priority will be given to proposals using or allowing the generation of novel methodologies and data bases on the themes of the call. Projects may be based on the use of quantitative or qualitative methodologies and must include the respective theoretical frameworks and empirical evidence intended to be collected for the analysis of the research hypotheses. All proposals must highlight the possibility of generating policy recommendations and lessons emerging from the research, as well as discuss the expected trends over the coming decades. The lessons/recommendations must be developed beyond their statement, identifying opportunities and obstacles for their implementation, as well as possible institutional implications (actors, context, necessary resources), both at the domestic and regional level.

4. Participation criteria

The call is open to researchers and research teams from all Red Sur institutions, as well as other academic institutions, foundations, NGOs, business associations, chambers of commerce and research institutions, public corporations and decentralized agencies of the respective Latin American and the Caribbean governments. The teams may include researchers residents in countries outside the region, but the leadership of the project must be in hands of a researcher belonging to an institution of Latin America and the Caribbean.

5. Proposal content

The presentation of the research proposal shall not exceed 12 pages (excluding bibliography and CVs) and must include:

1. An Executive Summary (half a page).
2. A justification and analysis of the proposal's policy implications.
3. The proposal's objectives (general and specific).
4. Methodology and data sources.
5. Expected products and results.
6. An activity plan.
7. The composition and background of the research team (please attach CVs and clearly label relevant experience)
8. A bibliography.

6. Anticipated milestones

- | | |
|--|--|
| ✓ Launch date of call for projects:
20 October 2015. | ✓ Expected communication of decisions:
11 December 2015. |
| ✓ Deadline for submission of proposals:
Monday 30 November 2015, 23.59
(Montevideo, Uruguay time). | ✓ Project development period:
15 December 2015 to 15 June 2016. |
| ✓ Assessment and selection of proposals:
1 – 10 December 2015. | |

To view previous calls and selected projects please visit
http://www.redsudamericana.org/llamados_a_proyectos