

INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA (IIRSA)

Meeting of Ministers

December 4 and 5, 2000
Montevideo, Uruguay

MINUTES OF THE MEETING

1. In fulfillment of the mandate given at the Summit of South American Presidents held in Brasilia on August 31 and September 1 this year, the Ministers of Transport, Telecommunications and Energy met in Montevideo on December 4 and 5, 2000.
2. The purpose of the meeting was to commence the activities intended to consolidate a global vision of the actions necessary to expand and streamline the infrastructure in South America on the basis of the Action Plan attached to the Communiqué of Brasilia and other sources of information available for such purpose that are listed in Annex I.
3. The meeting was opened by the President of the Oriental Republic of Uruguay, Mr. Jorge Batlle Ibáñez, who stressed the importance of this event in the context of regional integration and the development of each of the countries.
4. The formal start of the activities was announced by the Minister of Foreign Affairs of Uruguay, Mr. Didier Operti, on which occasion the Minister of Transport and Public Works of Uruguay, Mr. Lucio Cáceres, was appointed chair of the meeting, and Mr. Jorge Rivero, from the Permanent Secretariat of the Conference of South American Ministers of Transport, Communications and Public Works, was appointed rapporteur.
5. Speakers in the plenary session included the Minister of Industry and Energy of Uruguay, Mr. Sergio Abreu; Minister Lucio Cáceres; the President of the IDB, Mr. Enrique Iglesias; the President of CAF, Mr. Enrique García; the President of FONPLATA, Mr. Genaro Sánchez; and the Secretary General of ALADI, Ambassador Juan Francisco Rojas Penso.
6. The IDB, CAF and FONPLATA presented the Action Plan as well as the Hubs and Sectoral Integration Processes identified.
7. The ministerial meeting was held in plenary, and on Monday afternoon sectoral transport, telecommunications and energy meetings took place. The coordinators of the sectoral meetings submitted summaries of their proceedings to the plenary session, which are presented in Annex II.

8. Concerning the Action Plan, the delegations expressed their comments and observations on the proposal. After a lengthy debate, a consensus was reached on rewording its text in the terms set out in Annex III of these minutes.
9. In this context, it was agreed that taking into consideration the various specialized bodies in the region with specific competences in the different fields related to the Action Plan was both needed and desirable.
10. As regards the proposed criteria for the selection and prioritization of the Hubs and Sectoral Integration Processes, the content of the document submitted was approved.
11. It was established that the identification and selection of the Hubs should be as broad and flexible as possible and not exclusively limited to the definition of corridors. In addition, alternative aspects responding to regional trade dynamics should also be taken into account.
12. The first Hubs that will be implemented are the following:
 - a) MERCOSUR-Chile Hub
 - b) Andean Hub
 - c) Brazil-Bolivia-Peru-Chile Hub
 - d) Orinoco-Amazonas-Plata Multimodal Hub
 - e) Brazil-Guyana-Suriname-Venezuela Hub
 - f) Amazon Multimodal Hub
13. The Venezuelan delegation concurred with the proposal, subject to the approval of its authorities.
14. The Peruvian delegation requested that the following statement be placed on the record: "The Peruvian delegation commented on the mechanism of approving the Action Plan before discussing its content, which it considered inappropriate to correctly reflect all the observations about its content that this ministerial level might make."
15. The Plenary Session approved the Sectoral Integration Processes included in the Action Plan.
16. The Plenary Session also approved that the first meeting of the Executive Steering Committee be held in the first fortnight of March 2001 in Santa Cruz de la Sierra.
17. The representatives of the governments instructed the Technical Coordination Committee to organize a workshop, to be held in Caracas, Venezuela, in February 2001, with a view to launching an awareness-raising campaign among the private sector.

18. At the closing session, the Presidents of the IDB, CAF and FONPLATA welcomed the concrete results attained at the meeting as well as their contribution to fulfill the mandate given by the South American Presidents.
19. The delegations expressed their gratitude to the organizations that make up the Technical Coordination Committee, and congratulated the chair of the meeting for the results achieved, which fulfilled the expectations of the meeting.

ANNEX I

During the meeting, the following documents were presented:

1. “A New Push for Regional Infrastructure Development in South America,” Inter-American Development Bank.
2. *Vías para la integración*, Andean Development Corporation.
3. “Diagnóstico del Transporte Internacional y su infraestructura en América del Sur,” ALADI.
4. “Energía sin fronteras,” Andean Development Corporation /CIER
5. Presentation by the President of the IDB
6. Minutes of the Preparatory Meeting held in Buenos Aires
7. “Propuesta para la Integración de la Infraestructura Energética de América del Sur,” OLADE
8. “The Contribution of the Economic Commission for Latin America and the Caribbean (ECLAC) to the Physical Integration of Transport Systems in South America: A Historical Overview”.

ANNEX II

1. Telecommunications Sector
 - a) A consensus was reached concerning the dynamics of this sector and its impact on other activities, which results in a process of convergence with industries with which there was no link before.

- b) It was noted that the sector was subject to changing scenarios demanding that adjustments be regularly made to meet technological advances.
- c) The point was made that the issue of investments was being satisfactorily addressed, particularly by private investments, and that the governments should facilitate projects aimed at reducing the digital gap. In this regard, mention was made of the advisability of harmonizing policies intended to bridge such gap.
- d) Furthermore, the need to harmonize technical standards, consumer protection policies, and the use of mobile phones beyond the local markets was raised.

2. Energy Sector

- a) A consensus was reached that regulatory frameworks are an essential element that should be taken into account and harmonized to encourage intra-regional trade.
- b) Furthermore, it was suggested that the operational phase should be channeled through OLADE in coordination with the Technical Coordination Committee established under the Action Plan.
- c) The Hubs should be used as a reference or starting point for launching the activities, and they might be subject to changes by the States in accordance with their objectives.
- d) There was some concern over the proposed institutional framework, and this issue was agreed to be solved at the Plenary Session.

3. Transport Sector

- a) There was general agreement on the institutional aspects. The Executive Steering Committee established under the Action Plan should comprise a Chair, who should serve on a rotating basis, and two Vice-Chairs representing the countries in an appropriate geographic balance.
- b) There were no comments on the Technical Coordination Committee, and the creation of the Executive Technical Groups was deemed important to carry out the tasks.

- c) As regards the establishment of the Hubs, it was agreed that their conception should be more flexible to enable a broader definition of each one of them. The preliminary selection of the five priority Hubs was deemed appropriate, and emphasis was placed on the importance of the private sector participation.
- d) The indicative list of sectoral integration processes was accepted.

ANNEX III

Changes to paragraphs of the Action Plan

1. Regarding the section on the Executive Steering Committee, the changes are as follows:
 - a) This level comprises an Executive Steering Committee (ESC) of senior representatives, designated by the governments of South America, from those bodies deemed appropriate by the governments. It is recommended that the ESC have a Chair and two Vice-chairs. The Technical Coordinating Committee (TCC) will act as the ESC's Secretariat and will consist of the IDB, the CAF and FONPLATA, in line with the Mandate of the Brasilia Presidential Meeting.
 - b) The basic aims of the ESC's activities will be to develop and approve a single vision and language; to recommend guidelines for the governments' relevant internal structures; and to make proposals that enhance the initiatives being implemented. On that basis the Committee will suggest policy guidelines for the Action Plan in the areas of coordinating plans.
2. Regarding the section on the Technical Coordination Committee, the changes are as follows:
 - a) This level will comprise a Technical Coordinating Committee (TCC) composed of representatives of the Inter-American Development Bank (IDB), the Andean Development Corporation (CAF) and the Financial Fund for the Development of the River Plate Basin (FONPLATA).
 - b) The Committee's objectives will be to identify a portfolio of projects grounded in a single vision; to recommend state intervention in order to mitigate "market failings" and attendant risks; to promote private sector involvement in the operation and financing of projects; and to promote, identify, quantify and select the public and/or private financial resources to develop the projects.

3. Regarding the Executive Technical Groups, the new text of the section will be the following:
 - a) The Executive Technical Groups (ETGs) will comprise officials and experts, designated by the South American governments, from those bodies that the governments deem appropriate. There will be Executive Technical Groups for each integration and development hub, as well as for each of the sectoral integration processes approved by the ESC.
 - b) The ETGs will analyze specific issues for each hub or process. Among other things, these will include making regulatory frameworks compatible and harmonizing them; methods for the integral identification and assessment of projects; the study of environmental and social considerations; activities that foster the development of areas of economic densification covered by each hub's area of influence; and the definition of institutional mechanisms within each government to respond to the necessary activities.
 - c) Each ETG will have a Manager and a Technical Assistant who will fulfill the functions of the Secretariat of the respective group. The Managers and Technical Assistants will be experts appointed by the institutions that comprise the Technical Coordinating Committee.
 - d) These groups will be temporary. They will meet to analyze issues on their Work Program and their duties will end once they have concluded those tasks.
 - e) The ETGs comprise the governments' level of technical activity on the basis of directives from the ESC. They will thus coordinate their requirements with the TCC, which will help administer technical and operational demands arising from the efforts made for each hub or sectoral integration process.

4. Regarding the sectoral processes identified, the following changes were made:
 - a) The sectoral processes will be referred to as "Sectoral Integration Processes."
 - b) The Formation of Regional Electricity Markets process will in future be known as the "Normative Frameworks of Regional Energy Markets."
 - c) The Air Transportation process will in future be known as "Air Transport Operating Systems."
 - d) The Interconnection for Internet, Optical Fiber and NAPs process will in future be known as "Harmonization of Regulatory Policies, as well as

Those on Interconnection, Broadcast Spectrum, Technical Standards and Promoting Widespread Internet Use.”