

Introduction

The ***Second Report of the Implementation Agenda based on Consensus 2005-2010 (AIC, in Spanish)*** is a publication that aims towards the collection of information about the current situation and the advances achieved during the implementation of the 31 strategic projects of physical integration of the AIC, according to the priorities established by the twelve South American countries within the context of the Initiative for the Integration of Regional Infrastructure in South America (IIRSA). This new report summarizes, in general terms, three kinds of differentiated pieces of information updated to July 2006:

- a) General information about the AIC projects (typology of each project, associated Integration and Development Hub, investment amount, expected completion date and contacts for reference, among others);
- b) Current situation (summing up the degree of execution achieved, financing sources and general remarks) and;
- c) Next critical stages faced for their implementation (identifying strategic stages for the development of the project cycle, degree of advance reached, future schedule and management of associated restrictions).

The information of each project has been generated in each country member of the Initiative, by the National Coordination and their technical teams, as well as by the AIC Projects' Managers, as a result of an intense agenda of activities within the framework of the IIRSA Initiative, supported by two key management elements:

- The Strategic Management Information System (SIGE – www.sige.iirsa.org), developed as an online tool proper of the IIRSA Initiative for the follow-up and strategic monitoring of the 31 AIC projects, created to generate and promote an environment of intensive management by results that articulates the involved parts and facilitates the decision-making process in order to overcome the limitations in the implementation of the projects.
- The development of eleven (11) Technical Missions of the CCT for the countries during the first half of 2006, with the purpose of putting the intensive monitoring system into operation, consolidating the management environment, renewing the updating of the projects, reviewing the programming of physical targets and identifying critical stages and associated restrictions (if there were such).

For more information about the IIRSA Initiative, or about the AIC projects, refer to the National Coordination Committees in each country member of the Initiative, the CCT institutions or the official website of the IIRSA, www.iirsa.org, where you may obtain all the official information approved in the forums of the Initiative since its constitution.

Implementation Agenda based on Consensus 2005-2010

The Implementation Agenda based on Consensus 2005-2010 (AIC) is formed by a first set of 31 integration projects agreed by the countries from the results achieved during the phase of territorial planning and organization of the IIRSA Project Portfolio and that, according to its characteristics, has a high impact on the physical integration of South America. This Agenda, with its 31 strategic projects, was approved by the Executive Steering Committee of IIRSA in November 2004, and presented to the Presidents of South America during the Cusco Summit Meeting in December 2004.

The projects that integrate the agenda imply a total investment estimated in US\$ 6,403.6 millions in the transport, energy and communication areas and most of them will be implemented by the public sector or in public-private association schemes. Some projects, such as the gas pipe and the ports, could be offered as a license to the private sector. Seventeen of the 31 projects are in the preparation process, six in the bidding/concession process or will soon be in such phase, and eight are in the execution process.

In order to support the AIC, an intensive management focused in projects is being implemented through the establishment of a new model of project management aimed towards results, supported by the implementation of the SIGE. This new public management paradigm will allow the generation of information and monitoring mechanisms in the highest governmental stages applicable.

As a result of the advances verified in the fulfillment of the critical stages and the overcoming of financial-institutional restrictions, individually identified for each project, the AIC projects may be grouped according to the following qualitative classification:

- *Projects under Implementation:* those that have fulfilled their critical stages within the previously defined terms, identifying a proper management of aspects related to its financing plan (identification of the financing model, sources, local resources, etc.) and to institutional subjects (management, participation, etc). Twenty-four of the 31 projects of the Agenda are included in this category.
- *Projects with Delays:* those in which some of the critical stages identified have not been fulfilled within the terms timely planned or in which certain situations, such as financial, institutional or otherwise related to the project, have been identified and could cause delays in the fulfillment of future stages. Six of the 31 projects of the Agenda are included in this category.
- *Projects with Restrictions:* those in which particular situations of sectorial, national or multilateral nature have been identified and have prevented the fulfillment of the critical stages besides generating uncertainties as regards their implementation. Only one project of the Agenda is included within this category.

There follows a general map of location of the 31 AIC projects, a summary chart of said projects and the complete files for each of them.

Recovering of Meta River navigability

Pasto-Mocoa road

Francisco de Orellana port

Paita-Tarapoto-Yurimaguas road, ports and logistic centers

Lima-Tingo María-Pucallpa road, ports and logistic centers

Bridge over the Acre River

Paving of the Iñapari-Puerto Maldonado-Inambari, Inambari-Juliacca / Inambari-Cusco leg

Desaguadero border center

Toledo-Pisiga road

Rehabilitation of the Iquique-Colchane road

Building of the Salvador Mazza-Yacuiba binational bridge

Northeast Argentina gas pipeline

International Route 60-CH (Valparaíso-Los Andes leg)

Los Andes-Mendoza railway project

Remodeling of the Rio Branco-Montevideo-Colonia-Nueva Palmira corridor



Cúcuta-San Antonio del Táchira border crossing

Improvements in Nieuw Nickerie-Paramaribo-Albina leg and international bridge over the Marowijne River

Venezuela (Ciudad Guayana)-Guyana (Georgetown)-Suriname (Paramaribo) road (first stage)

Boa Vista-Bonfim-Lethem-Georgetown highway (first stage: studies)

Bridge over the Takutu River

Rehabilitation of the El Sillar leg

Building of the Pailón-San José-Puerto Suárez road

Building of the Cañada Oruro-Villamontes-Tarija-Estación Abaroa road (first stage)

São Paulo railway ring (North and South legs)

Infante Rivarola-Cañada Oruro border crossing

Puerto Presidente Franco-Porto Meira new bridge and border center

Duplication of the Palhoça-Osorio leg (Rodovia Mercosur)

Duplication of Route 14 between Paso de Los Libres and Gualaguaychú

Building of the Jaguarão-Rio Branco international bridge

Exports through postal services for SMEs

Implementation of a roaming agreement in South America

Implementation Agenda based on Consensus 2005-2010

N°	PROJECTS	HUB	MILLIONS OF US\$	COUNTRIES
1	Duplication of Route 14	MERCOSUR-Chile	370.00	AR (BR)
2	Remodeling of the Rio Branco-Montevideo-Colonia-Nueva Palmira Corridor	MERCOSUR-Chile	176.80	UY (AR-BR)
3	Building of the Jaguarão-Rio Branco International Bridge	MERCOSUR-Chile	12.00	BR-UY
4	Duplication of the Palhoça-Osorio Leg (Rodovia Mercosur)	MERCOSUR-Chile	800.00	BR (AR-UY)
5	Los Andes-Mendoza Railway Project	MERCOSUR-Chile	251.00	AR-CH
6	International Route 60 CH (Valparaíso-Los Andes Leg)	MERCOSUR-Chile	286.00	CH (AR)
7	Northeast Argentina Gas Pipeline	MERCOSUR-Chile	1 billion	AR (BO)
8	Building of the Salvador Mazza-Yacuiba Binational Bridge	Capricorn	10.00	AR-BO
9	Presidente Franco-Porto Meira New Bridge and Border Center	Capricorn	55.00	PY-BR
10	Building of the Pailón-San José-Puerto Suárez Road	Central Interoceanic	435.30	BO (BR-CH-PE)
11	São Paulo Railway Ring (North and South)	Central Interoceanic	300.00	BR
12	Infante Rivarola-Cañada Oruro Border Crossing	Central Interoceanic	1.20	BO-PY
13	Building of the Cañada Oruro-Villamontes-Tarija-Estación Abaroa Road (First Stage)	Central Interoceanic	60.00	BO (PY)
14	Toledo-Pisiga Road	Central Interoceanic	76.00	BO (CH)
15	Rehabilitation of the Iquique-Colchane Road	Central Interoceanic	19.20	CH (BO)
16	Rehabilitation of the El Sillar Leg	Central Interoceanic	30.00	BO (BR-CH-PE)
Subtotal			3,882.50	

The neighboring country/countries influenced by the Project are included in brackets.

N°	PROJECTS	HUB	MILLIONS OF US\$	COUNTRIES
17	Desaguadero Border Center	Andean	7.50	BO-PE
18	Cúcuta-San Antonio del Táchira Border Crossing	Andean	2.00	CO-VE
19	Recovering of Meta River Navigability	Andean	108.00	CO-VE
20	Pasto-Mocoa Road	Amazon	183.00	CO
21	Paita-Tarapoto-Yurimaguas Road, Ports and Logistic Centers	Amazon	338.00	PE (BR)
22	Lima-Tingo María-Pucallpa Road, Ports and Logistic Centers	Amazon	589.00	PE (BR)
23	Francisco de Orellana Port	Amazon	105.30	EC
24	Paving of the Iñapari-Puerto Maldonado-Inambari, Inambari-Juliaca/Inambari-Cusco Leg	Peru-Brazil-Bolivia	1,055.00	PE (BR)
25	Bridge over the Acre River	Peru-Brazil-Bolivia	12.00	BR-PE
26	Boa Vista-Bonfim-Lethem-Georgetown Highway (First Stage: Studies)	Guianese Shield	3.30	GY-BR
27	Bridge over the Takutu River	Guianese Shield	10.00	GY-BR
28	Venezuela (Ciudad Guayana)-Guyana (Georgetown)-Suriname (Paramaribo) Highway (First Stage)	Guianese Shield	0.80	VE-GY-SU
29	Improvements in Nieuw Nickerie-Paramaribo-Albina Leg and International Bridge over the Marowijne River	Guianese Shield	105.00	SU-GY
30	Exports through Postal Services for SMEs	ICTs	1.20	All of them
31	Implementation of a Roaming Agreement in South America	ICTs	1.00	All of them
Subtotal			2.521,10	
TOTAL			6.403,60	



In preparation







Bidding/Concession



In execution

References

-  Critical stages are developed in the planned terms
-  Critical stages are developed with difficulty
-  Critical stages are not being accomplished in the planned terms
-  Critical stages accomplished

1

Duplication of Route 14 between Paso de los Libres and Gualeguaychú

Type of project

Transport/Road

Total estimated investment

US\$ 370 millions

Financing sources

IDB
Public Treasury
Fiduciary Fund

Modality

Public

Expected completion date

2° half of 2008



Integration Hub

MERCOSUR-Chile

Group 1

Belo Horizonte-Border
Argentina/Brazil-
Buenos Aires

Country

Argentina (Brazil)

Executing agency

National Road Authority
of Argentina

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1 Duplication of Route 14 between Paso de Los Libres and Gualeguaychú

Objective

To ensure safer road conditions in the MERCOSUR-Chile Hub transport by highway.

Proposed solution

Increase the capacity of the road by building a second roadway with the following dimensions: 7.30 m wide and 452 km long; building of 87 bridges (10.8 m wide); separations by levels and distributors.

Current situation – 05/12/06

All studies are hired and the external source is already identified (IDB loan: Mountain Chain Crossing and Integration Corridors) together with sources from the National Treasury and Trust Funds. Also, the environmental hearings, carried out in the Province of Corrientes (27-28/04) were successful, in accordance with what was foreseen regarding the presented preliminary plan. The Executive Project is under way and it will be presented between May and June.

2

Remodeling of the Rio Branco-Montevideo-Colonia-Nueva Palmira Corridor

Type of project

Transport/Road

Total estimated investment

US\$ 176.8 millions

Financing sources

Country contribution
IDB - CAF - WB
Private Sector

Modality

Public

Expected completion date

2° half of 2009



Integration Hub

MERCOSUR-Chile

Group 2

Porto Alegre-Border
Argentina/Uruguay-
Buenos Aires

Country

Uruguay (Argentina-Brazil)

Executing entity

Uruguay Road
Corporation
Ministry of Transport and
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2

Remodeling of the Rio Branco-Montevideo-Colonia-Nueva Palmira Corridor

Objective

To improve passenger and cargo traffic along the MERCOSUR core road hub, consolidating road infrastructure so as to adjust to the new requirements of international cargo transportation and supplementing the Brazil-Uruguay-Argentina road connection in the MERCOSUR-Chile Hub.

Current situation – 03/02/06

The project is under execution (works already started), the tender is under way and the studies are being concluded. Taking 2003 as the starting year: 30% pending and 70% planned works.

Proposed solution

The project comprises the following roads: 1, 11, 8, 17, 18 and 26, which link the cities of Rio Branco - Montevideo - Colonia with the complementary roads: 3, 23, 12 and 2 to reach Nueva Palmira and Fray Bentos. This project aims at improving the level of service of the stretches that comprise it, mainly with respect to condition, comfort and road safety. The improvements regarding condition and comfort is achieved through superficial treatment and structural strengthening, as well as reinforcement or substitution of works of art with the purpose of eliminate problems related to restriction of current cargo. In order to improve safety conditions, works will be carried out, which involve changes in the course of some dangerous bends, by-pass of populated centers, definition of new courses, fitting of signaling, marking, lighting and installation of other safety elements (barriers, alarms, etc.).

The current government of Uruguay considers that it is necessary to extend the corridor up to Nueva Palmira in order to link it with a physical connection alternative with Argentina at Zárate - Brazo Largo, and Fray Bentos, which is a center of important investment related to forestation and where the existing connection with Gualeguaychú, Argentina, is.

3

Building of the Jaguarão-Rio Branco International Bridge

Type of project

Transport/Bridge

Total estimated investment

US\$ 12 millions

Financing sources

According to the agreement in force between both governments, the countries will take charge of a maximum of 50% of the investment in equal amounts, and the rest will be in charge of the consortium that wins the bidding.

Modality

Public/Private

Expected completion date

2° half of 2009



Integration Hub

MERCOSUR-Chile

Group 2

Porto Alegre-Border
Argentina/Uruguay-
Buenos Aires

Countries

Brazil-Uruguay

Executing entity

National Department of
Transport Infrastructure,
DNIT, Brazil

Joint Brazilian -
Uruguayan Bidding
Committee

Ministry of Transport and
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Building of the Jaguarão-Rio Branco International Bridge

Objective

To improve cargo and passenger transportation by highway in the region, to supplement the Brazil - Uruguay road connection in the MERCOSUR-Chile Hub, mainly for the development of the MERCOSUR.

Proposed solution

Building of the new Jaguarão-Rio Branco International Bridge (BR-116/RS – Road 26-UR) for the international transportation of passengers and cargo, including accesses (8 km) between both countries (Uruguay: 3.5 km - Brazil: 4.5 km) and recovery of the current Barão de Mauá bridge to be used for the local border traffic.

Current situation – 03/03/06

Both countries consider that the project development is a priority. Political-institutional measures have been concluded. Agreements between both countries have been signed and standardized by the respective parliaments. Joint Brazilian – Uruguayan Bid Committee has been created and ratified. The Commission has met three times (May 2004, September 2004 and January 2006). The restoration project for Maua Bridge has been presented. The regulations for the Committee works have been approved. In the meeting carried out in September, 2004, it was agreed by the Joint Committee that the new bridge must be a highway, but the possibility that both parties decide in the future the implementation of the railway is not excluded. Given the current vehicular flow, most probably, financing will be of public-binational nature. Some of the aspects to be included in the terms of reference of the call for consultation regarding the feasibility studies of the work are under discussion; it is agreed that the detailed study will be carried out in accordance with the terms presented by Brazil. The following provisional schedule for 2006 is agreed: February 3rd, Brazil sends Uruguay the terms of reference; February 14th, reply from Uruguay; end of May, hiring of the consulting firm; first two weeks of August, presentation of the report from the consulting firm to the Joint Committee. Taking into account the mentioned schedule, a meeting of the Committee is proposed by the middle of August.

Note: to be revised by both managers.

4

Duplication of the Palhoça-Osorio Leg (Rodovia Mercosur)

Type of project

Transport/Road

Total estimated investment

US\$ 800 millions

Financing sources

IDB: US\$ 480 millions
Public Treasury: US\$ 238 millions
Private Sector: US\$ 82 millions

Modality

Public/Private

Expected completion date

March of 2010



Integration Hub

MERCOSUR-Chile

Group 1

Belo Horizonte-Border
Argentina/Brazil-Buenos
Aires

Country

Brazil (Argentina-Uruguay)

Executing entity

National Department of
Transport Infrastructure,
DNIT of Brazil

National Coordinator

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Objective

To improve the traffic flow in the Mercosur Corridor and reduce the number of road accidents. Besides promoting the expansion of the capacity through the duplication of the section, the project will restore the existing track and incorporate different devices in order to increase road safety in a significant manner, emphasizing the measures that are necessary to achieve the organization of local traffic (vehicles and pedestrians), seeking the minimization or even removal of current conflicts with long distance road traffic.

Proposed solution

Duplication and restoration of the existing track (BR-101/SC/RS) in an extension of 348 km, (99.5 km belong to the State of Rio Grande do Sul and 248.5 km belong to the State of Santa Catarina); as well as the execution of three special works of art of great magnitude (tunnel for transposing the Morro do Formigão, bridge to go over the Imaruí Pool and tunnel or viaducts in the Morro dos Cavalos). The investment will be carried out with public-private resources and the operation will be licensed.

Current situation – 04/28/06

The project is included in the list of the Pilot Investment Project (PPI), negotiated with the IMF, which must guarantee the fiscal space for disbursement. The financing of 60% of the work cost is being negotiated with IDB. The private sector will have to pay US\$ 82 millions for the construction of three special works of art that will be considered part of the national counterpart. The work will be divided in two stages: the first one regarding the duplication and restoration of the road, which works are quite advanced; and the second one regarding three special works of art that would be included in the tender for the road license. In the State of Rio Grande do Sul, it comprises 4 lots of implementation and paving as well as 3 works of art, whereas in the State of Santa Catarina, it includes 9 lots of implementation and paving as well as 5 works of art. The expropriations are very well on their way. Recently, the COFIEX (*Comissão de Financiamentos Externos do Ministério da Fazenda*) has approved the financing for the continuity of the works for the duplication of the section Florianópolis-Osório. An agreement has also been established as regards a new financing modality, named PDL, which is more flexible, based upon results and oriented towards a sustainable investment, which will make it possible to carry out not only the duplication of BR-101 Sul but also the inclusion of other projects such as weight control.

5

Los Andes-Mendoza Railway Project

Type of project

Transport/Railway

Total estimated investment

US\$ 251 millions

Financing sources

Private Sector

Modality

Private

Expected completion date

April of 2010



Integration Hub

MERCOSUR-Chile

Group 3

Valparaíso-Buenos Aires

Countries

Argentina-Chile

Executing entity

Undersecretariat of Railway Transport (Transport Secretariat) - Ministry of Federal Planning of Argentina

General Office for Concession Coordination - Ministry of Public Works of Chile

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Objective

To enhance the transportation capacity of the "Cristo Redentor System", at the Border Crossing, so as to adapt it to the growing flow of cargo traffic between Argentina and Chile and reinforce the transportation system of the MERCOSUR-Chile Hub.

Proposed solution

Reactivation, operation, exploitation and maintenance of the railway cargo transport service that links the cities of Mendoza, in Argentina, and Los Andes, in Chile, restoring the railway connection through the building and rebuilding of the necessary infrastructure and through the supply of the rolling stock which is suitable to provide the service.

Current situation – 03/06/06

The license teams from both countries are coordinating the terms. As regards Argentina, the minister is to sign them.

Restrictions

Contractual agreement between the tender selected firm and *Empresa Ferrocarriles del Estado de Chile* (EFE), to be used as a shipping company for the section Río Blanco - Los Andes.

Deadline: 08/30/2007

Situation: PENDING

6

International Route 60 CH (Valparaíso-Los Andes Leg)

Type of project

Transport/Road

Total estimated investment

US\$ 286 millions

Financing sources

Private concession

Modality

Private

Expected completion date

June of 2008



Integration Hub

MERCOSUR-Chile

Group 3

Valparaíso-Buenos Aires

Country

Chile (Argentina)

Executing entity

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Objective

To increase the capacity and upgrade the standard of the International Route 60 CH so as to absorb the growth in traffic demand. It is a structuring highway, which cuts across Chile, starting at the Chilean - Argentinean border, in the Cristo Redentor tunnel area, and running to the West, towards Valparaíso Port.

Current situation – 05/15/06

License started on July 22nd, 2004. Building began on January 27th, 2005. The private sector is managing financing.

Proposed solution

Improvement of the International Route 60 CH (approximate length: 90.5 km, design speed: 100 km/h in most of the stretches). In hill areas, third tracks are being considered as well as the enlargement to second roadways and road junctions at different levels.

The project is divided into two sectors. The first one starts at 6.5 km, west of Las Vizcachas bridge, commune of Los Andes, and ends at Road 5 North, length: 52 km; the second sector is located between El Olivo junction, Road 5 North, commune of La Calera, and ends in the South Trunk junction, length: 38.5 km, and access to Valparaíso Port.

In the sectors where the project crosses populated areas, the following detours for the current road are considered: (a) El Sauce, between Los Andes and San Felipe, length: 25 km, where the road goes along the north riverbank of the Aconcagua river; (b) Panquehue, length: 13 km, along the north side of the Aconcagua; and (c) a detour (junction) in Quillota (west), length: 9.4 km.

7

Northeast Argentina Gas Pipeline

Type of project

Energy/Gas pipeline

Total estimated investment

US\$ 1000 millions

Financing sources

Through a transport concession regime carried out by means of an international public bidding, it is foreseen a participation of the private sector close to 75% of the established investment.

Modality

Public/Private

Expected completion date

2° half of 2007



Integration Hub

MERCOSUR-Chile

Group 5

Energy Projects

Country

Argentina (Brazil)

Executing entity

Ministry of Federal Planning of Argentina

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Objective

To ensure natural gas supply to the northern and central regions of Argentina, that is to say, the area which includes the provinces of Salta, Formosa, Chaco, Misiones, Corrientes, Entre Ríos, Santa Fe and Buenos Aires.

Current situation – 03/06/06

The project is subject to the definition of the supplying conditions with the government of Bolivia. On March 6th, 2006, the envelopes with the offers will be opened. IDB will finance the demand study, the engineering of basic design and the environmental impact assessment of the sections for the Northeast region.

Proposed solution

The trunk gas pipeline will be 1,500 km long, and will have a diameter of 30 inches. It will operate at a pressure of 95 bars. The work will comprise the trunk gas pipeline and the provincial branches, which will stem from it, as well as the corresponding compression, regulation and measurement plants, surface installations and other complementary works (civil, electricity and communication works). In this respect, the mentioned works will comprise the ones referred to the electronic data transmission, remote operation, telemetry, etc. As regards the Trunk Gas Pipeline, it will allow the link between the gas reserves located in the north of Argentina and in Bolivia with the National Interconnected System of Trunk Gas Pipelines, which will be carried out in the vicinity of the city of Santa Fe. This interconnection will allow the injection of important volumes in the zones of the country where there is more consumption. Additionally, it will allow the expansion of gas availability to the mentioned provinces, some of which do not have, at this moment, the possibility of using such resources and to other provinces that, at present, have said resources but in an insufficient way and where gas is not suitable to ensure the economic development that the region needs.

Building of the Salvador Mazza-Yacuiba Binational Bridge

Type of project

Transport/Bridge

Total estimated investment

US\$ 10 millions

Financing sources

Under negotiation between the countries. Actions by the Argentine Republic for the incorporation of the Project in the operation cycle of FONPLATA.

Modality

Public

Expected completion date

December of 2008



Integration Hub

Capricorn

Group 2

Argentina - Bolivia -
Paraguay Interconnection

Countries

Argentina-Bolivia

Executing entity

Binational Committee
(Management Committee
for the Argentina - Bolivia
Agreement)

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Building of the Salvador Mazza-Yacuiba Binational Bridge

Objective

To solve the complex situation of the border crossing and allow a fluent communication of the means of transport for international cargo. The border crossing is part of the main road corridor between Argentina and Bolivia.

Proposed solution

Building of a new bridge, a new border center and new accesses. As a result of the study carried out by SETEC, the building of a new international bridge, west of the current crossroad, constitutes an alternative to solve the difficulties in the area. Also, the road accesses to the bridge from both countries and an integrated border control center will be carried out, the only head will be placed in the Argentinean territory. The current bridge will be used exclusively for pedestrian crossing. The characteristics of the works for the new crossroad are the following: Road accesses total length: 9.7 km (5.5 km in Argentinean territory and 4.2 km in Bolivian territory); International bridge: 30 m long, 2 lanes; Ground movement: Fill 228,536 m³ and Cut 293,741 m³; Border Center: 24.8 has. (ground). Buildings for the control tasks will be constructed for both countries. Moreover, the building of three parking areas has been foreseen, which will house up to 100 lorries, for vehicles that transport general cargo, and a parking area for vehicles that transport dangerous cargo, in the area of each country, with a capacity for 20 vehicles.

Current situation – 03/06/06

On March 19th, 2004, the countries signed an agreement for the construction of the bridge, and defined its location, the basic characteristics of the works, the cost distribution, and its execution system. Said agreement, ratified by the countries, also defines that the administration and assessment of the signed agreement will be made through an Administrative Commission, which is able to put to tender.

From the countries assessment of the feasibility studies, the YASMA Commission agreed the final project establishing the location of the Integrated Border Crossing; its only head will be placed in the Argentinean territory.

Presidente Franco-Porto Meira New Bridge and Border Center

Type of project

Transport/Bridge

Total estimated investment

US\$ 55 millions

Financing sources

Costs derived from the studies, projects and building of the bridge will be borne by Brazil (Ministry of Transport), each party being responsible for their respective access to the bridge, additional works and any expropriations, if necessary.

Modality

Public

Expected completion date

4° quarter of 2010



Integration Hub

Capricorn

Group 3

Paraguay-Brazil
Interconnection

Countries

Brazil-Paraguay

Executing entity

Ministry of Public Works and
Communications of Paraguay

National Department of
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Objective

To clear traffic on the La Amistad Bridge between Foz de Iguazú and Ciudad del Este; to promote urban planning at border cities, detouring heavy-vehicle traffic to a road in the outskirts so as to have quicker and more efficient connections between the binational transport systems; to optimize the integrated border control system.

Proposed solution

Construction of a second international road bridge over the Río Paraná, including access roads and supplementary infrastructure between the cities of Porto Meira (Foz de Iguazú) and Puerto Presidente Franco (around 600 m long); as well as the implementation of an integrated border control system at the joint of La Amistad Bridge and the new bridge.

Current situation – 05/02/06

Considering the economic non-feasibility of the construction of the Bridge Presidente Franco-Foz de Iguazú (Porto Meira) under public work license, adjustments had to be performed to the legal instruments signed on September 2003, ending with the performance of a new agreement, on December 8th, 2005, between Brazil and Paraguay, that awaits the approval of the corresponding Parliaments.

The Mixed Brazilian-Paraguayan Committee meets on regular terms.

In April 2006, the DNIT finished the draft of the Terms of Reference and Conditions for the tender of the basic Engineering and Works Supervision project, which will be countersigned by the Mixed Committee that will meet in May, 2006.

10 Building of the Pailón-San José-Puerto Suárez Road

Type of project

Transport/Road

Total estimated investment

US\$ 435.3 millions

Financing sources

Public source through Bilateral
– Multilateral Organizations

Modality

Public

Expected completion date

June of 2008



Integration Hub

Central Interoceanic

Group 3

Santa Cruz-Puerto Suárez-
Corumbá Connection

Country

Bolivia (Brazil-Chile-Peru)

Executing entity

National Road Authority of
Bolivia

National Coordinator

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Project Manager

To be confirmed

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Building of the Pailón-San José-Puerto Suárez Road

Objective

The Pailón-Puerto Suárez road is part of the main Bolivian Integration Corridor, which joins the East with the West, and lodges an important percentage of the country's population and economic activity. It supplements regional integration between the ports of Peru and Chile, on the Pacific, and the Brazilian ports on the Atlantic, cutting across Bolivia.

Proposed solution

Rigid and/or flexible paving of two ways in 600 km (width: 7.3 m and shoulders: 1 m each side). Resources for socio – environmental mitigation programs are foreseen.

Current situation – 05/02/06

Paving of the Pailón - Puerto Suárez road is composed of 6 important sections: a) Bridge in Pailón (1.2 km – US\$ 25.3 millions); b) Paraíso-El Tinto (124 km – US\$ 60 millions, with license financing from IDB, under adjudication process); c) El Tinto-San José (82 km – US\$ 45 millions, with secured financing from the European Union, under tender process); d) San José-Roboré (144 km – US\$ 74 millions, with financing from CAF, work progress: 60%); e) Roboré-El Carmen (140 km – US\$ 118 millions, under financing process with the PROEX of *Banco do Brasil* and CAF); and f) El Carmen-Puerto Suárez-Arroyo Concepción (108 km – US\$ 93 millions, under financing process with the PROEX of *Banco do Brasil* and CAF). The project incorporates a socio-environmental component (US\$ 20 millions, financed by IDB).

11 São Paulo Railway Ring (North and South Legs)

Type of project

Transport/Rail Road

Total estimated investment

US\$ 300 millions

Financing sources

Public source through Bilateral
– Multilateral Organizations

Modality

Public/Private

Expected completion date

Without definition



Integration Hub

Central Interoceanic

Group 2

Optimization of the
Corumbá - São Paulo -
Santos - Rio de Janeiro
Corridor

Country

Brazil

Executing entity

Government of Brazil

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Objective

Rearrangement and expansion of cargo flows, which have their origin, destination and transit through the São Paulo metropolitan region (RMSP, its Spanish acronym). This will allow reduction of conflicts between cargo traffic and metropolitan passenger trains and also a greater participation of the railway in those flows in transit through the RMSP, besides facilitating access to the ports of Santos and São Sebastião (SP) and Sepetiba (RJ).

Proposed solution

Restructuring of the railway network in Great São Paulo through the building of a railway ring and the articulation with the highway system and logistics centers in the State of São Paulo. The projects foresees the building of a railway (66 km) between Campo Limpo Paulista and Engenheiro Manoel Feio (North stretch) and 48 km more between Vila California and Evangelista de Souza (South stretch).

Current situation – 02/21/06

Inactive

Restrictions

Waiting for political decision on work modality

Deadline: 2/25/2006

Situation: PENDING

12

Infante Rivarola-Cañada Oruro Border Crossing

Type of project

Transport/Border Crossing

Total estimated investment

US\$ 1.2 millions

Financing sources

Public investment of one of the countries involved in the project.

Modality

Public

Expected completion date

1° half of 2007



Integration Hub

Central Interoceanic

Group 3

Chile-Bolivia-Paraguay-Brazil Connection

Countries

Bolivia-Paraguay

Executing entity

Ministry of Public Works and Communications of Paraguay

Joint Paraguayan - Brazilian Committee

Ministry of Public Works of Bolivia

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Objective

To develop the necessary infrastructure and services to allow efficient passenger and cargo traffic between Bolivia and Paraguay through the building and installation of an Integrated Border Control Center.

Proposed solution

Building of the infrastructure for the installation of an Integrated Border Control Center, with access and cargo verification zones, cargo retention areas, data processing and telecommunication systems and a phytozoosanitary control laboratory.

Current situation – 05/05/06

The pre-feasibility study has ended with technical cooperation from IDB (with localization study of the border center) taking as a base the profile and preliminary plan made by the MOPC (Paraguay). In the beginning of 2006, the ministries of public works from Bolivia and Paraguay have signed a document in which they reiterate the need of establishing the Administrative Border Center between both countries. The finalization of the paving works of the Paraguayan section (Mariscal Estigarribia-Infante Rivarola) is planned during the first semester of 2007.

13

Building of the Cañada Oruro-Villamontes-Tarija-Estación Abaroa Road (First Stage)

Type of project

Transport/Road

Total estimated investment

US\$ 60 millions

Financing sources

Public sources, with financing management through a building form (provider's credit)

Modality

Public

Expected completion date

March of 2007



Integration Hub

Central Interoceanic

Group 1

Chile-Bolivia-Paraguay-Brazil Connection

Country

Bolivia (Paraguay)

Executing entity

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Building of the Cañada Oruro-Villamontes-Tarija-Estación Abaroa Road (First Stage)

Objective

Develop the necessary infrastructure and services to allow efficient people and load flow between Bolivia and Paraguay, through the building and installation of a Border Center with Integrated Control.

Proposed solution

Paving (asphalt concrete or rigid) of the connection: Villamontes - Hito BR 94 (Paraguayan border), length: 120 km.

Current situation – 11/07/05

Technical studies: ended; environmental license: granted; and financing model: defined. The works financing conditions will be defined when the tender process ends. The offering party will propose the government of Bolivia financing under license conditions or next, in a “turn key operation” (terms and work costs are fixed and include supervision).

Type of project

Transport/Road

Total estimated investment

US\$ 76 millions

Financing sources

Public, through Italian Government and Multilateral Organizations.

Modality

Public

Expected completion date

2° half of 2007

**Integration Hub**

Central Interoceanic

Group 5

Chile-Bolivia Connection:
Arica-La Paz+Iquique-
Oruro-Cochabamba

Country

Bolivia (Chile)

Executing entity

National Road Authority
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Objective

To supplement the linkage of Bolivia and the Interoceanic Hub countries with Iquique port, in a quest for reactivating the economy and social development of a very important mining and trade area in Bolivia, connecting with the Atlantic through Oruro – Cochabamba - Santa Cruz - Puerto Suárez - Santos.

Proposed solution

Rigid paving of the complement of Oruro-Toledo road is promoted (connection: Toledo-Pisiga, 201 km) due to the potential high flow of heavy cargo.

Current situation – 11/07/05

The structure project in three sections: Toledo-Ancaravi-Huachacalla-Pisiga. The first, Toledo-Ancaravi (52.8 km – US\$ 23 millions), will be financed by a non-refundable aid from the government of Italy. The second, Ancaravi-Huachacalla (72 km – US\$ 23 millions) is financed by CAF, under present execution. The third, Huachacalla-Pisiga (77 km – US\$ 30 millions) was requested in the Millenium Account, under a Social Project Plan (non-refundable aid).

15

Rehabilitation of the Iquique-Colchane Road

Type of project

Transport/Road

Total estimated investment

US\$ 19.2 millions

Financing sources

Public investment

Modality

Public

Expected completion date

December of 2010



Integration Hub

Central Interoceanic

Group 5

Chile-Bolivia Connection:
Arica-La Paz+ Iquique-
Oruro-Cochabamba

Country

Chile

Executing entity

Ministry of Public Works
of Chile

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Objective

To enhance the capacity and upgrade the design-standard of Road A-55. This project has the possibility of connecting the Iquique port with areas in the South and Center of Bolivia, such as Oruro and Cochabamba, as well as allowing connectivity through these roads with the eastern areas of Santa Cruz and Puerto Suárez. This connection will facilitate the development of southern Bolivia, allowing its access to the demand for goods in the city of Iquique and a direct exit to third countries through the port.

Proposed solution

Rehabilitation of a stretch of Road A-55, between Huara and Colchane (in different stages), total length: 173 km. The project is included in the *"Programa de Obras Bicentenario y Convenio de Programación Regional"*. It will be carried out in different stages. First stage: building of basic drainage works and asphaltic paving from km 0.00 to km 20.0 (already done); the rest of the road will be done in further stages (130 km are programmed between the years 2005 and 2009). Regional contributions are made for this project.

Current situation – 05/08/06

The project is carried out in stages. From km 0 to 50, from 68 to 84 and from 91 to 113 asphaltic paving has been carried out (double treatment). In order to execute the sections from km 50 to 71 and from km 113 to 163, a budgetary assignment must be approved. There are feasibility studies and there is environmental approval. For these two sections the engineering studies are to be developed.

16

Rehabilitation of the El Sillar Leg

Type of project

Transport/Road

Total estimated investment

US\$ 30 millions

Financing sources

Public, through Multilateral Organization.

Modality

Public

Expected completion date

2° half of 2007



Integration Hub

Central Interoceanic

Group 5

Chile-Bolivia Connection:
Arica-La Paz+Iquique-
Oruro-Cochabamba

Country

Bolivia (Chile)

Executing entity

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Project Manager

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Objective

Strategic project for joining the western heights of Bolivia with the region's eastern plains and establishing their connection with Puerto Suárez - Corumbá, which seeks a solution to the critical sector of the new Santa Cruz - Cochabamba highway (4,000 vehicles/day), where there are geological, drainage, topographical and other failures, worsened in the rainy season due to the rise in the level of the nearby river (Espíritu Santo), that hinders fluent national and international interconnection.

Proposed solution

Rehabilitation of a stretch of the new Santa Cruz - Cochabamba road (30 km long), between Paracti - Villa Tunari, which is a changeable zone in rainy seasons. The project includes the improvement of the current stretch and the definition of a new or mixed alternative using, partially, the existing road.

Current situation – 11/07/05

The present road presents interruptions of the asphalt due to undercutting performed by the Espíritu Santo River; this generates interruption of transit in the trunk hub of the country during rainy seasons (November – March). This problem has extended to 14 sections of between 100 m and 1.5 km of the road, beyond El Sillar, to Santa Cruz, damaging the asphaltic layer due to undercutting and problems related to drainage. Between 2001 and 2004, rigid pavement has been fixed in an approximate section of 22 km (apart from drainage improvement works), with non-refundable financing from USAID. The plan is to build rigid paving and improve drainage along El Sillar with funds from USAID (8 km) during the second semester of 2005, in order to further evaluate the effect, which will allow to decide whether to execute the technical alternative study or not.

17

Desaguadero Border Center

Type of project

Transport/Border Crossing

Total estimated investment

US\$ 7.5 millions

Financing sources

Peruvian part: IDB and local counterpart resources (30% Treasury). Estimated investment: US\$ 4,7 millions. Bolivian part: To be defined (IDB or CAF) and local counterpart resources (20% Treasury)

Modality

Public

Expected completion date

2° half of 2007



Integration Hub

Andean

Group 8

Peru-Bolivia Connection

Countries

Bolivia-Peru

Executing entity

Ministry of Foreign Affairs and Foreign Trade of Bolivia

Ministry of Foreign Affairs of Peru

Ministry of Transport and Communications of Peru

Ministries of Treasury and Public Works and Services of Bolivia

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Objective

To install an integrated and agile binational control center for people, goods and vehicles between Peru and Bolivia and other countries of the region to facilitate trade flow and empower economic relations between the Andean regions of Peru and Bolivia, that operate through existing paved roads, which are to be extended to the central Andean region of Peru and the northwestern Andean region of Argentina.

Proposed solution

To build and operate the juxtaposed modules, which form the Integrated Binational Border Service Center (CEBAF, in Spanish) in the new bridge, in Desaguadero.

To set rules, standardize and harmonize the administrative and information procedures among the institutions so that they operate coordinately in the border crossing in Desaguadero, controlling the flow of people, goods, and vehicles.

“The solution incorporates the building and equipment appropriate to start the model of an integrated binational border center, to support reengineering, the development of integrated control processes and procedures and the starting of support systems.

Also, the purpose is to prepare the officials responsible for the execution of the controls under the new outline, prepare the commercial users of the border crossing and promote the dialog with the relevant social sectors in Desaguadero, in order to contribute to the proper integration of the center and the complementary services generated by the aid activity that are related to said center with the local economic activities and the inhabitants.

Finally, the plan is to identify the needs of the logistic chains that use the border crossing in Desaguadero and identify specific actions that allow the promotion of the local offer development in private services that support the carrier”.

Current situation – 02/15/06

The Desaguadero crossing is located in the Desaguadero International Bridge, over the river which bears the same name, between the homonym villages in Bolivia and Peru and is the most important border crossing between Bolivia and Perú. Ninety percent of the trade between Bolivia and Peru makes use of this crossing. In IIRSA context, the Desaguadero Border Crossing has been selected as one of the five pilot experiences for the modernization of the International Customs Traffic, which will be useful to copy in the other countries of the region. In the Peruvian side, the project is in its final stages regarding financing management with IDB for its execution, while in Bolivia, the project is starting the financing management with IDB and CAF.

“The governments of Peru and Bolivia have signed a specific agreement, which served as the starting point for the studies. Also, a public investment program has been created, which incorporates the project related to the border control center of Desaguadero, Iñapari and Santa Rosa. There is an approved profile of CEBAF Desaguadero and there have been talks with the Ministry of Finance for the declaration of traffic regulations in the next pre-investment study. Furthermore, two exercises related to integrated control have been carried out in Desaguadero and two additional exercises are foreseen during 2006”.

Type of project

Transport/Border Crossing

Total estimated investment

US\$ 2 millions

Financing sources

IDB

CAF

Country Contributions. The amount of investment will be subject to the results of the designs.

Modality

Public

Expected completion date

To be defined

**Integration Hub**

Andean

Group 2

Venezuela-Colombia-Ecuador Connection (current road)

Countries

Colombia-Venezuela

Executing entity

Ministry of Transport of Colombia

Ministry of Infrastructure of Venezuela

Binational Venezuela - Colombia Transport Table

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Objective

To facilitate the passage of vehicles, goods and people across the Cúcuta-San Antonio/Ureña border crossing.

Proposed solution

The implementation of an Integrated Border Control System, according to Resolution 502 of the Andean Community of Nations (CAN). In principle, the purpose is to work using the existing infrastructure, but establishing an Integrated Control System to allow the data on crossing flows be automatically shared by the authorities of both countries. Taking into consideration the results from the studies carried out, the possibility of building additional complementary infrastructure would be evaluated.

Current situation – 03/16/06

Colombia proposed a method for harmonizing control procedures, which is ready to be discussed with Venezuela and ready for further joint approval.

Restriction

Venezuela is considering the revision of the objective, proposed solution, critical stages and focus, depending on the Presidential Declarations and the creation of the Border Integration Zone between North Department of Santander and the State of Táchira.

Deadline: 10/01/06

Situation: PENDING

Type of project

Transport/River

Total estimated investment

US\$ 108 millions

Financing sources

IDB
CAF
Government of Brazil
National contributions

Modality

Public

Expected completion date

November of 2009



Integration Hub

Andean

Group 4

Pacífico-Bogotá-Meta-
Orinoco-Atlántico
Connection

Countries

Colombia-Venezuela

Executing entity

Ministry of Transport of
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Ministry of Infrastructure of
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Ministry of Environment of
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Objective

To develop an international transport corridor, recovering navigability of Meta River in a sustainable manner, to foster trade between Colombian and Venezuelan regions and integrate remote regions to distribution and consumption centers so as to improve the living standards of their inhabitants.

Proposed solution

The proposal is aimed at fitting the river so that it can be navigable most of the year. The actions that will be carried out are the following:

IN THE ENVIRONMENTAL FIELD:

Execution of the actions identified in the plans on environmental handling of the basin and the studies on environmental impact and feasibility; execution of investment destined to the maintenance and conservation of the microbasins.

IN THE WATERWAY:

Improvement of the navigable channel through the following works: (i) channeling: closure of arms, removal of rapids, protection of banks, programs for revegetalization and reforestation, dredging; (ii) maintenance: signaling, buoying, clear-cutting and cleaning, dredging activities and maintenance, sedimentation control and monitoring of channeling works and also of the navigable channel.

IN THE PORT INFRASTRUCTURE:

Development of port and intermodal infrastructure (Cabuyaro, Puerto Texas and Puerto Carreño in Colombia, and also in those sites in Venezuela to be determined in the appropriate studies) of binational interest and other docks of regional interest as a support to the riverside communities of both countries.

IN THE TRANSPORT EQUIPMENT:

Promotion of the participation of the private sector related to the rendering of transport services and complementary services.

The Atlantic-Pacific Hub (Orinoco and Meta rivers), is a complement for the development of the Puerto Gaitan – Bogotá - Buenaventura road. Along that road, there are very important works of construction like the pilot tunnel of La Línea to beat the Andean central mountain chain crossing and, at present, the financing of the definitive tunnel (8.6 km long) is being carried out.

Restrictions

Both parties need to reach a consensus as regards the proposed solution for the project

Deadline: 05/30/2006

Situation: PENDING

Achievement of resources for the construction of the works

Deadline: 01/12/2006

Situation: OVERCOME

Current situation – 03/15/06

In Colombia, the tender process for the building of part of the project was started: La Banqueta Dock, Cabuyaro Dock, Puerto Carreño Dock, access roads to Banqueta and fitting works of the navigable channel, sector: Cabuyaro - Puerto Texas in Colombia, worth: US\$ 45.000 millions.

Type of project

Transport/Road

Total estimated investment

US\$ 183 millions

Financing sources

To be defined: international resources with national counterpart from de Colombian treasury.

Modality

Public/Private

Expected completion date

December of 2012

**Integration Hub**

Amazon

Group 1

Access to Putumayo Waterway

Country

Colombia

Executing entity

Ministry of Transport of Colombia

National Road Institute of Colombia

National Coordinator

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Objective

To promote greater integration of the Colombian transport infrastructure network with Ecuador, Peru and Brazil, by upgrading communication by land among the countries to allow the consolidation of the Tumaco - Puerto Asís - Belem do Pará inter-modal transport corridor as an efficient mechanism in the promotion of development in the South of Colombia and North of Ecuador, Peru and Brazil, reinforcing trade among the Amazon Hub countries.

Proposed solution

The Intermodal corridor includes the road section Tumaco - Pasto - Mocoa - Puerto Asís, which forms the transport corridor that crosses South America from West to East. The anchor project is the road Pasto - Mocoa, which at present is 143 km long and would turn out to be 104 km for that purpose, it is necessary to carry out the following works:

PHASE I: Pasto - Encano: Structural rehabilitation. Encano - Santiago: Fixing and paving. Santiago - San Francisco: Maintenance and drainage works.

PHASE II: San Francisco - Mocoa: Building of the 47 km-long detour.

Current situation – 05/18/06

Structuring of CONPES document is advanced. This document guarantees resources (future validity) for the construction of the project in two phases. For the 2006 validity, in the development of Phase I, the budget is US\$ 13.5 millions and, at present, there is an open tender, which includes the design of the bridges in Phase II. For Phase II, procedures with IDB are advanced in order to install the technical mission and specify the project financing.

Restriction

Socialization of the Phase I of the project

Deadline: 12/01/2007

Situation: OVERCOME

Type of project

Transport/Road

Total estimated investment

US\$ 338 millions

Financing sources

Paita-Yurimaguas Road: The licensee IIRSA Norte S.A. will be repaid by the Peruvian State in a 25-year period. Paita Port's management will be granted under concession. The costs of the studies for logistics and river-related projects will be paid with public funds.

Modality

Public/Private

Expected completion date

December of 2012

**Integration Hub**

Amazon

Group 3

Access to Huallaga-Marañón Waterway

Country

Peru

Executing entity

Ministry of Transport and Communications of Peru

National Port Authority of Peru (APN)

Concessionaires of highways, ports and logistics centers

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Objective

To improve infrastructure and operation of the intermodal hub, promoting the streamlining of logistics services and ports, which operate throughout the hub, to consolidate the coast-mountain-jungle corridor of the northern region of Peru and its regional complementariness with the Amazon State of Brazil, to thus promote international trade.

Proposed solution

To rehabilitate and improve the existing road infrastructure in the Paita – Tarapoto – Yurimaguas Hub providing, as a complement, the necessary services for an efficient flow of cargo and people.

To modernize the ports of: Paita, Iquitos and Yurimaguas, promoting private investment and management in order to increase productivity.

To establish the Logistics Centers of: Paita, Iquitos and Yurimaguas, promoting private investment and management in order to organize and optimize the activities and processes of the logistics chains involved.

Evaluate and implement the North Waterway Project.

Current situation – 05/19/06

The dealer is carrying out maintenance works in the following sections: Paita - Piura and Tarapoto - Yurimaguas (within the frame of the Paita-Yurimaguas Road Project). Total investment: US\$ 220 millions.

PROINVERSION and the National Port Authority signed an agreement to promote private investment in ports, that is why the tender process will be carried out for Puerto de Paita.

The navigability study of the Huallaga Waterway has been performed.

Type of project

Transport/Road

Total estimated investment

US\$ 589 millions

Financing sources

The investment required in the Lima-Pucallpa road and in the Southern Dock of the El Callao Port will be done by the private sector through concessions.

Modality

Public/Private

Expected completion date

December of 2012

**Integration Hub**

Amazon

Group 4

Access to Ucayali Waterway

Country

Peru

Executing entity

Ministry of Transport and Communications of Peru

National Port Authority of Peru (APN)

Concessionaires of highways, ports and logistics centers

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Objective

To increase competitiveness of the coast-mountain-jungle central corridor in Peru, interconnecting the country's main urban and industrial center, the central area and the States of Amazon and Acre in Brazil; and furthermore promote the interconnection of the inner part of the continent with the Pacific Basin.

Proposed solution

To provide the Lima – Tingo María – Pucallpa Hub with an appropriate road infrastructure and the necessary services for an efficient vehicular flow.

To modernize El Callao and Pucallpa ports, mainly through private investment in order to increase competitiveness.

To establish an Intermodal Logistics Center in Pucallpa, in order to facilitate cargo flows, storage, and also to cut costs, share information, etc.

Current situation – 05/22/06

Adjudication of the license for IIRSA Amazonas Center Hub for the second semester of 2006, which comprises rehabilitation and construction in the different sections of the road Pucallpa-Tingo María-Huánuco-La Oroya-Puente Ricardo Palma (works worth around US\$ 120 millions).

As regards El Callao Port, there is a plan to license the South Dock for Containers in June, 2006. This work includes the enlargement of the south area of the port and the building of the dock to deal with the containers.

23 Francisco de Orellana Port

Type of Project

Transport/Road

Total estimated investment

US\$ 105.3 millions

Financing sources

Resources: Public and International Financing Institutions (CAF / IDB). There is a possibility of obtaining resources from the private sector if the studies indicate a possible port concession.

Modality

Public/Private

Expected completion date

December of 2012



Integration Hub

Amazon

Group 2

Access to Napo Waterway

Country

Ecuador

Executing entity

Government of Ecuador

Ministry of Public Works and Communications of Ecuador

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Objective

To promote trade between the Pacific basins and the Amazon regions of Ecuador, Peru and Brazil, and the socioeconomic development of the provinces of Esmeraldas, Manabí, Guayas, El Oro, Carchi, Imbabura, Pichincha, Cotopaxi, Tungurahua, Chimborazo, Sucumbíos, Orellana, Napo, in Ecuador, the Loreto Department in Peru and the Departments of Nariño and Putumayo in Colombia.

The port facilities will be built in El Belén, in an area of 160,000 square meters, which will have: docks, all-purpose terminal, solid bulk terminal, dangerous load terminal, container consolidation and deconsolidation area, administrative area, port equipment, customs area, port authority, migration, security, phytosanitary controls, and a logistic center that will make the commercial flow more dynamic.

Once the studies on the environmental impact of the project is completed, complementary works would be encouraged.

Proposed solution

Construction of the river port for high efficiency and performance load transfer on the left margin of the Napo River, Belén sector, in the provinces of Orellana/Sucumbios, with improvement of the road, section: Shushufindi-El Triunfo-Belén, which will link the state road network with the mentioned port, as well as the supplying of the necessary electricity and telecommunications for the operation of the port. This river port will be used as a logistic center and will have the necessary port infrastructure to transfer load, in a high efficient manner and under high performance.

Current situation – 06/08/06

The project has pre-feasibility studies for the location of Francisco de Orellana Port. Resource management is expected in order to carry out navigability studies in the Río Napo, Ecuadorian section. Also, it has been agreed with Peruvian authorities the joint performance and complementation of navigability studies. In the meeting of the Undersecretary of Public Works of Ecuador, the Binational meeting took place, with a Coordinator from IIRSA Peru, the Director of the Transportation Office from the Ministry of Transportation and Communication of Peru jointly with the Ecuadorian Authorities led by the General Undersecretary (National Coordinator of IIRSA Ecuador), as well as representatives from IDB and Chancelleries. It was established that technicians from both countries must perform the standardization and definition of the terms of reference for navigability of the Napo River in order to deliver the respective documentation to IDB with the purpose of having access to a non-refundable credit to carry out the corresponding and simultaneous studies in both sections. The technical commissions met in Tumbes, on Friday 12th, this month, and their specific aim is to standardize the terms of reference for navigability; results are expected for this week. On June 9th, 2006, in Lima, Peru, there will be a meeting held by the authorities of the Ministry of Public Works (Ecuador) and the Ministry of Transportation and Communications (Peru), in order to establish the mechanisms that allow access to the non-refundable Technical Cooperation that IDB offers for the navigability studies of Napo River.

Paving of the Iñapari-Puerto Maldonado-Inambari, Inambari-Juliaca/Inambari-Cusco Leg

Type of project

Transport/Road

Total estimated investment

US\$ 1,055 millions

Financing sources

The projects would be financed by the private sector through separate concessions for each stretch, which will be re-paid by the State over a period of 25 years.

Modality

Public/Private

Expected completion date

December of 2010



Integration Hub

Peru-Brazil-Bolivia

Group 1

Porto Velho-Rio Branco-Puerto Assis-Puerto Maldonado-Cusco/Juliaca-Pacific Ports Corridor

Country

Peru (Brazil)

Executing entity

Ministry of Transport and Communications of Peru

Private Investment Promotion Agency (PROINVERSION)

Oversight Agency for Investment in Public Transport Infrastructure (OSITRAN)

Highway concessionaires of Peru

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Paving of the Iñapari-Puerto Maldonado-Inambari, Inambari-Juliaca/Inambari-Cusco Leg

Objective

To improve and rehabilitate road infrastructure in the macro southern region of Peru, which connects to the States of Acre and Rondonia in Brazil; and facilitate the flow of passengers and cargo between such regions and the international markets accessed through the Pacific Basin, thus promoting the regional integration process.

Proposed solution

To execute construction works of the sections: Urcos - Pte. Inambari, Pte. Inambari - Iñapari and Pte Inambari - Azangaro.

To improve the following road sections: San Juan de Marcona - Urcos y Matarani - Azangaro - Juliaca - Ilo.

To provide users with the necessary infrastructure to render efficient and high quality services.

Current situation – 05/22/06

This project is part of the development of the Interoceanic Hub of Southern Peru, which includes the improvement, rehabilitation, and maintenance of the road sections that conform a 2,586 km-long corridor that links Peru-Brazil border (Acre and Rondonia states) to the ports of the Pacific (Ilo and Matarani).

On June 7th, 2005 Approval (*Buena Pro*) of the sections: 2, 3 and 4 was granted. Approval (*Buena Pro*) for sections 1 and 5 is still pending.

In the licensed sections, works for vehicular transit flow have been started.

25 Bridge over the Acre River

Type of project

Transport/Bridge

Total estimated investment

US\$ 12 millions

Financing sources

Resources of the Government of Brazil (Ministry of Transport/National Department of Transport Infrastructure) and counterpart of the Government of the State of Acre.

Modality

Public

Expected completion date

Bridge: concluded in January of 2006

Border Center and accesses: without definition



Integration Hub

Peru-Brazil-Bolivia

Group 1

Porto Velho-Rio Branco-
Puerto Assis-Puerto
Maldonado-Cusco/Juliaca-
Pacific Ports Corridor

Countries

Brazil-Peru

Executing entity

Acre Road Department
(DERACRE) of Brazil

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Objective

To promote the development of physical infrastructure and cross-border integration in South America and, furthermore, to provide Brazil and the macro region in southern Peru access to the Peruvian maritime ports of Ilo, Matarani and San Juan on the Pacific, and vice versa.

Proposed solution

Building of an International Bridge over the Acre River, on road BR-317, between the cities of Asís (Brazil, Acre) and Iñapari (Peru, Madre de Dios), including their accesses and complementary works in Brazilian territory.

Additionally, it is necessary to establish the operation of the integrated border service center in Iñapari (Peruvian territory).

Current situation – 02/22/06

Bridge inaugurated on January 21st, 2006, by the Presidents of the Federal Republic of Brazil, Luiz Inácio Lula da Silva, and the President of the Republic of Peru, Alejandro Toledo. On the same date, a 2 km-access and complementary works were also ended in the Brazilian side.

Boa Vista-Bonfim-Lethem-Georgetown Highway (First Stage: Studies)

Type of project

Transport/Bridge

Total estimated investment

US\$ 3.3 millions

Financing sources

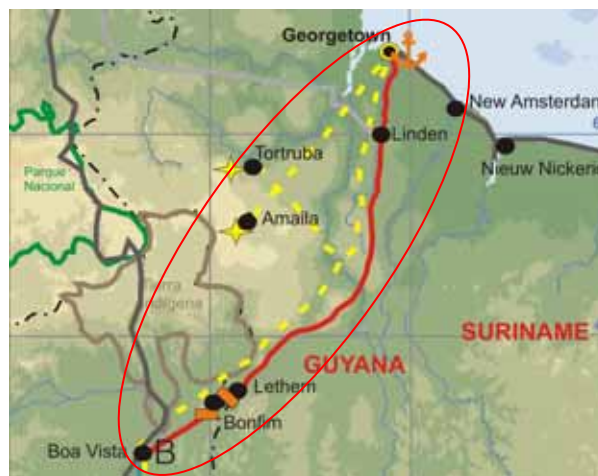
IDB or other international financial organizations

Modality

Pública

Expected completion date

2° half of 2008



Integration Hub

Guianese Shield

Group 2

Brazil-Guyana Interconnection

Countries

Brazil-Guyana

Executing entity

Ministry of Public Works and Communications of Guyana

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Objective

To provide a transportation connection between Brazil and Guyana to facilitate trade and cultural exchange between both countries. The improvement of this highway will interconnect and facilitate trade with the State of Roraima in Brazil and will also provide full integration to the countries of the Guianese Shield Hub since it crosses the proposed East-West transport network connecting Venezuela with Guyana, Suriname and French Guyana.

Proposed solution

To pave the existing road between Lethem (Guyana), located at the border of the Brazilian state of Roraima, to Linden. The Implementation Agenda considers only the first phase of this important project, which is limited to updating the feasibility and environmental studies, and preparing engineering designs.

Current situation – 03/23/06

As a result of bilateral agreements between the Governments of Guyana and Brazil in view of the need to improve the highway connection, a feasibility study was carried out with European Union funds in 1989 and, in 1994, the Government of Guyana commissioned an environmental impact evaluation. A second feasibility study was carried out in 2000. The government of Guyana considers it important to complete the first stage which consists of updating the feasibility and environmental studies and completing engineering studies. In this regard, request for funding of the feasibility and environmental studies has been made to the IDB.

27 Bridge over the Takutu River

Type of project

Transport/Bridge

Financing sources

Resources from Ministry of Transport of Brazil

Total estimated investment

US\$ 10 millions

Modality

Public

Expected completion date

2° half of 2007



Integration Hub

Guianese Shield

Group 2

Brazil-Guyana Interconnection

Countries

Brazil-Guyana

Executing entity

Brazilian Army Engineers

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Objective

To develop the interconnection of the Brazil and Guyana road systems so as to benefit the neighboring populations of these two countries. Likewise, serve traffic and trade needs between Brazil and Guyana.

Proposed solution

Building of the international bridge over the Takutu River (230 m long), as part of the design of the road BR 401, which joints Bonfim, in the State of Roraima, Brazil, with Lethem, in Guyana. This project completes the road integration: Brazil-Guyana, in the Boa Vista-Georgetown corridor.

Current situation – 05/19/06

It is a project considered a priority by the governments of Brazil and Guyana, according to the declarations made in the Joint Report, which resulted from the visit of the President Luiz Inácio Lula da Silva to Guyana, between the 14th and 15th of February, 2005. Besides, the Brazilian Government has adopted a special system to join said project, which is part of the Presidential goals. The Brazilian Ministry of Transport is actively working to solve the problems detected, with the intention of finishing the works. In this context, the National Department of Transport Infrastructure (*Departamento Nacional de Infraestructura de Transportes* - DNIT, in Spanish) has signed an agreement with the Brazilian Army for the performance of the studies recommended by the internal control entity, which work plan, approved in 2005, was made by the Engineering Military Institute (*Instituto Militar de Engenharia* - IME). The conclusive report of the studies carried out by the IME, in the work location, was submitted to the DNIT on March 29th, 2006, which, in its turn, submitted it for the consideration of the Union Accounts Court (*Tribunal de Contas da União* - TCU), on April 25th, 2006. The new work measure was finished by the Army and is nowadays being reviewed by the DNIT Structures Coordination Committee for a quantitative verification. Once the revision is concluded, it will be submitted to the control entity. Should said court approve it, this matter will be on its way towards the National Congress, aiming towards the liberation of budgetary resources.

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Venezuela (Ciudad Guayana)-Guyana (Georgetown)-Suriname (Paramaribo) Road (First Stage)

Type of project

Transport/Road

Total estimated investment

US\$ 0.8 millions

Financing sources

Only stretch 2 (San Martín de Turumbang – Linden) counts on financing sources for the pre-feasibility and environmental impact study, financed by CAF within the compass of a Loan Arrangement.

Modality

Public

Expected completion date

December of 2006



Integration Hub

Guianese Shield

Group 3

Venezuela (Ciudad Guayana)-
Guyana (Georgetown)-
Suriname (Paramaribo)

Countries

Guyana-Suriname-Venezuela

Executing entity

CAF

Ministry of Infrastructure of
Venezuela

Ministry of Transport of Guyana

Binational Technical Committee
Venezuela - Guyana

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Objective

Create an Integration Road Corridor: Venezuela Interconnection (Ciudad Guayana) - Guyana (Georgetown) - Suriname (Paramaribo) to enhance trade exchange through roads between these countries, allowing the consolidation of an integral system of transport to deal with the needs of the region. Venezuela's proposal: Extend the objective beyond trade exchange "to promote integration, human development and trade exchange".

Proposed solution

The project consists of the construction, rehabilitation and/or improvement of several stretches and its respective works of art. In the Implementation Agenda based on Consensus it is contemplated as a first stage the elaboration of feasibility and environmental impact studies according to the specific requirements of each country.

The project is integrated by the following stretches:

- Guyana City – Tumeremo – San Martín Turumbamg: Improvement in the existing road.
- San Martín de Turumbamg-Bártica (293 km): Road construction. It is foreseen to begin as a first stage a pre-feasibility study and environmental impact on San Martín de Turumbamg-Bártica stretch based on the existing preliminary layout, this stretch involves Venezuela and Guyana in which the definitive layout will be developed, presenting alternative roads (at least 2). Their comparative technical-economical and environmental evaluation will be performed at the end of the preliminary stage of the study.
- Bártica-Linden: Improvement in the existing road and building of two new bridges over the Mazaruni and Esequibo rivers and improvement of the existing bridge over the Demerara River.
- Linden-Orealla: Building of a new trail and bridge over the Berbice River.
- Orealla-Apura: Building of a new bridge over the Corentyne River.
- Apura-Paramaribo: Rehabilitation and improvement of roads (375 km).

Proposed solution (continued)

The Guianese Shield Hub was restructured in the Round Table of GTE (IIRSA) integrated by the Andean, Amazon and Guianese Shield Hubs, held from June 1st to June 4th, 2004 in Bogotá, Colombia and 8 countries and representatives from the Technical Coordination Committee (CCT) attended. In this meeting, the incorporation of the Linden-Orealla-Apura-Paramaribo stretch to Group 3 was approved thus integrating Suriname to the Guianese Shield Hub.

Furthermore, the integration with Brazil extends by means of the incorporation of Roraima and Amazonas to the regions by interconnecting them with the existing corridor: Manaus-Boa Vista-Santa Elena de Uairen – Ciudad Guayana and also interconnecting them with the international markets due to their link to the complete transport system it has. Also, it is foreseen to develop the Republic of Venezuela by the execution of the deep-waters port project, in Sucre State, and the railway system stretch: Puerto Ordaz-Maturin-North of the Sucre State. The project is important because it promotes the physical integration of four countries: Venezuela, Guyana, Suriname and Brazil.

The road inside the territory of Venezuela, which extends specifically in the Forest Reserve Zone of the Imataca, according to studies carried out in this area by the *Corporación Venezolana de Guayana* (CVG), does not present major problems regarding the environmental impact, tentatively; however, the Pre-feasibility Study will determine the impact on the region that the execution of the road would generate.

Venezuela's observation: The section under study must be updated: San Martín de Turumbang-Eterinbang-Bártica-Rockstone-Linden, based on what was agreed between Venezuela and Guyana in the Venezuela-Guyana Technical Committee meeting that took place in Georgetown, Guyana, from June 15th to June 16th, 2004.

Guyanas' observation: We agree with the note "*Observación 16 junio de 2004*". We advise however that the Terms of Reference submitted by Guyana in February 2006 include considerations of alternative route alignments.

Venezuela (Ciudad Guayana)-Guyana (Georgetown)-Suriname (Paramaribo) Road (First Stage)

Current situation – 03/17/06

In June 2004, in Georgetown, Guyana, the Third Meeting of the Technical Committee of the Road Hub (Group 3), which will link Venezuela with Guyana, took place. The Venezuelan delegation provided the Terms of Reference for revision and analysis of the pre-feasibility and environmental impact study of the Tumeremo-Georgetown Hub and it also agreed to the road of the proposed hub. Guyana's delegation defined the river crossing points in the proposed road. There was agreement on the road and location of the bridges. Guyana's Technical Commission indicated that there is a basic agreement on the main elements expressed in the Terms of Reference received. The project development is in the stage related to the resource transfer to *Banco de Desarrollo del Caribe* (BDC). Once the trust is signed, and once the resources are transferred to BDC, the binational technical commission will be set up in order to start the process of international tender, which will allow to select the company or consulting firm that will carry out the before mentioned study.

Once the previous requirements have been completed, it is time to start the pre-feasibility study, which will allow to determine the economic feasibility of the project, taking into account the respective environmental impact study as well as the strategy for its link with the present and future infrastructure.

In February 2006, Venezuela received from the Government of Guyana the counter-offer of the Terms of Reference for the performance of the pre-feasibility and environmental impact study of the Tumeremo-Georgetown Hub, which are subject to revision by the Venezuelan Technical Committee.

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Improvements in Nieuw Nickerie-Paramaribo-Albina Leg and International Bridge over the Marowijne River

Type of project

Transport/Road

Total estimated investment

US\$ 105 millions

Financing sources

IDB and private financing

Modality

Public/Private

Expected completion date

January of 2012



Integration Hub

Guianese Shield

Group 4

Guyana-Suriname-French
Guyana-Brazil
Interconnection

Countries

Guyana-Suriname

Executing entity

Government of Suriname

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Improvements in Nieuw Nickerie-Paramaribo-Albina leg and international bridge over the Marowijne River

Objective

To rehabilitate and reconstruct the existing road in order to improve operational and safety standards in the development and integration coastal-road of the country, in order to facilitate increased traffic to and from neighboring countries, and local generated traffic.

To improve the Marowijne River crossing by creating safe and efficient cross-border traffic in order to stimulate regional integration and social and economical development.

Proposed solution

Road: rehabilitate the paved segment (140 km) between Paramaribo and Albina and pave the New Nickerie (South Drain) - Paramaribo segment (260 km).

Bridge over the Marowijne River: The project involves 2 phases : Phase 1 includes performing studies and execution of improvements of the existing facilities. Phase 2 will include the feasibility study and the construction of the bridge, based on an agreement with France.

Current situation – 03/27/06

Up to date no alterations have been made to the existing condition of the road. The Government of Suriname shall apply for IDB financing within the new IIRSA Fund facility for pre-investment studies of the road project and the study for the river crossing facilities. The Government of Suriname will also request an IDB mission to start conversations for the financing of the road project, while private sector funding is also being considered.

The Governments of Suriname and France have already entered into negotiations regarding the Marowijne River crossing. As a result, the implementation of the river crossing project has been divided into two phases: phase 1 improving the existing ferry facilities and phase 2 construction of the bridge. At present, priority is given to the execution of phase 1.

30 Exports through Postal Services for SMEs

Type of project

Communications

Total estimated investment

US\$ 1.2 millions

Financing sources

To be identified
(IDB, WB, others)

Modality

Public/Private

Expected completion date

December of 2009



Integration Hub

All hubs

Countries

Multilateral

Executing entity

Government of Brazil
 Government of Ecuador
 Government of Peru
 Government of Uruguay
 Government of Venezuela
 Ministry of Communications
 of Brazil
 Brazilian Company of Post
 and Telegraph - ECT

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Objective

To include micro, small and medium-sized South American companies in the international market, contributing to an increase of competitiveness and sustainable development in the region, through the implementation of a simplified export system through postal services.

Proposed solution

To settle down in each South American country a simplified export system through postal services and to develop access channels so that the micro, small and medium-sized companies enter to the international market.

Current situation – 06/13/05

By the end of 1999, Brazil's government implemented the simplified export system through postal services and obtained relevant results with respect to SMEs participation in foreign trade, the extension of the base of export firms and the extension of the destination market of Brazilian exports. In three years, SMEs participation in foreign trade increased from 1% of the total of export firms in Brazil in 1999 to 12% in 2004. Moreover, in 2004, US\$ 100 million were exported through the system. The project is starting. In November 2004, a technical cooperation agreement was signed between Brazil and Peru in order to support the Peruvian government in the implementation of the export system for postal services as an IIRSA pilot project to be further implanted in the rest of the South American countries that may want it. The project phases with Peru are being executed.

Venezuela and Ecuador are also developing preliminary actions in order to study the feasibility of implementing the project and are ready to sign a cooperation agreement with Brazil. In November, Brazilian technicians visited Venezuela to discuss cooperation actions.

Implementation of a Roaming Agreement in South America

Type of project

Communications

Total estimated investment

US\$ 1 million

Financing sources

Without definition

Modality

Public/Private

Expected completion date

December of 2010



Integration Hub

All hubs

Countries

Multilateral

Executing entity

Ministry of
Communications of Brazil

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Objective

To integrate countries in South America through international roaming. To establish agreements among South American countries within the IIRSA framework in order to create the necessary favorable conditions to set up roaming agreements among mobile phone operators in the different South American countries.

Proposed solution

The performance of agreements by the countries will seek the compatibility of regulatory, tax and procedural aspects in order to facilitate the implementation of the international roaming system among cellular phone operators of the South American continent. The project will be implemented in 6 (six) stages:

1. Preliminary demand study
2. Implementation of an international roaming pilot project between Brazil and Peru
3. Definition of an institutional method for the implementation of the project
4. Achievement of technical cooperation resources
5. Creation of a protocol of intentions among countries
6. Performance of the agreements signed among the countries

Current situation – 02/20/06

The project is starting, having a protocol of intentions been signed between the governments of Brazil and Peru (pilot project), with the purpose of studying the technical and legal aspects in order to make the roaming viable between the countries. The pilot project between the governments of Brazil and Peru foresees the creation of two groups of work. The technical work project that will study and propose solutions that shall be technical and economically viable for the implementation of the points of contact, anti-fraud system, payment guarantees, data record and automatic roaming; and a legal group of work that will have the purpose of evaluating, studying and conciliating the regulatory, tax and procedural aspects in order to facilitate the international roaming agreements among the cellular phone operators working in South America.

TECHNICAL COORDINATION COMMITTEE



Inter-American Development Bank



Corporación Andina de Fomento



FONPLATA

Financial Fund for the Development of the Plata Basin

