Implementation Agenda based on Consensus 2005 - 2010

31 STRATEGIC PROJECTS OF INTEGRATION IN SOUTH AMERICA

Third Report - July 2007



Introduction

The *Third Report on the Implementation Agenda based on Consensus 2005-2010 (AIC, in Spanish)* is a publication that aims towards the collection y introduction 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, updated to June 2007, outlines three types of information:

- 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) Critical stages identified in the implementation of the projects taking into consideration the entire life cycle. Also, according to their difficulty in each stage and if there were any, those restrictions that make or could make the progress of a Project difficult in the future are identified in order to facilitate their management, necessary for the development of the project.

The information of each project has been generated in each country member of the Initiative (National Coordinations and Managers appointed by them for the Projects of the AIC), as a result of an intense agenda of activities within the framework IIRSA, supported by the task that is being developed through the Information System for Strategic Management (SIGE, in Spanish).

Source: SIGE - www.sige.iirsa.org

Implementation Agenda based on Consensus 2005-2010

The Implementation Agenda based on Consensus 2005-2010 (AIC, in Spanish) 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, 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\$ 6,921.10 millions in the transport, energy and communication areas (most of them are being implemented).

Sixteen of the 31 projects are under preparation process, four in the bidding/concession process or will soon be in such phase, ten are under the execution process and one is completed. In order to support the AIC, it was adopted a new modality based on intensive management focused on projects, which is being implemented through the establishment of a new model aimed at results.

Taking as a base the advances verified in the fulfillment of the critical stages and the overcoming of the financial-technical-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. Twenty-seven (27) projects are included in this category.
- Projects under Implementation 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 related to the project have been identified and could cause delays in the fulfillment of future stages. Four (4) projects are included in this category.
- Projects with Delays Due to Restrictions: those in which particular situations of sectoral, national or multilateral nature have been identified and have prevented the fulfillment of the critical stages besides generating uncertainties as regards their implementation. Three (3) projects are included in this category.
- Completed Projects: One (1): Bridge over the Acre River (Peru and Brazil)

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.



Implementation Agenda based on Consensus 2005-2010

N°	PROJECTS	НИВ	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	1,200.00	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	1,000.00	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	444.80	BO (BR-CH-PE)
11	São Paulo Railway Ring (North and South)	Central Interoceanic	400.00	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	93.00	BO (CH)
15	Rehabilitation of the Iquique-Colchane Road	Central Interoceanic	37.00	CH (BO)
16	Rehabilitation of the El Sillar Leg	Central Interoceanic	2.50	BO (BR-CH-PE)
	Subtotal		4,399.30	

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 in Colombian territory	Andean	108.00	CO-VE
20	Pasto-Mocoa Road	Amazon	183.00	СО
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	2.50	All of them
31	Implementation of a Roaming Agreement in South America	ICTs	0.40	All of them
	Subtotal		2,521.80	
	TOTAL		6,921.10	
	In preparation Bidding/Concession	In execution		Concluded

References Project Cycle Life

- 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



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 2010





Integration Hub

MERCOSUR-Chile

Group 1

Belo Horizonte-Border Argentina/Brazil-Buenos Aires

Country

Argentina (Brazil)

Executing entity

National Road Authority of Argentina

National Coordinator

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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 - 05/23/07

All studies are hired and the external source (IDB Loan: Mountain Chain Crossings and Integration Corridors), and the sources from the National Treasury and Fiduciary's Funds are already identified.

On April 27th and 28th, 2007, the environmental hearing were carried out successfully in the province of Corrientes, according to what was planned in the draft project presented.

All sections of Route 14 that are under construction, which correspond to the provinces of Corrientes and Entre Ríos, are signed and the next variation orders (beginning of the works) are to be started.

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 - FOCEM

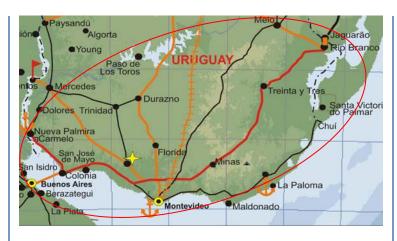
Private Sector

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 Public Works of Uruguay

National Road Authority of Uruguay

National Coordinator

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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 - 06/06/07

The project is being executed (the works are started) and under tender process, and the studies are being finished. Taking the year 2003 as the starting year, the situation is as follows: approx. 50% of the works finished and about to be finished by the end of 2007, the remaining 50% of the works are under execution and tender processes. In this regard, the project has been accomplished by 15%, approximately, with respect to the situation about the middle of the year 2006. It is worth mentioning that, on May 15th, 2006, the Executive Power approved the new contract between the MTOP and the National Corporation for the Development, which is in charge of a very important part of the works related to the corridor (68% of the amount of the 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.



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 Hubs

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 Public Works of Uruguay

National Coordinator

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Building of the Jaguarão-Rio Branco International Bridge

Objective

To improve road traffic for international cargo and passengers transportation; to complement road connection, allowing a more intense integration of the economic-commercial potentials and the socio-cultural permeability with neighboring countries; to detour traffic of the road Chuí/Chuy in order to preserve the Taim Ecological Reserve and lighten traffic in the section Pelotas/Rio Grande (BR-392/RS); to preserve the Litoral road for light and tourism traffic; and to reduce the distance in the section Montevideo/Porto Alegre by 53 Km.

Proposed solution

Building of a second road bridge (840 m approx.) on the river Jaguarão, near the cities of Jaguarão (BR-116/RS) and Rio Branco (Route 26), for international cargo and passengers transportation, including 8 km-accesses (4.5 km in Brazilian territory and 3.5 km in Uruguayan territory) and revamping of the current bridge Barão de Mauá, kept for border local traffic.

Current situation - 04/17/07

Both countries give priority to the development of the project. There was agreement regarding political-institutional matters. The Mixed Brazilian-Uruguayan Commission for Tender was created on April 14th, 2004. Its members met three times (May 2004, September 2004 and January 2006). Due to the fact that this is definitely a scarcely attractive project for the concession of private initiative, two Agreements were signed on February 26th, 2007; one for the building of the second bridge under public work system and the other for change of Notes, for the revamping of the current bridge "Barão de Mauá". The Reference Terms and the corresponding tender specifications for the hiring of the company(ies) that will perform the Feasibility Study will be adapted to the terms of the new legal instrument so that the National Department of Transportation Infrastructure -Departamento Nacional de Infraestructura de Transportes (DNIT)-, which is related to the Ministry of Transportation of Brazil, can notify the tender.



Duplication of the Palhoça-Osorio Leg (Rodovia Mercosur)

Type of project

Transport/Road

Total estimated investment

US\$ 1,200 millions

Financing sources

Inter-American Development Bank (IDB), Public Treasury and Private Sector

Modality

Public/Private

Expected completion date

June of 2009





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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Duplication of the Palhoça-Osorio Leg (Rodovia Mercosur)

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 - 04/17/07

The project is included in the PAC - Programa de Aceleración del Crecimiento or Program for Growth Acceleration (2007-2010) and also in the list of the PPI - Proyecto Piloto de Inversión or Investment Pilot Project, negotiated with the IMF, which must guarantee the fiscal environment for disbursements. Financing by US\$ 100 millions was agreed with the IDB conditioned to the PDL - Programa por Resultados or Results Program, with two disbursements (20% in advance and 80% when road is finished). The private sector will contribute US\$ 82 millions for the construction of three special works of art in the State of Santa Catarina (tunnel for transposing Morro dos Cavalos; tunnel for transposing Morro do Formigão; and transposing Laguna Imaruí). The project is divided into two stages: the first one is related to the duplication and revamping of the road, whose works are already being performed; and the second one, related to the three special works of art. In the State of Rio Grande do Sul there are 4 plots of land and paving and more than 3 works of art; while in the State of Santa Catarina there are 9 plots of land and paving and 5 works of art. Expropriations are being performed. The COFIEX (Comissão de Financiamentos Externos do Ministério da Fazenda) passed the financing for the duplication works of the section Florianópolis/Osório. Also, a new financing way was agreed, called Performance Driven Loans (PDL), where disbursements take place according to the results and resources that are deposited directly in the National Treasury account. The tender specifications for the building of two tunnels in Morro dos Cavalos will be notified in the first half of 2007. After the developing of the projects related to the DNIT, the process to select the company that will carry out the works will be started.



Los Andes-Mendoza Railway Project

Type of project

Transport/Railway

Total estimated investment

US\$ 251 millions

Financing sources

Private sector

Modality

Private

Expected conclusion date

April of 2010





Integration Hub

MFRCOSUR-Chile

Group 3

Valparaíso-Buenos Aires

Countries

Argentina - Chile

Executing entities

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

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

National Coordinator

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Los Andes-Mendoza Railway Project

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 - 05/21/07

Both countries (Argentina and Chile) agreed to postpone the Opening of the technical envelopes until August 23rd, 2007 and the opening of the economic envelopes until October 9th, 2007, both at 12 P.M.

Restrictions (R)

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: 07/15/2008
Situation: PENDING



International Route 60 CH (Valparaíso-Los Andes Leg)

Type of project

Transport/Road

Total estimated investment

US\$ 286 millions

Financing sources

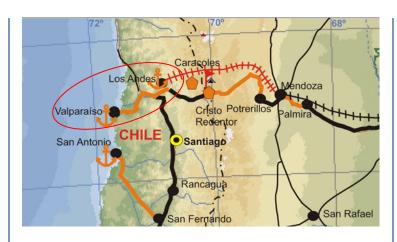
Private concession

Modality

Private

Expected completion date

June of 2008



Integration Hub

MERCOSUR-Chile

Group 3

Valparaíso-Buenos Aires

Country

Chile (Argentina)

Executing entity

Highway Consessionaire (Sociedad Concesionaria Autopista de los Andes S.A.)

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International Route 60 CH (Valparaíso-Los Andes Leg)

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 - 04/17/07

Concession started on July 22nd, 2004. Building works started on January 27th, 2005. The private sector is negotiating 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.



Northeast Argentina Gas Pipeline

Type of project

Energy/Gas pipeline

Total estimated investment

US\$ 1,000 millions

Financing sources

It is planned a participation of the private sector of around 75% of the planned investment, through concession of transport by international public bidding.

Modality

Public/Private

Expected completion date

2° half of 2008





Integration Hub

MERCOSUR-Chile

Group 5

Energy projects

Country

Argentina (Bolivia)

Executing entity

Ministry of Federal Planning, Public Investment and Services of Argentina

National Coordinator

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Project manager

New manager to be defined

CCT Responsible (IDB)

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Northeast Argentina Gas Pipeline

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 - 05/30/07

The Pre-feasibility matters of the project are defined. The most important technical (Energy Secretary) and technical-environmental studies are being developed (ENARSA).

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)

National Coordinator

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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 - 05/23/07

According to what was established in the meeting held in Buenos Aires, on May 9th, 2007, both delegations agreed on the need to keep the structure of the current bridge. The delegation from Argentina agreed to present to the Bolivian authorities a document taking the following into account: 1) Proposal and possible schedule of improvement works in the existing bridge and; 2) Possible schedule of works for the new bridge to be built, for the access works and for the integrated control center, according to the agreement signed between both countries on June 29th, 2006. Also, it was agreed that the works mentioned under points 1) and 2) will be performed simultaneously.



Presidente Franco-Porto Meira New Bridge and Border Center

Type of project

Transport/Bridge

Total estimated investment

US\$ 55 millions

Fuentes de financiamiento

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

Modality

Public

Expected completion date

2° half of 2011





Integration Hub

Capricorn

Group 3

Paraguay-Brasil Interconnetion

Countries

Brazil - Paraguay

Executing entity

Ministry of Public Works and Communications of Paraguay

National Department of Transport Infrastructure of Brazil (DNIT)

National Coordinator

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Presidente Franco-Porto Meira New Bridge and Border Center

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; and to optimize the integrated border control system.

Proposed solution

Building of a second international road bridge over Río Paraná, approx. 600 m long, including its accesses and complementary infrastructure, between Porto Meira (Foz do Iguaçu) and Puerto Presidente Franco, and implementation of an integrated border control system at the junction of the complex Puente de la Amistad and the new bridge.

In principle, it will be a hanging bridge, which will operate with a one-way flow of vehicles, in binary system; it will involve Puente de la Amistad, strengthening the idea that distance between both bridges will be approx. 6 km.

The binary operation will make it easier the performance of the supervising organisms, which will not be obliged to form two control bodies. Each country will be responsible for their respective accesses, border facilities and expropriation.

Current situation - 06/26/07

Due to the economic unfeasibility to build the Presidente Franco-Foz de Iguazú Bridge (Porto Meira), under concession for public work, it was necessary to perform some amendments to the legal instruments signed in September, 2003. On December 8th, 2005, a new Agreement between Brazil and Paraguay was signed.

The above-mentioned Agreement was passed by the Paraguayan Congress on May 4th, 2007. In Brazil, said Agreement is being taken into consideration by the National Congress (it was passed by the MERCOSUR Commission and the Foreign Affairs Commission of the House of Representatives). This Agreement is also being taken into consideration by the Highway and Transportation Administration. It will be further analyzed by the Constitution and Justice Commission and after that it will pass on to the Senate plenary.

The DNIT published in the "Diario Oficial de la Unión", on November 22nd, 2006, the Tender Specifications (Tender N° 545) for the selection of the specialized company(ies) that will develop the Executive Project of the bridge, where the environmental matters are included.

The opening of the proposals took place on June 19th, 2007.



Building of the Pailón-San José-Puerto Suárez Road

Type of project

Transport/Road

Total estimated investment

US\$ 444.8 millions

Financing sources

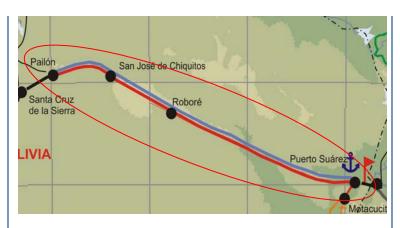
Public source through Bilateral - Multilateral Organizations

Modality

Public

Expected completion date

January of 2009





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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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 - 04/23/07

Paving of the road Pailón-Puerto Suárez has 8 parts: a) Puente Pailas (1.4 km), investment: US\$ 28 millions, financed by EXIM Bank – Korea, under execution, expected completion date: June 2008; b) Paraíso-El Tinto (124 km), investment: US\$ 60.4 millions, financed by IDB, under execution, expected completion date: October 2008; c) El Tinto-San José (82 km), investment: US\$ 64 millions, financed by the European Union, under execution, expected completion date: November 2008; d) San José-Roboré (138 km), investment: US\$ 81.4 millions, financed by the CAF, under execution, expected completion date: 2007; e) 15 Bridges and Urban Accesses in the Section: Roboré - El Carmen, investment: US\$ 16 millions, financed by the European Union, under execution, expected completion date: September 2008; f) Roboré-El Carmen (140 km), investment: US\$ 97 millions, financed by the CAF, under execution, expected completion date: January 2009, physical progress: 34%; g) El Carmen-Puerto Suárez-Arroyo Concepción (108 km), investment: US\$ 78.2 millions, financed by the CAF, under execution, expected completion date: February 2009, physical progress: 29%; and h) the project incorporates a socio-environmental component worth US\$ 20 millions, financed by the IDB.



São Paulo Railway Ring (North and South Legs)

Type of project

Transport/Rail Road

Total estimated investment

US\$ 400 millions

Financing sources

Public/Private

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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São Paulo Railway Ring (North and South Legs)

Objective

Reorganization and expansion of the cargo flows that have an origin, destination and passage through the Metropolitan Region of São Paulo (RMSP). This will enable to reduce the conflicts between the cargo and passenger traffic, to increase the participation of the railway in the passage flows through the RMSP and also to facilitate the access to the ports of Santos-SP, São Sebastião-SP and Itaguaí-RJ.

Proposed solution

Restructuring of the railway network in the Gran São Paulo through the building of the railway ring and the articulation with the road system and logistic centers in the State of São Paulo. The project foresees the building of a 66 Km-railway between Campo Limpo Paulista and Engenheiro Manoel Feio (North section) and also 48 Km between Vila California and Evangelista de Souza (South section).

Current situation - 06/15/07

MRS Logística, which is already operating in the region, developed a feasibility and engineering study as a model for the building of the North section, which were handed over to the BNDES.

On this occasion, this institution hired the Economics, Management and Accounting Faculty of the University of São Paulo (FEA/USP) to analyze and validate the mentioned study, which was considered unsatisfactory in relation to the demand estimate and the operation project.

So, the FEA/USP is performing the study again, including the executive project and the respective costs.

Restrictions

The implementation of the project of the Railway is depending on the conclusion of the analysis and validation of the studies and modeling.

Deadline: 3/30/2007 Situation: **OVERCOME**

12

Infante Rivarola-Cañada Oruro Border Crossing

Type of project

Transport/Border Crossing

Total estimated investment

US\$ 1.2 millions

Financing sources

Paraguay assumes 100% of the financing with credit of the IDB.

Modality

Public

Expected completion date

1° half of 2008





Integration Hub

Central Interoceanic

Group 1

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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Infante Rivarola-Cañada Oruro Border Crossing

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 communication systems and a phytozoosanitary control laboratory.

Current situation - 04/17/07

The pre-feasibility study has been concluded, with the technical cooperation by the IDB (with a localization study of the border center), taking into account the profile and the draft developed by the MOPC (Paraguay). At the beginning of the year 2006, a document was signed among the ministers of public works of Bolivia and Paraguay, in which they reiterate the need to establish the Administrative Border Center between both countries. The paving works of the Paraguayan section (Mariscal Estigarribia-Infante Rivarola) are planned to be concluded during the first semester of 2007.

Last March 19th, the governments of the Republic of Paraguay and the Republic of Bolivia agreed to set up facilities destined to integrated controls in the border crossing Infante Rivarola - Cañada Oruro.

Both countries will be able to manage the necessary financing and will adopt the corresponding administrative measures for the building of the facilities that will be set in their respective territories.

Also, it was agreed the creation of a Mixed Technical Group to foster the projects related to the physical integration between both territories.

Building of the Cañada Oruro-Villamontes-Tarija-Estación Abaroa 13 Road (First Stage)

Type of project

Transport/Road

Total estimated investment

US\$ 60 millions

Financing sources

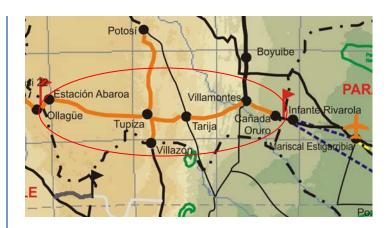
Public, Prefectura de Tarija and the CAF

Modality

Public

Expected completion date

December of 2009





Integration Hub

Central Interoceanic

Group 1

Chile-Bolivia-Paraguay-**Brazil Connection**

Country

Bolivia (Paraguay)

Executing entity

National Road Authority of Bolivia

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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/Bulón BR 94 (georeferencial point – Paraguayan border), length: 120 km.

Current situation - 04/19/07

Sections: Puerta del Chaco - Canaletas, Entre Rios- Palos Blancos, Palos Blancos - Carapari, Rio Isiri - Villamontes, seeking financing with the CAF. Sections: Canaletas - Entre Rios, Caraparí - Campo Pajoso, Palos Blancos - Rio Isiri, Villamontes - Vertiente Palo Marcado, in charge of the port authorities of Tarija. Section: Palo Marcado - Hito/Bulón BR94, awarded and under execution, with local contribution and support from the CAF.

14

Toledo-Pisiga Road

Type of project

Transport/Road

Total estimated investment

US\$ 93 millions

Financing sources

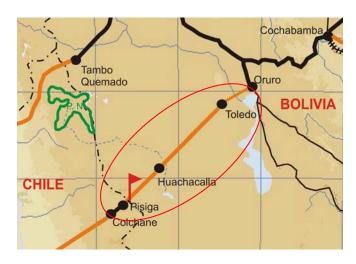
Public, through Italian Government and the CAF

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 of Bolivia

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14

Toledo-Pisiga Road

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 - 06/15/07

The project has 4 sections:

Section 1: Oruro Toledo (39 Km.), investment: US\$ 15 millions, financed by the CAF (finished).

Section 2: Toledo - Ancaravi (52 km.), will be started during the year 2007, investment: US\$ 25 millions, financed by the Government of Italy (the works are planned to be started in July 2007 and finished by the end of the year 2009).

Section 3: Ancaravi - Huachacalla (70 km.), investment: US\$ 28 millions, financed by the CAF (finished).

Section 4: Huachacalla - Pisiga (72 Km.), investment: US\$ 25,000,000, financed by the CAF (UNDER TENDER PROCESS). The works are planned to be started in July 2007 and finished by the end of the year 2009.



Rehabilitation of the Iquique-Colchane Road

Type of project

Transport/Road

Total estimated investment

US\$ 37 millions

Financing sources

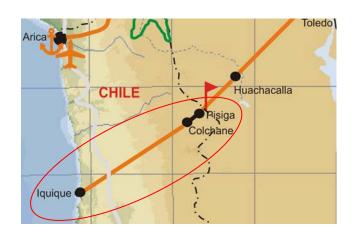
Public investment

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 (Bolivia)

Executing entity

Ministry of Public Works, Transport and Telecommunications of Chile

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Rehabilitation of the Iquique-Colchane Road

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 - 04/17/07

The project is performed in different stages. From km 0 to 50, from km 68 to 84 and from km 91 to 113 works related to asphalt re-paving (double processing) have been carried out. In the sections that correspond to km 50 to 71 and km 113 to 163, budget allocation is missing in relation to the execution of the works. Feasibility studies and environmental approval studies have been carried out. Engineering studies for these two sections must be developed.



Rehabilitation of the El Sillar Leg

Type of project

Transport/Road

Total estimated investment

US\$ 2.5 millions

Financing sources

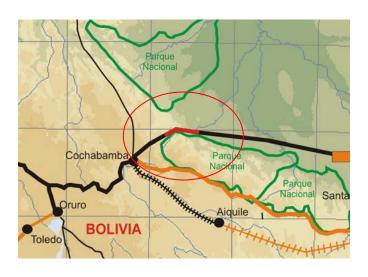
IDB contribution: 80%. Local contribution (Port authorities of Cochabamba): 20%.

Modality

Public

Expected completion date

3° quarter of 2009





Integration Hub

Central Interoceanic

Group 5

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

Country

Bolivia (Chile)

Executing entity

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Rehabilitation of the El Sillar Leg

Objective

To solve the critical sector of the new road Santa Cruz - Cochabamba (4,000 vehicles per day), where there are defects regarding: geology, drainage, topography, etc. These defects get worse in rainy seasons due to rises in the level of the nearby river (Espíritu Santo), which make national and international interconnection difficult. Strategic project for the intersection of the western heights of Bolivia with the level grounds of the eastern region and its connection to Puerto Suárez- Corumbá.

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 - 06/15/07

Nowadays, the construction firm APIA XXI has been hired to perform the studies to present technical alternatives in order to solve the problem related to El Sillar. A change of layout or a detour to the current design is being considered. The studies should be finished by September 2007. Once the studies are approved, the Executing Entity will bid the works and negotiate the financial resources immediately.



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

Ministry of Public Works, Services and Housing of Bolivia

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17

Desaguadero Border Center

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 develop and operate integrated control modules in each country under the double-edged juxtaposed modality, which, within the framework of the Decision 502 of the C.A.N., will make up the Integrated Binational Border Service Center (CEBAF, in Spanish) in the new international bridge of 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.



Desaguadero Border Center

Current situation - 05/22/07

The Desaguadero crossing is located in the Desaguadero International Bridge, over the Desaguadero river, between the homonym towns in Bolivia and Peru. This is the most important border crossing between Bolivia and Peru. The 90% of the trade between both countries passes through Desaguadero. Within the 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 reproduce them in the other countries in the region. Also, in the project grouping process, Desaguadero has been considered as an Anchor Project. In the Peruvian side, the project is in its final stages in relation to financial management with the IDB (for project execution). On July 5th, 2006, the Cabinet Meeting authorized the MEF to grant the credit up to the amount of US\$ 5 millions. In Bolivia, financial management for the project, with the IDB and the CAF, is starting (for project execution). The Governments of Peru and Bolivia have signed an specific agreement, which was the starting point for the studies in Desaguadero. Also, a public investment program has been developed, which incorporates the project related to the border control center in Desaguadero, Iñapari and Santa Rosa that has been declared viable by the SNIP-Peru, from the point of view of the profile. As regards the project itself, the Pre-feasibility study is being developed in Desaguadero. Moreover, two exercises regarding integrated control were carried out in Desaguadero and two additional exercises are planned, as soon as the provisional modules are installed in the Peruvian side. Said exercises will last, at least, 15 days.



Cúcuta-San Antonio del Táchira Border Crossing

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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Cúcuta-San Antonio del Táchira Border Crossing

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 - 04/17/07

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



Recovering of Meta River Navigability

Type of project

Transport/River

Total estimated investment

US\$ 108 millions

Financing sources

IDB

CAF

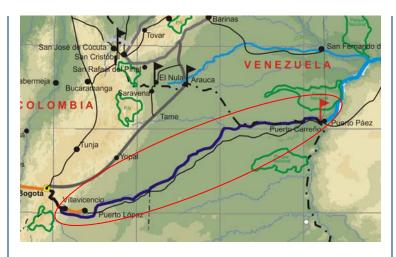
Government of Brazil National contributions

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 Colombia

Ministry of Infrastructure of Venezuela

Ministry of Environment of Colombia

Ministry of Environment of Venezuela

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Recovering of Meta River Navigability

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 project includes:

ISSUES RELATED TO THE ENVIRONMENT:

Execution of the identified actions in the Environmental Management Plans and in the Environmental Impact Studies for the project regarding the refitting of the Waterway.

Formalities carried out in relation to the environmental authorities in order to adopt Environmental Management Programs and Plans for the Meta River Basin, as well as for its tributaries, taking as a base an Environmental Diagnosis of the Basin.

ISSUES RELATED TO THE WATERWAY:

Execution of channeling works to guarantee craft navigability during most of the year. Later, maintenance works related to: signaling, clearing, maintenance cleaning and dredging, as well as activities regarding monitoring of the channel and the works built.

ISSUES RELATED TO PORTS:

Construction of Transfer Ports and Regional Docks.

ISSUES RELATED TO TRANSPORT:

To give an incentive to the creation of efficient transport companies, according to demand.



Recovering of Meta River Navigability

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 - 06/05/07

In Colombia, the study, design and building of the following works that conform the project are in phase of execution: 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: 45.000 millions of Colombian pesos.

20 Pasto-Mocoa Road

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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Pasto-Mocoa Road

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 Pasto – Mocoa road, called Anchor Project, makes up part of the intermodal corridor: Tumaco – Pasto – Mocoa - Puerto Asís - Belem do Pará (Brazil). Once the works related to Construction and Improvement of the road are completed, it will allow the configuration of the transport corridor that passes through South America, from the West to the East, and will foster the development of the transport, energy and telecommunication infrastructure under a regional point of view, seeking the physical integration of the 12 South American countries and the achievement of an equitable and sustainable pattern for territorial development.

The project will be implemented through the execution of Construction, Improvement and Paving works of the Pasto – Mocoa road, in two stages:

The first stage corresponds to the Improvement, Refitting, Paving and Maintenance of the current road between Pasto – Mocoa, which nowadays is 143 km long. The work is being executed by the National Road Institute (Instituto Nacional de Vías – INVIAS).

The second stage is related to the building of the detour between San Francisco and Mocoa (a sector that nowadays is 78 km long, and whose surface and alignment are in very bad conditions). This detour will be 47 km approximately. The estimated cost of the detour is US\$ 150 millions.

Pasto-Mocoa Road

Current situation - 06/15/07

PHASE I - In January 2007, the work and intervention contracts were started for the Improvement, refitting and Maintenance of the Pasto Mocoa road through the current road. Contracts were signed (\$41,806 million pesos -approx. US\$ 21 millions), with resources from the Colombian government (GC, in Spanish). The works will be finished in December 2007.

PHASE II- On 12/13/06 a contract was signed to Update Engineering Studies, including Studies on Environmental Impact, for the Construction of the Detour: San Francisco- Mocoa (\$4,163 million pesos), with resources from the GC; the study is being performed and will be finished in December 2007.

A Donation Agreement ATN/10079-CO was signed with the Inter-American Development Bank (IDB) -US\$1,3 millions- to develop four environmental and socio-cultural studies as a complement for the Studies required to make the Construction of the San Francisco Detour viable. In January, the National Road Institute (Instituto Nacional de Vías -INVIAS) started the hiring processes and on May 15th, it executed a contract to develop the Plan for Environmental Management of the Forest Reserve in the Putumayo Department, where the Detour will be built. By the end of the month, the Regional Environmental Study will be signed and the rest of the studies are planned to be signed in June 2007.

Once these studies are finished in 2008, the plan is to get the credit transaction with IDB, to incorporate resources to INVIAS and to open the Tender to build the Detour: San Francisco-Mocoa in the period: 2008-2012.

Restrictions

Socialization of the Phase I of the project

Deadline: 12/01/2007 Situation: **OVERCOME**

Environmental License

Deadline: 12/31/2007

Situation: **PENDING**



Paita-Tarapoto-Yurimaguas Road, Ports and Logistic Centers

Type of project

Transport/Road

Total estimated investment

US\$ 338 millions

Financing sources

Paita – Yurimaguas roadfinancing- Dealer: IIRSA Norte, it will be re-paid by the Peruvian state during a period of 25 years. Puerto de Paita financing- private sector. The studies for the logistics and river projects are managed through public funds.

Modality

Public/Private

Expected completion date

December of 2012





Integration Hub

Amazon

Group 3

Access to Huallaga-Marañón Waterway

Country

Peru (Brazil)

Executing entity

Ministry of Transport and Communications of Peru

Private Investment Promotion Agency (PROINVERSION) - Peru

National Port Authority of Peru (APN)

Concessionaires of highways of Peru

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Paita-Tarapoto-Yurimaguas Road, Ports and Logistic Centers

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.

To evaluate and implement the North Waterway Project.

Current situation – 06/25/07

Refitting works ended in the sections: Paita - Piura (54 km) and Piura - Olmos (168 km), in charge of the dealer. Paving works in the section Tarapoto - Yurimaguas (114 km) are being performed.

Until May 2007, progress is as follows: Paita-Piura and Piura -Olmos: 100.00 %; Tarapoto - Yurimaguas: 60.18%, it includes a 74.00 km paved section.

Total investment is: US\$ 220 millions.

PROINVERSION and the National Port Authority signed an agreement to promote private investment in ports; that is why the notification for dealership of the Puerto de Paita is planned for the First Quarter of 2008.

The Navigability Study of the Huallaga Waterway has been carried out and, in May, the navigability study in the rivers Marañón and Amazonas started.



Lima-Tingo María-Pucallpa Road, Ports and Logistic Centers

Type of project

Transport/Road

Total estimated investment

US\$ 589 millions

Financing sources

The investment required in the Lima-Pucallpa road and the South Dock of the Puerto del Callao will be done through the private sector (concessions). The studies and the access to the waterway will be done using public funds as well as the Logistic Centers, if necessary.

Modality

Public/Private

Expected completion date

December of 2010





Integration Hub

Amazon

Group 4

Access to Ucayali Waterway

Country

Peru (Brazil)

Executing entity

Ministry of Transport and Communications of Peru

National Port Authority of Peru (APN)

Concessionaires of highways, ports and logistics centers of Peru

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Lima-Tingo María-Pucallpa Road, Ports and Logistic Centers

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 a proper road infrastructure and the necessary services for an efficient vehicular flow.

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

To establish an Intermodal Logistic Center in Pucallpa in order to facilitate cargo flows and storing as well as to reduce costs and share information, etc.

Current situation - 06/25/07

The award of the concession of the Center Amazonas Hub (IIRSA) is foreseen for July 26th, 2007. Said concession implies the improvement and refitting of different sections of the road: Pucallpa-Tingo María-Huánuco-La Oroya-Puente Ricardo Palma. The estimated value of the works is US\$ 88 millions. The main works that must be carried out by the concessionaire are related to the paving of the section: San Alejandro - Neshuya (50.3 Km. in the first two years of the concession) and the refitting of the sections: Chicrín - Huanuco (82 km) and Huánuco - Tingo María (118 km).

With public resources, the section: Aguaytía - San Alejandro is being completed (it will be finished in November 2007) and the section: Neshuya - Pucallpa was completed in March 2007. Also, the section: Puente Pumahuasi - Puente Chino (36 km.) is under tender process. It will be started in June 2007.

As regards Puerto del Callao, the South Container Dock has been granted a concession on June 19th, 2006. Under this project, the south area of the Port will be extended and a dock for containers will be built.



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

National Coordinator

To be designed

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Francisco de Orellana Port

Objective

To facilitate trade among the countries of the Pacific Basins and the Amazon Basin, fostering sustainable development in the Ecuadorian provinces of: Esmeraldas, Manabí, Guayas, El Oro, Carchi, Imbabura, Pichincha, Cotopaxi, Tungurahua, Chimborazo, Sucumbíos, Orellana, Napo; in Peru: Department of Loreto; in Colombia: Departments of Nariño and Putumayo and in Brazil: the state of Amazonas.

Proposed solution

Building of the River Port for high-efficiency and performance cargo transfer on left side of the Napo River, sector: El Belén, in the Ecuadorian provinces of Orellana/Sucumbios. For this purpose, complementary works are necessary, such as the improvement of the Shushufindi-El Triunfo-Belén road, which will connect the state road network with the mentioned place in the port. Also, it will be necessary to provide electrical energy and telecommunication services for the operation of the port.

The port facilities will be built in El Belén, in 160,000 square meter area, which will have: docks, an all-purpose terminal, solid bulk cargo terminal, dangerous cargo terminal, consolidation and deconsolidation area for containers, administrative area, port equipment, customs area, port authority offices, migration, security, phytosanitary controls and a logistic center that will make trade flow more dynamic.

Current situation - 05/24/07

The Multimodal Manta-Manaos Hub has been defined as a priority project in which the Francisco de Orellana Port is identified. The priorities and objectives of the project will be reconsidered.

The importance of this project is consolidated through the physical integration between the Manta Port, in Ecuador, and the city of Manaos, in Brazil. This will allow the integration of the Amazon and Andean regions and will facilitate the bi-oceanic interconnection.

The Multimodal Manta-Manaos Hub means the setting of a corridor devoted to trade and sustainable development, which is based on a multimodal transport system (road, river and air transport).



Paving of the Iñapari-Puerto Maldonado-Inambari, 24 Inambari-Juliaca/Inambari-Cusco Leg

Type of project

Transport/Road

Total estimated investment

US\$ 1,055 millions

Financing sources

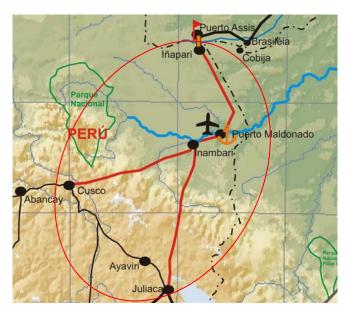
The projects would be financed by the private sector through separate concessions for each stretch, which will be re-paid by the State over a period of 25 years.

Modality

Public/Private

Expected completion date

July of 2010





Integration Hub

Peru-Brazil-Bolivia

Group 1

Porto Velho-Rio Branco-Puerto Assis-Puerto Maldonado-Cusco/Juliaca-Puertos del Pacífico Corridor

Country

Peru (Brazil)

Executing entity

Government of Peru

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 - 06/25/07

This project is part of the development of the South Interoceanic Hub in Peru, which takes into consideration the improvement, refitting and maintenance of the road sections that make up the corridor (2,586 km long). It links Peru border with Brazil (States of Acre and Rondonia) to the ports in the Pacific (Ilo and Matarani).

On June 23rd, 2005, the *Buena Pro* was given to the sections: 2, 3 and 4. Sections 1 and 5 are still pending.

In the concessioned sections, works related to traffic conditions are being performed and paving works related to the first stage have been started (328 km in 12 months).

Progress until May 31st, 2007 are the following:

Section 2: Urcos - Inambari: 38.5 km paved

Section 3: Inambari - Iñapari: 51.36 km paved

Section 4: Azángaro - Inambari: 37.23 km paved



Bridge over the Acre River

Type of project

Transport/Bridge

Total estimated investment

US\$ 12 millions

Financing sources

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

Modality

Public

Expected completion date

Bridge: Concluded - January of 2006





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

National Coordinator

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Bridge over the Acre River

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 - 04/17/07

Bridge inaugurated on January 21st, 2006.

On the same date, a 2 km-access and complementary works were also ended in the Brazilian side.

The access and Border Center in the Peruvian side are in phase of definition.



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

Type of project

Transport/Bridge

Total estimated investment

US\$ 3.3 millions

Financing sources

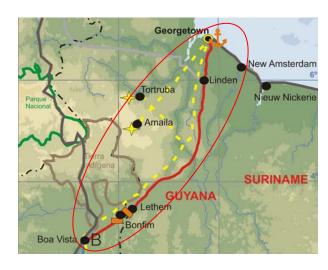
IDB or other international financial organizations

Modality

Public

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

National Coordinator

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

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 - 06/15/07

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. Funding is approved.

The beginning of the studies this anticipating for end of June.



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

January of 2008





Integration Hub

Guianese Shield

Group 2

Brazil-Guyana Interconnection

Countries

Brazil - Guyana

Executing entity

Brazilian Army Engineers

National Coordinator

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Bridge over the Takutu River

Objective

To develop an interconnection of the road systems in Brazil and Guyana in order to cover traffic and trade exchange needs between both countries, benefiting neighboring towns (drainage of the regional production to other markets).

Proposed solution

Building of an international road bridge over Takutu River, that links Bonfim, in Brazil to Lethem, in Guyana (230 kilometers and 14 m long, including the left-hand lane in the respective accesses. That work is included in the layout of the BR-401 (Boa Vista/Bonfim/Normandia), a Brazilian federal road in the State of Roraima.

Current situation - 05/30/07

On February 22nd, 2007, the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) awarded the Installation License. The budget for 2007 includes R\$ 4,8 millions for the works related to the bridge. On February 23rd, 2007, the 6° BEC started the preliminary services of topographic analysis and oil field analysis as laboratory trials. The works restarted on March 5th, 2007 and their completion is estimated within 300 days, that is to say, up to January 5th, 2008. However, depending on the situation regarding the built part of the bridge, there possibilities to complete the works 60 days earlier (end of October or start of November 2007).

According to what is established by the Customs Regulations, Ruling N $^{\circ}$ 1.923, dated: March 28th, 2007, published in the DOU on April 2nd, 2007, the ANTT opened the border crossing located in Bonfim for international traffic.

On April 24th, the works destined to cover the superstructure with cement were started. The works are in progress.

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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 section 2 (San Martín de Turumbamg – Linden) has been granted financing for the prefeasibility and environmental impact study by the CAF, within the framework of a Loan Agreement.

Modality

Public

Expected completion date

December of 2008

Ciudad Guayana Upata El Caliao Tumeremo VENEZUELA San Martin de Turumbang Eterinbang Bartica New Amsterdam Parque Nacional Canaima Orealca Zanderio Brokopondo



Integration Hub

Guianese Shield Hub

Group 3

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

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

Objective

To 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 stage a pre-feasibility study and environmental impact on San Martín Turumbamg-Bártica stretch based on the existing preliminary layout, this stretch Venezuela and Guyana in which the definitive layout will be developed, presenting alternative roads (at least 2). Their comparative technicaleconomical 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).

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

Proposed solution (cont.)

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: Manaos-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 – 04/17/07

In June 2004, in Georgetown, Guyana, it was held the Third Meeting of the Technical Committee of the Road Hub (Group 3), which will link Venezuela and Guyana. The delegation from Venezuela provided the Terms of Reference to revise and analyze the prefeasibility and environmental impact study related to the Road Hub: Tumeremo-Georgetown and expressed its agreement with the road of the proposed hub. The delegation from Guyana defined the river crossing points in the proposed road. There was agreement regarding the road and location of the bridges. The Technical Commission of Guyana informed that there is a basic agreement on the main elements expressed in the Terms of Reference received. The development of the project is in the stage related to the transfer of resources to the Caribbean Development Bank (Banco del Desarrollo del Caribe or BDC). Once the trust is signed and once the resources are transferred to the BDC, the binational technical commission will be made up to start the international credentials tender, which will allow to select the consulting company or firm that will perform the study.

After fulfilling the aforementioned requirements, it is necessary to perform the prefeasibility 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 to connect it to the existing and future infrastructure.

In February 2006, Venezuela received from the Government of Guyana a counterproposal regarding the Terms of Reference for the performance of the prefeasibility and environmental impact study of the Road Hub: Tumeremo-Georgetown, which are being revised by the Technical Commission of Venezuela.



Improvements in Nieuw Nickerie-Paramaribo-Albina Leg 29 and International Bridge over the Marowijne River

Type of project

Transport/Road

Total estimated investment

US\$ 105 millions

Financing sources

IDB, EU and private financing

Modality

Public/Private

Expected completion date

January of 2012





Integration Hub

Guianese Shield Hub

Group 4

Guyana-Suriname-French Guyana-Brazil Interconnection

Countries

Guyana - Suriname

Executing entity

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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 - 06/22/07

The prefeasibility study was completed in February 2007. The feasibility and environmental impact studies will be carried out during the second semester of 2007 with resources from IDB, the European Union and the French Agency for Development.

Negotiations between the European Economic Community and the Government of Suriname aimed at the improvement of the terminal and the ferry that link Suriname and French Guyana.



30 Exports through Postal Services for SMEs

Type of project

Communications

Total estimated investment

US\$ 2.5 millions (AR, EC, PE, UR)

Financing sources

World Bank (PAMC-Peru), IDB, **FONPLATA**

Modality

Public/Private

Expected completion date

December of 2009



Integration Hub

All Hubs

Países

Regional Project. At present, the project is under different progress levels in Argentina, Ecuador, Peru and Uruguay.

Órgano ejecutor

Regional level

UPAEP - Unión Postal de las Américas, España y Portugal (Postal Union of the Americas, Spain and Portugal)

Government of Brazil (Ministry of Communications and ECT-Correios)

National level

The project is being implemented through work groups in AR, EC, PE and UR with the participation of governmental institutions in charge of the Customs, the Post Office, Foreign Trade, Communications and MIPYMES.

Project Manager

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Exports through Postal Services for SMEs

Objective

Incorporation of the South American micro, small and medium-sized enterprises (MIPYMES, in Spanish) into the international market, which contributes to enhancen competitiveness and sustainable growth of the region, through the implementation of a Simplified Exports System for Postal Delivery.

Proposed solution

The implementation of the project, at a national level, has the following steps:

First stage: Institutional shaping

- (1) Shaping of a work group for the implementation of the project;
- (2) Development of a pre-diagnosis mission to study the feasibility of the implementation of the project;
- (3) Articulation of the country with the regional project team that seeks financing;
- <u>Second stage</u>: Implementation
- (1) Design of the system to be implemented in each country;
- (2) Development of a simplified mechanism in Customs for the exports activities carried out through postal delivery;
- (3) Implementation of the service in the public postal operator based on the simplified mechanism;
- (4) Launching of the new service and training for the MIPYMES that will use the system.

Current situation - 06/20/07

Regional level

In the VIII meeting of the CDE (December 2006), UPAEP was appointed as regional manager of the project. Actions derived from the performance of this function will be developed with the technical support of the Government of Brazil.

During the first semester of 2007, it was developed a technical cooperation with IDB/FOMIN (US\$ 1.5 M) for the implementation of the project in Peru and Uruguay and some components in Argentina, Bolivia and Ecuador.

The RTC IDB-FOMIN was approved on June 20th, 2007.

National level

<u>Awareness</u>. During last year, awareness activities have been performed in AR, BO, EC, PE and UR. These activities allowed to strengthen the institutional conformation stage of the project in each country.

<u>Pre-diagnosis</u>. In February 2007, the pre-diagnosis mission of the project was developed in Uruguay, which resulted in a preliminary evaluation of the implementation feasibility of the project. The pre-diagnosis for Argentina is planned for July/August 2007.

<u>Implementation</u>. At present, the design of the simplified model to be implemented is being developed in Peru. For July/August, the pilot start-up of the service is planned in 15 offices of the public postal operator.

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Implementation of a Roaming Agreement in South America

Type of project

Communications

Total estimated investment

US\$ 0.4 millions (studies)

Financing sources

IDB

Modality

Public/Private

Expected completion date

December of 2010



Integration Hub

All hubs

Countries

Regional

Executing entity

Regional level

Ministry of Communications of Brazil

Project Manager

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Implementation of a Roaming Agreement in South America

Objective

Integration of the South American countries through the mobile phone services. The specific objective of the project is to create the necessary and favourable conditions for the signing of roaming agreements among the mobile phone operators in the countries member of the IIRSA.

Proposed solution

The signing of agreements by the countries will seek to make the regulatory, tax and procedural aspects compatible in order to facilitate the implementation of the international roaming system among the mobile phone operators in the South American continent. At the beginning, the project had 6 (six) stages:

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

Current situation - 06/15/07

At the beginning, a pilot project was planned the Brazilian Peruvian between and gobivernments in order to study technically and solutions economically viable the implementation of а binational roaming agreement. Lessons learned from this pilot implementation would be taken into consideration to be applied in South America.

In a first stage, an intention protocol was signed between both governments in order to start the implementation of the pilot project. However, there has not been significant progress during last year.

In order to give some new incentive to the project, the team is developing a technical cooperation, which will be financed by the IDB (US\$ 0.4 M), for the performance of a regional study that solves technical, administrative, tax and legal obstacles that hinder regional roaming at present. The study will allow to establish a new work plan for the project.

As a complement, a regional forum on South American roaming is being organized. It will be held by the end of 2007.

<u>Note</u>: Up to now, critical stages have not been identified.

TECHNICAL COORDINATION COMMITTEE



Inter-American Development Bank



Corporación Andina de Fomento



Financial Fund for the Development of the Plata Basin