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INICIATIVA PARA LA INTEGRACION DE LA INFRAESTRUCTURA REGIONAL SURAMERICANA



INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA

Tenth Meeting of the Executive Steering Committee

December 4th and 5th, 2008
Cartagena de Indias, Republic of Colombia

MINUTES

1. On December 4th and 5th, 2008, the Tenth Meeting of the Executive Steering Committee (CDE, in Spanish) was held in the city of Cartagena de Indias, Republic of Colombia, to analyze the achievements and advances of the IIRSA during 2008, within the framework of the four strategic lines of action for 2006–2010, to outline the orientations for the Initiative in the medium term and to draw up the Action Plan for 2009. The list of the participating delegations and observers is included in Annex 1.
2. The meeting was opened by CDE President Ms. Carolina Rentería, General Director of the National Department of Planning of the Republic of Colombia; Alicia Ritchie, General Manager of the Department of Andean Countries of the Inter-American Development Bank; Antonio Juan Sosa, Vice President of Infrastructure of the Andean Development Corporation (Corporación Andina de Fomento –CAF, in Spanish); and Roxana Yberengaray, President of the Executive Board of the Financial Fund for the Development of the Plata River Basin (Fondo Financiero para el Desarrollo de la Cuenca del Plata –FONPLATA, in Spanish), in representation of the Technical Coordination Committee (Comité de Coordinación Técnica -CCT, in Spanish). The speeches by the aforementioned authorities are attached as Annexes 2, 3, 4 and 5.
3. During the inauguration of the technical work session, CDE President Ms. Carolina Rentería underscored the achievements of the IIRSA during 2008 in relation to the implementation of strategic infrastructure projects for physical integration in the region, as well as the progress regarding territorial planning, and sectoral integration and outreach processes of the Initiative. She also emphasized the importance of the events that have been carried out, such as the Workshop on Successful Cases and the positive outcome of the Leadership Forum.
4. At the beginning of the session, the meeting's agenda was approved and is included as Annex 6.

5. Afterwards, Mr. Pablo Genta Buzzetti, National Coordinator of Uruguay and National Director of Transportation, introduced the main results and developments of the IIRSA regarding the integration projects for physical infrastructure in South America.

5.1 From the revision process of the IIRSA Portfolio and the AIC (in Spanish) (Implementation Agenda Based on Consensus), the following points were observed: (i) the IIRSA Project Portfolio 2008 includes 514 projects distributed into 47 Groups of Projects with an estimated investment of 69 billion dollars, (ii) almost 70% of this Portfolio presents concrete progress, of which 10% of the projects are completed (7.506 billion dollars), 38% of the projects are under implementation (30.728 billion dollars), 20% of the projects are in the preparation stage (17.383 billion dollars); and (iii) the projects that make up the AIC involve an estimated total investment of 10.19 billion dollars and, of the 31 projects that comprise it, 10 are under preparation, 19 are in progress, and two (2) are completed.

5.2 The delegation from Colombia mentioned that the San Francisco-Mocoa detour of the Pasto-Mocoa project has the support of IDB (Inter-American Development Bank or BID, in Spanish) for the completion of environmental studies. The license for those studies is pending.

5.3 The delegation from Paraguay informed that the project called “New Bridge: President Franco Port-Porto Meira and Paraguay-Brazil Border Center” will be launched in late 2009 and completion is expected in four (4) years. The strategic importance of this AIC project was especially emphasized, as it will mean significant benefits for both of the countries that are directly involved, as well as for the neighboring nations of Argentina, Bolivia, Chile, and Peru.

6. Next, the National Coordinator of Uruguay addressed the topics related to outreach. With regard to this topic, the products developed during 2008 were presented: the redesign of the initial page of the web site of the Initiative, the updating of the IIRSA Project Database, the performance of the First Forum on Leadership for the Integration of South America and two new video documentaries on the projects: Pasto-Mocoa-Puerto Asís road and the Inter-oceanic corridor, section: Chile-Bolivia. Additionally, the performance of a series of Workshops on Outreach was highlighted. Said workshops were carried out by the National Coordination of Peru.

6.1 In reference to the project database, the significant progress achieved in 2008 in updating the information on the 514 projects was highlighted. It also was mentioned that the improvement of computer tools and public availability of the project database is expected for the next year.

6.2 The delegation from Bolivia proposed the creation of a new Integration and Development Hub, traced longitudinally from the Pacific to the Caribbean. In this area, there are already infrastructure projects in progress, worth more than two (2) billion dollars (2,000 million dollars, in Spanish). The potential of this area, the magnitude of the investment made, and the vocation of integration

determine the need to corporate this Hub into the Initiative. The delegations expressed their support for an evaluation of the proposal, pursuant to the procedures and methodologies established in the Initiative.

- 6.3 The delegation from Suriname informed that their government has made significant progress towards implementing the projects of the AIC, which refer to the first East-West connection. The delegation described the progress made in the following projects: (i) 31 km road project for the road from to the South-Drain ferry terminal toward the border of Guyana is in execution. This project is funded by a European Union grant; (ii) 140 km road project from the east part of the first East-West Meerzorg-Albina connection to be funded by IDB, AFD, the European Union and the Netherlands. The project is in the phase of preparing tender documents for execution; (iii) 52 km road project between Monkshoop-Boskamp is under construction. The form of financing is public-private funding, which is a Design-Construct and Finance contract; and (iv) a consultant is doing a study of the bridge across the Marowijne River.
 - 6.4 The delegation from Argentina mentioned that an AIC 2 construction process is planned for next year. The methodology to be used for this construction process should be based on consensus among countries and aimed at the criteria for selecting the same. The 2009 Work Plan calls for development of the aforementioned methodology.
7. After that, the topics related to planning and sectoral processes were addressed. Said topics were presented by Mr. René Cortés Forero, National Coordinator of Colombia and Director of Infrastructure and Sustainable Energy. As regards planning, the following activities carried out in 2008 were emphasized:
- 7.1 Methodologies for Environmental and Social Assessment with a Strategic Approach (EASE, in Spanish): application of the EASE Methodology was completed in the pilot case of the Group of Projects 6 of the Andean Hub and five (5) regional workshops were conducted to train professionals from the governments of the 12 South American countries in the methodology.
 - 7.2 Methodologies for Productive Integration and Logistics (IP-Lg, in Spanish): in August 2008, application of the methodology and training of the teams from Brazil and Paraguay in the Group of Projects 3 of the Capricorn Hub was begun. The Delegation of Paraguay gave a brief explanation of this process. In December 2008, the application of the methodology and training of the teams from Bolivia, Chile, and Peru in the Group of Projects 5 of the Central Inter-oceanic Hub will be started.
 - 7.3 Course on Development and Integration of Regional Infrastructure in South America: in conjunction with the CEPAL (ECLAC, in English), the CCT conducted, in October, a course on Development and Integration of Regional Infrastructure in South America aimed at officials from the 12 governments in South America. The goal was to level knowledge and to give the officials

involved a perspective of the political economy of the problems generated by the development of infrastructure integration.

- 7.4 Methodologies of Assessment of Transnational Projects (PTI): the methodology of assessment of transnational projects was carried out, which seeks to discriminate costs and benefits among the participating countries based on criteria of objectivity, transparency, replicability, and cost-effectiveness of the assessment. The methodology was applied to one of the projects of the IIRSA Portfolio (the road connecting Santa Cruz-Cuiabá) and, in the course mentioned in 7.3, the results and preliminary conclusions regarding the assessment techniques applied were presented.
- 7.5 GeoSUR program: public access to the Regional Maps Service (SRM, in Spanish) was made possible; it contains 40 regional maps and 65 pre-printed IIRSA projects maps, IIRSA digital road maps, population centers, ports, airports, and an automatic link to the IIRSA Project Database.
8. Next, the topic of Integration Sectoral Processes (Procesos Sectoriales de Integración – PSIs, in Spanish) was addressed.
- 8.1 Financing Instruments: Particular emphasis was placed on the importance of the funds for the preparation of the IDB, ADC and FONPLATA projects as instruments to support the integration process in South America and to join the countries regarding the building of a common vision in order to make progress in complex projects. Currently, by means of the technical cooperation funds, projects related to ports, airports, roads, waterways, railways, border crossings and border integration crossings are being prepared.
- 8.2 Facilitation of Border Crossings: in terms of border crossings, the progress made in the following studies was emphasized: facilitation of border crossings between Colombia and Ecuador, border crossings in Bolivia, optimization of the Cristo Redentor border crossing, and river borders between Ecuador and Peru. In terms of border integration, the following studies in progress were mentioned: Clorinda-Metropolitan area of Asuncion Node, Ñeembucú-Bermejo River Node, Argentina-Chile connectivity, and the Plan for Border Development between Argentina and Bolivia. The Delegation of Argentina explained the progress achieved with respect to the aforementioned studies.
- 8.3 Mr. Jorge Ceballos, Vice Minister of Transportation and Public Works of Ecuador, provided an explanation of the alternatives for connecting its hinterland to the coastal zone, describing two main alternatives, one in the northern region (using the Napo river) and another in the southern region. The latter is the one that presents, in principle, greater feasibility and presupposes the connection between Morona port and Bolívar port, on a road 500 km long already existing in the Ecuadorian territory. The regional physical integration into Peru and Brazil needs the analysis of the navigability of the Morona River between Morona port and the Marañón River. The delegation from Ecuador

requested the collaboration of the IDB to conduct a study on this subject. The IDB showed willingness to support this development and, therefore, required a joint request from Ecuador and Peru. The Delegation of Peru took note and agreed to provide a response. The map of Ecuador is presented as Annex 7. On the other hand, the Delegation of Ecuador invited the Delegation of Peru to support the steps taken in Peru to establish a CEBAF (Bi-national Border Attention Centre) on the Napo River on the Nuevo Rocafuerte/Cabo Pantoja border. The Delegation from Peru took due note of the suggestions put forth by the Delegation from Ecuador.

- 8.4 The delegation from Colombia has already requested technical assistance from the IDB to study the navigability of the Putumayo River in the Colombian-Ecuadorian section. The delegation from Ecuador reported that they will send the corresponding request to the IDB in the short term.
 - 8.5 Project of Agreement for South American Roaming: the following activities were carried out: (i) completion of the IIRSA-CITEL (Inter-American Telecommunications Commission of the OAS) workshop, (ii) the Regional Study of the South American Roaming Services Market was begun, and (iii) the first GTE of the Project of Agreement for South American Roaming was conducted to present the first phase of the study and define the guidelines for the action plan for 2009-2010.
 - 8.6 Exports through Postal Services for PyMEs (Medium and Small-sized Companies): over the course of the year, the following milestones were highlighted: consolidation of the Project Guide; monitoring visit to Peru (February); First Training Course for consultants (March); Pre-diagnosis in Ecuador (March-April); start of implantation in Uruguay (May); pre-diagnosis in Colombia (September-November). The Project is currently being implemented in Brazil and Peru; Colombia has signed the memorandum of understanding for implementation; Uruguay is in the final stage of implementation, Argentina, Ecuador and Venezuela completed the pre-diagnosis stage; and Bolivia and Chile initiated the process and will move forward with the Project as of 2009.
 - 8.7 Intergovernmental cooperation: in this area, the First Workshop on Successful Cases took place, which helped initiate a process for countries to share their successful experiences and generate spaces for intergovernmental technical cooperation and support for the development of the infrastructure in the region.
9. The presentation on the Achievements and Progress of the IIRSA in 2008 is included as Annex 8.
 10. Next, Ms. Graciela Oporto, National Coordinator of Argentina and Subsecretary of Territorial Planning of Public Investment, made a presentation that started a discussion about the future of the IIRSA and its relationship with the UNASUR. The contents of this presentation correspond to previous work done by the National Coordinators in

2008, based on the questionnaire sent by the National Coordinator of Colombia to the countries, the results of which were agreed on during the Meeting of National Coordinators in November. This presentation is included as Annex 9.

- 10.1 The delegation from Bolivia proposes the enrichment of the vision and the strategic guidelines of the IIRSA through the following initiatives: (i) thinking of South America as an economic-social block; (ii) infrastructure as a service related to production complementariness; (iii) greater socialization of the IIRSA and greater willingness to participate; (iv) membership to the UNASUR; and (v) entity initiative that outlines productive complementariness. The delegations considered it convenient to analyze the proposal during 2009. This proposal is included as Annex 10.
- 10.2 Recognizing the progress achieved in IIRSA, and considering the importance of lending continuity and full support to the work developed by the countries within this working framework, and considering the appropriateness of channeling this effort through UNASUR, the Executive Steering Committee calls on the 2009 Pro Témpore Presidency and Vice Presidencies of IIRSA to propose the creation of a UNASUR Council of Infrastructure and Planning Ministers on the Planning and Development of South American Infrastructure Integration, for which IIRSA shall serve as the technical executive forum, based on the guidelines that might be put forth by that Council.
- 10.3 The Delegation of Venezuela proposed the creation of a permanent liaison group between IIRSA and the UNASUR Working Technical Group on Energy Integration (GTE, in Spanish) to exchange information relative to the infrastructure projects of both groups, so as to guarantee the consistency and complementary nature of both portfolios.
11. Following, the country that will hold the Presidency of the IIRSA Executive Steering Committee (CDE) in 2010 was selected. It was unanimously agreed that the Republic of Brazil will carry out that function. Thus, the Argentine Republic will hold the Presidency of the Initiative during 2009, while the two Vice-Presidencies for that same period will be held by the Republic of Colombia and the Republic of Brazil.
12. Next, the elected Presidency of the CDE, through Mr. Roberto Baratta, Vice Minister of Federal Planning, Public Investment and Services of Argentina, on behalf of the Minister Julio De Vido, presented the guidelines foreseen for its term. His speech is included as Annex 11.
13. The delegations approved the Action Plan for 2009 and the preliminary activities schedule, which is included as Annex 12.

14. The national delegations extended their thanks and recognition to the Republic of Colombia for leading the Initiative during the year it held the Presidency and the CCT for its work in 2008. The delegations wish the Republic of Argentina great success during the course of its Presidency.

Cartagena de Indias, December 5th, 2008

ANNEXES

- Annex 1: List of Participants and Observers
- Annex 2: Speech by Ms. Carolina Rentería, General Director of the National Department of Planning of the Republic of Colombia
- Annex 3: Speech by Ms. Alicia Ritchie, General Manager of the Department of Andean Countries of the Inter-American Development Bank - IDB
- Annex 4: Speech by Mr. Antonio Juan Sosa, Vice President of Infrastructure of the Andean Development Corporation - CAF (Corporación Andina de Fomento)
- Annex 5: Speech by Ms. Roxana Yberengaray, President of the Executive Board of the Financial Fund for the Development of the Plata River Basin - FONPLATA (Fondo Financiero para el Desarrollo de la Cuenca del Plata)
- Annex 6: Agenda of the Meeting
- Annex 7: Map of Ecuador
- Annex 8: Presentation on Achievements and Progress of the IIRSA in 2008
- Annex 9: Presentation of the delegation of Argentina
- Annex 10: Proposal of the delegation of Bolivia
- Annex 11: Speech by the Vice Minister and Subsecretary of Coordination and Control of the Ministry of Federal Planning, Public Investment and Services of Argentina, Mr. Roberto Baratta
- Annex 12: Action Plan for 2009