



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

### **Second Meeting of the Executive Steering Committee**

9-10 December, 2001  
Buenos Aires, Argentina

### **MINUTES OF THE MEETING**

1. The Second Meeting of the Executive Steering Committee (CDE) was held in Buenos Aires on December 9 and 10, 2001 in order to analyze the progress of the Initiative for the Integration of Regional Infrastructure in South America (IIRSA), and to define the necessary actions for its future deepening and direction to be taken. The list of participating delegations and observers is attached (Annex 1).
2. The opening ceremony of the Meeting was conducted by the Minister of Infrastructure and Housing of the Argentina Republic and President of IIRSA's Executive Steering Committee, Mr. Carlos Manuel Bastos, and Mr. Enrique V. Iglesias, President of the Inter-American Development Bank (IDB), Mr. Enrique García, President of the Andean Development Corporation (CAF), and Mr. Roberto Antonio Mori, Chief Executive Director of the Financial Fund for the Development of the River Plate Basin (FONPLATA), in representation of the Technical Coordination Committee (CCT).
3. The technical work session began with approval of the agenda (Annex 2). Thereupon, the representative of the Technical Coordination Committee (CCT) reported on the progress made to date within the framework of the Initiative, mainly: (i) launching of four Technical Groups (Andean Hub, Brazil-Bolivia-Paraguay-Chile-Peru Hub, Mercosur-Chile Hub and Normative Frameworks of Energy Regional Markets); (ii) holding of National Intersectoral Meetings in the ten countries that participate in the mentioned Hubs, with the purpose of identifying specific and sectoral projects, normative and regulatory frameworks, sectoral plans at national level as well as the expectations of the governments as to their participation in the respective Hubs; (iii) the structure of a multinational and multisectoral network to implement and work with the Initiative, including representatives of the governments and multi-lateral banks that participate in the CCT; (iv) setting up Data and Information Banks for the energy, transport and telecommunications sectors, available both in CD-ROM and IIRSA's Web Page ([www.iirsa.org](http://www.iirsa.org)); (v) establishing the CCT Secretariat as focal point of liaison with governments to coordinate and propel the Initiative; and (vi) carrying out promotional and informative activities on the Initiative at intra-government meetings, with the private sector, trade unions, international institutions, and

academic institutions and universities. As part of the presentation, the Managers of the aforementioned GTEs gave a report of the progress made by these groups since the beginning of the technical work, as well as of the results expected for 2002. The GTE Managers' reports are attached as Annexes 3, 4, 5 and 6.

4. During the evaluation session of the Delegations on the progress made by IIRSA, several comments stood out regarding the need to examine the interaction between the macro-economic and social priorities and the need to invest in infrastructure. The Delegations suggested that the expense of maintenance and repairs of infrastructure not be accounted for at the time of determining the deficit benchmarks in the agreements with the International Monetary Fund (FMI), the World Bank, and the IDB. Likewise, a percentage of the expenses in infrastructure investment related to integration processes should be given a special treatment in the calculation of the deficit. On the other hand, it was requested that the approach to the subject of electric interconnections be analyzed as a whole for the entire region, beyond the existence of sub-regional systems. At the same time, emphasis was put on the need to identify, during 2002, a series of projects aimed at consolidating the effective launching of the Initiative, with a projective view for the long term. Finally, the need to take into account the relevance of the internal regions of the countries and border areas was pointed out, in order to strengthen motivation regarding integration of the infrastructure.
5. CCT presented a series of proposals on the future activities of the Initiative in regard to the methodological working schemes of the GTEs, the implementation of new Hubs for Integration and Development and Sectoral Integration Processes and a Schedule of IIRSA's Activities for 2002.
6. During the Delegations' analysis of these proposals, consideration was given to the advisability of beginning the works of the Porto Alegre-Asuncion-Jujuy-Antofagasta Hub during the first semester of 2002; the Neuquen-Concepcion Hub would be dealt with in the scope of the GTE MERCOSUR-Chile Hub. At the same time, emphasis was put on the need to proceed with the formulation of a strategic vision for the Initiative in view of its importance as a key element for the planning of investments. Finally, there was wide consensus regarding the need to advance with the initiation of the sectoral process on Financial Instruments during the first quarter of 2002, considering the importance given to the examination of mechanisms of participation of the private sector in the development of the infrastructure, as well as the analysis of alternate instruments by the public sector of the region. The documents containing the GTEs Methodological Working Scheme and the Schedule of Activities for IIRSA 2002, approved by the CDE, are presented in Annexes 7 and 8.
7. As to the implementation of new GTEs for the year 2002, approval was given for the initiation of the Brazil-Guyana-Suriname-Venezuela Hub for the first semester of said year. Likewise, the Bolivian Delegation proposed its inclusion in the GTE

for the Peru-Brazil Hub; the Brazilian Delegation accepted this proposal, and the Peruvian Delegation will analyze it further.

8. CDE approved the proposals presented by the delegates that the next two meetings of CDE be held in Brazil and Venezuela; in Brasilia in June 2002 and in Caracas in December 2002. Following the guidelines of CDE, the Presidency will be held by the Government of Brazil and the Vice-Presidencies by the Governments of Argentina and Venezuela, for the term January 1-June 30, 2002. For the second semester, the Presidency will be held by the government of Venezuela and the Vice-Presidencies by the Government of Brazil and the Government that will organize the V Meeting of CDE. The third CDE Meeting in Brasilia will focus on the analysis of modes for the participation of the private sector in regional infrastructure financing.
9. The Delegations expressed their thanks to the Argentine Delegation and their satisfaction for the development and results of the Meeting.

Buenos Aires, December 10<sup>th</sup>, 2001