



VI Meeting of the Executive Steering Committee

23 – 24 November, 2004

Lima, Republic of Peru

2004 Project Portfolio

INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA



Project Portfolio Structuring IIRSA Territorial Planning

IIRSA made important achievements regarding Integration and Development Hubs during the 2004 period:

1. The organization of the South American territory was consolidated under the Integration and Development Hub's vision, deepening the linkage between projects and their environments and achieving a better logistics for investments.
2. An indicative territorial planning process was developed, thus allowing the identification of project groups with a greater impact than expected in relation to sustainable development in their areas of influence.
3. A project portfolio was set up under a regional perspective, shared among the 12 countries of the region.



Indicative Territorial Planning

General Achievements

The direct linkage to infrastructure needs of the different areas with their current and/or potential economic-productive, social and environmental characteristics under a shared regional view.

A wider understanding of each project group's contribution to sustainable development and the identification of synergies and/or better logistics of the set of investments, which will allow a specific linkage of integration strategies in each country to projects in their area, thus giving the process a territorial dimension and a common geo-economic view.

The inclusion of common guidelines to move forward in designing a shared territorial intervention strategy among the countries, being the objective of which is to enhance competitive advantages of a productive and/or commercial nature in South American regions, within the context of world economy.

Indicative Territorial Planning Specific Achievements

- ▶ To review and validate project groups of the Initiative's IDHs.
- ▶ To improve the grouping's strategic functions, identifying common objectives pursued by the projects within the framework of physical integration and their direct linkage to inherent territorial aspects in their area of influence and to the pertinent IDH Business Vision.
- ▶ To arrange the project portfolio according to the strategic analysis dimensions of the Initiative, identifying project groups with the greatest impact on sustainable development in their areas of influence and those most feasible given their technical-environmental viability and/or their convergence with current policy priorities.
- ▶ To validate the proposed analytical sequence and the close relationship which exists between the South American Strategic Vision, the Business Visions of each IDH and the methodological approach applied, thus allowing their constant enrichment.



Evaluation of Project Groups

Methodological Aspects

- ▶ Unit of Analysis: the groupings, emphasizing the identification of synergies and externalities related to the implementation of integration project groups, promoting the identification of strategic impacts from a regional viewpoint, stating the linkage between the pursued integration strategy and the specific features of the economic areas involved.
- ▶ Relevant analysis dimensions: contribution to sustainable development and feasibility, two dimensions which are subdivided into specific sub-factors.
- ▶ Qualitative approach: the adopted approach has promoted a qualitative evaluation of groupings which, supported by technical elements, has promoted the search for consensus among delegations to determine expected impacts and differentiate one project grouping from another.



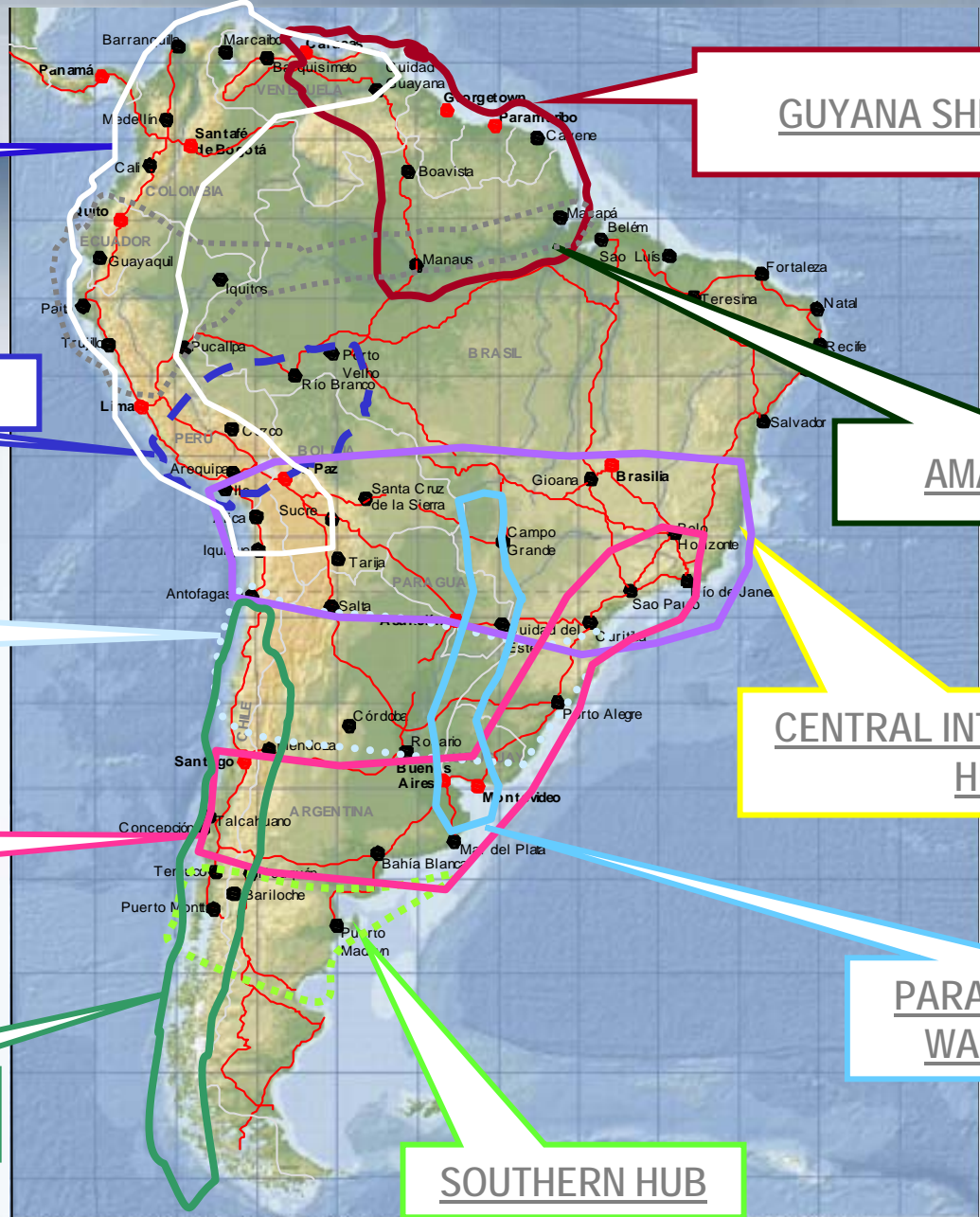
Evaluation of Project Groups

Evaluation Process

- ▶ It is worth highlighting the strong participation of countries, represented in many cases by multi-sectoral national delegations which actively interacted in the evaluation process, providing information and technical elements which allowed a comparative analysis -based on consensus- among the different project groupings of each IDH.
- ▶ This has reasserted not only the sound technical base of the evaluation results but also the working philosophy which has guided IIRSA's actions from the beginning, based on the search for consensus and technical work among the countries.
- ▶ The process of analysis and structuring of the IIRSA Project Portfolio has allowed the enrichment and consolidation of the Initiative's institutional capital.



IIRSA's Integration and Development Hubs



ANDEAN HUB

GUYANA SHIELD HUB

PERU-BRASIL-BOLIVIA HUB

AMAZON HUB

CAPRICORN HUB

CENTRAL INTER-OCEANIC HUB

MERCOSUR-CHILE HUB

PARAGUAY PARANÁ WATERWAY HUB

SOUTHERN ANDEAN HUB

SOUTHERN HUB



2004 IIRSA Project Portfolio

Integration and Development hubs	No. of Groups	No. of Projects	%	Estimated Investment (in millions of US\$)	%
Amazon	6	44	13.13	2,010.95	5.37
Andean	11	74	22.09	4,975.78	13.30
Guyanese Shield	4	32	9.55	365.87	0.98
Peru-Brazil-Bolivia	3	18	5.37	11,587.60	30.46
Interoceanic	5	44	13.13	3,305.95	8.83
Capricorn	4	34	10.15	2,030.78	5.43
Southern	2	21	6.27	1,071.75	2.86
MERCOSUR-Chile	5	68	20.30	12,076.53	32.37
TOTAL	40	335	100.00	37,424.66	100.00

Sectoral Composition

EJES	Transporte			Energía			Telecomunicaciones			Total		
		Inversión	%		Inversión	%		Inversión	%		Inversión	%
	Cant.			Cant.			Cant.			Cant.		
Eje Andino	59	2.445,65	15,57	13	2.350,80	13,79	2	0,00	0,00	74	4.796,45	14,64
Eje de Capricornio	33	1.021,93	6,50	1	237,00	1,39	0	0,00	0,00	34	1.258,93	3,84
Eje del Amazonas	41	1.866,69	11,88	2	45,00	0,26	0	0,00	0,00	43	1.911,69	5,84
Eje del Escudo Guayanés	22	273,00	1,74	7	3,03	0,02	2	0,00	0,00	32	276,03	0,84
Eje del Sur	19	811,75	5,17	2	260,00	1,53	0	0,00	0,00	21	1.071,75	3,27
Eje Interoceánico Central	41	2.827,45	18,00	1	161,00	0,94	2	4,50	100,00	44	2.992,95	9,14
Eje MERCOSUR-Chile	60	5.427,39	34,54	10	6.583,14	38,63	0	0,00	0,00	70	12.010,53	36,66
Eje Perú-Brasil-Bolivia	14	1.038,10	6,61	4	7.403,00	43,44	0	0,00	0,00	18	8.441,10	25,77
Totales	289	15.711,95	100	40	17.042,97	100	6	4,50	100	336	32.759,43	100

Sub-sectoral Composition

Sector/ Sub-sector	No. of Transport Projects	Investments (in millions of US\$)	No. of Energy Projects	Investments (in millions of US\$)	No. of Tele- communication Projects	Investments (in millions of US\$)
Roads	157	11,972.82				
Railways	25	2,691.37				
Maritime	21	1,104.59				
River	30	404.20				
Air	19	919.05				
Border Crossings	36	162.66				
Inter- connection			25	5,372.44		
Generation			15	14,672.03		
Inter- connection					6	4.50
TOTAL	289	17,254.69	40	20,044.47	6	4.50

Regional Nature

	No. of Projects	Estimated Investments (in millions of US\$)
National	240	20,066.62
Transnational	95	17,358.04
TOTAL	335	37,424.66

Legal-Financial Nature

	Private		Public		Mixed	
	No. of Projects	In millions of US\$	No. of Projects	In millions of US\$	No. of Projects	In millions of US\$
Transport	46	3,554.52	202	7,798.44	41	6,022.74
Energy	9	2,492.30	15	3,249.02	16	14,303.15
Tele-communications	4	00.00	0	0	2	4.50
TOTAL	59	6,046.82	217	11,047.46	59	20,330.39
%	16.15		29.51		54.32	



Project Cycle

	No. of Projects	
	Ongoing	Completed
Profile	14	57
Pre-feasibility	5	67
Feasibility	22	62
Detailed Engineering	27	44

Project Group Evaluation Conclusions

IIRSA was consolidated as a relevant instance for building a common agenda of actions and physical integration projects.

HISTORICAL EVENT: For the first time in South American history, an infrastructure integration project portfolio was set up under a regional vision and by consensus among the twelve South American countries.

Indicative planning on the territory has allowed countries to jointly assess economic, social and environmental impacts of the different project groups of IIRSA's portfolio.

All this allows the structuring and prioritization of investment in physical integration infrastructure in South America and the identification of indicative actions which will allow progress in high-impact project implementation for achieving the Initiative's strategic objectives (Intensive Implementation Stage).



Emphasis on the Implementation of IIRSA's Project Portfolio

- ▶ Based on the structuring of the Project Portfolio, the Initiative faces a turning point in its work and places additional emphasis on the implementation of integration projects.
- ▶ Future work requires integrated support to projects of the IIRSA portfolio and, at the same time, the selection of a set of limited strategic integration projects on which to focus the countries' and CCT's efforts to facilitate accelerated execution.
- ▶ Consequently, the proposal is to work along two lines of action:
 - (i) Actions to support the IIRSA Project Portfolio
 - (ii) Implementation Agenda based on Consensus



Emphasis on the Implementation of IIRSA's Project Portfolio

(i) General Actions to Support the IIRSA Project Portfolio

- ▶ To create an information system of the projects under execution and analysis.
- ▶ To structure dissemination actions for projects and the countries' implementation activities.
- ▶ To carry out promotion activities to attract private investment and project execution agents.
- ▶ To advise the countries on the creation of public-private partnerships and on other project funding mechanisms.
- ▶ To support pre-investment studies to speed up preparation and formulation of integration projects.
- ▶ To provide support for identifying innovative funding and guarantee mechanisms to enhance implementation possibilities for IIRSA's Project Portfolio.



Emphasis on the Implementation of IIRSA's Project Portfolio

(ii) Implementation Agenda Based on Consensus

- ▶ IIRSA intends to implement those projects that due to their characteristics the countries consider and perceive as having a high impact on the building of South American physical integration, consistent with progress achieved in the phase of IIRSA's Project Portfolio Structuring.
- ▶ The Implementation Agenda should emphasize execution of a limited set of projects and progressively include other projects of IIRSA's Portfolio, according to each project's readiness.
- ▶ Focusing on a set of a few projects allows the countries to have a greater management and execution capacity.
- ▶ The Implementation Agenda will have a special monitoring system for the projects so as to facilitate their implementation.



IIRSA in three phases

Presidential Meetings

Cusco, 2004



Implementation

Guayaquil, 2002



Plannning

Brasilia, 2000



Foundational

