



**I . I . R . S . A**

INITIATIVE FOR THE INTEGRATION OF REGIONAL  
INFRASTRUCTURE IN SOUTH AMERICA

# Indicative Territorial Planning

## IIRSA PROJECT PORTFOLIO 2004

Addendum: Progress Achieved in 2005

December 2005



## **I. Objective**

The purpose of this addendum is to summarize the progress made by the countries during 2005 concerning territorial planning and project portfolio for the physical integration of South America.

It updates and/or supplements information about regional transportation, energy and telecommunication infrastructure requirements for the short and medium terms, as agreed by the countries (“Indicative Territorial Planning – IIRSA Project Portfolio 2004”), and reflects all changes introduced in the following Integration and Development Hubs:

- ▶ Amazon Hub
- ▶ Paraguay – Paraná Waterway Hub
- ▶ MERCOSUR – Chile Hub

## **II. Summary of the progress achieved in the field of territorial planning during 2005**

During 2005, twelve South American countries and institutions of the Technical Coordination Committee (CCT) focused their actions related to the Integration and Development Hubs on five distinct courses of action:

1. Conduct a follow up of 31 projects under the Implementation Agenda based on Consensus’ – construct a baseline and collect information on critical strategic stages.
2. Develop and give online access to an Information System for the Strategic Monitoring of AIC projects.
3. Enhance the Territorial Planning Process – Update Project Portfolio.
4. Further develop IIRSA Geographic Information System.
5. Promote IIRSA’s Project Portfolio.

In particular, with regard to the territorial planning process for the physical integration of South America, the participating countries held three GTE (Executive Technical Groups) meetings with the purpose of updating regional infrastructure requirements and complete IIRSA’s project portfolio.

## **III. Update of Project Portfolio**

### ***III.1 GTE of the Amazon Hub Brasilia, April 7 – 8, 2005***

The four countries participating in this Hub (Brazil, Colombia, Ecuador and Peru) agreed by consensus the incorporation of a new project group (Group 7: Access to the Morona - Marañon – Amazonas Waterway), made up of 10 physical integration projects that account for an estimated investment of US\$ 371 million.

Such group was incorporated into the Hub by strictly observing the indicative territorial planning methodology agreed upon by the countries involved, after identifying in relative terms the impact expected from its implementation vis-à-vis the sustainable development of its area of influence as well as analyzing its feasibility.

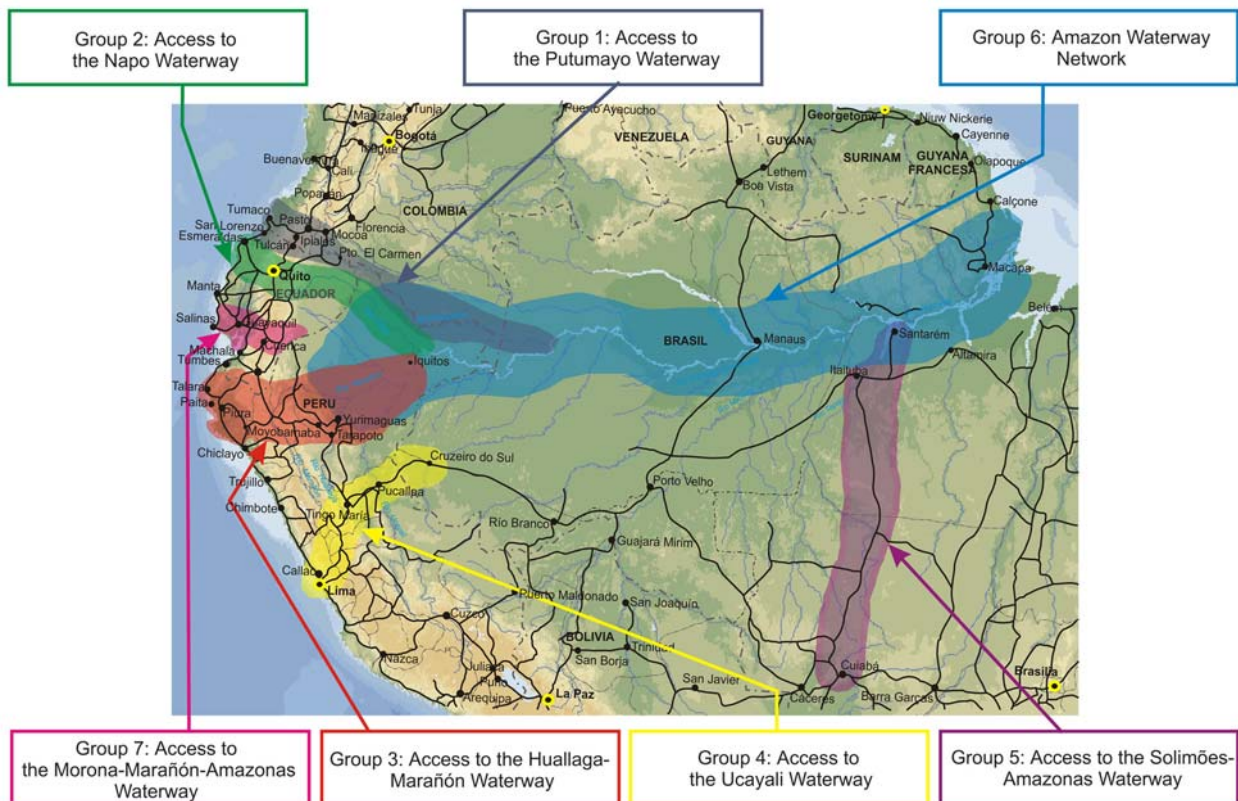
### III.1.1 Groups of Projects of the Amazon Hub

The Amazon Hub has seven groups of projects:

Groups	Countries involved
<b>Group 1:</b> Access to the Putumayo Waterway	Colombia-Peru-Brazil
<b>Group 2:</b> Access to the Napo Waterway	Ecuador-Peru-Brazil
<b>Group 3:</b> Access to the Huallaga-Marañón Waterway	Peru-Brazil
<b>Group 4:</b> Access to the Ucayali Waterway	Peru-Brazil
<b>Group 5:</b> Access to the Solimões-Amazonas Waterway	Brazil
<b>Group 6:</b> Amazon Waterway Network	Colombia-Ecuador-Peru-Brazil
<b>Group 7:</b> Access to the Morona-Marañón-Amazonas Waterway	Ecuador-Peru-Brazil

The Map below shows the geographic location and area of influence of each of the groups:

Map No. 1 – Groups of the Amazon Hub



**GROUP 7: ACCESS TO THE MORONA-MARAÑÓN-AMAZONAS WATERWAY**

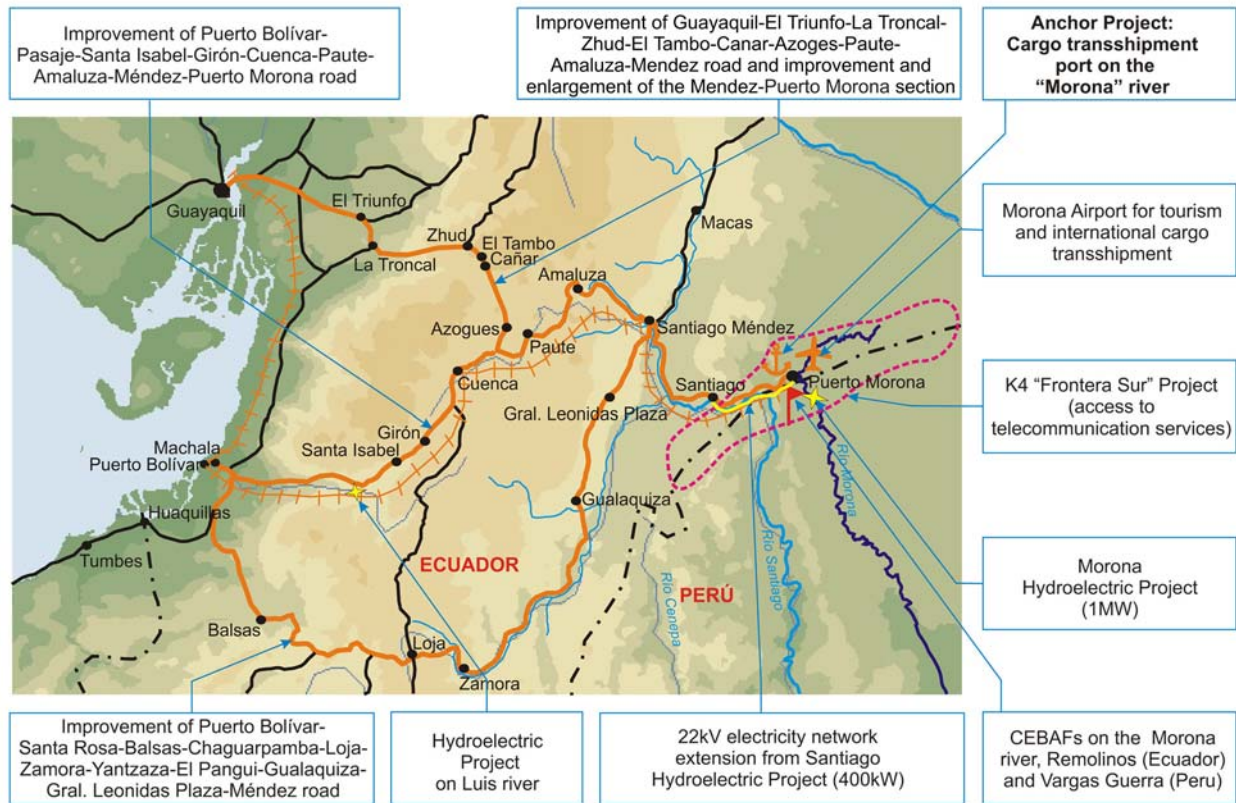
**STRATEGIC FUNCTION**

**Group 7: Access to the Morona-Marañón-Amazonas Waterway**

- To improve the logistics of national integration between the following provinces of Ecuador: Guayas, Cañar, Azuay and Morona-Santiago, as well as El Oro, Loja and Zamora-Chinchipec. To consolidate the opportunity of international integration of the southern half of Ecuador and the North-East of Peru with the Amazonas State of Brazil, through a river towards Manaus.

The Map below shows the specific geographic location of the Group's projects:

*Map No. 2 – Amazon Hub - Group 7*



The following Table shows a detail of related investments:

<i>Amazon Hub: Group 7</i>	<i>Estimated Investment (US\$)</i>
Cargo transshipment port on the "Morona" river	51,000,000
Improvement of Guayaquil-El Triunfo-La Troncal-Zhud-El Tambo-Cañar-Azoges-Paute-Amaluza-Méndez road and improvement and enlargement of the Méndez-Puerto Morona section	142,400,000
Improvement of Puerto Bolívar-Santa Rosa-Balsas-Chaguarpamba-Loja-Zamora-Yantzaza-El Pangui-Gualaquiza-Gral. Leónidas Plaza-Méndez road	87,000,000
Improvement of Puerto Bolívar-Pasaje-Santa Isabel-Girón-Cuenca-Paute-Amaluza-Méndez-Puerto Morona road	26,800,000
Morona Airport for tourism and international cargo transshipment	40,500,000
22kV electricity network extension from Santiago Hydroelectric Project (400kW)	300,000
Morona Hydroelectric Project (1MW)	2,000,000
Hydroelectric Project on Luis river	15,500,000
K4 "Frontera Sur" Project (access to telecommunication services)	3,130,000
CEBAFs on the Morona river, Remolinos (Ecuador) and Vargas Guerra (Peru)	2,000,000
<b>TOTAL</b>	<b>370,630,000</b>



### III.1.2 Project Portfolio of the Amazon Hub

The countries have agreed to include fifty-four (54) projects in the Amazon Hub for an estimated investment of US\$ 2.38 billion, such as is summarized hereafter:

Amazon Hub	Name	Number of Projects	Estimated Investment (in millions of US\$)
Group 1	Access to the Putumayo Waterway	9	104.20
Group 2	Access to the Napo Waterway	6	271.00
Group 3	Access to the Huallaga – Marañón Waterway	10	467.95
Group 4	Access to the Ucayali Waterway	7	715.10
Group 5	Access to the Solimões – Amazon Waterway	3	285.00
Group 6	Amazon Waterway Network	9	167.70
Group 7	Access to the Morona-Marañón-Amazonas Waterway	10	370.63
<b>TOTAL</b>		<b>54</b>	<b>2,381.58</b>

### III.2 GTE of the Paraguay – Paraná Waterway Hub Asunción, August 1, 2005

On the above-mentioned date, Argentina, Bolivia, Brazil, Paraguay and Uruguay, under the CCT's guidance, held the First Meeting of the Executive Technical Group of the Paraguay – Paraná Waterway Hub, with the following purposes:

- ▶ To evaluate the study on the Business Vision of the Hub, which describes the current and future economic, social, environmental and infrastructure situation of its area of influence and proposes a preliminary identification of integration projects to submit to the consideration of the countries.
- ▶ To define a preliminary project portfolio related to transportation, energy and telecommunication infrastructure.

The GTE validated the diagnosis and defined the following courses of action: a) enlargement of the Hub's area of influence, by incorporating the areas close to Tieté Paraná - Alto Paraná as well as the Uruguay river sub-basin; and b) summon to a new GTE meeting for the first semester of 2006.





### **III.3 GTE of the Mercosur – Chile Hub** **Asunción, August 2, 2005**

Based on the agreed-upon territorial planning methodology, the countries involved updated the Hub's groups as follows:

#### Group N° 2

- ▶ Modify the pattern of the group so that it should link Rio Branco – Montevideo – Colonia Corridor with Nueva Palmira and interconnect with Buenos Aires. In line with this change, the group was renamed “Porto Alegre-Argentina/Uruguay Border-Buenos Aires”.
- ▶ Modify the Anchor Project “Rio Branco-Montevideo-Colonia-Nueva Palmira Corridor” to incorporate road 21.
- ▶ Incorporate the following projects to the group: a) “Modernization of Montevideo port”; and b) “Alternatives of connection between Argentina and Uruguay”.

#### Group N° 3

- ▶ Change the project designation from “Building of a Storage Center at Pehuenche” to “Building of a Border Center for Integrated Control at Pehuenche”.

#### Group N° 5

- ▶ Incorporate the “Building of Iguazú Hydroelectric Plant” project (subject to submittance by the National Coordination of Paraguay of its technical background for approval by the rest of the countries).

#### **III.3.1 Groups of Projects of the MERCOSUR-Chile Hub**

The MERCOSUR-Chile Hub has 5 groups of projects:

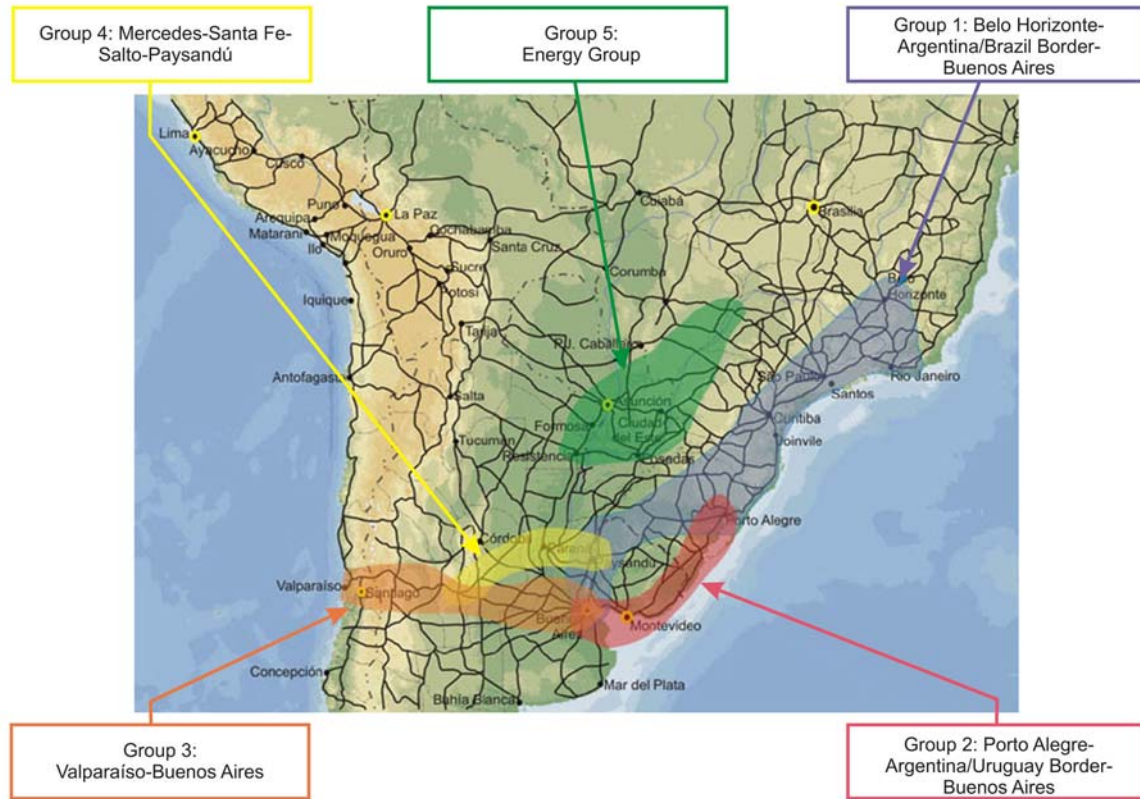
<b>Groups</b>	<b>Countries involved</b>
<b>Group 1:</b> Belo Horizonte- Argentina/Brazil Border-Buenos Aires	Argentina-Brazil
<b>Group 2:</b> Porto Alegre-Argentina/Uruguay Border-Buenos Aires	Argentina-Brazil-Uruguay
<b>Group 3:</b> Valparaíso-Buenos Aires	Argentina-Chile
<b>Group 4:</b> Mercedes-Santa Fe-Salto-Paysandú	Argentina-Uruguay
<b>Group 5:</b> Energy	All of them





The map below shows the geographic location and area of influence of each group:

Map No. 3 – Groups of the MERCOSUR-Chile Hub



## GROUP 2: PORTO ALEGRE-ARGENTINA/URUGUAY BORDER-BUENOS AIRES

### STRATEGIC FUNCTION

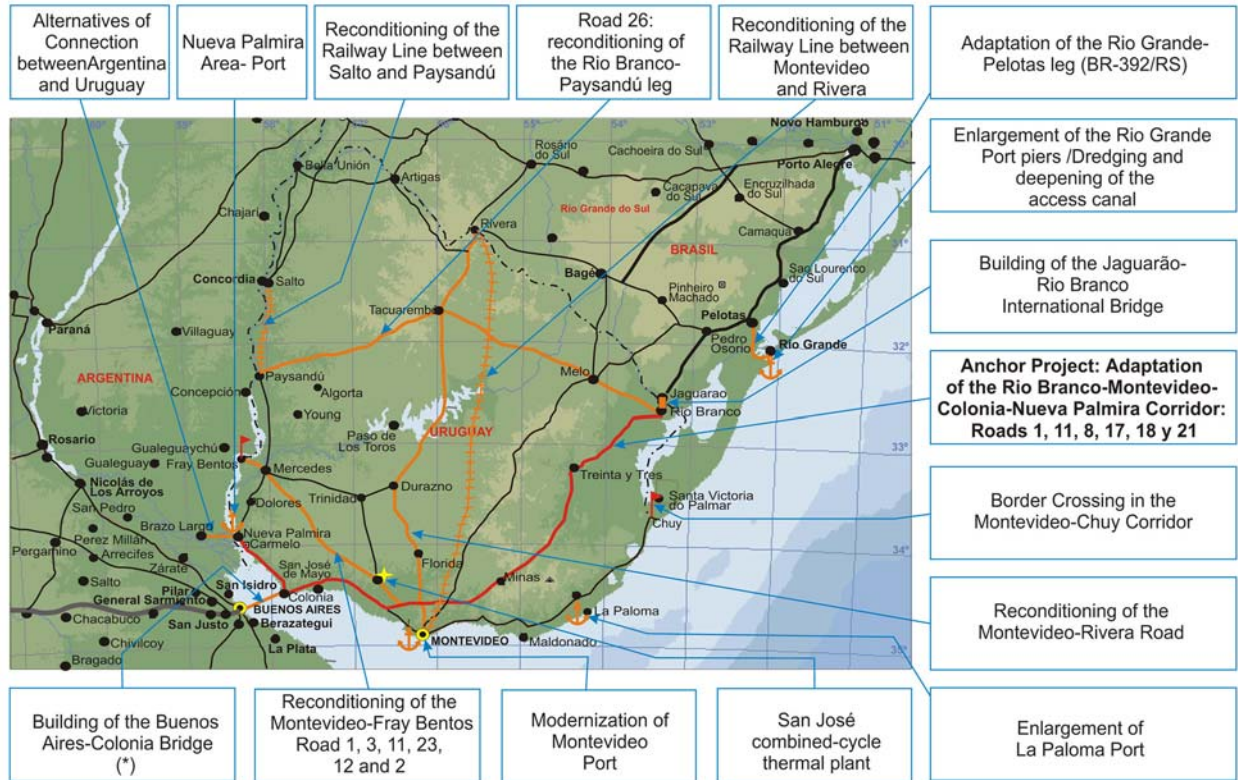
#### Group 2: Porto Alegre-Argentina/Uruguay Border-Buenos Aires

- To achieve, consolidate and improve the necessary infrastructure and logistics standards for a good performance of the Region on global markets.
- To make good use of the conditions of scale and demand in the area to attract public-private partnerships and disseminate the experience to other Hubs.
- To accelerate the integration process promoted by the Asunción Treaty.
- To optimize trade and services flows between economic centers in Argentina, Brazil and Uruguay.
- To optimize the logistics base so that the industry located in this area can reinforce its competitiveness at the global level.



There follows the specific geographic location of the Group's projects:

Map No. 4 – MERCOSUR-Chile Hub - Group 2



(\*) Execution subject to the approval of the International Treaty by both Congresses, under the terms stated therein.

The table below provides a detail of related investments:

<i>MERCOSUR-Chile Hub: Group 2</i>	<i>Estimated Investment (in millions of US\$)</i>
Adaptation of the Rio Branco-Montevideo-Colonia-Nueva Palmira Corridor: Roads 1, 11, 8, 17, 18 and 21	90.37
Adaptation of the Rio Grande-Pelotas leg (BR-392/RS)	99.00
Enlargement of the Rio Grande Port piers /Dredging and deepening of the access canal	129.31
Building of the Jaguarão-Rio Branco International Bridge	12.00
Border Crossing in the Montevideo-Chuy Corridor	No info
Enlargement of La Paloma Port	30.00
Nueva Palmira Area- Port	10.00
San José combined-cycle thermal plant	170.00
Reconditioning of the Montevideo-Rivera Road	21.84
Road 26: reconditioning of the Rio Branco-Paysandú leg	8.12
Reconditioning of the Montevideo-Fray Bentos Road 1, 3, 11, 23, 12 and 2	15.54
Reconditioning of the Railway Line between Montevideo and Rivera	54.50
Reconditioning of the Railway Line between Salto and Paysandú	9.30
Building of the Buenos Aires-Colonia Bridge (*)	800.00
Modernization of Montevideo Port	85.00
Alternatives of connection between Argentina and Uruguay	No info
<b>TOTAL</b>	<b>1,534.98</b>

(\*) Execution subject to the approval of the International Treaty by both Congresses, under the terms stated therein

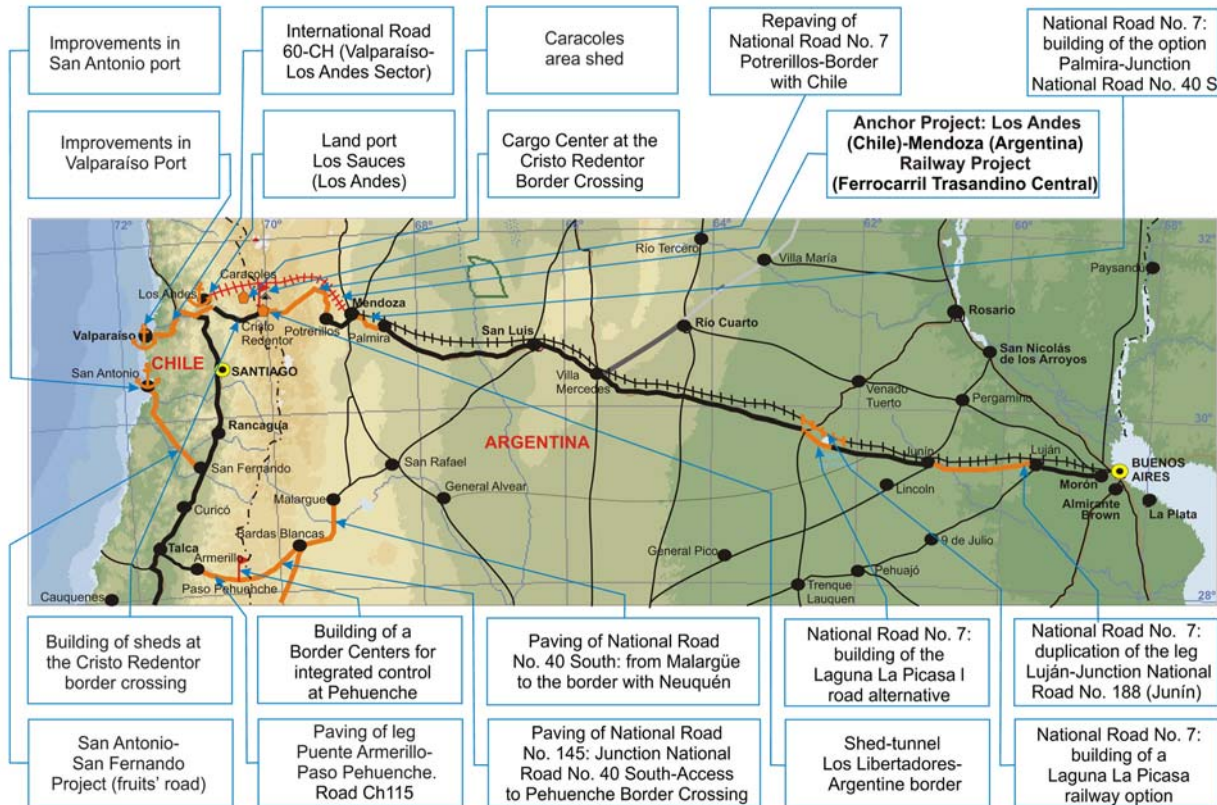
**GROUP 3: VALPARAÍSO-BUENOS AIRES**

**STRATEGIC FUNCTION**  
**Group 3: Valparaíso-Buenos Aires**

- To achieve, consolidate and improve the necessary infrastructure and logistics standards for a good performance of the Region on global markets.
- To make good use of the conditions of scale and demand in the area to attract public-private partnerships and disseminate the experience to other Hubs.
- To optimize trade and services flows between economic centers in Argentina, Brazil and Chile.
- To optimize the logistics base so that the industry located in this area can reinforce its competitiveness at the global level.
- To facilitate the fact that Chile serves as a logistics platform for the remaining countries of the Hub to develop markets for their products and services in Asia.

There follows the specific geographic location of the Group's projects:

*Map No. 5 – MERCOSUR-Chile Hub – Group 3*





The table below provides a detail of related investments:

<i>MERCOSUR-Chile Hub: Group 3</i>	<i>Estimated Investment (in millions of US\$)</i>
Los Andes (Chile)-Mendoza (Argentina) Railway Project ( <i>Ferrocarril Trasandino Central</i> )	224.00
Cargo Center at the Cristo Redentor Border Crossing	7.00
Building of Border Centers for integrated control at Pehuenche	2.00
Building of sheds at the Cristo Redentor border crossing	42.00
Paving of National Road No. 145: Junction National Road No. 40 South-Access to Pehuenche Border Crossing	23.00
Paving of National Road No. 40 South: from Malargüe to the border with Neuquén	16.00
Repaving of National Road No. 7 Potrerillos-Border with Chile	14.00
National Road No. 7: building of the Laguna La Picasa road alternative	10.00
National Road No. 7: building of a Laguna La Picasa railway option	30.00
National Road No. 7: building of the option Palmira-Junction National Road No. 40 S	13.00
National Road No. 7: duplication of the leg Luján-Junction National Road No. 188 (Junín)	90.00
Caracoles area shed	No info
International Road 60-CH (Valparaíso-Los Andes Sector)	165.00
Improvements in Valparaíso Port	155.00
Paving of leg Puente Armerillo-Paso Pehuenche. Road CH115	5.40
Land port Los Sauces (Los Andes)	12.50
San Antonio-San Fernando Project ("fruits' road")	64.00
Shed-tunnel Los Libertadores-Argentine border	8.00
Improvements in San Antonio port	34.50
<b>TOTAL</b>	<b>915.40</b>



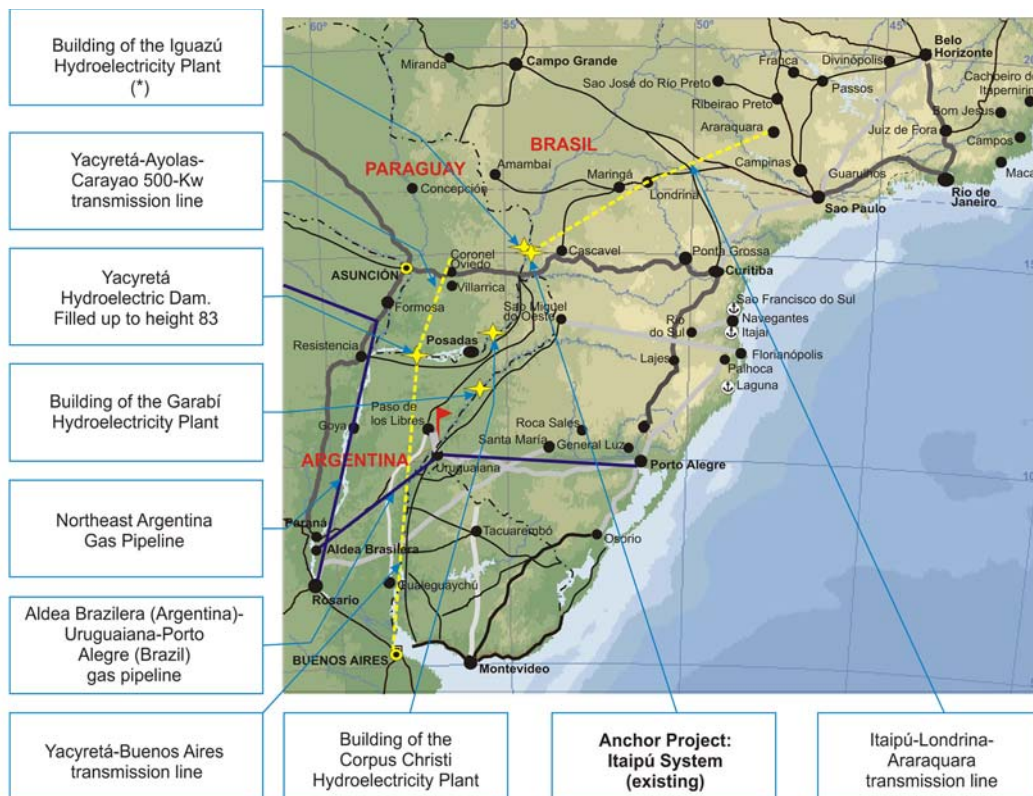
**GROUP 5: ENERGY GROUP**

**STRATEGIC FUNCTION**  
**Group 5: Energy Group**

- To increase the reliability of the area's electricity and gas systems.
- To consolidate and increase energy generation, transmission and distribution capacities in a densely populated area with lots of industries.
- To diversify the energy matrix of MERCOSUR countries.

There follows the specific geographic location of the Group's projects:

*Map No. 6 – MERCOSUR-Chile Hub – Group 5*



(\*) Member countries agreed to study the addition of this project as soon as Paraguay's National Coordination is able to supply the technical data.



The table below provides a detail of related investments:

<b>MERCOSUR- Chile Hub: Group 5</b>	<b>Estimated Investment (in millions of US\$)</b>
Itaipú System (existing)	No info
Yacyretá-Buenos Aires transmission line	150.00
Building of the Corpus Christi Hydroelectricity Plant	2,100.00
Building of the Garabí Hydroelectricity Plant	1,300.00
Yacyretá Hydroelectric Dam. Filled up to height 83	1,074.00
Aldea Brazileira (Argentina)-Uruguaiana-Porto Alegre (Brazil) gas pipeline	510.00
Itaipú-Londrina-Araraquara transmission line	149.14
Yacyretá-Ayolas-Carayao 500-Kw transmission line	130.00
Northeast Argentina Gas Pipeline	1,000.00
Building of the Iguazú Hydroelectricity Plant (*)	
<b>TOTAL</b>	<b>6,413.14</b>

(\*) The countries will analyze the proposal to incorporate this project on the basis of the technical information to be supplied by the National Coordination of Paraguay

### III.3.2 Project portfolio of the MERCOSUR-Chile Hub

The countries agreed to include seventy-one projects in the MERCOSUR-Chile Hub, for an estimated investment of US\$ 12.07 million dollars, as summarized hereunder:

<b>MERCOSUR-Chile Hub</b>	<b>Name</b>	<b>Number of Projects</b>	<b>Estimated Investment (in millions of US\$)</b>
Group 1	Belo Horizonte-Buenos Aires	17	3,087.91
Group 2	Porto Alegre-Argentina/Uruguay Boder-Buenos Aires	16	1,534.98
Group 3	Valparaíso-Buenos Aires	19	915.40
Group 4	Mercedes-Santa Fe-Salto-Paysandú	9	210.10
Group 5	Energy Group	10	6,413.14
	<b>TOTAL</b>	<b>71</b>	<b>12,161.53</b>







**IDB**

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**FONPLATA**

Financial Fund for the Development of the River Plate Basin

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