

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

Eighth Meeting of the Executive Steering Committee

December 13th and 14th, 2006 Quito, Republic of Ecuador

ANNEX 10

Statement about the South American Physical Integration of the II Meeting of Heads of State of the South American Community of Nations (Cochabamba, November 8th and 9th, 2006)

The Presidents, gathered in the II Meeting of Heads of State of the South American Community of Nations, convinced of the importance of the physical integration in order to achieve the strengthening of our association and the development of our people, as well as of the reduction of asymmetries and of the need to achieve said purposes, of optimizing the physical infrastructure and harmonizing the rules that facilitate its execution and operation;

Considering that the Initiative for the Integration of the Regional Infrastructure in South America (IIRSA) must continue to promote the infrastructure integration purpose, taking care of the sustainable social and economic development needs of the nations in order to accelerate the integration process, preserving the environment and the ecosystems balance, according to the decisions made in the Meeting of Presidents of South America, held in Brasilia, in August 2000, and whose Implementation Agenda Based On Consensus was approved by the Presidents of South America in Cuzco, on December 8th, 2004;

In compliance of the agreement reached in the Meeting of Heads of State of the South American Community of Nations, held in Brasilia on September 30th, 2005, regarding the promotion of the implementation of priority integration projects identified by the South American countries and that constitute the "IIRSA project Portfolio"; and

Considering the need to coordinate the existing initiatives and to avoid the duplicity of efforts,

Decide:

To deepen and perfect the advances achieved during the identification, evaluation and execution of integration projects within the framework of the regional scale planning process that the South American countries are carrying out.

To entrust the coordination of the actions to be developed by the Infrastructure Work Group to the Committee of High Officials of the South American Community of Nations, with the Action Plan that shall be agreed upon for year 2007 by the Sectoral Ministers, who constitute the "Executive Steering Committee" of the IIRSA Initiative, which will meet in the city of Quito, Republic of Ecuador, the next December 13th.

Approved in Cochabamba, Bolivia, on December 9th, 2006.

Statement about the South American Energy Integration of the II Meeting of Heads of State of the South American Community of Nations (Cochabamba, November 8th and 9th, 2006)

The Presidents, gathered in the II Summit of Heads of State of the South American Community of Nations, convinced of the importance of the energy integration for the strengthening of our association, and with the purpose of deepening the agreements reached on this subject during the I Meeting of Energy Ministers, held on September 26th, 2005, agree:

1) TO DEEPEN the purpose of making the energy integration real among our countries on the following bases:

Cooperation and supplementation principles,

Sovereign right to use the natural resources and to administrate exploitation fees,

Respect for the regulation of each country and for the property characteristics that each State uses for the development of energy resources,

Solidarity and reciprocity,

The purpose of eliminating the asymmetries among the States,

Respect for sovereignty and for self-determination of the people,

Territorial integrity principle,

A common legal framework for energy integration.

2) TO ENTRUST to the Committee of High Officials of the South American Community of Nations the development, through the Energy Work Group and with the participation of the Energy Ministers in coordination with those in charge of the IIRSA, of a proposal for the formulation of a Strategy of South American Energy Integration that shall consider the following:

Consolidation of a diagnosis of the South American energy sector, taking into account the relevant studies,

A systematization and evaluation of the South American energy balance,

Identification of projects, amounts and financing sources for the development of the infrastructure of the regional energy sector and for the corresponding technological development,

Evaluation of mechanisms for markets integration, including the identification of elements to advance in a common legal framework, as well as the exchange of information and experiences about price policies for the different kinds of energy resources, taking into account the legal framework currently in force in each country,

Homogenization, among the countries member of the Community, of the guidelines used to evaluate and classify reserves according to the best international practices,

Proposal of supplementation mechanisms among national state hydrocarbon and other kinds of energy firms, with a view to advancing towards energy integration, and

Progress in proposals related to the convergence of national energy policies, taking into account the legal framework currently in force in each country.

3) TO RECOMMEND, for the formulation of this strategy, the cooperation of the pertinent international entities, especially the Latin American Energy Organization (OLADE, in Spanish) and the Regional Energy Integration Committee (CIER, in Spanish).

The result of the works carried out by the Committee of High Officials of the South American Community and by the Energy Ministers, according to the command established in this Decision, shall be analyzed as a priority issue within the framework of the Agenda of the III Summit of Heads of State of the South American Community of Nations.

Approved in Cochabamba, Bolivia, on December 9th, 2006.