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INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA



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

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

December 4th and 5th, 2007  
Montevideo, Republic of Uruguay

### **MINUTES**

1. On December 4<sup>th</sup> and 5<sup>th</sup>, 2007, the Ninth Meeting of the Executive Steering Committee (CDE, in Spanish) was held in Montevideo, Republic of Uruguay, to analyze the achievements and advances of IIRSA in 2007 within the framework of the four strategic lines of action for 2006–2010, to summarize the general progress within the IIRSA process and to draw up the Action Plan for 2008. The list of the participating delegations and observers is included in Annex 1.
2. The meeting was opened by Mr. Victor Rossi, Minister of Transportation and Public Works of the Republic of Uruguay, Mrs. Dolores Zagaglia, 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); Mr. Otaviano Canuto, Vice-president for Countries of the Inter-American Development Bank (Banco Interamericano de Desarrollo –BID, in Spanish), and Mr. Rolando Terrazas, Director of Analysis and Sectoral Programming of the Andean Development Corporation (Corporación Andina de Fomento –CAF, in Spanish), in representation of the Technical Coordination Committee (CCT, in Spanish). The speeches by the mentioned authorities are attached as Annexes: 2, 3 and 4.
3. The technical work session was opened by CDE President, Mr. Victor Rossi, Minister of Transportation and Public Works of the Republic of Uruguay, who underscored the achievements of IIRSA in 2007 in relation to the implementation of strategic infrastructure projects as well as the progress regarding territorial planning, and sectoral integration and outreach processes of the Initiative.
4. First, the meeting's agenda was approved and is included as Annex 5.

5. Afterwards, Mr. Pablo Genta Buzzetti, National Director of Transportation and National Coordinator of Uruguay, introduced the results achieved during the year 2007 regarding the development of the work of the GTEs and the implementation of IIRSA Projects.

- 5.1 Results from the Meetings of the Technical Executive Groups (GTEs, in Spanish): during 2007, meetings of the GTEs were held in relation to the following Hubs: Integration and Development Hub (EID, in Spanish), Central Inter-oceanic Hub, Peru-Brazil-Bolivia Hub, Amazon Hub, Andean Hub, MERCOSUR-Chile Hub, Capricorn Hub and Southern Hub. During these meetings, the following objectives were achieved for each EID: (i) the Groups of Projects and their corresponding Strategic Functions were reviewed; (ii) the projects of each EID included in the IIRSA portfolio and in the Implementation Agenda Based on Consensus (AIC, in Spanish) were reviewed; (iii) other projects in course of the IIRSA Portfolio were reviewed; (iv) Groups of Projects were identified to apply the new planning methodologies; (v) new project groups were identified.

This process allowed the countries that make up each EID to extend the common understanding on the contribution by each Group of Projects to the sustainable development of the Hub, through the physical integration. The work carried out by each GTE was presented by the National Coordinators from Chile, Bolivia, Peru and Colombia which are attached as Annexes 6, 7, 8 and 9. Additionally, the results of this work, which comprises the activities carried out in relation to planning and implementation progress of the projects, are detailed in the document: “Indicative Territorial Planning. TECHNICAL EXECUTIVE GROUPS –GTEs, 2007. Results and Project Portfolio 2007 (Annex)”, which is included as Annex 10.

- 5.2. Project: Exports through Postal Services for MSMEs: the characteristics of the project were put forward, and it was highlighted that the proposed solution is the use of postal services for exporting products of MSMEs, using the postal logistics infrastructure already set up in each country, in order to reduce exports costs, diversify the products that are exported and strengthen the firms devoted to exports. The expected results are the simplification of the exportation processes and the offer of services with quality and accessible price for the companies and a wide geographical coverage, including firms in the most remote regions.

Currently, the project is implemented in Brazil and Peru. Also, in 2007, the approval by the BID of a FOMIN of 1.5 million dollars for project development actions in 4 countries, the implementation of the project in Peru, pre-diagnosis visits to Argentina and Uruguay and the development of the implementation guide of the project were emphasized as part of the systematization process of the project. For 2008, it is planned to continue carrying out the activities aimed at the implementation of the project in the region, especially to continue the activities in Argentina, Ecuador and Uruguay, to perform the pre-diagnosis

visits in those countries that have requested them, to form a Technical Executive Group (GTE) in the IIRSA for the development of the project, which will allow to make multilateral decisions in relation to the project, to offer a training course for technicians in order to support each country with the implementation, setting up a network of experts, and to introduce new functionalities. The presentation on the Project: Exports through Postal Services for MSMEs is attached as Annex 11.

5.3 The delegation from Peru informed that in its country the project is exceeding the national authorities' expectations. Currently, a program is being started in other five cities of Peru and other eight offices were added in the city of Lima. The delegation highlighted that there is a very positive response from the exporters involved and that there is a plan to increase the amounts and the maximum weight allowed to export within the program.

5.4 The delegation from Suriname mentioned that the development of the MSMES is a priority in the national agenda. Therefore, this delegation expresses its interest in the procedure for implementing the project in said country. The delegations took notes of this request.

5.5 Progress of the Projects of the AIC and the Portfolio: from the revision process of the IIRSA Portfolio, the following matters were observed: (i) currently, 145 projects of the Portfolio 2003-2006, which account for the 41.3% of the projects, and an estimated investment of 21,194 million dollars, have been completed or are being prepared or financed (said financing is either granted or under approval process); (ii) the IIRSA Portfolio 2007 includes 507 projects of integration infrastructure grouped in 47 Groups of Projects, with an estimated total investment of 68,990 million dollars; and (iii) the projects that make up the AIC imply an estimated total investment of 6,921,10 million dollars and of the 31 projects, 16 are under preparation, 4 under bidding process or about to follow a tendering process, 10 in course and 1 is completed. The presentation on the Progress of the Projects of the AIC and the Portfolio is attached as Annex 12. The information included in Annex 12 is complemented with the document of Annex 10.

6. Next, topics related to planning were addressed.

6.1 GTE - Paraguay-Paraná Waterway Hub: during this year, the meeting of the GTE of the Paraguay-Paraná Waterway Hub was held and the following progress was observed: (i) presentation of the business vision of the Hub; (ii) analysis of the territory of the Hub and identification of 97 projects grouped in 5 Groups of Projects; (iii) setting up of the strategic functions and identification of anchor projects for each Group; and (iv) identification of Integration Sectoral Processes (PSIs, in Spanish) applicable to the groups of projects. The presentation on the Paraguay-Paraná Waterway Hub is attached as Annex 13.

- 6.2 The delegation from Bolivia expressed the importance of the Paraguay-Paraná Waterway Hub for this country. It informed that in the area of the Hub a very important economic activity is being developed in one of the largest iron deposits in the world, called El Mutún. Further, there is a plan to locate other productive activities in that zone; so, there is a high potential for the exit of exports through the Paraguay-Paraná Waterway. Additionally, and given the need to speed up exports through Paraguay River, there is a plan to build the railway section: Motacucito-Puerto Busch and to extend the port of Puerto Busch. This delegation also stated that in the region of El Pantanal, in Bolivia as well as in Brazil and Paraguay, economic activities (mainly tourism and agriculture) are being developed, which would also be favored by the river outfall that the Waterway Hub offers.
- 6.3 The delegation from Paraguay declared that it was in its own interest, in order to facilitate the country's foreign trade, to focus on the implementation of programs to improve navigability, by developing transportation systems that suit the characteristics of the rivers and solve the present difficulties.
- 6.4 Planning – Second Stage: the progress made during 2007 in terms of planning was mentioned, with special emphasis on the consolidation of the Methodologies of Environmental and Social Evaluation with a Strategic Approach (Metodologías de Evaluación Ambiental y Social con Enfoque Estratégico -EASE, in Spanish) and the Methodologies of Productive Integration and Logistics (Integración Productiva and Logística -IP-Lg, in Spanish), as well as the development of the Methodology of Evaluation of Transnational Integration Projects and the base of Georeferenced Information (GEOSUR). The delegations approved the schedules put forward for the implementation of EASE and IP-LG methodologies. The presentation on the second stage of planning is attached as Annex 14.
7. Next, the topics related to outreach were addressed. With regards to this topic, the products developed during 2007 were presented: the re-design of the Initiative website, the development of a new Data Base of IIRSA Projects, the development and distribution of new institutional material and the development and distribution of three video-documents on projects of the AIC. Additionally, the conduction of an Outreach Workshop carried out by the National Coordination of Paraguay was emphasized. The presentation on outreach is included as Annex 15.
- 7.1 The delegations stressed the important contribution made by the materials developed in 2007 for the outreach of the Initiative and showed their interest in continuing to work in this direction.
- 7.2 The delegation from Paraguay reported that the Outreach Workshop held in October was successful and was attended by various public and private decision-makers. Additionally, it proposed to continue conducting outreach workshops, emphasizing that in the case of Paraguay, they would need at least two or three workshops in the Departments that border Argentina and Brazil, the delegations of Argentina and

Brazil expressed their agreement. Also, it proposed the Asunción-Paranaguá section, a project shared with Brazil, for the production of an outreach video. Likewise, the delegation of Brazil supported Paraguay proposal.

- 7.3 The delegation of Ecuador requested the production of a video-document about the Multimodal and Bioceanic project Manta-Manaos shared with Brazil and Peru.
  - 7.4 The delegation from Peru proposed that the next video-documents show the progress of binational projects in border areas. Also, it reported that in Peru there was an Outreach Workshop held in the region of Piura, which was very successful due to the response from the local population. In this regard, Peru informed the conduction of four or five workshops in different regions of the country next year.
  - 7.5 The delegation from Argentina proposed the Cristo Redentor System as a candidate for the production of a video-document due to the important work developed jointly with Chile. This proposal was endorsed by the Chilean delegation. Additionally, it reported that the delegation is planning to conduct regional workshops, one for each EID, in all the Argentine provinces.
8. Next, the topic of Integration Sectoral Processes (Procesos Sectoriales de Integración – PSIs, in Spanish) was addressed:
- 8.1 The delegation from Uruguay communicated the approval on the part of the delegations on the Understanding Agreement between the countries of the IIRSA and the Postal Union of the Américas, España, and Portugal (Unión Postal de las Américas, España y Portugal -UPAEP, in Spanish), in the context of the project called “Exports through Postal Services for MSMEs”. Additionally, it was agreed to set up a Technical Executive Group composed by the National Coordinators of the countries carrying out the project, the CCT, the Ministry of Communications of Brazil, the UPAEP, and other regional agencies, with the aim of identifying actions that must be carried out, implemented, and followed up on within the framework of the project. This offers an appropriate solution to continue the progress of the project. Moreover, it makes it easier for the technicians involved in all stages of the project to constitute a support available to assist those countries which decide the implementation of the project. The Understanding Agreement between the IIRSA and the UPAEP is attached as Annex 16, and the document on the establishment of the Technical Executive Group (GTE) of the project is included as Annex 17.
  - 8.2 With regard to PSIs, the following activities were highlighted: (i) Financing instruments: conduction of the Workshop on Integration Projects and Mode of Financing, development of the Methodology of Evaluation of Transnational Projects, and availability of pre-investment resources on the part of the institutions of the CCT (IIRSA Project Preparation Funds); and (ii) Border Crossings: the advances registered in the crossings of Desaguadero, Cristo

Redentor, and the border crossings in Bolivia were highlighted. The presentation on integration sectoral processes is attached as Annex 18.

- 8.3 The Paraguay delegation put forwards the development of a program of national and transnational projects identified within the Sectoral Processes of Financing Instruments.
9. The delegation from Argentina reported on the activities completed by the Infrastructure Work Group (Grupo de Trabajo de Infraestructura –GTI, in Spanish) of UNASUR through the successive meetings held in the year and the progressive focusing of the GTI's task. The report emphasized the nature of the GTI as a discussion forum, both political and strategic, of the integration process which will serve as level of articulation between the IIRSA and the Delegates Board of UNASUR. A primary function of the GTI is to define strategic definitions and guidelines which, based on the IIRSA Portfolio, allows us to identify emblematic projects with a social meaning and which strengthen South America's vocation of integration. The relationship between the IIRSA and the GTI of UNASUR will advance progressively following the pace of the integration process.
  10. The delegation of Brazil reinforced the importance of the IIRSA initiative which contributes also to the selection of project which would be executed with budgetary guaranty within the program of acceleration of growth PAC.
  11. Following, the country that will hold the Presidency of the IIRSA Executive Steering Committee (CDE) in 2009 was selected. It was unanimously agreed that the Argentine Republic will carry out that function. Thus, the Republic of Colombia will hold the Presidency of the Initiative from January 1<sup>st</sup> to December 31<sup>st</sup>, 2008, while the two Vice-Presidencies for that same period will be held by the Republic of Uruguay and the Argentine Republic.
  12. Next, the elected Presidency of the CDE, held by the General Director of the National Planning Department of Colombia, Mrs. Carolina Rentería, presented the guidelines foreseen for its term. Her speech is included as Annex 19.
  13. The delegations approved the Guidelines for the Plan of Action for 2008 together with its tentative activities schedule presented by Mr. René Cortés, National Coordinator of Colombia, included as Annex 20.
  14. The national delegations extended their thanks to the Republic of Uruguay for leading the Initiative during the year it held the Presidency and the CCT for its work in 2007. The delegations wish the Republic of Colombia great success during the course of its Presidency the

Montevideo, December 5<sup>th</sup>, 2007

## ANNEXES

- Annex 1: List of Participants and Observers
- Annex 2: Speech by the Minister of Transportation and Public Works of Uruguay, Mr. Victor Rossi.
- Annex 3: Speech by Mrs. Dolores Zagaglia, President of the Executive Board of FONPLATA
- Annex 4: Speech by Mr. Otaviano Canuto, Vice-president for Countries (BID)
- Annex 5: Agenda of the Meeting
- Annex 6: Presentation by Mr. Claudio Flores, National Coordinator - Chile
- Annex 7: Presentation by Mr. José Kinn Franco, Minister of Public Works, Services and Housing - Bolivia
- Annex 8: Presentation by Mr. Jorge Bayona, National Coordinator - Peru
- Annex 9: Presentation by Mr. René Cortés, National Coordinator - Colombia
- Annex 10: Indicative Territorial Planning. TECHNICAL EXECUTIVE GROUPS - GTEs 2007. Results and Project Portfolio, 2007 (Annex)
- Annex 11: Presentation of the Project: Exports through Postal Services for MSMEs
- Annex 12: Presentation on the Progress of the Projects of the AIC and the Portfolio
- Annex 13: Presentation on the Paraguay-Paraná Waterway
- Annex 14: Presentation on the Second Planning Stage
- Annex 15: Presentation on Outreach
- Annex 16: Understanding Agreement among the countries involved in the IIRSA and the Postal Union of the Américas, España and Portugal (Unión Postal de las Américas, España y Portugal –UPAEP, in Spanish), within the context of the Project: Exports through Postal Services for MSMEs
- Annex 17: Setting up of the Technical Executive Group of the Project: Exports through Postal Services for MSMEs
- Annex 18: Presentation on Integration Sectoral Processes

Annex 19: Speech by the General Director of the National Planning Department of Colombia, Mrs. Carolina Rentería

Annex 20: Guidelines for the Plan of Action 2008