



IIRSA

INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA



EXECUTIVE STEERING COMMITTEE

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

Ninth Meeting of the Executive Steering Committee

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

ANNEX 2

**Speech of Mr. Victor Rossi
Minister of Transportation and Public Works of Uruguay**

WELCOME

First of all, I would like to offer my most sincere and brotherly welcome to the Ladies and Gentlemen Ministers and Directors of Transportation, Infrastructure and Planning, National Coordinators, and other authorities and delegates of the countries present, to the members of the Technical Coordination Committee and representatives of the multilateral agencies that compose it: BID, CAF, and FONPLATA, as well as to all the participants in general, of this Ninth Meeting of the Executive Steering Committee of the IIRSA, especially to those who permanently collaborate on the tasks that this initiative has proposed to carry out.

For us it is always a source of satisfaction and pride to receive the representatives of the brother countries of our America and therefore, we deeply appreciate your presence. For this reason, we wish you have a very enjoyable stay in our country, which will surely be accompanied by the warmth our people offer at all times.

CONSTRUCTION OF A STRATEGIC VISION OF REGIONAL INTEGRATION

We are culminating a year in which our country exercised the Presidency of the IIRSA and, therefore, it is incumbent upon us to take stock of what has been accomplished, but also this meeting is an opportune moment to point out some aspects which I consider will contribute to continue advancing in this complex, but without a doubt wonderful and challenging, task of building an integrated South America.

If I may, I would like to make a few political-strategic reflections, which I understand should frame the IIRSA's future actions.

Firstly, we believe it is necessary and unavoidable to articulate efforts with the other processes of subregional integration, MERCOSUR, CAN, experiences undertaken by other countries, as a way of achieving the convergence of ideas and initiatives, which now arises with the creation of the UNION of SOUTH AMERICAN NATIONS (UNASUR, in Spanish), which seeks to consolidate and effectively realize the goals of integration.

Our region objectively presents, at the moment, very favorable circumstances to address this task.

In recent years, there have been a number of changes in political and strategic matters, which have definitively imposed the challenge of accompanying economic growth, with a better distribution of income. This is an inescapable way to build the foundations of growth accompanied by a sustainable development that would eliminate marginalization, reduce the levels of poverty and marginalization (which are unfortunately present in all our countries), increase the participation of our countries in the world economy, and create opportunities for inclusion and social welfare.

This requires a significant change of approach in the planning and implementation of our actions, combining the viewpoint of development based on local and national objectives, with the analysis and understanding of the subregional and regional dynamics. The design of successful regional initiatives will depend as much on our ability to understand and to make our differences compatible as on striving to find and develop our complementariness.

Viewed this way, the physical integration of the South American territory falls within a broader context of economic-social integration and sustainable development of the peoples of the South American society.

We must drive the development of our networks of infrastructure and logistics that enable our mobility and facilitate the connection between our countries and with the rest of the world. We must accompany the access to traditional energy with the development of alternative sources. We must extend the reach of communications. The government institutions of each of our countries must be transformed for a better use and management of the society resources in the search for tools that enable the reduction of asymmetries in the region, the construction of new financing instruments, and a greater participation of the private sector.

It is for this reason that the objective of sustainable development for South America, conceived from the economic and social integration, including the many aspects that comprise the work of the peoples (education, culture, employment, energy, environment, health, housing, services, etc.), can be successfully driven through a regional strategy, which based on shared political objectives, is developed through instruments that contribute to integration, as is the IIRSA.

We must emphasize that we believe the success of our mission relies on the efforts to strengthen political and strategic agreements, accompanied by integration initiatives.

OUTCOME OF THE IIRSA ACTION PLAN 2007

Today, we will see in greater detail what the IIRSA has accomplished during the year. Nevertheless, I would like to comment on some specific issues, which I consider must be emphasized.

We consider highly productive the work carried out this year by the countries, within the framework of the Technical Executive Groups by Hubs.

It allowed, on the one hand, to update the status of the projects of the Portfolio and the Implementation Agenda Based on Consensus, by identifying significant progress in some of these countries and limitations or difficulties in others, which will have to be analyzed and worked on more intensely so they may be overcome. This should allow the completion of these projects.

I want to emphasize the progress that has been made this year, in nine of the twelve countries, in the project: Exports through Postal Services for PYMES, which will later be discussed in greater detail. This is a clear example of a project with the highest impact on the opportunities available to the small-scale production sector that has managed to settle and advance, articulating and coordinating inter-institutional efforts and actions, based on an always present modest infrastructure network, namely, post offices, in places not easily reached by others.

On the other hand, this work allowed us to resume the process of indicative planning by reviewing the strategic function of the hubs and groups of projects in light of changes in the approach or new needs raised by the countries; it also allowed us to identify and propose new projects.

It is enough to just quickly review the projects that have been incorporated, to easily notice that there is a broad consensus on advancing in the provision of integration infrastructure that will consolidate a regional system of transportation to integrate all means available.

We believe that this clearly indicates a significant advance in the idea that we must not waste the full potential of the region to develop railway, river, sea, and air transportation, which in complementation with road transportation allows a more efficient use of the resources and enhances the capacity of production, competitiveness, and intra and extra regional commercial trade.

In addition, a large number of energy projects in terms of supply, generation, transportation, and interconnection of networks were incorporated; while we recognize the great difficulties we have in implementing them in this area, we are aware that it is essential for the sustainability of the region as a whole to advance in an integration of energy that would alleviate the asymmetries in the access and provision of the same.

As everyone knows, we have with our Argentine brothers an unfortunate dispute, at times very fierce, which has even led to the interruption of the crossings at the international bridges that

unite us. Nevertheless, the work that we develop in the IIRSA, together with the National Coordinators and other delegates of Argentina and Uruguay, has never been an obstacle and has continued advancing in the identification of common projects that deepen our historical vocation.

Another recent example of how difficulties are overcome with work is the agreement, signed last week between Argentina and Uruguay, which makes viable the construction of a regasification plant of Liquefied Natural Gas. Located in Montevideo, this plant is going to supply our two countries.

We had included this project in Group 5 of the Mercosur-Chile Hub, a couple of months ago in Santiago de Chile, but I doubt that anybody thought, not even us, that it could be made possible so quickly.

I believe that everything mentioned points to the fact that we have a valuable tool that we must preserve and continue deepening, and that the countries can always sit around a table, to discuss and reach consensus in the building of the strategy of physical integration that most suits their peoples.

The methodologies of Social Strategic Environmental Evaluation, Integration of Production and Logistics Chains, and Evaluation of Integration Projects, which had a major push in their formulation and development this year, will allow further analysis of the projects and groups of projects, as well as to identify other aspects present in the social, institutional and environmental areas, the actors involved, and more appropriate forms of financing, which no doubt play a vital role in planning.

We believe the efforts made to contribute new tools for the IIRSA outreach are very interesting both in their general conception and in the versatility and accessibility for wider sectors. We consider it important that the countries define an outreach strategy based on consensus, integrating a permanent program that aims to bring the Initiative to the attention of society within the countries, including all sectors of interest, as well as globally towards outside of the region.

In addition to the realization of infrastructure projects, it is necessary to insist and work hard from the IIRSA and all the initiatives or forums available on the fact that there are processes in whose development relies a great part of the success or failure of this integration.

It is thus established by the Integration Sectoral Processes identified in the IIRSA and on which there is still much work to be done. Only as a general reflection, it may be necessary for regulatory frameworks and regulations that enable the incorporation of air and sea transportation, multimodalism, and energy integration, to be analyzed in other areas with greater decision-making capacity in these specific matters.

We understand the important contribution being made by the BID, the CAF, and the FONPLATA in providing funds for the preparation of the IIRSA Projects, as it provides the basis for good projects which allows the States to confirm the decision to carry them out and to undertake, with solid elements, the financing of the necessary investments in any of its forms.

We insist that it is also necessary to continue and intensify the search for appropriate funding instruments, tailored to the reality faced by many countries in the region and which will prevent integration projects that are conceived, among other things, to enable or increase development and to alleviate regional asymmetries, from ending up only on paper or, worse still, producing the opposite effect.

Finally, I would like to especially welcome the General Director of the National Department of Planning of the Republic of Colombia, Mrs. Carolina Rentería, as incoming President of the IIRSA.

I offer my best wishes for success in your management during the coming year and I would like to assure you that you have our commitment to work and collaborate as vice-presidents to continue moving along this path.

Thank you all very much.