



# 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 4<sup>th</sup> and 5<sup>th</sup>, 2007  
Montevideo, Republic of Uruguay

### ANNEX 4

#### **Speech of Mr. Otaviano Canuto Vice President of Countries of the Inter-American Development Bank**

It is with enormous satisfaction that I participate in this Ninth Meeting of the Executive Steering Committee (CDE, in Spanish) of the Initiative for the Integration of the Regional Infrastructure in South America (IIRSA, in Spanish).

Firstly, I bring greetings from the President of the Inter-American Development Bank (IDB, in Spanish), Luis Alberto Moreno who, although he was unable to join us today, asked me to convey to you his unwavering support for the Initiative and the best wishes for a meeting filled with success.

I would also like to begin by thanking on behalf of the Bank, and on my own behalf, the Uruguayan government, through Minister Victor Rossi, for the splendid reception he gave us. Additionally, I wish to congratulate the teams of the now centennial Ministry of Transportation and Public Works of Uruguay, for the work done during the Presidency *pro-t empore* of the CDE in 2007 and for the organization of this important event of the IIRSA Initiative.

I have exercised my new functions at the IDB for a short time, accompanying with much interest the work developed by the IIRSA. Nevertheless, the Initiative is nothing new to me. When I was in the Board of the World Bank, I had the opportunity to promote a meeting between the Directors of the South American countries and the team that coordinates the IIRSA at the IDB. The novelty I found on my arrival to the IDB was the possibility to know first hand the progress that the IIRSA is currently experiencing, especially in the implementation of the projects under the Initiative.

I believe that today when the National Coordinators present the results of the intense work developed throughout this year a myth will fall: that the IIRSA does not move forward! The completion, this year, of the productive meetings of the Technical Executive Groups (GTE, in Spanish) has enabled us to have a much more real vision of the IIRSA: the Initiative is advancing in its objective to physically integrate South America. More than 40% of the Portfolio of 351 IIRSA Projects identified between 2003 and 2006 are completed, in progress, and/or with defined financing.

This is the best indicator which shows that the IIRSA Initiative is obtaining the results for which it was created. On the other hand, it reminds us that, although some very interesting promotional materials have been produced this year, we still have hard work ahead of us in the fourth strategic objective of the IIRSA, which is to extend the outreach and participation in the Initiative.

Another issue that the GTEs have revealed is the effort of the South American governments to finance integration projects. The National Treasuries are contributing more than 60% of the resources to carry out 145 projects of the IIRSA Portfolio, moving nearly 13 billion dollars.

The private sector, for its part, has also made investments in the IIRSA, albeit on a smaller scale. Together with the international financial institutions of the Technical Coordination Committee (CCT, in Spanish) almost 40% of the remaining contribution has been made. In this field, there is room for progress, and we at the BID are very interested in supporting it, both to attract the private sector to make investments in the IIRSA and directly finance more projects of the Portfolio.

The positive picture of the IIRSA reflects the opportune moment that South America is living to expand investment in infrastructure. The region benefits today from favorable external conditions that should be capitalized on. The economic *bonanza*, the central role in settings of international trade negotiations, and the renewed commitment to integration, shown by the Presidents of South America with the creation of the UNASUR, give us a glimpse of opportunities that we must seize in facing the future.

The BID strongly bets on the IIRSA, and our support has been expressed from the beginning of the Initiative and will continue being so. In addition to the 16 projects that we are funding or in process of funding, amounting to 1,645 million dollars, the Bank has been devoting a significant sum of non-reimbursable resources for the IIRSA.

So that you may have an idea of the extent of this support, I shall mention some of these activities:

The technical assistance for the operation of the IIRSA, as well as the provision of studies, diagnoses, and innovative management tools made available to the countries, involved a very much appreciated amount of resources. In total, more than 10 million dollars were invested, under the non-reimbursable modality, in the past seven years.

The South American countries can also count on the BID Integration Fund -FIRII- to support the preparation of the IIRSA projects. Today, we have cooperations in execution and/or in phase of approval for almost 12 million dollars. As an example, I can mention studies to support the preparation of some of the 31 projects of the Implementation Agenda Based on Consensus (AIC, in Spanish). Such is the case of the Napo river, between Ecuador and Perú, which is central to the project of the Francisco Orellana port, the Pasto - Mocoa road, in Colombia, and the studies of the project for refitting the Meerzog – Albino road, in Suriname. We are also supporting with the Fund other major projects of the IIRSA Portfolio, namely, the ports of Montevideo and Santos, the Rio de Janeiro road ring, and the project for the improvement of the Cristo Redentor border crossing, between Argentina and Chile.

I believe that this Fund and the funds created by the CAF and the FONPLATA are a conquest of the countries that always requested a financial instrument to support the preparation of the IIRSA projects. The result is very positive and, considering that the updated IIRSA Portfolio of 2007 includes more than 500 projects, the challenge is to obtain from the Board of the Bank a recomposition of resources to continue supporting the countries. From this moment on, I commit myself to working in this direction.

The Bank is promoting two other projects of the AIC. The first is “Exports through Postal Services for PYMES”. In 2007, an operation of technical cooperation with the FOMIN of 1.5 million dollars was approved for the project. The second is the project “South American Roaming”. The BID has just approved a technical cooperation of US\$ 400,000 to support the first stage of this project.

We are also committed to the implementation, in 2008, of the methodologies that were consolidated in 2007, in the second stage of the IIRSA planning process. We are confident that the methodologies will contribute significantly so that we all have a better understanding of the scope of the IIRSA project portfolio for the development of our Region. We have just approved resources for the conduction of Training Workshops on Socio-Environmental Evaluation of the IIRSA, as well as the application of the methodology of Productive Integration and Logistics.

I am convinced that the IIRSA, with the work done in these past few years, is giving an unequivocal demonstration that South America is a region capable of planning its infrastructure in a shared way and, at the same time, of undertaking a joint effort to deliver to the South American society the projected works.

Finally, I would like to extend a hand to the delegation from Colombia that will assume in 2008 the Presidency *pro-témpore* of the IIRSA. We have no doubt that, together with the collaboration of the other countries of the Initiative and the agencies that form the CCT, they will seize this opportunity to demonstrate their excellent skills. Doctor Carolina Rentería: do not hesitate to count on the unconditional support of the Bank to perform your task.