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INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA



E X E C U T I V E S T E E R I N G C O M M I T T E E

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

ANNEX 8

**Report on the Meetings of the Executive Technical Groups (GTEs, in Spanish) of
the following integration and Development Hubs that belong to the IIRSA
Initiative: Central Interoceanic Hub and Peru-Brazil-Bolivia Hub
(Lima, April 24th and 25th, 2007)**

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1.- INTRODUCTION.- Pursuant to what was established in Quito, on December 13th, at the VIII Meeting of the Executive Steering Committee (CDE, in Spanish), the round of meetings of the Executive Technical Groups (GTEs) of the Central Inter-Oceanic and the Peru-Brazil-Bolivia Integration & Development Hubs (EIDs, in Spanish) took place in Lima.

2.- PARTICIPANTS.- Representatives from the countries directly related to the hubs (Bolivia, Brazil, Chile, Paraguay and Peru).

3.- DEVELOPMENT OF THE AGENDA

3.1.- CENTRAL INTER-OCEANIC HUB

(Lima, Tuesday April 24th)

3.1.1.- EXECUTION STAGE – It was agreed that the CCT through FONPLATA will ask the National Coordinators (CNs, in Spanish) the update of the project files.

A revision of the Information System for the Strategic Management of Projects (SIGE, in Spanish) was performed, and its treatment was programmed for the following meeting of National Coordinators (CNs).

3.1.2.- PLANNING STAGE - Chile suggested the creation of a new group gathering the South region of Peru, the West of Bolivia and the North of Chile. The Technical Coordination Committee (CCT, in Spanish) will provide the means for the creation of a new vertically aligned group aiming take advantage of the complementary aspects of the zones for the development of Tourism in the Andean high plateau.

The proposal of a new group will be duly presented to the members of the Executive Technical Group.

Group 1

Bolivia announced the change of profile of the “Thermoelectric Gas Project in Bolivia-Paraguay” and offered itself to present the project’s new file.

It also submitted to the GTE’s consideration the possibility of including a geo-thermoelectric project in the region of Laguna Colorada –near the border with Chile. Whenever the project was consistent with its strategic function, the GTE included it in this group of projects.

The CCT was asked to update the map of the Group including the new layout of the Cañada Oruro-Villamontes-Tarija-Estación Abaroa road, according to the description included in the project file.

No more changes were suggested to the projects in this Group included in the Implementation Agenda Based on Consensus.

The strategic function of the group was modified enlarging the range of interconnection among productive areas in terms of transportation, energy and communications, instead of telecommunications as it had been originally established.

Group 2

Brazil suggested the creation of a sole project entitled “Program for the Modernization of Puerto de Santos”, unifying the projects: “Modernization of Puerto de Santos” and “Beltway of the Puerto de Santos”.

It was decided to merge the Rio de Janeiro Loop and the Access to Puerto de Itaguaí (Sepitiba) creating a single project entitled “Arco Rodoviario de Río de Janeiro” (“Rio de Janeiro Road Arch”).

No new projects were identified in the Group; therefore, no changes were suggested regarding this group’s projects included in the AIC.

Concerning the strategic function of the Group, it was decided to modify the Tourism support function, restricting it to the Pantanal region.

Group 3

No new projects were identified, and no changes were suggested, regarding this group’s projects included in the AIC.

The CCT consultant on Strategic Vision pointed out that in the strategic function called “Connection with the Ichilo-Mamoré and Paraguay-Paraná waterways” there aren’t any projects tending to its improvement. As a consequence, it was decided to eliminate the strategic function and include the following mention: “the possibility of generating the multimodal connection between Ichilo-Mamoré and Paraguay-Paraná waterways will be analyzed in future”.

Group 4

No new projects were identified, and no changes were suggested, regarding this Group’s projects included in the AIC.

The strategic function was turned to “Connecting the East region of Bolivia with Mato Grosso, providing both regions with an easy access to Pacific and Atlantic Ports”.

Group 5

Chile informed that the works related to the “Improvement of Services in the Arica Port” as they had been originally planned are already finished. Also, the country said that a new program for improvement is being developed at present, which implied modifying the project’s file to include this new scope and changing the name of the project to “Improvement of the Arica Port”.

Chile also suggested the inclusion of two new projects in the group: 1) “Improvement in the Iquique Port” and 2) “Refitting of the Arica-La Paz Railway (Chilean Section)”. The work team approved the incorporation of these projects.

Peru promoted splitting up the project: “Improvement of the Ilo Port and Matarani” into two independent ones: “Refitting Ilo Port” and “Improvement of Matarani Port”.

Additionally, it proposed to change the name of the project from “Tacna-Mazocruz Paving” to “Tacna-Candarave-Humajalzo Paving”, and informed that the highway path design is under study. The work team approved these changes.

No changes were suggested regarding this group’s projects included in the AIC.

It was approved to change the strategic function from “Increasing the reliability and reducing the risk [corridor]” to “Increasing reliability and raising transportation standards of the Group”.

3.1.3.- SECTORAL PROCESSES AND OTHER ISSUES

It was pointed out the possibility of performing a number of activities aiming to understand the vision of the private sector related to productive investment and integration opportunities, as well as to identify the need for regulations and other complementary actions that favor the development and improvement of regional integration within the Hubs.

As regards the border crossings, a proposal will be made (with the support of the Chilean delegation) in order to organize a Workshop on Exchange of Experience among Chile, Bolivia and Brazil on this particular subject for Group 1 of the Central Inter-Oceanic Hub with the purpose of unifying criteria and agreeing on some actions tending to improve the efficacy and efficiency of the above mentioned border crossings.

It was considered to deepen the study of the Air Transportation sector over the Peru-Bolivia-Chile region, focusing on the promotion of intra-regional Andean tourism, in direct connection with the Chilean delegation's proposal of forming a new group within the Hub.

It was established the convenience of carrying out a Strategic Environmental Evaluation of the Groups: 1, 3 and 4, for which the CCT will present a proposal related to its contents and particular terms.

The Technical Coordination Committee informed about the progress achieved in relation to the Merger of the Logistics Chains and Productive Chains Methodologies, identifying the possibility of applying it to Group 3.

The Brazilian delegation made a proposal at the Meeting of National Coordinators, last July, regarding e-commerce.

It was agreed that the CCT would submit the document on Business Vision Update to the National Coordinators for its approval and later inclusion in the Web page.

3.2.- PERU-BRAZIL-BOLIVIA HUB

(Lima, Wednesday, April 25th, 2007)

Representatives of the three countries took part in the meeting of the Executive Technical Group (GTE) of the Peru-Brazil-Bolivia Integration and Development Hub (PBB, in Spanish).

3.2.1.- EXECUTION STAGE

It was agreed that the CCT through FONPLATA would ask the National Coordinators (CN) the update of the project files.

A revision of the Information System for the Strategic Management of Projects (SIGE) was performed, which will be dealt in the following meeting of National Coordinators (CNs).

3.2.2.- PLANNING STAGE

Group 1

Peru requested to incorporate two new energy projects in the group's portfolio, the projects entitled "Transmission Line: San Gabán-Maldonado Port", which is now under bidding process, and "Transmission Line: Maldonado Port-Brazilian Border", which is now at profile phase.

No changes were proposed to the strategic function of the group.

Group 2

The Bolivian delegation suggested to split up the Project entitled “Road: Guayaramerín-Riberalta-Yúcumo-La Paz / Guayamerín-Guajará Mirín Binational Bridge” into two individual projects: “Road: Guayaramerín-Riberalta-Yúcumo-La Paz”, and “Binational Bridge over the Mamoré river between Guayaramerín and Guajará-Mirín”.

The following change was proposed to the strategic function of the group:

“To create new possibilities for the socio-economic development of the MAP region through its connection to the Bolivian Central hub”.

Group 3

Changes to the following projects were approved:

- The Project entitled “Navigation of the Madeira River between Porto Velho and Guayaramerín” was turned into “Navigation of the Madeira River between Porto Velho and Guayaramerín including Navigation Locks in Hydroelectric Plants”.
- The project “Hydroelectric System of the Madeira River including Navigation Locks” was turned into “Hydroelectric System of the Madeira River (Santo Antonio Hydroelectric Plant)”.

No new projects were added to the Group’s Portfolio.

In relation to the strategic function of this group of projects, the addition of another strategic function was suggested: “To enable the change of the energy matrix by increasing the supply of renewable energy in the region”.

3.2.3.- SECTORAL PROCESSES AND OTHER ISSUES

Easy access at border crossings was pointed out as a key issue for the development of the hub. For this purpose, it was agreed that a proposal would be created (with the support of Brazilian delegation) to organize a Workshop on Exchange of Experience on this subject, focusing the attention on the particular dynamics of Group 1 of the Hub, in order to favor criteria unification and promote actions tending to improve the efficacy and efficiency at the border crossings. This activity could be accomplished in a coordinate manner with other Integration and Development Hubs.

Brazil showed interest in reviewing the possibilities of interconnecting the regions from the point of view of the electric power. With this aim, it will work on a proposal to be submitted for consideration to the IIRSA National Coordinators.

As for the Central Inter-Oceanic Hub (IOC, in Spanish), the development of regional air transportation systems is vital; therefore, it would be convenient to coordinate this issue with the works carried out within the IOC Hub.

It was highlighted that, as a result of the different activities previously or presently carried out, the Strategic Environmental Evaluations are almost ready for each of the three Groups of Projects of the Hub; therefore, it should be convenient to record these inputs in a general document enhancing the main environmental challenges and opportunities for the Hub, as well as the strategic actions presently or possibly carried out to favor the environmental sustainability of the Hub development.

It was found convenient to explore the possibility of applying the methodologies related to productive integration and logistics chains within Group 1 or Group 2, focusing on the development of productive complementary features between the mountain and the forest.

It was agreed that the CCT will submit the document on Business Vision Update to the National Coordinations for their own revision previous to its publication in the IIRSA Web page.

3.3.- VISIT TO CONIRSA CAMP IN CCATCCA (CUZCO) AND TO THE WORKS ON SECTION 2 OF THE PERU-BRAZIL-BOLIVIA EID

(Friday, April 27th, 2007)

As part of the Program, a group of participants of the meetings of the GTEs was taken on a visit to the works of the project 24 of the Implementation Agenda Based on Consensus (AIC, in Spanish): Paving of Iñapari-Maldonado Port-Inambari, Inambari-Juliaca/Inambari-Cuzco, invited by the CONIRSA Consortium.

During this visit, it could be verified the high quality level of the paving works on the above mentioned highway, of the related works, and of the highly positive social projection accomplished by the CONIRSA Consortium in the communities within the areas of influence of the Hub, people living in an extremely critical poverty.

People in charge of the works provided as well an explanation on the progress and projections of this important road that will link Southern Peruvian ports with the village of Iñapari, in the region of Madre de Dios, in the Brazilian border.

3.4.- COMMENTS AND OBSERVATIONS

There was an open and fluent exchange of opinions among the technical experts of the concerned countries about the progress of the projects that enrich the IIRSA Initiative, thus allowing a better knowledge of each country's reality.

All the delegations participated with full responsibility and commitment, either in relation to their performance at the debates or their interest in the visit to Cuzco to see the progress of the works on one of the roads of the Peru-Brazil-Bolivia EID'.

These meetings reinforced in the authorities and the people of the concerned regions the feeling of involvement in the project.