Proposal for the Follow-up on and Monitoring of API

Nineteenth Meeting of IIRSA National Coordinators
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BACKGROUND (1)

- **COSIPLAN Project Portfolio**

  - starting point
  - update (June 2011)
  - results today

9 Integration and Development Hubs

531 projects

Investment amount: US$116,120.6 million

BACKGROUND (2)

- **API Set Up Process**
  - Revision of the COSIPLAN Project Portfolio and preliminary identification of the priority projects at a national level
  - Update of the COSIPLAN Project Portfolio and presentation of the priority projects
  - Selection and proposal of priority projects at the national level
  - Definition of API
  - Consolidation of API by IIRSA National Coordinators
  - Approval of API by COSIPLAN (to be granted in November 2011)

BACKGROUND (3)

- **Project Selection Criteria**
  - Projects must belong to the COSIPLAN Project Portfolio, be a priority in government action, and have resources already allocated.
  - Feasibility studies must be available, or the country has allocated the necessary funds for their implementation.
  - They strengthen connectivity networks that are regional in scope, and involve cross-border synergies
  - Projects complement the efficient provision of services and the sustainable development of the territory.

BACKGROUND (4)

- **Analytical Relations between the Portfolio and API**
  - **Portfolio**

    Integration and Development Hubs (EIDs)

    Project Groups

    Projects
  - **Agenda**

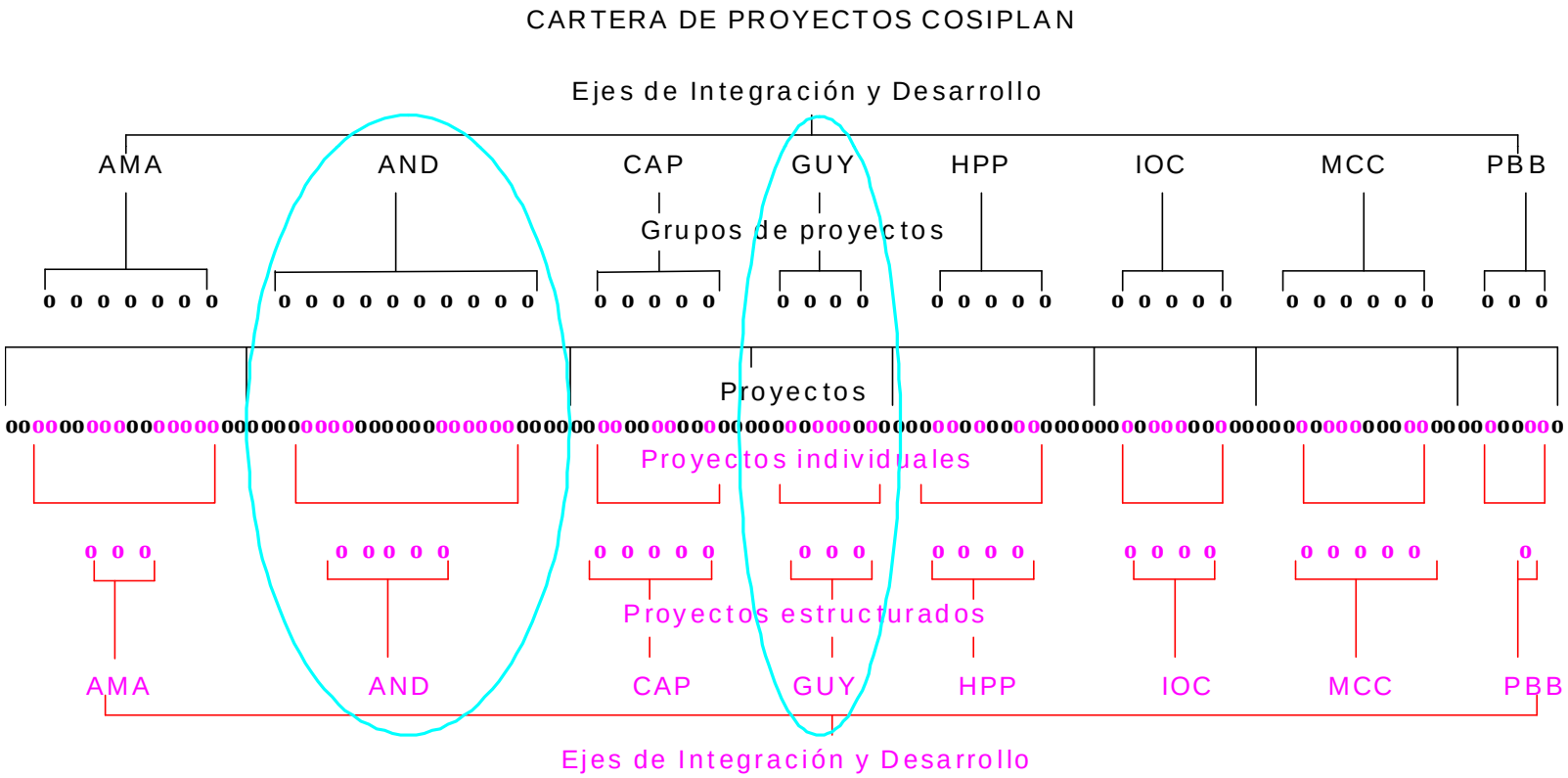
    Integration and Development Hubs (EIDs)

    Structured Projects

    Individual Projects
  - **Some Examples**

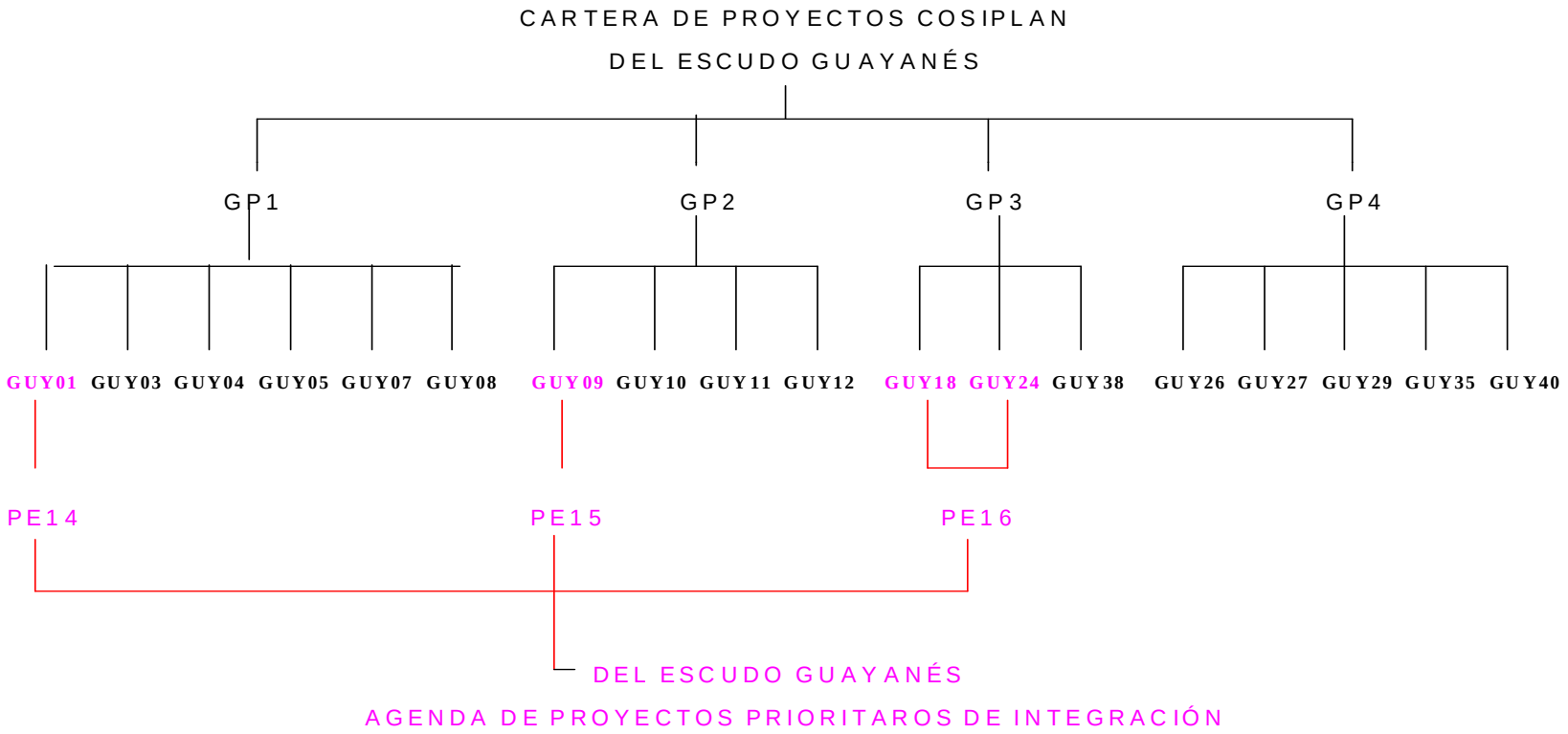
BACKGROUND (5)

- **General Structure: all the Integration and Development Hubs**



BACKGROUND (6)

- **Guianese Shield Hub**



Guianese Shield Hub

BRAZIL, GUYANA, SURINAME AND VENEZUELA

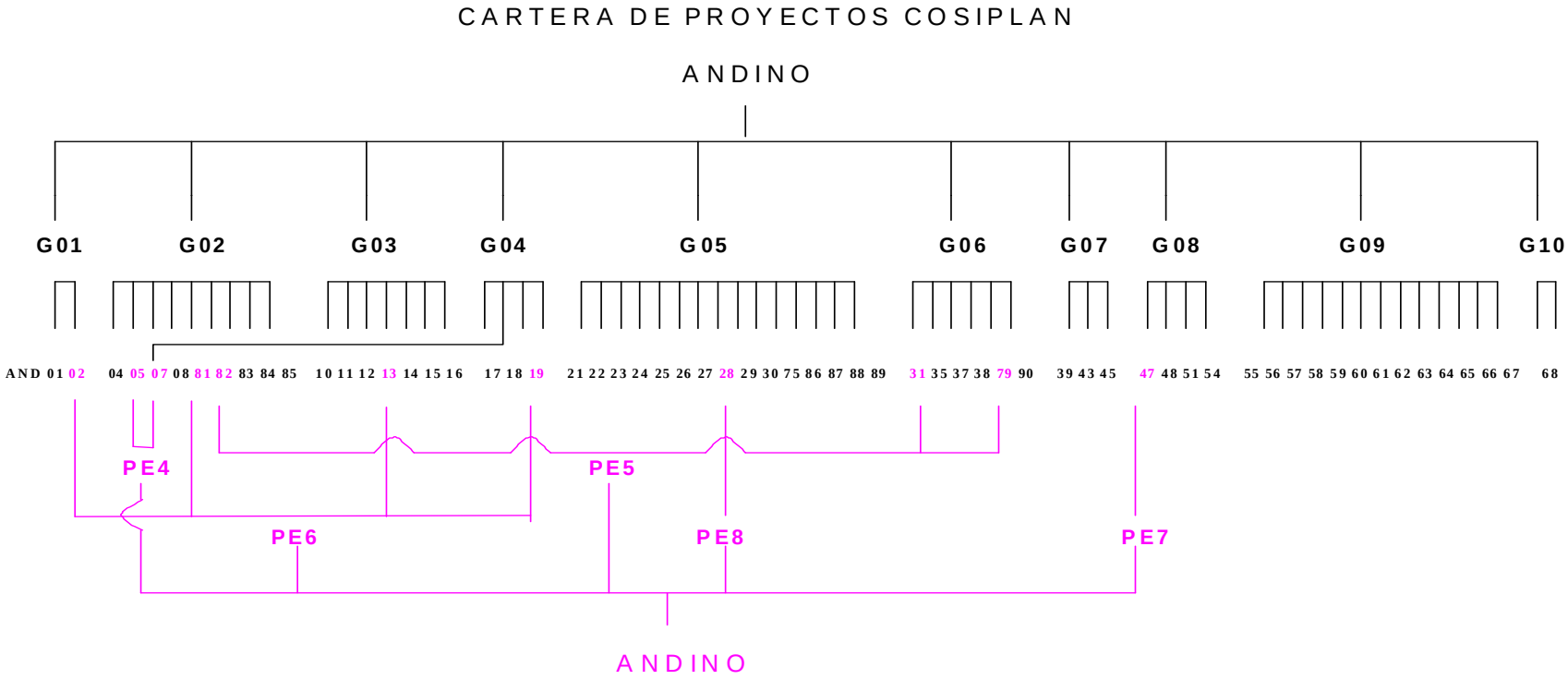
REHABILITATION OF THE CARACAS - MANAUS ROAD

BOA VISTA - BONFIM - LETHEM - LINDEN - GEORGETOWN ROAD

ROUTES INTERCONNECTING VENEZUELA (CIUDAD GUAYANA) - GUYANA (GEORGETOWN) - SURINAME (SOUTH DRAIN - APURA - ZANDERIJ - MOENGO - ALBINA), INCLUDING CONSTRUCTION OF THE BRIDGE OVER THE CORENTYNE RIVER

ANTECEDENTES (7)

- **Andean Hub**



El proyecto AND07 es un proyecto rótula que pertenece a ambos grupos de proyectos (G02 y G04) en el IED ANDINO
El número de proyecto comienza con "AND" debido a su pertenencia al eje andino, pero no se colocó por razones de espacio

BACKGROUND(8)

- **Thus, the COSIPLAN API involves:**
  - A limited number of strategic, high-impact projects
  - 31 structured projects in 8 Hubs, based on 88 individual projects
  - An investment amount of more than US$13 billion (11.8% of the Portfolio)
  - Intensive management through a monitoring process

MONITORING SYSTEM (1)

OBJECTIVES

a) Keep different user groups informed with transparency

b) Share work information among hubs, sectors, and countries

c) Join efforts to anticipate and manage specific problems

What elements do these objectives involve?

MONITORING SYSTEM (2)

- Elements common to the three information systems in support of objectives (a), (b) and (c)
  - relevant
  - true
  - timely
- Information grows more complex as objectives (a), (b) and (c) are pursued
- Pursuit of objectives (a), (b) and (c) may be complete or fragmented, and simultaneous or progressive

FIRST DECISION TO MAKE
What objective do we want to monitor?

MONITORING SYSTEM (3)

APPROACH

- Define its coverage and complexity
- Choose the method for its design
- Establish its basic contents

What are the main options?

MONITORING SYSTEM (4)

- A simple, easy-to-use by all design versus a complex one, only applicable by a few
- Designed from the top down versus from the bottom up
- Recording quantitative data only versus including qualitative data as well

SECOND DECISION TO MAKE
How do we want to design and implement it?

MONITORING SYSTEM (5)

COMPONENTS

- Physical advances
- Financial progress
- Identification of crucial stages
- Identification of obstacles

MONITORING SYSTEM (6)

PHYSICAL ADVANCES

- IIRSA Project Database divides project lifecycle into the following stages:
  (a) profiling
  (b) pre-execution (pre-feasibility, feasibility and investment)
  (c) execution
  (d) completed
- The monitoring system specifies the project execution component by means of a physical progress indicator that measures the works executed versus the works planned (in %).

MONITORING SYSTEM (7)

RELEVANT ISSUES

- Activity breakdown: the more detailed the activities, the closer the follow-up, but the more complex the information handled.
- The most suitable breakdown may depend on the project type; therefore, it would be useful to define it on the basis of a representative sample.
- It is necessary to define consolidation criteria to build aggregate indicators —a far more complex task to carry out on structured projects.

MONITORING SYSTEM (8)

FINANCIAL PROGRESS

- The financial progress indicator shows the disbursements made vis-à-vis the total amount, indicating the commitment of funds available (in %).
- To verify if there are any gaps, this indicator should be confronted against the physical progress indicator as well as against a cost compliance indicator.
- In the case of structured projects, it will also be necessary to define consolidation criteria, since individual projects may reveal different gaps.

MONITORING SYSTEM (9)

IDENTIFICATION OF CRUCIAL STAGES

- This component requires a broader approach to the project than the two previous ones, which focus on the execution stage.
- There are steps in the execution of any project that stand out in the critical path of its activities (for example, expropriations).
- But there are also special steps prior to the execution of the project (environmental permit) and even after its completion (acceptance of works).
- They usually require the following:
  - a summary description of the crucial step
  - an accurate explanation of the relevant decisions to overcome it
  - the list of responsible and influencing bodies

MONITORING SYSTEM (10)

IDENTIFICATION OF OBSTACLES

- This component involves a set of actions designed to identify and overcome obstacles.
- This component also requires a broad view of the project to cover all its stages.
- It involves turning the monitoring system into an instrument to support a cooperation space.
- Although it may include quantitative data, it basically contains qualitative and value information.

MONITORING SYSTEM (11)

WORK METHODOLOGY (i)

- The first two components can be incorporated into the COSIPLAN Project Database by adding the necessary fields in IIRSA project files.
- Alternatively, a databank associated to the DB could be created, including the API individual projects subject to the monitoring system.
- It seems advisable to define a third database to include the API structured projects, accounting for their own characteristics.
- The general principle is that the API structured projects are more than the sum of its individual projects, and their description should reflect such principle.

MONITORING SYSTEM (12)

WORK METHODOLOGY (ii)

- It might not be practical, at least initially, to incorporate the last two components into the same information system than the one used for the first two components.
- Instead, these last components should be progressively implemented in the different EIDs, depending on their conditions.
- The “tree-like” structure of API enables each level to be treated as an independent sector, with little or no interaction with the rest.
- However, as experience is gained, standards and best practices could be laid down and disseminated.

MONITORING SYSTEM (13)

THIRD DECISION TO MAKE

What components to include?

What sequence to follow?

How to define a work methodology?

How to manage and administer the system?

MONITORING SYSTEM (14)

IN BRIEF

Decision 1 What objective do we want to monitor?

Decision 2 How do we want to design and implement it?

Decision 3 What components to include?

What sequence to follow?

How to define a work methodology?

How to manage and administer the system?

MONITORING SYSTEM (15)

FUTURE ACTIVITIES

- Suggestions and comments by the National Coordinations on the proposal
- Bilateral and intra-EID consultations to define design and implementation alternatives
- Drafting a proposal based on these decisions