



INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA



IDB

FONPLATA

Technical Coordination Committee (CCT)

**Fourth National Coordinators' Meeting
Lima, 18-20 August 2004**

Annotated Agenda

1. Strategic Vision for South American Physical Integration

At the Second Meeting of the IIRSA Initiative Executive Steering Committee (CDE) held in Buenos Aires in December 2001, the CDE instructed CCT institutions to draft a document addressing a Strategic Vision for South American Physical Integration to guide the Initiative's development.

In 2002, CCT institutions worked on the above. At the Third CDE Meeting held in Brasilia in May 2002, the CDE adopted a first text ("Towards a Shared Strategic Vision for Infrastructure Integration in South America") based on a diagnosis of the region for setting forth the need to build a shared strategic vision. In this regard, it established seven guiding principles for formulating this South American strategic vision and outlined the elements of the process to be followed.

On this basis, CCT institutions drafted the document submitted at the Fourth CDE Meeting held in Caracas in July 2003 ("Working Tool for Designing a Strategic Vision for South America"). This document represents an effort to arrange the different elements which make up the IIRSA Initiative. It includes a diagnosis on the situation in South America, an analysis of exploratory scenarios, a proposal for a target vision for the region to the year 2020, an agenda of transformation processes on the way to achieving that target vision, a specific strategic agenda for IIRSA's work and a brief outline of the Integration and Development Hubs (in South America), highlighting the most important strategic issues in each area.

In the final considerations of the document, the importance of building a South American consensus on a regional development strategic vision is highlighted. In this regard, the document drafted by CCT is merely an input, a working tool for the governments. Thus there appears the need to promote "a wide debate within South American society (governments, the private sector and civil society) which will allow strong consensus-building regarding concepts and proposals to structure South American integration and development and the inclusion of the diversity of situations existing in the region's different geo-economic spaces".

National authorities, then, believed it was necessary to have more time to analyze the contents of the document drafted by CCT before triggering an open debate and including other sectors of

society. The issue was reviewed again at the Fifth CDE meeting (Santiago de Chile, December 2003), when it was agreed that the CCT could use the document for debate purposes, making it clear that it is a CCT document which does not yet represent the countries' consensus.

On the other hand, the need to promote a space of reflection and consensus-building within the governments on the elements of a strategic vision for South American integration was highlighted. Such process would profit in each country from the participation of experts, opinion-makers and stakeholders' representatives that each government considered pertinent to these topics. Whether, the latter, were government officials or not, they could enrich the debate with their inputs and viewpoints.

This analysis within the governments should be gradually accompanied and enriched by a wider interaction, with the participation of other relevant actors to ensure the success of the IIRSA Initiative, as for instance, sub-national governments, regulatory authorities, representatives of the private sector at the national and regional levels, organized groups from civil society and national and regional scholars' centers. In this manner, while a shared South American strategic vision is being built, the whole of civil society can be mobilized to promote and support the necessary actions.

At the Fourth National Coordinators' Meeting, approximately half a day (the first afternoon of the meeting) will be devoted to reviewing CCT proposals and considering potential lines of action with a view to:

- (i) enrich and perfect the Initiative's strategic documents (South American Strategic Vision -VESA, its acronym in Spanish-, Business Visions of the Integration and Development Hubs, Project Group Profiles);
- (ii) appropriately include sub-national governments and non-governmental sectors in the building and debate of a shared strategic vision; and
- (iii) within VESA's framework, link, the indicative planning process which has been developed for IIRSA with the national planning systems, including the potential strengthening of the countries' institutional capabilities.

In order to provide further information and guide the debate, CCT will prepare and distribute additional support material on this topic.

2. Analysis of Project Groups – The IIRSA Portfolio composition

The IIRSA Initiative Project Portfolio was started up in 2001 with the compilation of the first group of project profiles provided to CCT by the twelve governments, through a series of National Meetings and subsequent coordination activities. This first list of projects was used as an input to prepare the Business Visions (VdN) for the Integration and Development Hubs. They set forth an initial definition and characterization of each Hub, relating infrastructure project proposals to current and potential economic activities in the area of influence.

The first list of identified projects was organized simply by Integration and Development Hubs and entailed an important challenge for their implementation regarding financial and institutional resources. This led to a first selection of the so-called "first generation projects", i.e., those projects whose levels of preparation and conceptual, technical and political readiness would make

their implementation feasible in the short run. Based on this definition, a series of projects were included in the pipeline for funding by CCT institutions and other financing organizations.

Nonetheless, the identification of first generation projects did not turn out to be a sufficiently useful methodological tool to clearly define an implementation plan for the project portfolio, so as to meet a great heterogeneity of identified projects. This led CCT to propose that the countries carry out a more thorough analysis of the project portfolio, using the methodology of project grouping and analysis factors as a support tool. Between October 2003 and June 2004, two rounds of meetings were held of each Hub's Executive Technical Groups[♦] as well as national preparation and training meetings for the application of this methodology.

The main aspect of the Fourth National Coordinators' Meeting is to tackle the global evaluation of the territorial planning process results, and project portfolio planning that have been undertaken by the countries and the CCT, in order to define the steps to enter an accelerated execution phase of a selected group of IIRSA projects, prioritized on the basis of this process and of high impact for regional physical integration. The IV Meeting of National Coordinators will devote substantial time (minimum one day) to the discussion of all the results of this work so as to:

- (i) Evaluate the quality of the results achieved;
- (ii) Consider the need for supplementary analysis or documentation of the project groupings; and
- (iii) Establish guidelines for preparing a promotion and implementation plan for the project portfolio to adequately meet the different levels of preparation and readiness of the identified projects.

In order to provide further information and guide the debate, CCT will prepare and distribute additional support material on this topic.

3. Prospects and Challenges for Sectoral Integration Processes

CCT has carried out analysis and diagnosis studies and has proposed a work plan for each of the seven Sectoral Integration Processes (PSI) defined in the IIRSA framework. This last year, specific progress has been made in two of these (Information and Communication Technologies – ICTs – and Facilitation of Border Crossings) and following the initiatives of the Peruvian Government, important proposals are being set forth within the Project Financing Mechanisms Process. The Sectoral Process for Normative Frameworks for Regional Energy Markets has suffered several failures in the attempt to make it operational and at present there is uncertainty regarding progress in the short run. The remaining PSIs on air, maritime and multi-modal transportation are awaiting the pertinent Executive Technical Group meeting to review CCT studies and proposals and define future courses of action.

[♦]In the case of the MERCOSUR-Chile Hub, the review of the groupings and analysis factor application has not yet been completed. In the cases of Southern Andean Hub and Paraguay-Paraná Waterway, these tasks have not yet been started.

In front of this situation, and taking into account progress made and existing cumulative challenges in the development of the IIRSA Initiative, CCT considers it timely and important to promote an exchange of ideas and viewpoints among Government National Coordinators regarding the necessary options and approaches to continue progressing along this important dimension of physical integration.

In order to provide further information and guide the debate, CCT will prepare and distribute additional support material on this topic.

4. Work Schedule 2004-2005: Towards the III Meeting of Presidents and Heads of State of South America

As a result of the definitions reached on the above items, Work Schedule will be reviewed and agreed upon for the IIRSA Initiative, covering the rest of the current year and possibly the first half of 2005.

With regard to this point, special attention should be paid to the programming of activities to help towards achieving specific results during the second half of 2004 -from the technical and political standpoints- with a view to supporting the relevance of the decisions to be made by the CDE Ministers at their meeting in November this year. This event will be particularly important since it will become the essential input for the Third Meeting of Presidents and Heads of State of South America to be held in Peru, in December 2004.