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**White Paper**

**Survey Results for Key Issues of Integration, Infrastructure & IIRSA in the  
Context of the Financial Crisis**

Report produced for the Inter-American Development Bank on the occasion of the South American Integration Leadership Forum (Cartagena, December 2 & 3, 2008).

## **Survey Results for Key Issues of Integration, Infrastructure & IIRSA in the Context of the Financial Crisis**

### **Introduction**

CG/LA Infrastructure, under contract with the Inter-American Development Bank (IDB) conducted a survey of 500+ infrastructure executives in Latin America – The survey was conducted from October 29 to December 2, 2008 and comprised more than 12 countries from all relevant sectors: finance, technology, multilateral organizations, government, construction, equipment and technology. The survey was administered in Spanish and Portuguese. A copy of both surveys is attached for further reference.

The goal of the survey was to evaluate attitudes and knowledge about the Initiative for the Integration of South American Regional Infrastructure (IIRSA), in the context of the crisis.

The 12-question survey was divided into three main sections: general knowledge about IIRSA; the perceived role of Multilateral Development Organizations in the development of infrastructure; and the Effects of the Current Financial Crisis on Infrastructure.

Summary results of the survey: (1) Vast majority (89%) had little or no familiarity with IIRSA; (2) 98% of participants believe that the integration of infrastructure is either critical or somewhat critical for regional competitiveness ; and (3) 92% believe that the participation of multilaterals in infrastructure is 'very important' – particularly in the financing of projects.

Lastly, 83% of respondents 'strong believe it is a good idea,' or simply 'believe it is a good idea' to increase infrastructure investments in South America by 1% of GDP as a way of insulating the region from the effects of the global financial crisis.

### **Respondent profile**

There were a total of 613 respondents classified in 8 major sectors: multilateral development banks (4), Finance (92), Consulting (61), Government and Policy (130), Engineering and Construction (115), Equipment and Technology (50), Services (70) and Legal (31).

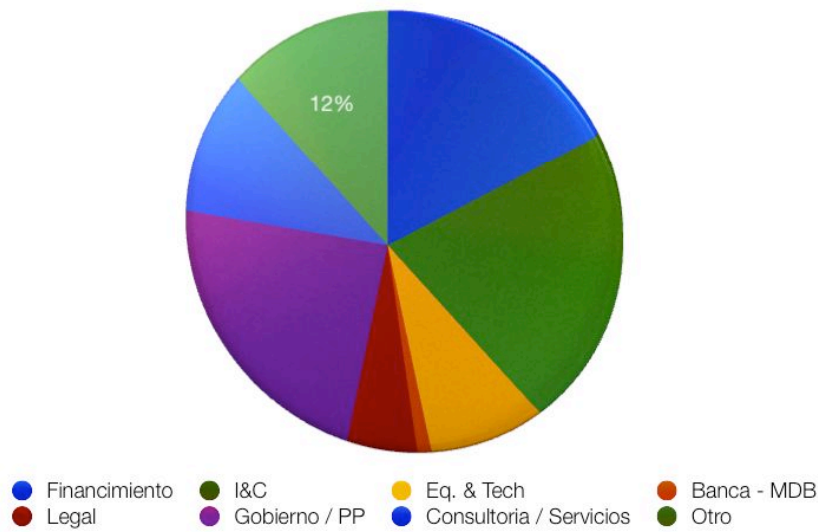
These sectors represent the key decision makers for infrastructure projects with higher participation of government, financial institutions and engineering and construction firms. It is important to note that the survey was not built on a representative sample but on the quality and knowledge of respondents: directors, vice-presidents, presidents and

other key decision makers in the infrastructure world.



Indique en que sector trabaja

Participantes - 613



### IIRSA & Related Questions

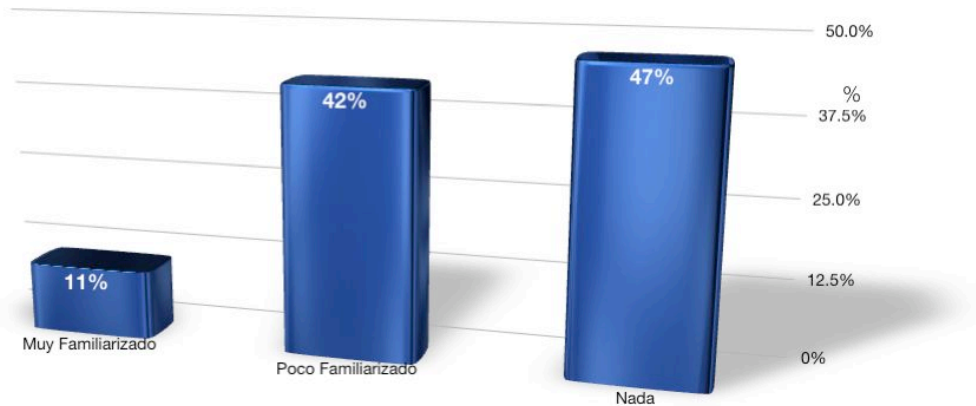
The Survey presented a series of five questions on the IIRSA initiative, the answers to three of which are highlighted here (the other three are summarized in Appendix 3). Questions focused on respondent's awareness of the initiative, and the results that could be expected.

## How Familiar are you with the IIRSA Initiative?

The results showed a nearly equal division between those who have no familiarity with IIRSA (47%) and those with 'little' familiarity (42%). Put another way, only 11% of respondents said that they were 'very familiar' with IIRSA, while fully 89% said that they had no or little familiarity with the initiative.



1. ¿Que tan familiarizada esta Ud. con la Iniciativa IIRSA?

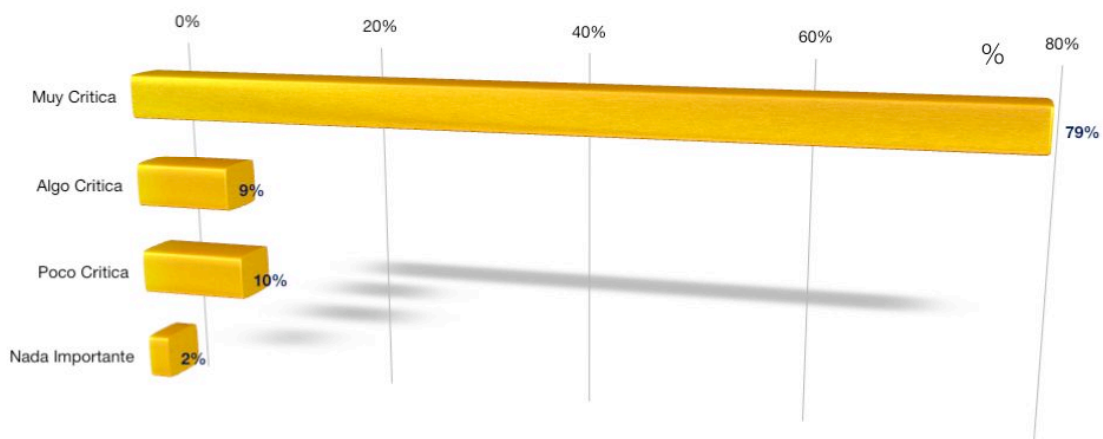


**Comment:** Arguably regional integration is extremely important for the competitiveness and productivity of South America. It can be argued that IIRSA – and its supporting organizations – should consider increasing their outreach program, and the budget supporting such a program, in order to increase the awareness and participation of professional infrastructure executives in what is clearly a critical initiative.

**Do you believe that the integration of South American infrastructure is critical for the region's ability to compete in the global economy?**

The answers to this question are stunning in their clarity, and dramatic in their opposition to the 'knowledge of IIRSA' question. A large percentage of respondents (79%) believe that integration of infrastructure is 'very critical' to the ability of the region to compete; another 19% believe that infrastructure integration is 'somewhat critical.' Only 2% believe that it is not important! So, a large majority of infrastructure professionals have little or no knowledge of the initiative, fully 98% believe that it is either very or somewhat critical.

5. Considera Ud. que la integración de la infraestructura de Sudamerica es critica para la habilidad de la región de competir en la economía global



**Comment:** A clear suggestion would be that the initiative should be expanded, that in fact there would be dramatic support throughout the South American infrastructure community for such an expansion. It might be suggested that an IIRSA 2 be considered, with the idea of developing a second generation of projects, particularly in the increasingly global world economy – and at this moment of global crisis.

Note: The IIRSA initiative is relatively anemic when compared to the EU's now 50 year drive to integration.

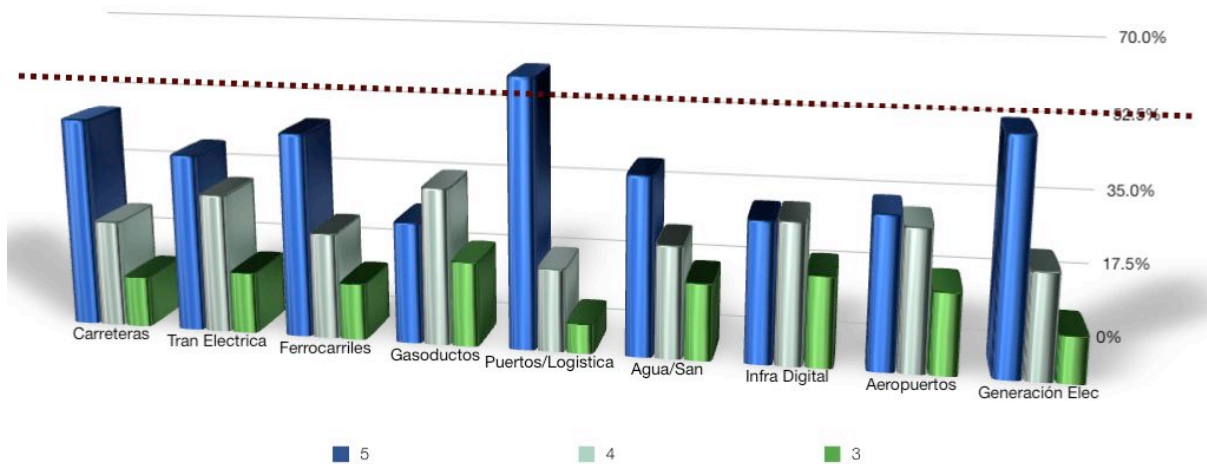
**In the context of South American integration, which types of projects are most critical for the growth of your country?**

This is an initial 'sighting' question, designed to give the IDB a sense of the kinds of projects that people consider most critical 'in the context of South American integration.' It is important to recognize that the answers to this question provide only general information, because certain projects are – by their nature – more closely identified with integration than others.

In that sense, ports and logistics, highway and electricity generation projects are the most important for country growth. Priorities vary across countries (see next page), but in general these are seen as the critical sectors.



4. ¿Que tipo de proyectos son los mas importantes para el crecimiento de su pais?  
5 = 'muy importante'



Note below that variations – in terms of priorities – are significant across countries, and make sense from a *prima facie* point of view.

Priority	Argentina	Brazil	Chile
First	Energy Generation	Ports & Logisitics	Energy Generation
Second	Highways	Energy Generation	Ports & Logisitics
Third	Gasoducts	Railroads	Highways
	<b>Colombia</b>	<b>Peru</b>	
First	Highways	Highways	
Second	Ports & Logisitics	Water	
Third	Airports	Airports	

**Comment:** It is not clear that these answers were focused on integration, or are simply answers to the question of country infrastructure weakness.

At the same time, the answers provide solid guidance in terms of the kinds of projects that might be emphasized in any kind of IIRSA 2 initiative.

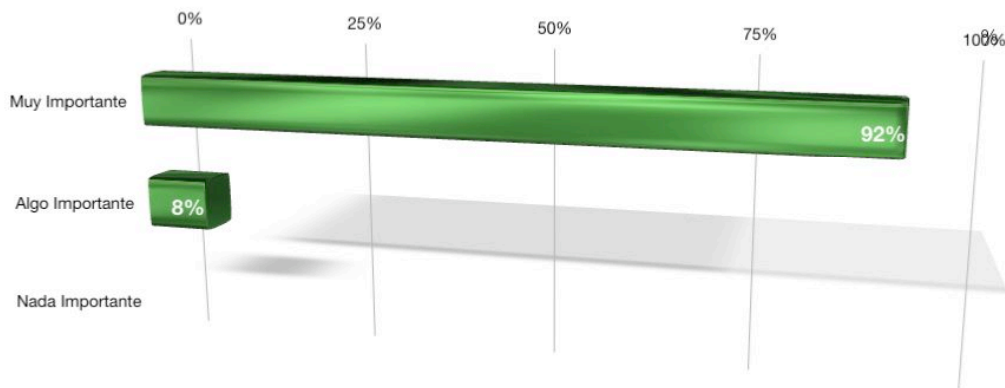
Lastly, the priority list might serve as an interesting and useful internal critique, showing whether IIRSA's current project list *articulates* optimally with country concerns. **This would be a powerful way to increase country commitment to IIRSA – making sure that priority, problem, or weak sectors are emphasized and represented.**

**In the current financial crisis the multilateral development organizations have an important role to play in financing infrastructure projects?**

Once again, the answers to this question are unequivocal – and maybe a bit surprising. Fully 92% of respondents believe that multilateral organizations are ‘very important’ for financing projects during the crisis. Only 8% believe that the multilaterals are only ‘somewhat important’ – and the number that believe that they are ‘not important’ is less than 1%.



6. En actual crisis financiera ¿tienen los organismos multilaterales un papel importante en el financiamiento de proyectos de infraestructura?



**Comment:** This is simply a clear statement of the extreme relevance of multilaterals during the current crisis, as perceived by infrastructure professionals in South America. Further research might be done in this area (see the results of the next question). In addition, certainly these results should be publicized.

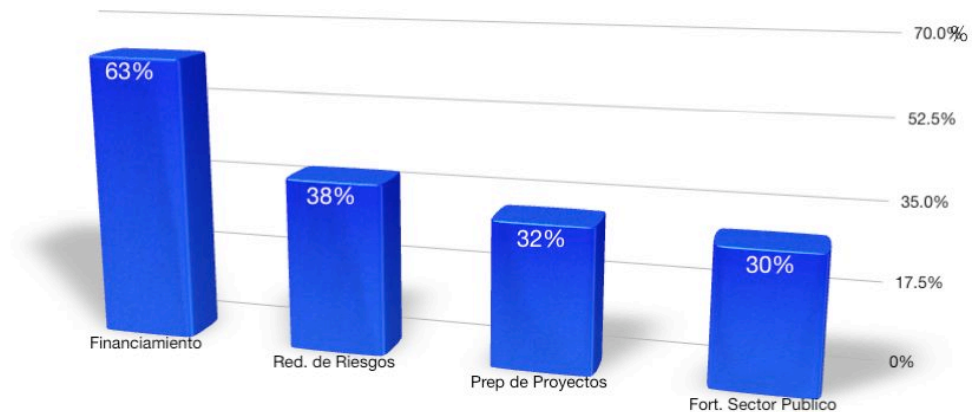


**In terms of the IDB, how important are the following activities in promoting the development of infrastructure projects?**

The question focuses on how the IDB should focus its resources during the current crisis, from the point of view – of course – of infrastructure professionals throughout South America. There is a clear trend: 63% see project ‘financing’ as ‘very important;’ 38% see ‘risk mitigation’ as very important; 32% see ‘project preparation’ as very important; while 30% see ‘strengthening of the public sector’ as very important.



7. En terminos del BID, ¿que tan importante son las siguientes actividades para promocionar el desarrollo de proyectos de infraestructura?



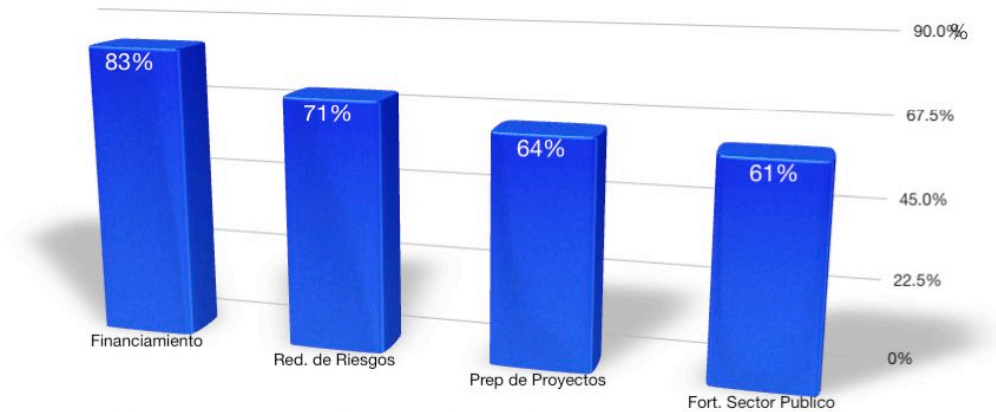
**“5” = Muy Importante**

Note that when combining the top two answers, 'very important (5)' and 'important (4)' the answers are significantly different.

Here all responses are well above 50%: Finance (83%); Risk Mitigation (71%); Project Preparation (64%); and Strengthening of the Public Sector (61%).



7a. En terminos del BID, ¿que tan importante son las siguientes actividades para promocionar el desarrollo de proyectos de infraestructura?



**“4” Importante & “5” = Muy Importante**

**Comment:** It would appear that all of these sectors are important, and it would be useful to 'drill down' into this question – exploring the specific 'services' that the IIRSA team might provide to project sponsors during, and after, the financial crisis.

Many professionals are just beginning to re-familiarize themselves with the MDB institutions, and so this kind of exercise would be highly useful.

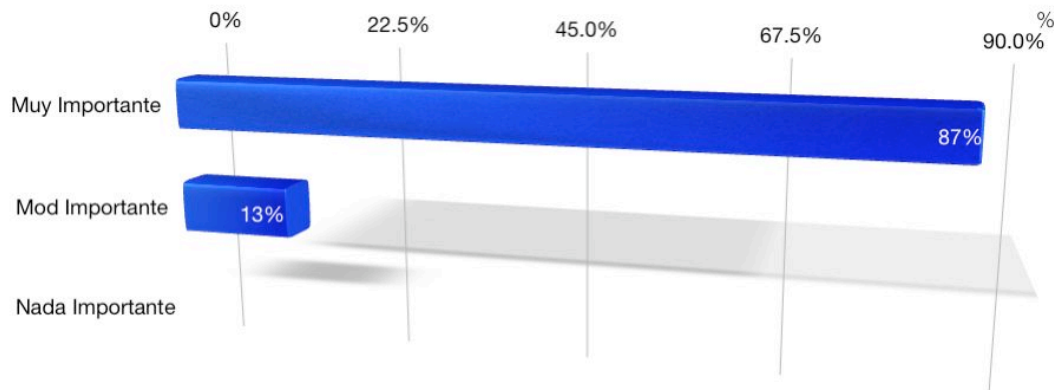
## In Infrastructure Projects Focused on Integration the Role of the Multilaterals is?

This question produced an extraordinary result. Fully 87% of respondents believe that the role of multilaterals is 'very important,' with the remainder believing that the role is 'moderately important.'

Essentially, this means that the vast majority of infrastructure professionals in the region see multilateral participation as critical to project success. As noted earlier, there are series of key roles, but the most important is clearly that of 'finance.'



8. En los proyectos de infraestructura para la integración de SA, el papel de los bancos multilaterales es:



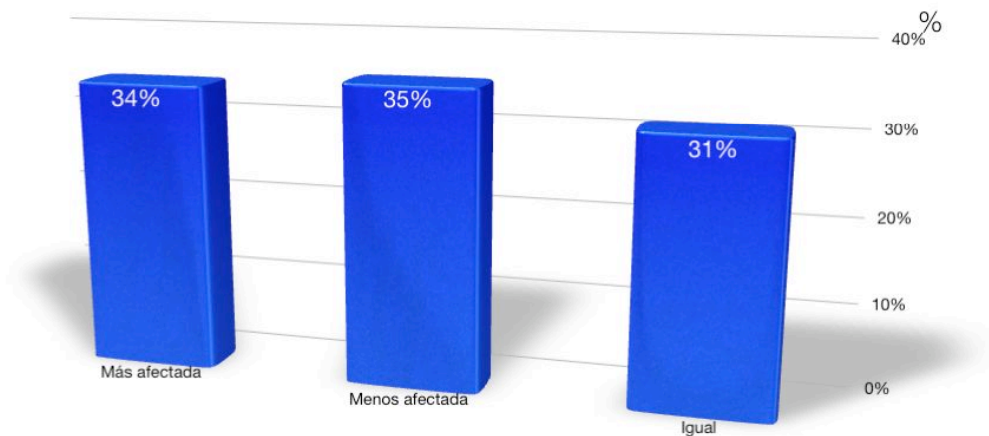
**Comment:** Clearly for infrastructure to proceed in South America there is a belief that multilaterals need to be involved. Are they in a position to play this role? Do they have enough resources? Can they act quickly enough in this time of crisis? Are they allowed to act quickly enough?

## Do you think that Infrastructure will be More or Less Affected during the Current Financial Crisis?

The answers to this question seem to mirror the general confusion over the nature and severity of the financial crisis: 34% of respondents think that infrastructure will be 'more affected' and 35% (basically a tie) believe that it will be 'least affected – with those results its affected than other sectors, while 31% believe that it will be as affected as others.



10. Piensa Ud. que la infraestructura se verá más o menos afectada que otros sectores en la actual crisis?



**Comment:** From our point of view it appears as if infrastructure professionals in Latin America are undecided about the nature and severity of the crisis.

It may be that this confusion needs to be addressed, given that decisions taken now – particularly in infrastructure, and arguably as this infrastructure relates to integration – will determine the length and duration of the crisis.

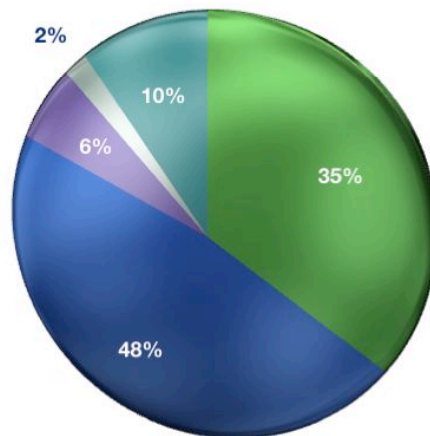
**Do you believe that public sector investment – say an additional 1% of GDP – would make sense to alleviate the worst effects of the financial crisis?**

Indeed, 83% of respondents believe that this is a good idea, with 35% of that group believing 'strongly' that a 1% increase is a good idea. Only 8% of respondents do not believe that this kind of aggressive action is a good idea.



16. ¿Piensa Ud. que las inversiones del sector publico - por decir un aumento del 1% del PIB - tienen sentido para mitigar los peores efectos de la crisis financiera actual?

- Fuerte. Buena Idea
- Buena Idea
- No es una Buena Idea
- Fuerte No Buena Idea
- Sin Opinion



**Comment:** This is another very strong, unequivocal, result – almost a call to action. It might be interesting to repeat the survey at regular intervals over the next year, in order to see how this – and other responses – evolves.

Perhaps more importantly, this shows clearly that – at least among infrastructure professionals – there is strong support for aggressive infrastructure investment.

## Appendix 1. Spanish Questionnaire

### Encuesta

Por favor tome un momento para contestar las siguientes preguntas. Sus respuestas permanecerán de manera confidencial y serán utilizadas por el Banco Interamericano de Desarrollo e IIRSA en la preparación del Foro de Liderazgo para la Integración de Sudamérica en Cartagena Colombia, el próximo diciembre 2 y 3, 2008. La información obtenida servirá para diseñar los próximos pasos para el desarrollo de proyectos claves para la integración de Sudamérica.

#### Identificación

Nombre	
Posición	
Firma	
Email	
País	
Sector	Financiamiento Construcción Maquinaria, Equipo y Tecnología Abogados Pública Servicios
	Ingeniería y Banca Multilateral Gobierno y Política Otros

#### Sección 1 – Acerca de la Iniciativa para la Integración de la Infraestructura Regional Suramericana –IIRSA

1. ¿Está usted familiarizado con la iniciativa IIRSA?

- a. \_\_\_\_ Muy familiarizado
- b. \_\_\_\_ Un poco familiarizado
- c. \_\_\_\_ Nada (Ir a p. 3)

2. ¿Cuál cree usted que ha sido el mayor valor agregado de IIRSA al proceso de integración?

- a. \_\_\_\_ Cartera común de proyectos
- b. \_\_\_\_ Difusión de información de los proyectos
- c. \_\_\_\_ Búsquedas de consensos
- d. \_\_\_\_ Otro (especifique)

3. ¿Considera usted que la integración de la infraestructura de Sudamérica es crítica para la habilidad de la región de competir en la economía global?

- a. \_\_\_\_ Muy crítica (Ir a p. 3.1)
- b. \_\_\_\_ Algo crítica (Ir a p. 3.1)
- c. \_\_\_\_ No es para nada importante (ir a p. 3.2)

3.1 ¿Por qué? \_\_\_\_\_

3.2 ¿Por qué no? \_\_\_\_\_

4. ¿Qué tipo de proyectos de infraestructura de integración son los más importantes para el crecimiento de su país? (Por favor evalúe del 1 al 5, siendo el 5 "Muy importante" y el 1 "No es importante")

- |                                |                              |
|--------------------------------|------------------------------|
| a. ___ Carreteras              | f. ___ Transmisión eléctrica |
| b. ___ Ferrocarriles           | g. ___ Gasoductos            |
| c. ___ Puertos y Logística     | h. ___ Agua y Saneamiento    |
| d. ___ Infraestructura digital | i. ___ Aeropuertos           |
| e. ___ Generación de energía   |                              |

5. En su país, ¿qué sector requiere una mayor atención de los aspectos regulatorios?

- a. \_\_\_\_\_ Transportes
- b. \_\_\_\_\_ Energía
- c. \_\_\_\_\_ Comunicaciones
- d. \_\_\_\_\_ Ninguno
- e. \_\_\_\_\_ Otro

## **Sección 2 – El papel de los Bancos Multilaterales**

6. En la actual crisis financiera, ¿tienen los organismos multilaterales un papel importante en el financiamiento de proyectos de infraestructura?

- 1. \_\_\_ Muy importante
- 2. \_\_\_ Algo importante
- 3. \_\_\_ No es para nada importante

7. En términos del Banco Interamericano de Desarrollo, ¿qué tan importante son las siguientes actividades para promocionar el desarrollo de proyectos de infraestructura? (Conteste del 1 al 5, siendo 5 "Muy importante" y 1 "No es importante")

- a. \_\_\_ Financiamiento
- b. \_\_\_ Reducción de riesgos
- c. \_\_\_ Preparación de proyectos
- d. \_\_\_ Fortalecimiento del sector público
- e. \_\_\_ Otro (Si indico otro, favor de explicar cuál)

8. En los proyectos de infraestructura para la integración de Sudamérica, el papel de los bancos multilaterales es:

- a. \_\_\_ Muy importante

- b. \_\_\_ Moderadamente importante
- c. \_\_\_ No es para nada importante

### **Sección 3 – Efectos de la Crisis Financiera**

9. Dado el escenario económico actual, ¿cuál sector de infraestructura es más atractivo para inversiones?

- a. \_\_\_ Inmobiliario
- b. \_\_\_ Bancario
- c. \_\_\_ Turismo
- d. \_\_\_ Infraestructura básica
- e. \_\_\_ Otro

10. ¿Piensa usted que la infraestructura se verá más o menos afectada que otros sectores en la actual crisis?

- a. \_\_\_ Más afectada
- b. \_\_\_ Menos afectada
- c. \_\_\_ Tendrá un efecto igual

11. ¿Piensa usted que las inversiones del sector público – por decir un aumento del 1% del PIB – hacen sentido para mitigar los peores efectos de la crisis financiera actual?

- a. \_\_\_ Considera fuertemente que es una buena idea
- b. \_\_\_ Considera es una Buena idea
- c. \_\_\_ Considera que no es una Buena idea
- d. \_\_\_ Considera fuertemente que no es una Buena idea
- e. \_\_\_ No tiene opinión

12. ¿Cuáles son las áreas del sector de infraestructura que son más críticas para el crecimiento económico de su país?

- a. \_\_\_ Carreteras
- b. \_\_\_ Ferrocarriles
- c. \_\_\_ Puertos y Logística
- d. \_\_\_ Infraestructura digital
- e. \_\_\_ Generación de energía
- f. \_\_\_ Transmisión de electricidad
- g. \_\_\_ Gasoductos
- h. \_\_\_ Agua y Saneamiento
- i. \_\_\_ Aeropuertos
- j. \_\_\_ Otros



## Appendix 2. Portuguese Survey

### Pesquisa

Por gentileza, apreciaríamos se você pudesse nos responder as perguntas abaixo. Note que resguardaremos a confidencialidade de suas respostas e informamos que as mesmas serão utilizadas pelo Banco de Desenvolvimento Inter-americano e pela IIRSA na preparação do Fórum de Liderança para Integração da América do Sul, que acontecerá em Cartagena, Colômbia, nos dias 2 e 3 de dezembro de 2008. Essas informações são imprescindíveis para o planejamento do desenvolvimento dos projetos chaves na Integração da América do Sul.

#### Identificação

Nome	
Função	
Empresa	
E-mail	
País	
Setor	Financiamento Construção Maquinários, Equipamentos e Tecnologia Banca Multilateral de Desenvolvimento Advogados Pública Serviços
	Engenharia e Governo e Política Outros

#### Seção 1 – Com vistas à Iniciativa para a Integração da Infra-estrutura Regional Sul-Americana - IIRSA

1. Você conhece as iniciativas da IIRSA?

- a. \_\_\_\_ Conheço muito
- b. \_\_\_\_ Conheço um pouco
- c. \_\_\_\_ Não tenho nenhum conhecimento (Ir a p. 3)

2. O que você considera ter sido o maior valor agregado da IIRSA no processo de integração?

- a. \_\_\_\_ Carteira de projetos comuns
- b. \_\_\_\_ Divulgação das informações dos projetos
- c. \_\_\_\_ Consenso de busca
- d. \_\_\_\_ Outro (especifique)

3. Você considera que a integração da infra-estrutura da América do Sul é crítica para que a região seja mais competitiva na economia global?

- a. \_\_\_\_ Muito crítica (Ir a p. 3.1)

- b. \_\_\_ Pouco crítica (Ir a p. 3.1)
- c. \_\_\_ Não é importante (ir a p. 3.2)

3.1 Por que? \_\_\_\_\_

3.2 Por que não? \_\_\_\_\_

4. Tendo em vista a integração da América do Sul, quais categorias de projetos de infraestrutura são mais importantes para o crescimento do seu país? (Por favor, avalie de 1 a 5, sendo 5 "muito importante" e 1 "não importante")

- a. \_\_\_ Rodovias
- b. \_\_\_ Ferrovias
- c. \_\_\_ Portos e Logística
- d. \_\_\_ Infra-estrutura digital
- e. \_\_\_ Geração de energia
- f. \_\_\_ Transmissão de energia
- g. \_\_\_ Gasodutos
- h. \_\_\_ Saneamento
- i. \_\_\_ Aeroportos

5. Em seu país, qual setor requer maior atenção dos aspectos regulatórios?

- a. \_\_\_ Transportes
- b. \_\_\_ Energia
- c. \_\_\_ Comunicação
- d. \_\_\_ Nenhum
- e. \_\_\_ Outro

## Seção 2 – A função dos Bancos Multilaterais

6. Na atual crise financeira, você considera que os organismos multilaterais tem um papel importante no financiamento de projetos de infra-estrutura?

- a. \_\_\_ Muito importante
- b. \_\_\_ Pouco importante
- c. \_\_\_ Nenhuma importância

7. Em termos do Banco Inter-americano de Desenvolvimento, que importância tem as atividades abaixo para proporcionar o desenvolvimento de projetos de infra-estrutura? (Por favor, avalie de 1 a 5, sendo 5 "muito importante" e 1 "não importante")

- a. \_\_\_ Financiamento
- b. \_\_\_ Reduzir riscos
- c. \_\_\_ Preparação de projetos
- d. \_\_\_ Fortalecimento do setor público
- e. \_\_\_ Outro (Se indicou outro, favor esclarecer qual)

8. Para os projetos de infra-estrutura para a integração da América do Sul, o papel dos bancos multilaterais é:

- a. \_\_\_ Muito importante
- b. \_\_\_ Moderadamente importante

c. \_\_\_ Não é importante

### Parte 3 – Efeitos da Crise Financeira

9. Dado o cenário econômico atual, qual setor de infra-estrutura é mais atraente para receber investimentos?

- a. \_\_\_ Imobiliário
- b. \_\_\_ Bancário
- c. \_\_\_ Turismo
- d. \_\_\_ Infra-estrutura b

10. Você considera que a infra-estrutura será mais ou menos afetada do que outros setores pela atual crise financeira?

- a. \_\_\_ Mais afetada
- b. \_\_\_ Menos afetada
- c. \_\_\_ Terá um efeito igual

11. Você acredita que investimentos do setor público – aumento na ordem de 1% do PIB – atenuará os efeitos da atual crise financeira?

- a. \_\_\_ Tem convicção de que é uma boa idéia
- b. \_\_\_ Considera que é uma boa idéia
- c. \_\_\_ Considera que não é uma boa idéia
- d. \_\_\_ Tem convicção de que não é uma boa idéia
- e. \_\_\_ Não tem opinião formada

12. Quais setores de infra-estrutura são mais críticos para o crescimento do Brasil?

- |                                |                               |
|--------------------------------|-------------------------------|
| a. ___ Rodovias                | f. ___ Transmissão de energia |
| b. ___ Ferrovias               | g. ___ Gasodutos              |
| c. ___ Portos e Logística      | h. ___ Saneamento             |
| d. ___ Infra-estrutura digital | i. ___ Aeroportos             |
| e. ___ Geração de energia      | j. ___ Outros                 |

### Appendix 3.

#### Identification per sector

Multilateral Development Banks	4	1%
Financing	92	15%
Consulting	61	10%
Government and Policy	130	21%
Engineering and Construction	115	19%
Equipment and Technology	50	8%
Services	70	11%
Legal	31	5%
Others	<b>65</b>	11%
Academia	11	
Media	6	
ONG	10	
Cámara de Comercio	6	
Sector Privado	28	
Organismo Internacional	4	

#### Group 1 – About the Initiative for the Integration of Regional Infrastructure in South America (IIRSA)

1. Are you Familiar with the IIRSA Initiative?

Very Familiar	69	11%
Somewhat familiar	259	42%
Not at all familiar	287	47%

2. What do you think has been the most valuable contribution IIRSA has done to the process of regional integration?

Creation of a common portfolio	90	23%
Project promotion	158	41%
Help to build consensus	86	22%
Business Opportunities	51	13%

3. Do you believe that South American infrastructure integration is critical to the region's ability to compete in the global economy? Why?

Very critical	486	79%
Somewhat critical	58	9%
A little critical	61	10%
Not important at all	10	2%

### 3. Notable Responses:

“Our strength lies in unity; if we achieve integration then we will be able to create ideas and scenarios that will successfully integrate our countries into the global economy. ”

-Superintendent, PDVSA, Venezuela

“Given the importance and recent increase in regional trade, the integration process for physical infrastructure is fundamental to alleviate bottlenecks and to compete in the global market”

- Sub-Director, DNP, Colombia

“Integration is an essential factor for regional sustainable development. Infrastructure is the most transparent way to maintain economic growth in our countries.”

- Managing Director, Deutsche Bank, Mexico

“Without infrastructure, competitiveness is not a possibility”

-General Director, Buenaventura Mining Company, Peru

“Infrastructure Integration fosters economic growth, reduces transportation costs, removes bottlenecks...It is a necessary condition for regional social, political and economic integration.”

- Manger, Economic Commission for Latin America and the Caribbean, Chile

“South American Integration is way due to a severe lack of investment in the previous decade. Infrastructure is the backbone for private sector productivity”

- Chief Investment Officer, HSBC, Argentina

4. Overall, which types of infrastructure integration projects are most critical to your country’s growth? (Please qualify your answers on a scale of 1-5, with 5 being “most important” and 1 being “not at all important”)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Highways	7.1%	6.6%	12.0%	25.1%	<b>49.2%</b>
Electricity Transmission	5.5%	5.5%	14.5%	32.8%	41.8%
Railroads	8.1%	5.8%	13.3%	24.9%	<b>47.9%</b>
Gasoductos	6.5%	8.3%	19.9%	<b>36.8%</b>	28.4%
Ports and Logistics	7.1%	3.8%	6.9%	19.4%	<b>62.8%</b>
Water/Wastewater	6.3%	8.0%	17.9%	26.2%	<b>41.6%</b>
Digital Infrastructure	4.5%	8.7%	21.1%	<b>32.9%</b>	32.8%
Airports	5.1%	7.7%	18.9%	32.9%	<b>35.4%</b>
Energy Generation	6.2%	4.9%	10.7%	24.5%	<b>53.8%</b>

5. In your country, which infrastructure sector requires the most attention on regulation?

Transportes	324	55%
Energía	124	21%
Comunicaciones	139	24%

**Group 2 – Role of the Multilateral Development Banks**

6. Do the Multilateral Development Banks (MDBs) have an important role to play in terms of infrastructure project finance in the current crisis?

Very Important	550	92%
Somewhat important	49	8%
Not important at all	0	0%

7. In terms of the Inter-American Development Bank, what are the most important roles for it to play in enabling infrastructure project development in the current crisis? (Please qualify your answers on a scale of 1-5, with 5 being “most important” and 1 being “not at all important”)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Financing	3%	7%	7%	20%	63%
Risk mitigation	5%	6%	18%	33%	38%
Project preparation	6%	10%	20%	32%	32%
Public Sector Strengthening	6%	11%	21%	31%	30%

8. Is the role of the MDBs more or less important in South American infrastructure integration projects?

Very important	527	87%
Moderately important	77	13%
Not important at all	1	0%

### Group 3 -- Effects of the Financial Crisis

9. Given the current economic scenario, which sector do you think is more attractive for investment?

Real state	27	4%
Banking	15	2%
Tourism	56	9%
Basic infrastructure	509	84%

10. Do you believe that infrastructure will be more, or less, affected than other sectors during the current crisis?

More affected	205	34%
Less affected	210	35%
Equally affected	189	31%

11. Do you believe that public sector investment – say an additional 1% of GDP – would make sense to alleviate the worst effects of the financial crisis?

Strongly believe it is a good idea	208	35%
Believe is a good idea	290	48%
Believe is a not a good idea	34	6%
Strongly believe is not a good idea	11	2%
Have no opinion	57	10%

12. Which areas of infrastructure investment are most critical for economic growth in your country?

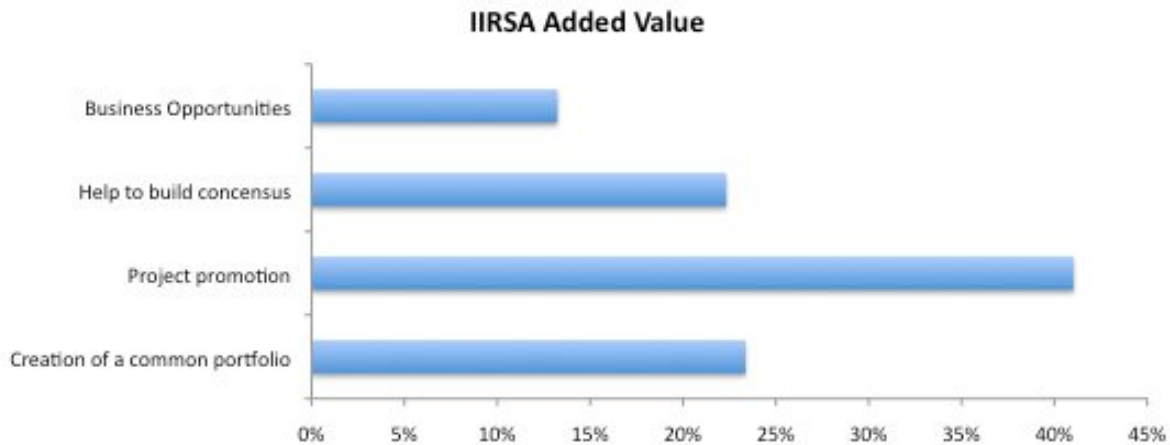
Ports and logistics	17.2%
Energy generation	14.9%
Highways	13.9%
Railroads	13.3%
Water	11.3%
Electricity	9.5%
Airports	8.3%
Gasoducts	6.0%
Digital Infrastructure	5.5%

Note: **What do you think has been the most valuable contribution IIRSA has done to the process of regional integration?**

Those who are familiar and somewhat familiar with the initiative mainly recognized

IIRSA’s importance in the promotion of projects, with 41% of respondents citing this as its main strength and contribution, followed by its role in helping to build consensus and creating a common portfolio (23% and 22%, respectively).

Surprisingly, however, it is the lack of recognition of IIRSA as a business opportunity creator, especially given the strong support provided by governments and multilateral financial institutions.



Regardless of the fact that key infrastructure stakeholders are not aware of IIRSA, South American integration is deemed extremely important for creating a competitive region. Four out of 5 respondents support integration for a variety of reasons: cost reduction, logistic support, and the creation of an economic region, which are all intimately linked to competitiveness.

Political differences among South American countries are the main reason why regional integration through infrastructure is not sufficient for developing regional competitiveness. In addition, a lack of political consensus and public sector support are viewed as obstacles to project development, financing and implementation.

South American respondents recognize the importance of better infrastructure in all sectors; however, there are critical areas than need acute attention: highways energy and ports and logistics. The following table shows the classification of the nine sectors included in the survey on a scale from 1 (not important) to 5 (very important):

Highways are of special importance for countries like Colombia, Peru and Chile while Ports and Logistics are considered critical for Brazil. Overall, the order of importance detailed above remains constant for each country surveyed.

In summary, it is critical that IIRSA position its name and responsibilities among key infrastructure stakeholders that they have already acknowledge that physical integration is critical for the creation of a competitive region. Essential sectors for a competitive integration include ports and logistics, highways, railroads and energy generation. The



overall importance of these sectors remains constant in a country analysis.