

II Special Meeting on PAE Review

Report

July 12, 2017 Radisson Victoria Plaza Plaza Independencia 759 Montevideo – Uruguay

On July 12, 2017, the city of Montevideo, Uruguay, hosted the II Special Meeting on the Review of the Strategic Action Plan (PAE), as provided for in the Calendar of Activities for 2017.

The meeting was chaired by the COSIPLAN Presidency Pro Tempore, held by Argentina, and attended by delegations from the Argentine Republic, the Plurinational State of Bolivia, the Federal Republic of Brazil, the Republic of Chile, the Republic of Colombia, the Republic of Ecuador, the Cooperative Republic of Guyana, the Republic of Paraguay, the Republic of Peru, the Eastern Republic of Uruguay, and the Bolivarian Republic of Venezuela. In addition, representatives of the COSIPLAN-IIRSA Technical Coordination Committee (CCT) attended the meeting as observers. The meeting agenda and the list of participants are attached as Annexes 1 and 2, respectively.

The meeting was opened by Mr. Fernando Álvarez de Celis, Under-Secretary of Territorial Planning of Public Investment, Ministry of the Interior, Public Works and Housing of Argentina, acting as the COSIPLAN Presidency Pro Tempore (PPT), who highlighted the importance of the update work that would be performed that day.

Next, Mr. Atilio Alimena, National Director of International Territorial Integration Planning, Ministry of the Interior, Public Works and Housing of Argentina, requested the delegations present to be objective when learning about the analysis of the PAE, which would be presented subsequently, as he pointed out that the purpose was to give priority in the Plan to the actions undertaken within UNASUR. In this regard, he stressed the thorough work carried out by Mr. Rolando Terrazas in evaluating the PAE and proposing changes based on his own experience.

Mr. Rolando Terrazas, the consultant responsible for the diagnosis of the PAE 2012-2022, took the floor and said that such work included two sections:

1) A mid-term review of the activities performed during the first five years of the PAE, and

2) Proposed adjustments.

He also expressed that, for the purposes of the review, the information that had been considered was that available as of December 2016, including the declaration resulting from Meeting of Ministers.

Then, the PAE objectives and actions were reviewed, stressing the activities and results in which each of them had materialized, particularly those objectives that had made no significant progress and, therefore, required to be analyzed in greatest detail.

After such presentation, the National Coordinations in charge of the Working Groups (WGs) and Executive Technical Groups (GTEs), together with the Secretariat of the Technical Coordination Committee (CCT), explained the work done up to then, the experience gained and the difficulties encountered in attaining certain objectives. The topics addressed were the following:

Integration Territorial Programs: The Case of Agua Negra

The Argentine delegation stressed that the PTI was an excellent tool to plan actions complementing infrastructure works and that the participation of local actors was fundamental. It also underlined the important headway made, which included the bilateral coordination structured during the last workshop in San Juan.

For its part, the Chilean delegation said that the PTI had been used as a tool based on a great project. It also pointed out that it was an essential instrument because it goes beyond infrastructure, as it trains people and involves the citizens, and that much had been achieved with the support of the CCT Secretariat. The challenge now was how to make better use of it to bring about positive impact processes. In Chile, the Bioceanic Corridor Inter-Institutional Board was set up.

COSIPLAN Portfolio, Integration Priority Project Agenda (API), and COSIPLAN Project Information System (SIP)

The CCT Secretariat informed that this action has made substantial progress: technical teams to review projects had been formed in the countries, an increase could be observed in the number of projects and investment amounts, annual documents containing information about all projects had been prepared, and improvements had been introduced to the SIP. The presentation is attached as Annex 3.

Geographic Information System (GIS) and COSIPLAN Website

The Argentine delegation underscored that this was a successful case where the existing layers had been consolidated and new layers continued to be included, while the methodology used up to 2015 had been modified: now, each country provided its own information and entered it in the system. Furthermore, it said that the work done with the GIS is an example of clarity of purpose and the involvement of actors specialized in the field. The presentation is attached as Annex 4.

Disaster Risk Management

The Chilean delegation highlighted that Disaster Risk Management included disaster risk prevention as a major factor, and that within such framework different methodologies had been developed. It also stressed the need for the countries to share knowledge regarding how to face these phenomena, and proposed that a course should be developed and

presented at the next Meeting of Ministers.

Freight Transport and Logistics

The Colombian delegation mentioned the creation at the Colombia's government level of working groups and of the National Logistics Observatory, as well as the collection of primary information by means of surveys. It proposed sharing experiences at the institutional level, and informed that the fourth edition of the course on Freight Transport and Logistics organized within the framework of COSIPLAN was near completion. In addition, it observed that this year saw the creation of the Freight and Logistics Expert Network.

Rail Integration

The Uruguayan delegation reiterated that the "Study to provide input for drafting a strategy to facilitate South American Rail Integration" had been presented in the context of the Working Group, and reviewed the steps taken until the present. It also stated that the development of rail networks in South America was not conducive to rail integration because the track gauges are different in almost all the countries, among other things, and that based on the Executive Report the countries would agree the actions to be taken.

Integration through Ports and Waterways

The Brazilian delegation pointed out that there had been a growing interest in Brazil in concluding a new generation of agreements on rivers with Peru, Ecuador, Bolivia and Paraguay with the aim of making passenger traffic more predictable, particularly in the Amazon basin. It also underscored the role of rivers as an alternative means of transport in the face of certain natural situations.

Furthermore, the Brazilian delegation emphasized that the Paraná-Paraguay waterway should serve the countries and that COSIPLAN could contribute to this by supporting the initiatives of the Waterway Intergovernmental Committee (CIH), and proposed that the experiences of Valparaíso and Barcelona should be taken as examples to be disseminated and discussed during the next Workshop on Freight Transport and Logistics, which would be held in Lima.

Air Integration

The Brazilian delegation pointed out that this was an urgent issue for Brazil and that connection in the region was deficient. It also said that there were several companies interested in participating in a seminar on this topic, and that putting an end to such deficient connection called for promoting the creation of new hubs and regional airports, particularly for cargo.

Planning for the Integration and Development of Border Territories

The Argentine and Chilean delegations reviewed the activities carried out within the framework of the Executive Technical Group, stressed the results achieved and also identified some difficulties with the objectives planned. In particular, they highlighted the importance of implementing a border information platform.

In addition, the Chilean delegation stated that a joint governance structure should be promoted by viewing the system as a unit, and that it was advisable to conceive the platform work in stages, starting with public information. Moreover, it insisted on the

importance of technology as a basic work tool, for which reason minimum desirable standards should be set.

For its part, the Argentine delegation highlighted that borders are not isolated places, and that involving the nearby localities meant encouraging citizen participation.

Trade Integration through Postal Services for MSMEs

The Brazilian delegation stated that the project continued to develop, and said that it was expected to be implemented in Paraguay in November, while in the second half of 2017 advice would be provided to Ecuador. It also informed that the legal area of UNASUR was analyzing an agreement with UPAEP (the Postal Union of the Americas, Spain and Portugal), and underlined that integration through postal services was an example of the fact that the region can act as a bloc in many aspects.

Telecommunications

The Paraguayan delegation said that a videoconference meeting had been held in June to discuss the comments made by the countries concerning the questionnaire prepared by the Argentine delegation and to define the framework for the draft Terms of Reference. The Paraguayan delegation added that it will work on a new roadmap on the basis of such draft.

Financing Mechanisms and Guarantees

The Brazilian delegation stated that the actions taken within the framework of this Group were aimed at encouraging the discussion of projects that actually could receive financing. It also reiterated the six criteria that a project should satisfy to be financed, and proposed making a decision on the expansion of the CCT to include more sources of financing. Furthermore, it raised again the suggestion that a fund for the financing of projects and an agency to assess whether they met the criteria mentioned should be created, and added that the creation of a regional investment dispute settlement center was being discussed.

Communication and Dissemination Actions

The CCT stated that the main output was the COSIPLAN website, to which improvements had been introduced, as well as the development of technological tools, including the SIP and the Integration and Development Hubs website. It added that more than 600 projects had been georeferenced and that documents on technical topics such as the PTIs and the DRM methodology had been produced, along with videos about different projects, meetings and interviews.

As a recent example of dissemination, the CCT mentioned the case of Uruguay, where the National Coordination facilitated contact with the Institutional Communication sector, which resulted in the inclusion of the COSIPLAN banner in the website of the Ministry of Public Works.

Additionally, the CCT Secretariat said that all the countries might count on its support to make any arrangements necessary for communication purposes.

After such statements, Mr. Rolando Terrazas presented the proposed adjusted PAE, which included the update of some actions for compliance with the plan to be viable. He made it

clear that the original objectives had been kept, and that adjustments were suggested for actions only, and recalled that no new comments concerning what had been proposed by the Argentine delegation in April had been received. He also explained that the work done was based on communications with the delegations and on interviews with the National Coordinators.

- Objective 1: It is fulfilled through the activities planned for objectives 2 to 6.
- Objective 2: The delegations agreed to hold a videoconference meeting to deal with the actions specified for this objective in the week of August 14, 2017.
 - Action 2.1: The delegations discussed the need to define indicators to measure
 the impact of infrastructure on the quality of life and life expectancy of the
 inhabitants of the region, after which they set August 31, 2017, as the deadline to
 make the necessary domestic consultations.
 - Action 2.3: Mr. Rolando Terrazas said that this action comprised two elements:
 - Bodies for social participation in general
 - o Bodies for the participation of local communities involved in projects

The delegations stressed the need to define such bodies..

 Action 2.4: Mr. Terrazas said that the people in the countries were not very familiar with the work done within COSIPLAN, which reduced the chances for the governments to prioritize projects in order to secure financing.

Objetive 3:

- Action 3.2: Mr. Terrazas stressed the need to make efforts to define the application of new PTIs.
- Action 3.3: Mr. Terrazas explained that the methodology was being applied within the framework of the PTIs, but that it could also be applied to individual projects.
- Action 3.6: Mr. Terrazas underlined the importance of boosting intraregional trade by strengthening national value chains.
- Objective 4: Mr. Terrazas said that the actions under this objective were underway.
- Objective 5: Mr. Terrazas said that the actions under this objective were underway.
- Objective 6:
 - Action 6.2: The Brazilian delegation proposed including the Multilateral Agreement on Rail Integration in this action.
 - Action 6.3: The Brazilian delegation proposed mentioning ports in the wording of this action.
 - Action 6.4: The Brazilian delegation suggested that the development of regional airports and the creation of hubs as well as sub-regional connections should be incorporated. The product could be the identification of connectivity projects.
 - Action 6.5: The Chilean delegation requested that the border information

platform be added as a product.

- Action 6.6: Mr. Terrazas said that this instrument could be used for MSMEs.
- Action 6.7: The Argentine delegation proposed characterizing the networks as "telecommunications networks."
- Action 6.8: Mr. Terrazas highlighted that this action is weak in the region. The
 delegations agreed to incorporate extra-regional, international experiences,
 including unsuccessful experiences.
- Financing Mechanisms and Guarantees: The delegations agreed to add a reference to the projects that are in a condition to be financed.

After these comments, Mr. Terrazas informed that he would rework the proposal and send it again to all the National Coordinations, which agreed on setting August 31, 2017, as the deadline for submitting their considerations and doubts concerning the new version of the PAE.

Next, the Argentine delegation referred to the next face-to-face workshop on Planning for the Integration and Development of Border Territories, stressing the need to identify priority integration projects with a high impact concerning the commitments in preparation for the Meeting of Ministers that would be held in December 2017, during which the new PAE with the adjustments already incorporated would be approved as well.

Finally, Mr. Atilio Alimena, on behalf of the COSIPLAN Presidency Pro Tempore (PPT), reviewed the agreements reached during the meeting, thanked the meaningful participation of the National Coordinations, and emphasized that the region had the resources necessary to pursue true integration.

List of Annexes

Annex 1: Agenda of the II Special meeting on PAE Review

Annex 2: List of Participants in the II Special meeting on PAE Review

Annex 3: <u>COSIPLAN Portfolio</u>, <u>Integration Priority Project Agenda (API) and COSIPLAN Project Information System (SIP)</u>

Annex 4: Georeferenced Information System and COSIPLAN Website

Annex 5: Planning for the Integration and Development of Borders

Annex 6: Communication and Dissemination Actions

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