

Workshop on South American Integration through Ports and Waterways

October 14 and 15, 2015 Itamaraty Palace Brasilia, Brazil

REPORT ON THE MEETING

On October 14 and 15, the city of Brasilia, Brazil, hosted the Workshop on South American Integration through Ports and Waterways, which was attended by delegations from Argentina, Bolivia, Brazil, Chile, Colombia, Paraguay, Uruguay and Venezuela, as well as by representatives from the UNASUR General Secretariat and IIRSA Technical Coordination Committee. The meeting agenda and the list of participants are attached as Annexes 1 and 2, respectively.

The objectives of the meeting were the following: i) identify any potential for enhancement (of regulatory and institutional aspects, among others) with the purpose of improving the efficacy and efficiency of regional port facilities; ii) encourage the development of joint actions to improve the potential for passenger and cargo operations on inland waterways or sea between the countries; and iii) assess the financing difficulties for the COSIPLAN priority projects, and discuss proposed solutions.

The workshop was opened by Mr. Gilson Alceu Bittencourt, Secretary of Planning and Strategic Investments of the Ministry of Planning, Budget and Management of Brazil, who highlighted the great potential of the waterways in the Amazon and Plata Basins for the economic and social integration of the region. He stressed that many regional waterways are already used by the population for freight and passenger transport, although investment and action by the countries are needed to exploit their full potential. These waterways are essential for trade between the countries, hence the importance of undertaking concrete actions in the regulatory and financing fields to help move forward in the process of integration through waterways.

Next, Mr. Ernesto Samper, Secretary General of UNASUR, stated that the challenge ahead for the region is to create value based on the resources available in South America and to bring about new production conditions. He said that in order to increase competitiveness through logistics, infrastructure is fundamental, and in this regard, COSIPLAN has a major role to play in the creation of favorable connectivity conditions.

Mr. Jorge Setelich, Undersecretary of the Ministry of Transport and Public Works of Uruguay, stressed the importance of a long-term vision concerning the integration of the region through its waterways, considering that multimodal transportation and the development of the citizens are involved. Finally, Brazil's Secretary for the National Transportation Policy, who mentioned that the Ministry of Transport is prioritizing the waterway process in the Brazilian transportation matrix, and Ambassador Paulo Estivallet de Mesquita, Undersecretary for South and Central America and the Caribbean of the Brazilian Ministry of Foreign Relations, who stressed the importance of cooperation to face the cost of river transportation, took the floor.

Next, the working sessions began as scheduled in the workshop agenda, which included the following panels: Panel I – Ports as a Logistics Platform for Regional Integration; Panel II – Waterways as a Logistics System for Regional Integration; and Panel III – Challenges to the Financing of Projects Related to Ports and Waterways. The presentations are attached as Annexes 3 to 12.

At the conclusion of the meeting, the countries agreed to submit the following lines of action for inclusion in the Work Plan 2016 in this field:

Projects of the Integration Priority Project Agenda (API)

Work on the issue of waterways in the context of the API Projects stated below. It was agreed that the results and progress made concerning each of them would be presented at the first Meeting of National Coordinators held in 2016, and that shared issues would be identified to be discussed within the framework of the Ports and Waterways Sectoral Process.

- API 3: Northeastern Access to the Amazon River (BR-CO-EC-PE)
- Continue working jointly on the preparation of the Study on the Navigation Conditions on the Putumayo Iça River.
- <u>API 17: Improvement of the Navigation Conditions on the Rivers of the Plata Basin (AR-BO-BR-PA-UR)</u>
- Organize a virtual meeting to present and analyze the recommendations made in the study on the Paraguay-Paraná Waterway conducted by CAF.
- Analyze the difficulties identified by the countries in the individual projects that make up this structured project and work jointly with the Paraguay-Paraná Waterway Intergovernmental Committee (CIH) to find and launch the necessary solutions.
- API 27: Multimodal Transportation in the Laguna Merín and Lagoa Dos Patos System (BR-UR)
- Organize a virtual meeting to present and analyze the recommendations made in the study conducted by CAF and in the application of the EASE Methodology.

The results of this technical work by API Projects and the analysis that the National Coordinators will make will serve as input in considering the creation of a Working Group on Ports and Waterways in the context of COSIPLAN.

During the final dialogue, the potential of waterways was stressed again, as they were regarded as part of a logistics system considered jointly with other transportation modes. Mention was made of the importance of working on different aspects to promote social and economic development. Some of the aspects mentioned were: i) the challenge of addressing institutional and regulatory issues at a bilateral and regional level to facilitate the operation of the waterways; ii) the need to have well-structured projects, also taking into account maintenance and rehabilitation issues; iii) the importance of financial arrangements adjusted to this type of integration works, bearing in mind the alternatives offered by the multilateral banks and incorporating the active participation of the private sector; and iv) the training required by officials and technical experts to work in this field, including any contribution that the universities and academic institutions of the region could make.

List of Annexes

Annex 1: Agenda of the Workshop on South American Integration through Ports and Waterways

Annex 2: List of delegations that participated in the Workshop on South American Integration through Ports and Waterways

Annex 3: Presentation: The Current Situation of Sea Transportation between the South American Countries -Gordon Wilmsmeier – CEPAL

Annex 4: Presentation: Case Study: Valparaíso Logistics Activity Zone - Gonzalo Davagnino - Chile

Annex 5: Presentation: An overview of Waterways in South America: Obstacles to the COSIPLAN Priority Projects - Rolando Terrazas – CAF

Annex 6: Presentation: Study on the Actions Needed for the Realization of the Full Economic and Integration Potential of the Waterway - Adalberto Tokarski – Brazil

Annex 7: Presentation: Planned and Ongoing Interventions on the Brazilian Section of the Waterway - Eimair Bottega Ebeling – Brazil

Annex 7b: Presentation: Planned and Ongoing Interventions on the Brazilian Section of the Waterway -Rafael Seronni, Project Manager - Brazil

Annex 8: Colombia's Waterway Corridors Current Situation and Prospects for Improvement - Luis Felipe Lota – Colombia

Annex 9: The Vision of the Inter-American Development Bank (IDB) - Rafael Capristán, Transportation Expert

Annex 10: The Vision of the Development Bank of Latin America (CAF) - Rolando Terrazas, Senior Assessor, Vice-Presidency of Infrastructure

Annex 11: The Vision of the Financial Fund for the Development of the Plata River Basin (FONPLATA) -Denise Obara, Manager of Operations and Countries

Annex 12: The Vision of Brazil's National Bank for Economic and Social Development (BNDES) – Edson Dalto - BNDES