

INITIATIVE FOR REGIONAL INFRASTRUCTURE INTEGRATION IN SOUTH AMERICA

September, 2005



IIRSA was established during the Summit of South American Presidents in Brasilia, Brazil, in 2000

The South American government pledged to modernize and integrate regional infrastructure

Since its inception, IIRSA has been supported by the following regional multilateral agencies:





Introduction

IIRSA seeks to create an infrastructure platform (transportation, energy, and telecommunications) to promote logistical and trade integration in South America and to contribute to the sustainable development of the region











South America

A continent with great opportunities

GDP U\$ 1,153 billion (at current exchange rates)

350 million inhabitants

- Important source for primary products and energy
- Great potential for consumer market growth and new market developments
- Regional integration processes
 (MERCOSUR y CAN)
- Young entrepreneurial population
- Dynamic, creative cultures
 blended with ancestral cultures
- Bio- and geographic diversity





IIRSA Countries





Basic concepts

The action plan for integrating the regional infrastructure takes two different, complementary approaches:

Integration and development hubs

Sector integration processes











Integration and Development Hubs

Geo-economic benchmark for land planning and sustainable development management





Sector integration processes





IIRSA has consolidated as a discussion forum to build a common agenda of actions and integration projects

- ✓ South American countries have reached a consensus on more than <u>300 integration projects</u> organized in 40 groups under a regional vision
- ✓ The use of a territorial planning tool has allowed the countries to jointly evaluate economic, social and environmental impacts of the IIRSA portfolio of project groups



Portfolio of physical integration projects under a regional vision

- 335 projects in 8 Integration and Development Hubs
- 40 Achor-Projects
- \succ US\$ 37,4 billion \implies (Transp./Energy/Telecom.)
- \succ US\$ 11.1 billion \longrightarrow (public sector)
- ➢ US\$ 6.0 billion →

 \succ US\$ 20.3 billion \implies

(private sector)

(PPP)

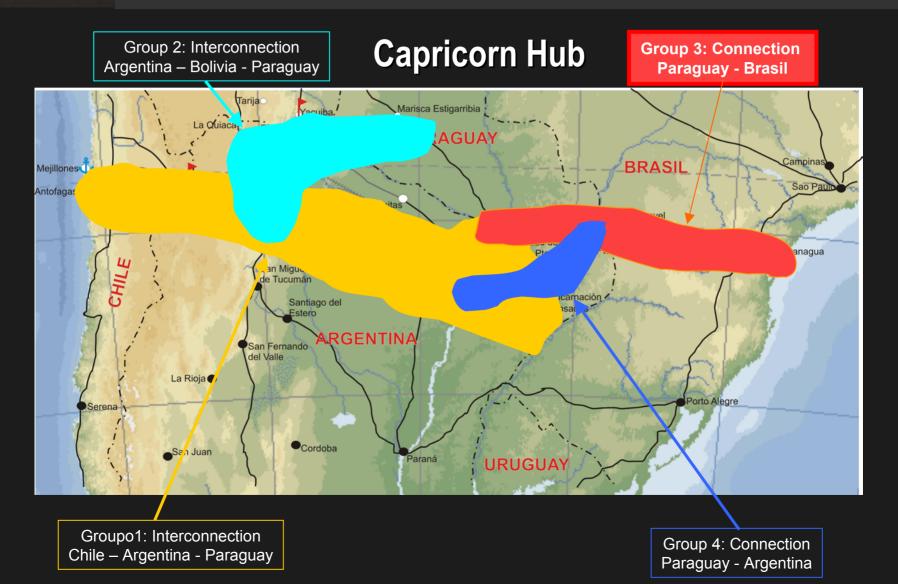


Territorial planning - Capricorn Hub



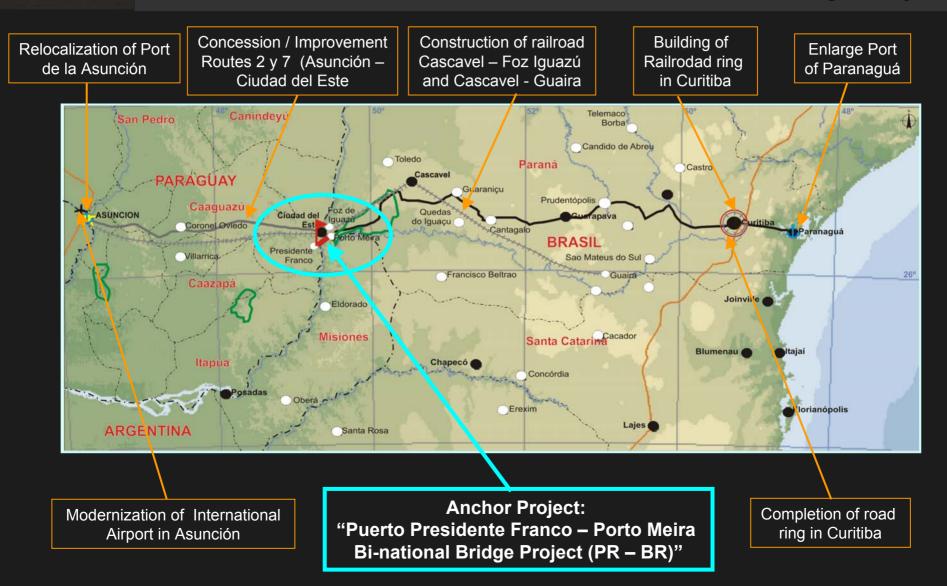


Puerto Pte. Franco-Porto Meira Bi-national Bridge Project





Puerto Pte. Franco-Porto Meira Bi-national Bridge Project



Typical IIRSA projects (1)



Puerto Pte. Franco-Porto Meira Bi-national Bridge Project



Basic project information*

- ✓ Bridge length: about 800 meters.
- Access roads: about 10 Km in each side.

 Total Project Cost: about
 US\$ 55 million (including access roads, border center and other facilities).

^(*) Data based on available preliminar information.





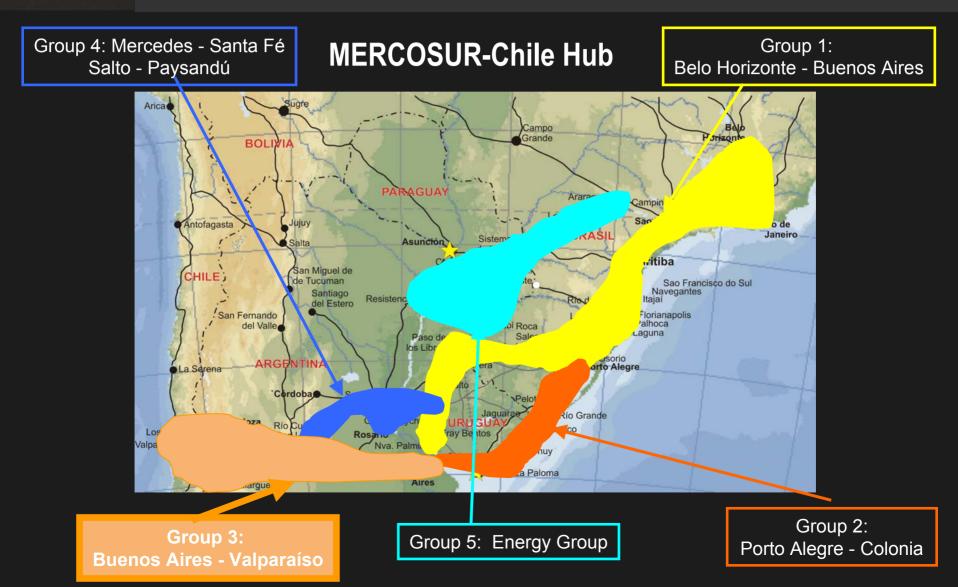
Territorial planning - MERCOSUR-Chile Hub





I.I.R.S.A

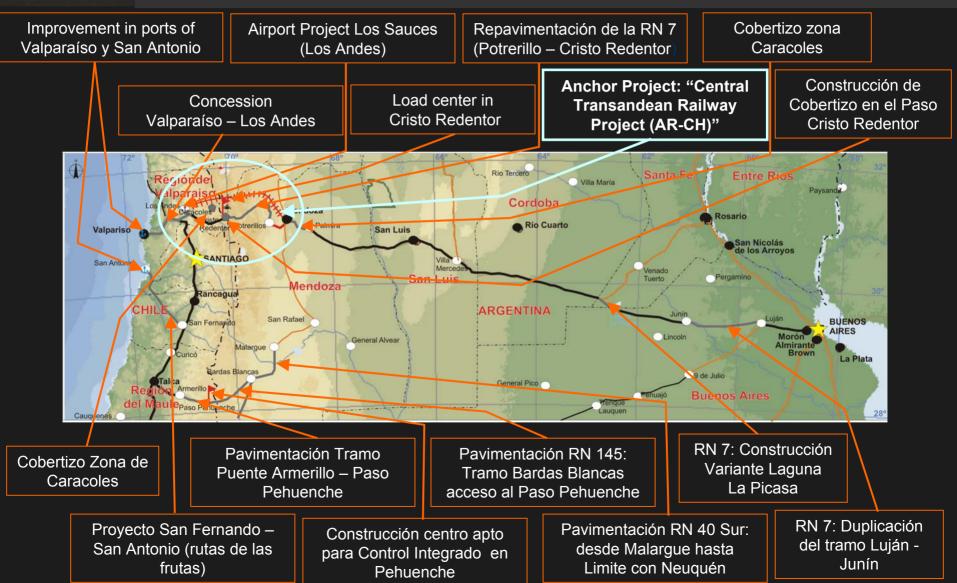
Central Trans-andean Railway Project







Central Trans-andean Railway Project



Typical IIRSA projects (2)

Central Trans-andean Railway Project

★ CHILE - ARGENTINA 🕷



RSA

Project basic information*

Built in 1912; operation suspended in 1984.

 250 Km railroad rehabilitation
 (180 Km railroad on Argentina side, and 70 Km on Chile side).

Total Project Cost: about US\$ 251 million.

✓ Bidding process under preparation.

(*) Data based on available preliminar information.



Railroad portion Portillo Juncal - Chile

Tunnel portion Juncal - Chile



Cuzco Presidential Summit

During the South American Presidents' Summit in December 2004, in Cuzco, the countries agreed to a so-called "Implementation Agenda by Consensus 2005-2010", comprised of a set of 31 strategic projects and focus the countries' resources in their prompt execution



Implementation Agenda by Consensus 2005-2010





Implementation Agenda by Consensus 2005-2010

IIRSA - AGENDA DE IMPLEMENTACIÓN CONSENSUADA 2005 - 2010							
 Proyectos Estratégicos de los Ejes de Integración y Desarrollo y del Proceso Sectorial de Información y Comunicación							
N٥	Proyectos	EJE	US\$ millones	Países			
1	Duplicación de la Ruta 14	MERC-Chile	370.0	AR (BR)			
2	Adecuación Corredor Río Branco-Montevideo-Colonia	MERC-Chile	163.0	UR (BR)			
3	Construcción Puente Internacional Jaguarão-Rio Branco	MERC-Chile	12.0	BR - UR			
4	Duplicación del tramo Palhoça-Osório (Rodovia Mercosur)	MERC-Chile	800.0	BR (AR-UR)			
5	Proyecto Ferroviario Los Andes-Mendoza	MERC-Chile	251.0	AR-CH			
6	Ruta 60 Internacional 60 CH (Sector Valparaíso-Los Andes)	MERC-Chile	286.0	CH (AR)			
7	Gasoducto del Noreste Argentino	MERC-Chile	1,000.0	AR (BO)			
8	Construcción Puente Binacional Salvador Mazza-Yacuiba	Capricornio	10.0	AR-BO			
9	Nuevo Puente Presidente Franco-Porto Meira y Centro de Frontera	Capricornio	55.0	PR-BR			
10	Construcción Carretera Pailón-San José-Puerto Suárez	Interoceánico	435.0	BO-BR			
11	Anillo Ferroviario de São Paulo (Norte y Sur)	Interoceánico	300.0	BR			
12	Paso de Frontera Infante Rivarola-Cañada Oruro	Interoceánico	1.2	BO - PR			
13	Construcción de la Carretera Cañada Oruro - Villamontes - Tarija - Estación Abaroa (I Etapa)	Interoceánico	60.0	BO (PR)			
14	Carretera Toledo-Pisiga	Interoceánico	76.0	BO-CH			
15	Rehabilitación de la Carretera Iquique-Colchane	Interoceánico	19.0	BO-CH			
16	Rehabilitación del Tramo El Sillar	Interoceánico	30.0	BO (BR-CH-PE)			
Subtotal 3,868.2							

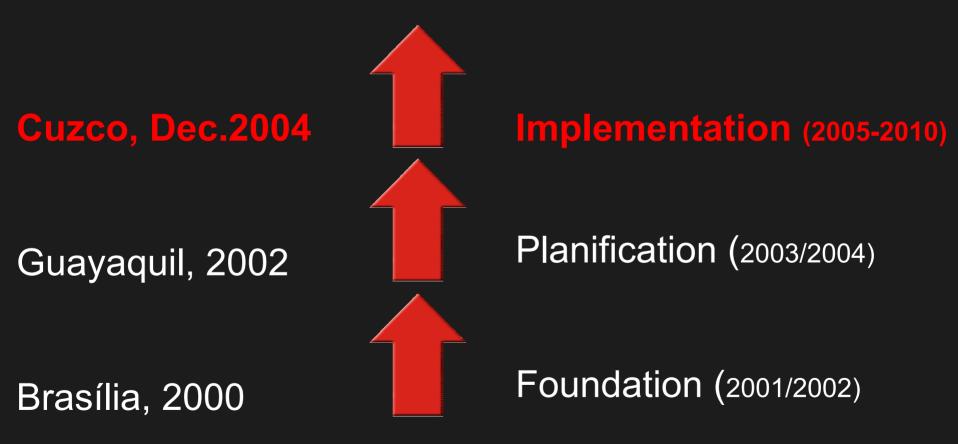


Implementation Agenda by Consensus 2005-2010

	IIRSA - AGENDA DE IMPLEMENTACIÓN CONSEN							
Proyectos Estratégicos de los Ejes de Integración y Desarrollo y del Proceso Sectorial de Información y Comunicación								
N٥	Proyectos	EJE	US\$ millones	Países				
17	Centro de Frontera de Desaguadero	Andino	7.5	BO-PE				
18	Paso de Frontera Cúcuta - San Antonio del Tachira	Andino	2.0	CO - VE				
19	Recuperación de la navegabilidad por el Rio Meta	Andino	108.0	CO-VE				
20	Carretera Pasto-Mocoa	Amazonas	183.0	со				
21	Carretera Paita-Tarapoto-Yurimaguas, Puertos y Centros Logísticos	Amazonas	285.0	PE (BR)				
22	Carretera Lima-Tingo María-Pucallpa, Puertos y Centros Logísticos	Amazonas	514.0	PE (BR)				
23	Puerto Francisco de Orellana	Amazonas	40.0	EC				
	Pavimentación Iñapari - Puerto Maldonado - Inambari, Inambari - Juliaca / Inambari - Cusco	PE-BR-BO	694.0	PE-BR				
25	Puente sobre el Rio Acre	PE-BR-BO	10.0	BR-PE				
26	Carretera Boa Vista-Bonfim-Lethem-Georgetown (I Etapa: estudios)	Escudo Guayanés	3.3	GY-BR				
27	Puente sobre el Río takutu	Escudo Guayanés	10.0	GY- BR				
	Carretera Venezuela (Ciudad Guyana)- Guyana (Georgetown) - Surinam (Paramaribo) - I Etapa	Escudo Guayanés	0.8	VE - GY - SU				
29	Mejorías en la vía Niew Nickerie-Paramaribo-Albina y Cruce Internacional sobre el Río Marowijna	Escudo Guayanés	105.0	SU-GY				
30	Exportación por Envios Postales para PYMES	TICs	1.0	Todos				
31	Implementacion de Acuerdo de Roaming en América del Sur	TICs	1.0	Todos				
	Subtotal		1,964.6					
	TOTAL		5,832.8					



South American Presidents' Summits





Next Steps

Challenges

Visible Results

- 1. To emphasize the execution of integration projects
 - "Implementation Agenda by Consensus 2005-2010"
 - Project Preparation
 IDB Integration Fund
 - Follow-up System for "Implementation Agenda by Consensus 2005-2010"
- 2. Support Private-Public Partnership

 MIF Program
- 3. Participation, communication and public

outreach mechanisms

Civil Society Involvement

- 4. Sector Networks
- 5. Financing Mechanisms



Multinational leverage

Integrated and holistic vision of transnational projects

Technical analysis standards

✓ Environmental and social issues
 ✓ Early participation of civil society
 ✓ Project, cross fortilization effect

✓Project cross-fertilization effect

Resource mobilization capacity among non-regional members

✓ Special funds for projects preparation

✓ Cofinancing IIRSA's projects

IDB's contribution

Technical assistance and technical-cooperation

- ✓ Studies, assessments and support for organizing the Initiative
- ✓ Organization of IIRSA activities

Ę

RSA

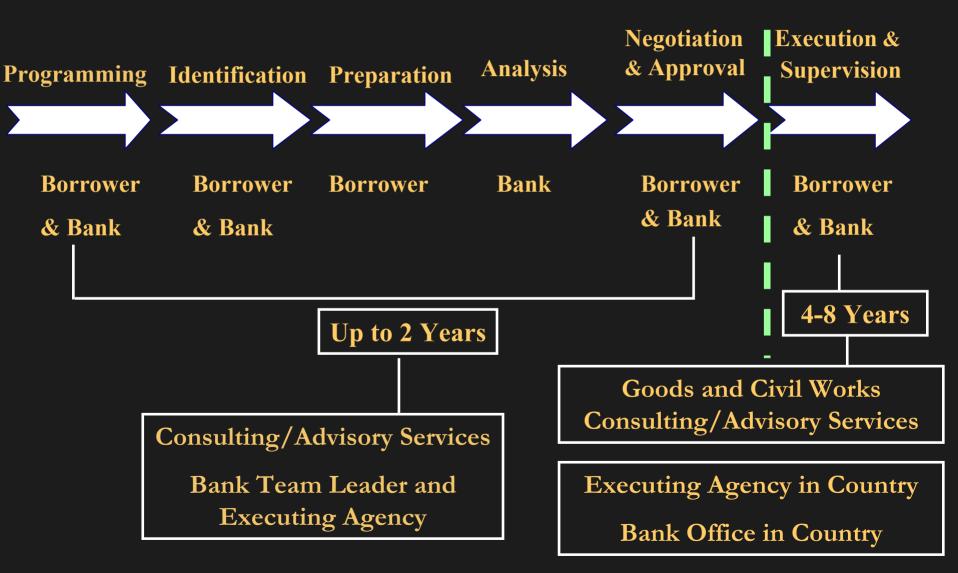
 Technical-cooperation funds to support the studies needed for implementing the projects identified in the hubs and sector processes

Support countries to attract the private sector

- Provide resources to help the countries in enticing the private sector to the projects identified in the hubs and sector integration processes
- **Financing and guarantee**
 - ✓ Sector facility for transnational infrastructure project preparation
 - ✓ Public and private financing and cofinancing for projects
 - ✓ Political risk guarantee

I.I.R.S.A Market State

Business Opportunities - Project cycle



Business Opportunities

Consulting/Advisory Services Feasibility Studies Environmental and Social Studies Engineering Studies Designs **Technical Assistance Goods and Civil Works** Construction Operation **Equipment and materials Supervision Civil works** Environmental and social plans Financing **Public and Private Partnership Co-financing**





Conclusions

IIRSA is not a new source of financing; it is an institutional mechanism that aims to coordinate the South American Countries in their processes of physical integration

The Bank is prepared to finance the feasibility, environmental and engineering studies needed for implementing the projects

For IIRSA projects, the Bank utilizes its technical analysis standards



Please visit our webpage

www.iirsa.org



