INITIATIVE FOR REGIONAL INFRASTRUCTURE
INTEGRATION IN SOUTH AMERICA

September, 2005
Introduction

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:
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 US$ 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
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

Identification of regulatory, operating, & institutional bottlenecks hampering infrastructure integration and courses of action to overcome them

SECTORAL PROCESSES
- Air Transport
- Border Crossings
- Financial Instruments
- Maritime Transport
- Multimodal Transport
- Regional Energy Markets
- ICTs
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 300 integration projects 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
Integration Projects Portfolio

Portfolio of physical integration projects under a regional vision

- 335 projects in 8 Integration and Development Hubs
- 40 Achor-Projects
- US$ 37.4 billion (Transp./Energy/Telecom.)
- US$ 11.1 billion (public sector)
- US$ 6.0 billion (private sector)
- US$ 20.3 billion (PPP)
Territorial planning - Capricorn Hub

Integration Hubs

- Amazon Hub
- Andean Hub
- Capricorn Hub
- Central Interoceanic Hub
- Guianese Shield Hub
- MERCOSUR-Chile Hub
- Paraguay-Parana Waterway Hub
- Peru-Brazil-Bolivia Hub
- Southern Andean Hub
- Southern Hub
Typical IIRSA projects (1)

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

Capricorn Hub

Group 2: Interconnection
Argentina – Bolivia - Paraguay

Group 3: Connection
Paraguay - Brasil

Group 1: Interconnection
Chile – Argentina - Paraguay

Group 4: Connection
Paraguay - Argentina
Typical IIRSA projects (1)

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

- Relocalization of Port de la Asunción
- Concession / Improvement Routes 2 y 7 (Asunción – Ciudad del Este)
- Construction of railroad Cascavel – Foz Iguazú and Cascavel - Guaira
- Building of Railroad ring in Curitiba
- Enlarge Port of Paranaguá
- Modernization of International Airport in Asunción
- Completion of road ring in Curitiba

Anchor Project: “Puerto Presidente Franco – Porto Meira Bi-national Bridge Project (PR – BR)”
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 preliminary information.
Territorial planning - MERCOSUR-Chile Hub

INTEGRATION HUBS
- Amazon Hub
- Andean Hub
- Capricorn Hub
- Central Interoceanic Hub
- Guianese Shield Hub
- MERCOSUR-Chile Hub
- Paraguay-Parana Waterway Hub
- Peru-Brazil-Bolivia Hub
- Southern Andean Hub
- Southern Hub

Integration Hubs
Countries
Sectoral Processes
Typical IIRSA projects (2)

Central Trans-andean Railway Project

Group 1: Belo Horizonte - Buenos Aires
Group 2: Porto Alegre - Colonia
Group 3: Buenos Aires - Valparaíso
Group 4: Mercedes - Santa Fé, Salto - Paysandú
Group 5: Energy Group

MERCOSUR-Chile Hub
Typical IIRSA projects (2)

Central Trans-andean Railway Project

- Improvement in ports of Valparaíso y San Antonio
- Airport Project Los Sauces (Los Andes)
- Repavimentación de la RN 7 (Potrerillo – Cristo Redentor)
- Cobertizo zona Caracoles
- Concession Valparaíso – Los Andes
- Load center in Cristo Redentor
- Anchor Project: “Central Transandean Railway Project (AR-CH)”
- Construcción de Cobertizo en el Paso Cristo Redentor

- Pavimentación Tramo Puente Armerillo – Paso Pehuenche
- Pavimentación RN 145: Tramo Bardas Blancas acceso al Paso Pehuenche
- RN 7: Construcción Variante Laguna La Picasa
- RN 7: Duplicación del tramo Luján - Junín
- Proyecto San Fernando – San Antonio (rutas de las frutas)
- Construcción centro apto para Control Integrado en Pehuenche
- Pavimentación RN 40 Sur: desde Malargue hasta Limite con Neuquén
Central Trans-Andean Railway Project

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 preliminary information.
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

[Map of South America showing major routes and infrastructure projects.]

Legend:
- Carretera
- Ferrocarril
- Hidrovia
- Gasoducto
- Puente
- Centro Frontera
- Puerto
- Exportación por Enviros
- Pastelos para PYMEs
- Roaming Suramericano
<table>
<thead>
<tr>
<th>Nº</th>
<th>Proyectos</th>
<th>EJE</th>
<th>US$ millones</th>
<th>Países</th>
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<td>1</td>
<td>Duplicación de la Ruta 14</td>
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<td>5</td>
<td>Proyecto Ferroviario Los Andes-Mendoza</td>
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<td>Ruta 60 Internacional 60 CH (Sector Valparaiso-Los Andes)</td>
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Subtotal: 3,868.2
### Implementation Agenda by Consensus 2005-2010

#### Proyectos Estratégicos de los Ejes de Integración y Desarrollo y del Proceso Sectorial de Información y Comunicación

<table>
<thead>
<tr>
<th>Nº</th>
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<th>EJE</th>
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<td>Pavimentación Iñapari - Puerto Maldonado - Inambari, Inambari - Juliaca / Inambari - Cusco</td>
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<td>Carretera Venezuela (Ciudad Guyana) - Guyana (Georgetown) - Surinam (Paramaribo) - I Etapa</td>
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<td>Mejoras en la vía Nieuw Nickerie-Paramaribo-Albina y Cruc,”Internacional sobre el Río Marowijn”</td>
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<td>TICs</td>
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**Subtotal** 1,964.6

**TOTAL** 5,832.8
South American Presidents’ Summits

Cuzco, Dec. 2004

Guayaquil, 2002

Brasília, 2000

Implementation (2005-2010)


Foundation (2001/2002)
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
Value added by IDB

Multinational leverage

Integrated and holistic vision of transnational projects

Technical analysis standards
- Environmental and social issues
- Early participation of civil society
- Project cross-fertilization effect

Resource mobilization capacity among non-regional members
- Special funds for projects preparation
- Cofinancing IIRSA’s projects
Technical assistance and technical-cooperation

- Studies, assessments and support for organizing the Initiative
- Organization of IIRSA activities
- 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
Business Opportunities - Project cycle

1. **Programming**
   - Borrower & Bank
   - Up to 2 Years
   - Consulting/Advisory Services
     - Bank Team Leader and Executing Agency

2. **Identification**
   - Borrower & Bank

3. **Preparation**
   - Borrower

4. **Analysis**
   - Bank

5. **Negotiation & Approval**
   - Borrower & Bank
   - 4-8 Years
   - Goods and Civil Works
     - Consulting/Advisory Services
   - Executing Agency in Country
   - Bank Office in Country

6. **Execution & Supervision**
   - Borrower & Bank
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