

IIRSA: BUILDING A NEW CONTINENT

PROJECT INFORMATION SHEETS

Priority Investment
Portfolio *in South America*



INITIATIVE FOR THE INTEGRATION
OF REGIONAL INFRASTRUCTURE IN
SOUTH AMERICA (IIRSA)







CONSENSUS AGENDA FOR INVESTMENT OPPORTUNITIES

IIRSA Priority Projects

The Initiative for the Integration of Regional Infrastructure for South America (IIRSA) is a multilateral effort to spur investment in infrastructure and physical integration of the continent. It was founded in 2000 by the heads of state of 12 South American countries and has since developed a portfolio for 348 infrastructure projects requiring a total investment of \$38 billion in transportation, energy and communications. The projects are developed in the framework of 10 Integration and Development Hubs, large sections of geographic space containing economic, demographic and physical affinities that offer opportunities for a coordinated approach to undertaking infrastructure projects.



Thirty-one of these projects have been assigned priority and are part of a “consensus agenda” of the 12 IIRSA nations. These high-impact projects, which will have a cost of \$6.4 billion, are to be carried out during 2005-2010. The consensus agenda and other projects selected within the framework of IIRSA will help governments set priorities for integration and trade for years to come while promoting a regional dialogue and regulatory and legal harmonization. The majority of the investment, \$4.5 billion, corresponds to 16 road projects. Fifteen of the priority projects, just under half the total, require investments from more than one country. The other 16 are national projects with a strong “bridging effect” across national borders, typically raising the return of previous investments in the same country or in a neighboring country.

The IIRSA priority portfolio reflects the initiative’s overarching goals. It is being developed and carried out applying multiple dimensions of development, particularly social development, competitiveness, modernization of the state, environmental sustainability and respect for indigenous peoples and protected areas—core issues for the Inter-American Development Bank, which is financing a third of the projects in the consensus agenda.

The following are detailed descriptions of the 31 strategic projects in the consensus agenda, followed by a list of 20 IIRSA projects that offer investment opportunities. These projects are at different stages of development, ranging from the study phase to full-fledged execution. Several have already secured at least part of the required financing and some are at the bidding stage.

Table 1. The 31 IIRSA Priority Projects

Stage	N°	PROJECT	HUB	US\$ millions	COUNTRIES
	1	Duplication of Route 14	MERCOSUR-Chile	370.0	AR (BR)
	2	Remodeling of the Rio Branco-Montevideo-Colonia-Nueva Palmira Corridor	MERCOSUR-Chile	176.8	UY (AR-BR)
	3	Building of the Jaguarão-Rio Branco International Bridge	MERCOSUR-Chile	12.0	BR-UY
	4	Duplication of the Palhoça-Osorio-MERCOSUR Road	MERCOSUR-Chile	800.0	BR (AR-UY)
	5	Reconstruction of Los Andes-Mendoza Railway	MERCOSUR-Chile	251.0	AR-CH
	6	Concession and improvement of International Route 60 CH (Valparaíso-Los Andes)	MERCOSUR-Chile	286.0	CH (AR)
	7	Construction of Northeast Argentina Gas Pipeline	MERCOSUR-Chile	1,000.0	AR (BO)
	8	Construction of the Salvador Mazza-Yacuiba Binational Bridge	Capricorn	10.0	AR-BO
	9	Construction of Presidente Franco-Porto Meira New Bridge and Border Center	Capricorn	55.0	PY-BR
	10	Construction of the Pailón-San José-Puerto Suárez Road	Central Interoceanic	435.3	BO (BR-CH-E)
	11	Construction of São Paulo Railway Beltway (North and South)	Central Interoceanic	300.0	BR
	12	Construction and Implementation of Infante Rivarola-Cañada Oruro Border Crossing	Central Interoceanic	1.2	BO-PY
	13	Paving of the Cañada Oruro-Villamontes-Tarija-Estación Abaroa Road (First Stage)	Central Interoceanic	60.0	BO (PY)
	14	Rehabilitation of Toledo-Pisiga Road	Central Interoceanic	76.0	BO (CH)
	15	Rehabilitation of the Iquique-Colchane Road	Central Interoceanic	19.0	CH (BO)
	16	Rehabilitation of the El Sillar Road	Central Interoceanic	30.0	BO (BR-CH-E)
	17	Construction and Implementation of Desaguadero Border Center	Andean	7.0	BO-PE
	18	Construction and Implementation of Cúcuta-San Antonio del Táchira Border Crossing	Andean	2.0	CO-VE

Stage	N°	PROJECT	HUB	US\$ millions	COUNTRIES
	19	Recovery of Meta River Navigability	Andean	108.0	CO-VE
	20	Rehabilitation and Construction of Pasto-Mocoa Road	Amazon	183.0	CO
	21	Rehabilitation of Paita-Tarapoto-Yurimaguas Road, Ports and Logistic Centers	Amazon	338.0	PE (BR)
	22	Rehabilitation of Lima-Tingo María-Pucallpa Road, Ports and Logistic Centers	Amazon	589.0	PE (BR)
	23	Construction of Francisco de Orellana Port	Amazon	105.0	EC
	24	Paving of the Iñapari-Puerto Maldonado-Inambari-Juliaca/Inambari-Cusco Road	Peru-Brazil-Bolivia	1,055.0	PE (BR)
	25	Construction of Bridge over the Acre River	Peru-Brazil-Bolivia	12.0	BR-PE
	26	Studies for the Boa Vista-Bonfim-Lethem-Georgetown Highway Project	Guianese Shield	3.3	GY-BR
	27	Construction of Bridge over the Takutu River	Guianese Shield	10.0	GY-BR
	28	Studies for The Venezuela (Ciudad Guayana)-Guyana (Georgetown)-Suriname (Paramaribo) Highway Project	Guianese Shield	0.8	VE-GY-SU
	29	Improvements in Nieuw Nickerie-Paramaribo-Albina Road and Construction of the International Bridge over the Marowijne River	Guianese Shield	105.0	SU-GY
	30	Exports through Postal Services for MSMEs	ICTs	1.2	All of them
	31	Implementation of a Roaming Agreement in South America	ICTs	1.0	All of them
Total				6,403.6	

■ In preparation
■ Bidding/Concession
■ In execution
■ Completed

Countries

AR (BR)

Project sector

Transport / Road

Current situation

Preparation

Total estimated investment

(M USD) 370.0

Modality

Public

Expected completion date

2nd half of 2010

PROJECT 1/DUPLICATION OF ROUTE 14 BETWEEN PASO DE LOS LIBRES AND GUALEGUAYCHÚ



GENERAL INFORMATION

- **Objective:** To ensure road safety conditions in the MERCOSUR-Chile Hub highway network.
- **Proposed solution:** Increase road capacity by building a second roadway (7.3m wide and 452 km long), 87 new bridges (10.8 m wide), grade separations and distributors.
- **Main external financing source:** Inter-American Development Bank - IDB (USD 200.0 M - approved).
- **Current situation:** The studies have already been commissioned and the source of financing identified (IDB, together with the National Treasury and Trust Funds). The last environmental hearings, carried out in the Province of Corrientes, were successful, in accordance with the preliminary plan of the project. The detailed design is being prepared and will be presented in the second semester of 2006.
- **Executing entity:** National Road Authority of Argentina.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “Belo Horizonte – Argentina/ Brazil border – Buenos Aires” group of projects (Group 1 of the Hub).
- Achieve, consolidate and improve the infrastructure and logistics standards that are necessary for the region to improve its performance within the global markets.
- Take advantage of the scale and demand conditions of the zone to attract public-private participation and transfer the lessons learned in the experience to be applied in other hubs.
- Accelerate the integration process driven by the Treaty of Asunción.
- Optimize commercial and service flows between the economic centers in Argentina and Brazil.
- Optimize the logistics base in order for the industry in this area to strengthen its competitiveness globally.

MAIN BENEFITS OF THE PROJECT

- Route 14 forms a south–north corridor with an average daily traffic of 7,300 vehicles that crosses the three Argentine provinces in a region of eastern Argentina known as Mesopotamia. The route links the border crossings of Argentina, Uruguay and Brazil, connecting through other routes with Paraguay. It is a main road link of MERCOSUR.
- Given the area of influence of this road and its commercial importance, the widening of Route 14— from one lane in either direction to two lanes in either direction—will have a high socioeconomic impact in the neighboring areas in addition to improving traffic conditions. The project will provide a better national and regional communication network to serve the territory, stimulating trade in MERCOSUR.
- Another benefit of the project will be the improvement of transportation costs through a reduction in total traveling time and costs of vehicle maintenance, improving regional competitiveness in the global markets.
- The project includes a number of improvements in road safety that will reduce the number of traffic accidents and fatalities and improve the quality of life of the population benefited by the road.
- Studies indicate an economic rate of return of 20 percent, showing the project's feasibility.

Contact Information

IIRSA National Coordinator

Argentina

Graciela Oporto

Tel: (5411) 4349-7505/07

goporto@minplan.gov.ar

Project Manager

Argentina

Víctor Farre

Tel: (5411) 4343-4543

vfarre@vialidad.gov.ar

IDB contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

Countries
UY (AR, BR)

Project sector
Transport/Road

Current situation

Execution

Total estimated investment
(M USD) 176.8

Modality
Public

Expected completion date
2nd half of 2009

PROJECT 2/REMODELING OF THE RIO BRANCO- MONTEVIDEO-COLONIA- NUEVA PALMIRA CORRIDOR



GENERAL INFORMATION

- **Objective:** To improve passenger and freight traffic along the core road of the MERCOSUR-Chile Hub and adjust the road infrastructure to the new requirements of international freight transportation. The road will supplement the Brazil-Uruguay-Argentina road connection in the Hub.
- **Proposed solution:** Improve the infrastructure and quality of service of the roads that integrate the route. These include Roads 1, 11, 8, 17, 18 and 26 that link the cities of Rio Branco-Montevideo-Colonia, and the complementary Roads 3, 23, 12 and 2 reaching Nueva Palmira and Fray Bentos. The road will be improved through surface treatment and structural strengthening.
- **Main external financing source:** Inter American Development Bank – IDB (USD 77.0 M - approved).
- **Current situation:** The project is under execution and 30 percent of the works are close to completion.
- **Executing entity:** Uruguay Road Corporation; Ministry of Transport and Public Works of Uruguay; National Road Authority of Uruguay.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Porto Alegre–Argentina/Uruguay Border–Buenos Aires*” group of projects (Group 2 of the Hub).
- Accelerate the integration process driven by the Treaty of Asunción.
- Optimize commercial and service flows among the economic centers of Argentina, Brazil and Uruguay. The project will be an alternative for the physical connection with Argentina at Zárate–Brazo Largo, and Fray Bentos, which is a center for important investment related to forestation, and place of the existing connection with Galeguaychú, Argentina.
- Achieve, consolidate and improve the infrastructure and logistics standards necessary for the proper performance of the region within global markets.
- Take advantage of the scale and demand conditions of the zone to attract public-private participation and transfer the experience to other Hubs.
- Optimize the logistics base in order for the industry in this area to strengthen its competitiveness globally.

MAIN BENEFITS OF THE PROJECT

- The “*Remodeling of the Río Branco–Montevideo–Colonia–Nueva Palmira Corridor*” project complements the “*Building of the International Jaguarão–Río Branco Bridge*” project (Consensus Agenda item 3) that is of great importance for connecting Brazil, Uruguay and Argentina. The investment includes works on the main roads that make up part of the route, allowing the interconnection of the production centers along the MERCOSUR–Chile Hub with the domestic, regional and international markets.
- The works related to the project will allow a better access to the improved roads, reducing transportation costs and time, thereby contributing to increased regional competitiveness and integration. Freight and passenger transportation will benefit equally.
- The project includes investments that will improve road maintenance in Uruguay, resulting in a more efficient public expenditure and a higher sustainability of the road system. This improvement will reinforce the conservation of the road patrimony, producing important savings that could be used for other state programs. The project expects to reach the “average point” of road maintenance for the year 2008.
- Additionally, the measures to be implemented in the selected sections will improve road safety, according to regional and international standards, reducing accidents and damages. It is estimated that the project will produce a 15 percent reduction in the risk index and traffic accidents with injuries or fatalities.
- The pre-feasibility studies related to the project give an idea of its profitability. One of the most important roads of the route, Road 11, shows an average internal return rate of 22 percent for the section located between Roads 86 and 8. For the rest of the sections, the studies estimate similar rates of return, between 17.4 percent and 31 percent.

Contact Information

IIRSA National Coordinator
Uruguay
Pablo Genta
Tel: (5982) 916-2940
pablo.genta@dnt.gub.uy

Project Manager
Uruguay
Susana García
Tel: (5982) 916-2605
sgarcia@dnv.gub.uy

IDB Contact
RE1/FI1
Hilda Gómez
Tel: (1) 202 623-1495
hildag@iadb.org

Countries

BR – UY

Project sector

Transport /Bridge

Current situation

Preparation

Total estimated investment

(M USD) 12.0

Modality

Public /Private

Expected completion date

2nd half of 2009

MERCOSUR – CHILE HUB

PROJECT 3/BUILDING OF THE JAGUARÃO-RIO BRANCO INTERNATIONAL



GENERAL INFORMATION

- **Objective:** Improve cargo and passenger transportation by highway in the region, supplementing the Brazil–Uruguay road connection in the MERCOSUR–Chile Hub, a key element for the development of MERCOSUR.
- **Proposed solution:** Building of the new Jaguarão–Rio Branco International Bridge (BR-116/RS – Road 26-UR) for the international transportation of passengers and cargo, including accesses (8 km) between both countries (Uruguay: 3.5 km, Brazil: 4.5 km) and recovery of the current Barão de Mauá bridge to be used for local border traffic.
- **Main external financing source:** According to the agreement in force between both governments, the countries will take charge of a maximum of 50 percent of the investment in equal amounts. The rest will be invested by the consortium that wins the bidding.
- **Current situation:** Agreements between both countries have been signed and standardized by the respective parliaments. A Joint Brazilian – Uruguayan Bid Committee has been created and ratified. The restoration project for Mauá Bridge has been presented. Initially the new bridge was been conceptualized to carry highway traffic only, but a future structure to carry railroad traffic is not excluded. Given the current vehicular flow, most probably financing will be public and binational. Feasibility studies are scheduled to be finished by November 2006.
- **Executing entities:** BRAZIL: National Department of Transport Infrastructure, DNIT; URUGUAY: Ministry of Transport and Public Works; BINATIONAL: Joint Brazilian – Uruguayan Bidding Committee.

Contact Information

IIRSA National Coordinator

Brazil

Ariel Garces Pares

Tel: (5561) 3429-4080

ariel.pares@planejamento.gov.br

Uruguay

Pablo Genta

Tel: (5982) 916-2940

pablo.genta@dnt.gub.uy

Project Manager

Brazil

María Lúcia Barillo

Tel: (5561) 3311-7766/7237

lucia.barillo@transportes.gov.br

Uruguay

Susana García

Tel: (5982) 916-2605

sgarcia@dnu.gub.uy

IDB Contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the “*Porto Alegre–Argentina/Uruguay border–Buenos Aires*” group of projects (Group 2 of the Hub).
- Achieve, consolidate and improve the infrastructure and logistics standards that are necessary for the proper performance of the region within the global markets.
- Take advantage of the scale and demand conditions of the zone to attract public–private participation and transmit the experience to other Hubs.
- Speed up the integration process driven by the Treaty of Asunción.
- Optimize commercial and service flows between the economic centers of Argentina, Brazil and Uruguay. The project will be an alternative physical connection with Argentina at Zárate–Braço Largo and Fray Bentos, center of important investment related to forestation and place of the existing connection with Gualeguaychú, Argentina.
- Optimize the logistics base in order for the industry in this area to strengthen its competitiveness globally.

MAIN BENEFITS OF THE PROJECT

- The “*Building of the Jaguarão–Rio Branco International Bridge*” project is complemented by the “*Adaptation of Rio Branco–Montevideo–Colonia Corridor–Nueva Palmira*” (Item 2 of the Consensus Agenda). Both projects conform a key link for the Brazil–Uruguay–Argentina connection, benefiting an area with 720,000 inhabitants.
- The implementation of the project will allow diverting international traffic through the new road, reducing the urban impact caused by long vehicles in the central sections of Jaguarão (31,000 inhabitants) and Río Branco (15,000) and improving the quality of life and communication among its inhabitants. Additionally, the deviation of the freight traffic will reduce maintenance costs of the local roads.
- The project will contribute to the elaboration of a territorial ordination plan for both cities, without the existing longitudinal separation barriers caused by the absence of the bridge. Additionally, modernization and harmonization actions will be encouraged for the existing border crossing in order to improve customs processes and circulation in the MERCOSUR–Chile Hub.
- Pre-feasibility studies establish a financial return rate of 25 percent with a discount rate of 12 percent.

Countries
BR (AR, UY)

Project sector
Transport /Road

Current situation

Execution

Total estimated investment
(M USD) 800.0

Modality
Public /Private

Expected completion date
March 2010



PROJECT 4/ DUPLICATION OF THE PALHOÇA-OSORIO STRETCH (RODOVIA MERCOSUR)



GENERAL INFORMATION

- **Objective:** Improve the traffic flow in the Mercosur Corridor and reduce the number of road accidents. Besides expanding the road capacity through the duplication of the section—converting a road with one lane in either direction to a highway with two lanes in either direction—the project will rehabilitate the existing track and incorporate measures to improve road safety, emphasizing the necessary investments needed to organize local traffic so that conflicts with long-distance traffic will be reduced or removed.
- **Proposed solution:** Duplication and restoration the existing 348-kilometer track of BR-101/SC/RS—99.5 kilometers in the state of Rio Grande do Sul and 248.5 kilometers in the state of Santa Catarina—and execution of three major works, the tunnel through the Morro do Formigão; the bridge over the Imaruí Lake; and the tunnel or viaducts in the Morro dos Cavalos. The investment will be carried out with public-private resources under a concession system.
- **Main external financing sources:** : Inter American Development Bank – IDB (USD 480 M – project in pipeline).
- **Current situation:** The project is included in the Pilot Investment Project list negotiated with the IMF, which must authorize the fiscal space for disbursement. The financing of 60 percent of the work is being negotiated with the IDB. The remaining \$82 million is to be financed by the private sector for the construction of the three major works that will be considered part of the national counterpart funding. The construction will be divided in two stages: first, the duplication and restoration of the road, in which works are quite advanced and, second, the bridge and two tunnels that are to be included in the tender for the road concession. Recently the Commission on External Financing (COFIEX) of the Finance Ministry approved the financing for continuing the duplication of the road connecting Florianópolis with Osório.
- **Executing entities:** National Department of Transport Infrastructure (DNIT) of Brazil.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the “*Belo Horizonte–Argentina/Brazil Border–Buenos Aires*” group of projects (Group 1 of the Hub).
- Accelerate the integration process driven by the Treaty of Asunción.
- Optimize commercial and service flows between the economic centers in Argentina and Brazil.
- Achieve, consolidate and improve the infrastructure and logistics standards necessary for the proper performance of the region within the global markets.
- Take advantage of the scale and demand conditions of the zone to attract public-private participation and transfer the experience to other Integration and Development Hubs.

MAIN BENEFITS OF THE PROJECT

- The “*Duplication of the Palhoça–Osorio Stretch (Rodovia Mercosur)*” project will improve considerably the traffic conditions on one of the main communication channels of the MERCOSUR–Chile Hub through the duplication of the existing road.
- The project will reduce time and costs for both freight and passenger transportation, improving the Hub’s competitiveness and inducing a higher quality of life in a region inhabited by more than 10 million people within its area of influence.
- The project includes an improvement in the control of trucks that move along the road, increasing information on the cargo and avoiding overweight. This will considerably reduce maintenance costs for the roads in the Hub, extending the useful life of the new road and also of other adjacent roads.
- Additionally, the improvement of the road conditions according to regional and international standards will reduce accidents on a route currently known in Brazil as “death road.” Studies related to the project estimate a reduction of accidents over 24 years at an amount equivalent to more than \$850 million.
- Studies estimate an internal return rate of 31 percent.

Contact Information

IIRSA National Coordinator

Brazil

Ariel Garces Pares

Tel: (5561) 3429-4080

ariel.pares@planejamento.gov.br

Project Manager

Brazil

María Lúcia Barillo

Tel: (5561) 3311-7766/7237

lucia.barillo@transportes.gov.br

IDB Contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

Countries

AR – CH

Project sector

Transport / Railway

Current situation

Bidding

Total estimated investment

(M USD) 251.0

Modality

Private

Expected completion date

April 2010

PROJECT 5/LOS ANDES- MENDOZA RAILWAY PROJECT



GENERAL INFORMATION

- **Objective:** To enhance the transportation capacity of the “Cristo Redentor System” border crossing to adapt it to the increasing flow of freight traffic between Argentina and Chile, reinforcing the transportation system of the MERCOSUR-Chile Hub. The implementation of the project will allow traffic through the border crossing all year round.
- **Proposed solution:** Reactivation, operation and maintenance of the railway freight transportation service that links the city of Mendoza, Argentina with the Chilean city of Los Andes (70 kilometers from Santiago), restoring and adapting the existing railway connection by building or rebuilding the necessary infrastructure.
- **Main external financing source:** Private sector financing on a concession basis.
- **Current situation:** The concession teams from both countries are coordinating the terms of the tender documents. The bidding is scheduled to be called soon.
- **Executing entities:** *ARGENTINA:* Undersecretariat of Railway Transport (Transport Secretariat) - Ministry of Federal Planning. *CHILE:* General Office for Concession Coordination - Ministry of Public Works.

Contact Information

IIRSA National Coordinator
Argentina
Graciela Oporto
Tel: (5411) 4349-7505/07
goporto@minplan.gov.ar

Chile
Eduardo Soto Silva
Tel: (562) 449-5951
eduardo.soto@mop.gov.cl

Project Manager
Argentina
Anibal Agostinelli
Te:(5411) 4349-7265
aagost@mecon.gov.ar

Chile
Rodrigo Campos
Tel: (562) 449-6967
rodrigo.campos@mop.gov.cl

IDB Contact
RE1/FI1
Hilda Gómez
Tel: (1) 202 623-1495
hildag@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “Valparaíso–Buenos Aires” group of projects (Group 3 of the Hub).
- Achieve, consolidate and improve the infrastructure and logistics standards necessary for the proper performance of the region within the global markets.
- Take advantage of the scale and demand conditions of the zone to attract public–private participation and transfer the experience to other Hubs.
- Optimize commercial and service flows between economic centers in Argentina, Brazil and Chile.
- Optimization of the logistics base to strengthen the global competitiveness of the industry in the area.
- Strengthen Chile as a logistics platform for trade with Asia to develop new markets for the products and services offered by the countries that conform the Hub.

MAIN BENEFITS OF THE PROJECT

- The studies related to the project show an internal economic return rate of 23 percent for the Chilean section and 21 percent for the Argentine. For both sections the discount rate is 12 percent.
- Given the railway’s characteristics and capabilities, the project will overcome weather impediments at the border crossing that is now closed to traffic 45 days of the year due to winter snows.
- The railroad will carry 40 percent of the traffic load presently carried by the existing road, speeding up transport conditions in the Cristo Redentor border crossing. Among others, the following indirect benefits will result from the project:
 - Reduction in traveling time and costs due to a decrease in traffic jams on the existing road, attracting new trade flows through the route.
 - Reduction of road accidents due to a decrease in freight transportation through the road network.
 - Reduction of pollution levels, due to the better energy efficiency of the railway compared with other means of transport.
 - Reduction of maintenance costs by reducing road wear from trucks.
 - Increase in tourism and passenger transportation due to improvement in road conditions and reduction of traveling time through the route.

Countries

CH (AR)

Project sector

Transport / Road

Current situation

Execution

Total estimated investment

(M USD) 286.0

Modality

Private

Expected completion date

June 2008

PROJECT 6/INTERNATIONAL ROUTE 60 CH (VALPARAÍSO-LOS ANDES)



GENERAL INFORMATION

- **Objective:** Increase the capacity of “*International Route 60 CH*,” one of the region’s main roads, to absorb the predicted growth in traffic demand. Also known as the Trans-Andean Route, the road starts at the Chilean-Argentine border in the area of the Cristo Redentor tunnel and runs west to the port of Valparaíso.
- **Proposed solution:** Improve 90.5 kilometers of International Route 60 CH, enabling it to carry traffic at 100 kilometers per hour for most of the stretches. The project includes third lanes in hill areas and enlargements to second roadways and road junctions at different levels. The project is divided into two sectors. The first one starts at 6.5 kilometers west of the Las Vizcachas Bridge in the community of Los Andes and runs 52 kilometers to Road 5 North. The second sector, a total of 38.5 kilometers in length and providing access to the port of Valparaíso, runs from El Olivo junction, Road 5 North, in the community of La Calera, and ends in the South Trunk junction. Detours are under consideration in the sectors where the project crosses populated areas.
- **Main external financing sources:** Private sector (concession).
- **Current situation:** The concession contract started on July 22, 2004. Construction began Jan. 27, 2005.
- **Executing entity:** *Sociedad Concesionaria Autopista de los Andes S.A.*

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the “*Valparaíso–Buenos Aires*” group of projects (Group 3 of the Hub).
- Optimize commercial and service flows between economic centers in Argentina, Brazil and Chile, connecting the Atlantic and Pacific ports of the MERCOSUR–Chile Hub.
- Optimize the logistics base to strengthen the global competitiveness of industry.
- Strengthen Chile as a logistic platform for the rest of the countries in the Hub to create new business opportunities and markets for their products and services in Asia.
- Achieve, consolidate and improve the necessary infrastructure and logistic standards for good performance by the region in the global markets.
- Profit from the scale and demand conditions of the zone to attract public–private participation, transferring best practices to other Hubs.

Contact Information

IIRSA National Coordinator
Chile
Eduardo Soto Silva
Tel: (562) 449-5951
eduardo.soto@mop.gov.cl

Project Manager
Chile
Eduardo Soto Silva
Tel: (562) 449-5951
eduardo.soto@mop.gov.cl

IDB Contact
RE1/FI1
Hilda Gómez
Tel: (1) 202 623-1495
hildag@iadb.org

MAIN BENEFITS OF THE PROJECT

- More than 90,000 freight vehicles move from the countries of the “Southern Cone” (Argentina, Brazil, Paraguay and Uruguay) to Chile along “International Route 60 CH” through the Los Andes Border Crossing, carrying up to 2.5 million tons in cargo. This project complements the “*Los Andes – Mendoza Railway Project*” (Priority Project 5).
- The road improvement works included in the project will duplicate the current capacity of the road, generating the conditions to absorb future demand, thus fostering the growth potential of the Hub.
- The project includes the construction of a detour to avoid the current crossing through the city of Los Andes, thus reducing traffic times along the route and improving considerably the quality of life of the 60,000 inhabitants of the city. Additionally, the project will reduce the costs for local road maintenance.
- The improvement of the road will stimulate the tourism potential of the whole Hub, especially in the regions of Mendoza, Argentina and Valparaíso in Chile’s Fifth Region.

Countries

AR (BO)

Project sector

Energy / Pipeline

Current situation

Preparation

Total estimated investment

(M USD) 1,000.0

Modality

Public / Private

Expected completion date

2nd half of 2007



PROJECT 7/NORTHEAST ARGENTINA GAS PIPELINE



GENERAL INFORMATION

- **Objective:** To ensure natural gas supply to the northern and central regions of Argentina, which includes the provinces of Salta, Formosa, Chaco, Misiones, Corrientes, Entre Ríos, Santa Fe and Buenos Aires.
- **Proposed solution:** The trunk gas pipeline will be 1,500 kilometers long, with a 30-inch diameter, and will operate under a pressure of 95 bars. The project includes construction of the trunk gas pipeline and the provincial branches, as well as the corresponding compression, regulation and measurement plants, surface installations and other complementary civil works and electricity and communication installations, such as data transmission, remote operation systems and telemetry. The trunk gas pipeline will link the gas reserves in northern Argentina and Bolivia with Argentina's National Interconnected System of Trunk Gas Pipelines. This interconnection will allow the injection of distribution of major volumes of gas in the zones of the country where there is more demand. Additionally, it will allow the expansion of gas availability in provinces presently without service, stimulating economic development.
- **Main external financing source:** The private sector is expected to finance 75 percent of the project through a concession awarded through international public bidding.
- **Current situation:** In June 2006 the governments of Argentina and Bolivia reached an agreement on the new supply conditions for the pipeline, a significant step toward the beginning of the project. In the following months the demand, technical and environmental impact assessment studies of the branches for the Northeastern region will be concluded, some of them with IDB financing.
- **Executing entity:** Ministry of Federal Planning, Public Investment and Services of Argentina.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the group “*Electric Energy Projects of the MERCOSUR – Chile Hub*” (Group 5 of the Hub).
- Increase in reliability of the electric and gas systems of the zone.
- Consolidation and increase in the capacity of generation, transmission and distribution of energy in a dense demographic and industrial production area.
- Diversification of the energy matrix of the MERCOSUR countries.

MAIN BENEFITS OF THE PROJECT

- The “*Northeast Argentina Gas Pipeline*” is the only energy project in the priority agenda. Its construction will be a step forward in the energy integration of the region and the integration and development of the Hub, since it strengthens the energy interconnection between Argentina and Bolivia, stimulating a more reliable and higher quality energy market.
- The investment includes the construction of provincial pipeline branches that will make possible the residential use of natural gas in Northeastern Argentina, thus improving the quality of life of the inhabitants who at present do not have natural gas service.
- Given its characteristics, the project will boost industrial and economic development of the region, which is one of the least developed ones in the Hub. A sustained supply of natural gas will make industry and agribusiness more competitive and activate the use of natural gas in motor vehicles. Additionally, the gas will be used to generate electricity.
- The increase in the domestic and industrial use of natural gas will improve the environmental conditions of the region, since it replaces other fossil fuels with more pollutants, such as oil.
- The design of the project estimates a rise in gas exports from Bolivia to Argentina to 27.7 million cubic meters per day from 7.7 cubic meters per day at a price of \$5.5 per million BTU. With this new gas volume, 25 percent of the Argentine market will be supplied by Bolivia, whose exports will be strengthened.

Contact Information

IIRSA National Coordinator
Argentina
Graciela Oporto
Tel: (5411) 4349-7505/07
goporto@minplan.gov.ar

Project Manager
Argentina
Carlos Buccieri
Tel: (5411) 4349-8100
cbucci@mecon.gov.ar

IDB Contact
RE1/FI1
Hilda Gómez
Tel: (1) 202 623-1495
hildag@iadb.org

Countries

AR – BO

Project sector

Transport / Bridge

Current situation

Preparation

Total estimated investment

(M USD) 10.0

Modality

Public

Expected completion date

December 2008

PROJECT 8/BUILDING OF THE SALVADOR MAZZA–YACUIBA BINATIONAL BRIDGE



GENERAL INFORMATION

- **Objective:** Provide a solution to a bottleneck at a border crossing of Argentina and Bolivia and allow a fluid flow of international freight transportation on a main road corridor.
- **Proposed solution:** Construction of a new international bridge for a two-lane road 30-meters wide that will ameliorate the existing traffic conditions between Salvador Mazza (Province of Salta, Argentina) and Pocitos/Yacuiba (Department of Tarija, Bolivia), west of the current crossroad. The investment will include 9.7 kilometers of access roads to the bridge from both countries—5.5 kilometers in Argentina and 4.2 kilometers in Bolivia—and an integrated border control system in the Argentine territory. The existing bridge will be used exclusively as a pedestrian crossing. The new border center will include three parking areas that will house up to 100 lorries that transport general cargo and a parking area in each country for up to 20 vehicles that transport hazardous materials.
- **Main external financing source:** FONPLATA (USD 10.0 M, in the project pipeline)
- **Current situation:** On March 19, 2004, Argentina and Bolivia signed an agreement for the construction of the bridge, defining its location, basic characteristics of the works, cost distribution and execution system. The agreement defines that its administration and assessment will be made through an Administrative Commission, the YASMA Commission, which will manage the tender processes. After the countries assessed the feasibility studies, the Commission agreed to locate the Integrated Border Crossing control center in Argentine territory.
- **Executing entity:** YASMA Commission (Administrative Commission for the Argentina–Bolivia Agreement).

Contact Information

IIRSA National Coordinator
Argentina

Graciela Oporto
Tel: (5411) 4349-7505/07
goporto@minplan.gov.ar

Bolivia
Pablo Rabczuk Ruiz
Tel: 591-2 221-6824
prabczuk@oopp.gov.bo

Project Manager
Project Manager
Argentina
Ángela Guariglia
Tel: (5411) 4349-7539
aguari@mecon.gov.ar

Bolivia
Arturo Flores Aguirre
Tel: (5912) 211-9945
aflores@oopp.gov.bo

IDB Contact
RE1/FI1
Hilda Gómez
Tel: (1) 202 623-1495
hildag@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor project of the “Salta–Villazón–Yacuiba–Mariscal Estigarribia” group of projects (Group 2 of the Hub).
- Cost reduction and higher safety in trade in goods and services among Argentina, Bolivia and Paraguay.
- Connection between the Central Interoceanic Hub and the Capricorn Hub.

MAIN BENEFITS OF THE PROJECT

- The “Building of the Salvador Mazza-Yacuiba Binational Bridge” project will eliminate one of the main bottlenecks in the Capricorn Hub now caused by the present superposition of commercial activities, both formal and informal, that slows the transportation flow and hinders international trade between Argentina and Bolivia.
- The implementation of the project will reduce freight transportation costs—a 100 percent reduction for traffic through Route 9 and a 50 percent reduction for traffic over the bridge—as well as border crossing time for freight transportation, producing an extension effect that will result in the overall reduction of transportation time and costs along the Integration and Development Hub, benefiting regional competitiveness.
- The project will channel international traffic to the new road, reducing the urban impact caused by long vehicles in the central sections of the cities on both sides of the border and improving the quality of life and transportation among its inhabitants. Additionally, the rerouting of freight traffic will reduce maintenance costs of the local roads.
- The project will boost land use planning for both cities, because of the accommodation of the vehicles in transit in the new parking areas in the border crossing. Additionally, the modernization and harmonization of custom procedures implemented by the two countries could be extended to other border crossings in the region, resulting in an improved efficiency of public resources expenditure and better quality information available about the control of international freight road transportation in the Hub.
- Feasibility studies related to the project indicate an internal economic return rate of 16 percent, at a discount rate of 12 percent.

Countries

BR – PY

Project sector

Transport / Bridge

Current situation

Preparation

Total estimated investment

(M USD) 55.0

Modality

Public

Expected completion date

4th quarter 2010



CAPRICORN HUB

PROJECT 9/PRESIDENTE FRANCO-PORTO MEIRA NEW BRIDGE AND BORDER CENTER



GENERAL INFORMATION

- **Objective:** To clear traffic on the La Amistad Bridge between Foz de Iguazú and Ciudad del Este; to promote urban planning at border cities, diverting freight traffic to a new road link, allowing the development of faster, more efficient connections between the transportation systems of the two countries. The project will also optimize the integrated border control system.
- **Proposed solution:** Construction of a second international road bridge over the Paraná River, including access roads and supplementary infrastructure, between the cities of Porto Meira (Foz de Iguazú) and Puerto Presidente Franco, covering about 600 meters; implementation of an integrated border control system to serve both the old and the new bridge.
- **Main external financing source:** Costs derived from the studies, projects and building of the new bridge will be the responsibility of Brazil (Ministry of Transport). Each party will be responsible for their respective access to the bridge, additional works and expropriations, if necessary. The IDB is currently beginning the process of financing technical studies with a grant for technical cooperation through the Integration Fund.
- **Current situation:** In December 2005 a new agreement between Brazil and Paraguay was signed. The agreement is currently awaiting the approval of the corresponding parliaments. The mixed Brazilian-Paraguayan committee meets on a regular basis to advance the elaboration of the basic engineering and works supervision project.
- **Executing entities:**
BRAZIL: National Department of Transport Infrastructure (DNIT);
PARAGUAY: Ministry of Public Works and Communication

Contact Information

IIRSA National Coordinator

Brazil

Ariel Garces Pares

Tel: (5561) 3429-4080

ariel.pares@planejamento.gov.br

Paraguay

Roberto Salinas

Tel: (59521) 414-9612

rsalinas@pol.com.py

Project Manager

Brazil

María Lúcia Barillo

Tel: (5561) 3311-7766/7237

lucia.barillo@transportes.gov.br

Paraguay

Juan E. Dioverti

Tel: (59521) 414-9728

dioverti@rieder.net.py

IDB Contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “Asunción–Paraná” group of projects (Group 3 of the Hub).
- Consolidation of a high-capacity and low-cost system for bulk movement from the region to local, regional and international markets.
- Promotion of the socioeconomic development of the region.
- The project is one of the four pilot border crossings identified within the IIRSA Initiative sectorwide process of improvements in border crossings.

MAIN BENEFITS OF THE PROJECT

- The building of the “*Presidente Franco–Porto Meira New Bridge and Border Center*” will eliminate a bottleneck at the current bridge, which has some of the worst traffic jams in the region, which is a burden on the Capricorn Hub. As a consequence of the new works, trade between Brazil and Paraguay, now active in soy and wood derived products, will increase because of the reduction in waiting times at the border crossing that will reduce transportation costs.
- Works related to the project will allow the adaptation of the road to future demand and serve as a catalyst for the increase in trade and traffic flow in the Hub. Studies carried out in September 2005 estimated an annual growth rate for vehicular traffic of 2.9 percent through the year 2030.
- The investment will prevent freight traffic from using the urban roads in the cities of Foz de Iguazú, Presidente Franco and Ciudad del Este, reducing local maintenance costs and favoring urban development of these cities.
- Likewise, the easier flow of passenger traffic at the border crossing will allow an improvement in the quality of life of border towns, strengthening their tourism potential, which offers attractions like the Iguazú falls or the Itaipú system.
- Regarding profitability, the project offers an estimated financial return of 25.7 percent, based on a US\$5 toll.
- Customs modernization and standardization actions between both countries will allow the extension of the pilot experiences to other crossings in the region, optimizing national resources and improving the quality of information on freight transportation control through the crossing.

Countries

BO (BR – CH – PE)

Project sector

Transport / Road

Current situation

Execution

Total estimated investment

(M USD) 453.3

Modality

Public

Expected completion date

June 2008



PROJECT 10/CONSTRUCTION OF THE PAILÓN-SAN JOSÉ- PUERTO SUÁREZ ROAD



GENERAL INFORMATION

- **Objective:** The Pailón–Puerto Suárez road is part of the main Bolivian Integration Corridor, connecting the eastern and western regions of the country. The area of influence of the project serves an important part of the country's population and economic activity. The implementation of the project will supplement regional integration between the ports of Peru and Chile, on the Pacific, and the Brazilian ports on the Atlantic, strengthening the strategic role of Bolivia.
- **Proposed solution:** Rigid or flexible paving of a 600 km two-way road (width: 7.3 m, shoulders: 1 m each side). The project includes resources for socioenvironmental impact mitigation programs.
- **Main external financing source:** Corporación Andina de Fomento – CAF (USD 280 M, approved), Inter-American Development Bank – IDB (USD 75 M, approved).
- **Current situation:** The paving of the Pailón–Puerto Suárez road is composed of 6 important sections: a) Bridge in Pailón (1.2 km – USD 25.3 million); b) Paraíso–El Tinto (124 km – USD 60 million, IDB financing under concession in adjudication); c) El Tinto–San José (82 km – USD 45 million, financed by the European Union, under tender process); d) San José–Roboré (144 km – USD 74 million, CAF financing, work progress: 60%); e) Roboré–El Carmen (140 km – USD 118 million, in the process of defining financing with the PROEX of Banco do Brasil and CAF); and f) El Carmen–Puerto Suárez–Arroyo Concepción (108 km – USD 93 million, in the process of defining financing with the PROEX of Banco do Brasil and CAF). The project incorporates a socioenvironmental component (USD 20 million, financed by IDB).
- **Executing entity:** National Road Authority of Bolivia.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Santa Cruz–Puerto Suárez–Conumbá Connection*” group of projects (Group 3 of the Hub).
- Complete road and railroad connection along the Central Inter-Oceanic Hub.
- Significant reduction of transportation costs for Brazilian, Bolivian, Chilean, Paraguayan and Peruvian cargo to Atlantic and Pacific ports and intermediate points.
- Strengthening economic integration among the countries.
- Support for the tourism sector in the region: Andes and Pantanal.
- Connection with Ichilo–Mamoré and Paraguay–Paraná waterways.

MAIN BENEFITS OF THE PROJECT

- The “*Construction of the Pailón–San José–Puerto Suárez Road*” project will allow the integration of the borders of Bolivia and Paraguay, identified as one of the main “bottlenecks” of the Central Interoceanic Hub, an Integration and Development Hub that represents 26 percent of South American GDP.
- The implementation of the works included in the project will promote economic efficiency and competitiveness by reducing transportation times and costs by improving the road. The works related to the project are designed to guarantee use of the road during the construction phase, thus minimizing the impact on the local economy and quality of life of its inhabitants while building is under way.
- Additionally, the project will adopt regional and international road safety standards, reducing accident rates and damage on the new road. Maintenance costs will drop.
- The project includes a set of socioenvironmental impact mitigation measures, including land property rights management programs, reinforcement of management and supervision of protected areas. Guard posts will be reinforced to prevent the illegal use of land. Best practices to reinforce the sustainable use of the natural resources in the region will be promoted.
- Studies related to the project show a high demand for the road, although under current conditions it cannot be used continuously throughout the year. Traffic projections estimate a rise from 500 to 1,400 daily vehicles for the period 2006–2010 in a no-toll scenario, and to 1,300 with a 0.012 USD/km toll.

Contact Information

IIRSA National Coordinator

Bolivia

Pablo Rabczuk Ruiz

Tel: 591-2 221-6824

prabczuk@oopp.gov.bo

Project Manager

Bolivia

Cesar Ramiro Escobar Olañeta

Tel: (5912) 211-9945

cescobar@oopp.gov.bo

IDB Contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

Countries

BR

Project sector

Transport / Railway

Current situation

Preparation

Total estimated investment

(M USD) 300.0

Modality

Public / Private

Expected completion date

October 2009



PROJECT II/SÃO PAULO RAILWAY RING

GENERAL INFORMATION

- **Objective:** Redistribution and expansion of cargo flows with origin, destination or transit through the São Paulo Metropolitan Region (RMSP), reducing existing scheduling conflicts between freight and metropolitan passenger trains. The investment will increase the participation of railway transportation in the global transportation flows through the RMSP and facilitate access to the ports of Santos, São Sebastião and Sepetiba.
- **Proposed solution:** Restructuring the railway network in the greater São Paulo area by the construction of a railway ring, to be articulated with the highway system and logistics centers in the state of São Paulo. The project includes the building of 66 kilometers of rail between Campo Limpo Paulista and Engenheiro Manoel Feio (north stretch) and 48 kilometers between Vila California and Evangelista de Souza (south stretch).
- **Main external financing sources:** The project will be implemented by the State of São Paulo as a public-private partnership.
- **Current situation:** The terms of the concession and operation regime are being defined.
- **Executing entity:** National Department of Transport Infrastructure of Brazil (DNIT).

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the group of projects “*Optimization of the Corumbá–Sao Paulo–Rio de Janeiro Corridor*” (Group 2 of the Hub).
- Reduction of transportation costs for Brazilian, Bolivian and Paraguayan cargo to Atlantic ports and within the region.
- Strengthening economic integration among the countries of the Central Interoceanic Hub.
- Increase in the railway component of the regional transportation matrix.
- Stimulation of public-private partnerships to promote the development of infrastructure in the region.
- Support for the tourism sector in the region: Andes and Pantanal.

MAIN BENEFITS OF THE PROJECT

- The “*São Paulo Railway Ring*” project, also known as “*Ferroanel*,” will begin the renovation of the deteriorated Central Interoceanic Hub railway network according to the business vision of the Hub developed under the land use planning process of IIRSA. One of the main challenges to achieve this goal will be the harmonization of the difference in track standards within the national railway networks in the region that is a result of a historical lack of regional railway planning.
- The *Ferroanel* will reinforce the connection between the main consumption and production centers in Brazil, which concentrates more than 60 percent of GDP and contains the most important industrial park of the region. The project will absorb part of the freight transportation demand of the Hub by routing freight trains to the ports of Santos and Sepetiba, thus alleviating traffic on the urban railway network of São Paulo that currently is shared by freight and passenger services. The implementation of the project will reduce transportation times through the metropolitan zone to two hours from 12 hours.
- The routing of freight trains through the new network will allow devoting the metropolitan railway infrastructure to passenger transportation, thus increasing train frequencies and improving the quality of life for 20 percent of the country’s population.
- The project will diversify transportation along the Hub, improving its connection with the MERCOSUR–Chile Integration and Development Hub. Currently, 96 percent of the freight is carried on roads. Railway transportation, which is more efficient for distances over 300 kilometers, will reduce this imbalance in the transportation matrix. At the same time, resources will be saved in road maintenance.
- The new infrastructure will stimulate new socioeconomic opportunities in the Hub by developing the potential for transportation of industrial and natural resources on the railway network, decongesting existing roads.

Contact Information

IIRSA National Coordinator

Brazil

Ariel Garces Pares (Brasil)

Tel: (5561) 3429-4080

ariel.pares@planejamento.gov.br

Project Manager

Brazil

Vania Azevedo Venancio

Tel: (5561) 3311-7237

vania.venancio@transportes.gov.br

IDB Contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

Countries

BO – PY

Project sector

Transport / Border Crossing

Current situation

Preparation

Total estimated investment

(M USD) 1.2

Modality

Public

Expected completion date

1st half of 2007



CENTRAL INTEROCEANIC HUB

PROJECT 12/INFANTE RIVAROLA- CAÑADA ORURO BORDER CROSSING



GENERAL INFORMATION

- **Objective:** Develop the necessary infrastructure and services to allow efficient passenger and freight traffic between Bolivia and Paraguay through the building and installation of an Integrated Border Control Center.
- **Proposed solution:** Build infrastructure for the installation of an Integrated Border Control Center, with freight verification and retention areas, data processing and telecommunication systems and a phytozoosanitary control laboratory.
- **Main external financing source:** To be defined
- **Current situation:** The pre-feasibility study has been completed, financed by a technical cooperation grant from the IDB and utilizing as a base the profile and preliminary plan drafted by Paraguayan Public Works Ministry. In early 2006 the ministries of public works from Bolivia and Paraguay signed a document in which they reiterated the need to establish the Administrative Border Center between both countries. The completion of paving works on the Paraguayan section (Mariscal Estigarribia-Infante Rivarola) is scheduled for the first semester of 2007.
- **Executing entities:** *BOLIVIA:* Ministry of Public Works; *PARAGUAY:* Ministry of Public Works and Communications (MPOC); *BINATIONAL:* Joint Paraguayan - Brazilian Commission.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the “*Connection Chile-Bolivia-Paraguay-Brazil*” group of projects (Group 1 of the Hub).
- Interconnection of regional production zones.
- New access from the interior to the Pacific Ocean, communicating isolated territories.

MAIN BENEFITS OF THE PROJECT

- The construction of the new border crossing will be accompanied by the homogenization of customs proceedings, focused on increasing border crossing efficiency and reducing waiting times.
- The project will facilitate the Paraguayan-Bolivian bilateral commercial flow, which has shown sustainable growth in the past five-year period in terms of amount, volume and value added.
- The study related to the design of the new border crossing estimates that bilateral trade will increase during the next 10 years. Freight transportation will rise to 68,168 tons in 2014 from 18,600 tons in 2004, applying an annual average growth rate of 26 percent. The investments and actions to be implemented should prepare the border center for the new demand, thus stimulating the development of the Hub.
- Additionally, the new integrated control system will allow the compilation of accurate data on freight traffic and passenger transportation—data that does not exist to date. The center will improve the management of the goods circulating through the Hub and the design of future complementary actions to stimulate the economic development of the region.

Contact Information

IIRSA National Coordinator

Bolivia

Pablo Rabczuk Ruiz

Tel: 591-2 221-6824

prabczuk@oopp.gov.bo

Paraguay

Roberto Salinas

Tel: (59521) 414-9612

rsalinas@pol.com.py

Project Manager

Bolivia

Arturo Flores Aguirre

Tel: (5912) 211-9945

aflores@oopp.gov.bo

Paraguay

Luis Añazco

Tel: (59521) 414-9797

dop@mopc.gov.py

Countries

BO (PY)

Project sector

Transport / Road

Current situation

Bidding / Concession

Total estimated investment
(M USD) 60.0 (first stage)

Modality

Public

Expected completion date
December 2009

PROJECT 13/BUILDING OF THE CAÑADA ORURO- VILLAMONTES-TARIJA- ESTACIÓN ABAROA ROAD



GENERAL INFORMATION

- **Objective:** Develop the necessary infrastructure and services for efficient passenger and freight transportation between Bolivia and Paraguay through the construction of a new road that will facilitate the permanent access of mining areas to regional and international markets. The project will promote the export of goods from Bolivia and the Central Chaco (salt, phosphates, fertilizers, wines, wood, berries and flowers, among other products) to the ports on the Pacific and the main Andean markets, thus stimulating trade among the countries in the Hub.
- **Proposed solution:** Paving of 120 kilometers of the route Villamontes-Hito BR 94 (Paraguayan border) in asphalt or rigid concrete.
- **Main external financing source:** Public sources, with financing management through the contractor (supplier's credit).
- **Current situation:** Technical studies completed, environmental license granted and financing model defined. The conditions for the financing of the works will be defined at the end of the tender process. The offers will include a proposal to the government of Bolivia for a turnkey contract on the basis of a concession or a concession close. Proposals will have fixed duration and costs, including supervision.
- **Executing entity:** National Road Authority of Bolivia. Ministry of Civil Works, Services and Housing.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the “*Connection Chile–Bolivia–Paraguay–Brazil*” group of projects (Group 1 of the Hub).
- The project is located in a strategic area due to its natural gas resources, which makes it possible to link the energy sector of the Bolivian Chaco with the Paraguayan Chaco, thus creating an integration pole between both countries that interconnects regional production zones.
- New access of the interior to the Pacific Ocean, communicating historically isolated territories.

MAIN BENEFITS OF THE PROJECT

- The main benefit of the project is the integration of the region of Chaco, between Bolivia and Paraguay, with the respective national road networks, reinforcing the development of the Central Interoceanic Hub and the connection with other export corridors, mainly with Peru, the south of Brazil and overseas.
- Additionally, the project will reduce the transportation costs of agricultural products in the region, improving their competitiveness and thus stimulating the development of the agricultural potential of the Hub in global markets.
- This reduction of costs will ease communications among the towns in the intermediate zones, avoiding the “corridor effect” and favoring the integration and interconnection of the territory.
- The feasibility studies of the project estimate an internal economic return rate of 28.9 percent.

Contact Information

IIRSA National Coordinator

Bolivia

Pablo Rabczuk Ruiz

Tel: 591-2 221-6824

prabczuk@oopp.gov.bo

Project Manager

Bolivia

Cesar Ramiro Escobar Olañeta

Tel: (5912) 211-9945

cescobar@oopp.gov.bo

IDB Contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

Countries

BO (CH)

Project sector

Transport / Road

Current situation

Execution

Total estimated investment

(M USD) 76.0

Modality

Public

Expected completion date

2nd half of 2007



CENTRAL INTEROCEANIC HUB

PROJECT 14/ TOLEDO-PISIGA ROAD

GENERAL INFORMATION

- **Objective:** Complement the linkage of Bolivia and the rest of the countries of the Interoceanic Hub with the port of Iquique, in a quest for reactivating the economy and the social development of an important mining and trade area in Bolivia. The route will connect with the Atlantic through Oruro–Cochabamba–Santa Cruz–Puerto Suárez–Santos, thus interconnecting the Bolivian territory.
- **Proposed solution:** The project promotes the rigid paving of 201 kilometers of the Oruro–Pisiga route, complementing the existing Oruro–Toledo road. The remaining section, the Toledo–Pisiga connection, is a route with high freight transportation potential. The project is part of Route 601 of the Complementary Network of the Bolivian Road System, an east-west



route that makes up part of a new physical integration link of Bolivia with Chile.

- **Main external financing source:** Corporación Andina de Fomento – CAF (USD 38.9 M)
- **Current situation:** The project is structured in three sections: The first, Toledo–Ancaravi (52.8 km – USD 23 M), will be financed by a grant from the government of Italy. The second, Ancaravi–Huachacalla (72 km – USD 23 M), currently under execution, is financed by CAF. The third, Huachacalla–Pisiga (77 km – USD 30 M), has been presented to the Millennium Account, under a Social Project Plan, as a grant-eligible operation.
- **Executing entity:** Ministry of Civil Works, Services and Housing.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the group of projects “*Connections of the Hub to the Pacific: Ilo/Matarani–Desaguadero–La Paz, Arica–La Paz, Iquique–Oruro–Cochabamba–Santa Cruz*” (Group 5 of the Hub).
- Boost the development of border regions and the consolidation of local markets, reducing the “corridor risk,” thus favoring the physical integration of the countries associated with MERCOSUR.
- Increase trade and commercial exchange among the countries and in regional and international markets.
- Reduce transportation costs from the Hub to the Pacific and import costs from the Pacific.
- Increase synergy among the group of projects of the Hub.

MAIN BENEFITS OF THE PROJECT

- The project for the paving of the “*Toledo–Pisiga Road*” is part of the Oruro–Pisiga road, one of the main routes that serves the west of Bolivia. The implementation of the project will stimulate the development of the fundamental Bolivian road network, improving local and regional transportation conditions and favoring the presence of the state in towns traditionally isolated.
- The investment included in the project will improve cargo and passenger transportation from Bolivia to Chile, with a regional and international connection through the port of Iquique and with a high potential of efficient freight management. This will increase the quality of service and the capacity of the route, reducing transportation costs and time through the Central Interoceanic Hub. These actions will adapt the road for future increases in demand.
- This reduction of costs will improve competitiveness in the Integration and Development Hub, favoring regional integration and fostering the development of new business initiatives through the route, reinforcing the geostrategic role of Bolivia as a “contact country.”
- Additionally, the project will improve road safety, especially regarding signage, thus reducing accidents.
- This project is a complement to the “*Rehabilitation of the Iquique–Colchane Road*” project (Priority Project 15) and the building of the new “*Pisiga–Colchane Border Crossing*.” The implementation of both projects will reinforce the benefits of the project and improve the quality of the information on the control of the freight transported through the Hub.

Contact Information

IIRSA National Coordinator
Bolivia
Pablo Rabczuk Ruiz
Tel: 591-2 221-6824
prabczuk@oopp.gov.bo

Project sector

Bolivia
Cesar Ramiro Escobar Olañeta
Tel: (5912) 211-9945
cescobar@oopp.gov.bo

IDB Contact

RE1/FI1
Hilda Gómez
Tel: (1) 202 623-1495
hildag@iadb.org

Countries

CH (BO)

Project sector

Transport / Road

Current situation

Execution

Total estimated investment

(M USD) 19.2

Modality

Public

Expected completion date

December 2010



PROJECT 15/REHABILITATION OF THE IQUIQUE-COLCHANE ROAD



GENERAL INFORMATION

- **Objective:** Increase capacity and upgrade the design standards of Route A-55. The project has the possibility of connecting the Iquique port with areas in the south and center of Bolivia, such as Oruro and Cochabamba, as well as with Santa Cruz and Puerto Suárez to the east. This connection will facilitate the development of southern Bolivia, allowing its access to regional and international markets.
- **Proposed solution:** Rehabilitation of a 163-kilometer section of Route A-55 between Huara and Colchane. The project is included in the “*Program of works for the Bicentennial and Regional Programming Agreement,*” to be carried out in different stages. First stage: building basic drainage works and asphalt paving from km 0.00 to km 20.0 (executed); the works on the remaining 130 kilometers of the road will be completed in further stages between 2005 and 2009. The project will receive regional contributions.
- **Main external financing source:** Public investment
- **Current situation:** The project is being carried out in stages. From km 0 to 50, from 68 to 84 and from 91 to 113 a double treatment asphalt paving has been completed. In order to execute works on the sections from km 50 to 71 and from km 113 to 163, a budgetary assignment must be approved. Feasibility studies have been concluded and the environmental approval granted. Engineering studies for the two sections to be constructed remain to be completed.
- **Executing entity:** Ministry of Public Works of Chile.

Contact Information

IIRSA National Coordinator
Chile

Eduardo Soto Silva
Tel: (562) 449-5951
eduardo.soto@mop.gov.cl

Project Manager
Chile

Guillermo Mesías
Tel: (5657) 572-037
guillermo.mesias@moptt.gov.cl

IDB Contact

RE1/FI1
Hilda Gómez
Tel: (1) 202 623-1495
hildag@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the group of projects “*Connections of the Hub to the Pacific: Ilo/Matarani–Desaguadero–La Paz, Arica–La Paz, Iquique–Oruro–Cochabamba–Santa Cruz*” (Group 5 of the Hub).
- Boost the development of border regions and the consolidation of local markets, reducing the “corridor risk,” thus favoring the physical integration of the countries associated with MERCOSUR.
- Increase trade and commercial exchange among the countries and in regional and international markets.
- Reduce transportation costs from the Hub to the Pacific and import costs from the Pacific.
- Increase synergy among the group of projects of the Hub.

MAIN BENEFITS OF THE PROJECT

- The project for “*Rehabilitation of the Iquique–Colchane Road*” facilitates freight transportation from Bolivia to the port of Iquique, Chile, with a high potential of efficient freight management through a route operating yearlong.
- The road layout, which is 80 percent straight line with slight slopes, will produce considerable cost and time savings in transportation, improving the competitiveness of the Central Interoceanic Hub. The route will favor integration among Chile, Bolivia and Brazil, developing the potential for tourism within the route and strengthening the geostrategic role of Bolivia as a “contact country.”
- The investment related to the project will strengthen the logistic system integrated by the port and the free-trade zone of Iquique, extending the competitive advantages created by the high-technology services in the region to stimulate the socioeconomic development of the Hub.
- Additionally, the project will improve road safety and reduce accidents.
- This project is a complement to the “*Toledo–Pisiga Road*” project (Priority Project 14) and the building of the new “*Pisiga–Colchane Border Crossing*.” The implementation of both projects will reinforce the benefits of the project and improve the quality of information on the control of the freight transported through the Hub.

Countries

BO (CH)

Project sector

Transport / Road

Current situation

Preparation

Total estimated investment

(M USD) 30.0

Modality

Public

Expected completion date

3rd quarter 2009

PROJECT 16/REHABILITATION OF THE EL SILLAR LEG



GENERAL INFORMATION

- **Objective:** Strategic project to communicate the western highlands of Bolivia with the eastern plains, connecting with Puerto Suárez–Corumbá. The project offers a solution to a critical sector of the new Santa Cruz–Cochabamba highway (crossed by 4,000 vehicles per day), where geological and topographical failures have been identified. These become worse during the rainy season during the rise of the Espiritu Santo River that hinders national and international traffic.
- **Proposed solution:** Rehabilitation of a 30-kilometer section of the new Santa Cruz–Cochabamba road, which is unstable during the rainy season, between Paracti–Villa Tunari. The project includes the improvement of the current section and the definition of an alternative using the existing road only partially.
- **Main external financing source:** Financing to be defined.
- **Current situation:** The asphalt on the existing road is damaged by poor drainage. The floodwaters of the Espiritu Santo River interrupt transit during rainy seasons (November to March) through one of the main routes in Bolivia. This problem has extended to 14 sections of the road, with lengths between 100 m and 1.5 m, beyond El Sillar to Santa Cruz. The asphalt layer on the whole route is deteriorated. Between 2001 and 2004, rigid pavement and drainage improvement works have been applied to a section of approximately 22 kilometers with financing from a USAID grant. Rigid paving and the improved drainage for another eight kilometers to El Sillar are planned for completion with USAID funding. The effect of these investments on maintenance costs will be evaluated. Results of the evaluation will determine whether to continue with an alternative technical study.
- **Executing entities:** Ministry of Civil Works, Services and Housing.

Contact Information

IIRSA National Coordinator

Bolivia

Pablo Rabczuk Ruiz

Tel: 591-2 221-6824

prabczuk@oopp.gov.bo

Project Manager

Bolivia

Cesar Ramiro Escobar Olañeta

Tel: (5912) 211-9945

cescobar@oopp.gov.bo

IDB Contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the group of projects “*Connections of the Hub to the Pacific: Ilo/Matarani–Desaguadero–La Paz, Arica–La Paz, Iquique–Oruro–Cochabamba–Santa Cruz*” (Group 5 of the Hub).
- Boost the development of border regions and consolidate local markets, reducing the “corridor risk” and advancing the physical integration of the countries associated with MERCOSUR.
- Increase trade and commercial exchange among the countries and in regional and international markets.
- Reduce transportation costs from the Hub to the Pacific and import costs from the Pacific.
- Increase synergy among the group of projects of the Hub.

MAIN BENEFITS OF THE PROJECT

- The project “*Rehabilitation of the El Sillar Leg*” will improve the only connection between the eastern and western departmental capitals of Bolivia, Santa Cruz and Cochabamba, affecting directly road transportation through the Hub. At the same time the route is the one of the main regional connections to the ports on the Pacific, key elements for regional and international exports. The route has been identified as one of the main “bottlenecks” in the Central Interoceanic Hub.
- The project will offer a solution to the problems caused by the excessive humidity and geological instability, which have become a threat to road safety, productive development, trade, exports and road integration in a region inhabited by more than 4 million people in an Integration and Development Hub that represents 22 percent of the population in South America and 26 percent of GDP.
- The improvement in traffic conditions will reduce considerably time and costs for freight and passenger transportation, thus improving the competitiveness of the Hub and regional integration.
- Additionally, the road works will reduce accidents and improve the quality of life of the population in the area of influence of the route.

Countries

BO – PE

Project sector

Transport / Border crossing

Current situation

Preparation

Total estimated investment

(M USD) 7.5

Modality

Public

Expected completion date

2nd semester of 2007



ANDEAN HUB

PROJECT 17/DESAGUADERO BORDER CENTER



GENERAL INFORMATION

- **Objective:** To install an integrated binational control center in Desaguadero, a border crossing for up to 90 percent of the vehicle traffic between Peru and Bolivia. The objective of the new center is to facilitate the circulation of passengers, goods and vehicles through the route, stimulating trade flow and empowering the regional economies in the Andean regions of Peru and Bolivia served by the existing paved roads. The area of influence of the border crossing extends to the central Andean region of Peru and the northwestern Andean region of Argentina.
- **Proposed solution:** Building new infrastructure and procurement of the necessary equipment to set up an Integrated Binational Border Service Center (CEBAF) at the new bridge to be constructed at Desaguadero. Legislate, standardize and harmonize the administrative and information procedures between related institutions so they will operate in a coordinated way at the border crossing, controlling the flow of people, goods and vehicles. In addition, the project will identify the needs of the logistic chains that use the border crossing, and it will define actions to promote the development of local private enterprises and services that provide support to transportation, creating new opportunities in the region.
- **Main external financing source:** Inter-American Development Bank – IDB (USD 5 M).
- **Current situation:** The Desaguadero Border Crossing was selected as one of the five IIRSA pilot projects for the modernization of International Customs Traffic. Best practices in these projects will be extended to other countries in the region. On the Peruvian side, the project is in its final stages of preparation prior to expected IDB financing, and it makes up part of a national program of border crossings, including Iñampari and Santa Rosa. In Bolivia the project is in the early stages of preparation for financing from the IDB and CAF. A profile of the Desaguadero CEBAF has been approved, and the managing team is coordinating the process for approval of the feasibility studies for the project with the Ministry of the Economy.
- **Executing entities:** *BOLIVIA:* Ministry of Foreign Affairs and Foreign Trade; Ministries of Treasury and Public Works and Services; *PERU:* Ministry of Foreign Affairs; Ministry of Transport and Communications.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

Contact Information

IIRSA National Coordinator

Bolivia

Pablo Rabczuk Ruiz

Tel: 591-2 221-6824

prabczuk@oopp.gov.bo

Peru

José Tenorio Benavides

Tel: (511) 311-2774

jtenorio@rree.gob.pe

Project Manager

Bolivia

Arturo Florres Aguirre

Tel: (5912) 211-9945

aflores@oopp.gov.bo

Peru

Nilo Meza (Perú)

Tel: (511) 311-2668

nmeza@rree.gob.pe

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlost@iadb.org

- Anchor Project of the “*Perú–Bolivia Connection (Huancaayo–Ayacucho–Tarija–Bermejo)*” group of projects (Group 8 of the Hub).
- To promote economic relations between the Andean cities in Peru and Bolivia, extending the area of influence of the border crossing to the central Andean region of Peru and the northwestern Andean region of Argentina.
- The project is one of the four pilot border crossings identified within the sectoral improvement process (IIRSA Initiative).

Countries

BO – PE

Project sector

Transport/Border crossing

Current situation

Preparation

Total estimated investment

(M USD) 7.5

Modality

Public

Expected completion date

2nd semester of 2007



ANDEAN HUB

PROJECT 17/DESAGUADERO BORDER CENTER (CONT.)

MAIN BENEFITS OF THE PROJECT

- The “Desaguadero Border Center” is the third most important crossing in the Andean Region and the 12th most important in South America. The current inadequate facilities at the crossing inhibit full use of the road’s potential, hindering the socioeconomic development of the area.
 - The creation of an integrated system for management and control of the traffic between Bolivia and Peru will reduce transit procedure times for vehicles cutting the global transportation times in the whole Integration Hub. Studies estimate the project will reduce the waiting times by approximately three hours: two hours for import and export procedures, and one hour for traffic to and from third countries.
 - Feasibility studies indicate an economic return rate for Bolivia and Peru of 36 percent and 30 respectively, with a discount rate of 12 percent for Bolivia and 17 percent for Peru. This data reflects the high socioeconomic impact of the project, especially on national policies and strategies that promote international trade.
 - The actions destined to modernize and standardize customs will constitute an experience that may be extended to other border crossings in the region, optimizing national resources and improving the quality of the information on the control of freight transportation.
- Additionally, the project will:
 - Decrease transportation costs due to reduction in waiting times and processing as a result of the improvement in efficiency and harmonization of procedures at the border crossing.
 - Optimize the use of parking spaces by a reduction in the number of stops made by each car, accelerating the entrance and exit of vehicles.
 - Prevent high-ton traffic from using the urban roads in the area of Desaguadero, diverting traffic to the new accesses of the CEBAF designed for freight transport and reducing local maintenance costs.
 - Enhance property values in the area of influence of the new CEBAF infrastructure.
 - Create jobs associated with the complementary actions identified to support the needs of the logistic chains that use the border crossing. These actions will include the promotion of local private services and enterprises to provide support for transportation.
 - Improve communication among border towns, using the old border center for local trade.

Countries
CO – VE

Project sector
Transport / Border crossing

Current situation

Preparation

Total estimated investment
(M USD) 2.0 (1st stage)

Modality
Public

Expected completion date
2nd half of 2008



PROJECT 18/CÚCUTA- SAN ANTONIO DEL TÁCHIRA BORDER CROSSING



GENERAL INFORMATION

- **Objective:** Facilitate the passage of vehicles, freight and people across the Cúcuta-San Antonio/Ureña border crossing.
- **Proposed solution:** Implementation of an Integrated Border Control System, according to Resolution 502 of the Andean Community of Nations (CAN). In its first stage the project will use existing infrastructure to establish an Integrated Control System to share automatically the data on freight and passenger transportation flows through the crossing. Additionally, the project includes, among other activities, a training program, the modernization of custom procedures and the homologation of standards and software. The results of the studies carried out in this first stage of the project will supply information to evaluate the building of additional complementary infrastructure.
- **Main external financing source:** The current investment includes the activities considered in the first stage of the project (studies and preliminary actions). The final amount of the investment (second phase) will be subject to the results of the first stage.
- **Current situation:** Colombia proposed a methodology for harmonizing control procedures that is ready to be discussed with Venezuela for eventual approval. Venezuela is considering reviewing the objective, proposed solution, critical stages and focus of the project, subject to the Presidential Declarations and the creation of a Border Integration Zone in the area of influence of the project.
- **Executing entity:** *COLOMBIA:* Ministry of Transport; *VENEZUELA:* Ministry of Infrastructure; *BINATIONAL:* Binational Venezuela - Colombia Transport Commission.

Contact Information

IIRSA National Coordinator

Colombia

Lyda Milena Esquivel

Tel: (571) 596-0300

lesquivel@dnpp.gov.co

Venezuela

Fausto Fernández

Tel: (58212) 507-0805

ffernandez@hotmail.com

Project Manager

Colombia

Jorge Enrique Pedraza

Tel: (571) 324-0800

jpgedraza@mintransporte.gov.co

Venezuela

Mercedes Sánchez

Tel: (58212) 203-1414

mersanchez@infraestructura.gov.ve

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlost@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Venezuela (Caracas)–Colombia (Bogotá)–Ecuador (Quito) Connection*” group of projects (Group 2 of the Hub).
- Strengthen the economic relationships among the more dynamic urban centers in Ecuador, Colombia and Venezuela, through the existing paved roads, which require solving specific bottlenecks and improving the operation of the border crossings within the Hub.
- The project is one of the four pilot border crossings identified within the Facilitation of Border Crossing sectoral process of the IIRSA Initiative.

MAIN BENEFITS OF THE PROJECT

- The “*Cúcuta-San Antonio del Táchira Border Crossing*” is one of the most important border crossings in South America, as it concentrates 80 percent of the commercial traffic between Colombia and Venezuela, the second most important binational commercial pair in the region. The investment in the border crossing will strengthen the socioeconomic development of the Hub, adapting the existing infrastructure and procedures to the predicted increase of traffic flow through the border crossing, a trend that has been sustained in recent years.
- The measures already implemented during the first stage of the project have produced a considerable reduction in waiting times at the border crossing, indicating the potential of the project to further reduce travel times and costs.
- Additionally, the project will improve the quality of life in the towns located near the border, which represent a highly populated area with more than 2 million people with a high mobility within a region of important commercial and industrial activity, with frequent cross-border movement.
- The customs modernization and standardization actions by both countries will allow the extension of the pilot experience to other border crossings in the region, optimizing national resources and improving the quality of the information on the control of cargo and goods through the crossing.

Countries

CO – VE

Project sector

Transport / River

Current situation

Preparation

Total estimated investment

(M USD) 108.0

Modality

Public

Expected completion date

November 2009

PROJECT 19/RECOVERY OF META RIVER NAVIGABILITY



GENERAL INFORMATION

- **Objective:** Develop a multimodal transportation corridor, recovering the navigability of the Meta River in a sustainable manner to foster trade among regions of Colombia and Venezuela and integrate remote populations with distribution and consumption centers, thus improving their living standards.
 - **Proposed solution:** The proposal is aimed at adapting the river for navigation during most of the year through a program that, among other measures, includes: (a) *environment*: river basin management plans, investments in microbasin maintenance and conservation; (b) *navigation*: improvement of the canal; channeling (closure of arms, removal of rapids, protection of banks, draining); and maintenance (signaling, buoying, clear-cutting and cleaning, sedimentation control); and (c) *port and multimodal infrastructure*: improvement of the ports and related facilities at Cabuyaro, Puerto Texas and Puerto Carreño in Colombia and sites in Venezuela to be determined in the studies related to the project, as well as other docks of regional interest that support riverside communities of both countries.
- In addition the project will promote private sector participation in the provision of transportation and related services. The project of the Atlantic-Pacific Hub through the Orinoco and Meta rivers is complemented by construction works on the Puerto Gaitán-Bogotá-Buenaventura road, such as the pilot tunnel of La Línea to supplant the central Andean crossing.
- **Main external financing source:** To be defined.
 - **Current situation:** In Colombia the tender process for the construction of the following parts of the project has been initiated: La Banqueta Dock, Cabuyaro Dock, Puerto Carreño Dock, access roads to Banqueta and navigability works for the Cabuyaro-Puerto Texas Channel with an estimated budget of 45,000 M Colombian pesos (USD 19 M). The Venezuelan part of the project is under study.
 - **Executing entities:** *COLOMBIA*: Ministry of Transport; Ministry of Environment; *VENEZUELA*: Ministry of Infrastructure; Ministry of Environment.



ANDEAN HUB

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Pacífico–Bogotá–Meta–Orinoco–Atlántico Connection*” group of projects (Group 4 of the Hub).
- Develop a bioceanic Pacífico–Bogotá–Meta–Orinoco–Atlántico corridor to give an incentive to trade and commercial exchanges among regions of Colombia (Orinoquia, Andina and Pacífico) and Venezuela (Llanos, including the states of Anzoátegui and Monagas, Ciudad Guayana and the Orinoco Delta) and to project these regions toward international markets.

MAIN BENEFITS OF THE PROJECT

- The planned recovery of Meta River navigability will be a vital component for the development of the Llanos Orientales region, currently one of the most marginalized regions of the Integration and Development Hub. The region would receive, through the investment programs related to the project, the necessary thrust for its economic development, advancing its effective integration with the national economies of Colombia and Venezuela.
- The strengthening of the river transportation would allow a 100 percent increase of the cargo to be carried through the river corridor in a 15-year period, reaching approximately 2 million tons per year afterward.
- Project feasibility studies indicate a cost-effective internal return rate of 39 percent.
- Additionally, the project will generate the following benefits.
 - Articulation of the territory at the national and regional level, facilitating territorial and environmental planning as well as the design of a program of complementary social actions to benefit the populations in the Hub.
 - New economic activities in the region related to the new opportunities associated with the improvement in communication, stimulating local development.
 - New job sources generated by the project dynamics in the Hub.

Contact Information

IIRSA National Coordinator
Colombia
Lyda Milena Esquivel
Tel: (571) 596-0300
lesquivel@dnpp.gov.co

Venezuela
Fausto Fernández
Tel: (58212) 507-0805
ffernandez@hotmail.com

Project Manager
Colombia
Juan Manuel González
Tel: (571) 324-0800
jgonzalez@mintransporte.gov.co

IDB Contact
RE3/FI3
Carlos Tamayo
Tel: (1) 202 623-3811
carlost@iadb.org

Countries

CO

Project sector

Transport / Road

Current situation

Preparation

Total estimated investment

(M USD) 183.0

Modality

Public / Private

Expected completion date

December 2012



AMAZON HUB

PROJECT 20/PASTO-MOCHOA ROAD



GENERAL INFORMATION

- **Objective:** Promote greater integration of the Colombian transportation infrastructure network with Ecuador, Peru and Brazil by upgrading road communication to allow the consolidation of the Tumaco-Puerto Asís-Belem do Pará multimodal transportation corridor as an efficient mechanism in the promotion of development in the South of Colombia and in the North of Ecuador, and in Peru and Brazil, reinforcing trade among the countries in the Amazon Hub.
- **Proposed solution:** Improve the technical specifications of the Pasto-Mocoa road by paving and rectifying the route of the existing road and improving the horizontal and vertical alignment through the construction of a series of detours, including the following: San Francisco-Mocoa, reducing the length of the route from 78 to 47 km; Encano-Santiago (30 to 27 km) and Pasto-Encano (20 to 19 km). In addition, the project includes draining and maintenance works, widening the road to 7.5 m, with 1.8 m berms, and reduction of curves for adapting the road to circulation speeds of 60 km/h.
- **Main external financing source:** Inter American Development Bank– IDB (USD 100 M).
- **Current situation:** Colombia's National Social Economic and Political Council (CONPES) has guaranteed the availability of resources for the construction of the two phases of the project. For 2006, a budget of USD 13.5 M has been assigned for the development of Phase I, currently open to tender (including the design of the bridges for Phase II). For Phase II the project team is negotiating project financing with the IDB and the participation of the Bank in a technical mission. Currently the IDB is supporting the preparation of the technical, environmental and social studies related to the project.
- **Executing entities:** Ministry of Transport of Colombia and National Road Institute of Colombia.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Access to the Putumayo Hydroway*” group of projects (Group 1 of the Hub).
- Improve the logistics related to the national integration of the productive areas in the South of Colombia, department of Nariño, with the Amazonian departments of Putumayo and Amazonas. Include zones in the North of Ecuador (mainly the province of Sucumbios) into the dynamics of the group.
- Strengthen the interconnection between the interior of the continent with the Pacific Basin.

MAIN BENEFITS OF THE PROJECT

- The main benefit of this project, also known as “*Camino Verde hacia la Paz*” (“*Green Way to Peace*”), is to guarantee the presence of the state within its area of influence, traditionally a controversial territory, incorporating its 1,500,000 inhabitants—mainly Afro-Colombians, indigenous people and settlers—in the social dynamics of the country.
- The presence of the state in the area will guarantee basic services to the population, such as health care, education and basic infrastructure. It will also guarantee the strengthening of citizen safety and governance. These new services will advance the economic and social development of the region and improve the protection of vulnerable ecosystems.
- The project will prevent the isolation of Pasto, the main urban center and industrial producer of the region, after the future habilitation of the San Miguel border crossing between Ecuador and Colombia. In addition, the strengthening of this Hub will be a further step in the integration of South America with Mesoamerica and the Pacific and Atlantic Basins.
- The improvement in the infrastructure through the Tumaco–Pasto–Puerto Asís corridor will stimulate regional production and goods introduced in the route through Tumaco. The new route will lower transportation costs and times, thus improving the quality of life of the nearby population. This will create new development opportunities in the region, especially if a program of complementary action is carried out to add value to production and industrialize regional agriculture and livestock production.
- In addition, feasibility studies highlight the maritime, mining, handcraft and tourism potential of the towns that will be benefited by the project.

Contact Information

IIRSA National Coordinator

Colombia

Lyda Milena Esquivel

Tel: (571) 596-0300

lesquivel@dnv.gov.co

Project Manager

Colombia

María Cecilia Alsina

Tel: (571) 428-1998

malsina@invias.gov.co

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlost@iadb.org

Countries
PE (BR)

Project sector
Transport / Multimodal

Current situation
Execution

Total estimated investment
(M USD) 338.0

Modality
Public / Private

Expected completion date
December 2012



AMAZON HUB

PROJECT 2I/PAITA-TARAPOTO-YURIMAGUAS ROAD, PORTS AND LOGISTIC CENTERS



GENERAL INFORMATION

- **Objective:** Improve the infrastructure and operation of the intermodal Hub, promoting the modernization of logistic services and ports and consolidating the coast-mountain-jungle integration corridor of the northern region of Peru and its regional complement with the Brazilian state of Amazonas, thus promoting international trade.
- **Proposed solution:** (1) Rehabilitate and improve the existing road infrastructure in the Paita-Tarapoto-Yurimaguas Hub providing, as a complement, the necessary services for an efficient flow of freight and passengers. (2) Modernize the ports of Paita, Iquitos and Yurimaguas, promoting private investment and management in order to increase productivity. (3) Establish the Logistics Centers of Paita, Iquitos and Yurimaguas, promoting private investment and management in order to optimize the activities and processes of the logistics chains involved. (4) Evaluate and implement the North Waterway Project. These actions should be a complement to the investment required to improve the navigability of the Huallaga, Marañon and Amazon Rivers, as well as the modernization of the airports in Piura, Tarapotos and Yurimaguas.
- **Main external financing source:** Inter-American Development Bank - IDB (USD 60 M), Corporación Andina de Fomento - CAF (USD 60 M). The Paita-Yurimaguas Road will be improved and operated under concession to IIRSA Norte S.A. Its investments will be repaid by the Peruvian state over a 25-year period.
- **Current situation:** The concessionaire is carrying out maintenance works in the Paita-Piura and Tarapoto-Yurimaguas sections within the framework of the Paita-Yurimaguas Road Project (total investment USD 220 million). PROINVERSION and the National Port Authority signed an agreement to promote private investment in ports. A tender process will be carried out for Puerto de Paita. The navigability study of the Huallaga Waterway has already been completed.
- **Executing entities:** Ministry of Transport and Communications of Peru; National Port Authority of Peru (APN); Concessionaires of highways, ports and logistics centers.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Access to the Huallaga–Marañón Hydroway*” group of projects (Group 3 of the Hub).
- To improve logistics for the access to the Huallaga and Marañón waterways and their ports in order to consolidate the coast-mountain-jungle integration corridor of the northern region of Peru and its regional complement with the state of Amazonia, Brazil.
- To allow the articulation of the northern region of Peru with the southern and southeastern regions of Ecuador.
- To strengthen the trade within the interior part of the continent and the Pacific Basin.

MAIN BENEFITS OF THE PROJECT

- The project “*Paita–Tarapoto–Yurimaguas Road, Ports and Logistic Centers*” is one of the main multimodal projects included in the Priority Agenda. This type of investment minimizes environmental risk, because it benefits from the synergies among the different means of transportation and minimizes road works.
- This type of investment avoids the “corridor effect,” as it constitutes a commercial and service platform that reinforces the existing logistic chains in the areas of influence of the project, allowing the sustainable development of the beneficiary populations, which have traditionally been isolated, nationally as well as regionally.
- As a consequence, the investment allows the creation of new business opportunities, favors the creation of jobs and adds value to local products, improving regional competitiveness.
- Additionally, the implementation of the project stimulates the articulation of regional integration around the Amazon Hub, considered an emerging hub within the territorial planning process carried out in the IIRSA Initiative. In this case, the northern region of Peru, one of the four most important communication channels of the Hub, improves its communication with the city of Manaus, in Brazil.
- In the case of the Paita–Tarapoto Road, which is the main roadwork of the investment group, the feasibility studies indicate an economic return rate of 12.3 percent. Building this road will have a powerful impact on the reduction of costs related to vehicle operation.

Contact Information

IIRSA National Coordinator Peru

José Tenorio Benavides
Tel: (511) 311-2774
jtenorio@rree.gob.pe

Project Manager Peru

Henry Zaira Rojas
Tel: (511) 315-7800
hzaira@mtc.gob.pe

IDB Contact

RE3/FI3
Carlos Tamayo
Tel: (1) 202 623-3811
carlost@iadb.org

Countries

PE (BR)

Project sector

Transport / Multimodal

Current situation

Bidding / Concession

Total estimated investment

(M USD) 589.0

Modality

Public / Private

Expected completion date

December 2010



AMAZON HUB

PROJECT 22/LIMA-TINGO MARÍA-PUCALLPA ROAD, PORTS AND LOGISTIC CENTERS



GENERAL INFORMATION

- **Objective:** Increase the competitiveness of the coast-mountain-jungle central corridor in Peru, interconnecting the main urban and industrial center of the country, the central area and the states of Amazonia and Acre in Brazil. The project will promote also the interconnection of the inner part of the continent with the Pacific Basin. These actions will be complemented by other projects, such as the improvement of the navigability of the Ucayali and Amazon Rivers.
- **Proposed solution:** Provide the Lima-Tingo María-Pucallpa route with an appropriate road infrastructure and the necessary services for efficient vehicular flow. Modernize the ports of Callao and Pucallpa through private investment in order to increase their competitiveness. Establish an Intermodal Logistics Center in Pucallpa in order to facilitate cargo flows, provide for storage and reduce costs, and also share information about freight transportation in the Integration and Development Hub.
- **Main external financing source:** The investment required in the Lima-Pucallpa road and in the Southern Dock of the port of Callao will be provided by the private sector through concessions. The sources for the other investments in the project are yet to be defined.
- **Current situation:** The adjudication of a concession for the IIRSA Amazonas Center Hub is scheduled soon. It will include the rehabilitation and construction of different sections of the road Pucallpa-Tingo María-Huánuco-La Oroya-Ricardo Palma Bridge (works worth around USD 120 million). For the port of Callao, the South Dock for Containers was awarded a concession in June 2006. Its work includes the enlargement of the south area of the port and the building of the dock for containers.
- **Executing entities:** Ministry of Transport and Communications of Peru; National Port Authority of Peru (APN); and concessionaires of highways, ports and logistics centers.

Contact Information

IIRSA National Coordinator

Peru

José Tenorio Benavides

Tel: (511) 311-2774

jtenorio@rree.gob.pe

Project Manager

Peru

Henry Zaira Rojas

Tel: (511) 315-7800

hzaira@mtc.gob.pe

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlost@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Access to the Hydroway Ucayali*” group of projects (Group 4 of the Hub).
- Increase competitiveness of the Amazon Hub in the Peruvian section, strengthening its connection with the Pacific through the main urban, industrial and port center in Peru.

MAIN BENEFITS OF THE PROJECT

- The project “*Lima-Tingo María–Pucallpa Road, Ports and Logistic Centers*” is one of the main multimodal projects included in the Priority Agenda. This type of investment minimizes environmental impact, because it profits from the synergies among the different means of transport, thus minimizing road works.
- This kind of investment avoids the “corridor effect,” as it constitutes a commercial and service platform that reinforces the existing logistic chains in the areas of influence of the project, allowing the sustainable development of the beneficiary populations, which have been traditionally isolated, nationally as well as regionally.
- As a consequence, the investment allows the creation of new business opportunities, favors the creation of jobs and adds value to local products, improving regional competitiveness.
- In addition, the implementation of the project allows the articulation of the regional integration around the Amazon Hub, considered as an emerging hub within the indicative territorial planning carried out in the IIRSA Initiative.

Countries

EC

Project sector

Transport / River

Current situation

Preparation

Total estimated investment

(M USD) 105.3

Modality

Public / Private

Expected completion date

December 2012



AMAZON HUB

PROJECT 23 / FRANCISCO DE ORELLANA PORT



GENERAL INFORMATION

- **Objective:** Promote trade between the Pacific basin and the Amazon regions of Ecuador, Peru and Brazil, and the socioeconomic development of the provinces of Esmeraldas, Manabí, Guayas, El Oro, Carchi, Imbabura, Pichincha, Cotopaxi, Tungurahua, Chimborazo, Sucumbíos, Orellana and Napo in Ecuador; the Loreto Department in Peru; and the Departments of Nariño and Putumayo in Colombia.
- **Proposed solution:** Construction of a river port for high efficiency freight transference on the left bank of the Napo River, Belén sector, in the provinces of Orellana/Sucumbíos. The project includes the improvement of the road, section Shushufindi-El Triunfo-Belén, which will link the port with the state road network, and construction of infrastructure to supply the port with the electricity and telecommunications needed for its operation. The new port will be used as a logistic center and will have the necessary infrastructure for an efficient and high performance cargo transfer. The port facilities will include docks, all-purpose terminal, solid bulk terminal, dangerous cargo terminal, container consolidation and deconsolidation areas, administrative area, port equipment, customs area, port authority, migration, security, phytosanitary controls and a logistic center to make the commercial flow in the Hub more dynamic.
- **Main external financing source:** External financing of the project to be defined.
- **Current situation:** An agreement has been reached for undertaking joint studies on the navigability of the Napo River between Ecuador and Peru, with grant financing from the new IDB Integration Fund.
- **Executing entities:** Government of Ecuador, Ministry of Public Works and Communications of Ecuador.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Access to the Napo Waterway*” group of projects (Group 2 of the Hub).
- Strengthen the Ecuadorian national integration of the Amazon provinces of Napo and Orellana with the mountain and coastal regions in the center and

north of the country. The project will consolidate an Ecuadorian riverway that will facilitate the communication and regional integration of the area of influence of the group of projects with Manaus.

MAIN BENEFITS OF THE PROJECT

- The project for the building of the “*Francisco de Orellana Port*” will increase the potential of the Napo River to facilitate regional trade and the transportation of goods within regional and international markets.
- The initial studies regarding the project estimate that it will reduce waiting times and transportation costs, improving regional competitiveness in the Integration and Development Hub.

- The project is strategic for Ecuador, offering new opportunities for inclusion and sustainable development for the populations along the Napo River, which have been historically isolated from the rest of the country.

Contact Information

IIRSA National Coordinator

Ecuador

Edwin Mejía Gallegos

Tel: (5932) 222-2125

subsemop@mop.gov.ec

Project Manager

Ecuador

Fernando Salgado

Tel: (5932) 222-4730

iirsaecuador@mop.gov.ec

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlost@iadb.org

Countries

PE (BR)

Project sector

Transport / Road

Current situation

Execution

Total estimated investment

(M USD) 1,055.0

Modality

Public / Private

Expected completion date

December 2010



PROJECT 24/PAVING OF IÑAPARI-PUERTO MALDONADO- INAMBARI, INAMBARI-JULIACA/ INAMBARI-CUSCO LEG



GENERAL INFORMATION

- **Objective:** Improve and rehabilitate road infrastructure in the southern macroregion of Peru that connects to the states of Acre and Rondonia in Brazil and facilitate the flow of passengers and cargo between such regions and regional and international markets through the Pacific Basin, thus promoting regional integration.
- **Proposed solution:** Execute construction works on the sections: Urcos-Pte. Inambari, Pte. Inambari-Iñapari and Pte. Inambari-Azangaro. Improve the following road sections: San Juan de Marcona-Urcos and Matarani-Azangaro-Juliaca-Ilo. Provide users with the necessary infrastructure to provide efficient, high-quality of service.
- **Main external financing source:** Corporación Andina de Fomento – CAF (USD 200 M). The projects would be financed by the private sector through separate concessions for each section that will be repaid by the state over a 25-year period.
- **Current situation:** On June 2005 approval (*Buena Pro*) of the sections 2, 3 and 4 was granted, pending the approval for sections 1 and 5. In the sections granted under concession, measures to guarantee the transit of vehicles have been implemented through periodical maintenance works on the nonasphalted sections of the route.
- **Executing entities:** Ministry of Transport and Communications of Peru; Private Investment Promotion Agency (PROINVERSION); Oversight Agency for Investment in Public Transport Infrastructure (OSITRAN); highway concessionaires of Peru.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “*Porto Velho–Río Branco–Puerto Asís–Puerto Maldonado–Cusco / Juliaca–Ports of the Pacific Corridor*” group of projects (Group 1 of the Hub).
- Open new possibilities for the socioeconomic development of the southern macroregion of Peru and the adjacent states of Brazil (Acre and Rondonia). The project will improve communication in the Hub, facilitating the access of those Brazilian states as well as the Peruvian mountains and Amazonia to regional and international markets.
- The road, known in Peru as the “*Interoceanic Hub of the Southern Peru*,” constitutes a 2,586-kilometer-long space that interconnects the region with the Andean Hub and the ports of the Pacific (Ilo and Matarani), thus boosting the local and regional integration process.

MAIN BENEFITS OF THE PROJECT

- The maintenance and adaptation works already carried out in the ongoing project have improved considerably road conditions on the unpaved Puerto Maldonado–Iñapari section, whose traffic was previously obstructed by the mud during the rainy season. These preliminary measures have already reduced the average transit time to one day from 14 days.
- The reduction in transit times from road improvements and maintenance works will enable the route to service an increase in traffic. Paving will reduce the maintenance costs, allowing resources previously used to maintain a dirt track to be destined for the maintenance and improvement of other roads.
- The improvement in traffic conditions on the road already completed has allowed the starting of a territorial planning process through the MAP regional initiative, which includes local institutions and entities from the states of Madre de Dios (Peru), Acre (Brazil) and Pando (Bolivia) and which has started to produce an improvement of human development and quality of life of the inhabitants of the region through health and education projects and the supply of state services to assist agricultural production, such as farming autochthonous crops.
- The paving the road will strengthen and increase benefits associated with the actions already carried out in the project.
- The project is complemented by the “*Bridge over the Acre River*” project (Priority Project 25).

Contact Information

IIRSA National Coordinator
Peru
José Tenorio Benavides
Tel: (511) 311-2774
jtenorio@rree.gob.pe

Project Manager
Peru
Henry Zaira Rojas
Tel: (511) 315-7800
hzaira@mtc.gob.pe

IDB Contact
RE3/FI3
Carlos Tamayo
Tel: (1) 202 623-3811
carlostm@iadb.org

Countries

BR – PE

Project sector

Transport / Bridge

Current situation

Concluded

Total estimated investment

(M USD) 12.0

Modality

Public

Expected completion date

Concluded (January 2006)



PROJECT 25 / BRIDGE OVER THE ACRE RIVER



GENERAL INFORMATION

- **Objective:** Promote the development of physical infrastructure and cross-border integration in South America, providing Brazil and the macroregion in southern Peru with access to the Peruvian maritime ports of Ilo, Matarani and San Juan on the Pacific, and vice versa.
- **Proposed solution:** Construction of an international bridge over the Acre River, on road BR-317, between the cities of Asís (Brazil, Acre) and Iñapari (Peru, Madre de Dios), including accesses and complementary works in Brazilian territory. Additionally, an integrated border service center will be established in Iñapari (Peruvian territory).
- **Main external financing sources:** Resources from the Government of Brazil (Ministry of Transport/ National Department of Transport Infrastructure) and counterpart funding of the government of the State of Acre. Works on the Peruvian side are yet to be defined.
- **Current situation:** The bridge was inaugurated on Jan. 21, 2006, by Brazilian President Luiz Inácio Lula da Silva and Peru's President Alejandro Toledo. On the same date two kilometers of access roads and complementary works were completed on the Brazilian side. Still remaining are works on the Peruvian access roads to the bridge and the establishment of the border center, which is under technical study.
- **Executing entities:** *BRAZIL:* Acre Road Department (DERACRE) of Brazil. *PERU:* Ministry of External Relations, border control institutions (SUNAT, Migraciones, PNP, MTC y SENASA) and the Madre de Dios Special Program (PEMD).

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the “*Porto Velho–Río Branco–Puerto Asís–Puerto Maldonado–Cusco/Juliacá–Ports of the Pacific Corridor*” group of projects (Group 1 of the Hub).
- Opens new possibilities for the socioeconomic development of the southern macroregion of Peru and the states of Acre and Rondonia in Brazil through communication, facilitating the access of those Brazilian states, as well as the Peruvian mountains and Amazon regions, to regional and international markets, especially the Pacific Basin, thus boosting the regional integration process.
- The building of the “*Bridge over the Acre River*” is a complement to the project: “*Paving of Iñapari–Puerto Maldonado–Inambari, Inambari–Juliacá/Inambari–Cusco*” (Priority Project 24).

MAIN BENEFITS OF THE PROJECT

- The investment associated with this project will develop the potential of surface transportation between Brazil and Peru, presently underutilized due to bad roads. For example, in 2004, bilateral trade between both countries totaled USD 980 M and 865,000 tons of goods. That represented an increase of 36 percent and 50 percent in values and 8.5 percent and 26.9 percent in registered volumes compared to the results measured in 2003 and 2002, respectively. Nonetheless, and due to the precariousness of the existing routes, only one percent of the total exchanged volume was carried by road.
- The project will allow the elimination of the existing restrictions to regional trade between both countries, creating new opportunities for the socioeconomic development in adjacent territories and improving the productivity and competitiveness of the local economies.
- The actions associated with the project include works and measures to be implemented at the border crossing, with improvements in facilities, procedures, software and staff training. The customs modernization and standardization by both countries will allow the extension of the pilot experience to other border crossings in the region, optimizing national resources and improving the quality of the information on the control of freight transportation through the Hub.
- Additionally, the project will promote actions to improve the interchange among the resident populations, strengthening cross-border collaboration and boosting the participation of regional and local governments in the socioeconomic activities within the area of influence of the project. These measures will help create an active integration and development Hub, generating important socioeconomic advances, facilitating the supply of state services and improving the quality of life of the inhabitants in the southern macroregion of Peru and the Brazilian states of Acre and Rondonia.

Contact Information

IIRSA National Coordinator Brazil

Ariel Garces Pares (Brazil)

Tel: (5561) 3429-4080

ariel.pares@planejamento.gov.br

Peru

José Tenorio Benavides

Tel: (511) 311-2774

jtenorio@rree.gob.pe

Project Manager

Brazil

María Lúcia Barillo (Brazil)

Tel: (5561) 3311-7766/7237

lucia.barillo@transportes.gov.br

Peru

Henry Zaira Rojas

Tel: (511) 315-7800

hzaira@mtc.gob.pe

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlost@iadb.org

Countries

BR – GY

Project sector

Transport / Road

Current situation

Preparation

Total estimated investment

(M USD) 3.3 (studies)

Modality

Public

Expected completion date

2nd half 2008



PROJECT 26/BOA VISTA– BONFIM–LETHEM–GEORGETOWN HIGHWAY (FIRST STAGE: STUDIES)



GENERAL INFORMATION

- **Objective:** Provide a transportation connection between Brazil and Guyana to facilitate trade and cultural exchange between both countries. The improvement of this highway will interconnect and facilitate trade with the State of Roraima in Brazil and will also provide full integration with the countries of the Guianese Shield Hub, since it crosses the proposed East–West transport network connecting Venezuela with Guyana, Suriname and French Guyana. The project is interconnected with the project for the construction of the “*Bridge over the Takutu River*” (Priority Agenda 27).
- **Proposed solution:** Pave the existing road between Lethem (Guyana), located at the border of the Brazilian state of Roraima, to Linden. The Implementation Agenda considers only the first phase of this important project, which is limited to updating the feasibility and environmental studies and preparing engineering designs.
- **Main external financing sources:** To be defined.
- **Current situation:** As a result of bilateral agreements between the governments of Guyana and Brazil, considering the need to improve the highway connection, a feasibility study was carried out with European Union funds in 1989. In 1994 the government of Guyana commissioned an environmental impact evaluation. A second feasibility study was carried out in 2000. The government of Guyana considers it important to complete the first stage, which consists of updating the feasibility and environmental studies and completing engineering studies. A request for funding the feasibility and environmental studies has been made to the IDB.
- **Executing entity:** Ministry of Public Works and Communications of Guyana.

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor Project of the “Brazil - Guyana Interconnection” group of projects (Group 2 of the Hub).
- Support sustainable development and integration of the Brazilian states of the Amazonas and Roraima and Guyana through the consolidation of the infrastructure that links both countries.
- The project is a complement to the project for the construction of the “Bridge over the Takutu River” (Priority Project 27).

MAIN BENEFITS OF THE PROJECT

- The project “Boa Vista–Bonfim–Lethem–Georgetown Road (1st Stage: Studies),” part of the Consensus Agenda, includes the updating of technical studies.
- The objective of this road is to benefit the towns and populations within the area of influence of the project through its integration with the coastal belt, reducing transportation costs and increasing agricultural production. These works will strengthen the articulation of Guyana by improving communication between the coast and the interior region, which has been historically isolated. The project will also improve the integration of Guyana with Brazil.
- The works will allow the expansion of the economic activity, creating new opportunities and a positive impact in order to extend access to basic services, helping to reduce poverty.
- The initial studies of the project indicate an internal return rate of 10.6 percent. This data must be updated after new studies related to the project are concluded.
- The project will have the following additional benefits, specified in the initial studies of the project:
 - Establishment of an autonomous National Road Administration
 - Improvement of environmental control in sensitive areas
 - Improvement and standardization of the customs and immigration systems, better controlling freight transportation through the Hub.

Contact Information

IIRSA National Coordinator

Brazil

Ariel Garces Pares

Tel: (5561) 3429-4080

ariel.pares@planejamento.gov.br

Guyana

Rickford Lowe

Tel: (592) 226-0650

wsg@ewirelessgy.com

Project Manager

Brazil

María Lúcia Barillo

Tel: (5561) 3311-7766/7237

lucia.barillo@transportes.gov.br

Guyana

León Goring

Tel: (592) 225-9868 ex.113

wsg@ewirelessgy.com

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlost@iadb.org

Countries

BR – GY

Project sector

Transport / Bridge

Current situation

Execution

Total estimated investment

(M USD) 10.0

Modality

Public

Expected completion date

2nd half of 2007



GUIANESE SHIELD HUB

PROJECT 27/BRIDGE OVER THE TAKUTU RIVER



GENERAL INFORMATION

- **Objective:** Interconnect the road systems of Brazil and Guyana to absorb the demand generated by trade and traffic between the two countries, benefiting the populations within the area of influence of the project.
- **Proposed solution:** Building of the international bridge over the Takutu River (230 m long), including change of traffic side and accesses. The project also includes part of the design of the road BR 401/RR, which connects Bonfim (Brazil) with Lethem (Guyana), completing the road integration of both countries through the Boa Vista–Georgetown corridor.
- **Main external financing source:** Resources from Ministry of Transport of Brazil.
- **Current situation:** The project was declared a priority by the governments of Brazil and Guyana in a Joint Report that resulted from a visit of President Luiz Inácio Lula da Silva to Guyana in February of 2005. The Brazilian government has adopted a special tracking system for the project, which is part of the presidential goals, and the National Department of Transport Infrastructure (DNIT) has signed an agreement with the Brazilian Army for undertaking studies recommended by the control entity. The latest designs were completed by the Army and are now being reviewed by the DNIT Structures Coordination Committee for a quantitative verification. Once this revision is concluded, the project design will be submitted for a final approval by the control entity. After this process is finished the project will be forwarded to the National Congress for budget allocation.
- **Executing entity:** Brazilian Army Engineers.

Contact Information

IIRSA National Coordinator

Brazil

Ariel Garces Pares

Tel: (5561) 3429-4080

ariel.pares@planejamento.gov.br

Guyana

Rickford Lowe

Tel: (592) 226-0650

wsg@ewirelessgy.com

Project Manager

Brazil

María Lúcia Barillo

Tel: (5561) 3311-7766/7237

lucia.barillo@transportes.gov.br

Guyana

León Goring

Tel: (592) 225-9868 ex.113

wsg@ewirelessgy.com

IDB Contact

RE1/FI1

Hilda Gómez

Tel: (1) 202 623-1495

hildag@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Project of the “Brazil-Guyana Interconnection” group of projects (Group 2 of the Hub).
- Support sustainable development and integration among the Brazilian states of the Amazonas and Roraima and Guyana, through the consolidation of the infrastructure that links both countries.
- The project is complemented and interconnected with the construction of the “Boa Vista–Bonfim–Lethem–Georgetown Road” project (Priority Project 26).

MAIN BENEFITS OF THE PROJECT

- The main benefit of the construction of the “Bridge over the Takutu River” is the strengthening of the integration between Brazil and Guyana, expanding economic exchange between both countries.
- The project, to be implemented by the Brazilian Army Engineers, will offer new development opportunities for the towns and population within the area of influence of the project, substituting the current river crossing by a route that will reduce considerably transport times and costs between both countries and allow a greater presence of the national states in these traditionally isolated territories.
- The physical integration of Guyana with Brazil advances the interconnection of the Guianese Shield Hub with the Amazon Hub.
- The benefits of this project are complemented with the synergies produced by the project: “Boa Vista–Bonfim–Lethem–Georgetown Road” (Priority Project 26).

Countries
VE– GY– SU

Project sector
Transport / Road

Current situation
Preparation

Total estimated investment
(M USD) 0.8 (1st stage)

Modality
Public

Expected completion date
December 2006

PROJECT 28/VENEZUELA (CIUDAD GUAYANA)– GUYANA (GEORGETOWN)– SURINAME (PARAMARIBO) ROAD



GENERAL INFORMATION

- **Objective:** Create an Integration Road Corridor: *Venezuela (Ciudad Guayana)–Guyana (Georgetown)–Suriname (Paramaribo) Interconnection* to enhance trade and communication among these countries, allowing the consolidation of an integral transportation network to help meet the needs of the region.
- **Proposed solution:** The project consists of the construction, rehabilitation and improvement of several sections of the road. The first stage of the project is the elaboration of feasibility and environmental impact studies according to the requirements of each country. The project includes the following sections: (1) *Ciudad Guayana–Tumeremo–San Martín Turumbang*: Improvement in the existing road. (2) *San Martín de Turumbang–Bártica* (293 km): Construction of a new road. (3) *Bártica–Linden*: Improvement of the existing road and construction of two new bridges over the Mazaruni and Esequibo rivers, and improvement of the existing bridge over the Demerara River. (4) *Linden–Orealla*: Building of a new road and bridge over the Berbice River. (5) *Orealla–Apura*: Building of a new bridge over the Corentyne River. (6) *Apura–Paramaribo*: Rehabilitation and improvement of 375 km of roads.
- **Main external financing source:** The project now consists of studies for its definition, to be financed by the Caribbean Development Bank.
- **Current situation:** Terms of reference are under elaboration and resources being transferred to the Caribbean Development Bank (CDB). Once the trust is signed and the resources transferred, a binational technical commission will be constituted. The commission will begin the process of calling an international tender to select the company or consulting firm that will carry out the prefeasibility studies. These studies will have to address the environmental impact of the project as well as define a strategy for the interconnection of the road with existing and future infrastructure.
- **Executing entities:** *VENEZUELA*: Ministry of Infrastructure; *GUYANA*: Ministry of Transport; *BINATIONAL*: Venezuela–Guyana Binational Technical Committee.

Contact Information

IIRSA National Coordinator

Venezuela

Fausto Fernández (Venezuela)

Tel: (58212) 507-0805

ffernandez@hotmail.com

Guyana

Rickford Lowe

Tel: (592) 226-0650

wsg@ewirelessgy.com

Suriname

Robby D. Ramlakhan

buza@sr.net

Project Manager

Venezuela

Mercedes Sánchez

Tel: (58212) 203-1414

mersanchez@infraestructura.
gov.ve

Guyana

Leon Goring

Tel: (592) 225-9868 ex.113

wsg@ewirelessgy.com

Suriname

M. Hoebba

Tel: (597) 494-526

odnctw@yahoo.com

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlost@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor project of the “*Venezuela (Ciudad Guayana)–Guyana (Georgetown)–Suriname (Paramaribo) Interconnection*” group of projects (Group 3 of the Hub).
- Implement and develop an integration link along the Caribbean coast of South America through the physical integration of the four countries that conform the Guianese Shield: Venezuela, Guyana, Suriname and Brazil.

MAIN BENEFITS OF THE PROJECT

- The project “*Venezuela (Ciudad Guayana)–Guyana (Georgetown)–Suriname (Paramaribo) Road*” is now in the analysis and evaluation stage, with steps being undertaken for the studies necessary for the elaboration of the final project design and its subsequent financing.
- The studies will define the main benefits of the project, determining its final indicators regarding economic feasibility and social and environmental impact

Countries
GY – SU

Project sector
Transport/Road

Current situation
Preparation

Total estimated investment
(M USD) 105.0

Modality
Public / Private

Expected completion date
January 2012

PROJECT 29/IMPROVEMENTS IN NIEUW NICKERIE– PARAMARIBO–ALBINA LEG AND INTERNATIONAL BRIDGE OVER THE MAROWIJNE RIVER



GENERAL INFORMATION

- **Objective:** Rehabilitate and reconstruct the existing road to improve the operational and safety standards of the coastal route of the country. The project will enable the route to service an increase in regional and international traffic, as well as locally generated traffic. By bridging the Marowijne River, the project will allow safe and efficient cross-border traffic that will contribute to regional integration and social and economic development.
- **Proposed solution:** *Road:* rehabilitate the paved segment (140 km) between Paramaribo and Albina and pave the New Nickerie (South Drain)-Paramaribo segment (260 km). *Bridge over the Marowijne River:* Perform studies and improvements on the existing facilities, and, in a second phase, conduct a feasibility study and build the bridge—a two-phase approach based on an agreement with France.
- **Main external financing sources:** To be defined
- **Current situation:** The government of Suriname will request an IDB mission to start conversations for the financing of the road project, while private sector funding is also being considered. The governments of Suriname and France have already entered into negotiations regarding the Marowijne River crossing. As a result, the implementation of the river crossing project has been divided into two phases. The first phase, of higher priority, involves improving the existing ferry facilities, while the second phase includes the construction of the bridge. The prefeasibility studies will be financed by the European Union, while the feasibility studies could be financed in 2007 by the new Integration Fund of the IDB.
- **Executing entity:** Government of Suriname.

Contact Information

IIRSA National Coordinator

Guyana

Rickford Lowe

Tel: (592) 226-0650

wsg@ewirelessgy.com

Suriname

Robby D. Ramlakhan

buza@sr.net

Project Manager

Guyana

León Goring (Guyana)

Tel: (592) 225-9868 ex.113

wsg@ewirelessgy.com

Suriname

M. Hoebba

Tel: (597) 494-526

odnctw@yahoo.com

IDB Contact

RE3/FI3

Carlos Tamayo

Tel: (1) 202 623-3811

carlostm@iadb.org

STRATEGIC FUNCTION OF THE GROUP OF PROJECTS

- Anchor project of the “Venezuela (Ciudad Guayana)–Guyana (Georgetown)–Suriname (Paramaribo) Interconnection” group of projects (Group 3 of the Hub).
- Implement and develop an integration link along the Caribbean coast of South America through the physical integration of the four countries that conform the Guianese Shield: Venezuela, Guyana, Suriname and Brazil.
- Strengthen economic, commercial, communications and cultural links among the countries of the Guianese Shield—which are more traditionally rooted in Europe, the Caribbean, India and other countries in South America—and open new opportunities for regional cooperation and the development of an Amazon Culture.

MAIN BENEFITS OF THE PROJECT

- The project “Improvements in the Nieuw Nickerie – Paramaribo - Albina Road and International Crossing over the Marowijne River” will strengthen regional integration. It will complete the improvement of the road network on the Atlantic coast of the Guianese Shield Hub that connects the main populated centers of the Hub and provides the only transportation link between Guyana and Suriname.
- The implementation of the project will eliminate the main bottlenecks identified in the integration and development Hub, avoiding river crossings and isolated sections with adverse traffic circulation conditions. The project will reduce transportation times and costs in the Hub, improving regional competitiveness.
- The project will also improve considerably the quality of life of the population residing near the road. The following benefits should be highlighted, among others:
 - Reduction of transportation times and improvements in the quality of local public transport, which represents 40 percent of the total road traffic on the route.
 - Improvement in safety measures for the road (signaling and complementary works), reducing accidents for vehicles as well as pedestrians.
 - The works improving road drainage will decrease the vulnerability of the Hub during floods and other natural disasters, reducing land erosion and human and material losses in residential grounds as well as in agricultural, industrial and commercial areas.
- Additionally, the investment associated with the project includes actions for institutional strengthening, especially regarding the national capacity to assess and establish transportation policies, to carry out transportation planning and to assign investment priorities efficiently.

Countries

Regional

Project sector

Communications

Current situation

Preparation

Total estimated investment
(M USD) 1.2 (under study)

Modality

Public / Private

Expected completion date

December 2009

PROJECT 30/EXPORTS THROUGH POSTAL SERVICES FOR MSMEs

GENERAL INFORMATION

- **Objective:** Provide a platform for greater participation by South American micro, small and medium-sized enterprises (MSMEs) in the international market, contributing to an increase of competitiveness and sustainable development in the region through the implementation of a *Simplified Export System Through Postal Services*.
- **Proposed solution:** Extend to all IIRSA member countries the “*Exporta Fácil*” service, implemented by the Brazilian Public Postal Company (Correios). The implementation of the project includes the following activities: (1) Establishment of a regional interinstitutional coordination network; (2) Adaptation of the legal, customs and postal regulations, as well as the logistic processes involved in exports; (3) Identification of the sectors and regions with higher potential for exports through the new service; (4) Adaptation of public postal infrastructure to guarantee wide coverage of export services for MSMEs; (5) Implementation of the Simplified Exports System to be offered by the public postal operator; (6) Coordination of the involvement of logistic agents and private postal operators in the project implementation; (7) Communications campaign directed to MSMEs about the business opportunities offered by the new service.
- **Main financing source:** An initial budget of \$1.2 million was estimated for the regional implementation



of the project. Nevertheless, the budget could be adjusted after the completion of relevant studies.

- **Current situation:** The project is in its initial stage. As a first phase a pilot project was initiated in Peru after leaders of Brazil and Peru signed a technical cooperation agreement in November 2004. The agreement defined Brazil's support to Peru in adopting the *Simplified Export System Through Postal Services*. Best practices and lessons learned from the pilot project will be extended to the implementation of the project in the rest of South America.

Ecuador, Venezuela and Uruguay are also starting the preliminary actions to study the feasibility of the project and are expected to sign a cooperation agreement with Brazil.

- **Executing entities:** Ministry of Communications of Brazil; Brazilian Post and Telegraph Company – ECT. The project accommodates the participation of other relevant regional institutions, as well as public postal operators of the countries involved in the project implementation.

STRATEGIC FUNCTION OF THE PROJECT

- Develop a simplified export model, based on the regional public postal network, in order to offer new business opportunities and markets to regional

MSMEs, thus increasing their incomes through the rise in their exports.

Contact Information

Project Manager

Rose Mary Antunes

Tel: (5561) 3311-6928

rose.mary@mc.gov.br

IDB Contact

José María Díaz Batanero

Tel: (1) 202 623-1650

joseba@iadb.org

Countries

Regional

Project sector

Communications

Current situation

Preparation

Total estimated investment
(M USD) 1.2 (under study)

Modality

Public / Private

Expected completion date

December 2009

PROJECT 30/EXPORTS THROUGH POSTAL SERVICES FOR MSMEs (CONT.)

MAIN BENEFITS OF THE PROJECT

- The project “Exports through Postal Services for MSMEs” is the application, on a regional scale, of the existing simplified export service implemented in 1999 by the Brazilian Public Postal Company (Correios).
- This service, launched under the brand name “Exporta Fácil,” has achieved important results in its first six years of operation thanks to its efficient service, a communications campaign and the gradual increase in the mercantile limit of exported products through the service, from the initial \$5,000 to \$10,000 and, after June 2006, \$20,000 per package. This increase has allowed the widening of the export volume of Brazilian MSMEs through the public postal service.
- In 2005 a total of \$120 million in goods was exported through the postal service, with annual increments of 20 percent.
- The regional implementation of the project will strengthen the participation of South American MSMEs in foreign trade, widening the base of export companies and creating new opportunities for the population with lower incomes. After the implementation of the service in Brazil, export companies increased their presence in total Brazilian exports by 20 percent, an indication of the project’s substantial benefits.
- For additional information about “Exporta Fácil” or Correios of Brazil, visit: <http://www.correios.com.br/exporte/> or http://www.mc.gov.br/sp/rem_postais.



Countries
Regional

Project sector
Communications

Current situation
Preparation

Total estimated investment
(M USD) 1.0 (under study)

Modality
Public / Private

Expected completion date
December 2010

PROJECT 31/IMPLEMENTATION OF A ROAMING AGREEMENT IN SOUTH AMERICA

GENERAL INFORMATION

- **Objective:** Establish agreements among the countries within the IIRSA framework in order to create the necessary conditions to set up roaming agreements among mobile phone operators in the different South American countries.
- **Proposed solution:** The signature of new agreements will seek the compatibility of regulatory, tax and procedural systems in order to facilitate the implementation of a regional roaming network among South American cellular phone operators. The project will be implemented in six stages: (1) Preliminary demand study; (2) Implementation of a binational roaming pilot project between Brazil and Peru; (3) Definition of an institutional framework for the implementation of the project; (4) Definition of technical cooperation operations for studies related to project implementation; (5) Signing of a protocol of intent among countries; (6) Implementation of the agreements signed among the countries.
- **Main financing source:** An initial budget of \$1.2 million was estimated for the regional implementation of the project. Nevertheless, the budget could be adjusted after the completion of further studies.
- **Current situation:** The project is in its initial stage, focusing on studying technical and legal issues needed to be addressed in order to encourage roaming agreements among the countries. The leaders of Brazil and Peru have



signed a protocol of intent to undertake a pilot roaming project, which calls for the creation of two working groups: a technical group to study and propose solutions that are technically and economically viable for the establishment of anti-fraud systems, payment guarantees, data records and automatic roaming; and a legal group

to evaluate, study and conciliate the regulatory, tax and procedural systems needed to facilitate regional roaming agreements among South American cellular phone operators.

- **Executing entities:** Ministries and communication authorities of the IIRSA member countries.

STRATEGIC FUNCTION OF THE PROJECT

- Advance the integration of South American countries through the extension of mobile phone services, facilitating communication among its inhabitants.

MAIN BENEFITS OF THE PROJECT

- The project *“Implementation of a Roaming Agreement in South America”* has significant potential to advance continental integration. It is one of the two regional projects included in the Consensus Agenda backed by the 12 IIRSA member countries.
- The main indicator of the benefits of the project is the sustained annual growth rate of 39 percent that South American mobile phone markets have experienced in recent years. In 2004 the penetration rate (phones per 100 habitants) was 34 percent. Mobile phones will shortly become the main communications device for the people in the region and will surpass usage of traditional fixed telephone lines.
- Considering that this rate is even greater for the population group with greater regional mobility—there

is a proven relationship between average income and mobile phone usage—the implementation of a South American regional roaming service would offer an unique platform on which new business opportunities could be created through new services in both voice and data traffic. At the same time, public entities would be able to obtain higher incomes through both tolls on phone calls and taxes on the economic activities induced by the new services.

- Additionally, the implementation of the new 3G telephone services, to be deployed in the medium term, will allow the spreading of more flexible broadband Internet services. Thanks to regional collaboration agreements the continent is uniting to reduce the digital gap, especially in border zones.

Contact Information

IDB Contact

José María Díaz Batanero
Tel: (1) 202 623-1650
joseba@iadb.org

Project Manager

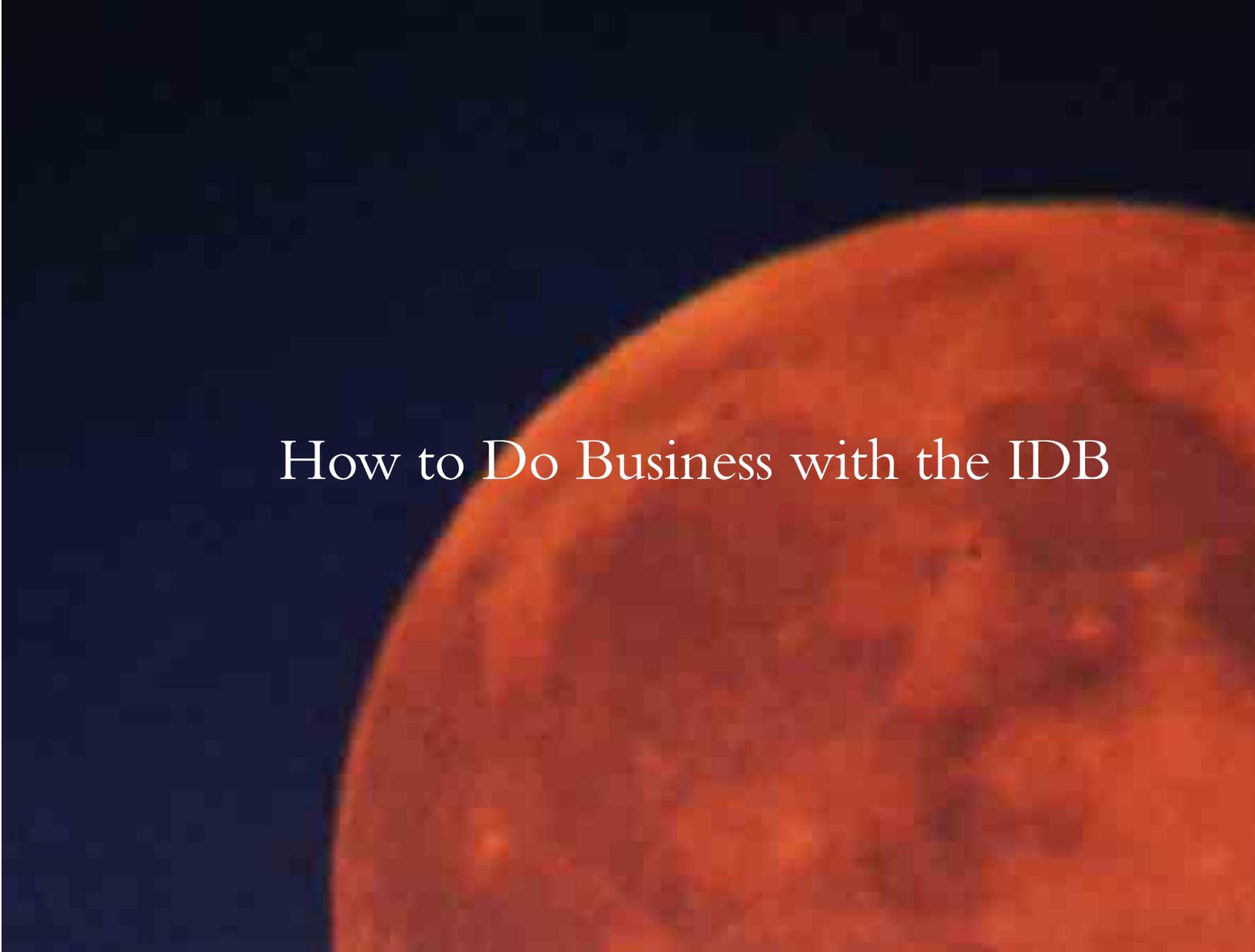
Jeferson Fued Nacif
Tel: (5561) 3311-6261
jeferson.nacif@mc.gov.br

Table 2. 20 IIRSA Investment Opportunities for the Private Sector

Nº	NAME	HUB	US\$ Million	SECTOR
1	Transmission Line Yacyretá-Buenos Aires	MERCOSUR-Chile	150.0	Energy
2	Combined cycle thermoelectric unit San José	MERCOSUR-Chile	170.0	Energy
3	Construction of Corpus Christi Hydroelectric Power Plant	MERCOSUR-Chile	2,100.0	Energy
4	Construction of Hydroelectric Power Plant of Garabi	MERCOSUR-Chile	1,300.0	Energy
5	Gas Pipeline of Noreste Argentino	MERCOSUR-Chile	1,000.0	Energy
6	Railway Project of Los Andes (Chile) - Mendoza (Argentina) (Transandean Railway)	MERCOSUR-Chile	224.0	Transport
7	Bayóvar Port	Amazon	100.0	Transport
8	Rehabilitation of Lima-Tingo María-Pucallpa Road, Ports and Logistic Centers	Amazon		
9	Pucallpa Airport	Amazon	6.3	Transport
10	Manta Port	Amazon	132.0	Transport
11	Paita Port	Amazon	80.0	Transport
12	Bogotá Beltway	Andean	60.0	Transport
13	Improvement in Bogotá – Girardot – Ibagué Road	Andean	160.0	Transport

Nº	NAME	HUB	US\$ Million	SECTOR
14	Routes 2 and 3 (with the bypass of Chiclayo y Trujillo)	Andean	203.0	Transport
15	Gas Pipelines Projects	Andean	130.0	Energy
16	Rehabilitation and Construction in the electric interconections of Cuatricentenario - Cuestecitas and el Corozo - San Mateo	Andean	125.0	Energy
17	Construction of Hydroelectric Power Plant Madeira River Complex	Peru-Brazil-Bolivia	6,200.0	Energy
18	Transmission lines from Madeira River Complex to the brazilian central system	Peru-Brazil-Bolivia	1,000.0	Energy
19	Construccion Interconexion a 500 Kv Region Comehue - Cuyo	Southern	180.0	Energy
20	Ferroanel de Sao Paulo (tramo norte e sul)	Central Interoceanic	300.0	Transport
TOTAL (20)			13,805.7	

source: IIRSA's Projects Portfolio, 2004-2005

A large, textured, reddish-orange sphere, possibly a planet or moon, set against a dark blue background. The sphere is positioned on the right side of the frame, with its left edge curving towards the center. The texture of the sphere is grainy and uneven, suggesting a rocky or cratered surface. The background is a solid, dark blue color.

How to Do Business with the IDB



How to Do Business with the IDB

Annual lending by the Inter-American Development Bank has averaged \$7 billion in the past 10 years. The Bank finances primarily public sector projects and programs, which are identified and developed during the permanent dialogue between the Bank and the 26 governments of its borrowing member countries. The Bank also lends to the private sector and to subnational governments such as municipalities and provinces, without government guarantees. Bank loans and guarantees, in addition to providing financing, are

structured to achieve overarching developmental goals, such as poverty reduction, job generation, export promotion, infrastructure improvement, regional integration and modernization of the state. At least 90 percent of the IDB's lending must be backed by a sovereign government guarantee. Generally, but not always, the projects supported by the IDB's financing also receive local counterpart funding. For more information on IDB projects, visit the Bank's Project Gateway portal at www.iadb.org/projects.

The IDB's Private Sector Department (PRI) was established in 1994 with the purpose of supporting physical infrastructure projects. Its mission was subsequently expanded to provide support for financial markets and international trade. In 2006 the IDB's Board of Governors removed virtually all restrictions on the categories of lending by the PRI, enabling it to enter new areas of financing, such as manufacturing and mining. Direct IDB loans may be up to a maximum of \$200 million for a single project, or up to \$400 million in exceptional circumstances. The IDB also syndicates loans from commercial banks for private sector operations through its "B-loan" program. Generally, the PRI finances up to 25 percent of a project's cost. More information on the PRI operations can be found on www.iadb.org/pri.

The Multilateral Investment Fund, an autonomous fund administered by the IDB, is Latin America's largest source of technical assistance to the private sector. Eighty percent of its financing operations, which total about \$100 million annually, consist of grants, typically ranging between \$1 million and \$1.5 million. Hundreds of MIF partners for individual projects—firms, business associations, universities and nongovernmental organizations—contribute roughly half the project cost. The MIF has partnered with other financiers to establish 35 venture funds to demonstrate the opportunities for risk

capital in areas such as renewable energy, clean production, business clusters, microfinance and information technology. These funds support firms with fewer than 100 employees with annual sales of a maximum of \$5 million. More information on the MIF can be found on www.iadb.org/mif.



How to Do Business with the IDB

Procurement Opportunities

IDB lending generates more than 12,000 contracts annually. About 5 percent of the annual volume of procurement is in support of project preparation, while the remaining 95 percent, for the purchase of goods and services, is administered by the executing agencies in borrowing countries. Only businesses and organizations from IDB member countries are eligible to provide goods and services for projects. Information on the Bank's procurement policies and opportunities



may be found at www.iadb.org/procurement. For information on the Bank's project portfolio—including financial data, project status, descriptions, procurement information, contact information and project documents—see www.iadb.org/projects. Procurement and other information on business opportunities with the IDB may be obtained from regularly scheduled business seminars held in Washington, D.C. For a schedule of the seminars, see www.iadb.org/biz. Questions about the IDB's procurement policies and opportunities may be addressed to business@iadb.org.

How Proposals Are Chosen for IDB Financing

Applications for IDB lending to public-sector projects, which constitute more than 90 percent of the total Bank financing, are conducted through established government channels. In these cases, unlike loans made directly to the private sector without government guarantees, it is generally not possible for an individual, private firm to propose a project for IDB funding. Instead, firms need to identify projects that are either under development or that have been approved that may need their products and services. Interested parties may request more information on dealing with the Bank from the Public Information Center (pic@iadb.org) or from the Bank's 26 country offices.

Projects of private firms considered for financing from the Bank's Private Sector Department must be financially and legally sound. The proposed project must demonstrate technical viability and serve a developmental purpose. The company must be located in an IDB borrowing member country, and the majority of its capital must be controlled by individuals or firms in the Bank's member countries. Inquiries regarding PRI operations may be addressed to: prisector@iadb.org.

Proposals for financing selected by the Multilateral Investment Fund should demonstrate innovative approaches to private sector development that can be used as a model elsewhere in the region. Civil society organizations, private industry associations, and chambers of commerce are among the entities that may submit proposals for MIF financing, which may support both public sector and private initiatives. Proposals may be submitted to the MIF through any one of the 26 IDB country offices. Applications should be roughly seven to 15 pages in length, exclusive of annexes. The country offices send the completed applications to the corresponding operational department at IDB headquarters in Washington where they are appraised. The local executing agency for a MIF project is responsible for at least 30 percent of its cost, half to be paid in cash. For more information contact mifcontact@iadb.org

IDB Country Offices in the 12 Member Countries of IIRSA

ARGENTINA

Calle Esmeralda 130, pisos 19 y 20
(Casilla de correo 181, Sucursal 1)
Buenos Aires
Tel. (011+54+11) 4320-1800
Facsimile: 4320-1830
cof/car@iadb.org

BOLIVIA

Edificio "BISA", piso 5
Avda. 16 de Julio, 1628
(Casilla 5872)
La Paz
Tel. (011+591+2) 235-1221
Facsimile: 239-1089
cof/cbo@iadb.org

ECUADOR

Avda. 12 de Octubre N24-528 y Cordero
Ed. World Trade Center - Torre II, piso 9
(Apartado postal 17-07-9041)
Quito
Tel. (011+593+2) 299-6900
Facsimile: 299-6969
cof/cec@iadb.org

GUYANA

47 High Street, Kingston
(P.O. Box 10867)
Georgetown
Tel. (011+592) 225-7951
Facsimile: 225-7138
cof/cgy@iadb.org

URUGUAY

Rincón 640, esq. Bartolomé Mitre
Sucursal 1
(Casilla de correo 5029)
11.000 Montevideo
Tel. (011+598+2) 915-4330
Facsimile: 915-4332
cof/cur@iadb.org

VENEZUELA

Edificio Centro Federal, piso 3
Avda. Venezuela, El Rosal
Caracas 1060
Tel. (011+58+212) 951-5533
Facsimile: 951-6418
cof/cve@iadb.org

BRAZIL

Setor de Embaixadas Norte
Quadra 802 Conjunto F
Lote 39 - Asa Norte
70.800-400 Brasília, D.F.
Tel. (011+55+61) 3317-4200
Facsimile: 3321-3112
cof/cbr@iadb.org

CHILE

Avda. Pedro de Valdivia 0193, piso 11
(Casilla 16611)
Correo 9 (Providencia)
Santiago
Tel.(011+56+2) 431-3700
Facsimile: 431-3713
cof/cch@iadb.org

COLOMBIA

Carrera 7, 71-21
Torre B, piso 19
Edificio Bancafe
Bogotá
Tel. (011+57+1) 325-7000
Facsimile: 323-7050
cof/cco@iadb.org

PARAGUAY

Calle Quezada esq. Legión Civil Extranjera
Pisos 2 y 3
Casilla # 1209
Asunción
Tel. (011+595+21) 616-2000
Facsimile: 616-2269
cof/cpr@iadb.org

PERU

Paseo de la República 3245, piso 13
(Apartado postal 270154)
San Isidro, Lima 27
Tel. (011+51+1) 215-7800
Facsimile: 442-3466
cof/cpe@iadb.org

SURINAME

Peter Brunestaal 2-4
Paramaribo
Tel. (011+597) 46-2903
Facsimile: 46-5665
cof/csu@iadb.org

INTAL (Secretaria CCT/IIRSA)

Calle Esmeralda 130, piso 17
(C1035ABD)
Buenos Aires
Tel. (011+54+11) 4320-1850
Facsimile: 4320-1865
int/inl@iadb.org

IDB IIRSA Coordinator at the
Bank's Washington Headquarters:
Mauro Marcondes Rodrigues
Tel. (202) 623-2310
maurom@iadb.org

IIRSA PRIORITY INFRASTRUCTURE PROJECTS FOR SOUTH AMERICA
PROJECT INFORMATION SHEETS



INTER-AMERICAN DEVELOPMENT BANK

1300 New York Ave., N.W. Washington, D.C. 20577 U.S.A.

Phone (202) 623-1000; Fax: (202) 623-3096

www.iadb.org