THE UNASUR INTEGRATION PRIORITY PROJECT AGENDA (API)

PROGRESS REPORT 2012

I . I . R . S . A

INICIATIVA PARA LA INTEGRACION DE LA INFRAESTRUCTURA REGIONAL SURAMERICANA

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IIRSA Technical Coordination Committee (CCT)

BID

CAF BANCO DE DESARROLLO DE AMÉRICA LATINA

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NOTE

The information concerning the South American Integration Priority Project Agenda contained herein is based on the structured project files completed by the countries that form part of the Union of South American Nations (UNASUR) within the framework of the South American Infrastructure and Planning Council (COSIPLAN) as of mid-October this year as well as on the COSIPLAN Project Portfolio Database.

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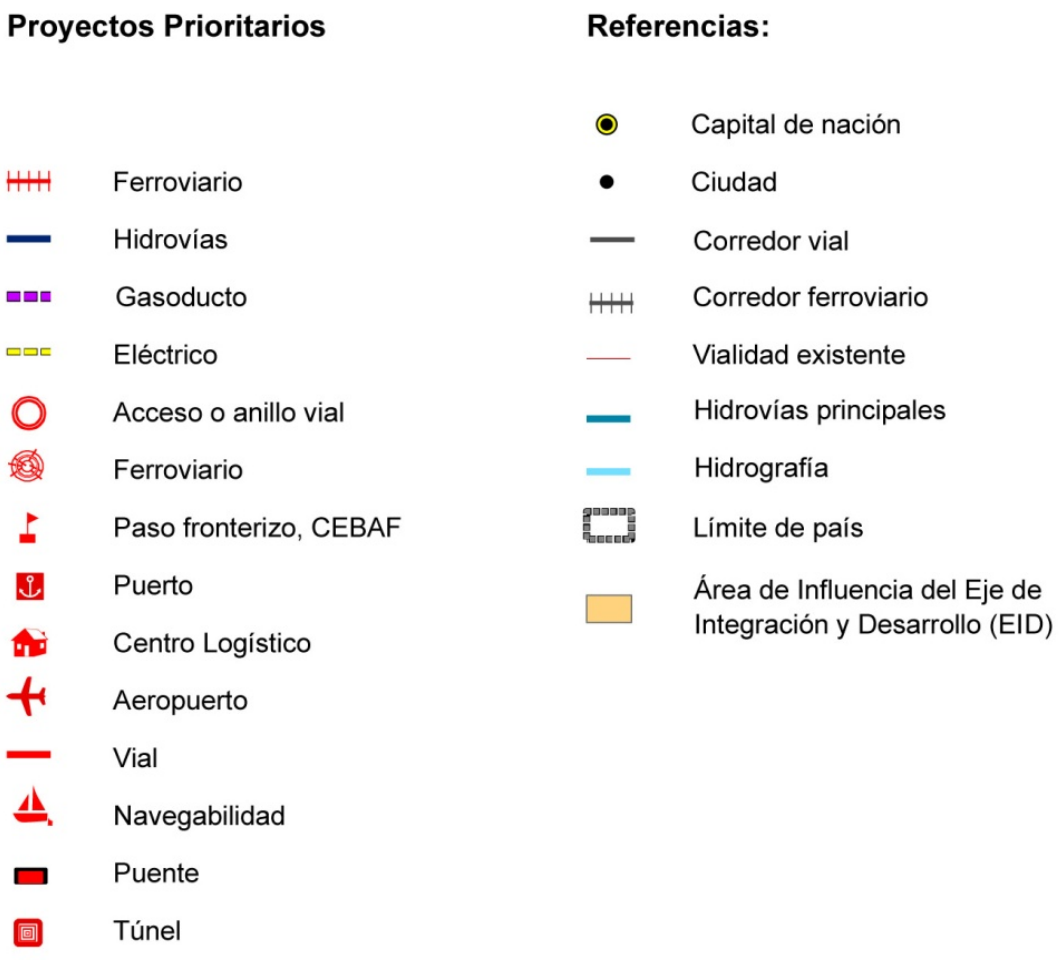
MAP LEGEND



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Progress Report 2012

INTRODUCTION AND BACKGROUND

The Integration Priority Project Agenda (API) was designed by the Member States of the Union of South American Nations (UNASUR) within the framework of the South American Infrastructure and Planning Council (COSIPLAN).

UNASUR was created by the South American presidents in 2008 as a forum for high-level political dialogue and coordination among the twelve countries of the region.[1] Within this institutional framework, eight sectoral councils at ministerial level, one of which is COSIPLAN, were created. The presidents commissioned COSIPLAN, among other central tasks, to identify and select a set of high-impact infrastructure works for the integration and development of South America.

Thus, API is the result of the work undertaken during 2011 by the twelve countries within COSIPLAN. This Agenda is made up of 31 strategic projects with a high impact on the physical integration and socioeconomic development of the region. Its purpose is to encourage connectivity in the region through the construction and efficient operation of infrastructure, while taking into account sustainable social and economic development criteria and preserving the environment and the balance of ecosystems.

The components of this Agenda are not isolated but "structured projects" that strengthen physical connectivity networks that are regional in scope, with the purpose of enhancing existing synergies and solving deficiencies in the infrastructure in place. These projects are made up of one or more projects within the COSIPLAN Project Portfolio that are known, for the purposes of this Agenda, as "individual projects." API is made up of 31 structured projects and 88 individual projects involving an investment amount estimated at US$17,260.7 million.

This document is an update as of 2012 of the document about API that was approved by the COSIPLAN Ministers at the Second Ordinary Meeting of the Council (November 30, 2011, Brasilia, Brazil). Specifically, it reviews the projects in the Agenda as of 2012, describing for each of them the rationale (strategic importance of the structured project), the proposal (solution sought to be attained through the implementation of the project), the overall balance and the investment amount, among others.

The integration of transport, energy and communications infrastructure is one of the most significant dimensions of the integration project envisioned by the governments of the South American countries. The physical integration of the region will contribute to improving the quality of life and life expectancy within each country and at the regional level, as well as to reducing regional disparities and social inequality.

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[1] See CONSTITUTIVE TREATY OF UNASUR. First Meeting of the Council of Heads of State and Government of UNASUR, May 23, 2008, Brasilia, Brazil.

In this context, API constitutes a major policy action of UNASUR to coordinate the efforts made by the South American countries to promote sustainable development and the social welfare of their peoples.

1. THE API PROJECTS: OVERALL BALANCE 2012

API is made up of 31 structured projects with an estimated investment amount of US$17,260.7 million, accounting for 13.3% of the total COSIPLAN Portfolio as of 2012, which amounts to US$130,139.1 million.

TABLE 1: LIST OF THE API PROJECTS
(million US$)

#	HUB	API PROJECT NAME	COUNTRIES INVOLVED	INVESTMENT AMOUNT
1	**AMA**	PAITA - TARAPOTO - YURIMAGUAS ROAD, PORTS, LOGISTICS CENTERS AND WATERWAYS	PE	637.6
2	**AMA**	CALLAO - LA OROYA - PUCALLPA ROAD, PORTS, LOGISTICS CENTERS AND WATERWAYS	PE	2,719.7
3	**AMA**	NORTHEASTERN ACCESS TO THE AMAZON RIVER	BR / CO / EC / PE	60.8
4	**AND**	CARACAS - BOGOTÁ - BUENAVENTURA / QUITO ROAD CORRIDOR	CO / EC / VE	3,350.0
5	**AND**	COLOMBIA - ECUADOR BORDER INTERCONNECTION	CO / EC	223.6
6	**AND**	COLOMBIA - VENEZUELA BORDER CROSSINGS CONNECTIVITY SYSTEM	CO / VE	5.0
7	**AND**	DESAGUADERO BINATIONAL BORDER SERVICE CENTER (CEBAF)	BO / PE	4.0
8	**AND**	AUTOPISTA DEL SOL EXPRESSWAY: IMPROVEMENT AND REHABILITATION OF THE SULLANA - AGUAS VERDES SECTION (INCLUDING TUMBES BYPASS)	PE	41.2
9	**CAP**	CONSTRUCTION OF THE SALVADOR MAZZA - YACUIBA BINATIONAL BRIDGE AND BORDER CENTER	AR / BO	23.0
10	**CAP**	ARGENTINA - BOLIVIA WEST CONNECTION	AR / BO	477.0
11	**CAP**	PARANAGUÁ - ANTOFAGASTA BIOCEANIC RAILWAY CORRIDOR	AR / BR / CH / PA	2,740.8
12	**CAP**	FOZ DO IGUAÇU - CIUDAD DEL ESTE - ASUNCIÓN - CLORINDA ROAD CONNECTION	AR / BR / PA	439.7
13	**CAP**	ITAIPU - ASUNCIÓN - YACYRETÁ 500-KV TRANSMISSION LINE	BR / PA	755.0
14	**GUY**	REHABILITATION OF THE CARACAS - MANAUS ROAD	BR / VE	350.0
15	**GUY**	BOA VISTA - BONFIM - LETHEM - LINDEN - GEORGETOWN ROAD	BR / GU	250.0
16	**GUY**	ROUTES INTERCONNECTING VENEZUELA (CIUDAD GUAYANA) - GUYANA (GEORGETOWN) - SURINAME (SOUTH DRAIN - APURA - ZANDERIJ - MOENGO - ALBINA), INCLUDING CONSTRUCTION OF THE BRIDGE OVER THE CORENTYNE RIVER	GU / SU / VE	300.8
17	**HPP**	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE RIVERS OF THE PLATA BASIN	AR / BO / BR / PA / UR	1,589.8
18	**HPP**	PARAGUAY - ARGENTINA - URUGUAY RAILWAY INTERCONNECTION	AR / PA / UR	293.3
19	**HPP**	REHABILITATION OF THE CHAMBERLAIN - FRAY BENTOS RAILWAY BRANCH LINE	UR	100.0
20	**HPP**	NUEVA PALMIRA BELTWAY AND PORT ACCESS ROADS NETWORK	UR	15.0
21	**IOC**	PASSENGER AND CARGO HUB AIRPORT FOR SOUTH AMERICA (VIRU VIRU, SANTA CRUZ, INTERNATIONAL HUB AIRPORT)	BO	20.0
22	**IOC**	IMPROVEMENT OF ROAD CONNECTIVITY IN THE CENTRAL INTEROCEANIC HUB	BO / BR	388.0
23	**IOC**	INFANTE RIVAROLA - CAÑADA ORURO BORDER CROSSING	BO / PA	2.0
24	**IOC**	CENTRAL BIOCEANIC RAILWAY CORRIDOR (BOLIVIAN SECTION)	BO	6.7
25	**MCC**	NORTHEASTERN ARGENTINA GAS PIPELINE	AR / BO	1,000.0
26	**MCC**	CONSTRUCTION OF THE JAGUARÃO - RÍO BRANCO INTERNATIONAL BRIDGE	BR / UR	93.5
27	**MCC**	MULTIMODAL TRANSPORTATION IN THE LAGUNA MERÍN AND LAGOA DOS PATOS SYSTEM	BR / UR	49.0
28	**MCC**	MONTEVIDEO - CACEQUI RAILWAY CORRIDOR	BR / UR	139.8
29	**MCC**	OPTIMIZATION OF THE CRISTO REDENTOR BORDER CROSSING SYSTEM	AR / CH	250.0
30	**MCC**	AGUA NEGRA BINATIONAL TUNNEL	AR / CH	850.0
31	**PBB**	PORTO VELHO - PERUVIAN COAST CONNECTION	BR / PE	85.4
			TOTAL	**17,260.7**

MAP 1: API PROJECTS

As can be seen in Table 1, only 8 structured projects are national (i.e. their implementation concerns one country), 16 are binational, and the other ones (7 projects) involve three or more countries. Of course, the last two groups require greater coordination.

Another aspect worth noting is that the degree of national involvement in the structured projects varies from country to country. Thus, Brazil is involved in 11 projects; Argentina and Bolivia in 9; Uruguay in 7; Paraguay and Peru in 6; Colombia and Venezuela in 4; Chile and Ecuador in 3; Guyana in 2; and Suriname in 1. The countries participating in a larger number of binational or multinational projects are Brazil (11) and Argentina and Bolivia (9); the countries involved in more exclusively national projects are Peru (4) and Bolivia and Uruguay (2 each).

Furthermore, some Hubs hold a larger number of API structured projects, namely: the MERCOSUR-Chile (MCC) Hub 6 projects; the Andean (AND) and Capricorn (CAP) hubs 5 projects each; the Paraguay-Paraná

Waterway (HPP) and Central Interoceanic (IOC) hubs 4 projects each; the Amazon (AMA) and Guianese Shield (GUY) hubs 3 projects each; and the Peru-Brazil-Bolivia (PBB) Hub, only 1 project. The structured projects involving three or more countries are concentrated in the AMA, AND, CAP, GUY and HPP Integration and Development Hubs.

Table 2 and Figures 1 and 2 below show the number of structured projects and their respective number of individual projects by Hub as well as their respective investment amount.

TABLE 2: API PROJECTS BY HUB AND INVESTMENT AMOUNT
(million US$)

HUB	# OF STRUCTURED PROJECTS	# OF INDIVIDUAL PROJECTS	INVESTMENT AMOUNT
AMA	3	25	3,418.0
AND	5	11	3,623.9
CAP	5	18	4,435.4
GUY	3	4	900.8
HPP	4	15	1,998.1
IOC	4	7	416.7
MCC	6	7	2,382.3
PBB	1	1	85.4
TOTAL	**31**	**88**	**17,260.7**

FIGURE 1: NUMBER OF API INDIVIDUAL AND STRUCTURED PROJECTS BY HUB

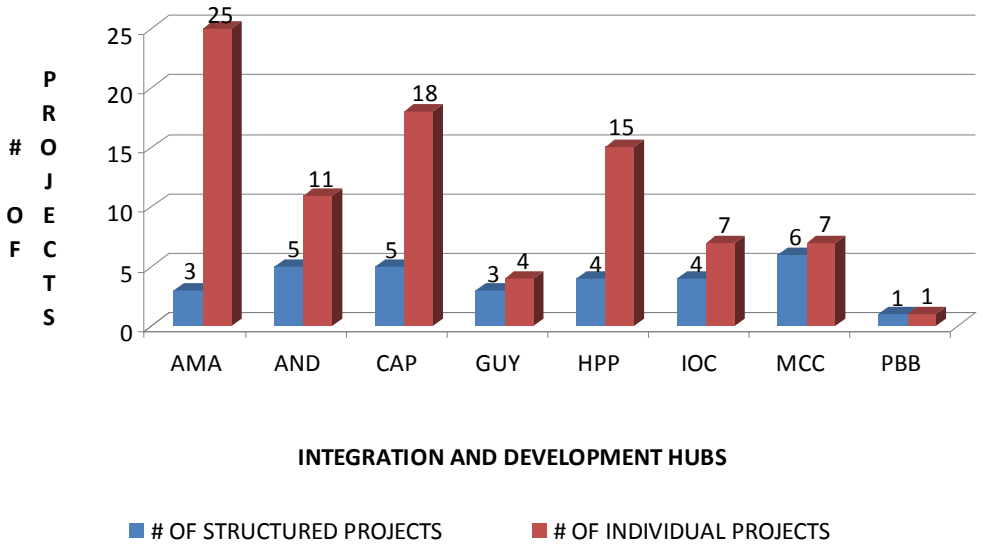
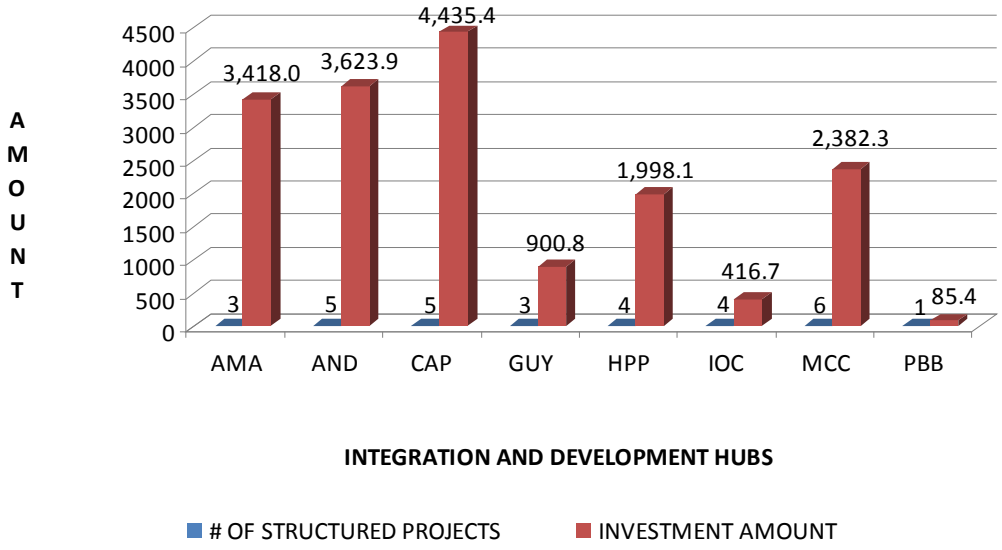


FIGURE 2: NUMBER AND INVESTMENT AMOUNT OF API STRUCTURED PROJECTS BY HUB



The table and figures above show that the Capricorn Hub, which accounts for 16.1% of the API structured projects, is the hub with the largest investment amount (25.7% of the total investment involved in the Agenda), followed by the Andean Hub, which also accounts for 16.1% of the projects but for 21% of the total investment amount. Even though the Amazon Hub accounts for 9.7% of the projects, its share in the total investment is high (19.8%). At the other extreme is the Peru-Brazil-Bolivia Hub, with only one API project (3.2% of the total number) accounting for 0.5% of the total investment amount.

Furthermore, it is worth mentioning that the API total investment has increased by 26.4% from 2011 to 2012 adjustment of the amounts of the projects according to their evolution.

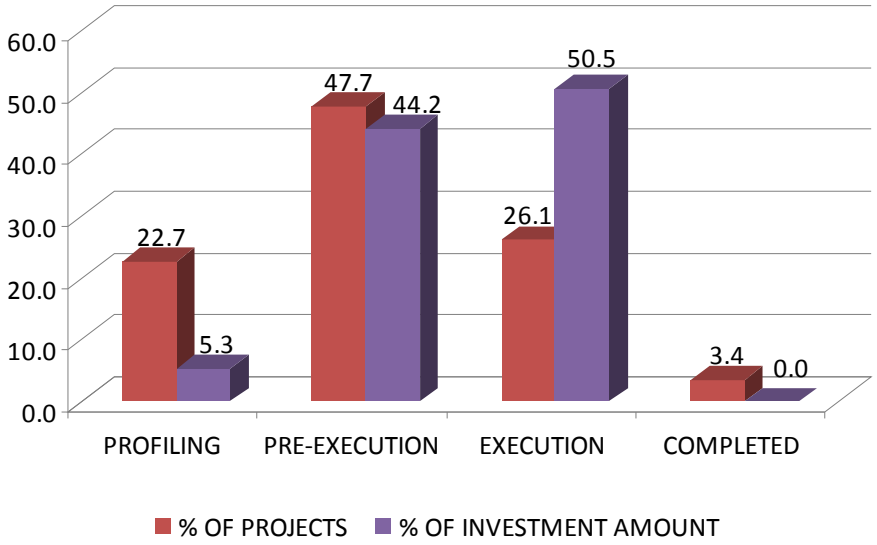
If the API projects are analyzed by their implementation stage (see Table 3 and Figure 3), it is observed that 27% of the individual projects, which account for half of the total API investment amount, are in execution. On the other hand, almost half of the projects (49.4%) are at the pre-execution stage, accounting for 44.2% of the total investment. Finally, 23.5% of the projects are at the profiling stage, but their share in the API total investment amount is only 5.3%.

TABLE 3: API PROJECTS BY IMPLEMENTATION STAGE
(million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	20	22.7	926.3	5.3
PRE-EXECUTION	42	47.7	7,625.6	44.2
EXECUTION	23	26.1	8,708.8	50.5
COMPLETED*	3	3.4	0.0	0.0
TOTAL	**88**	**100.0**	**17,260.7**	**100.0**

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.
* There are three individual projects included in three structured projects that were already completed when API was set up. These projects and their respective investment amounts are the following:
AMA25: US$273.7 million
AND13: US$1.3 million
CAP91: NA

FIGURE 3: API PROJECTS BY IMPLEMENTATION STAGE
(% of number of projects and % of investment amount)



2. PROJECTS BY HUB

This section presents the API projects by Integration and Development Hub. First, a general description is made of each Hub; next, the structured and individual projects in the Hub are presented; and, finally, specific information about each project is given.

▪ AMAZON HUB (BRAZIL, COLOMBIA, ECUADOR AND PERU)

The Amazon Hub includes a large region of northern South America between the Pacific and Atlantic oceans, crossed by the Amazon river and its tributaries. It is characterized by its large extension, diverse topography (coast, Andean area, rainforest), and low population density. The area of influence defined for the Hub covers 5,657,679 km^2, accounting for 50.5% of the total area of the countries that make it up.

The total population of the Amazon Hub is 61,506,049 inhabitants as of 2008, accounting for 22.2% of the total population of the countries that make it up. Furthermore, an average population density of 11 inhabitants per km^2 was estimated for the area of influence, which is a medium to low level overall due to a strong geographic dispersion. This indicator ranges from a maximum 104 inhabitants per km^2 in the Coast Region of Peru, to a minimum of just over 2 inhabitants per km^2 in the territory of the state of Amazonas, in Brazil.

API includes projects from five of the seven project groups of this Hub: i) G2 - Access to the Napo Waterway; ii) G3 - Access to the Huallaga - Marañón Waterway; iii) G4 - Access to the Ucayali Waterway; iv) G6 - Amazon Waterway Network; and v) G7 - Access to the Morona - Marañón - Amazon Waterway.

Table 4 shows the 25 individual projects that make up the three structured projects of the Amazon Hub incorporated into API. The investments involved amount to US$3,418 million. These API projects impact on the development of the four countries in the Hub (Brazil, Colombia, Ecuador, and Peru) and, in general terms, connect several waterways (Huallaga, Marañón, Morona, Ucayali, and Putumayo) linking the Amazon river basin to important coast, sierra, and rainforest areas in Peru, Ecuador and Colombia. The Agenda includes road, port and river projects that are likely to leverage four trimodal corridors connecting maritime terminals on the Pacific with waterways feeding the Amazon basin. These projects comply with the selection criteria set out for inclusion in the Agenda as well as with the strategic functions of the Hub's project groups involved in API.

MAP 2: API PROJECTS - AMAZON HUB

TABLE 4: API PROJECTS - AMAZON HUB

No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
1	AMA	PAITA - TARAPOTO - YURIMAGUAS ROAD, PORTS, LOGISTICS CENTERS AND WATERWAYS	PERU	USD 637.6	AMA16	TARAPOTO - YURIMAGUAS ROAD YURIMAGUAS PORT	PE	G3	EXECUTION	275,441,625
					AMA20	PAITA LOGISTICS CENTER	PE	G3	PRE-EXECUTION	47,000,000
					AMA21	YURIMAGUAS LOGISTICS CENTER	PE	G3	PROFILING	5,000,000
					AMA24	PAITA PORT	PE	G3	EXECUTION	227,000,000
					AMA25	PAITA - TARAPOTO ROAD	PE	G3	COMPLETED [1]	
					AMA40	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE HUALLAGA RIVER WATERWAY, BETWEEN YURIMAGUAS AND THE CONFLUENCE WITH MARAÑÓN RIVER	PE	G6	PRE-EXECUTION	19,460,000
					AMA41	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE MARAÑÓN RIVER WATERWAY, BETWEEN SARAMERIZA AND THE CONFLUENCE WITH UCAYALI RIVER	PE	G6	PRE-EXECUTION	19,460,000
					AMA56	MODERNIZATION OF IQUITOS PORT	PE	G6	PRE-EXECUTION	39,200,000
					AMA44	IQUITOS LOGISTICS CENTER	PE	G6	PROFILING	5,000,000
2	AMA	CALLAO - LA OROYA - PUCALLPA ROAD, PORTS, LOGISTICS CENTERS AND WATERWAYS	PERU	USD 2,719.7	AMA26	TINGO MARÍA - PUCALLPA ROAD PUCALLPA PORT	PE	G4	PRE-EXECUTION	416,778,233
					AMA30	PUCALLPA INTERMODAL LOGISTICS CENTER	PE	G4	PROFILING	5,000,000
					AMA31	MODERNIZATION OF EL CALLAO PORT (NEW CONTAINER DOCK)	PE	G4	EXECUTION	706,870,000
					AMA32	LIMA - RICARDO PALMA EXPRESSWAY	PE	G4	PROFILING	242,000,000
					AMA43	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE UCAYALI RIVER WATERWAY, BETWEEN PUCALLPA AND THE CONFLUENCE WITH MARAÑÓN RIVER	PE	G6	PRE-EXECUTION	19,460,000
					AMA63	IIRSA CENTER, SECTION 2: RICARDO PALMA - LA OROYA - TURN OFF TO CERRO DE PASCO / LA OROYA - HUANCAYO	PE	G4	PRE-EXECUTION	100,000,000
					AMA64	IIRSA CENTER, SECTION 3: TURN OFF TO CERRO DE PASCO - TINGO MARÍA	PE	G4	PROFILING	70,000,000
					AMA65	EL CALLAO LOGISTICS ACTIVITIES ZONE (ZAL CALLAO)	PE	G4	PROFILING	155,255,500
					AMA66	EL CALLAO MULTI-PURPOSE NORTHERN TERMINAL	PE	G4	EXECUTION	884,000,000
					AMA67	EL CALLAO MINERAL SHIPPING TERMINAL	PE	G4	PRE-EXECUTION	120,300,000
3	AMA	NORTHEASTERN ACCESS TO THE AMAZON RIVER	BRAZIL/ COLOMBIA /ECUADOR/ PERU	USD 60.8	AMA37	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE IÇÁ RIVER	BR	G6	PROFILING	8,000,000
					AMA38	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PUTUMAYO RIVER	CO - EC - PE	G6	PROFILING	15,000,000
					AMA45	MORONA FREIGHT TRANSFER PORT	EC	G7	PROFILING	5,000,000
					AMA39	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE MORONA RIVER, ECUADORIAN SECTOR	EC	G6	PROFILING	2,000,000
					AMA42	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE NAPO RIVER	EC - PE	G6	PRE-EXECUTION	5,759,000
					AMA71	PROVIDENCIA PORT	EC	G2	PRE-EXECUTION	25,000,000
									TOTAL	3,417,984,358

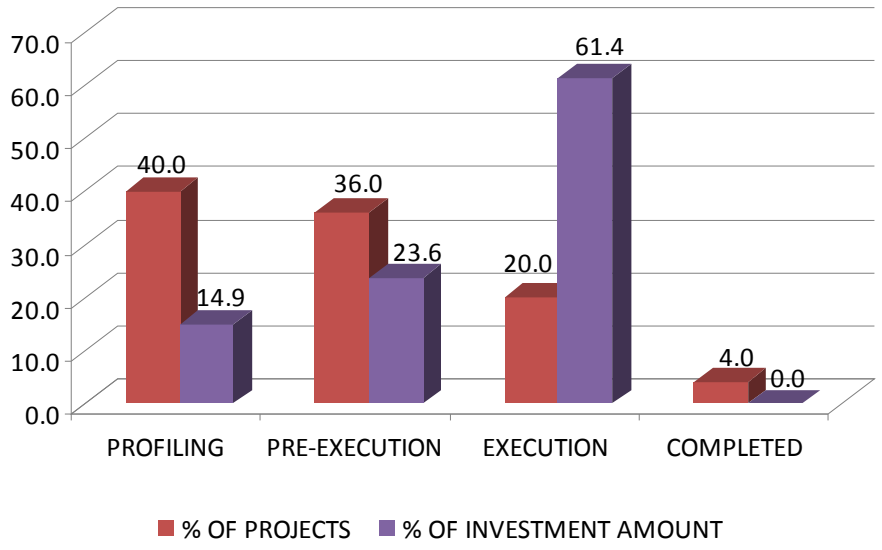
1. This individual project is completed; it was included in API because it supplements the connectivity network of the structured project.

TABLE 5: API PROJECTS - AMAZON HUB BY IMPLEMENTATION STAGE
(million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	10	40.0	512.3	14.9
PRE-EXECUTION	9	36.0	806.7	23.6
EXECUTION	5	20.0	2,099.1	61.4
COMPLETED	1	4.0	0.0	0.0
TOTAL	**25**	**100.0**	**3,418.0**	**100.0**

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.
* There is one project included in a structured project in this Hub that was already completed when API was set up. This project is AMA25 and its investment amount is US$273.7 million.

FIGURE 4: API PROJECTS - AMAZON HUB BY IMPLEMENTATION STAGE
(% of number of projects and % of investment amount)



1 PAITA - TARAPOTO - YURIMAGUAS ROAD, PORTS, LOGISTICS CENTERS AND WATERWAYS

HUB: **AMAZON**

GROUP/S: **G3 and G6**

COUNTRIES: **PERU**

ESTIMATED INVESTMENT: **US$637.6 million**

PROJECT TYPE: **Multimodal —Sea, Road and River— Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
AMA16	TARAPOTO - YURIMAGUAS ROAD YURIMAGUAS PORT	PE	EXECUTION	275,441,625
AMA20	PAITA LOGISTICS CENTER	PE	PRE-EXECUTION	47,000,000
AMA21	YURIMAGUAS LOGISTICS CENTER	PE	PROFILING	5,000,000
AMA24	PAITA PORT	PE	EXECUTION	227,000,000
AMA25	PAITA - TARAPOTO ROAD	PE	COMPLETED	0
AMA40	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE HUALLAGA RIVER WATERWAY, BETWEEN YURIMAGUAS AND THE CONFLUENCE WITH MARAÑÓN RIVER	PE	PRE-EXECUTION	19,460,000
AMA41	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE MARAÑÓN RIVER WATERWAY, BETWEEN SARAMERIZA AND THE CONFLUENCE WITH UCAYALI RIVER	PE	PRE-EXECUTION	19,460,000
AMA56	MODERNIZATION OF IQUITOS PORT	PE	PRE-EXECUTION	39,200,000
AMA44	IQUITOS LOGISTICS CENTER	PE	PROFILING	5,000,000

RATIONALE

This project aims at connecting the coast, sierra and rainforest regions in the northern area of Peru with Brazil (Manaus) and, eventually, with the Atlantic ocean, with a view to promoting trade and complementarity among the different areas involved. The project is very significant since it is meant to streamline logistics in a large corridor. All the most dynamic cities on the northern coast of Peru may be linked to this Northern Branch of the Amazon Hub, which, in turn, articulates the most densely populated department in the Peruvian sierra region with three departments located in the rainforest (Amazonas, San Martín, and Loreto).

At present, the Paita - Tarapoto - Yurimaguas Road project is in execution. The three regions (coast, sierra and rainforest) are already interconnected, but the infrastructure in place is not in the best condition to facilitate production exchange and trade. The purpose is to make access easier for the population, to stimulate more economic exchange, and to open up greater opportunities for connection with the markets of other countries that are better off.

In particular, there are regular regional transport vehicle flows in the Paita-Tarapoto-Yurimaguas road, especially in the Olmos-Tarapoto turn-off section, as traffic from the city of Chiclayo (sometimes originating in Lima) to Tarapoto, cities located along the way (Bagua, Moyobamba, Rioja) and connecting cities (Jaén, San Ignacio, Saramiriza) is significant. There is also river transportation, both of cargo and passengers, to Iquitos and intermediate locations.

The goal is that this structured project will operate as a multimodal corridor for international transportation to and from Brazil along the Amazon river. In the right conditions, this flow should be sequential and complementary, ensuring orderly and free-flowing transportation.

In relation to complementarity, the uneven economic and social development of the Peruvian regions and their production potential (the modern and industrialized coast, the extractive and/or agricultural activities in the sierra and rainforest areas) should be borne in mind. This project will ensure the complementarity of the roles played by the different regions.

Regarding border development, trade among border populations is expected to increase as a result of the operation of the five road axes for the integration of Peru and Ecuador, linked to the infrastructure involved in the project, as a multimodal corridor that would enable connection with Brazil. In order to attain this objective, logistics services in ports, roads and waterways must also be improved. For this purpose, the Transport Logistics Services Development Plan has been drawn up, which establishes the strategy that will be used to minimize the costs associated with transport following a logistics corridor approach, including the operation of logistics centers or platforms along the IIRSA Norte corridor in areas adjacent to the ports of Paita, Yurimaguas and Iquitos.

Joint declarations by the Brazilian and Peruvian governments express their commitment to the development of the states concerned and their neighboring areas, and underscore the importance they attach to the promotion of trade through a better regional connectivity and border development.

In presidential statements on the integration between Peru and Ecuador, explicit reference is made to the use envisaged for the infrastructure. The minutes of the Presidential Summit and V Meeting of the Binational Cabinet of Ministers of Peru and Ecuador (February 29, 2012, Chiclayo, Peru) reflect that the road is regarded as an alternative to Road Axis No. 5 for the interconnection of the province of Morona Santiago, in Ecuador, and the department of Amazonas, in Peru.

The implementation of this structured project seeks to ensure the viability of international transport between Peru and Brazil and its extension to the basins of both the Pacific and Atlantic oceans. It is also intended to reinforce the development of the northeastern region of Peru through the improvement of the links among its departments. The Paita-Yurimaguas road and the Huallaga, Marañón and Amazonas waterways are the backbone of this macroregion in which a network of national and regional highways and the tributaries of such rivers converge. All this will also contribute to the development of the border areas, which calls for multi-sectoral, concerted actions mainly related to undertaking social projects.

The most important impacts of the development of the Paita-Yurimaguas infrastructure are associated with reduced travel times, increased traffic, and stimulated socioeconomic activities, particularly along the Tarapoto-Yurimaguas section, where farming areas devoted to the production of inputs for processed goods for export have grown considerably.

Thus, trade flows along this infrastructure are expected to include the transportation of the phosphates exploited at the Bayóvar mine, located in the Pacific coastal area of the department of Piura, to the agricultural production areas in Brazil, which are currently carried by sea. The trade flows in this direction would also incorporate the transport of the Manaus Industrial Free Trade Zone production inputs imported from Asian countries.

In the opposite direction, cargo transport flows would be associated with products from the Manaus industrial center to the markets located on the western Pacific coast of South America. These flows, however, will materialize only as long as transport costs are competitive and lower than now. This requires the prioritization of actions aimed at reducing transport logistics costs.

In the social domain, the Paita-Yurimaguas road has already a great impact on the northeastern region of Peru, particularly on areas that were poorly connected in the past but now are linked by a fist-rate highway, mainly the Tarapoto-Yurimaguas stretch. This has led to a considerable expansion of agricultural areas, mainly devoted to the production of palm hearts and of oil palms both for the Peruvian coastal markets and for export. This dynamism of the regional economy

undoubtedly enhances the quality of life of the inhabitants of these areas and also facilitates access to the benefits of a globalized world.

The program of complementary actions is intended to have all district capitals (local governments) linked to the infrastructure involved in the project in the medium term (six years) at the most.

PROPOSAL

This is a structured project linking i) two road projects (Paita-Tarapoto and Tarapoto-Yurimaguas sections), which jointly make up what in Peru is known as the "Northern Amazon Corridor" or "IIRSA Norte Corridor;" ii) two projects concerned with the improvement of navigation conditions on waterways (Huallaga and Marañón); iii) the upgrade or relocation of three ports (Yurimaguas, Iquitos, and Paita); and iv) three logistics centers (Yurimaguas, Iquitos, and Paita). The road, which runs from east to west, stretches from the city of Paita, on the Pacific, to the city of Yurimaguas, in the rainforest. In Yurimaguas, the road articulates with the rivers Huallaga and Marañón through a port. Farther east, across these rivers, it arrives at Iquitos city, aiming at reaching Manaus to promote overseas trade.

The Paita-Yurimaguas Northern Amazon Corridor spans 955 km across the departments of Piura, Lambayeque, Cajamarca, Amazonas, San Martín and Loreto, which total an area of 542,727 km^2 (42% of the national territory) and a population of 6.4 million (22% of the country's population).

At present, there are two aspects limiting the navigability of the Amazonian waterways and rendering them less competitive, namely:

- Navigation conditions: inadequate channels, submerged tree trunks and branches, sand deposition on riverbeds, changes in the course of rivers, and lack of signs and markers
- Informal river transport services

In order to further a solution to these problems, feasibility and navigability studies have been conducted for the rivers with the greatest potential for the development of trade flows; such studies are being used as a basis for awarding concessions for the operation and maintenance of the waterways. Furthermore, a National Waterway Plan is being developed with the purpose of channeling investments into the efficient exploitation of this transport network.

The Paita port development consists in the enlargement, improvement and modernization of its facilities by the firm holding its concession, as this is the second major port in Peru and an important entry/exit point for cargo traffic on the northern coast of the country. The Yurimaguas port terminal needs to be relocated, since its present facilities cannot be expanded because they are in an urban area. In addition, the proposed new location is better due to the characteristics of the river and the space available. The access road to the new port is currently under construction.

In order to make trade flows more efficient and reduce the logistics costs associated with transport, new logistics platforms will be built in Paita and Yurimaguas (and, probably, also in Iquitos), which will be licensed to the private sector under a concession arrangement. In the case of Paita, basic engineering studies have been completed, including the design of civil works and equipment, whereas the studies for the Yurimaguas logistics platform need to be carried out.

CURRENT STATUS

All the individual projects are included in the COSIPLAN Portfolio, and there is enough information to account for the priority assigned to these works in the plans of the Ministry of Transport and Communications (Intermodal Plan 2004-2023), the Transport Logistics Services Development Plan, the Strategic Plan 2012-2016 of the Transport and Communications Sector, and Peru's National Port Development Plan (designed by the Port Authority). Furthermore, it should be noted that two projects are in execution, four are at the pre-execution stage, two are at the profiling stage, and one is completed.

The Paita-Yurimaguas road corridor is completed (wearing course rehabilitation works on the Paita-Tarapoto section, and paving of the Tarapoto-Yurimaguas stretch), and some complementary works, such as the Tarapoto bypass road and the access road to the new port of Yurimaguas, are in execution. In addition, there are plans to build the Piura bypass road.

Regarding port development, the port of Paita has already been handed over to a concessionaire, which is conducting technical studies for building a new container terminal and upgrading the present facilities. The first stage works will begin by late 2012.

The concession for the construction of the new Yurimaguas port has been awarded. The firm holding the concession is preparing the technical studies, and works are expected to commence in the first quarter of 2013.

As far as waterways are concerned, the final report on the Marañon, Huallaga, Ucayali and Amazonas rivers navigability study is currently in the last phase of the approval process (late 2012). Once approved, a call for tender will be issued through PROINVERSIÓN to hand over operation and maintenance to the private sector under a public-private partnership arrangement. The concession is expected to be awarded in the second quarter of 2013. After the technical studies are completed, works are preliminarily scheduled to commence in 2015.

As for the logistics centers, a basic design study has been completed for the one planned for Paita, including its location and the determination of the necessary investments. No studies for the Yurimaguas and Iquitos centers are available yet.

The varying degrees of progress of the individual projects affect the operability of the structured project, as this poses an obstacle to seamless transport flows. While the road component has been

completed, the ports and waterways works are yet to be executed. Once these implementation lags are overcome, transportation along this corridor is expected to be much better.

In Peru, environmental licenses and permits must be necessarily obtained prior to project implementation, including the approval of the environmental impact assessment studies before the project execution stage.

Even though no coordinating body has been expressly appointed to efficiently manage the structured project, the Budget and Planning Office, under the purview of the Peruvian Ministry of Transport and Communications, has been monitoring the progress of the individual projects and taking actions to accelerate the process, even in a complex context, on the basis of the results of the Transport Logistics Services Development Plan.

2 CALLAO - LA OROYA - PUCALLPA ROAD, PORTS, LOGISTICS CENTERS AND WATERWAYS

HUB: **AMAZON**

GROUP/S: **G4 and G6**

COUNTRIES: **PERU**

ESTIMATED INVESTMENT: **US$2,719.7 million**

PROJECT TYPE: **Multimodal —Sea, Road and River— Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
AMA26	TINGO MARÍA - PUCALLPA ROAD PUCALLPA PORT	PE	PRE-EXECUTION	416,778,233
AMA30	PUCALLPA INTERMODAL LOGISTICS CENTER	PE	PROFILING	5,000,000
AMA31	MODERNIZATION OF EL CALLAO PORT (NEW CONTAINER DOCK)	PE	EXECUTION	706,870,000
AMA32	LIMA - RICARDO PALMA EXPRESSWAY	PE	PROFILING	242,000,000
AMA43	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE UCAYALI RIVER WATERWAY, BETWEEN PUCALLPA AND THE CONFLUENCE WITH MARAÑÓN RIVER	PE	PRE-EXECUTION	19,460,000
AMA63	IIRSA CENTER, SECTION 2: RICARDO PALMA - LA OROYA - TURN OFF TO CERRO DE PASCO / LA OROYA - HUANCAYO	PE	PRE-EXECUTION	100,000,000
AMA64	IIRSA CENTER, SECTION 3: TURN OFF TO CERRO DE PASCO -	PE	PROFILING	70,000,000

	TINGO MARÍA			
AMA65	EL CALLAO LOGISTICS ACTIVITIES ZONE (ZAL CALLAO)	PE	PROFILING	155,255,500
AMA66	EL CALLAO MULTI-PURPOSE NORTHERN TERMINAL	PE	EXECUTION	884,000,000
AMA67	EL CALLAO MINERAL SHIPPING TERMINAL	PE	PRE-EXECUTION	120,300,000

RATIONALE

This project, also known as "Central Branch of the Amazon Hub," is structured in order to connect the coast, sierra and rainforest regions and to open up an access to Manaus (Brazil) and overseas markets, seeking to promote complementarity in the area of influence. On its coast, the Central Branch of the Amazon Hub includes the Lima-Callao conurbation, where Peru's metropolitan capital and its most important port (Callao) are located. This key node links the Central Road, running east-west, to cities and towns in the sierra, such as Oroya and Huancayo. Farther on, it connects with the roads that join the cities of Cerro de Pasco and Huánuco, in the sierras, with the denser link leading to the rainforest, between Tingo María and Pucallpa. In Pucallpa, the corridor connects with the city of Iquitos through the Ucayali river, the waterway with the most important cargo traffic in Peru. As with the Northern Branch of the Amazon Hub, this corridor aims at reaching the city of Manaus, a commercial destination, as well as overseas markets.

Manaus is the most important industrial and trading hub in the Brazilian Amazon river basin. One of the purposes of the IIRSA Norte and IIRSA Sur interoceanic corridors is to attract part of the trade flows between Manaus and Asia across the Pacific ocean, capturing the traffic that currently uses the Panama Canal. This is contingent on the results of the cost-benefit analysis of both alternatives.

At present, there are unscheduled river transportation services between Iquitos and Manaus, provided mainly on demand.

Although the main purpose of this structured project is to reach out to different destination markets of the Pacific basin through the Callao port as well as to Brazil and the Atlantic ocean through the Amazon river, it also seeks to connect the coast, sierra and central rainforest regions of Peru, taking into account the complementary nature of the production and consumption patterns of these regions. The central rainforest and sierra supply forestry, fruit and agricultural products to Lima and Callao, from where processed goods are carried to such region.

Thus, the Callao-Pucallpa road corridor will facilitate the integration of the city of Lima-Callao, the main production and consumption center in Peru, with the central rainforest and sierra region of the country and farther on, by river, with the northern Amazonian area of Brazil.

The city of Lima, together with Callao, hosts approximately 30% of the country's population, 70% of its industrial production, and 52% of the government services, and also accounts for 55% of national income. This great production potential would serve as a factor to increase the flows of transport towards both eastern Peru and Brazil, which calls for improving transportation infrastructure at ports, roads, logistics platforms and waterways, as well as for implementing measures to reduce logistics costs.

The port of Callao is the most important one in Peru and on the western coast of South America. It is also the entry/exit point for the Central Amazon corridor regarding overseas destinations on one side and, on the other, the country's central region, as well as regarding the flows of inputs and industrial goods to and from the Manaus Industrial Free Trade Zone in Brazil.

The improvement of the Tingo María-Pucallpa road is having a highly positive impact on the populations in the area, as it facilitates the access of their agricultural, agro-industrial and forestry products to the markets in the central coastal and sierra regions of Peru as well as people's access to basic health care and education services, among others.

Joint declarations by the Brazilian and Peruvian governments express their commitment to the development of the states concerned and their neighboring areas, and underscore the importance they attach to the promotion of border development and trade. The Joint Declaration by the Presidents of Peru and Brazil dated August 2003 expressed "... their firm decision to implement the three Integration and Development Hubs of the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) linking Peru and Brazil at the South American territory level — i.e. the Amazon, Central Interoceanic and Southern Interoceanic Hubs—, as they are deemed key in a regional market development and international integration strategy based on bioceanic interconnection." Furthermore, it reaffirmed "the importance attached by both governments to the integrated development of the regional economies close to the border between the two countries, which decided to conduct studies on legal instruments and mechanisms that should facilitate the flow of people and vehicles, as well as cross-border flights and trade in the border area."

In the joint statement signed in Manaus in June 2010, emphasis was placed, among other topics, on cooperation regarding river navigation and on "conducting studies with a view to building a road to connect the cities of Pucallpa and Cruzeiro do Sul, paying special attention to its social and environmental impacts." Hence, it will be necessary first to account for the economic and, particularly, social and environmental feasibility of the project prior to proposing its implementation within the IIRSA API framework.

The improvement of navigation conditions on the Amazonian waterways will allow the movement of both tradable goods and passengers between the cities of Pucallpa and Iquitos as well as facilitate access to border areas that can only be reached through the Amazon tributaries. It will also be necessary to enhance transport services, mainly the vessels operating informally, so that they provide efficient and safe transportation.

In addition, the logistics services along the area of influence of the structured project should be improved as regards facilitating the flow of transport traffic and establishing logistics platforms in the main locations of cargo origin and destination: Callao and Pucallpa.

PROPOSAL

This structured project articulates i) four highways (Lima-Ricardo Palma expressway; the road linking Ricardo Palma and the turn-off to Cerro de Pasco/La Oroya-Huancayo; the road connecting the turn-off to Cerro de Pasco and Tingo María; and the Tingo María-Pucallpa road); ii) one project related to the improvement of navigation conditions on the Ucayali river, from Pucallpa up to the confluence with the Marañón river; iii) four projects concerned with port terminal improvements (a new container dock at El Callao port, a mineral shipping terminal, El Callao multipurpose northern terminal, and Pucallpa port); and iv) two projects aimed at enhancing logistics in the area (El Callao Logistics Activities Zone and Pucallpa Intermodal Logistics Center). The purpose of this road axis is to link the cities of Lima and Manaus through a bimodal corridor.

Along its way, the 770-km long Callao-La Oroya-Pucallpa Road Corridor links the departments of Lima-Callao, Junín, Pasco, Huánuco and Pucallpa, which together account for a 244,000-km^2 area (19% of the national territory) and a population of 12.2 million (42% of the total population of the country).

CURRENT STATUS

All the individual projects are included in the COSIPLAN Portfolio, and there is enough information to account for the priority assigned to these works in the plans of the Ministry of Transport and Communications (Intermodal 2004-2023) and in Peru's National Port Development Plan (designed by the Port Authority). In addition, according to the information in each project file, two of the projects are in execution, either with public funds or through concessions or public-private partnership arrangements, four are at the pre-execution stage, and the other ones (four) are at the profiling stage.

At present, the Lima-Pucallpa corridor is entirely paved. The current status of the road sections is the following:

- Lima-Ricardo Palma Expressway: Studies are at the profiling stage. The process of expropriation is posing obstacles to the construction of the additional lanes.
- Ricardo Palma-La Oroya-Turn-off to Cerro de Pasco: Under concession. Restructuring as well as grade-separated crossings, bypass roads and pedestrian bridges construction works will be carried out. The technical studies are being prepared. Works are estimated to commence by late 2012.
- Turn-off to Cerro de Pasco-Tingo María: (Co-financed) concession scheduled to be awarded. Wearing course rehabilitation works will be undertaken.
- Tingo María-Pucallpa: (Co-financed) concession scheduled to be awarded. Reconstruction of the 25-km long damaged section, along the Puente Chino-Aguaytía stretch, will be done with public funds, and a 10-km section of the access to the city of Pucallpa will be upgraded to a four-lane road.

Regarding the works at El Callao Port Terminal, progress is as follows:

- Southern Container Dock: Under concession. In 2011, the first stage works were completed, and currently the port is operational. Commencement of the second stage works is being planned.

- Multipurpose Northern Terminal: Under concession. The technical studies have been approved, and works are scheduled to commence in the second half of 2012.
- Mineral Shipping Terminal: Under concession. The concessionaire is preparing the technical studies. Works are scheduled to begin by late 2012.

As for the Pucallpa port terminal, the feasibility study is being updated to provide for a new location. Once the feasibility of the project is approved, the (co-financed) concession process will be resumed.

As far as waterways are concerned, the final report on the Marañon, Huallaga, Ucayali and Amazonas rivers navigability study is currently in the last phase of the approval process (late 2012). Therefore, PROINVERSIÓN is launching a call for tenders to hand over operation and maintenance to the private sector (under a public-private partnership arrangement). The concession is expected to be awarded in the second quarter of 2013. After the technical studies are completed, works are preliminarily scheduled to begin in 2015.

With regard to the El Callao Logistics Activities Zone project, the basic design study has already been carried out. Furthermore, the process of expropriating land for the construction of a second runway at the Jorge Chávez Airport is well underway, and some of such land will be used for building the logistics platform. Pre-investment studies as well as ensuring the viability of the project are needed to initiate the concession process.

The varying degrees of progress of the individual projects affect the operability of the structured project, as this poses an obstacle to seamless transport flows. The entire Lima-Pucallpa corridor is already paved with asphalt, but upgrading some sections to an expressway, rehabilitating some critical stretches, building bypass roads and constructing grade-separated crossings is still pending, as is the completion of ports and waterways development. Once these implementation lags are overcome, transportation along this corridor is expected to be much better.

3 NORTHEASTERN ACCESS TO THE AMAZON RIVER

HUB: **AMAZON**

GROUP/S: **G2, G6 and G7**

COUNTRIES: **BRAZIL-COLOMBIA-ECUADOR-PERU**

ESTIMATED INVESTMENT: **US$60.8 million**

PROJECT TYPE: **Multimodal —Road and River— Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
AMA37	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE IÇÁ RIVER	BR	PROFILING	8,000,000
AMA38	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PUTUMAYO RIVER	CO - EC - PE	PROFILING	15,000,000
AMA45	MORONA FREIGHT TRANSFER PORT	EC	PROFILING	5,000,000
AMA39	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE MORONA RIVER, ECUADORIAN SECTOR	EC	PROFILING	2,000,000
AMA42	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE NAPO RIVER	EC - PE	EXECUTION	5,759,000
AMA71	PROVIDENCIA PORT	EC	PRE-EXECUTION	25,000,000

RATIONALE

This project seeks to tap into the complementarities of the different natural regions of Ecuador, Colombia, Peru and Brazil through the connection of the coast and Andean areas of Ecuador and Colombia with the vast Amazonia. The individual projects link east-to-west navigable bodies of water in Ecuador, Colombia and Peru, articulating with the Putumayo/Içá, Morona, and Napo rivers that connect farther on with the Solimões/Amazon river in the Brazilian territory, enhancing navigation on three waterways that are presently navigable only for limited draft vessels. The bimodal corridors resulting from the waterways being returned to navigable standards and the river terminals in operation aim at reaching the commercial market of the city of Manaus, without losing sight of the potential overseas markets. Manaus is the most important city of the Amazonia.

Accurate reference is made to the strengthening of connectivity networks and to the benefits of the cross-border synergies to be created as a result of the development of the Manta-Manaus axis, the Tumaco-Pasto-Mocoa hub, and the Morona river network. Furthermore, the following complementary actions intended to promote efficient service provision and the sustainable development of the territory are identified: i) to carry out a social and environmental analysis; ii) to prepare a socioeconomic assessment; iii) to conduct a study on cargo and passenger transport supply and demand; and iv) to design a river plan.

Moreover, the project will have an important impact on the communities living in its area of influence, as they have no other alternative in terms of transportation of goods and people. At present, Ecuadorian border inhabitants are engaged in an emerging informal trade in products from the area as well as in mining activities to supply coastal communities living on the banks of the Napo, Putumayo, Santiago and Morona rivers.

However, there is a significant trade in products from the petroleum industry, which promotes commerce. Regarding transport associated with the oil industry in Ecuador, an annual volume of 250,000 tons is estimated. Thus, the estimated marginal benefits derived from the savings generated by this river waterway project will result in more efficient operations and reduced costs.

As for the transportation of other goods, mainly foodstuffs, building materials, and tools and utensils, an annual volume of 30,000 tons is estimated.

The most important structural measures required are aimed at enhancing safety and efficiency in navigation and transshipment through the improvement of river conditions, the availability of infrastructure for loading/embarkation and unloading/disembarkation of goods/passengers, and the definition or design of the types of vessels suited to the characteristics of the Amazonian rivers. All this will result in increased local and regional trade.

PROPOSAL

This structured project comprises i) four individual projects concerned with the improvement of navigation conditions on the Putumayo/Içá, Morona and Napo rivers; and ii) two river terminals (the Providencia port and the Morona freight transfer port).

Among others, the following actions need to be taken in order to attain the objectives of these projects: establish general guidelines for fostering navigation in conformance with the regulations guaranteeing the multiple use of water resources as well as their integrated management; adopt measures providing incentives for the participation of the private sector; expand the associated logistics infrastructure; implement more stringent surveillance measures to prevent illegal and irregular activities with a view to improving navigation safety; conduct a survey of inland navigation companies; identify potential types of cargo; secure funding; and undertake works in relation to dredging, installation of signs, markers and aids to navigation, as well as construction, maintenance and upgrading works at the ports and terminals of the countries involved.

CURRENT STATUS

All the individual projects belong to the COSIPLAN Portfolio. One of them is in execution, another one is at the pre-execution stage, and the other four are at the profiling stage.

In the case of the project related to the Morona river, there is a joint declaration by Ecuador and Peru to open new border crossings across the Santiago and Morona rivers. Consensus on the terms of reference for this river navigation study contract has already been reached, and the financing amount needed is being analyzed in order to submit a request of non-reimbursable funding to the IDB. The Morona port project will be adjusted on the basis of the results of the study and its diagnostic report.

Regarding the project concerned with improving navigation conditions on the Napo river, studies will be carried out to complement the Peru-Ecuador binational analyses. At present, trips to Iquitos involving trade in Ecuadorian products are already made every forty-five days.

Moreover, there are plans to carry out a study for increasing the navigability of the Putumayo/Içá river basin with the participation of Brazil, Colombia, Ecuador and Peru. This project is outlined in both Colombia's National Development Plan and Multi-Annual Investment Plan 2011-2014. The project involving the Içá river forms part of the studies conducted by the Western Amazon Waterway Administration of Brazil, and the Santo Antônio do Içá terminal project is included in the Brazilian Growth Acceleration Program (or PAC, its acronym in Portuguese).

As most of the above-mentioned projects have been agreed upon on a binational basis, their associated studies and works are expected to be jointly conducted.

In Peru, negotiations are being held by the National Port Authority and the Ministry of Transport and Communications to enter into an interagency agreement concerning the preparation of a study at the profiling level with a view to providing port infrastructure in the town of Santa Rosa (located on the border with Brazil and Colombia). This project aims at providing port services in this border area as well as a logistics center in order to facilitate trade along the IIRSA Norte multimodal corridor.

As for the Providencia Port project, the relevant studies have been completed, and actions are being taken to obtain final acceptance of the project in order to issue a call for tender for the construction of this important river port, which will link the northeastern region of Ecuador with Manaus in Brazil.

ANDEAN HUB (BOLIVIA, COLOMBIA, ECUADOR, PERU AND VENEZUELA)

The Andean Hub features the two large north-south road corridors that connect the main cities of the countries that make it up (Bolivia, Colombia, Ecuador, Peru and Venezuela), namely: the Pan-American Highway, which runs along the Andes in Venezuela, Colombia, and Ecuador, and along the Peruvian coast (connecting farther south with Chile); and the Marginal Highway of the Jungle, which skirts the Andes across the plains of Venezuela and the Amazon rainforest in Colombia, Ecuador, and Peru, then enters Bolivia through the Desaguadero border crossing on the Peruvian Southern Longitudinal Highland Highway, and reaches the Argentine border through Bolivian Route 1 (Villazón-La Quiaca). These longitudinal corridors are crossed by various transversal corridors (roads and rivers) that connect them with the Guianese Shield, Amazon, Peru-Brazil-Bolivia, and Central Interoceanic Hubs. The area of influence defined for the Andean Hub covers 2,556,393 km^2, accounting for 54.4% of the total area of the countries that make it up.

The total population was estimated at approximately 103,467,313 inhabitants in 2008, accounting for 82.8% of the total population of the countries that make up the Hub. Furthermore, the area of influence reached an average population density of 33 inhabitants per km^2.

API includes projects from seven of the 10 project groups of this Hub: i) G1 - Venezuela (Northern Plains Hub) - Colombia (Northern Zone) Connection; ii) G2 - Venezuela (Caracas) - Colombia (Bogotá) - Ecuador (Quito) (Existing) Road Connection; iii) G3 - Venezuela (Orinoco Apure Hub) - Colombia (Bogotá) III (Low-Altitude Corridor) Connection; iv) G4 - Pacific - Bogotá - Meta - Orinoco - Atlantic Connection; v) G5 - Connection: Colombia (Tumaco Port) - Ecuador (Esmeraldas Port - Guayaquil) - Peru (Ica); vi) G6 - Colombia - Ecuador II (Bogotá - Mocoa - Tena - Zamora - Palanda - Loja) Connection; and vii) G8 - Peru - Bolivia (Huancayo - Ayacucho - Tarija - Bermejo) Connection.

Table 6 shows the 11 individual projects that make up the five structured projects of the Andean Hub incorporated into API. The investments involved amount to US$3,624 million. These API projects impact on the development of the five countries of the Hub (Bolivia, Colombia, Ecuador, Peru and Venezuela). In general terms, the projects face the difficulties posed by several major border crossings in the Hub; supplement the solutions devised for the roads in the corridor known as the Low-Altitude Corridor between Caracas and Quito; improve the connections between Bogotá and its main port on the Pacific; and, finally, involve the improvement of navigation conditions on the Meta river and its related ports to open up new commercial routes between the central area of Colombia and eastern Venezuela. These five structured projects comply with the selection criteria set out for inclusion in the Agenda, and are in line with the strategic functions of the Hub's project groups involved in API.

MAP 3: API PROJECTS - ANDEAN HUB

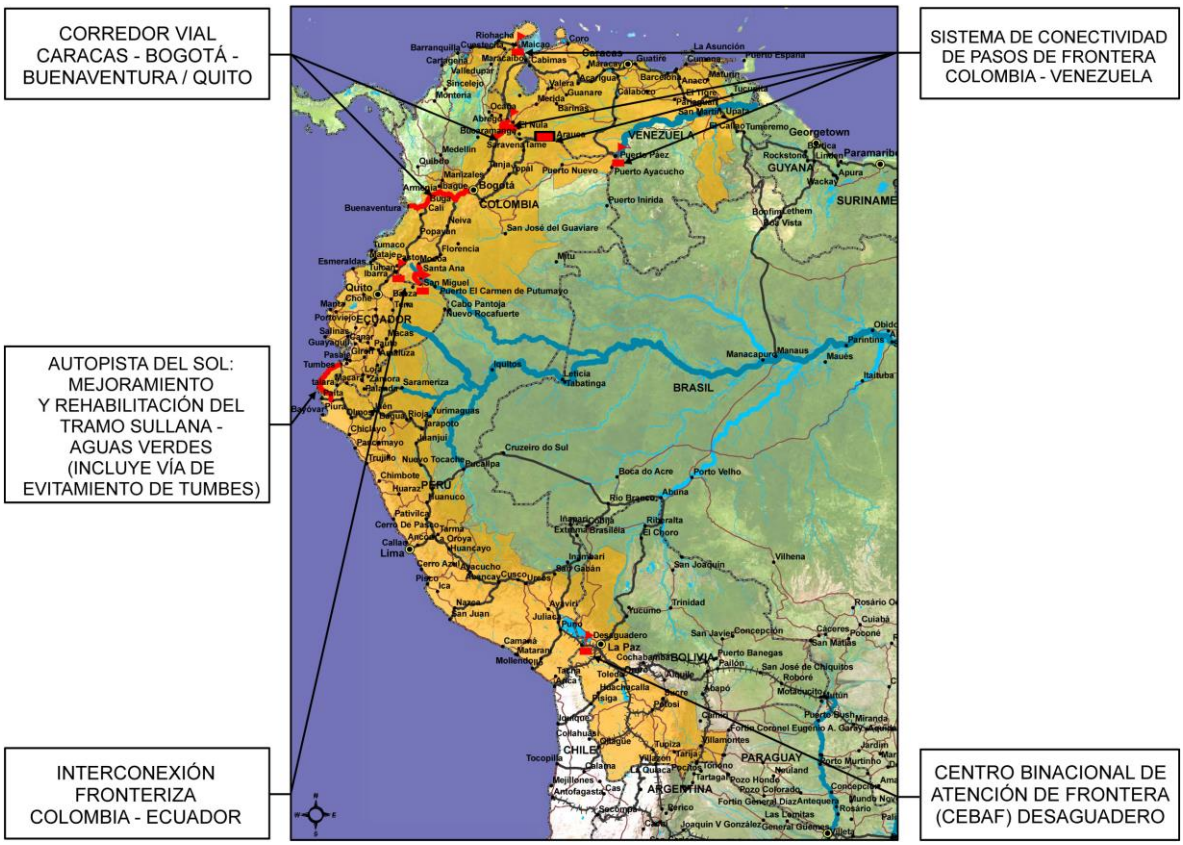


TABLE 6: API PROJECTS - ANDEAN HUB

No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
4	AND	CARACAS - BOGOTÁ - BUENAVENTURA / QUITO ROAD CORRIDOR	COLOMBIA/ ECUADOR/ VENEZUELA	USD 3,350.0	AND05	BOGOTÁ - CÚCUTA ROAD CORRIDOR	CO	G2	EXECUTION	1,559,000,000
					AND07	BOGOTÁ - BUENAVENTURA ROAD CORRIDOR	CO	G2/G4	EXECUTION	1,791,000,000
5	AND	COLOMBIA - ECUADOR BORDER INTERCONNECTION	COLOMBIA/ ECUADOR	USD 223.6	AND31	BINATIONAL BORDER SERVICE CENTER (CEBAF) AT SAN MIGUEL	CO - EC	G6	PRE-EXECUTION	25,000,000
					AND79	IMPROVEMENT AND PAVING OF THE MOCOA - SANTA ANA - SAN MIGUEL ROAD SECTION	CO	G6	EXECUTION	133,629,000
					AND82	IMPLEMENTATION OF THE BINATIONAL BORDER SERVICE CENTER (CEBAF) AT THE TULCÁN – IPIALES (RUMICHACA) BORDER CROSSING, INCLUDING IMPROVEMENT OF THE RUMICHACA BRIDGE	CO - EC	G2	PRE-EXECUTION	65,000,000
6	AND	COLOMBIA - VENEZUELA BORDER CROSSINGS CONNECTIVITY SYSTEM	COLOMBIA/ VENEZUELA	USD 5.0	AND81	IMPROVEMENT OF THE BORDER CROSSINGS IN THE NORTHERN DEPARTMENT OF SANTANDER AND THE TÁCHIRA STATE	CO - VE	G2	PROFILING	2,000,000
					AND02	BINATIONAL BORDER SERVICE CENTER (CEBAF) AT PARAGUACHÓN	VE	G1	EXECUTION	2,000,000
					AND13	IMPROVEMENT OF JOSÉ ANTONIO PÁEZ BRIDGE	CO	G3	COMPLETED [1]	0
					AND19	PUERTO CARREÑO BORDER CROSSING	VE	G4	PROFILING	1,000,000
7	AND	DESAGUADERO BINATIONAL BORDER SERVICE CENTER (CEBAF)	BOLIVIA/PERU	USD 4.0	AND47	DESAGUADERO BINATIONAL BORDER SERVICE CENTER (CEBAF)	BO - PE	G8	PRE-EXECUTION	4,047,170
8	AND	AUTOPISTA DEL SOL EXPRESSWAY: IMPROVEMENT AND REHABILITATION OF THE SULLANA - AGUAS VERDES SECTION (INCLUDING TUMBES BYPASS)	PERU	USD 41.2	AND28	AUTOPISTA DEL SOL EXPRESSWAY: IMPROVEMENT AND REHABILITATION OF THE SULLANA - AGUAS VERDES SECTION (INCLUDING TUMBES BYPASS)	PE	G5	PRE-EXECUTION	41,230,000
									TOTAL	3,623,906,170

1. This individual project has been completed and was incorporated into API because it complements the connectivity network of the structured project.

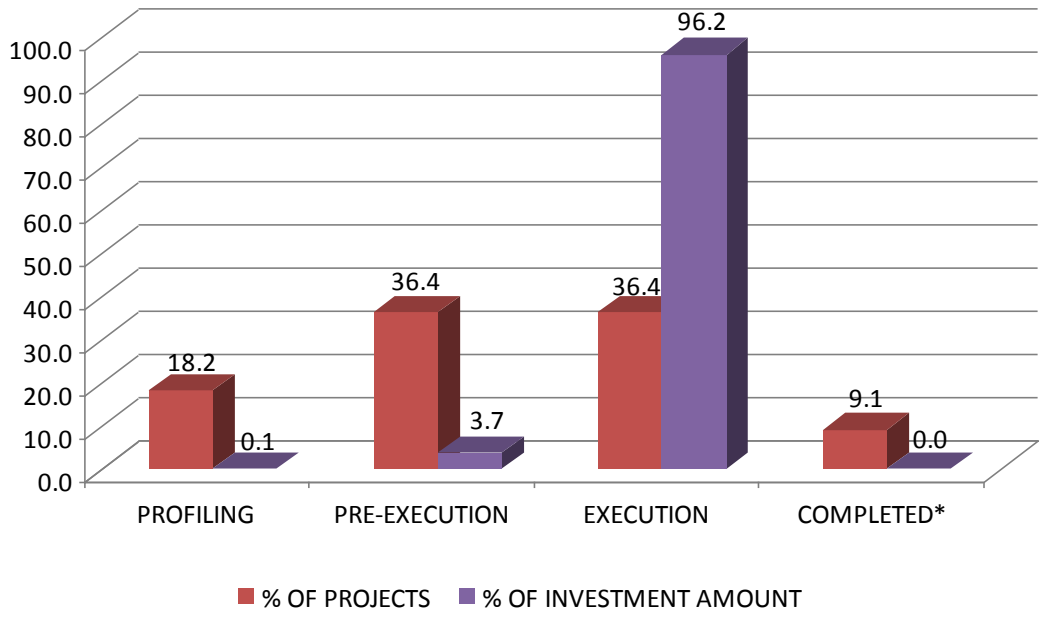
TABLE 7: API PROJECTS - ANDEAN HUB BY IMPLEMENTATION STAGE
(million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	2	18.2	3.0	0.1
PRE-EXECUTION	4	36.4	135.3	3.7
EXECUTION	4	36.4	3,485.6	96.2
COMPLETED*	1	9.1	0.0	0.0
TOTAL	**11**	**100.0**	**3,623.9**	**100.0**

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.

* There is one project included in a structured project in this Hub that was already completed when API was set up. This project is AND13, and its investment amount is US$1.3 million.

FIGURE 5: API PROJECTS - ANDEAN HUB BY IMPLEMENTATION STAGE
(% of number of projects and % of investment amount)



4 CARACAS - BOGOTÁ - BUENAVENTURA / QUITO ROAD CORRIDOR

HUB: **ANDEAN**

GROUP/S: **G2 and G4**

COUNTRIES: **COLOMBIA-ECUADOR-VENEZUELA**

ESTIMATED INVESTMENT: **US$3,350.0 million**

PROJECT TYPE: **Multimodal —Sea and Road— Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
AND05	BOGOTÁ - CÚCUTA ROAD CORRIDOR	CO	EXECUTION	1,559,000,000
AND07	BOGOTÁ - BUENAVENTURA ROAD CORRIDOR	CO	EXECUTION	1,791,000,000

RATIONALE

This structured project articulates the largest urban centers of Colombia, Ecuador, and Venezuela, and strengthens the main international road trade flows in the Andean Hub. In addition, this project as well as the Colombia - Venezuela Border Crossings Connectivity System project create important benefits and cross-border synergies, and strengthen regional connectivity networks. Moreover, the main complementary action identified for the Buenaventura port is the Logistics Activity Zone, while in the case of the Cúcuta-Bucaramanga road, some complementary actions in its area of influence have been proposed in order to mitigate the social and environmental impact. The approximate length of this corridor is 1,100 km.

SOLUTION

This structured project is made up of two individual projects: i) Bogotá - Buenaventura Road Corridor; and ii) Rehabilitation of the Cúcuta - Bucaramanga Road. The purpose of the former, which involves a 600-km long corridor, is to improve connectivity between the central-western part of Colombia and the Buenaventura port —regarded as the most important port in the country in terms of the volume of cargo handled—, through the construction of a dual carriageway in the still single-carriageway stretches (amounting to almost 117 km) of the roads joining Bogotá (the capital of Colombia), Ibagué (the capital of the Tolima department) and Cajamarca (a municipality in the department of Tolima). On the other hand, the purpose of the second project is to reinforce economic relations among the urban centers of Ecuador, Colombia, and Venezuela; at the same time, it seeks to improve connections in the northeastern area of Colombia by building a four-lane corridor between the cities of Bucaramanga (Santander department) and Cúcuta (Norte de Santander department).

CURRENT STATUS

The two individual projects making up this structured project are included in the COSIPLAN Portfolio and are part of Colombia's National Development Plan 2010-2014 and Multi-Annual Investment Plan 2011-2014, and they are currently in execution. The structured project status as of the date of this report is described below.

Two sections have been defined for the purpose of carrying out the Cúcuta-Bogotá corridor (556 km) works as well as the mobilization of funds and their management:

1) Cúcuta-Bucaramanga

- Cúcuta-Pamplona: At present, this section is under the Metropolitan Area of Cúcuta road concession contract. Works include the construction of two additional lanes between Cúcuta and the Los Acacios toll booths. The other stretch is a two-lane road.

- Cuestaboba-Bucaramanga: This section is included in Stage 1 of the Complementary Arterial Corridors for Competitiveness Program of the National Institute of Roads (INVÍAS). The following is a description of the current status of this project.

The Complementary Arterial Corridors for Competitiveness Program has funded the following components of the project: maintenance and improvement of a 62-km existing stretch; land, environmental and community management plans; and construction of a 10-km four-lane stretch (Col$343,000 million/US$190 million).

CONPES (Colombia's National Council for Economic and Social Policy) Document No. 3706 of 2011 declared the strategic importance of the Priority Corridors for Prosperity Program, which provides for new resources for some of the corridors included in the Competitiveness Program as well as for other new projects. These resources were used to finance an additional amount of Col$104,500 million (US$58 million) for the construction of an 18-km four-lane stretch.

Therefore, it remains to obtain the funds necessary for the following studies and works: land, environmental and community management plans for the construction of a 24-km four-lane stretch (including viaducts, tunnels, etc.), valued at approximately Col$700,000 million (US$389 million).

2) Bucaramanga-Bogotá: This section is part of the Zipaquirá-Palenque concession, the period of which ended and the infrastructure reverted to the State in April 2012. At present, the construction of two additional lanes between Piedecuesta and Floridablanca is licensed under a contract. The only stretches that were not prioritized to widen the roadway are Ubaté-Chiquinquirá and Puente Nacional-San Gil. The National Infrastructure Agency (ANI) is currently preparing a new concession contract for this section.

This corridor reverted on April 1 to INVÍAS, which has plans to invest toll revenues (approximately Col$20,000 million/US$11 million) for the corridor maintenance works and response to contingencies. ANI is expected to prepare a concession contract or a public-private partnership arrangement in the remainder of the year and during part of 2013. The feasibility of constructing two additional lanes will also be assessed (so far, no study is available).

It is necessary to advance the assessment and land-acquisition process for all the stretches of the corridor requiring to be widened to four lanes, which will form part of the arrangement currently being prepared by ANI.

As for the Bogotá-Buenaventura corridor, the current status of the stretches is as follows:

1. Bosa-Granada-Girardot: Under a national concession

Investment amount: Col$862,382 million (2009)
Total length: 116.6 km
Four-lane roadway: 116.3 km
Two-lane roadway: None

2. Girardot-Ibagué-Cajamarca: Under a national concession

Investment amount: Col$684,203 million (2009)
Total length: 157 km
Four-lane roadway: 62.6 km
Two-lane roadway: 94.4 km

3. II Centenary (La Línea) Tunnel: Public works contract for the construction of a bidirectional tunnel and its associated works as well as for the construction of two additional lanes in the Américas-Calarcá-Armenia (Portal Quindío) and Bermellón (Portal Tolima)-Cajamarca stretches.
Investment amount: Col$670,000 million
Expected completion: 2015

4. Armenia-Pereira-Manizales (Calarcá-La Paila stretch): Under a national concession
Investment amount: Col$605,166 million (2009)
Length of the Calarcá-La Paila stretch: 60 km, licensed on a four-lane basis

5. La Paila-Buga: Under a departmental concession (61 km on a four-lane basis)

6. Mediacanoa-Loboguerrero: Valle del Cauca and Cauca Road Network concession contract (48 km on a four-lane basis)

7. Loboguerrero-Citronela (Buga-Buenaventura two-lane section): Public works involving a 48-km long stretch and a current investment amount of Col$700,000 million (2009), including the following stretches: Loboguerrero-Cisneros, Cisneros-Triana, Triana-Altos de Zaragoza, and Altos de Zaragoza-Citronela. Works are carried out within the framework of the Priority Corridors for Prosperity Program and are expected to be completed in 2016.

8. Citronela-Buenaventura Port: INVÍAS is currently in charge of this 15-km long two-lane stretch that has a low level of service.

Completion of the environmental licensing and community consultation process is necessary with regard to the Citronela-Loboguerrero stretch, which is part of the last 48 km in the Bogotá-Buenaventura direction.

The Ecuadorian section starts at the border with Colombia in the province of Carchi, where the widening of the Rumichaca international bridge is planned, a project whose studies are financed with non-reimbursable cooperation funds from CAF amounting to US$283,000. Its construction, which will be in charge of Ecuador with the financial support of both countries, is already being negotiated. This corridor runs across the Imbabura province as it goes to the city of Quito, in the province of Pichinca. This 240-km road stretch has been awarded in concession to PANAVIAL, a private company. The Ibarra-Otavalo stretch has been widened to six lanes, including collector roads entering each city/town. Widening to six lanes works are expected to be completed in 2015 with an investment of about US$200 million.

5 COLOMBIA - ECUADOR BORDER INTERCONNECTION

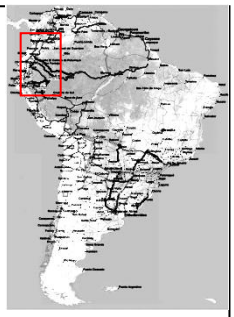
HUB: **ANDEAN**

GROUP/S: **G2 and G6**

COUNTRIES: **COLOMBIA-ECUADOR**

ESTIMATED INVESTMENT: **US$223.6 million**

PROJECT TYPE: **Road Transportation**



INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
AND31	BINATIONAL BORDER SERVICE CENTER (CEBAF) AT SAN MIGUEL	CO - EC	PRE-EXECUTION	25,000,000
AND79	IMPROVEMENT AND PAVING OF THE MOCOA - SANTA ANA - SAN MIGUEL ROAD SECTION	CO	EXECUTION	133,629,000
AND82	IMPLEMENTATION OF THE BINATIONAL BORDER SERVICE CENTER (CEBAF) AT THE TULCÁN - IPIALES (RUMICHACA) BORDER CROSSING, INCLUDING IMPROVEMENT OF THE RUMICHACA BRIDGE	CO - EC	PRE-EXECUTION	65,000,000

RATIONALE

This structured project is highly significant, as trade between Ecuador and Colombia ranks second in international trade by road within the Andean Hub; furthermore, the project helps complete the missing links in the corridor known as the "Low-Altitude Corridor" or "Alternative Corridor," linking Bogotá and Quito, and solves pending issues in the Ecuador-Colombia border crossings.

In the last decade, Colombia's export volume to Ecuador accounted for an average 0.8% of total Colombian exports, the largest volume reaching 1.1% in 2005 and the lowest, 0.6% in 2009. During the same period, Ecuador's export volume to Colombia accounted for an average 2.5% of total Ecuadorian exports, with the largest volume, 3.3%, in 2001 and the lowest one, 1.6%, in 2004. Most trade between Colombia and Ecuador is by road, accounting, on average, for 65% of Colombia's exports to Ecuador and 88% of Ecuador's exports to Colombia. In terms of volume, during the last decade Colombia's total exports grew by 5%, while Ecuador's total exports increased by 4%.

Furthermore, the volume of cargo traded between both countries —1.2 million tons on average— is significant, thus turning the Rumichaca border crossing, through which almost 100% of trade by road is funneled, into one of the most important border crossings in the Andean Community and in South America.

Given the currently substantial flow of trucks in both directions, the capacity of the Rumichaca border crossing has turned out to be limited in terms of both size and operational design, which creates load transport and particular vehicle traffic congestion and, hence, delays, resulting in additional costs for international trade.

Moreover, as transfer of goods takes place on both sides of the border, foreign trade operators, carriers, customs agents and trading companies have to allow extra time for the transportation of goods to and from each country, which is indeed increasing.

All this has raised awareness as to the fact that road infrastructure, for example the width of the bridge, is a restriction. Taking into account what happens in other places of the continent where traffic flows are heavier, this should not be a problem if procedures are coordinated in a functional scheme in which the authorities from both countries may perform their functions in a comfortable and orderly way.

The condition of the facilities at the San Miguel border crossing is very dissimilar. On the Ecuadorian side, there is a National Border Service Center (CENAF) that was built only a few years ago with the idea of establishing a CEBAF on a 5.7-ha plot of land located 2,800 m away from the international bridge. These facilities are in reasonable good condition but underused, since most national institutions concerned with border control have not moved into them. Only immigration and customs controls are performed there, as formalities have to be carried out in Lago Agrio. On the Colombian side, the present facilities are provisional and rudimentary, since they are located on a stretch of land belonging to an Indian reservation; furthermore, an illegal settlement has gradually sprung up in the surroundings of the bridge. This border crossing forms part of the so-called Amazonian corridor, which, once completed, will reduce travel time between Quito and Bogotá.

The structured project will reinforce the connectivity networks between southern Colombia and the most important cities of Ecuador, creating significant benefits and cross-border synergies. In addition, an important opportunity for the development of logistics and production integration processes is identified.

One of the major conclusions that can be drawn from the bilateral trade balance is that if a solution is found to the issues that slow down trade, such as cargo transfer activities, the potential for growth and complementarity of both economies will bring about a remarkable level of economic integration.

The startup of the CEBAFs in Rumichaca and in San Miguel will have a high impact on the local system of each border locality in terms of infrastructure and services related to border crossing operations as well as of opportunities for local development and employment and income generation, aspects that are sought to be addressed under the Local Development Strategy. The specific goals are as follows:

- *Rumichaca Border Crossing:* Take full advantage of the CEBAF startup in order to enhance competitiveness in the municipalities of Tulcán and Ipiales, by promoting structural actions and specific projects that contribute to the articulation of the border territories, a new urban planning, the stimulation of the economic base, and the creation of local employment and income.

- *San Miguel Border Crossing:* In the short run, create the minimum conditions necessary for the startup of operations of the CEBAF. In the medium term, ensure that the municipalities are ready to tap into the opportunities from the predictable increase in trade and transport through this border crossing.

PROPOSAL

The projects in the Low-Altitude Corridor are: i) Improvement and Paving of the Mocoa - Santa Ana - San Miguel Road Section; and ii) Binational Border Service Center (CEBAF) at San Miguel. The third project is the implementation of a CEBAF at the Tulcán-Ipiales (Rumichaca) border crossing. The simultaneous implementation of the three projects will ease traffic congestion in Rumichaca, since some of the truck traffic will be diverted to San Miguel, where long-distance transport will have lower travel times than in the traditional corridor. On the other hand, the implementation of integrated controls will considerably reduce wait times at the Rumichaca border crossing, and will prevent the delays currently experienced at the Andean border crossings in economically consolidated areas from occurring in San Miguel.

CURRENT STATUS

The structured project and its individual components are included in Colombia's National Development Plan (Prosperity for All) and Multi-Annual Investment Plan 2011-2014, and are a

priority for the Colombian-Ecuadorian Neighborhood Commission. A feasibility study concerning both border crossings (Rumichaca and San Miguel) has already been carried out with technical cooperation funds from the IDB, on the basis of which the aspects necessary to begin the third phase, i.e. completion of the final studies, are being addressed. This project is bilateral in scope.

The CEBAF in San Miguel has been initially designed as a binational juxtaposed office for joint controls.

Consequently, both CEBAFs are at the pre-execution stage, whereas the Mocoa-Santa Ana-San Miguel road section works are in execution.

6 COLOMBIA - VENEZUELA BORDER CROSSINGS CONNECTIVITY SYSTEM

HUB: **ANDEAN**

GROUP/S: **G1, G2, G3 and G4**

COUNTRIES: **COLOMBIA-VENEZUELA**

ESTIMATED INVESTMENT: **US$5.0 million**

PROJECT TYPE: **Border Crossings**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
AND81	IMPROVEMENT OF THE BORDER CROSSINGS IN THE NORTHERN DEPARTMENT OF SANTANDER AND THE TÁCHIRA STATE	CO - VE	PROFILING	2,000,000
AND02	BINATIONAL BORDER SERVICE CENTER (CEBAF) AT PARAGUACHÓN	VE	EXECUTION	2,000,000
AND13	IMPROVEMENT OF JOSÉ ANTONIO PÁEZ BRIDGE	CO	COMPLETED	0
AND19	PUERTO CARREÑO BORDER CROSSING	VE	PROFILING	1,000,000

RATIONALE

This structured project is designed to address existing problems, missing links and bottlenecks in the most important border crossings between Colombia and Venezuela, which concentrate the largest international trade flows by road in the Andean Hub. The border crossings included in this project are the following:

1) Binational Border Service Center (CEBAF) at Paraguachón: This border crossing, located between the Colombian department of La Guajira and the Bolivian state of Zulia, offers an alternative for bilateral trade, especially among the urban centers of northern Colombia and western Venezuela. At present, there are recently built premises of the National Integrated Customs and Tax Administration Service (SENIAT) in the village of Guarero, Venezuela, 6 km away from the border. Furthermore, a binational committee has been created at the request of the Presidential Commission on Integration and Border Affairs to evaluate the implementation of a single CEBAF on such premises. The road connection between northern Venezuela and Colombia need that the Paraguachón border crossing meet the requirements established in the CAN agreements involving the construction of binational border service centers.

2) Improvement of the Border Crossings in the Northern Department of Santander and the Táchira State: The Cúcuta-San Antonio border crossing hosts substantial activity in terms of foreign trade in goods, passenger and freight vehicle traffic, and flows of people. The border crossings included in this project are the following:

i. La Unión bridge: This is an alternative customs office to the ones in Cúcuta and San Antonio. It involves mainly Colombian coal sold to Venezuela, in spite of the limited capacity of the bridge. In 2004, 575,000 tons of this type of good entered Venezuela from Colombia, while 17,000 tons of perishable products were carried in the opposite direction; the number of freight vehicles amounted to 134,000, carrying an average load of slightly more than 4 tons.
ii. Aguaclara-Guarumito-La Fría corridor, an alternative border crossing to the La Unión bridge: This road corridor, which plays a strategic role, will contribute to an increased trade by land between both countries and, most importantly, will help rationalize Colombia's coal exports though Lake Maracaibo and leverage agro-industrial development in La Fría by promoting exports to Colombia.
iii. El Escobal-Ureña border crossing: Here, the two countries are connected by the Francisco de Paula Santander International Bridge. The main Colombian goods released at this border crossing for export to Venezuela were coal (1 million tons, a figure that declined in 2005) and sugarcane (53,000 tons), according to data provided by Colombia's Customs Authorities.
iv. Tienditas: This is a potential place for the implementation of a new physical link between both countries.
v. Villa del Rosario-San Antonio del Táchira border crossing: These two cities are connected by the Simón Bolívar International Bridge. In 2004, some 750,000 tons were transported in the direction of Venezuela, 250,000 of which are domestic transits within Colombia between Villa del Rosario and Arauca, consisting basically of equipment for oil exploration and, to a lesser extent, of beverages and empty returnable containers. The bridge has a short span and one lane for each direction of travel. Beside it are the piles of the old bridge, which was damaged by the current of the river and subsequently closed. (Data provided by Colombia's Customs Authorities.)

3) Improvement of José Antonio Páez Bridge: The purpose is to allow free-flowing traffic in the city of Arauca and to regularize the border crossing, which reduces transport costs and wait times for foreign trade goods originating in or bound to the inland and southwestern areas of the country.

The structured project includes the design of a development plan to implement the actions and infrastructure works involved.

Furthermore, as part of the complementary actions provided for, programs will be created to improve the quality of life of the population affected by border crossing activities by lowering general transportation costs. If this cost reduction brings about lower prices, it will benefit consumers of traded goods, enhance domestic production competitiveness, increase the transparency and quality of border controls —thus ensuring the integrity of fiscal, health and security policies—, and improve administrative efficiency —which promotes a similar behavior of the private sector—, among other favorable outcomes.

The challenges to this structured project are basically institutional, as great convergence efforts are required to implement integrated controls in the entire land connection system between Colombia and Venezuela.

PROPOSAL

This structured project is made up of four individual projects: i) Improvement of the Border Crossings in the Northern Department of Santander and the Táchira State; ii) Binational Border Service Center (CEBAF) at Paraguachón; iii) Improvement of José Antonio Páez Bridge; and iv) Puerto Carreño Border Crossing. The first project is intended to improve all the crossings within the area of influence of the most important border crossing in the Andean Hub, i.e. Cúcuta-San Antonio, and consists in implementing integrated controls to facilitate the movement of people and goods. The second project aims at implementing a CEBAF at the border crossing connecting the Colombian and the Venezuelan Atlantic coast. The third project involves the link currently missing to join Venezuela and Colombia through the Low-Altitude Corridor, with a view to formalizing activities at the border crossing; it seeks to improve the current conditions of the José Antonio Páez bridge and the access to the city of Arauca through the construction of a two-lane road, which will attract some of the traffic from the Cúcuta-San Antonio border crossing, alleviating congestion and reducing wait times. The fourth project is very important, as the Puerto Carreño border crossing will regulate the international trade by river to Venezuela along the Meta and Orinoco rivers.

CURRENT STATUS

The individual projects are part of the COSIPLAN Portfolio, and the Colombian projects are included in Colombia's National Development Plan 2010-2014 (Prosperity for All) and Multi-Annual Investment Plan 2011-2014. A study known as "Facilitation of Transport in the South American Border Crossings" was conducted within the framework of IIRSA, and one of the pilot projects selected therein is the Cúcuta-San Antonio border crossing, between Colombia and Venezuela, for which a series of short-, medium-, and long-term actions is proposed:

SHORT TERM

- A single CEBAF in Villa del Rosario for cargo and passengers:
  - Redefining facilities at the Villa del Rosario National Border Service Center (CENAF)
  - Involving the elimination of controls in San Antonio
- A single CEBAF in Ureña for cargo and passengers:
  - Involving the elimination of controls in El Escobal, on the Colombian side, rudimentarily performed at present due to space limitations

MEDIUM AND LONG TERMS

- Construction of the San Antonio-Ureña Ring Road
- Construction of a new bridge in Tenditas
- A single bidirectional CEBAF for cargo and passengers in the new bridge in Tienditas (for COMEX)
- A CEBAF with the characteristics of an Integrated Logistics Center for the storage, transfer and distribution of goods, and integrated with the new bridge. The country in which the new facilities will be set up is yet to be defined.
- La Fría-Guarumito: New road interconnection for Colombia and Venezuela

CAF has partially funded feasibility studies for the construction of a road and three bridges in the northern area of Táchira and the Norte de Santander department, known as "La Fría-Guarumito Road Corridor."

Subsequently, the construction of a CEBAF in one of the two countries will be incorporated.

As of the date of this report, no financing has been secured for implementing the actions intended to improve border crossings, except for the construction of a new bridge in Tienditas. With regard to the latter, in a communication dated October 24, 2011, the Ministers of Foreign Affairs of Colombia and Venezuela made a formal request for financial support from the Development Bank of Latin America to carry out the technical studies and works on the Villa Silvania (Colombia)-Tienditas (Venezuela) binational corridor. In an official letter dated October 31, 2011, addressed to the already-mentioned Ministers, the Executive President and CEO of CAF, Enrique García Rodríguez, said that his organization is ready to support the project.

Once the documents submitted to CAF for review are approved, a Tripartite Agreement must be signed by the Bank and the Ministers of Foreign Affairs of Venezuela and Colombia before proceeding with the call for tender for the project studies on the part of CAF. For this purpose, the technical officials responsible for monitoring the consultant selection process should be appointed. Subsequently, all the aspects necessary for CAF to announce the shortlist for tender will be defined. The process of opening the tenders and awarding and signing the consultancy contract takes a minimum of two months. It was agreed that the two countries will continue to analyze the most appropriate and fastest tendering and contract strategy for the construction of the bridge, taking into account the possible financing option made available by CAF, which involves foreign borrowing approval in accordance with the domestic procedures of each country.

7 DESAGUARDERO BINATIONAL BORDER SERVICE CENTER (CEBAF)

HUB: **ANDEAN**

GROUP/S: **G8**

COUNTRIES: **BOLIVIA-PERU**

ESTIMATED INVESTMENT: **US$4.0 million**

PROJECT TYPE: **Border Crossings**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
AND47	DESAGUADERO BINATIONAL BORDER SERVICE CENTER (CEBAF)	BO-PE	PRE-EXECUTION	4,047,170

RATIONALE

This individual project is located at the Peru-Bolivia border, 1.8 km away from where the Ilo-Desaguadero and Puno-Desaguadero roads, on the Peruvian side, and the La Paz-Desaguadero road, on the Bolivian side, converge. The purpose is to facilitate the flow of people, vehicles and goods, fostering bilateral as well as regional trade. In addition, complementary actions associated with the regulatory frameworks and with binationally-integrated border control operations have been identified.

As regards the new international bridge, border controls in the area of Carancas, in the Peruvian territory, are currently performed in provisional facilities located in an easement area. These rudimentary conditions pose obstacles to a smooth bilateral trade and tourism.

The opening of the new international bridge and the expected gradual closing of the "old" one has put on the agenda the urgent need for both countries to address the social issue in the town of Desaguadero on both sides, as the startup of the CEBAF has raised concerns among local residents as to the possibility that their way of life and border trade be destroyed.

It is worth mentioning that the Desaguadero border crossing is the most important one for trade between Peru and Bolivia.

PROPOSAL

The project provides for the construction of adequate facilities and the implementation of integrated border control systems in line with Decision 502 agreed upon by the member countries of the Andean Community of Nations concerning the implementation of integrated control systems at their border crossings.

CURRENT STATUS

This project belongs to the COSIPLAN Portfolio and was included in AIC 2005-2010, and at present is at the pre-execution stage.

After almost ten years of negotiations, in August 2011 Peru and Bolivia agreed on the construction of a CEBAF in a single customs office located on the Peruvian territory, where the Bolivian officers will have all the necessary facilities to perform their duties pursuant to their national rules and the operational guidelines set out by the Board of Administrators.

The Board of Administrators was established in 2005, and has been gaining experience and knowledge in relation to the operation of binational border controls.

As of the date of this report, Peru has taken the following actions:

a. Purchase of a tract of land for the construction of the Desaguadero CEBAF

b. Completion of a study in the alternative uses of the land adjacent to the CEBAF area
c. Undertaking of the Final Engineering Design Study on the Desaguadero CEBAF in accordance with the physical arrangement agreed upon (soon to be completed). The Bolivian authorities have played an active role in this study within the framework of the Board of Administrators.

Moreover, Peru has developed a cooperative relationship with the Aymara community living in the land where the plot for the CEBAF is located.

8 AUTOPISTA DEL SOL EXPRESSWAY: IMPROVEMENT AND REHABILITATION OF THE SULLANA - AGUAS VERDES SECTION (INCLUDING TUMBES BYPASS)

HUB: **ANDEAN**

GROUP/S: **G5**

COUNTRIES: **PERU**

ESTIMATED INVESTMENT: **US$41.2 million**

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
AND28	AUTOPISTA DEL SOL EXPRESSWAY: IMPROVEMENT AND REHABILITATION OF THE SULLANA - AGUAS VERDES SECTION (INCLUDING TUMBES BYPASS)	PE	PRE-EXECUTION	41,230,000

RATIONALE

This structured project is significant as it involves the most dynamic section of the most widely used road corridor of Peru, i.e. the North Pan-American Highway, which forms part of the structuring logistics corridor and is linked to one of the most important border crossings. This project is the most important one for connecting by land the north of Peru and the south of Ecuador; thus, it consolidates and enhances the regional connectivity network, creating significant cross-border synergies. Additionally, actions intended to harmonize transport-related standards are identified since there are still cargo transfer deficiencies at the border.

The Zarumilla-Aguas Verdes section, of continental importance, is part of the Pan-American Highway. At present, it caters for the greatest road traffic volume between Peru and Ecuador and, since the Peace Accords were signed, trade flows through the Huaquillas-Aguas Verdes CEBAF have experienced a significant increase, as trade volumes grew by three times and annual vehicle traffic figures rose by five times. In 2010, the average daily traffic (ADT) in the Zarumilla-Aguas Verdes stretch was 1,365 vehicles in the direction of Huaquillas, Ecuador, 277 of which were trailer and semi-trailer trucks. Integrated controls at the Huaquillas-Aguas Verdes CEBAF are helping add dynamism to transportation flows from and to Ecuador.

Within the framework of the Binational Plan, both Peru and Ecuador have been implementing various multisectoral actions at the bilateral level to facilitate services and increase trade and tourism flows on the common border —with the purpose of enhancing living conditions in the border region— as well as to improve the road network and border controls.

Some of the most important projects included in the Binational Plan involve five bilateral road axes; their objective is to create a land interconnection network that will serve as a basis for development in the common border area.

In 2011, total bilateral trade amounted to more than US$2.8 billion, with trade in non-oil products alone accounting for more than US$1.2 billion. As for freight traffic along the Aguas Verdes-Huaquillas border road section, in 2010 it reached an average of 547 tons per day in terms of inbound cargo and 296 tons per day in terms of outbound cargo.

PROPOSAL

The alignment for this highway begins in the city of Sullana (Piura Department) and passes through the cities of Talara, Tumbes and Zorritos; in Zorritos it divides into two branches: one going to Aguas Verdes, and the other being a newly constructed alternative road to access the new international bridge and its CEBAF.

CURRENT STATUS

The Sullana-Aguas Verdes road is in good condition for traffic. Some improvement works to bridges are underway, and some other, which are at the final engineering design stage and scheduled to commence in 2013, will be financed with public resources.

CAPRICORN HUB (ARGENTINA, BOLIVIA, BRAZIL, CHILE, AND PARAGUAY)

The Capricorn Hub comprises four homogeneous although differentiated regions: the Atlantic Coastal Region, formed by the states of Rio Grande do Sul, Santa Catarina and Paraná, in Brazil, and the southwestern Mato Grosso meso-region of the state of Mato Grosso do Sul; the Northeastern Region, comprised by northeastern Argentina (provinces of Misiones, Corrientes, Formosa, Chaco, and the north of Santa Fe) together with the eastern region of Paraguay; the Northwestern Region, formed by northwestern Argentina (Santiago del Estero, Tucumán, La Rioja, Catamarca, Salta, Jujuy and four municipalities of Córdoba), the western region of Paraguay and the departments of Santa Cruz, Tarija and Potosí, in Bolivia; and the Pacific Coastal Region, including the north of Chile (Regions I, II, and III: Tarapacá, Antofagasta, and Atacama, respectively).

The area of influence of this Hub covers approximately 2,798,318 km^2, accounting for 20.6% of the combined total area of the five countries that make it up. The population of the Capricorn Hub was approximately 49,899,979 in 2008, accounting for 19% of the sum of the total population of the countries that make it up. Furthermore, an average population density of almost 18 inhabitants per km^2 for the area of influence is estimated, which is a medium to low level overall, with a strong geographic dispersion.

The Agenda includes projects from four of the five project groups of this Hub: i) G1 - Antofagasta - Paso de Jama Border Crossing - Jujuy - Resistencia - Formosa - Asunción; ii) G2 - Salta - Villazón - Yacuiba - Mariscal Estigarribia; iii) G3 - Asunción - Paranaguá; and iv) G4 - Presidente Franco - Puerto Iguazú - Pilar - Resistencia.

Table 8 shows the 18 individual projects that make up the five structured projects of the Capricorn Hub incorporated into API. The investments involved amount to US$4,435 million. The projects are aimed at improving the bridges and border crossings in two important areas connecting Argentina and Bolivia; creating a bioceanic railway corridor between Paranaguá and Antofagasta; improving the connection of the Atlantic and Pacific oceans through Foz do Iguaçu for the benefit of Argentina, Brazil and Paraguay; and strengthening trade in energy among Argentina, Brazil and Paraguay through two transmission lines carrying 500-kV each. These projects comply with the selection criteria set out for inclusion in the Agenda and are consistent with the strategic functions of the Hub's project groups involved in API.

MAP 4: API PROJECTS - CAPRICORN HUB

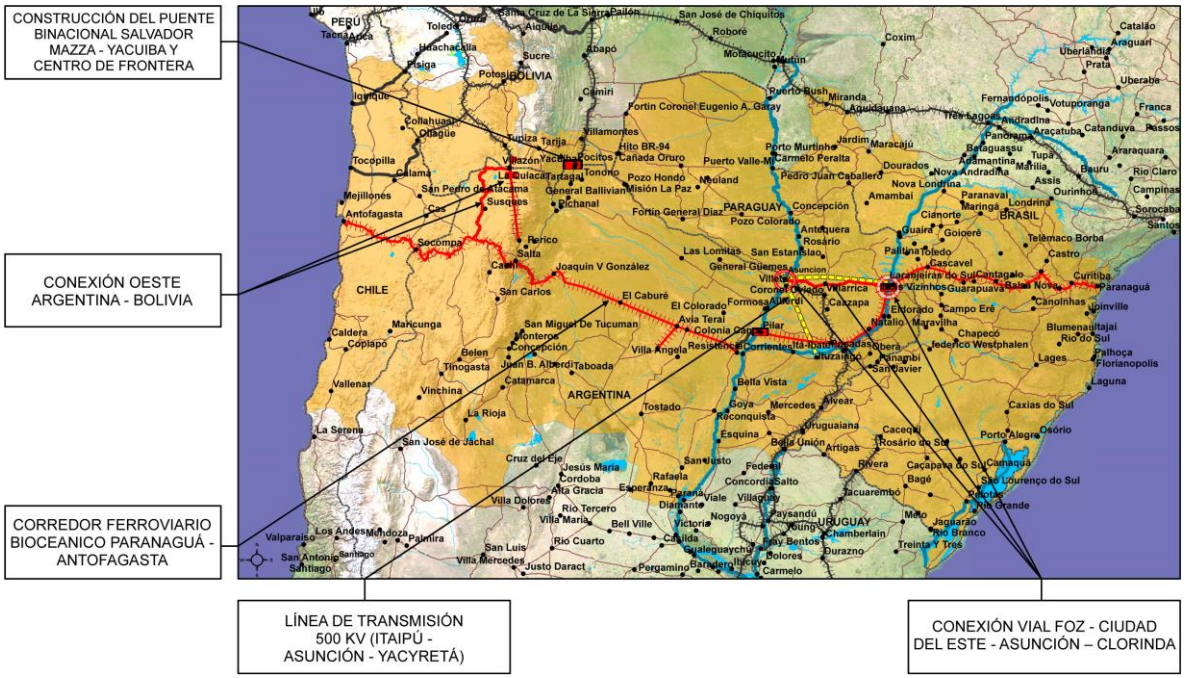


TABLE 8: API PROJECTS - CAPRICORN HUB

No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
9	CAP	CONSTRUCTION OF THE SALVADOR MAZZA YACUIBA BINATIONAL BRIDGE AND BORDER CENTER	ARGENTINA/ BOLIVIA	USD 23.0	CAP10	CONSTRUCTION OF THE SALVADOR MAZZA - YACUIBA BINATIONAL BRIDGE AND BORDER CENTER	AR - BO	G2	PRE-EXECUTION	23,000,000
10	CAP	ARGENTINA - BOLIVIA WEST CONNECTION	ARGENTINA/ BOLIVIA	USD 477.0	CAP81	LA QUIACA - VILLAZÓN BRIDGE AND BORDER CENTER	AR - BO	G2	PROFILING	15,000,000
					CAP11	REHABILITATION OF JUJUY - LA QUIACA RAILWAY	AR	G2	PRE-EXECUTION	62,000,000
					CAP50	PAVING OF NATIONAL ROUTE NO. 40, MINING CORRIDOR PATH (BORDER WITH BOLIVIA)	AR	G2	PRE-EXECUTION	400,000,000
11	CAP	PARANAGUÁ - ANTOFAGASTA BIOCEANIC RAILWAY CORRIDOR	ARGENTINA/ BRAZIL/ CHILE/ PARAGUAY	USD 2,740.8	CAP20	CASCAVEL - FOZ DO IGUAÇU BIOCEANIC RAILWAY CORRIDOR	BR	G3	PRE-EXECUTION	324,000,000
					CAP23	OPTIMIZATION OF THE ÑEEMBUCÚ - BERMEJO BRIDGE NODE	AR - PA	G4	PRE-EXECUTION	61,206,392
					CAP29	CONSTRUCTION OF CIUDAD DEL ESTE - PILAR RAILWAY	PA	G4	PRE-EXECUTION	438,600,000
					CAP37	REHABILITATION OF THE C3 RAILWAY BRANCH LINE: RESISTENCIA - AVIA TERAI - PINEDO	AR	G1	PRE-EXECUTION	104,000,000
					CAP38	REHABILITATION OF THE C12 RAILWAY BRANCH LINE: AVIA TERAI - METÁN	AR	G1	PRE-EXECUTION	212,000,000
					CAP39	REHABILITATION OF THE C14 RAILWAY BRANCH LINE: SALTA - SOCOMPA	AR	G1	PRE-EXECUTION	60,000,000
					CAP52	RAILWAY BRIDGE WITH FREIGHT YARD (CIUDAD DEL ESTE - FOZ DO IGUAÇU)	BR - PA	G3	PRE-EXECUTION	40,971,000
					CAP53	BIOCEANIC RAILWAY CORRIDOR: PARANAGUÁ - CASCAVEL SECTION AND GUARAPUAVA - INGENIERO BLEY RAILWAY BYPASS	BR	G3	PRE-EXECUTION	1,500,000,000
					CAP91	BIOCEANIC RAILWAY CORRIDOR, CHILEAN SECTION (ANTOFAGASTA – SOCOMPA) [2]	CH	G1	COMPLETED [1]	0
12	CAP	FOZ DO IGUAÇU - CIUDAD DEL ESTE - ASUNCIÓN - CLORINDA ROAD CONNECTION	ARGENTINA/ BRAZIL/ PARAGUAY	USD 439.7	CAP07	OPTIMIZATION OF THE CLORINDA - ASUNCIÓN NODE	AR - PA	G1	PRE-EXECUTION	101,206,392
					CAP14	NEW PUERTO PRESIDENTE FRANCO - PORTO MEIRA BRIDGE, WITH A PARAGUAY - BRAZIL INTEGRATED CONTROL AREA	BR - PA	G3	PRE-EXECUTION	202,450,000
					CAP18	CONCESSION FOR THE IMPROVEMENT OF ROUTES NO. 2 AND 7 (ASUNCIÓN - CIUDAD DEL ESTE)	PA	G3	PRE-EXECUTION	136,000,000
13	CAP	ITAIPU - ASUNCIÓN - YACYRETÁ 500-KV TRANSMISSION LINE	BRAZIL/ PARAGUAY	USD 755.0	CAP67	500-KV TRANSMISSION LINE (ITAIPU - ASUNCIÓN)	BR - PA	G3	EXECUTION	555,000,000
					CAP68	500-KV TRANSMISSION LINE (YACYRETÁ - AYOLAS - CARAYAO)	PA	G3	PRE-EXECUTION	200,000,000
									TOTAL	4,435,433,784

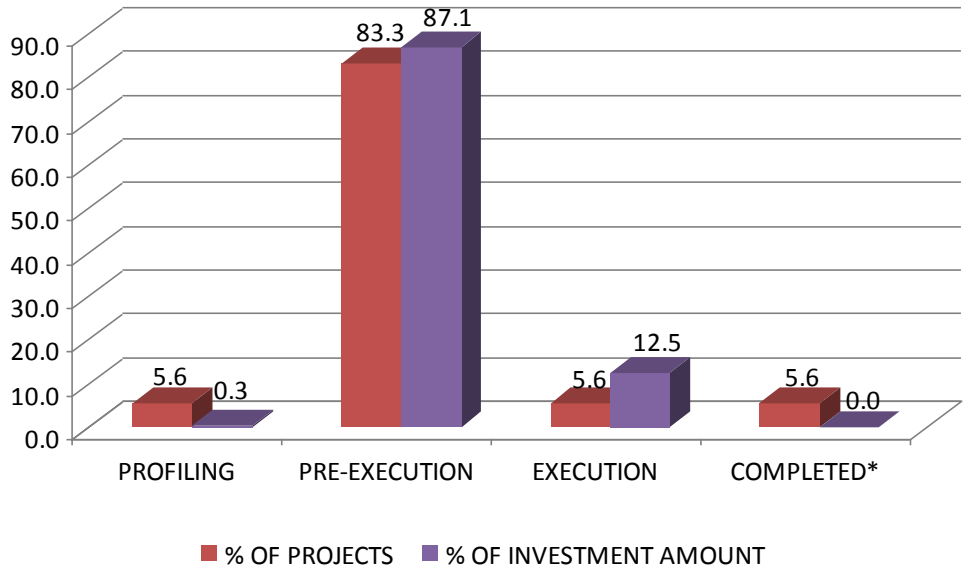
1 This individual project has been completed and was incorporated into API because it complements the connectivity network of the structured project.

TABLE 9: API PROJECTS - CAPRICORN HUB BY IMPLEMENTATION STAGE
(million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	1	5.6	15.0	0.3
PRE-EXECUTION	15	83.3	3,865.4	87.1
EXECUTION	1	5.6	555.0	12.5
COMPLETED*	1	5.6	0.0	0.0
TOTAL	**18**	**100.0**	**4,435.4**	**100.0**

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.
* This Hub includes an individual project that forms part of a structured project that was already completed when API was set up. The project concerned is CAP91 and its investment amount is not available.

FIGURE 6: API PROJECTS - CAPRICORN HUB BY IMPLEMENTATION STAGE
(% of number of projects and % of investment amount)

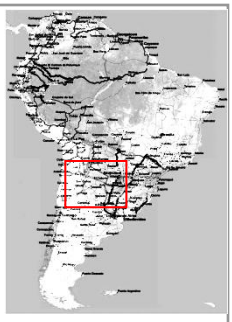


9 CONSTRUCTION OF THE SALVADOR MAZZA - YACUIBA BINATIONAL BRIDGE AND BORDER CENTER

HUB: **CAPRICORN**

GROUP/S: **G2**

COUNTRIES: **ARGENTINA-BOLIVIA**



ESTIMATED INVESTMENT: **US$23.0 million**

PROJECT TYPE: **Border Crossings**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
CAP10	CONSTRUCTION OF THE SALVADOR MAZZA - YACUIBA BINATIONAL BRIDGE AND BORDER CENTER	AR-BO	PRE-EXECUTION	23,000,000

RATIONALE

This structured project consolidates the regional networks and favors cross-border synergies between Argentina and Bolivia.

At present, the border crossing has a 34-meter long, 8.3-meter wide international bridge that connects highly urbanized areas on both sides of the border. The cities located in the vicinity of this crossing are Salvador Mazza, in Argentina, and Yacuiba, in Bolivia, and the bridge is known as YASMA.

The construction of a new bridge seeks to come up with a solution to the existing serious difficulties at the border crossing between both countries and to ensure the smooth flow of international freight and passenger traffic as well as of pedestrians. The problem is that the current bridge is an urban road used for both local border traffic and international traffic.

The purpose is to solve such traffic congestion by ordering and articulating traffic flows between the border cities, taking into account territorial planning and the promotion of production and social activities in the region.

PROPOSAL

The proposal includes constructing a new international bridge, implementing a border center and improving the approach roads. This border crossing is part of the main road corridor between Argentina and Bolivia, which consists of Argentine National Route No. 34 and Route No. 9 of the Bolivian Fundamental Road Network. These highways link the province of Salta, in Argentina, with the southeastern departments of Bolivia, particularly Santa Cruz de la Sierra, where the only improved transport corridor of Bolivia, running to Cochabamba and La Paz, begins.

The new bridge and the border center will be located near the current Salvador Mazza-Yacuiba bridge, which links Argentina and Bolivia. The future bridge will be accessed from National Route No. 34 (from Aguaray to the border with Bolivia).

CURRENT STATUS

The only individual project of this structured project forms part of the COSIPLAN Portfolio and is included in the Argentine Strategic Territorial Plan and the Bolivian Development Plan. Furthermore, an exchange of notes between both countries was effected expressing support to the project. At present, the project is at the pre-execution stage.

A binational work group was created in order to take actions and follow up on the construction of the YASMA bridge, analyzing the building of a single customs office as proposed by Argentina, an issue being currently negotiated by both countries.

Moreover, a change of the route alignment at Yacuiba was agreed this year, for which purpose the Bolivian Road Administration reviewed the project of the new YASMA bridge as well as the plans for the approach roads.

For the project to be modified, an aerial topographic survey using LIDAR technology will be required. To this effect, the National Road Directorate of Argentina will issue a call for tender to select a service contractor before the end of 2012.

With the results obtained, the project will be redefined and a tender will be called in 2013 to undertake the works.

10 ARGENTINA - BOLIVIA WEST CONNECTION

HUB: **CAPRICORN**

GROUP/S: **G2**

COUNTRIES: **ARGENTINA-BOLIVIA**

ESTIMATED INVESTMENT: **US$477.0 million**

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
CAP81	LA QUIACA - VILLAZÓN BRIDGE AND BORDER CENTER	AR - BO	PROFILING	15,000,000
CAP11	REHABILITATION OF JUJUY - LA QUIACA RAILWAY	AR	PRE-EXECUTION	62,000,000
CAP50	PAVING OF NATIONAL ROUTE NO. 40, MINING CORRIDOR PATH (BORDER WITH BOLIVIA)	AR	PRE-EXECUTION	400,000,000

RATIONALE

The objective of this structured project is to solve the lack of efficient connectivity in the region, as the existing infrastructure has become a gridlock. The purpose is to turn the area into an integration node with a multimodal configuration, articulating and planning the use of the land, promoting the growth of production activities, and ordering traffic flows, thus preventing international freight trucks from entering border cities and towns.

The project will create significant synergies in terms of binational integration through the implementation of the individual projects included, covering a territorial strip that goes from the province of Jujuy in Argentina to the city of Oruro in Bolivia.

The implementation of this project will result in a smoother connection between the countries and shorter wait times on both sides of the border for freight and passenger traffic. Thus, the new alignment of Route No. 40 in Argentina, the construction of a new bridge, the establishment of a border center, and the rehabilitation of the Jujuy-La Quiaca railway will help reverse the sprawl of the cities and towns adjacent to the current border crossing and alleviate vehicular and pedestrian traffic.

In addition, complementary actions are needed to properly serve the border strip, including border crossing infrastructure, management of the border service center, and the tapping of opportunities for the implementation of measures aimed at improving logistics and production integration, all this taking into account the preservation of the environment and any other significant territorial impact.

PROPOSAL

This structured project is made up of the following individual projects:

i) Rehabilitation of Jujuy - La Quiaca Railway
ii) Paving of National Route No. 40, Mining Corridor Path (Border with Bolivia)
iii) La Quiaca (Argentina) - Villazón (Bolivia) Bridge and Border Center

The railway route starts in the city of Jujuy and runs to the farthest northeastern town of Argentina —La Quiaca—, connecting with the town of Villazón in Bolivia through the current rail bridge. The route continues on the Bolivian territory up to Oruro. In addition, the new bridge and border center to be constructed would be close to the existing international bridge.

With regard to National Route No. 40 in the province of Jujuy (Mining Corridor Path), the new alignment starts in San Antonio de los Cobres, in the province of Salta (in the proximity of the border with the province of Jujuy), passes through a series of localities, and ends in La Quiaca (border with Bolivia).

CURRENT STATUS

All the projects form part of the COSIPLAN Portfolio and are included in the Argentine Strategic Territorial Plan and the Bolivian National Development Plan. Each individual project is in a different phase —the rail rehabilitation project has completed its pre-feasibility study, the paving of National Route No. 40 is at the pre-execution stage, while the alignment and bridge with border center project is at the profiling stage.

Therefore, it is advisable to conduct a comprehensive study to identify the stages for their implementation, follow-up and monitoring. In addition, it is expected that before the end of this year the Joint Technical Group will resume its meetings aimed at strengthening the technical dialogue on sectoral issues of common interest, particularly in relation to border integration, in order to coordinate actions with a view to improving connectivity.

11 PARANAGUÁ - ANTOFAGASTA BIOCEANIC RAILWAY CORRIDOR

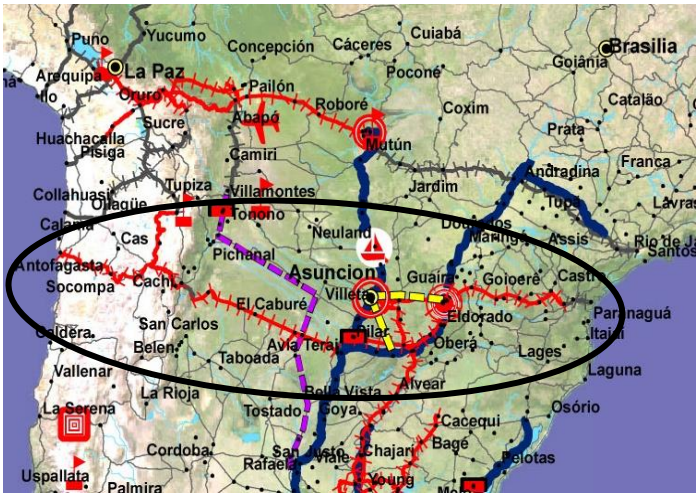
HUB: **CAPRICORN**

GROUP/S: **G1, G3 and G4**

COUNTRIES: **ARGENTINA-BRAZIL-CHILE-PARAGUAY**

ESTIMATED INVESTMENT: **US$2,740.8 million**

PROJECT TYPE: **Rail Transportation**



INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
CAP20	CASCAVEL - FOZ DO IGUAÇU BIOCEANIC RAILWAY CORRIDOR	BR	PRE-EXECUTION	324,000,000
CAP23	OPTIMIZATION OF THE ÑEEMBUCÚ - BERMEJO BRIDGE NODE	AR - PA	PRE-EXECUTION	61,206,392
CAP29	CONSTRUCTION OF CIUDAD DEL ESTE - PILAR RAILWAY	PA	PRE-EXECUTION	438,600,000
CAP37	REHABILITATION OF THE C3 RAILWAY BRANCH LINE: RESISTENCIA - AVIA TERAI - PINEDO	AR	PRE-EXECUTION	104,000,000
CAP38	REHABILITATION OF THE C12 RAILWAY BRANCH LINE: AVIA TERAI - METÁN	AR	PRE-EXECUTION	212,000,000
CAP39	REHABILITATION OF THE C14 RAILWAY BRANCH LINE: SALTA - SOCOMPA	AR	PRE-EXECUTION	60,000,000

CAP52	RAILWAY BRIDGE WITH FREIGHT YARD (CIUDAD DEL ESTE - FOZ DO IGUAÇU)	BR - PA	PRE-EXECUTION	40,971,000
CAP53	BIOCEANIC RAILWAY CORRIDOR: PARANAGUÁ - CASCAVEL SECTION AND GUARAPUAVA - INGENIERO BLEY RAILWAY BYPASS	BR	PRE-EXECUTION	1,500,000,000
CAP91	BIOCEANIC RAILWAY CORRIDOR, CHILEAN SECTION (ANTOFAGASTA - SOCOMPA)	CH	COMPLETED [(1)]	0

RATIONALE

The Paranaguá-Antofagasta rail corridor is often mentioned in joint statements issued by the Presidents of the countries involved as an emblematic project for the regional infrastructure integration process.

This project aims at providing a multilateral rail connection for cargo transportation in the Capricorn Hub, linking the countries concerned from the Antofagasta port, in Chile, through the northern area of Argentina, Paraguay and the Brazilian territory up to the Paranaguá port in Brazil.

The bioceanic corridor seeks to reduce the medium- and long-distance logistics costs and encourage trade. It will facilitate the exchange of goods between the eastern and western margins of the continent, by enabling the transport of the increasing flows of imports and exports from and to South America, either through the Atlantic or the Pacific oceans. This access facilitation is expected to have a positive impact on the integration of logistics and production chains, especially those related to grain, meat and mineral processing.

The purpose of the project is to strengthen a connectivity network with a regional scope by integrating existing rail networks and consolidating a physical and operational single unit. In addition, it provides for complementary works and for other structural, regulatory, technical security and operational conditions required to ensure a continuous flow as well as an effective integration of all the sections.

In general, railway systems are old and in poor condition, which does not allow big trains to run. Therefore, this project is of great importance, as it will help increase rail-dependent economies of scale.

PROPOSAL

The nine individual projects that constitute this structured project are aimed at rehabilitating rail lines, building stretches of track that represent missing links, and strengthening or upgrading the bridges and freight yards, resulting in a meter gage railway interconnecting the four countries and the Pacific and Atlantic oceans.

Three of the nine projects are located in Argentina and their purpose is to rehabilitate rail tracks, namely: i) Rehabilitation of the C3 Railway Branch Line: Resistencia - Avia Terai - Pinedo; ii) Rehabilitation of the C12 Railway Branch Line: Avia Terai - Metán; and iii) Rehabilitation of the C14 Railway Branch Line: Salta - Socompa.

Two projects involve the Brazilian territory: i) the construction of the Cascavel-Foz do Iguaçu stretch; and ii) the upgrade of the Paranaguá-Cascavel section and the construction of the Guarapuava-Engenheiro Bley rail bypass.

One project is located in Chile: Bioceanic Railway Corridor, Chilean Section (Antofagasta - Socompa).

Another one is in Paraguay: Construction of Ciudad del Este - Pilar Railway.

There is a further project articulating Argentina with Paraguay: Optimization of the Ñeembucú - Bermejo Bridge Node.

Finally, another project joins Brazil and Paraguay: Railway Bridge with Freight Yard (Ciudad del Este - Foz do Iguaçu).

Additionally, it will be necessary to define and apply common parameters in all the countries for customs surveillance purposes, involving the most important operational patterns as well as actions aimed at improving regulatory, institutional and operational models. Thus, it is essential to work on a legal framework that should produce an adequate integrated operation scheme and smooth coordination mechanisms among the agencies in charge of the different sections that form part of the project.

CURRENT STATUS

The rehabilitation and improvement of the rail sections making up this corridor are included in the National Plans of the countries concerned.

At the Sixth Meeting of the Work Group on the Rail Integration of the Atlantic-Pacific Bioceanic Corridor, a report on the studies funded by the Brazilian Development Bank (BNDES) was submitted for reference purposes only —i.e. it is not binding—, together with the progress on the sections in

each country.

One of the individual projects is completed (the Antofagasta-Socompa section, in Chile), and the other eight are at the pre-execution stage.

12 FOZ DO IGUAÇU - CIUDAD DEL ESTE - ASUNCIÓN - CLORINDA ROAD CONNECTION

HUB: **CAPRICORN**

GROUP/S: **G1 and G3**

COUNTRIES: **ARGENTINA-BRAZIL-PARAGUAY**

ESTIMATED INVESTMENT: **US$439.7 million**

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
CAP07	OPTIMIZATION OF THE CLORINDA - ASUNCIÓN NODE	AR - PA	PRE-EXECUTION	101,206,392
CAP14	NEW PUERTO PRESIDENTE FRANCO - PORTO MEIRA BRIDGE, WITH A PARAGUAY-BRAZIL INTEGRATED CONTROL AREA	BR - PA	PRE-EXECUTION	202,450,000
CAP18	CONCESSION FOR THE IMPROVEMENT OF ROUTES NO. 2 AND 7 (ASUNCIÓN - CIUDAD DEL ESTE)	PA	PRE-EXECUTION	136,000,000

RATIONALE

This structured project is fundamental to boost the economic activities between the metropolitan capital of Paraguay through the so-called Triple Frontier (Foz do Iguaçu, Ciudad del Este, Puerto Iguazú) up to the city of Clorinda, in Argentina. It therefore strengthens networks that are regional in scope and is instrumental in fostering regional connectivity and integration.

As for the structured project as a whole, there are important logistics and production integration opportunities to improve the quality of life of the population in the countries involved.

In this regard, this project seeks to enhance transportation in the Clorinda (Argentina), Asunción (Paraguay) and Paranaguá (Brazil) axis, which will cause a high impact on the integration of these cities with the southern and southeastern regions of Brazil. There is already an intense trade flow between the state of Paraná and Paraguay, the main production integration opportunities being those related to the seeds-fertilizers-capital goods-grain-poultry production chain. The completion of the transmission line being constructed between the Itaipu hydroelectric dam and the capital of Paraguay is expected to enhance the integration of production chains, including energy-intensive industries.

Furthermore, from the city of Clorinda, located in the province of Formosa, the project connects to the west, through National Routes No. 11 and 81, with the Jama border crossing in the province of Jujuy, with the aim of getting into Chile (Iquique, Antofagasta and Mejillones ports) to export goods through the Pacific ocean.

It should be noted that the 193-km long Route No. 7 is a national road in Paraguay. It starts in the city of Coronel Oviedo and ends in Ciudad del Este at the Puente de la Amistad (Friendship Bridge), on the border with Brazil. On the west, in Coronel Oviedo, the name of the road changes and becomes National Route No. 2, ending in the city of Asunción. To the east, when it enters the Brazilian territory from Ciudad del Este, its name is BR-277 and is 132 km long. Along its sections, the highway has either two or four lanes.

PROPOSAL

This structured project is made up of three individual projects located between Asunción and the border area of Foz do Iguaçu, in Brazil.

The goal of the first project is to devise an alternative to the crossroads in the Clorinda-Asunción Metropolitan Area node. Although the carrying capacity of the current bridge, known as San Ignacio de Loyola, is adequate for existing traffic, there is a concern about frequent congestion at both ends of the bridge.

The second project involves the construction of a second international bridge over the Paraná river to enhance the connection between Brazil and Paraguay, in addition to a border center for integrated control operations. The purpose is to contribute to the orderly growth of border cities and towns, enhance transportation systems, and improve border surveillance.

The third project is aimed at awarding the concession for the operation and improvement of the two busiest highways in Paraguay, located between Asunción and Ciudad del Este. These highways form part of the Asunción-Paranaguá corridor and will facilitate trade between Brazil and Paraguay.

CURRENT STATUS

The Optimization of the Clorinda - Asunción Node project forms part of the Argentine Strategic Territorial Plan, and its binational study will be funded through a contingent-recovery technical cooperation agreement entered into by both countries and FONPLATA.

The New Puerto Presidente Franco - Porto Meira Bridge project is included in the Brazilian Growth Acceleration Program (or PAC, its acronym in Portuguese), and a bilateral agreement concerning its implementation, which came into force on October 1, 2008, has been signed and approved by the Brazilian and Paraguayan congresses. The project is at the pre-execution stage. The studies started in September 2007, and works are scheduled to be completed by April 2015.

In addition, the commencement of the studies for the improvement of Routes No. 2 and 7 is contingent on the approval of the Paraguayan Congress, which is currently considering the project.

13 ITAIPU - ASUNCIÓN – YACYRETÁ 500-KV TRANSMISSION LINE

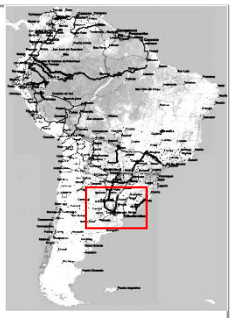
HUB: **CAPRICORN**

GROUP/S: **G3**

COUNTRIES: **BRAZIL-PARAGUAY**

ESTIMATED INVESTMENT: **US$755.0 million**

PROJECT TYPE: **Energy Transmission**



INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
CAP67	500 KV TRANSMISSION LINE (ITAIPU - ASUNCIÓN)	BR - PA	EXECUTION	555,000,000
CAP68	500 KV TRANSMISSION LINE (YACYRETÁ - AYOLAS - CARAYAO)	PA	PRE-EXECUTION	200,000,000

RATIONALE

This structured project supports networks with a regional scope, since it will substantially enhance power supply security in Paraguay as well as facilitate electricity exchange with Argentina through the 220-kV interconnection already in place between the cities of Clorinda (Argentina) and Guarambaré (Paraguay). Furthermore, the need for complementary actions in the regulatory field has been pointed out, with a view to facilitating trade in electric power between Argentina and Paraguay.

This project is in line with the Declaration of Intent issued by the Government of the Federal Republic of Brazil and the Government of the Republic of Paraguay over a technical cooperation for the development of the basic design of the 500-kV transmission line between the Itaipu-Right Bank Substation and the Limpio Substation in the city of Asunción, signed on June 28, 2007, in Asunción, as well as with the Joint Declaration of the Presidents of Brazil and Paraguay made on July 25, 2009, in Asunción.

The purpose of the 500-kV Transmission Line (Itaipu - Asunción) project is to improve service quality and supply reliability, providing a solution to the low voltage of the grid that supplies the city of Asunción. The intention is to reduce the significant technical losses in transmission, which can be as high as 10% during peak hours. The transmission lines are currently operating at more than 85% of their capacity, and the power transformers of the interconnection with the Itaipu dam were already operating at full capacity in 2011. The purpose of the 500-kV Transmission Line (Yacyretá - Ayolas - Carayao) project is to improve service quality and supply reliability by coming up with a solution to the low voltage of the grid, which will help reduce technical losses as high as 10% during peak hours. At present, the transmission lines are operating at more than 70% of their capacity, and the transformers are being used at almost full capacity.

PROPOSAL

This structured project comprises two individual projects concerned with electric-power transmission lines: i) 500-kV Transmission Line (Itaipu - Asunción); and ii) 500-kV Transmission Line (Yacyretá - Ayolas - Carayao). The first line extends from the right bank of the Itaipu dam to the Villa Hayes-Asunción power station. The second line runs from Yacyretá (Ayolas) to the Villa Hayes-Asunción power station, with an extension to the Carayao power station.

CURRENT STATUS

The Itaipu-Asunción 500-kv transmission line project is at the execution stage and scheduled to be completed approximately in December 2013. The Yacyretá-Ayolas-Carayao 500-kv transmission line project is at the pre-execution stage, but its studies have already been completed.

GUIANESE SHIELD HUB (BRAZIL, GUYANA, SURINAME AND VENEZUELA)

This Hub covers the eastern region of Venezuela (the states of Anzoátegui, Bolívar, Delta Amacuro, the Capital District, Nueva Esparta, Guárico, Miranda, Monagas, Sucre, and Vargas), Brazil's northern arc (the states of Amapá, Roraima, Amazonas, and Pará), and all of the territory of Guyana and Suriname. The area of influence defined for the Hub covers 4,002,555 km^2, accounting for 40.8% of the total area of the countries that make it up.

In 2008, the total population of the area of influence was estimated at 24,488,563 inhabitants, accounting for 11.2% of the total population of the countries that make up the Hub. Furthermore, the area of influence has an average population density of a little over 6 inhabitants per km^2. This indicator ranges from a maximum 4,830 inhabitants per km^2 in the Capital District of Venezuela to a minimum of almost 2 inhabitants per km^2 in the Brazilian state of Roraima. The region has one of the lowest population densities of the Integration and Development Hubs defined within the framework of API.

API includes projects from three of the four project groups of this Hub: i) G1 - Venezuela - Brazil Interconnection; ii) G2 - Brazil - Guyana Interconnection; and iii) G3 - Venezuela (Ciudad Guayana) - Guyana (Georgetown) - Suriname (Paramaribo) Interconnection.

Table 9 shows the four individual projects that make up the three structured projects of the Guianese Shield Hub incorporated into API. The investments involved amount to US$901 million. The projects are aimed at enhancing road connection between Caracas and Manaus; paving the still unsurfaced sections of the main connection between Brazil and Guyana; improving the routes interconnecting Ciudad Guayana (Venezuela) - Georgetown (Guyana) and Apura - Zanderij - Paramaribo (Suriname); and, finally, building a bridge linking Guyana and Suriname over the Corentyne river. The three projects comply with the selection criteria set out for inclusion in the Agenda, and their purpose is significantly in line with the strategic functions of the Hub's project groups involved in API.

MAP 5: API PROJECTS - GUIANESE SHIELD HUB

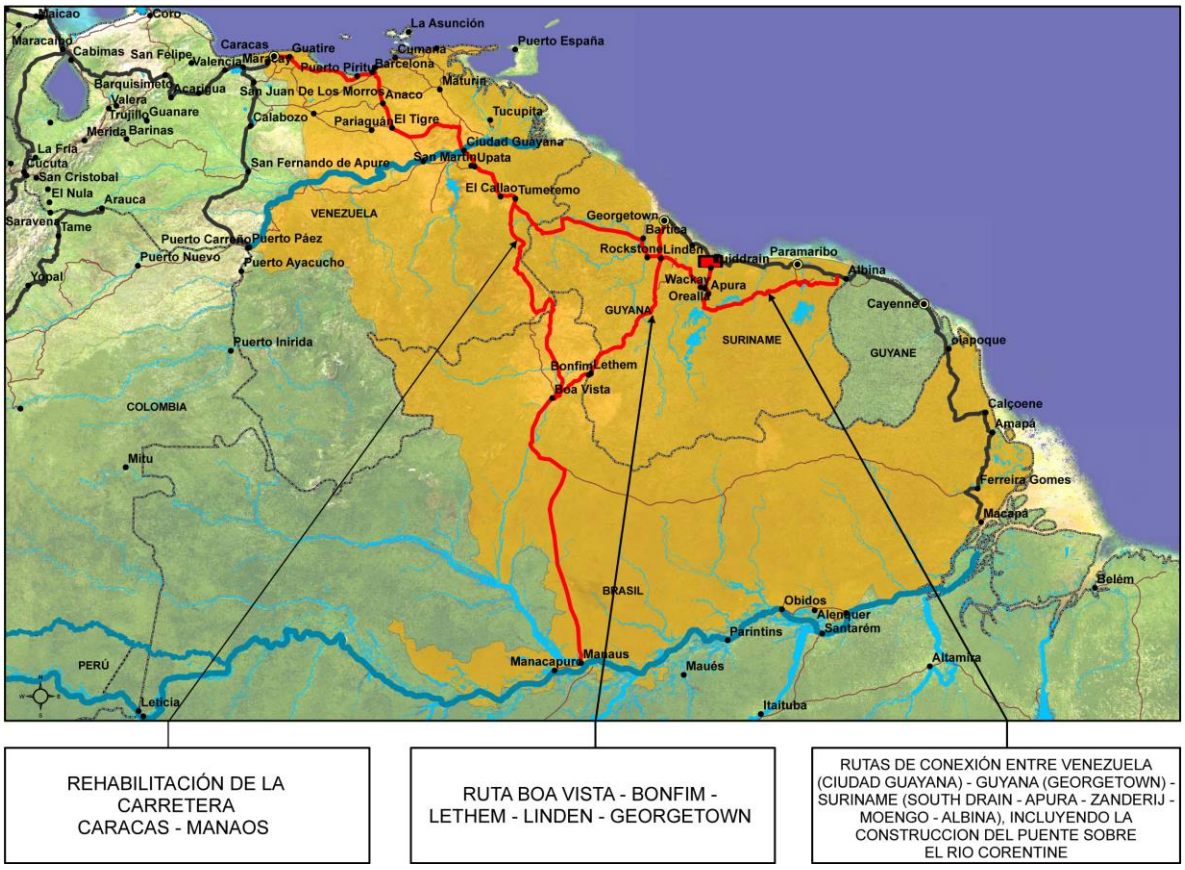


TABLE 9: API PROJECTS - GUIANESE SHIELD HUB

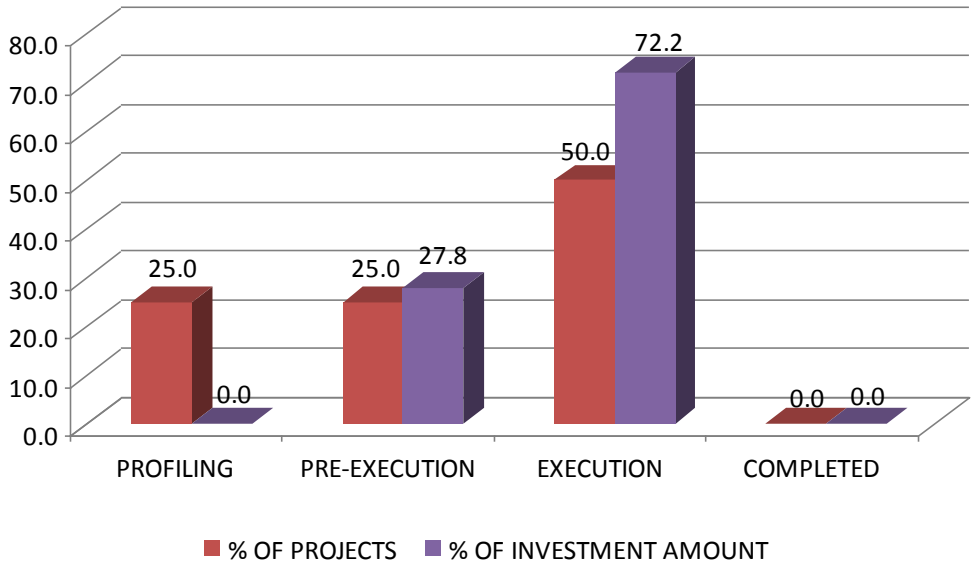
No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
14	GUY	REHABILITATION OF THE CARACAS - MANAUS ROAD	BRAZIL/ VENEZUELA	USD 350.0	GUY01	REHABILITATION OF THE CARACAS - MANAUS ROAD	BR - VE	G1	EXECUTION	350,000,000
15	GUY	BOA VISTA - BONFIM - LETHEM - LINDEN - GEORGETOWN ROAD	BRAZIL/ GUYANA	USD 250.0	GUY09	BOA VISTA - BONFIM - LETHEM - LINDEN - GEORGETOWN ROAD	BR - GU	G2	PRE-EXECUTION	250,000,000
16	GUY	ROUTES INTERCONNECTING VENEZUELA (CIUDAD GUAYANA) - GUYANA (GEORGETOWN) - SURINAME (SOUTH DRAIN - APURA - ZANDERIJ - MOENGO - ALBINA), INCLUDING CONSTRUCTION OF THE BRIDGE OVER THE CORENTYNE RIVER	GUYANA/ SURINAME/ VENEZUELA	USD 300.8	GUY18	ROUTES INTERCONNECTING VENEZUELA (CIUDAD GUAYANA) - GUYANA (GEORGETOWN) - SURINAME (APURA - ZANDERIJ - PARAMARIBO)	GU - SU - VE	G3	EXECUTION	300,800,000
					GUY24	CONSTRUCTION OF THE BRIDGE OVER THE CORENTYNE RIVER	GU - SU	G3	PROFILING	0
									TOTAL	900,800,000

TABLE 10: API PROJECTS - GUIANESE SHIELD HUB BY IMPLEMENTATION STAGE
(million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	1	25.0	0.0	0.0
PRE-EXECUTION	1	25.0	250.0	27.8
EXECUTION	2	50.0	650.8	72.2
COMPLETED	0	0.0	0.0	0.0
TOTAL	**4**	**100.0**	**900.8**	**100.0**

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.

FIGURE 7: API PROJECTS - GUIANESE SHIELD HUB BY IMPLEMENTATION STAGE
(% of number of projects and % of investment amount)



14 REHABILITATION OF THE CARACAS - MANAUS ROAD

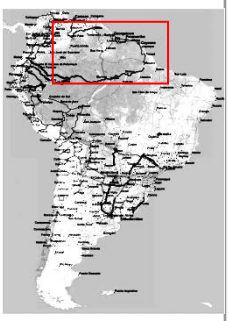
HUB: **GUIANESE SHIELD**

GROUP/S: **G1**

COUNTRIES: **BRAZIL-VENEZUELA**

ESTIMATED INVESTMENT: **US$350.0 million**

PROJECT TYPE: **Road Transportation**



INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT US$
GUY01	REHABILITATION OF THE CARACAS - MANAUS ROAD	BR-VE	EXECUTION	350,000,000

RATIONALE

This project is significant on account of the importance of the Caracas-Manaus connection, as it is the only link between Venezuela and Brazil, running along the Brazilian federal longitudinal highway BR-174/AM/RR, through the BV-8 border (Santa Elena de Uairén), to the Venezuelan ports, mainly the one in Puerto Ordaz, along Trunk Road 10.

Route BR-174, which is 975-km long, runs from Manaus to Pacaraima, a Brazilian municipality located on the Brazil-Venezuela border. The territorial, socioeconomic and commercial development of the region benefited from its construction, which facilitated the movement of goods from/to their origin/destination, the mobility of people previously living in a quite isolated area, and a reduction in travel times and distances resulting in lower transport costs.

Thus, the works that need to be carried out in connection with the above-mentioned road are of major importance in the national and regional context, as the corridor will induce sustainable development in this peculiar geographical area of the Amazonia, helping improve the quality of life of people living in its cities, towns and villages and stimulate their respective production centers.

PROPOSAL

The objective is to restore the pavement surface conditions in the critical sections of Route BR-174/AM/RR, the main deficiencies of which include patches, wear and tear, asphalt stripping, strain, and deterioration of the wearing surface. Rehabilitation requires recycling, drainage, waterproofing, reconstruction of the wearing surface, and traffic signing and road marking works. On the Venezuelan side, the road needs maintenance on a constant basis.

CURRENT STATUS

With regard to the rehabilitation works on the Brazilian section, which are currently in execution, it should be noted that financial resources are allocated in the budgets of the federal government and the government of the state of Roraima. The project is included in the Brazilian Growth Acceleration Program (or PAC, its acronym in Portuguese), and works are scheduled to be completed in December 2015.

15 BOA VISTA - BONFIM - LETHEM - LINDEN - GEORGETOWN ROAD

HUB: **GUIANESE SHIELD**

GROUP/S: **G2**

COUNTRIES: **BRAZIL-GUYANA**

ESTIMATED INVESTMENT: **US$250.0 million**

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT US$
GUY09	BOA VISTA - BONFIM - LETHEM - LINDEN - GEORGETOWN ROAD	BR-GU	PRE-EXECUTION	250,000,000

RATIONALE

This project links the city of Boa Vista, in Brazil, with Georgetown, the capital of Guyana, and its completion will result in the most important north-south connection in Guyana, creating synergies with the initiatives aimed at implementing east-west links among Venezuela, Guyana and Suriname. Paving of the Lethem-Linden section will contribute to the integration between Brazil and Guyana, since this road is the only connection between both countries. Works on the Boa Vista-Bonfim (Brazil) and Linden-Georgetown (Guyana) sections as well as the bridge linking Bonfim and Lethem are already completed. Complementarily, the execution of this project is expected to attract greater trade with the Caribbean, the United States, Europe and Asia, as this road will be the shortest alternative route: the distance between Manaus and the Caribbean will be reduced by some 800 km. Furthermore, complementary actions are required concerning environmental preservation and the development of production and logistics integration. As regards the environment, it should be borne in mind that the road runs across environmentally sensitive areas, such as the rainforest and the Rupununi savannah. As for production and logistics integration, more detailed studies identifying the opportunities opened up by the paving of the section need to be conducted.

PROPOSAL

The section of the road on the Brazilian side (Route BR-401/RR), which runs from Boa Vista to the border with Guyana, is in good condition, as is the bridge over the Takutu river, which joins Bonfim (Brazil) and Lethem (Guyana).

On the Guyanese side, two sections can be distinguished: the first one is the 104-km long Georgetown-Linden stretch, which is paved and in good condition; and the second section, spanning 453.7 km between Linden and Lethem, is an unpaved, low-standard road that includes fifty-one wooden bridges (which can bear a load of up to 8 tons) and a pontoon boat crossing over the Esequibo river, in Kurupukari.

CURRENT STATUS

The section of Route BR 401/RR that spans from Boa Vista to Bonfim is paved and in good condition.

The Linden-Lethem road section is a priority in the Government of Guyana's National Development Strategy. As a result of bilateral agreements entered into by Brazil and Guyana, two feasibility studies were undertaken in 1989 and 2000.

Furthermore, in 2010 the government of Guyana commissioned a feasibility study for the improvement of the road between Linden and Lethem, the latest outputs of which include the findings of engineering surveys; the preliminary engineering design report; the economic and financial assessment based on the cost of the project; traffic estimations; the environmental and social impact assessment; and recommendations on facilitation at the border crossing.

The conclusions of the engineering and economic assessment report are based on the assumption of a 2011-2017 implementation term. Therefore, the project is at the pre-execution stage.

16 ROUTES INTERCONNECTING VENEZUELA (CIUDAD GUAYANA) - GUYANA (GEORGETOWN) - SURINAME (SOUTH DRAIN - APURA - ZANDERIJ - MOENGO - ALBINA), INCLUDING CONSTRUCTION OF THE BRIDGE OVER THE CORENTYNE RIVER

HUB: **GUIANESE SHIELD**

GROUP/S: **G3**

COUNTRIES: **GUYANA-SURINAME-VENEZUELA**

ESTIMATED INVESTMENT: **US$300.8 million**

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT US$
GUY18	ROUTES INTERCONNECTING VENEZUELA (CIUDAD GUAYANA) - GUYANA (GEORGETOWN) - SURINAME (APURA - ZANDERIJ - PARAMARIBO)	GU - SU – VE	EXECUTION	300,800,000
GUY24	CONSTRUCTION OF THE BRIDGE OVER THE CORENTYNE RIVER	GU - SU	PROFILING	0

RATIONALE

This structured project is made up of two complementary individual projects for the development of a road corridor to facilitate integration along the coastal axis stretching from Ciudad Guayana, in Venezuela, to Paramaribo, in Suriname. The project will help link the markets in the eastern region of Venezuela with those in Guyana and Suriname, which also will be connected with the state of Amapá through French Guiana. Additionally, such regions will have access to the Venezuelan market through the Venezuelan road network and, consequently, to the Andean markets. Furthermore, completion of the project will provide a connection with its area of influence in Brazil (the state of Roraima and the Manaus Free Trade Zone) via the Manaus-Boa Vista-Santa Elena de Uairén-Puerto Ordaz existing road corridor. Therefore, this project will have a highly favorable impact on regional integration and on building synergies for development at the borders.

PROPOSAL

The individual projects that make up this structured project are as follows: i) the construction of a paved road running from San Martín de Turumbán, in the Venezuelan state of Bolívar, through Linden and Georgetown to Paramaribo; and ii) the construction of a bridge over the Corentyne river. At present, there is no road linking Venezuela and Guyana along the coastal axis, and trade between Guyana and Suriname is conducted by ferry, which represents a bottleneck for long-distance goods transport.

CURRENT STATUS

Both individual projects are included in the COSIPLAN Portfolio, and have recently been provided for in the New Multi-Annual Plan 2012-2016, which was be presented to the Parliament of Suriname in October 2011. At present, the construction of the bridge is at the profiling stage, and the works in several stretches of the road corridor are in execution or at the pre-execution stage.

- **PARAGUAY-PARANÁ WATERWAY HUB (ARGENTINA, BOLIVIA, BRAZIL, PARAGUAY, AND URUGUAY)**

The Paraguay-Paraná Waterway Hub covers large areas of the basins of the Paraguay, Paraná, Uruguay, and Tietê rivers. The first three rivers run north to south, forming part of the borders between Brazil and Bolivia, Brazil and Paraguay, Paraguay and Argentina, Argentina and Brazil, and Uruguay and Argentina. The Tietê river runs east-west across the state of São Paulo, in Brazil, flowing into the lake formed by the Jupiá dam and the Paraná river.

The area of influence of this Hub is crossed by several (road and rail) corridors that connect this with other hubs, namely the Central Interoceanic, Capricorn, and MERCOSUR - Chile Hubs. The territory defined for the Paraguay-Paraná Waterway Hub covers 3,837,593 km^2, accounting for 29.6% of the total area of the countries that make it up.

The total population of the area of influence defined for this Hub was estimated at about 73,213,987 inhabitants in 2008, accounting for 29.4% of the total population of the countries that make it up. Furthermore, this area of influence has an average population density of 19 inhabitants per km^2. This indicator ranges from a maximum of almost 452 inhabitants per km^2 in the area of influence of the state of São Paulo, in Brazil, to a minimum of almost 1 inhabitant per km^2 in the western region of the Republic of Paraguay.

API includes projects from the five project groups of the Paraguay-Paraná Waterway Hub: i) G1 - Paraguay River, Asunción - Corumbá; ii) G2 - Tietê - Paraná (Itaipu); iii) G3 - Paraguay - Paraná Rivers, Asunción - Paraná Delta; iv) G4 - Paraná River, Itaipu - Confluence; and v) G5 - Uruguay River.

Table 11 shows the 15 individual projects that make up the four structured projects of this Hub incorporated into API. The investments involved amount to US$1,998 million. Most of these projects are aimed at improving navigation conditions on the Plata river basin for the sake of Argentina, Bolivia, Brazil, Paraguay and Uruguay. The purpose of the other projects is to complete the rail connections among Paraguay, Uruguay and Argentina, and to rehabilitate two rail connections in Uruguay that are linked to the waterway. The projects comply with the selection criteria set out for inclusion in the Agenda, and their purpose is in line with the strategic functions of the Hub's project groups involved in API.

MAP 6: API PROJECTS - PARAGUAY-PARANÁ WATERWAY HUB

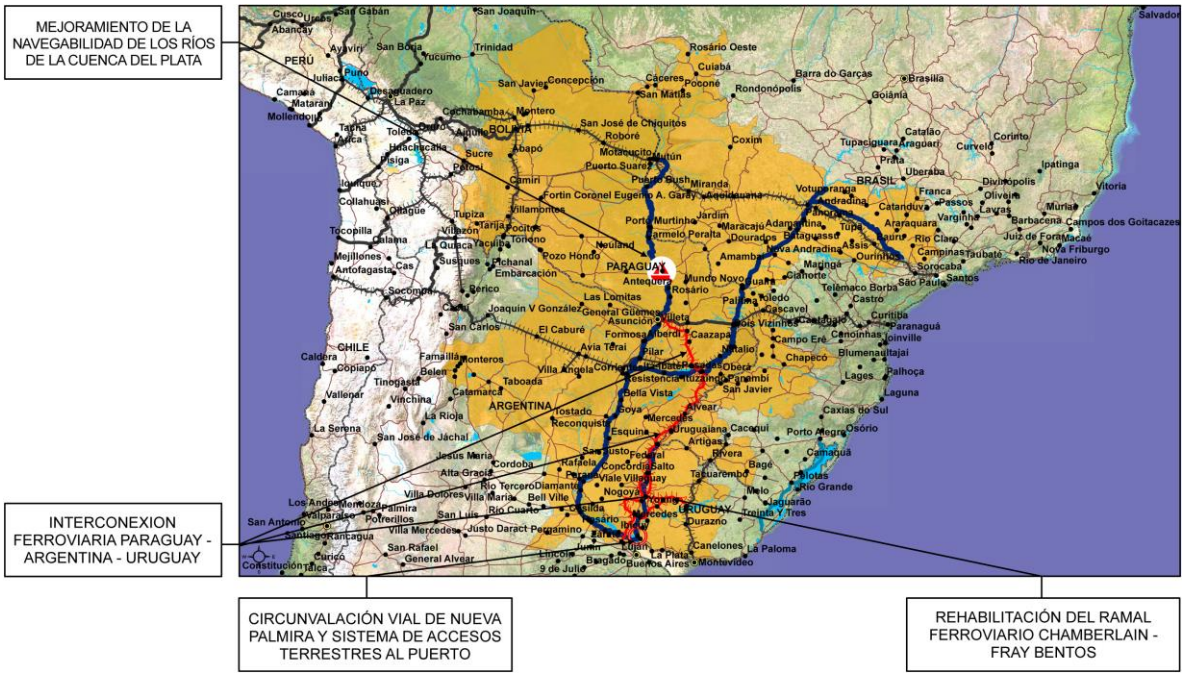


TABLE 11: API PROJECTS - PARAGUAY-PARANÁ WATERWAY HUB

No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
17	HPP	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE RIVERS OF THE PLATA BASIN	ARGENTINA/ BOLIVIA/ BRAZIL/ PARAGUAY/ URUGUAY	USD 1,589.8	HPP07	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PARAGUAY RIVER (BETWEEN APA AND CORUMBÁ)	BO - BR - PA	G1	PRE-EXECUTION	39,000,000
					HPP09	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PARAGUAY RIVER (ASUNCIÓN - APA)	PA	G1	PRE-EXECUTION	88,250,835
					HPP19	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE TIETÊ RIVER	BR	G2	EXECUTION	1,200,000,000
					HPP42	BINATIONAL PROJECT FOR THE IMPROVEMENT OF THE NAVIGATION CONDITIONS ON THE PARANÁ AND PARAGUAY RIVERS, BETWEEN SANTA FE AND ASUNCIÓN	AR - PA	G3	EXECUTION	45,498,216
					HPP44	DEEPENING OF THE FAIRWAY IN THE PARANÁ RIVER FROM SANTA FE TO WHERE IT FLOWS INTO THE PLATA RIVER	AR	G3	PROFILING	110,000,000
					HPP72	BINATIONAL PROJECT FOR THE IMPROVEMENT OF NAVIGATION CONDITIONS ON THE ALTO PARANÁ RIVER	AR - PA	G4	PROFILING	0
					HPP88	BINATIONAL PROJECT FOR THE IMPROVEMENT OF NAVIGATION CONDITIONS ON THE URUGUAY RIVER	AR - UR	G5	EXECUTION	40,000,000
					HPP106	SYSTEM FOR WATER LEVEL PREDICTION IN THE PARAGUAY RIVER (APA - ASUNCIÓN)	BO - PA	G1	PRE-EXECUTION	600,000
					HPP108	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE ALTO PARANÁ RIVER (UPSTREAM OF SALTOS DEL GUAIRÁ)	BR	G2	EXECUTION	56,000,000
					HPP122	REHABILITATION AND MAINTENANCE OF THE TAMENGO CANAL	BO	G1	PRE-EXECUTION	10,500,000
18	HPP	PARAGUAY - ARGENTINA - URUGUAY RAILWAY INTERCONNECTION	ARGENTINA/ PARAGUAY/ URUGUAY	USD 293.3	HPP65	REHABILITATION AND IMPROVEMENT OF THE URUGUAYAN SECTION OF THE RAILWAY INTERCONNECTION BETWEEN PARAGUAY, ARGENTINA AND URUGUAY	AR - PA - UR	G3	PRE-EXECUTION	127,300,000
					HPP82	REHABILITATION OF THE ZÁRATE - POSADAS RAILWAY BRANCH LINE	AR	G5	PROFILING	0
					HPP103	CONSTRUCTION AND REHABILITATION OF THE ASUNCIÓN - POSADAS RAILWAY	AR - PA	G3	PROFILING	166,000,000
19	HPP	REHABILITATION OF THE CHAMBERLAIN - FRAY BENTOS RAILWAY BRANCH LINE	URUGUAY	USD 100.0	HPP120	REHABILITATION OF THE CHAMBERLAIN - FRAY BENTOS RAILWAY BRANCH LINE	UR	G5	PROFILING	100,000,000
20	HPP	NUEVA PALMIRA BELTWAY AND PORT ACCESS ROADS NETWORK	URUGUAY	USD 15.0	HPP97	NUEVA PALMIRA BELTWAY AND PORT ACCESS ROADS NETWORK	UR	G5	PRE-EXECUTION	15,000,000
									TOTAL	1,998,149,051

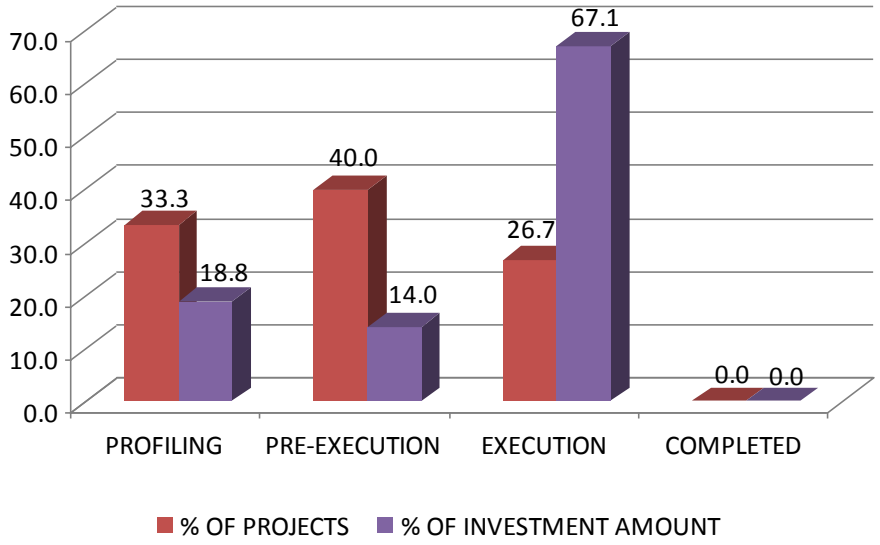
TABLE 12: API PROJECTS - PARAGUAY-PARANÁ WATERWAY HUB BY IMPLEMENTATION STAGE
(million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	5	33.3	376.0	18.8
PRE-EXECUTION	6	40.0	280.7	14.0
EXECUTION	4	26.7	1,341.5	67.1
COMPLETED*	0	0.0	0.0	0.0
TOTAL	15	100.0	1,998.2	100.0

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.

FIGURE 8: API PROJECTS - PARAGUAY-PARANÁ WATERWAY HUB BY IMPLEMENTATION STAGE

(% of number of projects and % of investment amount)

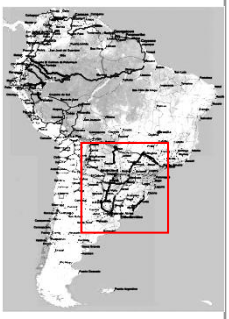


17 IMPROVEMENT OF NAVIGATION CONDITIONS ON THE RIVERS OF THE PLATA RIVER BASIN

HUB: **PARAGUAY-PARANÁ WATERWAY**

GROUP/S: **G1, G2, G3, G4 and G5**

COUNTRIES: **ARGENTINA-BOLIVIA-BRAZIL-PARAGUAY-URUGUAY**



ESTIMATED INVESTMENT: **US$1,589.8 million**

PROJECT TYPE: **River Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
HPP07	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PARAGUAY RIVER (BETWEEN APA AND CORUMBÁ)	BO - BR - PA	PRE-EXECUTION	39,000,000
HPP09	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PARAGUAY RIVER (ASUNCIÓN - APA)	PA	PRE-EXECUTION	88,250,835
HPP19	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE TIETÊ RIVER	BR	EXECUTION	1,200,000,000
HPP42	BINATIONAL PROJECT FOR THE IMPROVEMENT OF THE NAVIGATION CONDITIONS ON THE PARANÁ AND PARAGUAY RIVERS, BETWEEN SANTA FE AND ASUNCIÓN	AR - PA	EXECUTION	45,498,216
HPP44	DEEPENING OF THE FAIRWAY IN THE PARANÁ RIVER FROM SANTA FE TO WHERE IT FLOWS INTO THE PLATA RIVER	AR	PROFILING	110,000,000

HPP72	BINATIONAL PROJECT FOR THE IMPROVEMENT OF NAVIGATION CONDITIONS ON THE ALTO PARANÁ RIVER	AR - PA	PROFILING	0
HPP88	BINATIONAL PROJECT FOR THE IMPROVEMENT OF NAVIGATION CONDITIONS ON THE URUGUAY RIVER	AR - UR	EXECUTION	40,000,000
HPP106	SYSTEM FOR WATER LEVEL PREDICTION IN THE PARAGUAY RIVER (APA - ASUNCIÓN)	BO - PA	PRE-EXECUTION	600,000
HPP108	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE ALTO PARANÁ RIVER (UPSTREAM OF SALTOS DEL GUAIRÁ)	BR	EXECUTION	56,000,000
HPP122	REHABILITATION AND MAINTENANCE OF THE TAMENGO CANAL	BO	PRE-EXECUTION	10,500,000

RATIONALE

The Paraná, Paraguay, and Uruguay rivers and numerous tributaries make up the Plata Basin, covering a total area of nearly 3.1 million km^2, which is one of the most potentially rich regions in the planet on account of its diverse climatic conditions, mining resources, agricultural capability, and energy, industrial and communication possibilities. Therefore, the improvement of the navigation conditions on the waterways will result in a significant reduction in the cost of transport for both inter- and extra-regional trade, which will contribute to economically integrating the region and strengthening its sustainable development. This will enhance the competitiveness of regional products, mainly of those produced in the areas farthest away from the seaports. As a secondary effect, the project will help reduce the number of trucks on the highways, lowering the number of accidents, limiting exhaust pollution, improving pavement durability, and bringing down road maintenance costs.

The agreement of the countries involved concerning the improvement of the navigation conditions of the Plata Basin rivers was formalized in the 1969 Plata River Basin Treaty, the purpose of which is to promote the consistent development and physical integration of the area of influence of the basin.

Along their course, the Plata Basin rivers also constitute natural borders between the countries. Thus, the Paraguay river is shared by Brazil and Paraguay and by Paraguay and Argentina. Furthermore, the Paraná river serves in some areas as a dividing line between Brazil and Paraguay and between Argentina and Paraguay, while the Uruguay river acts, at some points, as a natural border between Brazil and Argentina and between Argentina and Uruguay.

Between Puerto Suárez and Corumbá (Mato Grosso do Sul, Brazil), in southeastern Bolivia, in the province of Germán Busch (department of Santa Cruz), the Tamengo System is found, made up of the Cáceres lake, the Tamengo canal, the Paraguay river, and the Sicurí and Tuyuyú canals. The 10.5-km long Tamengo canal, in Bolivia, was opened to give access to the Paraná-Paraguay waterway; it is a tributary of the Paraguay river on its right bank and connects to the Cáceres lake. The first 6.5-km stretch, in the outlet of the Cáceres lake, fall under shared sovereignty between Bolivia and Brazil, while the other 4-km section, from the Concepción stream up to where the canal flows into the Paraguay river, fall under the exclusive sovereignty of Brazil. The rehabilitation and maintenance of the Tamengo canal plays an important role under the Paraguay-Paraná River Transport Treaty, as it provides South America with an east-west connection, facilitating an intense trade flow between the countries.

Among the tributaries, the Tietê river, which flows into the Paraná river, stands out. This river runs across the Metropolitan Region of São Paulo, but its socioeconomic significance is even greater in the inland of this state. The Tietê has a potential for hydroelectric power as well as for transportation thanks to an integrated system of locks that make it navigable. Thus, the Tietê-Paraná waterway constitutes an important link among the MERCOSUR countries, enabling the direct connection of the most economically active region of Brazil with its neighboring countries. In this context, the waterway allows soybeans and fuel produced in Brazil to reach Argentina and, similarly, Argentine wheat to reach the Brazilian market. It also enables Paraguayan products to reach São Paulo and the Santos port.

Complementary actions are needed to ensure the preservation of the environment and the tapping of any opportunities for logistics and production development. With regard to the environment, the project affects environmentally sensitive areas such as the wetland known as Pantanal, a large floodplain seasonably covered by the Paraguay river waters and made up of unaltered ecosystems and a rich biodiversity.

PROPOSAL

This structured project comprises ten individual projects, all of which are concerned with navigation conditions in the area of influence of the Plata river basin.

One individual project involves Bolivia, Brazil and Paraguay: Improvement of Navigation Conditions on the Paraguay River (between Apa and Corumbá).

Two projects involve Argentina and Paraguay: i) Binational Project for the Improvement of the Navigation Conditions on the Paraná and Paraguay Rivers, between Santa Fe and Asunción; and ii) Binational Project for the Improvement of Navigation Conditions on the Alto Paraná River.

One project concerns Argentina and Uruguay: Binational Project for the Improvement of Navigation Conditions on the Uruguay River.

Another project involves Paraguay and Bolivia: System for Water Level Prediction in the Paraguay River (Apa - Asunción).

Two projects are located entirely in the Brazilian territory: i) Improvement of Navigation Conditions on the Tietê River; and ii) Improvement of Navigation Conditions on the Alto Paraná River (Upstream of Saltos del Guairá).

One project is located in Paraguay only: Improvement of Navigation Conditions on the Paraguay River (Asunción - Apa).

Another project is exclusively in Argentina: Deepening of the Fairway in the Paraná River from Santa Fe to where It Flows into the Plata River.

Finally, there is one project located entirely in Bolivia: Rehabilitation and Maintenance of the Tamengo Canal.

CURRENT STATUS

This structured project is mentioned in statements of the Presidents and relevant Ministers of the respective countries. In addition, there are agreements among the countries reflecting the importance of the actions proposed (the Uruguay River Executive Commission and the Plata River Basin Treaty).

Furthermore, the countries are making headway in the studies concerning the basins of the rivers involved. Of the ten individual projects, four are at the execution stage, another four at the pre-execution stage, and the remaining two at the profiling stage.

Several works associated with the Paraguay, Paraná, and Tietê rivers are included in the Brazilian Growth Acceleration Program (PAC).

In this regard, the Project for the Improvement of Navigation Conditions on the Paraguay River (between Apa and Corumbá) is at the pre-execution stage. The works are scheduled to begin in August 2014. The project for the Improvement of Navigation Conditions on the Tietê River is at its execution stage and scheduled to be completed in June 2016. The project for the Improvement of Navigation Conditions on the Alto Paraná River (Upstream of Saltos del Guairá) is in execution and expected to be completed in November 2015.

The project involving the Tamengo canal forms part of Bolivia's National Development Plan and Transport Sector Programs and Projects Matrix. At present there are two companies operating port terminals at the Tamengo canal: Central Aguirre Portuaria S.A. (CAPSA) and Gravetal Bolivia S.A., which operates on the Concepción stream (a tributary of the Tamengo canal). The former devotes to the loading and unloading of hydrocarbons (Free Port Terminal Company, FPTC) and oilseed products (Aguirre Agro Bolivia S.A., AABSA), and has a wharf front with a crane for containers. The latter, Gravetal Bolivia S.A., has an oilseed processing plant and two wharf fronts

(Tamengo 1 and Tamengo 2). Furthermore, Empresa Naviera Boliviana (ENABOL) has completed the pre-investment studies for the implementation of a port terminal in Puerto Quijarro.

As to the Deepening of the Fairway in the Paraná River from Santa Fe to Where It Flows into the Plata River project and the Binational Project for the Improvement of Navigation Conditions on the Alto Paraná River, both are at the profiling stage.

In addition, the Improvement of Navigation Conditions on the Paraguay River (Asunción - Apa) and the System for Water Level Prediction in the Paraguay River (Apa - Asunción) projects are both at the pre-execution stage.

Concerning the Binational Project for the Improvement of Navigation Conditions on the Paraná and Paraguay Rivers, between Santa Fe and Asunción and the Binational Project for the Improvement of Navigation Conditions on the Uruguay River, both are at the execution stage.

18 PARAGUAY - ARGENTINA - URUGUAY RAILWAY INTERCONNECTION

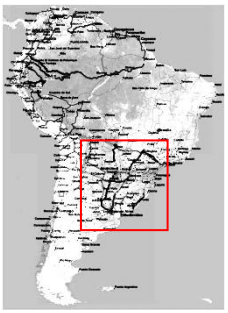
HUB: PARAGUAY-PARANÁ WATERWAY

GROUP/S: G3 and G5

COUNTRIES: ARGENTINA-PARAGUAY-URUGUAY

ESTIMATED INVESTMENT: US$293.3 million

PROJECT TYPE: Rail Transportation



INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
HPP65	REHABILITATION AND IMPROVEMENT OF THE URUGUAYAN SECTION OF THE RAILWAY INTERCONNECTION BETWEEN PARAGUAY, ARGENTINA AND URUGUAY	AR - PA - UR	PRE-EXECUTION	127,300,000
HPP82	REHABILITATION OF THE ZÁRATE - POSADAS RAILWAY BRANCH LINE	AR	PROFILING	0
HPP103	CONSTRUCTION AND REHABILITATION OF THE ASUNCIÓN - POSADAS RAILWAY	AR - PA	PROFILING	166,000,000

RATIONALE

This structured project will have a high impact on the physical integration of Paraguay, Argentina and Uruguay, as it will strengthen the sustainable socioeconomic development in all the area of influence zoned for the rail alignment that connects the three countries. Therefore, the project strengthens networks that are regional in scope and is instrumental in furthering regional connectivity and integration.

This regional rail network complements the river network made up of the Paraná and Uruguay rivers as well as the existing road networks, promoting the development of multimodal transportation, which will result in a reduction in the cost of freight transport and will enhance the competitiveness of regional products.

Additionally, as the rail sections involve an international connection, complementary actions are needed, particularly in relation to border crossings and common regulations.

PROPOSAL

This structured project is made up of three individual projects:

i) Rehabilitation and Improvement of the Chamberlain - Algorta - Paysandú - Salto - Salto Grande Rail Corridor, in Uruguay
ii) Rehabilitation of the Zárate - Posadas Railway Branch Line
iii) Construction and Rehabilitation of the Asunción - Posadas Railway

The purpose of the first project is to reconstruct a 330-km section of the Uruguayan rail network, which will enable the interconnection of the city of Asunción and the port of Montevideo, passing through Argentine territory on its way.

The goal of the second project is to improve rail track infrastructure to reduce travel time, cutting journey times along the 1,020-km stretch between Zárate and Posadas.

The third project aims at improving operating conditions on the international connections that begin and end in Posadas and provide a link with Paraguay in Encarnación as well as with the different ports on the Plata river basin.

CURRENT STATUS

The individual projects making up this structured project form part of the COSIPLAN Portfolio and are included in the National Plans of the countries involved, and mentioned in declarations of ministerial as well as presidential summit meetings.

Furthermore, a technical study will be carried out for the reactivation and improvement of the rail sections in the three countries, which will enable connectivity with lower transaction costs and a better quality of life for those who live in the region.

The project in the territory of Uruguay is at its pre-execution stage, while the other two projects are at the profiling stage.

19 REHABILITATION OF THE CHAMBERLAIN - FRAY BENTOS RAILWAY BRANCH LINE

HUB: **PARAGUAY-PARANÁ WATERWAY**

GROUP/S: **G5**

COUNTRIES: **URUGUAY**

ESTIMATED INVESTMENT: **US$100.0 million**

PROJECT TYPE: **Rail Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
HPP120	REHABILITATION OF THE CHAMBERLAIN - FRAY BENTOS RAILWAY BRANCH LINE	UR	PROFILING	100,000,000

RATIONALE

This structured project seeks to rehabilitate the Chamberlain-Fray Bentos rail branch line, which connects the Fray Bentos port with the national rail networks, some of which reach neighboring countries. This is the case of the following railway lines: Montevideo-Rivera, which forms part of structured project No. 28 (Montevideo - Cacequi Railway Corridor) and Algorta-Paysandú-Salto-Salto Grande, which is included in structured project No. 18 (Paraguay - Argentina - Uruguay Railway Interconnection).

This rail line is of a regional scope since it connects the Paraná and Uruguay river network (at the Fray Bentos port) with the regional rail and existing road networks, promoting the development of multimodal transportation, which will result in a reduction in the cost of freight transport and enhance the competitiveness of regional products.

PROPOSAL

The rail section on which works are to be carried out joins the village of Algorta and the city of Fray Bentos, in the Río Negro department. This 141-km long section forms part of the active rail network in Uruguay. The deterioration of the railroad hampers the adequate transportation of freight in the area of influence of the project.

CURRENT STATUS

The project forms part of the COSIPLAN Portfolio and is a priority for the Uruguayan government. The only individual project included in this structured project is at its profiling stage. At present, studies are underway to analyze its financial viability through public-private partnership agreements.

20 NUEVA PALMIRA BELTWAY AND PORT ACCESS ROADS NETWORK

HUB: **PARAGUAY-PARANÁ WATERWAY**

GROUP/S: **G5**

COUNTRIES: **URUGUAY**

ESTIMATED INVESTMENT: **US$15.0 million**

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
HPP97	NUEVA PALMIRA BELTWAY AND PORT ACCESS ROADS NETWORK	UR	PRE-EXECUTION	15,000,000

RATIONALE

Nueva Palmira is strategically located on the banks of the Uruguay river, in front of the Paraná river mouth. It borders the city of Dolores on the north and the city of Carmelo on the south, and is 280 km away of Montevideo.

In Nueva Palmira, there are commercial port facilities that receive cargo, particularly grain, from the area of influence of the Paraná-Paraguay waterway, as well as national products.

These port facilities, located in the immediate vicinity of the city of Nueva Palmira, have created negative externalities due to the export increase of the last years. Truck traffic passes through urban streets on its way to the port, causing trouble in the city, such as the disturbance of daily activities and an increasing environmental pollution (noise pollution and the one caused by grain powder). In addition to these problems, the heavier traffic of trucks has resulted in the congestion of the access roads to the port area, making it more difficult for trucks to enter the different port

terminals. This brings about negative consequences that range from logistics chain cost increases to problems between haulers and the other players involved.

This project is of particular importance as it consolidates this vast production network and promotes regional trade.

According to Law 18.308 —Territorial Planning and Sustainable Development—, the territorial planning of Nueva Palmira is soon to be approved, taking these considerations into account.

PROPOSAL

This project, which will provide freight transport vehicles with a direct connection between the port and Routes 21 and 12, is intended to: (i) organize traffic access to the port so as to prevent heavy truck traffic from entering the city; (ii) set protocols of access to the port area minimizing negative externalities (Decree No. 012/012); and (iii) implement solutions to offer users more comfortable conditions.

The project is complemented with works already executed, in execution or to be executed in Routes 12, 21 and 24.

CURRENT STATUS

The only individual project within this structured project forms part of the COSIPLAN Portfolio.

This project is to be included in a public-private partnership agreement, pursuant to Law No. 18,786 for the Routes 21-24 Corridor.

The feasibility study is ready for approval by the Ministry of Transport and Public Works, whereas the environmental study is under the consideration of DINAMA (the National Environmental Agency).

CENTRAL INTEROCEANIC HUB (BOLIVIA, BRAZIL, CHILE, PARAGUAY AND PERU)

The territory of the Central Interoceanic Hub includes the departments of Arequipa, Moquegua, Puno, and Tacna, in Peru; Regions XV and I (Arica and Parinacota, and Tarapacá, respectively) and the province of Loa in Region II, Antofagasta, in Chile; the departments of Beni, La Paz, Oruro, Potosí, Tarija, Cochabamba, Chuquisaca, and Santa Cruz, in Bolivia; the Republic of Paraguay; and the Brazilian states of Mato Grosso, Mato Grosso do Sul, Rio de Janeiro, São Paulo, and Paraná. The area of influence defined for this Hub covers 3,461,461 km^2, accounting for 28.7% of the total area of the five countries that make it up.

The total population of the area of influence was estimated at 92,594,587 inhabitants in 2008, accounting for 36.8% of the total population of the five countries that make up the Hub. Furthermore, the area of influence has an average population density of almost 27 inhabitants per km^2. This indicator ranges from a maximum of just over 363 inhabitants per km^2 in the state of Rio de Janeiro to a minimum 2 inhabitants per km^2 in the department of Beni, in Bolivia.

API includes projects from four of the five project groups of this Hub: i) G1 - Chile - Bolivia - Paraguay - Brazil Connection; ii) G2 - Optimization of the Corumbá - São Paulo - Santos - Rio de Janeiro Corridor; iii) G3 - Santa Cruz - Puerto Suárez - Corumbá Connection; and iv) G5 - Connections of the Hub to the Pacific: Ilo / Matarani - Desaguadero - La Paz + Arica - La Paz + Iquique - Oruro - Cochabamba - Santa Cruz.

Table 13 shows the seven individual projects that make up the four structured projects of the Central Interoceanic Hub incorporated into API. The investments involved amount to US$417 million. The projects are aimed at improving road, rail and air connections among Bolivia, Brazil, Paraguay and Peru, all of them revolving around Bolivia. Four of the individual projects have been grouped together in the so-called Improvement of Road Connectivity in the Central Interoceanic Hub structured project for the purpose of enhancing Brazil-Bolivia road connection within the Hub. The other API projects from this Hub are intended to raise freight capacity at the Viru Viru Airport; improve the Infante Rivarola-Cañada Oruro border crossing between Bolivia and Paraguay; and develop a central bioceanic rail corridor in Bolivia.

MAP 7: API PROJECTS - CENTRAL INTEROCEANIC HUB

TABLE 13: API PROJECTS - CENTRAL INTEROCEANIC HUB

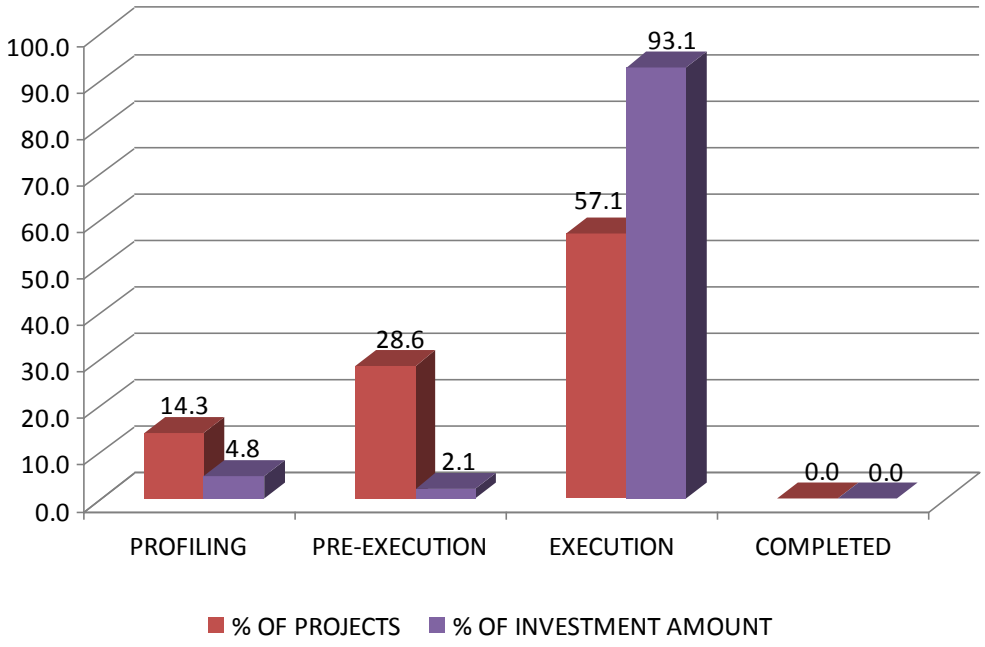
No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
21	IOC	PASSENGER AND CARGO HUB AIRPORT FOR SOUTH AMERICA (VIRU VIRU, SANTA CRUZ, INTERNATIONAL HUB AIRPORT)	BOLIVIA	USD 20.0	IOC78	PASSENGER AND CARGO HUB AIRPORT FOR SOUTH AMERICA (VIRU VIRU, SANTA CRUZ, INTERNATIONAL HUB AIRPORT)	BO	G3	PROFILING	20,000,000
22	IOC	IMPROVEMENT OF ROAD CONNECTIVITY IN THE CENTRAL INTEROCEANIC HUB	BOLIVIA/ BRAZIL	USD 388.0	IOC80	UPGRADE OF LA PAZ - SANTA CRUZ ROUTE TO A FOUR-LANE ROAD	BO	G5	EXECUTION	269,000,000
					IOC14	CAMPO GRANDE BYPASS	BR	G2	EXECUTION	17,000,000
					IOC25	PUERTO SUÁREZ - CORUMBÁ INTEGRATED CONTROL AREA	BO - BR	G3	PRE-EXECUTION	2,000,000
					IOC32	TOLEDO - PISIGA ROAD	BO	G5	EXECUTION	100,000,000
23	IOC	INFANTE RIVAROLA - CAÑADA ORURO BORDER CROSSING	BOLIVIA/ PARAGUAY	USD 2.0	IOC09	INFANTE RIVAROLA - CAÑADA ORURO BORDER CROSSING	BO - PA	G1	EXECUTION	2,000,000
24	IOC	CENTRAL BIOCEANIC RAILWAY CORRIDOR (BOLIVIAN SECTION)	BOLIVIA	USD 6.7	IOC81	CENTRAL BIOCEANIC RAILWAY CORRIDOR	BO	G5	PRE-EXECUTION	6,700,000
									TOTAL	416,700,000

TABLE 14: API PROJECTS - CENTRAL INTEROCEANIC HUB BY IMPLEMENTATION STAGE (million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	1	14.3	20.0	4.8
PRE-EXECUTION	2	28.6	8.7	2.1
EXECUTION	4	57.1	388.0	93.1
COMPLETED	0	0.0	0.0	0.0
TOTAL	**7**	**100.0**	**416.7**	**100.0**

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.

FIGURE 9: API PROJECTS - CENTRAL INTEROCEANIC HUB BY IMPLEMENTATION STAGE (% of number of projects and % of investment amount)



21 PASSENGER AND CARGO HUB AIRPORT FOR SOUTH AMERICA (VIRU VIRU, SANTA CRUZ, INTERNATIONAL HUB AIRPORT)

HUB: **CENTRAL INTEROCEANIC**

GROUP/S: **G3**

COUNTRIES: **BOLIVIA**

ESTIMATED INVESTMENT: **US$20.0 million**

PROJECT TYPE: **Air Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
IOC78	PASSENGER AND CARGO HUB AIRPORT FOR SOUTH AMERICA (VIRU VIRU, SANTA CRUZ, INTERNATIONAL HUB AIRPORT)	BO	PROFILING	20,000,000

RATIONALE

The purpose of this structured project is to establish a regional passenger and cargo hub airport for domestic and international flights, ensuring adequate, efficient and safe handling of cargo as a lever for both local and regional economic development. The project is important, as it will encourage exports of agribusiness products from its area of influence and boost imports of inputs.

One of the hubs will be the Viru Viru Airport, located in the Bolivian city of Santa Cruz de la Sierra. As it is at the geographic midpoint of South America, the airport is expected to become an air cargo and passenger hub for the interconnection of the entire Central Interoceanic Hub. Thanks to its near sea level location, airplanes will be able to operate at full payload.

PROPOSAL

Increasing air cargo trade justifies the expansion of the airport. The project involves the upgrade and construction of new hangars and infrastructure for cargo storage and control, as well as the expansion of the cargo apron, among other works. Airlines from other continents will be able to use this airport as a transfer point to get passengers and cargo to the other countries in the region, benefiting from shorter flight distances and times. This will result in reduced operational costs and, consequently, in lower passenger fares and freight rates.

CURRENT STATUS

The only individual project included in this structured project forms part of the COSIPLAN Portfolio and is a priority in Bolivia's National Development Plan. It has an associated Master Plan updated as of 2005, and is at the profiling stage. The cost of the feasibility study has been estimated and, at present, the financial resources committed by FONPLATA to conduct the studies are being secured.

The project is also included as a priority in the plans of the Bolivian Office of the Deputy Minister of Transport, and the competence over its implementation rests with the Central Government.

22 IMPROVEMENT OF ROAD CONNECTIVITY IN THE CENTRAL INTEROCEANIC HUB

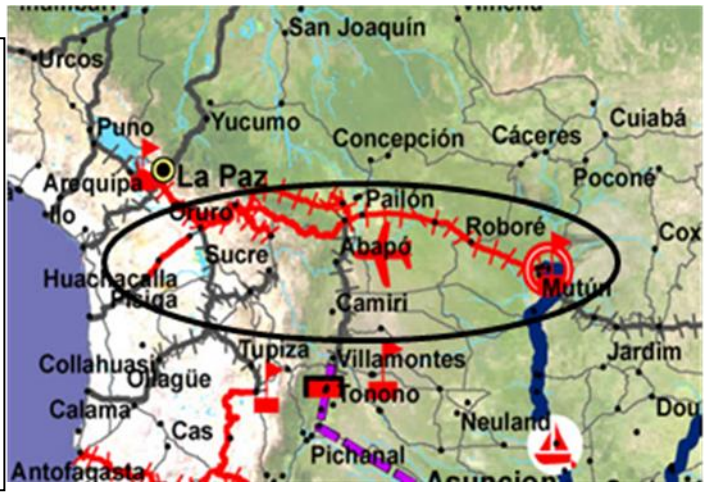
HUB: **CENTRAL INTEROCEANIC**

GROUP/S: **G2, G3 and G5**

COUNTRIES:
BOLIVIA-BRAZIL

ESTIMATED INVESTMENT:
US$388.0 million

PROJECT TYPE: **Road Transportation**



INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
IOC80	UPGRADE OF LA PAZ - SANTA CRUZ ROUTE TO A FOUR-LANE ROAD	BO	EXECUTION	269,000,000
IOC14	CAMPO GRANDE BYPASS	BR	EXECUTION	17,000,000
IOC25	PUERTO SUÁREZ - CORUMBÁ INTEGRATED CONTROL AREA	BO - BR	PRE-EXECUTION	2,000,000
IOC32	TOLEDO - PISIGA ROAD	BO	EXECUTION	100,000,000

RATIONALE

The purpose of this project is to link Bolivia with Peru and Chile on the west and with Brazil on the east —through the states of Mato Grosso do Sul and São Paulo to the port of Santos. Furthermore, it enables the integration of Bolivia with Paraguay, Argentina and Uruguay through the Tamengo canal and the Paraguay-Paraná waterway, thus encouraging the regional integration of the South American countries. The simultaneous implementation of the individual projects is highly important, as enhanced road connectivity in the Central Interoceanic Hub will impact on 98% of the trade between Brazil and Bolivia.

In addition, the individual projects will require complementary actions, such as efficient border crossings, standardized rules for vehicular traffic, sustainable environmental preservation, and identification of logistics and production integration opportunities within, for example, the mining/iron and steel production chain, and the agricultural and agro-industrial chain.

PROPOSAL

This structured project is made up of four individual projects located in the Central Interoceanic Hub and intended to facilitate long-distance trade. Three of them involve roads, and one is related to a border crossing between Bolivia and Brazil. The former are i) Upgrade of La Paz - Santa Cruz Route to a Four-lane Road; ii) Campo Grande Bypass; and iii) Toledo - Pisiga Road; whereas the latter is the Puerto Suárez - Corumbá Border Crossing project.

The Upgrade of La Paz - Santa Cruz Route to a Four-lane Road project forms part of a corridor that will join the departments of La Paz, Oruro, Cochabamba, and Santa Cruz with four-lane, paved, first-category roads, facilitating trade and reducing the number of accidents. This corridor provides a link with Peru and Chile on the west and with Brazil on the east, in the Bolivian town and port of Puerto Quijarro, which is a point of connection with the Paraguay-Paraná waterway through the Tamengo canal and, consequently, with Uruguay and Paraguay. The Toledo - Pisiga Road project aims at supplementing Bolivia’s articulation with the Chilean port of Iquique, and its completion will also contribute to improving the competitiveness of important mining areas in Bolivia.

The Puerto Suárez (Bolivia)-Corumbá (Brazil) Integrated Control Area needs improved infrastructure and harmonization of the Bolivian and Brazilian transport systems. Finally, the purpose of the Campo Grande bypass is to ensure a safer and smoother traffic flow in the city of Campo Grande, where congestion caused by long-distance, light- and heavy-duty vehicles is a problem.

CURRENT STATUS

The four individual projects that make up this structured project belong to the COSIPLAN Project Portfolio. Three of them are in execution, and the other one is at the pre-execution stage.

The projects in Bolivia are included in the National Development Plan, and investment plans are already in place, providing for the availability of resources to guarantee their execution and ensuring their harmonization with the plans. Moreover, the funds for all the sections of the La Paz-Santa Cruz four-lane road have been allocated, and most sections are already being constructed.

The Puerto Suárez-Corumbá Integrated Control Area (ACI, in Spanish) requires an amount of US$1,250,000 for its operation. In this regard, the Federal Government of Brazil will finance the construction of a warehouse for confiscated goods and a kennel to house sniffer dogs, the improvement of the Esdras border crossing infrastructure, and the purchase of a forklift truck. On March 27, 2012, the regulation creating the ACI between the Bolivian customs office in Puerto Suárez and the Brazilian Federal Revenue Inspectorate in Corumbá was signed with the purpose of simplifying export and import formalities for trucks and rail cars.

The construction of the Campo Grande ring road is underway and forms part of the Brazilian Growth Acceleration Program (PAC); hence, its resources have already been allocated. Completion of the works, scheduled for May 2013, requires the relocation of the electric power distribution network in the central axis of the lane as well as the regularization of the expropriation process.

23 INFANTE RIVAROLA - CAÑADA ORURO BORDER CROSSING

HUB: **CENTRAL INTEROCEANIC**

GROUP/S: **G1**

COUNTRIES: **BOLIVIA-PARAGUAY**

ESTIMATED INVESTMENT: **US$2.0 million**

PROJECT TYPE: **Border Crossing**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
IOC09	INFANTE RIVAROLA - CAÑADA ORURO BORDER CROSSING	BO-PA	EXECUTION	2,000,000

RATIONALE

The purpose of this structured project is to build and install the necessary infrastructure and services to allow efficient passenger and freight traffic between Bolivia and Paraguay. The project is located in the geographic midpoint of the Central Interoceanic Hub, in the Bolivia-Paraguay border area, and its implementation is justified by the increase in vehicular traffic and trade flows between Paraguay and Bolivia directly resulting from the pavement and improvement of the Villa Montes-Cañada Oruro road.

The project involves paving of the Paraguayan road section between Estancia La Patria and Infante Rivarola (which has been completed), and of the Bolivian Cañada Oruro-Villa Montes road section. As for the latter, the Palo Marcado-Cañada Oruro stretch is already paved and operational. It is located in the third section of the Gran Chaco province in the Tarija Department, and it forms part of Route F11, within the Bolivian Fundamental Road Network, as well as of the corridor for exporting agricultural products from southern Santa Cruz and the Bolivian Chaco region to the Paraguayan and Brazilian markets.

PROPOSAL

The only individual project included in this structured project involves the construction of infrastructure for a Paraguay-Bolivia border center for integrated control operations, including access and cargo inspection areas, a facility for the storage of withheld cargo, IT and communications systems, and a lab for sanitary controls.

CURRENT STATUS

This project is included in the COSIPLAN Portfolio and is currently in execution.

On the Bolivian side, works on the Palo Marcado-Cañada Oruro section have been completed and the section is operational as of the date of this report. The route of the project starts in the town of Villa Montes, located 275 km away from the city of Tarija; along its first 60-km stretch, it runs parallel to the Pilcomayo river up to the village of Ibibobo, from where it reaches in a straight line the border with Paraguay at a place known as “Hito BR 94” (BR 94 Milestone) or Cañada Oruro.

The project forms part of Route F11, which links Tarija with the capital city of the O’Connor province as well as with the capital of the third section of the Gran Chaco province —Villa Montes—, and ends on the border with Paraguay at BR 94 Milestone. The whole road is within the Gran Chaco plain and runs across lands with undulating and flat relief.

24 CENTRAL BIOCEANIC RAILWAY CORRIDOR (BOLIVIAN SECTION)

HUB: **CENTRAL INTEROCEANIC**

GROUP/S: **G5**

COUNTRIES: **BOLIVIA**

ESTIMATED INVESTMENT:
US$6.7 million

PROJECT TYPE:
Rail Transportation

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
IOC81	CENTRAL BIOCEANIC RAILWAY CORRIDOR	BO	PRE-EXECUTION	6,700,000

RATIONALE

This structured project will ensure an interconnection for Brazil, Chile, Peru and Bolivia in the central area of South America, facilitating trade among such countries as well as exports to overseas markets. The Central Bioceanic Railway Corridor, spanning 4,000 km from the port of Santos, in Brazil, to the port of Arica, in Chile, will link rail networks.

The section in Bolivia is of critical importance, since at present the two rail networks in the country, the Andean and the Eastern ones, are not interconnected. This approximately 500-km long missing link in Bolivian territory equals 6% of the total length of the Central Bioceanic Railway Corridor. Both rail networks have meter gauge tracks and a bearing capacity ranging from 15-ton to 18-ton axle load, and allow a speed of 70 km/h (passengers) and 40 km/h (cargo).

The Bolivian missing link is an obstacle to uninterrupted traffic along the entire corridor; moreover, the railroad sections are not able to efficiently handle the forecasted freight volumes.

Goods traffic forecasts provide sufficient reasons to define a project for the upgrade and harmonization of the carrying capacity of tracks throughout the Bolivian territory.

PROPOSAL

The proposal involves investments aimed at i) enhancing existing infrastructure (replacement of tracks and cross-ties, and other improvements); and ii) building the interconnection as per the alternative solution that seems more reasonable in technical, operational, environmental, economic and social terms. Thus, the intention is to achieve interoperability (compatible track gages and a standard track bearing capacity) at the regional level.

CURRENT STATUS

The only individual project making up this structured project is included in the COSIPLAN Portfolio and is a priority in both Bolivia's National Development Plan and Sectoral Development Plan, as well as in the Annual Operating Plan 2011-2012 of the Bolivian Office of the Deputy Minister of Transport.

Furthermore, a study intended to identify alternatives has already been conducted, which will be complemented with basic design engineering, market research, and strategic environmental assessment studies funded by the IDB. These studies, which involve rehabilitation, improvement (existing sections) and construction (interconnection stretch) works, will be completed by mid-2014, and works are scheduled to commence in 2015. Therefore, the project is at the pre-execution stage.

MERCOSUR-CHILE HUB (ARGENTINA, BRAZIL, CHILE, PARAGUAY, URUGUAY)

The area of influence of the MERCOSUR-Chile Hub encompasses Chile's Metropolitan Region and Regions IV, V, VI, and VII (Coquimbo, Valparaíso, Libertador General Bernardo O'Higgins, and Maule, respectively); the Argentine provinces of Mendoza, San Juan, La Rioja, San Luis, Córdoba, La Pampa, Santa Fe, Salta, Buenos Aires, Entre Ríos, Corrientes, and Misiones; the Brazilian states of Rio Grande do Sul, Santa Catarina, Paraná, São Paulo, and Minas Gerais; the eastern region of Paraguay; and the entire Uruguayan territory. This area of influence covers 3,216,277 km^2, accounting for 25.5% of the total area of the five countries that make up the Hub.

The total population of the area of influence was estimated at about 137,300,163 inhabitants in 2008, accounting for 53.7% of the total population of the five countries that make up the Hub. Furthermore, the area of influence has an average population density of almost 43 inhabitants per km^2. This indicator ranges from a maximum 438 inhabitants per km^2 in the Metropolitan Region of Chile to a minimum of slightly more than 2 inhabitants per km^2 in the territory of the Argentine province of La Pampa.

The Agenda includes projects from four of the six project groups of this Hub: i) G2 - Porto Alegre - Argentina / Uruguay Border - Buenos Aires; ii) G3 - Valparaíso - Buenos Aires; iii) G4 - Coquimbo - Argentine Central Region - Paysandú; and iv) G5 - Energy Group.

Table 15 shows the seven individual projects that make up the six structured projects of the MERCOSUR-Chile Hub incorporated into API. The investments involved amount to US$2,382 million. API has an impact on the development of the five countries within the Hub (Argentina, Bolivia, Brazil, Chile and Uruguay). The largest-size project is the Northeastern Argentina Gas Pipeline. The other projects have different objectives. Three of them are intended to have a positive effect on the Brazilian and Uruguayan cross-border development via a rail corridor, an international bridge, and the improvement of multimodal transport between the Merín (or Mirim) and Lagoa dos Patos lakes. Finally, two projects contributing to the connectivity between Argentina and Chile are included: Agua Negra Binational Tunnel, and Optimization of the Cristo Redentor Border Crossing System. All the projects meet the selection criteria set out for inclusion in the Agenda and are consistent with the strategic functions of the Hub's project groups involved in API.

MAP 8: API PROJECTS - MERCOSUR-CHILE HUB

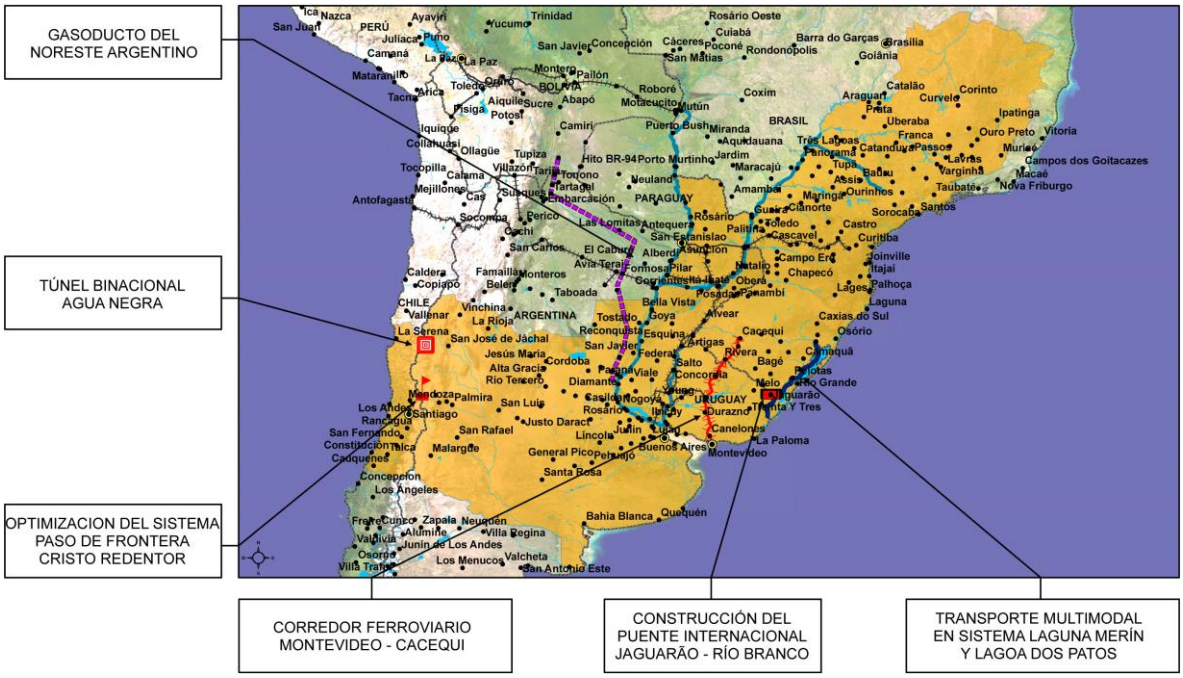


TABLE 15: API PROJECTS - MERCOSUR-CHILE HUB

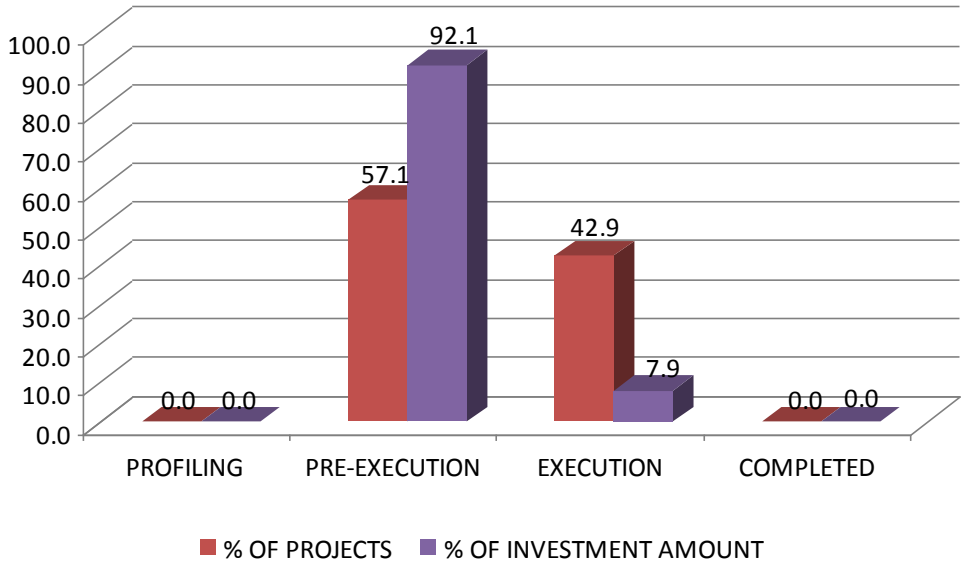
No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
25	MCC	NORTHEASTERN ARGENTINA GAS PIPELINE	ARGENTINA/ BOLIVIA	USD 1,000.0	MCC68	NORTHEASTERN ARGENTINA GAS PIPELINE	AR	G5	PRE-EXECUTION	1,000,000,000
26	MCC	CONSTRUCTION OF THE JAGUARÃO - RÍO BRANCO INTERNATIONAL BRIDGE	BRAZIL/ URUGUAY	USD 93.5	MCC22	CONSTRUCTION OF THE JAGUARÃO - RÍO BRANCO INTERNATIONAL BRIDGE	BR - UR	G2	PRE-EXECUTION	93,500,000
27	MCC	MULTIMODAL TRANSPORTATION IN THE LAGUNA MERÍN AND LAGOA DOS PATOS SYSTEM	BRAZIL/ URUGUAY	USD 49.0	MCC85	MULTIMODAL TRANSPORTATION IN THE LAGUNA MERÍN AND LAGOA DOS PATOS SYSTEM	BR - UR	G2	EXECUTION	49,000,000
28	MCC	MONTEVIDEO - CACEQUI RAILWAY CORRIDOR	BRAZIL/ URUGUAY	USD 139.8	MCC30	REHABILITATION OF THE MONTEVIDEO - RIVERA RAILWAY	UR	G2	EXECUTION	134,831,000
					MCC115	UPGRADE OF BRAZILIAN GAGE RAILWAY, RIVERA - SANTANA DO LIVRAMENTO - CACEQUI	BR - UR	G2	EXECUTION	5,000,000
29	MCC	OPTIMIZATION OF THE CRISTO REDENTOR BORDER CROSSING SYSTEM	ARGENTINA/ CHILE	USD 250.0	MCC34	OPTIMIZATION OF THE CRISTO REDENTOR BORDER CROSSING SYSTEM	AR - CH	G3	PRE-EXECUTION	250,000,000
30	MCC	AGUA NEGRA BINATIONAL TUNNEL	ARGENTINA/ CHILE	USD 850.0	MCC110	AGUA NEGRA BINATIONAL TUNNEL	AR - CH	G4	PRE-EXECUTION	850,000,000
									TOTAL	2,382,331,000

TABLE 16: API PROJECTS - MERCOSUR-CHILE HUB BY IMPLEMENTATION STAGE
(million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	0	0.0	0.0	0.0
PRE-EXECUTION	4	57.1	2,193.5	92.1
EXECUTION	3	42.9	188.8	7.9
COMPLETED	0	0.0	0.0	0.0
TOTAL	**7**	**100.0**	**2,382.3**	**100.0**

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.

FIGURE 10: API PROJECTS - MERCOSUR-CHILE HUB BY IMPLEMENTATION STAGE
(% of number of projects and % of investment amount)



25 NORTHEASTERN ARGENTINA GAS PIPELINE

HUB: **MERCOSUR-CHILE**

GROUP/S: **G5**

COUNTRIES: **ARGENTINA**

ESTIMATED INVESTMENT: **US$1,000.0 million**

PROJECT TYPE: **Energy**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
MCC68	NORTHEASTERN ARGENTINA GAS PIPELINE	AR	PRE-EXECUTION	1,000,000,000

RATIONALE

The purpose of this structured project is to ensure natural gas supply to the northeastern region of Argentina through large-diameter pipes, and to secure a sustained provision of adequate flows for use in natural gas vehicles and in industrial and agribusiness production.

The trunk gas pipeline will link, in the vicinity of Santa Fe city, the gas reserves located in northern Argentina and in Bolivia with the Argentine Interconnected System of Trunk Gas Pipelines. This interconnection will ensure the flow of significant gas volumes in those parts of Argentina where the demand is greater, as well as expanded gas availability in provinces that either lack gas supply or have insufficient provision to secure the economic development that the region requires, namely: Santa Fe, Salta, Formosa, Chaco, Misiones, Corrientes, and Entre Ríos.

Furthermore, the project will enhance environmental standards, as it encourages the replacement of other, more polluting fossil fuels. In addition, it has been identified that a program of complementary actions associated with the border strip is needed, involving infrastructure, environmental preservation, and logistics and production integration opportunities.

PROPOSAL

The proposal involves building a natural gas transportation system that stretches from Bolivia and spans along approximately 675 km of the trunk gas pipeline that runs across the Argentine province of Chaco, linking the sections in the provinces of Formosa and Santa Fe. The branches stemming from the trunk pipeline will contribute to the development of smaller towns in the interior of the provinces.

The proposed works comprise:

i) The trunk gas pipeline and the provincial branches stemming from it;

ii) The gas compressor stations, pressure regulator stations, and measuring stations; and

iii) Above-ground facilities as well as other ancillary civil, electrical, and communications works. These ancillary works will include, among others, the implementation of electronic data transmission systems, remote operation, and telemetry.

CURRENT STATUS

This single individual project makes up the structured project, forms part of the COSIPLAN Portfolio, and has been mentioned in the declarations of presidential summit meetings. The technical and economic pre-feasibility studies have been completed, but the engineering design is yet to be finalized.

26 CONSTRUCTION OF THE JAGUARÃO - RÍO BRANCO INTERNATIONAL BRIDGE

HUB: **MERCOSUR-CHILE**

GROUP/S: **G2**

COUNTRIES:
BRAZIL-URUGUAY

ESTIMATED INVESTMENT:
US$93.5 million

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
MCC22	CONSTRUCTION OF THE JAGUARÃO - RÍO BRANCO INTERNATIONAL BRIDGE	BR-UR	PRE-EXECUTION	93,500,000

RATIONALE

This project is located on the border between Uruguay and Brazil, in the vicinity of the Yaguarón (or Jaguarão) river, near the cities of Río Branco, in the Uruguayan department of Cerro Largo, and Jaguarão, in the Brazilian state of Rio Grande do Sul.

The purpose of the project is to ensure an unrestricted flow of international freight and passenger road traffic, leveraging the integration of the areas of influence through increased trade activity and greater cultural exchange. Through the reduction of traffic on the Chuí-Chuy commercial road by diverting it to the new international bridge, the project will protect the nature reserves on the Atlantic coast; alleviate traffic congestion in the Pelotas-Rio Grande section of Brazilian route BR-392/RS; result in the coastal road being used by passenger and tourist traffic only; and reduce the distance by road between Montevideo and Porto Alegre by approximately 53 km.

The technical, economic and environmental feasibility study estimates that 75% of cargo vehicles and 50% of passenger vehicles that currently use the Chuí-Chuy road in long-distance trips will be diverted to the new bridge ((Jaguarão-Río Branco).

PROPOSAL

The main works of the project involve the construction of a second international bridge over the Yaguarón (or Jaguarão) river and the upgrade of its approach roads. The new bridge will be a concrete and steel extradosed structure, measuring 400 m in length and 16.85 m in width. As regards approach roads, the project includes 9.1 kilometers up to Route BR-116/RS (Brazil) and 6.4 km up to Route 26 (Uruguay). Border crossings will have integrated controls, with passenger controls on the Uruguayan side and cargo controls on the Brazilian side.

CURRENT STATUS

This project forms part of the COSIPLAN Project Portfolio and is frequently mentioned as a priority in joint statements.

Furthermore, the Brazil-Uruguay Joint Committee, created pursuant to the agreement signed by the two countries, and the Brazil-Uruguay Strategic Planning and Production Integration Bilateral Commission (CBPE) are in charge of the project.

Both countries have allocated funds in their budget for the execution of this binational project, which is also included in the Brazilian Growth Acceleration Program (or PAC, its acronym in Portuguese).

The project is currently at its pre-execution stage and scheduled to be completed in June 2015.

27 MULTIMODAL TRANSPORTATION IN THE LAGUNA MERÍN AND LAGOA DOS PATOS SYSTEM

HUB: **MERCOSUR-CHILE**

GROUP/S: **G2**

COUNTRIES: **BRAZIL-URUGUAY**

ESTIMATED INVESTMENT: **US$49.0 million**

PROJECT TYPE: **Multimodal Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
MCC85	MULTIMODAL TRANSPORTATION IN THE LAGUNA MERÍN AND LAGOA DOS PATOS SYSTEM	BR-UR	EXECUTION	49,000,000

RATIONALE

The project has significant cross-border implications, and involves works in both Uruguay and Brazil, to meet the need for improved connectivity between the eastern region of Uruguay and the southern area of Brazil, which at present is exclusively by road. The restoration of the river transportation mode will help carry greater cargo volumes, reduce freight and infrastructure maintenance costs, alleviate bottlenecks at border crossings, mitigate the environmental impact caused by exhaust emissions and noise pollution, and reduce the number of road accidents. The impacts of the project on the river and lake environments are being studied by both countries in their respective jurisdictions.

The rationale for this project is in line with the Agreement between the Federal Republic of Brazil and the Republic of Uruguay concerning River and Lake Transportation along the Uruguay-Brazil Waterway, signed on July 30, 2010, in the city of Santana do Livramento. This waterway became inactive after the construction of Route BR-471/RS (Chuí-Pelotas) in the 1970s. Route BR-471/RS runs across the Taim Ecological Station, which has an area of 32,038 ha comprising part of the Santa

Vitória do Palmar and Rio Grande municipalities, between the Merín (or Mirim) lake and the Atlantic ocean, near the Chuí or Chuy stream (Brazil-Uruguay border).

In Uruguay, the area of influence of the project comprises the Merín lake and its tributaries, particularly the Yaguarón (or Jaguarão), Cebollatí and Tacuarí rivers. In Brazil, it encompasses the same lake ("Mirim" in Portuguese) and its tributaries —particularly the Jaguarão river—; São Gonçalo channel and its tributaries; the water-access channels to the port of Rio Grande; the Lagoa dos Patos lake and its tributaries; the Guaíba river; and the Taquari, Jacuí, dos Sinos, Gravataí, Caí, and Camaquã rivers, covering a total area of 997 km.

PROPOSAL

The project aims at revitalizing river and lake transport along the waterway formed by the Merín (or Mirim) and dos Patos lakes and their tributaries.

The purpose is to have efficient, safe, regular and adequate freight and passenger transportation services to meet the current requirements of trade, economic development, and environmental preservation.

The project consists in carrying out dredging works; installing aids to navigation and signs and markers along the navigable waterways of both countries; jointly conducting cartographic and hydrographic surveys on the Merín lake; and building ports in the Uruguayan territory.

Since the project is concerned with a waterway shared by two countries, actions associated with immigration, customs and sanitary regulations, among others, are needed, which will be carried out jointly by the relevant national and binational entities.

CURRENT STATUS

The project forms part of the COSIPLAN Portfolio, has been mentioned in joint statements by both presidents, and is within the framework of the Treaty on Cooperation in the Use of Natural Resources and the Development of the Merín Lake Basin.

The project falls under the purview of the Uruguay-Brazil Waterway Technical Secretariat, has been commissioned to the Work Group for the Development of a Cartographic Plan, and is also monitored by the Brazil-Uruguay High-Level Group (GAN).

Environmental protection requirements in force in each country are being observed so as not to affect the ecosystem, in particular the river and lake environments.

The funds for this project have been provided for in the budget estimate for 2010-2014 of the Uruguay's National Hydrography Authority, under the purview of the Ministry of Transport and Public Works, while Brazil has included the project in the second stage of the Growth Acceleration Program (or PAC 2, its acronym in Portuguese), which ensures the financial resources required for its implementation and provides it with a special management model.

The project is at the execution stage and is scheduled to be completed in 2015. Works not implemented yet are the following: i) implementation of the cargo terminal (multimodal platform) in São José do Norte, in the state of Rio Grande do Sul, in addition to access roads and infrastructure; ii) enlargement of the Estrela freight terminal (multimodal platform), on the Tacuarí river; iii) expansion of the Cachoeira do Sul, Rio Grande do Sul, freight terminal (multimodal platform), on the Jacuí river; iv) enlargement of the Santa Vitória do Palmar, Rio Grande do Sul, freight terminal (multimodal plataform), on the Mirim lake; v) expansion of the Porto Alegre, Rio Grande do Sul, freight terminal (multimodal platform), on the Guaíba river; vi) upgrade works at the Rio Grande, Rio Grande do Sul, on the dos Patos lake; vii) upgrade works at the Pelotas port, Rio Grande do Sul, on the São Gonçalo channel; viii) dredging of the Sangradouro canal and of the water-access channel to the Santa Vitória do Palmar port; and ix) dredging of the Mirim lake. Works involved in items i) through vii) are scheduled to commence in October 2013 and to be completed in October 2014, while those mentioned in items viii) through ix) are still unscheduled.

28 MONTEVIDEO – CACEQUI RAILWAY CORRIDOR

HUB: **MERCOSUR-CHILE**

GROUP/S: **G2**

COUNTRIES: **BRAZIL-URUGUAY**

ESTIMATED INVESTMENT: **US$139.8 million**

PROJECT TYPE: **Rail Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
MCC30	REHABILITATION OF THE MONTEVIDEO - RIVERA RAILWAY	UR	EXECUTION	134,831,000
MCC115	UPGRADE OF BRAZILIAN GAGE RAILWAY, RIVERA - SANTANA DO LIVRAMENTO - CACEQUI	BR-UR	EXECUTION	5,000,000

RATIONALE

This project has significant cross-border implications, and involves works in both Uruguay and Brazil, as it will connect the city of Montevideo (Uruguay) with the Rio Grande port (Brazil) and the southern and southeastern regions of Brazil by rail. The project seeks to further physical integration in the MERCOSUR region, especially in the rail corridors linking Montevideo with the Brazilian and Argentine networks in Rivera and Salto Grande, respectively. Furthermore, it will strengthen regional connectivity and create cross-border synergies between Uruguay and Brazil, enhancing regional production flows, activating and optimizing rail transportation, and opening up cargo transportation opportunities currently restricted to the road network.

This initiative, which represents a priority on the agenda of both governments, is an efficient instrument for consolidating regional trade, as railways can carry large volumes with high energy efficiency (mainly in medium- and long-distance journeys), under safer conditions than road vehicles —i.e. fewer accidents, robberies and thefts—, with less environmental impacts, and at lower —hence, more competitive— freight and infrastructure costs, while encouraging the participation of logistics operators and providers of goods and services located in the project's area of influence.

At present, the goods traded between the two countries —primary and secondary products (mainly cereals, timber, barley, rice, molten iron sheets, and agricultural machines)— are carried by road (in Brazil, through BR-293/RS and BR-158/RS).

As for upgrade works in the Uruguayan section, they will bring about better services, as they will directly impact on transportation costs for the benefit of clients. This will help attract investments to the logistics sector, cargo transfer terminals, and activities directly or indirectly associated with rail operations and logistics in general.

The Uruguayan rail section, spanning 567 km from Montevideo to Rivera, is already in operation, but needs to be upgraded to ensure automatic maintenance.

PROPOSAL

In Brazil, the 158-km long Santana do Livramiento-Cacequi rail section needs to be brought back into operation. Experts and representatives from Brazil's National Land Transport Agency (ANTT) and from América Latina Logística do Brasil S/A (ALL) —the firm holding the concession for this rail section stretch— carried out a technical inspection and identified the necessary rehabilitation works, including cross-tie replacement, cut removal, embankment reinforcement, and repair activities in ten bridges.

In Uruguay, the 567-km rail corridor between Montevideo and Rivera needs to be upgraded. These works are aimed at improving the level of service of the sections that make up the corridor, particularly in terms of condition, speed, and safety for the rail transport of goods. This first rehabilitation stage (admissible axle load in Uruguay: 18 tons), is intended to consolidate rail infrastructure so that it meets the new domestic and international freight transportation requirements, and will be followed by another one to keep pace with the growing demand for this mode of transport. The new railroad superstructure will facilitate the upgrade to a 22-ton axle load in a future phase through the reinforcement of the track structural components, maintaining the travelling speeds improved at the first stage.

The complementary actions identified are the following: negotiate contracts to enhance operation conditions; discuss issues related to cargo transfer facilitation; purchase equipment; seek potential rail shippers; identify the products to be traded; verify the need to incorporate new rolling stock; and rehabilitate stations.

CURRENT STATUS

The two individual projects that make up this structured project form part of the COSIPLAN Portfolio.

The structured project is supported by joint statements made by the two countries, as it is of strategic importance in the context of a new Brazil-Uruguay bilateral relation paradigm.

The pre-investment studies were completed in 2011, and the two individual projects are at the execution stage.

Works in the Brazilian territory are to be completed in November 2012 and, therefore, the railway will start its international operation regardless of the rail rehabilitation and upgrade works in Uruguay, which are bound to be completed in 2014.

29 OPTIMIZATION OF THE CRISTO REDENTOR BORDER CROSSING SYSTEM

HUB: **MERCOSUR-CHILE**

GROUP/S: **G3**

COUNTRIES: **ARGENTINA-CHILE**

ESTIMATED INVESTMENT: **US$250.0 million**

PROJECT TYPE: **Border Crossing**

INDIVIDUAL PROJECT

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
MCC34	OPTIMIZATION OF THE CRISTO REDENTOR BORDER CROSSING SYSTEM	AR-CH	PRE-EXECUTION	250,000,000

RATIONALE

This structured project consists in a plan to improve the infrastructure as well as the technological and operational aspects involved in the operation of all the border building complexes and management stations that form part of the Cristo Redentor border crossing system. It is a systemic solution to the congestion problem posed for years by the growing traffic demand to the services provided by both countries in this connection.

This border crossing is located in the Andes mountain range, and links Chile's Region V, Valparaíso, with the Argentine province of Mendoza. This is a high priority project, as this border crossing is the main land connection between Argentina and Chile as well as the converging point for roads with heavy traffic

coming from the MERCOSUR region to Chile and from overseas Pacific markets via the ports of Valparaíso, San Antonio and Quintero, located in Region V.

The project is based on a study that analyzed alternative solutions for the improvement of both infrastructure and operations at the Cristo Redentor border crossing in order to select the ones to be implemented with the aim of having a better border control system in place under a staged development plan for the short, medium and long term.

This initiative considers all the aspects related to bilateral traffic, without seeing congestion as the result of a single cause, and takes into account new concepts such as the following: the optimization of space by allocating different areas for different services depending on vehicle type, which prevents border control areas from being used for other activities and, thus, users from being delayed longer than necessary; the implementation of new technologies; the design of a model for the flow of people and vehicles in the control area; and the building of housing facilities for customs officers.

PROPOSAL

The project includes:

i) Operational measures for the performance of border control functions;
ii) A model for the flow of people and vehicles in the control area;
iii) The location of each border control station (making a distinction between the control of passengers and the inspection of goods);
iv) An infrastructure investment plan, according to the alternatives for each type of control;
v) Estimated operating and maintenance costs; and
vi) The guidelines for a contingency plan to be approved by the countries involved.

This project comprises several works and individual actions to be undertaken by Chile and Argentina in two stages, with short- and medium-term goals. The degree of progress related to such works and actions is different. The project has its origins in the approval by both governments of the Binational Study on the Optimization of the Cristo Redentor Border Crossing System, carried out within the framework of IIRSA as a technical cooperation program funded by the IDB. The Binational Commission for the optimization of the Cristo Redentor border crossing, created in 2011, has already held several meetings. Progress has been made as to some actions intended to speed up operations and define the logistics needs of each service involved in the integrated controls of the respective building complexes. The project provides for a first stage, with provisional improvements using mobile units aimed at expanding the capacity of the facilities, and a second stage, in which controls will be carried out in the final and permanent facilities. The project as a whole is at the pre-execution stage regarding the most important works, and its pre-investment studies are already completed.

CURRENT STATUS

The binational project known as Optimization of the Cristo Redentor Border Crossing System is a structured project made up of several works and actions to be undertaken in stages, and will be subject to a schedule jointly set up by both countries.

In Chile, the project comprises, among other works, the construction of the Los Libertadores Complex; the upgrade of roads to allow differentiated access to the control facilities; separate parking lots; and repair works at the customs officers' housing facilities, in addition to setting up mobile units to expand the capacity of the building complex currently used until the final works are completed. Argentina will undertake individual projects to upgrade its own facilities and to repair the roads required to create a separate access and set up different service modules per vehicle type, among others.

Argentina has initiated negotiations to give priority to the works and secure external financing to carry them out.

At the bilateral level, this structured project is encouraged by the already-mentioned Binational Commission, whereas at the multilateral level, the project is the result of IIRSA border crossing sectoral process and has been included in the COSIPLAN priority project agenda.

30 AGUA NEGRA BINATIONAL TUNNEL

HUB: **MERCOSUR-CHILE**

GROUP/S: **G4**

COUNTRIES: **ARGENTINA-CHILE**

ESTIMATED INVESTMENT: **US$850.0 million**

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
MCC110	AGUA NEGRA BINATIONAL TUNNEL	AR-CH	PRE-EXECUTION	850,000,000

RATIONALE

The main purpose of this structured project is to construct a two-way tunnel at the Agua Negra border crossing between Chile and Argentina. Given its geographical location, this is an important regional integration point, as it provides a further connection from the central area of Argentina to the area of influence of the Coquimbo port in Chile, which encourages tourism and international trade among the countries that make up the MERCOSUR-Chile Hub. Furthermore, Argentina and Chile have produced estimates (social impact assessment studies) of the effect that the opening of the tunnel will have on traffic levels. Despite their differences, these studies are being further refined to get to more accurate figures concerning demand.

The altitude of the border crossing would be brought down from 4,750 to 3,620 meters above sea level on the Chilean end of the tunnel, and to 4,445 meters above sea level on the Argentine end, thus improving the existing connection. The new alignment, with a nominal length of 13.8 km, would offer a faster and safer route to join the Chilean Coquimbo region with the Argentine province of San Juan, opening up new opportunities for tourism and trade development.

At the bilateral level, this project was analyzed within the framework of the Joint Technical Group and, later, by the Agua Negra Binational Entity or EBITAN, created pursuant to the Maipú Treaty on Integration and Cooperation signed by Argentina and Chile in 2009. In the multilateral context, it is included in IIRSA Project Portfolio and in the COSIPLAN API.

PROPOSAL

This structured project is located in the Argentine province of San Juan and in Chile's Region IV, and is part of the Porto Alegre (Brazil)-Coquimbo (Chile) bioceanic corridor.

The project consists in building an international tunnel to replace the last kilometers of road on each side of the border, and offer cargo vehicles an alternative to avoid the most risky and rainy road sections in the area.

The elements that make up the project subject to the Protocol to the Maipú Treaty are the following:

(a) The studies conducted in Chile and Argentina on the Agua Negra International Tunnel

(b) Additional studies that may be carried out by the Parties or by construction companies

(c) The civil works to construct the tunnel, its facilities, safety equipment, and access roads for its operation, including mechanical systems (ventilation and fire control), electrical systems (electric power, lighting, etc.), and electronic systems (control and communications)

(d) Additional structures, facilities, equipment, systems and construction works located in the binational area, including those related to telecommunications and external services required for the management and operation of the Agua Negra International Tunnel

(e) Procedures, instruction manuals, and technical manuals to be drafted during the different stages of the project and approved by EBITAN

(f) Activities related to the construction, maintenance, operation, and management of the tunnel, according to the regulations applicable to the project

CURRENT STATUS

This project is at the pre-execution stage. Concerning its feasibility, demand and social impact assessment studies have been completed in both countries. Moreover, the technical studies, ranging from conceptual engineering to basic engineering, geology, and hydrogeology, have already been completed. There is no accurate schedule for the project yet, but the studies being presently carried out and their analysis are expected to be finished by the beginning of 2013. Also by that time, a protocol will be entered into to move on to the construction contractor prequalification stage and open the bidding process.

As agreed, the tunnel construction cost will be borne by both countries, in proportion to the area involved in their respective territories. Estimations will use a formula whereby the tunnel construction will be financed by Argentina, but once the tunnel becomes operational, Chile will refund Argentina its share in the cost of the construction works with its respective toll fees.

The construction of the tunnel is expected to take seven years.

PERU-BRAZIL-BOLIVIA HUB (BOLIVIA, BRAZIL AND PERU)

The area of influence of this Hub comprises the departments of Tacna, Moquegua, Arequipa, Apurímac, Cusco, Madre de Dios, and Puno in Peru; Pando, Beni, and La Paz, in Bolivia; and the states of Acre and Rondônia in Brazil. This area of influence covers 1,146,871 km^2, accounting for 10.5% of the total area of the three countries that make up the Hub.

The total population of the area of influence was estimated at 10,249,938 inhabitants in 2008, accounting for 4.5% of the total population of the three countries. Furthermore, this area has an average population density of almost 9 inhabitants per km^2. This indicator ranges from a maximum of almost 21 inhabitants per km^2 in the area of influence of the department of La Paz, in Bolivia, to a minimum of slightly more than 1 inhabitant per km^2 in the department of Pando, also in Bolivia. The territory of this Hub is the least densely populated among the nine API Hubs.

API includes a single project from only one of the project groups of this Hub: G2 - Rio Branco - Cobija - Riberalta - Yucumo - La Paz Corridor.

Table 17 shows the only API structured project in the Peru-Brazil-Bolivia Hub. The investment amount involved is US$85.4 million.

MAP 9: API PROJECTS - PERU-BRAZIL-BOLIVIA HUB

TABLE 17: API PROJECTS - PERU-BRAZIL-BOLIVIA HUB

No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
31	**PBB**	PORTO VELHO - PERUVIAN COAST CONNECTION	BRAZIL/PERU	USD 85.4	PBB64	BRIDGE OVER THE MADEIRA RIVER IN ABUNÃ (BR-364/RO)	BR	G2	PRE-EXECUTION	85,350,000
									TOTAL	85,350,000

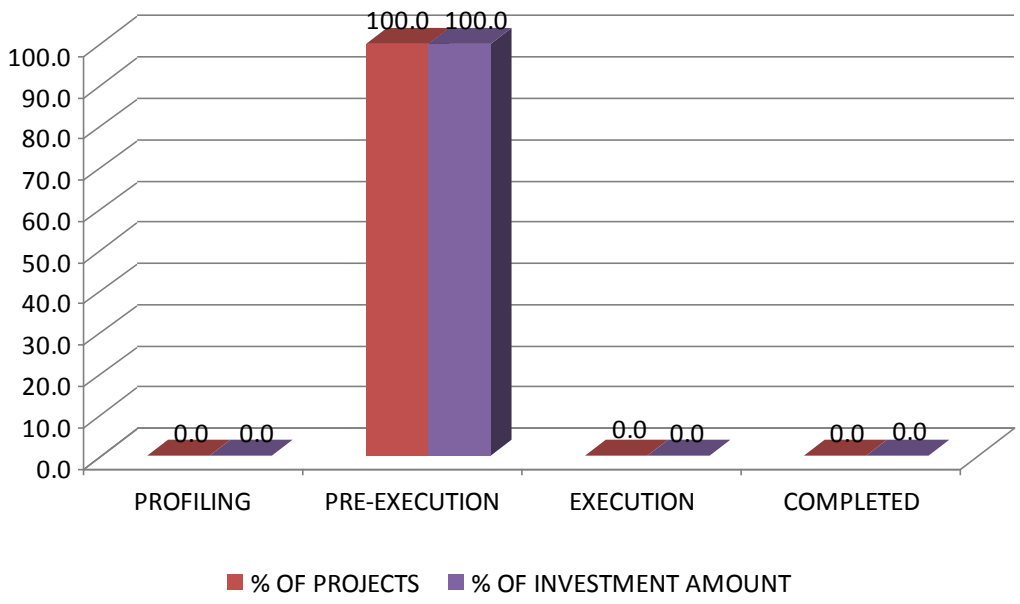
TABLE 18: API PROJECTS - PERU-BRAZIL-BOLIVIA HUB BY IMPLEMENTATION STAGE

(million US$ and %)

PROJECT STAGE	# OF PROJECTS	% OF PROJECTS	INVESTMENT AMOUNT	% OF INVESTMENT AMOUNT
PROFILING	0	0.0	0.0	0.0
PRE-EXECUTION	1	100.0	85.4	100.0
EXECUTION	0	0.0	0.0	0.0
COMPLETED	0	0.0	0.0	0.0
TOTAL	**1**	**100.0**	**85.4**	**100.0**

Note: Amounts are estimated on the basis of the implementation stage at which the API individual projects are.

FIGURE 11: API PROJECTS - PERU-BRAZIL-BOLIVIA HUB BY IMPLEMENTATION STAGE
(% of number of projects and % of investment amount)



31 PORTO VELHO - PERUVIAN COAST CONNECTION

HUB: **PERU-BRAZIL-BOLIVIA**

GROUP/S: **G2**

COUNTRIES: **BRAZIL-PERU**

ESTIMATED INVESTMENT: **US$85.4 million**

PROJECT TYPE: **Road Transportation**

INDIVIDUAL PROJECTS

DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PROJECT STAGE	AMOUNT (US$)
PBB64	BRIDGE OVER THE MADEIRA RIVER IN ABUNÃ (BR-364/RO)	BR	PRE-EXECUTION	85,350,000

RATIONALE

This structured project creates significant cross-border (social, cultural, educational, tourism, economic, and trade) synergies by strengthening regional connectivity networks, which coordinates and promotes the integration of Brazil and Peru. It also encourages important opportunities for the development of logistics chains and production integration processes, fostering the internationalization of the micro- and small-sized enterprises located in the region. Furthermore, at the local level, the project will contribute to reducing the vulnerability of border cities and towns and, overall, of the Acre state economy.

With the completion of the Southern Interoceanic Highway in Peru on July 15, 2011, the road connection between Peru and Brazil through the Acre state became a reality. However, this connection

is interrupted in the Rondônia state, since in order to get to other Brazilian localities either in the direction of Manaus, through Porto Velho and the Madeira waterway, or in the direction of the central-western and southeastern regions, it is necessary to cross the Madeira river in the small village of Abunã using a draft boat, which affects transport efficiency.

PROPOSAL

In order to strengthen the connection of Peru with Brazil through the Southern Interoceanic Highway —along which there is already a significant increase in the bilateral flow of goods and people—, the project includes the construction of a 1.2-km long bridge over the Madeira river in Abunã so as to ensure uninterrupted integration by road.

CURRENT STATUS

The project is at the pre-execution stage, and the works are scheduled to be completed by November 2016.

The construction of the bridge over the Madeira river in Abunã on Route BR-364/RO will be opened for bidding before June 2013, and works are expected to be finalized in May 2016.

The project is included in the Brazilian Growth Acceleration Program (or PAC, in Portuguese).

The Peruvian sections of the Southern Interoceanic Highway between Iñapari and the southern sea ports are all completed and serve international traffic. The Urcos-Pte. Inambari (300 km), Pte. Inambari-Iñapari (403 km), and Azángaro-Pte. Inambari (306 km) stretches have been paved, while the San Juan de Marcona-Urcos (758 km) and Matarani/Ilo-Azángaro (855 km) sections have been rehabilitated. Furthermore, the construction of the 722-m long Continental Bridge over the Madre de Dios river has been completed, thus revitalizing transport flows to and from the border.

With reference to the Iñapari border crossing, the CEBAF on the Peruvian side, currently at the feasibility stage, is yet to be built. This issue is being discussed at the bilateral level to define the best way to carry out border controls.

The completion of the Southern Interoceanic Highway is contributing to making headway in the process of integration with Brazil. At present, there are already some cargo traffic flows. The transportation of Andean cereals, onions, garlic, cement, iron and other products from the southern areas of Peru towards the Brazilian states of Acre and Rondônia is expected to increase. Furthermore, there are two passenger transport companies already operating in the area, one covering the route between Cusco and Rio Branco and the other going up to the city of São Paulo.

However, the greatest impact of the Southern Interoceanic Highway lies in that it has connected isolated areas of Peru's Madre de Dios department with more developed regions, such as Cusco and Juliaca-Puno, and much more dynamism is observed here in cargo traffic flows for commercial and tourism purposes.

The Southern Interoceanic Highway has two contact points with the Pacific ocean for the exit/entry of goods: the Ilo and Matarani ports. The Matarani port terminal is currently operated under a concession agreement and is in good condition for international trade activities. As for the Ilo port terminal, its facilities are planned to be improved and streamlined, thus helping support also Bolivian import and export operations.

No.	HUB	API PROJECT NAME	COUNTRIES	API AMOUNT (million US$)	DB CODE	NAME OF THE INDIVIDUAL PROJECTS	COUNTRIES INVOLVED	PG	PROJECT STAGE	AMOUNT (US$)
1	AMA	PAITA - TARAPOTO - YURIMAGUAS ROAD, PORTS, LOGISTICS CENTERS AND WATERWAYS	PERU	USD 637.6	AMA16	TARAPOTO - YURIMAGUAS ROAD YURIMAGUAS PORT	PE	G3	EXECUTION	275,441,625
					AMA20	PAITA LOGISTICS CENTER	PE	G3	PRE-EXECUTION	47,000,000
					AMA21	YURIMAGUAS LOGISTICS CENTER	PE	G3	PROFILING	5,000,000
					AMA24	PAITA PORT	PE	G3	EXECUTION	227,000,000
					AMA25	PAITA - TARAPOTO ROAD	PE	G3	COMPLETED [1]	
					AMA40	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE HUALLAGA RIVER WATERWAY, BETWEEN YURIMAGUAS AND THE CONFLUENCE WITH MARAÑÓN RIVER	PE	G6	PRE-EXECUTION	19,460,000
					AMA41	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE MARAÑÓN RIVER WATERWAY, BETWEEN SARAMERIZA AND THE CONFLUENCE WITH UCAYALI RIVER	PE	G6	PRE-EXECUTION	19,460,000
					AMA56	MODERNIZATION OF IQUITOS PORT	PE	G6	PRE-EXECUTION	39,200,000
					AMA44	IQUITOS LOGISTICS CENTER	PE	G6	PROFILING	5,000,000
2	AMA	CALLAO - LA OROYA - PUCALLPA ROAD, PORTS, LOGISTICS CENTERS AND WATERWAYS	PERU	USD 2,719.7	AMA26	TINGO MARÍA - PUCALLPA ROAD PUCALLPA PORT	PE	G4	PRE-EXECUTION	416,778,233
					AMA30	PUCALLPA INTERMODAL LOGISTICS CENTER	PE	G4	PROFILING	5,000,000
					AMA31	MODERNIZATION OF EL CALLAO PORT (NEW CONTAINER DOCK)	PE	G4	EXECUTION	706,870,000
					AMA32	LIMA - RICARDO PALMA EXPRESSWAY	PE	G4	PROFILING	242,000,000
					AMA43	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE UCAYALI RIVER WATERWAY, BETWEEN PUCALLPA AND THE CONFLUENCE WITH MARAÑÓN RIVER	PE	G6	PRE-EXECUTION	19,460,000
					AMA63	IIRSA CENTER, SECTION 2: RICARDO PALMA - LA OROYA - TURN OFF TO CERRO DE PASCO / LA OROYA - HUANCAYO	PE	G4	PRE-EXECUTION	100,000,000
					AMA64	IIRSA CENTER, SECTION 3: TURN OFF TO CERRO DE PASCO - TINGO MARÍA	PE	G4	PROFILING	70,000,000
					AMA65	EL CALLAO LOGISTICS ACTIVITIES ZONE (ZAL CALLAO)	PE	G4	PROFILING	155,255,500
					AMA66	EL CALLAO MULTI-PURPOSE NORTHERN TERMINAL	PE	G4	EXECUTION	884,000,000
					AMA67	EL CALLAO MINERAL SHIPPING TERMINAL	PE	G4	PRE-EXECUTION	120,300,000
3	AMA	NORTHEASTERN ACCESS TO THE AMAZON RIVER	BRAZIL/ COLOMBIA /ECUADOR/ PERU	USD 60.8	AMA37	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE IÇÁ RIVER	BR	G6	PROFILING	8,000,000
					AMA38	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PUTUMAYO RIVER	CO - EC - PE	G6	PROFILING	15,000,000
					AMA45	MORONA FREIGHT TRANSFER PORT	EC	G7	PROFILING	5,000,000
					AMA39	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE MORONA RIVER, ECUADORIAN SECTOR	EC	G6	PROFILING	2,000,000
					AMA42	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE NAPO RIVER	EC - PE	G6	PRE-EXECUTION	5,759,000
					AMA71	PROVIDENCIA PORT	EC	G2	PRE-EXECUTION	25,000,000
4	AND	CARACAS - BOGOTÁ - BUENAVENTURA / QUITO ROAD CORRIDOR	COLOMBIA/ ECUADOR/ VENEZUELA	USD 3,350.0	AND05	BOGOTÁ - CÚCUTA ROAD CORRIDOR	CO	G2	EXECUTION	1,559,000,000
					AND07	BOGOTÁ - BUENAVENTURA ROAD CORRIDOR	CO	G2/G4	EXECUTION	1,791,000,000
5	AND	COLOMBIA - ECUADOR BORDER INTERCONNECTION	COLOMBIA/ ECUADOR	USD 223.6	AND31	BINATIONAL BORDER SERVICE CENTER (CEBAF) AT SAN MIGUEL	CO - EC	G6	PRE-EXECUTION	25,000,000
					AND79	IMPROVEMENT AND PAVING OF THE MOCOA - SANTA ANA - SAN MIGUEL ROAD SECTION	CO	G6	EXECUTION	133,629,000
					AND82	IMPLEMENTATION OF THE BINATIONAL BORDER SERVICE CENTER (CEBAF) AT THE TULCÁN – IPIALES (RUMICHACA) BORDER CROSSING, INCLUDING IMPROVEMENT OF THE RUMICHACA BRIDGE	CO - EC	G2	PRE-EXECUTION	65,000,000

6	**AND**	COLOMBIA - VENEZUELA BORDER CROSSINGS CONNECTIVITY SYSTEM	COLOMBIA/ VENEZUELA	USD 5.0	AND81	IMPROVEMENT OF THE BORDER CROSSINGS IN THE NORTHERN DEPARTMENT OF SANTANDER AND THE TÁCHIRA STATE	CO - VE	G2	PROFILING	2,000,000
					AND02	BINATIONAL BORDER SERVICE CENTER (CEBAF) AT PARAGUACHÓN	VE	G1	EXECUTION	2,000,000
					AND13	IMPROVEMENT OF JOSÉ ANTONIO PÁEZ BRIDGE	CO	G3	COMPLETED [1]	0
					AND19	PUERTO CARREÑO BORDER CROSSING	VE	G4	PROFILING	1,000,000
7	**AND**	DESAGUADERO BINATIONAL BORDER SERVICE CENTER (CEBAF)	BOLIVIA/PERU	USD 4.0	AND47	DESAGUADERO BINATIONAL BORDER SERVICE CENTER (CEBAF)	BO - PE	G8	PRE-EXECUTION	4,047,170
8	**AND**	AUTOPISTA DEL SOL EXPRESSWAY: IMPROVEMENT AND REHABILITATION OF THE SULLANA - AGUAS VERDES SECTION (INCLUDING TUMBES BYPASS)	PERU	USD 41.2	AND28	AUTOPISTA DEL SOL EXPRESSWAY: IMPROVEMENT AND REHABILITATION OF THE SULLANA - AGUAS VERDES SECTION (INCLUDING TUMBES BYPASS)	PE	G5	PRE-EXECUTION	41,230,000
9	**CAP**	CONSTRUCTION OF THE SALVADOR MAZZA - YACUIBA BINATIONAL BRIDGE AND BORDER CENTER	ARGENTINA/ BOLIVIA	USD 23.0	CAP10	CONSTRUCTION OF THE SALVADOR MAZZA - YACUIBA BINATIONAL BRIDGE AND BORDER CENTER	AR - BO	G2	PRE-EXECUTION	23,000,000
10	**CAP**	ARGENTINA - BOLIVIA WEST CONNECTION	ARGENTINA/ BOLIVIA	USD 477.0	CAP81	LA QUIACA - VILLAZÓN BRIDGE AND BORDER CENTER	AR - BO	G2	PROFILING	15,000,000
					CAP11	REHABILITATION OF JUJUY - LA QUIACA RAILWAY	AR	G2	PRE-EXECUTION	62,000,000
					CAP50	PAVING OF NATIONAL ROUTE NO. 40, MINING CORRIDOR PATH (BORDER WITH BOLIVIA)	AR	G2	PRE-EXECUTION	400,000,000
11	**CAP**	PARANAGUÁ - ANTOFAGASTA BIOCEANIC RAILWAY CORRIDOR	ARGENTINA/ BRAZIL/ CHILE/ PARAGUAY	USD 2,740.8	CAP20	CASCAVEL - FOZ DO IGUAÇU BIOCEANIC RAILWAY CORRIDOR	BR	G3	PRE-EXECUTION	324,000,000
					CAP23	OPTIMIZATION OF THE ÑEEMBUCÚ - BERMEJO BRIDGE NODE	AR - PA	G4	PRE-EXECUTION	61,206,392
					CAP29	CONSTRUCTION OF CIUDAD DEL ESTE - PILAR RAILWAY	PA	G4	PRE-EXECUTION	438,600,000
					CAP37	REHABILITATION OF THE C3 RAILWAY BRANCH LINE: RESISTENCIA - AVIA TERAI - PINEDO	AR	G1	PRE-EXECUTION	104,000,000
					CAP38	REHABILITATION OF THE C12 RAILWAY BRANCH LINE: AVIA TERAI - METÁN	AR	G1	PRE-EXECUTION	212,000,000
					CAP39	REHABILITATION OF THE C14 RAILWAY BRANCH LINE: SALTA - SOCOMPA	AR	G1	PRE-EXECUTION	60,000,000
					CAP52	RAILWAY BRIDGE WITH FREIGHT YARD (CIUDAD DEL ESTE - FOZ DO IGUAÇU)	BR - PA	G3	PRE-EXECUTION	40,971,000
					CAP53	BIOCEANIC RAILWAY CORRIDOR: PARANAGUÁ - CASCAVEL SECTION AND GUARAPUAVA - INGENIERO BLEY RAILWAY BYPASS	BR	G3	PRE-EJECUCIÓN	1,500,000,000
					CAP91	BIOCEANIC RAILWAY CORRIDOR, CHILEAN SECTION (ANTOFAGASTA – SOCOMPA) [2]	CH	G1	COMPLETED [1]	0

12	**CAP**	FOZ DO IGUAÇU - CIUDAD DEL ESTE - ASUNCIÓN - CLORINDA ROAD CONNECTION	ARGENTINA/ BRAZIL/ PARAGUAY	USD 439.7	CAP07	OPTIMIZATION OF THE CLORINDA - ASUNCIÓN NODE	AR - PA	G1	PRE-EXECUTION	101,206,392
					CAP14	NEW PUERTO PRESIDENTE FRANCO - PORTO MEIRA BRIDGE, WITH A PARAGUAY - BRAZIL INTEGRATED CONTROL AREA	BR - PA	G3	PRE-EXECUTION	202,450,000
					CAP18	CONCESSION FOR THE IMPROVEMENT OF ROUTES NO. 2 AND 7 (ASUNCIÓN - CIUDAD DEL ESTE)	PA	G3	PRE-EXECUTION	136,000,000
13	**CAP**	ITAIPU - ASUNCIÓN - YACYRETÁ 500-KV TRANSMISSION LINE	BRAZIL/ PARAGUAY	USD 755.0	CAP67	500-KV TRANSMISSION LINE (ITAIPU - ASUNCIÓN)	BR - PA	G3	EXECUTION	555,000,000
					CAP68	500-KV TRANSMISSION LINE (YACYRETÁ - AYOLAS - CARAYAO)	PA	G3	PRE-EXECUTION	200,000,000
14	**GUY**	REHABILITATION OF THE CARACAS - MANAUS ROAD	BRAZIL/ VENEZUELA	USD 350.0	GUY01	REHABILITATION OF THE CARACAS - MANAUS ROAD	BR - VE	G1	EXECUTION	350,000,000
15	**GUY**	BOA VISTA - BONFIM - LETHEM - LINDEN - GEORGETOWN ROAD	BRAZIL/ GUYANA	USD 250.0	GUY09	BOA VISTA - BONFIM - LETHEM - LINDEN - GEORGETOWN ROAD	BR - GU	G2	PRE-EXECUTION	250,000,000
16	**GUY**	ROUTES INTERCONNECTING VENEZUELA (CIUDAD GUAYANA) - GUYANA (GEORGETOWN) - SURINAME (SOUTH DRAIN - APURA - ZANDERIJ - MOENGO - ALBINA), INCLUDING CONSTRUCTION OF THE BRIDGE OVER THE CORENTYNE RIVER	GUYANA/ SURINAME/ VENEZUELA	USD 300.8	GUY18	ROUTES INTERCONNECTING VENEZUELA (CIUDAD GUAYANA) - GUYANA (GEORGETOWN) - SURINAME (APURA - ZANDERIJ - PARAMARIBO)	GU - SU - VE	G3	EXECUTION	300,800,000
					GUY24	CONSTRUCTION OF THE BRIDGE OVER THE CORENTYNE RIVER	GU - SU	G3	PROFILING	0
17	**HPP**	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE RIVERS OF THE PLATA BASIN	ARGENTINA/ BOLIVIA/ BRAZIL/ PARAGUAY/ URUGUAY	USD 1,589.8	HPP07	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PARAGUAY RIVER (BETWEEN APA AND CORUMBÁ)	BO - BR - PA	G1	PRE-EXECUTION	39,000,000
					HPP09	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE PARAGUAY RIVER (ASUNCIÓN - APA)	PA	G1	PRE-EXECUTION	88,250,835
					HPP19	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE TIETÊ RIVER	BR	G2	EXECUTION	1,200,000,000
					HPP42	BINATIONAL PROJECT FOR THE IMPROVEMENT OF THE NAVIGATION CONDITIONS ON THE PARANÁ AND PARAGUAY RIVERS, BETWEEN SANTA FE AND ASUNCIÓN	AR - PA	G3	EXECUTION	45,498,216
					HPP44	DEEPENING OF THE FAIRWAY IN THE PARANÁ RIVER FROM SANTA FE TO WHERE IT FLOWS INTO THE PLATA RIVER	AR	G3	PROFILING	110,000,000
					HPP72	BINATIONAL PROJECT FOR THE IMPROVEMENT OF NAVIGATION CONDITIONS ON THE ALTO PARANÁ RIVER	AR - PA	G4	PROFILING	0
					HPP88	BINATIONAL PROJECT FOR THE IMPROVEMENT OF NAVIGATION CONDITIONS ON THE URUGUAY RIVER	AR - UR	G5	EXECUTION	40,000,000
					HPP106	SYSTEM FOR WATER LEVEL PREDICTION IN THE PARAGUAY RIVER (APA - ASUNCIÓN)	BO - PA	G1	PRE-EXECUTION	600,000
					HPP108	IMPROVEMENT OF NAVIGATION CONDITIONS ON THE ALTO PARANÁ RIVER (UPSTREAM OF SALTOS DEL GUAIRÁ)	BR	G2	EXECUTION	56,000,000
					HPP122	REHABILITATION AND MAINTENANCE OF THE TAMENGO CANAL	BO	G1	PRE-EXECUTION	10,500,000

18	**HPP**	PARAGUAY - ARGENTINA - URUGUAY RAILWAY INTERCONNECTION	ARGENTINA/ PARAGUAY/ URUGUAY	USD 293.3	HPP65	REHABILITATION AND IMPROVEMENT OF THE URUGUAYAN SECTION OF THE RAILWAY INTERCONNECTION BETWEEN PARAGUAY, ARGENTINA AND URUGUAY	AR - PA - UR	G3	PRE-EXECUTION	127,300,000
					HPP82	REHABILITATION OF THE ZÁRATE - POSADAS RAILWAY BRANCH LINE	AR	G5	PROFILING	0
					HPP103	CONSTRUCTION AND REHABILITATION OF THE ASUNCIÓN - POSADAS RAILWAY	AR - PA	G3	PROFILING	166,000,000
19	**HPP**	REHABILITATION OF THE CHAMBERLAIN - FRAY BENTOS RAILWAY BRANCH LINE	URUGUAY	USD 100.0	HPP120	REHABILITATION OF THE CHAMBERLAIN - FRAY BENTOS RAILWAY BRANCH LINE	UR	G5	PROFILING	100,000,000
20	**HPP**	NUEVA PALMIRA BELTWAY AND PORT ACCESS ROADS NETWORK	URUGUAY	USD 15.0	HPP97	NUEVA PALMIRA BELTWAY AND PORT ACCESS ROADS NETWORK	UR	G5	PRE-EXECUTION	15,000,000
21	**IOC**	PASSENGER AND CARGO HUB AIRPORT FOR SOUTH AMERICA (VIRU VIRU, SANTA CRUZ, INTERNATIONAL HUB AIRPORT)	BOLIVIA	USD 20.0	IOC78	PASSENGER AND CARGO HUB AIRPORT FOR SOUTH AMERICA (VIRU VIRU, SANTA CRUZ, INTERNATIONAL HUB AIRPORT)	BO	G3	PROFILING	20,000,000
22	**IOC**	IMPROVEMENT OF ROAD CONNECTIVITY IN THE CENTRAL INTEROCEANIC HUB	BOLIVIA/ BRAZIL	USD 388.0	IOC80	UPGRADE OF LA PAZ - SANTA CRUZ ROUTE TO A FOUR-LANE ROAD	BO	G5	EXECUTION	269,000,000
					IOC14	CAMPO GRANDE BYPASS	BR	G2	EXECUTION	17,000,000
					IOC25	PUERTO SUÁREZ - CORUMBÁ INTEGRATED CONTROL AREA	BO - BR	G3	PRE-EXECUTION	2,000,000
					IOC32	TOLEDO - PISIGA ROAD	BO	G5	EXECUTION	100,000,000
23	**IOC**	INFANTE RIVAROLA - CAÑADA ORURO BORDER CROSSING	BOLIVIA/ PARAGUAY	USD 2.0	IOC09	INFANTE RIVAROLA - CAÑADA ORURO BORDER CROSSING	BO - PA	G1	EXECUTION	2,000,000
24	**IOC**	CENTRAL BIOCEANIC RAILWAY CORRIDOR (BOLIVIAN SECTION)	BOLIVIA	USD 6.7	IOC81	CENTRAL BIOCEANIC RAILWAY CORRIDOR	BO	G5	PRE-EXECUTION	6,700,000
25	**MCC**	NORTHEASTERN ARGENTINA GAS PIPELINE	ARGENTINA/ BOLIVIA	USD 1,000.0	MCC68	NORTHEASTERN ARGENTINA GAS PIPELINE	AR	G5	PRE-EXECUTION	1,000,000,000
26	**MCC**	CONSTRUCTION OF THE JAGUARÃO - RÍO BRANCO INTERNATIONAL BRIDGE	BRAZIL/ URUGUAY	USD 93.5	MCC22	CONSTRUCTION OF THE JAGUARÃO - RÍO BRANCO INTERNATIONAL BRIDGE	BR - UR	G2	PRE-EXECUTION	93,500,000
27	**MCC**	MULTIMODAL TRANSPORTATION IN THE LAGUNA MERÍN AND LAGOA DOS PATOS SYSTEM	BRAZIL/ URUGUAY	USD 49.0	MCC85	MULTIMODAL TRANSPORTATION IN THE LAGUNA MERÍN AND LAGOA DOS PATOS SYSTEM	BR - UR	G2	EXECUTION	49,000,000

28	**MCC**	MONTEVIDEO - CACEQUI RAILWAY CORRIDOR	BRAZIL/ URUGUAY	USD 139.8	MCC30	REHABILITATION OF THE MONTEVIDEO - RIVERA RAILWAY	UR	G2	EXECUTION	134,831,000
					MCC115	UPGRADE OF BRAZILIAN GAGE RAILWAY, RIVERA - SANTANA DO LIVRAMENTO - CACEQUI	BR - UR	G2	EXECUTION	5,000,000
29	**MCC**	OPTIMIZATION OF THE CRISTO REDENTOR BORDER CROSSING SYSTEM	ARGENTINA/ CHILE	USD 250.0	MCC34	OPTIMIZATION OF THE CRISTO REDENTOR BORDER CROSSING SYSTEM	AR - CH	G3	PRE-EXECUTION	250,000,000
30	**MCC**	AGUA NEGRA BINATIONAL TUNNEL	ARGENTINA/ CHILE	USD 850.0	MCC110	AGUA NEGRA BINATIONAL TUNNEL	AR - CH	G4	PRE-EXECUTION	850,000,000
31	**PBB**	PORTO VELHO - PERUVIAN COAST CONNECTION	BRAZIL/PERU	USD 85.4	PBB64	BRIDGE OVER THE MADEIRA RIVER IN ABUNÃ (BR-364/RO)	BR	G2	PRE-EXECUTION	85,350,000