

TC Document RG-T4766

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Efficient logistics corridors to improve connectivity in South America
▪ TC Number:	RG-T4766
▪ Team Leader/Members:	Abad, Julieta (INE/TSP) Team Leader; Fioravanti, Reinaldo Daniel (INE/TSP) Alternate Team Leader; Ferro Briceno Paula Vanessa (INE/TSP); Zambrano Duque Ana Maria (INE/TSP); Pena Rua , Cinthya Mariam (INE/TSP); Campos Lombeida Liseth Antonella (INE/TSP); Vila Saint Etienne, Sara (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	April 2025
▪ Beneficiary:	Argentina, Brasil and Paraguay.
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Infrastructure(W2B)
▪ IDB Funding Requested:	US\$800,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	Aug 2025
▪ Types of consultants:	Individuals and Firms
▪ Prepared by Unit:	INE/TSP-Transport
▪ Unit of Disbursement Responsibility:	INE/TSP-Transport
▪ TC included in Country Strategy (y/n):	N
▪ TC included in CPD (y/n):	N
▪ Alignment to the Update to the Institutional Strategy:	Respectively, the TC is aligned with the Operational Focus Area and the Additional Impact Framework Strategic Alignment Indicator: Sustainable, resilient, and inclusive infrastructure; Productive development and innovation through the private sector; Regional integration; Supports sustainable economic growth

II. Objectives and Justification of the TC

- 2.1 The objective of this TC is to contribute to strengthening regional transport connectivity to bolster competitiveness and promote sustainable growth in South America. To achieve this, the TC will analyze transport infrastructure gaps and bottlenecks; evaluate transport and logistics requirements for relevant supply chains (both at the regional and national levels), assess transport services regulatory frameworks with a view to their improvement and efficiency.
- 2.2 In March 2025, the Inter-American Development Bank launched the Conexión Sur initiative, with the official backing of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, and Uruguay. This program aims to improve regional connectivity and strengthen competitiveness as means to foster

sustainable growth in South America. It serves as a collaborative platform to align efforts among countries and development partners across the region.

- 2.3 The driving force behind this initiative is the recognition that South America's limited economic growth and low productivity stem from a series of interrelated structural challenges—many of which also offer opportunities for significant transformation, especially in the area of connectivity. Deficiencies in infrastructure across transport, digital, and energy sectors contribute to high logistics and transportation costs, hinder market access, slow regional integration, deter investment, and impede the adoption of modern technologies.
- 2.4 **Problem addressed.** South America faces persistent challenges in advancing regional integration due to weak physical connectivity, fragmented regulatory frameworks, and limited mechanisms for coordinated regional planning. One of the core problems is the absence of a standardized methodology or connectivity index to objectively measure the degree of territorial and functional integration across countries. This lack of clear metrics hinders the ability to identify critical infrastructure gaps, evaluate barriers to mobility and trade, and prioritize strategic investments.
- 2.5 Furthermore, while transport corridors exist, their development has often been uncoordinated, with inconsistent regulatory frameworks across borders reducing the overall efficiency and interoperability of regional networks. The limited alignment in transport standards, procedures, and institutional capacity undermines the effectiveness of cross-border logistics and the potential for economic integration. According to CAF (2022), Latin America needs to invest at least 5% of its GDP annually in infrastructure to close existing gaps, yet current investment levels remain around 2.8%. In the transport sector alone, inefficiencies linked to border delays and lack of coordination increase logistics costs by up to 40% compared to OECD countries. These constraints limit the region's ability to capitalize on trade opportunities and economic growth potential.
- 2.6 In addition, there is an insufficient platform for sustained regional dialogue among countries to jointly define priorities, align policy frameworks, and coordinate infrastructure agendas. This fragmentation limits the potential for shared solutions and regional public goods, including harmonized regulations, joint investment strategies, and climate-resilient transport networks.
- 2.7 This proposal addresses these gaps through a combination of technical analyses to promote physical transport connectivity, the identification of regulatory frameworks to enhance the efficiency of regional transport services, and the promotion of structured technical dialogues on this agenda. Together, these efforts aim to provide a solid foundation for data-driven planning and cooperation to South America's regional integration process.
- 2.8 **Beneficiaries.** The main beneficiaries will be public agencies in Argentina, Brazil and Paraguay, responsible for infrastructure (energy, digital, and transport), trade, and planning. The technical cooperation will support these agencies in generating a pipeline of projects that can be prioritized and financed by various financing institutions.
- 2.9 **Alignment with IDB's Institutional Strategy and Ongoing Programs.** This Technical Cooperation (TC) is aligned with the IDB Group's Institutional Strategy 2024–2030: Transforming for Scale and Impact (CA-631), which seeks to enhance the effectiveness and reach of Bank operations across Latin America and the Caribbean. The TC contributes to the strategy's three core objectives: (i) reducing poverty and

inequality, by improving logistics connectivity in underserved territories; (ii) addressing climate change, through the promotion of resilient infrastructure planning; and (iii) fostering sustainable regional growth, by strengthening trade corridors and regional value chains. Furthermore, this TC aligns with several of the seven operational focus areas of the Institutional Strategy: (1) Biodiversity, natural capital, and climate action, by promoting sustainable and climate-resilient infrastructure; (3) Institutional capacity, rule of law, and citizen security, through the development of data-driven planning and investment tools; (5) Sustainable, resilient, and inclusive infrastructure, by identifying and prioritizing key interventions along strategic corridors; (6) Productive development and innovation through the private sector, by improving the efficiency of regional value chains; and (7) Regional integration, by fostering functional and territorial connectivity across countries in the Andean Region and the Southern Cone.

- 2.10 The TC is further aligned with the Ordinary Capital Strategic Development Program (OC-SDP, GN-2819-14), specifically under the second window, priority area 4: regional and global integration, by supporting the development of physical and institutional conditions for more efficient cross-border transport and logistics networks. The TC will be financed with resources from the OC SDP Window 2 - Infrastructure (W2B) fund.
- 2.11 This Technical Cooperation (TC) aligns with the Country Strategies of its beneficiary countries, including Paraguay, Brazil, and Argentina. For Paraguay (Strategy 2025–2029), the TC supports Productive Paraguay by strengthening trade corridors to enhance export competitiveness and productivity in key sectors, while infrastructure investments aim to reduce logistics costs, facilitating greater regional integration and economic expansion. In Brazil (2024–2027), the TC addresses structural barriers to productivity by prioritizing high-impact infrastructure projects, especially in underserved regions like the Northeast and North. For Argentina (Country Strategy 2025–2028, GN-3288), the TC promotes business facilitation and international trade, improves physical connectivity and energy matrix expansion, and fosters productive modernization and innovation in strategic sectors. Across all three countries, the TC aligns with national development priorities by enhancing territorial and logistical connectivity, strengthening planning capacities, and contributing to more efficient regional value chains.

III. Description of activities/components and budget

- 3.1 The TC is structured around four main components:
- 3.2 **Component 1. Technical Analyses to Enhance Regional Transport Connectivity (US\$630,000.00):** This component will finance technical studies to provide evidence-based inputs to inform public policy decisions on investments to reduce physical and economic barriers to regional trade and mobility. These include:
 - 3.2.1 Assessments of existing conditions in national and regional integration corridors, economic and technical evaluations, comprehensive master planning, and overall national/regional diagnostics to identify investment priorities.
 - 3.2.2 Methodologies to measure regional transport infrastructure performance and/or prioritize investments.
 - 3.2.3 Supply chain analysis to identify transport infrastructure bottlenecks, missing links and regulatory issues.

- 3.2.4 Analysis of institutional, governance or political economy dimensions for transport integration projects or regional logistics corridors.
- 3.2.5 Specific transport integration project studies.
- 3.3 **Component 2. Regulatory Frameworks for the Efficiency of Regional Transport Networks (US\$150,000.00):** This component will support the identification, analysis, and alignment of regulatory and institutional frameworks that impact the operation of regional transport corridors. It includes reviewing border procedures, transport standards, governance models, and investment regulations across countries to identify bottlenecks and opportunities for harmonization. The goal is to increase interoperability, reduce transaction costs, and improve the operational efficiency of cross-border logistics.
- 3.4 **Component 3. Promotion of Regional Dialogue (US\$20,000.00):** This component will finance activities that facilitate structured dialogue among national authorities, regional organizations, and relevant stakeholders. It includes the organization of seminars, training, dissemination events, and high-level meetings to share findings, promote consensus, and coordinate actions across countries. These efforts are essential to ensure political buy-in, enhance cooperation, and promote the regional integration agenda.
- 3.5 These outputs are expected to contribute to the development of sustainable and resilient regional infrastructure, facilitate cross-border connectivity, and strengthen institutional capacity in the transport and logistics sectors. Ultimately, this TC will support the design and implementation of future investment operations and regional initiatives focused on integration and trade competitiveness.
- 3.6 The TC will be financed with resources from the OC SDP Window 2 – Infrastructure (W2B) fund, in the amount of US\$800,000. The indicative budget is as follows:

Indicative Budget

Activity / Component	Description	IDB/Fund Funding (US\$)	Total Funding (US\$)
Component 1: Technical Analyses to Enhance Regional Transport Connectivity	Technical studies on transport integration projects, data collection exercises, methodologies and supply chain analysis to identify infrastructure requirements and bottlenecks	630,000.00	630,000.00
Component 2: Regulatory Frameworks for the Efficiency of Regional Transport Networks	Analysis and proposals of regulatory frameworks for harmonizing transport services at the regional level across all modes of transport. Includes the possible design of governance mechanisms for shared infrastructure and corridors.	150,000.00	150,000.00
Component 3: Promotion of Regional Dialogue	Development of dissemination events, training workshops, experience exchanges, and knowledge products.	20,000.00	20,000.00
TOTAL		800,000.00	800,000.00

- 3.7 This budget is intended to be executed over a 36-month period, with constant monitoring by the team leader and other team members to ensure progress in the delivery of the required outputs¹.
- 3.8 **Expected results.** This Technical Cooperation is expected to generate key analytical inputs and coordination mechanisms that will enhance regional transport integration and improve the efficiency of value chains across South America. The development results will include:
- 3.8.1 A **connectivity index** to measure the degree of territorial and functional integration across strategic corridors in the Andean Region and Southern Cone, serving as a tool for investment prioritization and regional planning.
 - 3.8.2 **Infrastructure and logistics improvement plans** aimed at boosting efficiency in regional value chains, identifying priority interventions to enhance multimodal transport connectivity—including road, rail, waterways, and border infrastructure.
 - 3.8.3 **Technical studies of high-potential transport projects**, including those with intermodal potential (such as railways and inland waterways), could significantly strengthen strategic integration corridors. These studies will, when appropriate, consider alternative mechanisms for private sector participation in project financing.
 - 3.8.4 **Proposals for harmonized regulatory frameworks** to improve the efficiency and coordination of regional transport services, including recommendations for governance mechanisms for shared infrastructure and corridors. These studies will, when appropriate, consider alternative mechanisms for private sector participation in project financing.
 - 3.8.5 **Capacity-building and knowledge dissemination** through technical workshops, training sessions, regional experience exchanges, and the production of knowledge products to support decision-making and stakeholder alignment.
- 3.9 These outputs will contribute to strengthening regional integration, promoting inclusive and sustainable growth, and supporting future investment operations in transport infrastructure and logistics services.

IV. Executing agency and execution structure

- 4.1 The execution of the Technical Cooperation (TC) will be carried out by the Bank, in accordance with Annex II of the document “Procedures for the Processing of Technical Cooperation Operations and Related Matters”, and in line with the request of the beneficiary governments. The Countries of the Southern Cone Department will be responsible for coordinating activities with the institutions involved. The Disbursement Responsible Unit (UDR) will be INE/TSP, and the execution period will be 36 months.
- 4.2 Coordination with the beneficiary countries will be carried out through the operational focal points designated by each government. These focal points will participate in regular virtual and in-person meetings to review progress, provide inputs on national priorities, and validate deliverables. The Bank will maintain continuous communication with the focal points and relevant sectoral agencies to ensure alignment with country

¹ The no-objection confirmation from the Government of Brazil is currently pending, and no activities will be initiated in or related to said country until the corresponding letter is received.

needs and policy frameworks. Additionally, joint planning sessions will be held at key stages of the TC to ensure coherence and shared ownership of the results.

- 4.3 The execution of this Technical Cooperation (TC) by the Bank is justified, first and foremost, by the explicit request of the government. In addition, the technical nature of the activities and the high level of coordination required among multiple public agencies make Bank execution the most suitable modality. The Bank, and specifically the INE/TSP division, has technical expertise and institutional capacity to ensure the timely and high-quality delivery of TC's outputs. Bank execution will also facilitate coordination with the various institutions from which information is needed and that will directly benefit from TC's results. Furthermore, in accordance with Annex II of document OP-619-4 and the Technical Cooperation Policy (GN-2470-2), Bank execution is warranted given that the requesting entity does not possess the technical, operational, or institutional capacity necessary to carry out the planned activities effectively and within the required timeframe. Compliance with the entity's internal procedures would also significantly delay implementation and jeopardize the achievement of the TC's objectives.
- 4.4 The execution structure is justified by the Bank's experience in developing activities related to the operational and technical instruments proposed for this type of regional investment operations, drawing from the experience of IIRSA (Initiative for the Integration of Regional Infrastructure in South America) and the South Connection Program. The Bank's prior experience will also allow for the establishment of logical and robust guidelines for the development of this TC. Moreover, execution by the Bank will promote impartiality and independence in the development of consulting products for key activities. All of the above positions the Bank as an actor capable of delivering added value by acting as the executor of this TC. For this reason, the beneficiary governments support this execution structure and view the Bank as playing a strategic role in achieving the expected results of this TC.
- 4.5 The Bank will hire individual consultants, consulting firms, and non-consulting services in accordance with the Bank's current policies and procedures. All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines. Additionally, given that all knowledge products generated from Bank-executed activities will belong to the Bank. If it is deemed necessary by the team, it could be stated that the Bank will have the option of using creative common licenses or granting the beneficiaries a non-exclusive license under the terms and scope delimited by the Bank relevant policies and procedures. The following text is provided as an example: The knowledge products generated from Bank-executed activities within this technical cooperation will be the property of the Bank and may be made available to the public under a creative commons license. However, at the request of the beneficiaries, in accordance with the provisions of AM-331, the intellectual property of said products may also be licensed through specific contractual commitments that shall be prepared with the advice of the Legal Department. If it is deemed necessary by the team, it could be stated that the Bank will have the option of using creating common licenses or granting to the beneficiaries a non-exclusive license under the terms and scope delimited by the Banks relevant policies and procedures.

V. Major issues

- 5.1 Given the analytical and coordination-focused nature of this Technical Cooperation (TC), no major risks have been identified that could compromise its execution. However, there is a moderate operational risk associated with the potential lack of alignment and engagement among the multiple stakeholders involved, particularly across countries, government agencies, and consultants. The complexity of coordinating regional inputs and accessing timely data from national entities may affect the pace of some deliverables. To mitigate this, the Bank will assume a central coordination role, promoting fluid communication between counterparts and ensuring close follow-up through technical meetings and structured reporting mechanisms. This approach will help maintain consistency, promote ownership, and ensure timely progress across all components of the TC.

VI. Exceptions to Bank policy

- 6.1 No exceptions to the Bank's policies are considered.

VII. Environmental and Social Aspects

- 7.1 This TC does not intend to finance pre-feasibility or feasibility studies for specific investment projects, nor related social or environmental studies. Therefore, the requirements of the Bank's Environmental and Social Policy Framework (ESPF) do not apply to this TC.

Required Annexes:

[Request from the Client_38800.pdf](#)

[Results Matrix_47899.pdf](#)

[Terms of Reference_11063.pdf](#)

[Procurement Plan_26400.pdf](#)

* If TC Document is sent for BOD approval, the only Annexes that need to be translated are the Results Matrix and the Procurement Plan. The Request from Client and the ToRs should be included as links and no translation is required.