

**REGIONAL INTEGRATION IN LATIN AMERICA AND THE CARIBBEAN IN THE NEW  
MILLENNIUM**

**(TC0002037RG)**

**EXECUTIVE SUMMARY**

|  |  |      |           |
|--|--|------|-----------|
| <b>Requester:</b>                        | IDB Initiative   |      |           |
| <b>Executing agency:</b>                 | Institute for the Integration of Latin America and the Caribbean (INTAL)   |      |           |
| <b>Amount and source:</b>                | IDB: (FSO)   | US\$ | 2,000,000 |
|  | Total:   | US\$ | 2,000,000 |
| <b>Terms:</b>                            | Execution Period:  | 24   | Months    |
|  | Disbursement Period:   | 30   | Months    |
| <b>Objectives:</b>                       | The general objective is to promote and consolidate the process of integration in Latin America and the Caribbean at the bilateral, sub-regional, regional and hemispheric level. The specific objective is to provide support to INTAL in the execution of its role in promoting integration in Latin America and the Caribbean.  |      |           |
| <b>Description:</b>                      | INTAL's work program is to be implemented on the basis of annual plans covering the following four modules: (i) technical assistance in the form of specific programs or projects; (ii) policy and integration forums; (iii) support to the INTAL Documentation Center, databases and information systems, and; (iv) publications. The means by which the program is executed are described in detail in chapter III of this plan of operations.   |      |           |
| <b>Environmental/<br/>social review:</b> | Because of the nature of the program, no adverse environmental impact is foreseen. The Committee on Environment and Social Impact (CESI) suggested inclusion of the following topics in future events and activities: (1) indigenous peoples—particularly groups with trans-boundary issues; and (2) environmental and occupational health and safety standards, harmonization and certification, including ISO14000 initiatives. These topics could be integrated in the various components of the operation: technical assistance in the form of specific programs or projects, support to the INTAL |      |           |

Documentation Center, databases and information systems, publications, and particularly as topics for policy and integration forums and special events

**Benefits:**

The principle benefit of the program will be that the governments belonging to or desiring to join existing integration arrangements will be provided with the technical support elements and other necessary information on which to base their decision making in the formulation of national and common policies which are consistent with the diverse processes of regional integration.

It should also be emphasized that the actions of INTAL, through this regional technical cooperation, will serve to strengthen the negotiating capacity of the personnel of the region's governments in trade and integration issues. This will serve them well in the diverse negotiations they will have to undertake at the hemispheric, inter-regional (with Europe and Asia) and multilateral (with the WTO) levels.

Finally, the participation of civil society in the integration processes will be facilitated through the strengthening of INTAL's information diffusion and dissemination capacity.

**Risks:**

In light of the experience with the previous Regional Technical Cooperation, ATN/SF-5205-RG, no significant risks are expected to arise in the execution of the program.

**Bank's strategy:** This operation falls squarely within the Trade and Integration area of the eight areas identified as priority for the Regional Technical Cooperation program of the Bank.

A dynamic foreign trade sector is the key to participation in the globalization process. Incorporation in a rapidly changing global economy – transmitting growth along with equitable development – presupposes trade policies matching the opportunities afforded by a world undergoing rapid change and the existence of a systemic competitiveness encompassing numerous social and economic aspects of a country. It also requires the establishment of an effective presence in international and regional forums dealing with trade issues. At the same time, integration may also help countries position themselves in international markets thanks to the contributions it makes to domestic markets that are still low on exports, investment, technology, infrastructure, human capital, financing and so on. Integration may also help countries to exploit commercial and geographic advantages or niches. Finally, integration generates externalities or spin-offs due to the increased credibility of economic policies based on collective commitments among member countries.

The activities of INTAL, as financed by this operation, support all of the above.

**Special  
contractual  
conditions:**

None

**Exceptions to  
Bank policy:**

None

## **I. FRAME OF REFERENCE**

### **A. Frame of reference**

- 1.1 INTAL was set up as a permanent unit of the IDB in December 1964, and it has been actively involved in liaison and coordination with the main economic integration and economic cooperation agencies operating in the region. INTAL enjoys a high degree of name recognition in Latin America and the Caribbean (LAC). Indeed the LAC countries have acknowledged that INTAL's activities represent a major component of the IDB's contribution to promoting integration within the region.
- 1.2 INTAL underwent a reorganization in the middle 1990's to better attend to the shifting economic and institutional conditions of that time. This entailed a new administrative structure consisting of a core of personnel composed of long-term consultants under the leadership of a Director, to manage the new activities to be included in INTAL's work program. To facilitate and finance this work plan, a regional technical cooperation, ATN/SF-5205-RG, was approved on May 8, 1996.
- 1.3 Under that operation, 35 technical cooperation projects have been initiated since July 1996, of which 16 are still ongoing; more than 6,000 participants attended the forums and events that were organized in 1999; the activity of the INTAL Documentation Center (CDI) increased substantially, with more than 4,600 consultations in 1999, and; 66 publications were issued. The financing from that operation will end in the second quarter of 2000 and INTAL now needs additional funding to assure continuity of current work plan activities and the development of new ones.
- 1.4 Based on INTAL's experience during the execution of ATN/SF-5205-RG, the demands originated from governments and other special interest groups from civil society have shown the increased dynamics and diversity of the current integration process in the region. The dynamics are reflected in the numerous new bilateral, sub-regional, inter-regional initiatives agreed on in the negotiating stage, and the diversity is mirrored by the wide array of topics that are being discussed in those scenarios, ranging from the social, cultural, political, security and economic fields.
- 1.5 This situation has strongly influenced the Institute's activities type and reach. The active involvement of new actors from the private, labor and NGO sectors in a field that in the past was almost exclusively reserved for governments, has generated an increasing need for activities geared to process and disseminate relevant and specialized information. Based on this, the impact of INTAL's activities in those areas including publications, databases and information systems has been one of the most relevant areas to be supported and sustained through the operation proposed in this document.

- 1.6 On the governments' side, the diversity of topics and multiple parallel negotiating scenarios has put a strain on the availability of qualified human resources to respond to this challenge. In this regard, the effectiveness of INTAL's training courses undertaken jointly with the World Trade Organization (WTO) has received a high degree of recognition from the beneficiary governments. It is important to point out that in April 2000 the Bank signed a Memorandum of Understanding with the WTO by which INTAL is named by this institution as its focal point for training activities in Latin America and the Caribbean.
- 1.7 An evaluation of the previous regional technical cooperation, ATN/SF-5205-RG, was carried out at the end of 1999 and its results were positive as to the activities and administration of the program. This evaluation, prepared by an individual consultant, included a series of recommendations for the future development of activities by INTAL. A summary of the principal recommendations follows:
- (a) the Bank should seriously consider the possibility of expanding and re-dimensioning the role of INTAL so as to make its contribution even greater than at present in supporting the integration processes;
  - (b) INTAL's training activities concerning integration and international trade topics should be expanded. INTAL should become the regional training center for public officials specializing in trade and integration issues and, eventually, for private sector representatives. It is considered very important that INTAL become the main training source for WTO topics and disciplines in the Americas;
  - (c) INTAL should deepen its presence in Central America and the Caribbean, in recognition of the fact that the smaller countries are those that would face the major challenges in taking advantage of hemispheric integration;
  - (d) INTAL, with its lean and efficient administration, should continue to ensure that its resources are focused on trade and integration issues, and that its administrative agility is not taken advantage of for work on other unrelated topics;
  - (e) the current MERCOSUR Report publication should be extended to the Andean Community, Central America and the Caribbean, as this emphasizes INTAL's role as the historical memory of the evolution of subregional integration processes; and
  - (f) INTAL, in the future, should integrate more closely its activities with those of the other divisions and units of the Bank.

The activities planned for INTAL, as detailed in its published Work Plan for 2000, take these recommendations into account.

**B. The Bank's sector strategy**

- 1.8 This operation falls squarely within the Trade and Integration area of the eight areas identified as priority for the Regional Technical Cooperation program of the Bank.
- 1.9 A dynamic foreign trade sector is the key to participation in the globalization process. Incorporation in a rapidly changing global economy – transmitting growth along with equitable development – presupposes trade policies matching the opportunities afforded by a world undergoing rapid change and the existence of a systemic competitiveness encompassing numerous social and economic aspects of a country. It also requires the establishment of an effective presence in international and regional forums dealing with trade issues. At the same time, integration may also help countries position themselves in international markets thanks to the contributions it makes to domestic markets that are still low on exports, investment, technology, infrastructure, human capital, financing and so on. Integration may also help countries to exploit commercial and geographic advantages or niches. Finally, integration generates externalities or spin-offs due to the increased credibility of economic policies based on collective commitments among member countries.
- 1.10 The activities of INTAL, as financed by this operation, support all of the above.

**II. THE PROGRAM**

**A. Objectives**

- 2.1 The general objective is to promote and consolidate the process of integration in Latin America and the Caribbean at the bilateral, sub-regional, regional and hemispheric level. The specific objective is to provide support to INTAL in the execution of its role in promoting integration in Latin America and the Caribbean.

**B. Description**

- 2.2 To achieve the above objective, INTAL will carry out a program of activities for the period 2000 – 2001, to be funded primarily with resources drawn from the regional technical cooperation project proposed in this document. As described below in Chapter III, INTAL's work program is to be implemented on the basis of annual plans. The Work Plan for the Year 2000 has already been developed taking into account the recommendations of the evaluation of the previous regional technical cooperation. The activities proposed will be covered under the following four modules:

Technical Cooperation

- 2.3 This module will continue the technical assistance provided under ATN/SF-5205-RG in terms of fostering the sub-regional integration processes or individual country participation therein. Support will be provided to programs in areas such as:
- i. Promotion of both ongoing and new border integration initiatives;
  - ii. Training and guidance in integration and international trade matters;
  - iii. Fostering research activities in integration and trade matters, including the support for the INTAL Network of Research Centers on Integration – RedINT;
  - iv. Assistance to diverse integration topics, for example in the social, cultural and economic areas, for the countries of Latin America and the Caribbean.
- 2.4 Activities (ii) and (iii) directly address recommendations (b) and (d) of the evaluation of the previous operation, ATN/SF-5205-RG, summarized in Section 1.7 above. Given that new regional programming exercises have been completed for Central America and the Caribbean, the priorities thus identified will enable INTAL to deepen its activities in these regions in accordance with recommendation (c).
- 2.5 Some of the activities included in INTAL's work program, especially those related to border integration, training and support for integration and trade negotiations, RedINT, working paper series and INTAL Journal "Integration & Trade" will continue to be closely coordinated, and jointly developed with the Integration, Trade and Hemispheric Issues Division of the Integration and Regional Programs department (INT/ITD). INTAL will also coordinate with other Departments as appropriate and in consultation with INT/ITD.
- 2.6 The technical assistance operations envisaged in this module will pertain to specific integration issues or topics. INTAL may administer other initiatives (requested by beneficiary countries or sub-regional integration agencies) using funds, distinct from those of its regular work program, contributed to it or financed by member countries and other sources.

#### Policy and Integration Forums

- 2.7 INTAL will continue to hold a series of forums and, in accordance with recommendation (d) of the previous operation's evaluation, will ensure that they are tightly focussed on trade and integration issues.
- 2.8 Policy forums are to be organized at which integration and trade policy issues will be discussed and debated. The private sector, including representatives of the business community, labor and non-governmental organizations (NGOs), will play a leading role in these forums, along with government authorities, sub-

regional integration agencies, and experts in the specific subject area addressed at the forum.

- 2.9 The policy forums will be incorporated in INTAL's annual programs, and they will be flexibly scheduled so as to adapt to changing needs and requirements. The forums will generally be of short duration (one or two days) and will address contemporary international issues or integration-related problems. Summaries of the forums' discussions and conclusions will be published and distributed.
- 2.10 The intention is that as a result of these policy forums, the private and public sector participants, and countries interested in exchanging information and experiences, will be able to achieve a better grasp of current policy debates and the range of views held by the various constituents involved. Ultimately this will help to achieve a degree of consensus on integration related policy questions.
- 2.11 Integration forums will also be sponsored which study and disseminate findings on important topics related to integration. This will include analysis and discussion of studies of integration issues, such as those of RedINT, that are important at the sub-regional or national level but are still not sufficiently understood. The content of the studies, undertaken by specialized private and public university entities and academic research centers, and their subsequent discussion, will be summarized and published by INTAL.

#### INTAL Documentation Center CDI, Databases and Information Systems

- 2.12 The work of the CDI intensified significantly in 1999. In view of that, and of the substantial effect that the expansion of INTAL's Internet Page has had on the Center, the scope of the services offered by the CDI will be diversified. This will have a significant effect on the volume of documentation received, the number of consultations from abroad, and the dissemination of the bibliographical information available in the institute.
- 2.13 In addition, the INTAL Monthly Newsletter will continue to be published in electronic form on the Internet in English, Spanish and Portuguese, providing information on sub-regional groups, meetings, agreements and publications related to integration.
- 2.14 Amongst other activities planned in this module, work will continue on updating and modernizing the DATAINTAL system) with the technical support of the Bank's Statistical and Quantitative Analysis Unit - INT/STA), as well as the INTAL-MERCOSUR Base (BIM), and the CDI's bibliographic database. The Directory of Economic Relations between Latin America and Asia-Pacific will continue to be disseminated via INTAL's Internet page. The database of Basic Instruments of Economic Integration in Latin America and the Caribbean will be updated with the inclusion of new juridical instruments signed by the countries of the region and new options and consultation mechanisms will be made available. With respect to new systems, it is expected to design and put into operation the



Transpacific Business Network, as well as develop and implement the pilot project of the System of Business and Investment Opportunities in MERCOSUR. The various sections of the Institute's home page will be brought up to date including two new information options with an historical chronology of integration in Latin America and the Caribbean and historical overviews of the evolution of the different processes of sub-regional integration.

### Publications

- 2.15 With respect to publications, it is likely that they will exceed 70 in the year 2000. Among the publications already planned, INTAL will continue to produce the journal Integration and Trade, in English, Spanish and Portuguese, containing peer-reviewed articles on policy issues, with a substantial technical content.
- 2.16 Publication of the annual MERCOSUR Report will continue and it is planned to add the Central American Report and Andean Report in 2000 together with the Caribbean Report in 2001 in accordance with recommendation (e) of the previous operation's evaluation. Work will also continue on the publication of the INTAL/ITD series of Dissemination Papers and Working Papers being issued jointly with the Bank's Division of Integration, Trade and Hemispheric Issues, INTAL's own series of Dissemination Papers and Working Papers, and other specialized reports originated through the Institute's research activities, such as academic contributions from the RedINT.

### **C. Cost and financing**

- 2.17 The total cost of the program is US\$2,000,000, to be financed from the net income of the Fund for Special Operations (FSO) on a non-reimbursable basis. The Bank's contribution will be disbursed in accordance with applicable IDB procedures. A summary of the program budget is shown below. A more detailed version is given in Annex II.

| <b>Activity Modules</b>                | <b>Contribution<br/>(in US\$)</b> |
|--|-----------------------------------|
| Technical Assistance                   | 742,000                           |
| Policy and Integration Forums          | 300,000                           |
| CDI, Databases and Information Systems | 380,000                           |
| Publications                           | 418,000                           |
| Program Evaluation and External Audits | 60,000                            |
| Contingencies                          | 100,000                           |
| <b>TOTAL</b>                           | <b>2,000,000</b>                  |

- 2.18 The total cost of the program does not include INTAL's administrative expenses, which are estimated to be US\$1,000,000 per year for the two years during which the technical cooperation is to be executed. The Government of Argentina, the

country in which INTAL is based, will pay 50% of INTAL's administrative budget for this period. The remaining 50% will be funded through the IDB's administrative budget.

### **III. PROGRAM EXECUTION**

#### **A. Organization and execution**

- 3.1 The program will be organized and executed in a similar manner to the prior operation, ATN/SF-5205-RG. It will be administered by INTAL with assistance from the project team, and with technical responsibility for execution to rest with INT/ITD. The project will be carried out on the basis of annual operating plans to be devised by INTAL, in close consultation with other units of the Bank especially the Regional Operations Departments, as part of its program of activities for 2000 – 2001. These plans may be amended when warranted in light of new developments and technical or operational considerations. The development of the Work Plan for the Year 2000, which is available, was guided by the evaluation report of the previous regional technical cooperation.
- 3.2 Based on the experience of the active communications developed between INTAL and other units of the Bank, the proposed approval process for the annual plans is as follows. The annual operating plans and any amendments will be submitted by INTAL to the Integration, Trade and Hemispheric Issues Division (INT/ITD) of the Integration and Regional Programs Department (INT). INT/ITD will consult this plan with other Bank units as appropriate, review it and approve it.

#### **B. Operating arrangements for implementation of the program**

##### Technical Assistance

- 3.3 Some of the activities of this module involve continuation of existing activities presently being financed by ATN/SF-5205-RG. New activities to be performed under this module will be identified by missions conducted by INT/ITD and INTAL staff, as a result of which, actions may be selected for implementation as IDB projects. They will also be identified through requests submitted to INTAL by the governments of beneficiary countries, sub-regional organizations, or non-governmental organizations. INTAL, in consultation with INT/ITD, will review the project ideas to determine their suitability for financing.
- 3.4 If a proposed project is deemed to have merit, then INTAL, working in consultation with the prospective executing agency for the project, will prepare a project document that must contain the following basic components: (a) background information on the project; (b) project objectives; (c) description of the project; (d) budget and detailed list of required inputs; (e) executing agency for the project; and (f) terms of reference for the consultants to be hired.

- 3.5 If the project is part of INTAL's annual operating plan as approved by the CPE, the project document will be sent to INT/ITD for information. For projects that have not been included in the pertinent annual operating plan, INTAL will submit the project document to INT/ITD for the latter's approval and/or comments, and INT/ITD will have a period of ten days to raise objections and/or to provide feedback. Once the ten-day period has elapsed, the project document will be deemed to have been approved. If the contribution allocated for a project is equal to or less than the equivalent of US\$30,000, approval may be granted by the Director of INTAL, and the document will be sent to INT/ITD for the record.
- 3.6 Some consultants, presently contracted under ATN/SF-5205-RG, are expected to have their contracts extended under this new operation so as to provide continuity of activities.
- 3.7 In general, however, INTAL will select consultants by drawing up shortlists of at least three individual consultants whose qualifications will be evaluated on the basis of their professional background in the areas or tasks for which consulting support is being sought. If a decision is made that it would be preferable to hire consulting firms or academic research institutions, then a shortlist of at least three such institutions will be invited to submit proposals outlining the methodology and working approach they plan to use if they are selected to provide the required services.
- 3.8 Proposals received by INTAL will be evaluated on their technical and practical merits. Based on this evaluation, INTAL will prepare a report summarizing the findings of the evaluation and recommending the firm or institution that should be selected to carry out the work. The report will be sent to INT/ITD, which will have 10 days in which to indicate its approval, raise objections or provide feedback. Once the ten-day period has elapsed, the plan will be deemed to have been approved.

#### Policy Forums

- 3.9 INTAL, in consultation with INT/ITD, will identify the issues to be addressed at these forums, which will be included in the annual operating plans. As part of this process, the number and conformation of forum participants will also be determined, as will the consulting services required to organize and/or conduct the forums. On that basis, INTAL will hire the necessary consultants and take any other action necessary to ensure that the forums run efficiently. The selection procedure will be similar to the procedure specified with respect to the technical assistance programs.
- 3.10 Once a forum has been conducted, INTAL will prepare and distribute a report setting out the results and findings of the forum, and it will draw up a financial table giving a detailed account of the costs incurred in providing the necessary inputs.

### Integration Forums

- 3.11 The issues to be addressed at the integration forums are those related to the topics of the RedINT research rounds. These topics will be selected by INTAL in consultation with INT/ITD and will be included in INTAL's annual operating plans. The inputs required to organize the forums will be procured, and in addition, private and public specialized institutions, within the framework of the procedures of the RedINT, will be commissioned to conduct the basic research studies.

### **C. Monitoring and evaluation**

- 3.12 With the assistance of the project team, INT/ITD will be responsible for supervising the execution of the annual operating plans in consultation with IDB Departments working in specific areas. In addition, INTAL will provide the INT/ITD with an annual report describing the activities carried out during the year prior to the submission of the report, as well as activities planned for the following year.
- 3.13 120 days before completion of the program, INTAL will have engaged an independent consultant to produce a report for INT/ITD containing a final evaluation of the program. INTAL is to present the terms of reference for these consultants for approval by INT/ITD before they are hired.

## **IV. BENEFITS AND RISKS**

### **A. Benefits**

- 4.1 The principle benefit of the program will be that the governments belonging to or desiring to join existing integration arrangements will be provided with the technical support elements and other necessary information on which to base their decision making in the formulation of national and common policies which are consistent with the diverse processes of regional integration.
- 4.2 It should also be emphasized that the actions of INTAL, through this regional technical cooperation, will serve to strengthen the negotiating capacity of the personnel of the region's governments in trade and integration issues. This will serve them well in the diverse negotiations they will have to undertake at the hemispheric, inter-regional (with Europe and Asia) and multilateral (with the WTO) levels.
- 4.3 Finally, the participation of civil society in the integration processes will be facilitated through the strengthening of INTAL's information diffusion and dissemination capacity.

- 4.4 The task of achieving these objectives will be facilitated by the institutional experience which INTAL has acquired over the decades that it has been involved in integration issues, and by the participation of regional and international experts and institutions of technical and professional repute.

**B. Risks**

- 4.5 In light of the consideration outlined above, no significant risks are expected to arise in the execution of the program.

**C. Environmental Impact**

- 4.6 Because of the nature of the program, no adverse environmental impact is foreseen. The Committee on Environment and Social Impact (CESI) suggested inclusion of the following topics in future events and activities: (1) indigenous peoples—particularly groups with trans-boundary issues; and (2) environmental and occupational health and safety standards, harmonization and certification, including ISO14000 initiatives. These topics could be integrated in the various components of the operation: technical assistance in the form of specific programs or projects, support to the INTAL Documentation Center, databases and information systems, publications, and particularly as topics for policy and integration forums and special events.

## Logical Framework

### Regional Integration in Latin America and the Caribbean in the New Millennium

| Program  | Indicators  | Means of Verification   | Assumptions  |
|--|---|---|--|
| <b>Objective:</b> To promote and consolidate the process of integration in Latin America and the Caribbean at the bilateral, sub-regional, regional and hemispheric level.                                     | <ol style="list-style-type: none"> <li>1. Freer-flowing intra-regional trade, owing to removal of institutional and physical barriers</li> <li>2. Increased integration of inter-regional physical infrastructure</li> <li>3. Increased integration at the borders</li> <li>4. Increased institutional capacity in the region's countries</li> </ol>  | <ol style="list-style-type: none"> <li>1. Agreements, instruments setting forth resolutions, or other types of instruments documenting progress in sub-regional and hemispheric integration</li> <li>2. Introduction of common regulatory frameworks and physical infrastructure constructed</li> <li>3. Reduction and simplification of customs procedures</li> <li>4. Increased involvement of LAC in negotiations at bilateral, sub-regional, regional, hemispheric and multilateral levels</li> </ol> | <p>Political commitment on part of governments to support long-term pursuit of integration in the region</p> <p>Technical support on part of governments adoption of decisions needed to consolidate the integration process</p>                           |
| <b>Purpose:</b> To provide support to INTAL in the execution of its role in promoting integration in Latin America and the Caribbean.  | <ol style="list-style-type: none"> <li>1. No. of technical assistance projects financed by the program</li> <li>2. No. of Policy and Integration Forums financed by the program</li> <li>3. No. of publications financed by the program</li> </ol>  | <ol style="list-style-type: none"> <li>1. Annual progress report; evaluation and progress reports of the technical assistance.</li> <li>2. Annual progress report; published results and findings of the forums.</li> <li>3. Annual progress report; documents published.</li> </ol>  | Technical and political commitment on the part of governments participating in the regional integration process.   |
| <b>Products:</b><br>Technical assistance in the form of specific programs or projects.<br>Policy and Integration Forums<br>INTAL Documentation Center (CDI), databases and information systems<br>Publications | <ol style="list-style-type: none"> <li>1. 8 technical assistance projects to be carried out during the two years of the program; 400 trade negotiators trained during the two years.</li> <li>2. 10 Policy and Integration Forums to be held during the two years of the program.</li> <li>3. CDI Increase in the number of consultations; <u>Databases and Information Systems</u> 4 existing systems updated and 3 new systems implemented.</li> <li>4. 130 publications produced during the two years of the program.</li> </ol> | <ol style="list-style-type: none"> <li>4. Annual progress report; evaluation and progress reports of the technical assistance.</li> <li>5. Annual progress report; published results and findings of the forums.</li> <li>6. Annual progress report; CDI operational statistics; user documentation of systems updated and newly implemented.</li> <li>7. Annual progress report; documents published.</li> </ol>   | <p>Continued political and technical commitment of governments in the region with respect to integration</p> <p>Consistency of the actions to be taken in pursuit of the Bank's strategy and government actions on the integration front in the region</p> |
| <b>Activities:</b><br>Hire consulting firms and individual consultants to carry out the technical assistance operations; supervise and monitor the execution of those operations;                              | Budget performance  | Annual progress report; financial reports   | The parties involved in the countries have interest in the topics under consideration  |

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|--|--|--|--|
| <p>analyze and review outputs.</p> <p>Organize and conduct forums; prepare and distribute results and findings.</p> <p><u>CDI</u> Hire individual consultants to provide support. <u>Databases and Information Systems</u> Hire individual consultants to update existing systems and implement new ones based on the requirements of the annual work plans; supervise and monitor the execution of the modifications and new development; evaluate the modifications and new development.</p> <p>Publish periodic journals and reports; publish working paper series and individual topic documents and case studies.</p> |  |  |  |
|--|--|--|--|

## ITEMIZED BUDGET FOR THE PROGRAM

| Activity   | Subtotal<br>(US\$) | Total<br>(US\$)  |
|--|--------------------|------------------|
| <b>Technical Assistance</b>  |                    | <b>742,000</b>   |
| <u>Consulting Firms</u>  |                    |                  |
| 4 consulting firms @ 50,000 each for the 3rd Round of RedINT                                   | 200,000            |                  |
| <u>Individual Consultants</u>  |                    |                  |
| 1 long term senior technical assistance advisor (2 years @ US\$84,000 per year)                | 168,000            |                  |
| 1 long term technical cooperation assistant (2 years @ US\$42,000 per year)                    | 84,000             |                  |
| <u>Travel</u>  |                    |                  |
| Participants in the scheduled meetings of the 3rd Round of RedINT                              | 10,000             |                  |
| Panelists of 8 training courses @ US\$5,000 each course  | 40,000             |                  |
| Participants in training courses (8 courses, 10 participants each @ US\$3,000 per participant) | 240,000            |                  |
| <b>Policy and Integration Forums</b>   |                    | <b>300,000</b>   |
| <u>Individual Consultants</u>  |                    |                  |
| Consultants for 10 events @ US\$7,000 per event  | 70,000             |                  |
| <u>Travel</u>  |                    |                  |
| Participants and panelists in 10 events @ US\$16,000 per event                                 | 160,000            |                  |
| <u>General Support</u>   |                    |                  |
| Organization costs for 10 events @ US\$7,000 per event   | 70,000             |                  |
| <b>CDI, Databases, Information Systems</b>   |                    | <b>380,000</b>   |
| <u>Individual Consultants - CDI</u>  |                    |                  |
| 1 long term consultant for General Services  | 37,000             |                  |
| 1 library assistant  | 25,000             |                  |
| <u>Individual Consultants - Information Dissemination via Electronic Media</u>                 |                    |                  |
| 1 editor of electronic media articles and reports (eg. Monthly Newsletter)                     | 52,800             |                  |
| Authors of electronic media articles and reports   | 37,200             |                  |
| Translators for electronic media articles and reports  | 100,000            |                  |
| <u>Individual Consultants - Systems Development and Support</u>                                |                    |                  |
| 1 long term consultant for electronic media development  | 68,000             |                  |
| 1 long term consultant for maintenance of databases and websites                               | 60,000             |                  |
| <b>Publications</b>  |                    | <b>418,000</b>   |
| <u>Individual Consultants</u>  |                    |                  |
| 1 editor for print articles (eg. I&T Journal and Regional Reports)                             | 75,000             |                  |
| Authors of print articles and reports  | 20,000             |                  |
| Translators for print articles and reports   | 100,000            |                  |
| <u>Publications</u>  |                    |                  |
| Printing   | 180,000            |                  |
| Distribution   | 28,000             |                  |
| Other publication expenses   | 15,000             |                  |
| <b>Program Evaluation</b>  |                    | <b>60,000</b>    |
| 2 annual financial audits @ US\$10,000 each  | 20,000             |                  |
| Final evaluation of project by external consultant   | 40,000             |                  |
| <b>Contingencies</b>   |                    | <b>100,000</b>   |
| 5%   | 100,000            |                  |
| <b>TOTAL</b>   |                    | <b>2,000,000</b> |

**Note:**

A number of the long term consultants cited above are presently working with INTAL financed by ATN/SF-5205-RG. To provide continuity, their contracts would be picked up by this second operation.



**PROPOSED RESOLUTION**

**REGIONAL. NONREIMBURSABLE TECHNICAL COOPERATION FOR A PROGRAM  
OF REGIONAL INTEGRATION IN LATIN AMERICA AND THE CARIBBEAN  
IN THE NEW MILLENNIUM**

**The Board of Executive Directors**

**RESOLVES:**

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to take such measures as may be pertinent for the execution of the plan of operations referred to in Document AT-\_\_\_\_\_ with respect to a nonreimbursable technical cooperation for a program of regional integration in Latin America and the Caribbean in the new millennium.
2. That up to the sum of US\$2,000,000, or its equivalent in other convertible currencies, is authorized for the purposes of this resolution, chargeable to the net income of the Fund for Special Operations.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.