

THE INFRASTRUCTURE INTEGRATION INITIATIVE SOUTH AMERICAN REGIONAL AND THE BNDES' ROLE IN SUPPORTING TO THE DEVELOPMENT OF INFRASTRUCTURE

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Abstract: This paper aims to analyze the South American regional integration proposed by IIRSA from the perspective of financing infrastructure works and the participation of BNDES. as a financial agent for the development of regional integration since 2000.

In this regard, as will be demonstrated in the course of this work, IIRSA adopted a financial framework for the implementation of infrastructure that connects South America in its founding act. On the other hand, according to the BNDES Statute, it is a development bank that represents the main instrument for implementing the Federal Government's investment policy with the primary objective of supporting programs, projects, works and services related to the country's economic and social development. Therefore, it is important to assess whether BNDES is involved in financially supporting the development of IIRSA's infrastructure projects. To this end, the methodology adopted will be deductive and the main sources of data were obtained from the IIRSA and BNDES websites and from technical literature on the subject.

Keywords: BNDES. Brazil. Infrastructure. IIRSA. Integration

The Initiative for the Regional Integration of South American infrastructure and the role of BNDES in supporting infrastructure development

Abstract: This work aims to analyze the South American regional integration proposed by IIRSA from the perspective of financing of infrastructure projects and the role of BNDES for the development of regional integration since the year 2000. In this respect, as will be proven in the course of this work IIRSA in its foundational act adopted a financial framework for the implementation of infrastructure that connects South America. On the other part, the Statute of the BNDES is a development bank that is the main instrument implementation of the investment policy of the Federal Government with the primary aim of supporting programs, projects, works and services related to the economic and social development of the country. Therefore, it is important to assess whether there BNDES performance in the financial support for the development of IIRSA infrastructure projects. To this end the methodology adopted is hypothetical-deductive and the main sources of data were obtained on the website of IIRSA, the BNDES and technical literature dealing on the subject.

Keywords: BNDES. Brazil. Infrastructure. IIRSA. Integration.

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1 Introduction

Regional integration in South America consists of different initiatives with the aim of intent to associate States in integrative processes that aim at the formation of a common market (in the case of MERCOSUR and the Andean Community of Nations) until the creation of spaces for political dialogue and cooperation (such as Unasur – Union of South American Nations American). In this context, the issue of infrastructure, despite being considered as essential element for physical integration, was a topic little explored in the negotiations and debates held within the scope of each of the aforementioned processes.

Infrastructure is a prerequisite for integration to be possible. achieve and promote freedom of movement – fundamental for the formation and consolidation of the interstate association, and as such, despite the late recognition that the States gave on this matter, it is certain that with the creation of IIRSA (Initiative for the Integration of Infrastructure in the South American Region) an institutional and financial framework was adopted for the implementation of an infrastructure that connects all of South America, as will be presented later. Sant'anna (2013, p.405) understands this in the same sense.

Infrastructure investments in South American countries are a government priority for full regional development. Logistics infrastructure projects include the construction of bridges, hydroelectric plants, highways, railways, airports, ports, gas pipelines, petrochemical plants and other large-scale projects that will become growth axes for the region, enabling the free movement of goods, merchandise and services, as well as the flow of people, linking north-south, east-west, the Pacific and the Atlantic, and the Caribbean and Patagonia.

In this scenario, in which South America forms an initiative aimed at regional physical integration and that infrastructure projects represent major works of engineering, requiring financing lines for the development of these works, and considering that IIRSA provides in its constitutive act which forms and institutions qualified to provide financial support for infrastructure works, it is important to analyze whether the BNDES began supporting IIRSA infrastructure projects in 2000.

2 The initiative for the integration of South American regional infrastructure

In the context of the celebrations of the 500 (five hundred) years of the discovery of Brazil, through the initiative of former President Fernando Henrique Cardoso, took place in year 2000, the First Meeting of South American Presidents, in Brasilia. At the meeting the representatives discussed various issues of interest to the region, such as illicit drugs, democracy, trade, etc. They also agreed to build a common agenda for drive the process of integrating transport, energy and infrastructure communications.

The First Meeting of South American Presidents was instrumentalized by Brasilia Communiqué (IIRSA, 2000), including a specific chapter focused on the infrastructure integration that describes the important objectives for the region. In this instrument provided for the convening of a meeting in Montevideo, in December of the year 2000 with the aim of consolidating an integrated vision on the lines of action for the expansion and modernization of infrastructure in South America. This meeting was attended by presence of the Ministers of Transport, Energy and Telecommunications of South America and established the Action Plan for the Integration of Regional Infrastructure in South America which envisaged the following basic actions for the development of infrastructure in South America

South:

Design a more comprehensive vision of infrastructure that encompasses all its components and synergies; Frame projects within a strategic plan, organized based on the identification of the axes of regional integration and development of the South American continent; Reform and update regulatory systems and institutions that regulate the use of national infrastructures; Strengthen the capacities of States in the formulation of policies, plans and regulatory frameworks; Harmonize policies, plans and regulatory and institutional frameworks among States; Value the environmental and social dimension of projects; Seek that regional integration projects improve the quality of life of local populations; Incorporate mechanisms for participation and consensus; Develop new regional mechanisms for the programming, execution and management of physical integration projects; Optimize the use of financing sources by developing common strategies³.

IIRSA was created as a forum for regional dialogue, in which the twelve countries in South America whose main objective is to consolidate a physical structure that enables a road, airport and sea connection network between the

³For guidelines for the physical integration of South America, see: IIRSA Action Plan.

Available

in:

http://www.iirsa.org/admin_iirsa_web/Uploads/Documents/plan%20de%20accion%20de%20la%20iniciativa%20iirsa.pdf. Accessed on: November 15, 2014.

South American countries, providing cooperation and efficient circulation of goods, information and energy⁴.

In order to achieve the goals of the initiative, they were ratified at a meeting of the IIRSA Executive Steering Committee (CDE) in 2002, the guiding principles, which according to the official IIRSA website, they are open regionalism, integration axes and development (EID), economic, social, environmental and political institutional sustainability, increase in the added value of production, information technologies, regulatory convergence and public-private coordination (Mata Diz and Souza, 2015).

To support the development of infrastructure projects, IIRSA through forecast expressed in the Brasilia Communiqué pointed out the financial institutions that could offer financial support for infrastructure works. From another aspect, for develop the Project Portfolio, IIRSA established the creation and application of a territorial planning. Thus, the work of planning and territorial organization generated results by grouping projects with common characteristics and/or purposes that allowed the identification of groups of projects⁵ within each EID and, also, made it possible to prioritize those with the greatest impact on development and the greatest ease of implementation.

Territorial planning was marked by a deepening and increase in quality in planning, mainly through the creation of new analysis tools and territorial planning methodologies represented by the information system georeferenced – GeoSur. Program, methodology for productive and logistic integration (IPrLg), strategic management information system (SIGE), Project database, evaluation of transnational infrastructure projects and social and environmental assessment with strategic approach (EASE) (Mata Diz and Souza, 2015).

At the same time, the projects were grouped according to the Integration Axes and Development (EID), in which the multinational territory is delimited or classified as Sectoral Integration Processes without territorial limits and aims, mainly, to overcome obstacles of a normative nature, encompassing the 12 (twelve) member countries. In this way, for each EID the physical infrastructure needs are identified in order to articulate the

⁴ In the same sense, Carvalho and Rosevics (2013, p.234) for whom “IIRSA has, among its organizing principles, the objective of establishing an integration based on an open regionalism, sustainable in an economic, social, environmental and political-institutional manner, which enables the increase in the added value of the production of the countries in the region”.

⁵ A project group is an interdependent set in a given geoeconomic space, which has synergistic effects on sustainable development (COSIPLAN, 2013).

territory with the rest of the region and plan investments so that the quality of life of its inhabitants is improved.

Currently, IIRSA has a project portfolio of 593 (Five hundred and ninety and three) infrastructure projects distributed across 10 (ten) Integration Axes and Development. To streamline the process, an implementation agenda was defined consensus of 31 (thirty-one) priority projects, defined as such due to their high impact on the physical integration of South America⁶.

In 2011, IIRSA was incorporated into UNASUR as part of the technical forum of South American Council for Infrastructure and Planning (COSIPLAN) (Dabéne, 2014). The COSIPLAN is the forum for political and strategic discussion and promotes the articulation of efforts that enable infrastructure integration. Its creation is based on the need to create a technical-formal structure designed to manage priorities and strategies of the Initiative.

3 The role of BNDES and the regional integration of South American infrastructure

Regarding the financing of projects under the Initiative for Regional Integration of South American Infrastructure, IIRSA resources are tied mainly to banks regional development institutions such as: the Inter-American Development Bank (IDB), the Andean Development Corporation (CAF), *the Fondo Financiero para el Desarrollo de la Cuenca Del Plata* (FONPLATA). These form the Technical Coordination Committee (CCT) responsible for coordinating activities and providing technical and financial support.

Projects can be financed, in principle, in two ways: i) by the States Parties and by UNASUR, if the actions are initiated by the Coordinating Committee and by the Groups of Work; ii) by the financial bodies that constitute the CCT together with the States parties and Unasur. However, with the entry of IIRSA into COSIPLAN, space opens up for other ways of obtaining resources to make projects viable.

Since the launch of IIRSA, banks have played a very active role financing studies and projects, in addition to promoting the participation of the private sector in the context of the initiative. Multilateral Financial Institutions (MFIs) are public or private institutions private, whose resources come from the coffers of partner countries which, in addition to financing policies, government programs and projects, prepare technical studies, form part of the technology-

⁶ Available at <http://www.iirsa.org/proyectos/Principal.aspx>. Accessed on April 25, 2016.

government bureaucracy, providing advice and guidance on the implementation of the actions of infrastructure in member countries.

The dominance of these forces is defined by the economic power of each member country in IIRSA: "*whoever has the most shares has the most decision-making power*", therefore Brazil is the South American country with the most weight within this Initiative. IIRSA can be seen as the maximum expression of the megalomania of regional integration that is linked to some IFMS that operate in Brazil working at the service of international financial capital in the incessant and cost-effective pursuit of *economic growth* in the South American continent (Melo and Paula, 2008, p. 25).

Therefore, the aim here is to analyze to what extent the BNDES has or is directing support to the integration of South American regional infrastructure, and public policies⁷ national infrastructure development. It is important to highlight the importance and commitment of the national development bank to the country's development.

Almeida (2004, p.164) confirms that BNDE appears for the first time as an actor of government planning in Juscelino Kubitschek's Goals plan that was drawn up under the guidance of Lucas Lopes and Roberto Campos, through the joint work of the then BNDE and the National Development Council, mobilizing cooperation between the sector private and public sector. This plan sought to coordinate the State's action to stimulate various sectors of the economy.

According to Hermann (2010, p.36), the BNDE throughout the 1960s-1970s not only constituted the only source of long-term financing for the industry, but It also contributed to gross fixed capital formation, which grew with each new phase of the industrialization process.

The eighties, called the lost decade, were marked by a strong monetary instability and economic stagnation in Brazil and other Latin American countries Americans. This context created a scenario of external and fiscal restrictions, reducing the public credit supply and paralyzing the flow of foreign capital into the country. According to Hermann (2010, p.200) reduced disbursements by 64% (sixty-four percent) between 1979 and 1990 demonstrate the scarce public credit. At the end of the 1980s, and in the 90s, BNDES participated in the privatization process that took place during the administration by Fernando Henrique Cardoso, and also offered credit to private companies.

⁷ For Bucci (2006, p. 241) public policies are government action programs aimed at coordinating the means available to the State and private activities, to achieve socially relevant and politically determined objectives.

Além (1997, p.4) summarizes the BNDES's performance in the following terms:

From its inception until the early 1960s, BNDES focused its financing on the transportation, energy and steel sectors. However, from the mid-1960s onwards, it diversified its activities, expanding its area of operation and increasing financing to the private sector. From 1974 onwards, it became the main instrument for implementing the Second National Development Plan (II PND), which promoted the greatest effort to structurally change the Brazilian economy since the Plano de Metas (Plano de Metas), whose investment block had been implemented between 1956 and 1961. During this phase, there was an increase in the share of financing to the capital goods and basic inputs sectors in total disbursements. Throughout the 1980s and early 1990s, there was a significant slowdown in BNDES disbursements, which largely reflected the decline in public and private investments, mainly due to the high macroeconomic instability that characterized the period. From 1994 onwards, with macroeconomic stabilization and the consequent resumption of growth, there was a new resumption of financing, with the total released in 1996 representing the best performance since 1983.

According to art. 3 of the BNDES Statute, the national bank is the main instrument for implementing the Federal Government's investment policy and aims to be essential to support programs, projects, works and services that relate to the economic and social development of the country.

In view of this statutory attribution and with the aim of adopting a South American approach, BNDES participated in the 1st BNDES-CAF Co-financing Seminar in August 2003. In this seminar, Carlos Lessa⁹, spoke about the importance of infrastructure for the regional development: "Infrastructure, gentlemen, is for us the locomotive of development. We need to get the South American locomotive running at full steam (...). It is easier to go to Miami than to travel to a neighboring country."

BNDES Report No. 173, in August 2003, highlighted Brazil's interest in the proposal for South American integration, as in the words of the Vice President of the Republic at that time "Brazil is completely committed to South American integration". In fact, the President of BNDES, Carlos Lessa, himself, during the BNDES-CAF Seminar announced the creation of a Department of South American Integration. (BNDES, 2003).

⁸ BRAZIL. National Bank for Economic and Social Development. Available at http://www.bndes.gov.br/SiteBNDES/bndes/bndes_pt/Institucional/Publicacoes/Paginas/s_bndes_caf.html. Accessed on December 10, 2014.

⁹ Speech by Carlos Lessa, Former President of BNDES at the BNDES-CAF Seminar

The speech by the Minister of Foreign Affairs, Celso Amorim, at the XIII meeting of the ALADI Council of Ministers also points out the importance of South American integration and highlights the bank's role as an instrument for promoting development regional.

Brazil is committed to contributing to the growing integration between our countries. President Lula gives the highest priority to regional integration. To transform this political priority into a concrete reality, with benefits for all, Brazil has been working actively with all its neighbors and with its Latin American partners(...). I would like to highlight, in particular, the support that has been given to these projects by our development bank, BNDES, which is increasingly integrated as an instrument for promoting our regional development¹⁰.

In November 2004, BNDES Report No. 187 highlights the bank's participation state in South American integration, stating that this represents one of the pillars of the policy external to Brazil, and from 2003 onwards it became part of the BNDES mission, since, expansion of national markets and trade between countries is essential to accelerate the economic development with social justice. (BNDES, 2004).

The same document describes some important projects that contributed to South American Integration and were supported by the institution, such as Itaipu Hydroelectric Power Plant, the Brazil-Bolivia Gas Pipeline, and the Road connection between Brazil and Venezuela (BR-174). It also highlights the bank's role in the Technical Cooperation agreement with the *Development Bank of Venezuela* (BANDES), and participation in shares undertaken by entities focused on the South American integration process such as ALADI (Latin American Integration Association), ALIDE (Latin American Association of development finance institutions) and IIRSA itself.

BNDES report no. 190, from March 2005, reiterates the importance of the institution for integration by saying that: "South American integration is a priority of foreign policy of the Brazilian government, with BNDES as an important instrument." (BNDES, 2005)

In 2005, Guido Mantega (2005, p.10), Former President of BNDES (November/2004 to March/2006), highlighted the importance of the bank's support for investment in infrastructure, machinery and equipment, social policy, agricultural policy, policy industrial and technological, support for micro, small and medium-sized companies, the development of capital markets, regional development, export promotion, trade

¹⁰ BRAZIL. Ministry of Foreign Affairs. Speech by the Minister of Foreign Affairs. Available at: http://www.itamaraty.gov.br/index.php?option=com_content&view=article&id=7661:discurso-do-ministro-celso-amorim-na-xiii-reuniao-do-conselho-de-ministros-da-aladi&catid=163&lang=pt-BR&Itemid=478. Accessed on November 10, 2014

abroad, the strengthening and qualification of Brazilian companies for competition and international expansion, as well as the integration of South America.

Also in 2005, Guido Mantega, alongside the Minister of Planning, Budget and Management, Paulo Bernardo, and the Special Advisor for International Affairs, Marco Aurélio Garcia opened the meeting Initiative for the Integration of South American Regional Infrastructure – First Round of Consultations for the Construction of the South American Strategic Vision in Brazil (BNDES, 2005).

Another relevant aspect about BNDES in South America and which involves the Andean Development Corporation, according to Valdez (2011, p.4), was the capital increase of the bank with CAF. In view of this, Brazil went from being a class C member to a class C member in 2005. A, as well as the founding partners of the institution: Colombia, Venezuela, Peru, Bolivia and Ecuador.

In 2006, a new IIRSA workshop was held with the participation of the Vice-President of BNDES, Armando Mariante, who highlighted the contribution of the national development bank to integration between the countries of South America, highlighting that the Bank had incorporated into its institutional mission is to support infrastructure projects linked to the integration of America

from the South.

Therefore, the institutional participation of BNDES in initiatives is observed, main purpose was South American integration. At the same time that other actions developed by the development bank over the years corroborate the intention to develop South American infrastructure and on the national scene. In this sense, it is necessary to highlight aspects that demonstrate this vision of BNDES for the southern space. American and consequently the Initiative for the Integration of South American Infrastructure

3.1 The internationalization of Brazilian companies and the BNDES's activities focused on the South American space

According to Cervo (2006) the internationalization of the Brazilian economy through expansion of Brazilian companies abroad, with the logistical support of the State, is the result of foreign policy action developed, from 2003 onwards, with the aim of facing the external vulnerability of the country. As a result of this external action of the country, South America has become a front for government action. As Brazil's external action turns to the subcontinent will notice that BNDES ends up following this path. Além et al. (2004, p.22) state that support for South American integration is one of the main

objectives of the BNDES Export Area, following the priority given by the Brazilian foreign policy.

For Novoa (2009, p.197) BNDES' actions in supporting the internationalization of companies are the result of a process in which we seek to make foreign policy compatible with a policy of regional integration, a facade that covers our late expansion process of capital. Iglesias (2008, p.172) recognizes the importance of BNDES in the process of internationalization of engineering service companies. While Deos (2009, p.51) analyzing BNDES credit says that it completes an interesting triad together with the infrastructure integration agenda and the companies' foreign diversification policy Brazilian companies. Still on the international insertion of Brazilian companies and the BNDES, Valdez (2011, p.6) highlights:

The involvement between Brazilian companies and the foreign policy of the Lula government had BNDES as the main agent articulating this relationship. The search for new markets for Brazilian products and the country's strategy of international projection consolidated the relationship of large Brazilian companies with the country's external actions abroad, especially in South America. Thus, at the same time that BNDES resources helped Brazilian companies to expand their activities abroad, the bank consolidated itself as a financial institution with broad regional reach, generally increasing Brazil's influence on the international scene.

Além & Cavalcanti (2005, p.71) explain how the embryonic support for to the internationalization of Brazilian companies. Until mid-2002, the internationalization of Brazilian companies were restricted to variable income financing in which the incentive to investments abroad occurred indirectly. From mid-2002 onwards, the BNDES board approved new guidelines for financing investments in Brazilian companies abroad. These guidelines aimed to guide the creation of a line that was capable of stimulating the insertion and strengthening of Brazilian companies in the market International.

It is important to highlight that the first financing operation within the scope of its internationalization line was approved by BNDES, in September 2005, when the Friboi received US\$80 (eighty) million from the bank for the acquisition of 85.3% (eighty-five point three percent) of the Argentine company *Swift Armour SA* Other examples of Brazilian acquisitions can be presented according to Bugiato&Berringer (2012, p.32):

In Uruguay, Marfrig and Friboi (JBS) control approximately 70% of Uruguayan beef exports. In Argentina, Petrobras acquired Pecom, becoming the country's second largest economic group in the oil and gas sector; Ambev acquired Quilmes; Camargo Correa acquired the country's largest cement factory, Loma Negra; Friboi (JBS) acquired Swift's units. In Peru, Votorantim (now Fibria) acquired the country's largest mining company, MinCo; Gerdau purchased Sider Peru.

The turn to South America and support for the internationalization of national companies by BNDES is clearly noticeable in the change of its Statute. The promulgation of the Decree No. 4,418, of October 11, 2002, during the government of Fernando Henrique Cardoso, brought the alteration of several articles and the revocation of several decrees, giving emergence of the BNDES Bylaws which, when dealing with BNDES operations, provides for the following: Article 9° that:

I contract operations, in the country or abroad, with foreign or international entities, with the acceptance of the form and clauses usually adopted in external contracts being lawful, including the commitment to resolve doubts and controversies through arbitration;
II finance the acquisition of assets and investments made by national capital companies abroad, provided that they contribute to the economic and social development of the Country; (As amended by Decree No. 6,322 of 2007)
III finance and promote the export of products and services, including installation services, including expenses incurred abroad, associated with export;
VI contract technical studies and provide technical and financial support, including non-reimbursable support, for the structuring of projects that promote the economic and social development of the Country or its integration into Latin America; (As amended by Decree No. 6,322 of 2007);
VIII - use resources raised in the foreign market, provided that they contribute to the economic and social development of the Country, to finance the acquisition of assets and the implementation of projects and investments abroad by Brazilian companies, subsidiaries of Brazilian companies and foreign companies whose shareholder with the largest voting capital is, directly or indirectly, an individual or legal entity domiciled in Brazil, as well as to acquire in the primary market securities issued or under the responsibility of said companies. (Included by Decree No. 7,635, of 2011) (Decree No. 4,418, of 2002) (our emphasis)

Article 9 of the BNDES Statute deserves some considerations regarding its changes. First, the change in the wording of section II, through Decree No. 6,322 of 2007 demonstrates the BNDES ideal focused on national development, abandoning the idea of an exporting country. After all, this is what the previous wording said: II-finance investments carried out by national capital companies abroad, whenever they contribute to promote exports, while the current wording mentions economic development and social of the country.

Please note that section III, as amended by Decree No. 6,322 of 2007, is now allow the contracting of technical studies and the provision of technical and financial support, especially with regard to integration with Latin America.

Section VIII as amended by Decree No. 7,635 of 2011, permitting the use of resources raised in the foreign market to finance the acquisition of assets and the realization of projects and investments abroad by Brazilian companies, subsidiaries of companies Brazilian and foreign companies whose shareholder with the largest voting capital is, directly or indirectly, a natural or legal person domiciled in Brazil, comes to meet the strategy of internationalization of Brazilian companies.

The insertion of the sole paragraph of art. 2 of the BNDES Statute, included by Decree No. 6,526 of 2008, came to prepare the institution for the creation of agencies abroad by saying that: BNDES, to carry out activities outside the national territory that are part of its purpose social, may establish subsidiaries abroad, under the terms of the authorization contained in the sole paragraph of art. 5 of Law 5,662 of June 21, 1971. This legal change allowed the creation of two BNDES representative offices abroad. The first, opened in August 2009, in Montevideo; the second, opened in November of the same year, in London.

Além & Madeira (2010. p.52) confirm the creation of these two offices under the responsibility of the International Area with the aim that the institution develops knowledge about commercial opportunities for export and direct investment in world market, which should boost the expansion plans of Brazilian companies in exterior.

Thus, the representation was created in Montevideo, with the aim of supporting the Bank's operations in Latin American countries, and in particular with the partners of the MERCOSUR. The Uruguayan capital was chosen because it has several centers of decision related to MERCOSUR, for example, the headquarters of the MERCOSUR Secretariat, executive body of the commercial bloc, of the General Secretariat of Aladi (Latin American Association American Integration) and several other regional institutions. The city is also the headquarters of the MERCOSUR Parliament and is used as a basis for the most important meetings of committees, councils and technical groups focused on regional integration. (BNDES, 2009).

According to former BNDES President Luciano Coutinho, "what justifies the office is the acceleration of BNDES financing for the export of services and goods in South America and Latin America" (VALDEZ, 2011, p.6)

Furthermore, it is worth remembering that the BNDES System¹¹ is currently made up of mainly by two agencies: FINAME, which is the Special Financing Agency Industrial created to finance the commercialization of machines and equipment; and the BNDESPAR, or “BNDES Participações”, which enables the subscription of securities securities in the Brazilian capital market.

With regard to BNDESPAR, the significant number of companies is worth highlighting that operate abroad, have a branch or subsidiary in South America, or work on construction projects infrastructure and which have the subsidiary BNDES Participações (BNDESPAR) as a shareholder. In this sense, the BNDESPAR stock portfolio, with the position on 12/31/2015¹², has shares in: Gerdau (1.45%), JBS Friboi (20.36%), Brasil Foods (2.55%), Marfrig Global Foods (19.63%), Braskem (5.03%), Petrobras (10.37%), Eletrobras (11.86%), Embraer (5.37%), Vale S/A (5.34%), Odebrecht Transport SA (10.61%), Fibria Celulose (29.08%), among others.

In view of the above, it can be seen in the literature that there is a shift in foreign policy Brazilian through support for the international insertion of national companies in which the BNDES starts to play an important role. In fact, national companies that operate in South America have the shareholding of BNDESPAR. In addition, the Bank National Economic and Social Development since 2002 has suffered substantial statutory changes that allowed the installation of regional offices, highlighting the creation of the Montevideo office with the aim of developing business in America Latin America, and especially with MERCOSUR partners.

Therefore, how does BNDES finance investments by national companies abroad? It is important to highlight this support, and specifically, to verify the support within the southern space. American which is the scenario of IIRSA's operations and consequently the support especially to projects of the initiative.

3.1.1 BNDES and export support

In the previous topic it was observed that, from 2002 onwards, there was the development of government strategy to support the internationalization of Brazilian companies and also substantial statutory change at BNDES, enabling the creation of bank branches

¹¹ This information if finds available in: http://www.bndes.gov.br/SiteBNDES/export/sites/default/bndes_pt/Galerias/Arquivos/empresa/download/1215_BNDESPAR_DFP.pdf. Accessed on March 31, 2016.

¹²For more details, see http://www.bndes.gov.br/SiteBNDES/export/sites/default/bndes_pt/Galerias/Arquivos/empresa/download/1215_BNDESPAR_DFP.pdf. Accessed on March 30, 2015.

of national development abroad. According to Catermol (2005, p.4) support for Brazilian exports by the national bank began in the 1990s with the first request for financing submitted on November 8, 1990 by Prensas Schuler SA

Iglesias (2008, p.174) confirms that *"BNDES structured the second half of nineties an export financing system, with several lines and conditions"*, stating that in the case of financing for infrastructure works in the abroad these are conceived as engineering services export operations, in post-boarding modality.

Mantega (2005, p.11), former President of BNDES, states that the institution offers credit lines for the export of goods and services from Brazil, allowing:

Investment in hydroelectric plants, gas pipelines, railways, bridges and highways to be built in South America in order to create communication and infrastructure channels that benefit regional economic activity and the integration of Brazil with its neighboring countries, confirming BNDES' interest in supporting the development of regional infrastructure projects.

In relation to the export financing market, it can be said that this is divided into financing for production (pre-shipment) and marketing (post-shipment), BNDES operates in both financing modalities.

Initially, according to Catermol (2005, p.6) BNDES supported exports with the financing offered to the capital goods sectors, through FINAMEX, created in 1990. This product came to replace the extinction of Finex. At this time, Proex also supported the capital goods sector and was managed by Banco do Brasil. In the first year of disbursements of export lines only existed in the pre-shipment modality and, in the year following was created to the post-shipment line. At that time the focus was on financing goods of capital for importers from Latin America. In 1997, the FINAMEX nomenclature was replaced by BNDES-Exim, also starting to finance exports of engineering services and other goods, and not only capital goods. Currently, the line BNDES-Exim has several lines of credit, which are briefly described below:
detail:

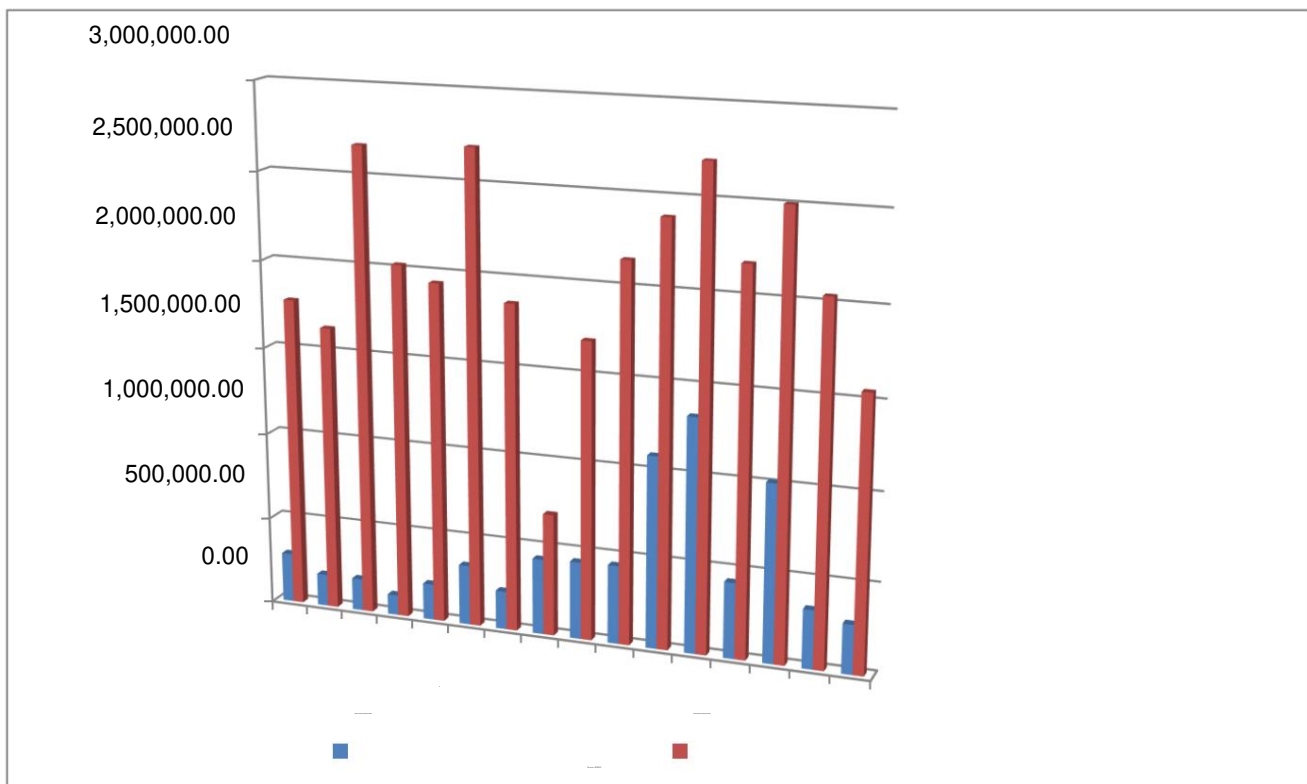
The Pre-shipment phase can be done through BNDES Exim Pre-shipment which offers support for the production of goods and services destined for export, and also by BNDES Exim

Anchor Pre-shipment which consists of supporting the indirect export of goods and services that can be supported by BNDES, carried out through an Anchor Company.

The post-shipment phase occurs through the BNDES Exim Post-Shipment product which supports the marketing of national goods and services abroad, through the modality supplier's credit (refinancing to the exporter) or from the modality buyer's credit (direct financing to the importer), and also through BNDES Exim Automatic which supports the marketing of Brazilian goods abroad, through the opening of a line of credit to financial institutions abroad.

When consulting the BNDES website¹³, a gradual increase in the BNDES-Exim Post-Shipment modality aimed at infrastructure in South America, as it is also clear that disbursements to the region have substantially increased in view of the total disbursements, reinforcing the bank's participation in supporting the infrastructure development in South America as can be concluded by intermediate graph below.

Chart 01 – BNDES Post-Shipment – Infrastructure South America



Available at www.bndes.gov.br/wps/portal/site/home/transparencia/dados-sobre-financiamentos-bndes Accessed on October 11, 2016.

It is highlighted here that the results reflect the existence of support for infrastructure in the subcontinent, as well as its increase over the years. It is also observed that the disbursements to South America increase proportionally in relation to the amount total disbursements for all supported destinations corresponding to a total of 50 (fifty) countries. However, it should be noted that these disbursements represent the total disbursements to South America without specific details of the infrastructure works included in the IIRSA Project Portfolio that will be detailed in own topic.

These numbers confirm the observation of Guimarães et al., (2014, p.60) when saying that, in geographical terms, in the period 2009-2013, the resources disbursed in the post-graduate line shipments were: 52% (fifty-two percent) to Latin America, 22% (twenty-two percent) to Africa and 27% (twenty-seven percent) to other countries

Analysis confirms increased disbursements to stimulate exports Brazilians by BNDES, more precisely, for the South American space, corroborating with the internationalization strategy of Brazilian companies, as well as the development of infrastructure works in South America.

3.2 Infrastructure financing and the role of BNDES

The issue that we seek to analyze in this topic refers to the support by BNDES to infrastructure financing. In this regard, one issue needs to be clarified, namely, for the analysis only disbursements in the following sectors were considered: Transport Land, Electricity/gas, Telecommunications, Air Transport, Water Transport. The classifications are in accordance with the IBGE CNAE table.

Only these activities were considered because they correlate with the sectors covered by IIRSA: Transport, Energy and Telecommunications. Investments in infrastructure with support from BNDES are proven by the growing increase in disbursements year after year since the year 2000, which is the chronological milestone of IIRSA. To prove this growth trend, the following graph is collated with data extracted from the BNDES *website*¹⁴ :

¹⁴Available at : <http://www.bndes.gov.br/wps/portal/site/home/transparencia/centraldedownloads/> Accessed on October 11, 2016

Table 01 – Infrastructure Investment by sector CNAE 2000-2015 (BNDES)

Disbursements by CNAE Sector (R\$ Million)					
Year	T. Terrestrial	Electricity/Gas	Telecom Air	Transport Water	Transport
2000	1204.8	1445.9	4729.4	1.7	119.2
2001	1612.3	1422.7	3111.8	6.9	131.6
2002	2136.0	8852.3	653.6	3.7	245.3
2003	2946.2	5801.5	251.5	0.9	613.4
2004	4654.5	6507.0	1645.4	10.6	687.6
2005	7310.4	4962.7	1670.5	165.0	421.7
2006	8423.1	3564.3	2133.7	93.8	476.9
2007	12588.3	6940.3	3379.2	18.0	707.6
2008	17531.0	8923.3	6187.8	10.7	661.5
2009	23737.1	14716.5	3834.9	469.9	914.8
2010	28473.5	13878.5	2103.9	571.1	1565.3
2011	28623.8	16286.1	3107.8	395.0	1980.9
2012	18844.8	19359.4	4836.1	545.7	2222.8
2013	25537.9	20336.7	2694.5	335.3	2206.4
2014	28117.9	19597.8	5295.2	546.8	388.2
2015	18148.2	22299.6	2101.9	1022.3	892.6

Source: BNDES

In addition to BNDES disbursements aimed at infrastructure and support for Brazilian exports aimed at South America there is another government initiative that meets the development of infrastructure. In this sense, Decree 6,025 of January 22 2007, created the Growth Acceleration Program consisting of stimulus measures to private investment, expansion of public investments in infrastructure and aimed at improving the quality of public spending and controlling the expansion of current spending in scope of the Federal Public Administration. This program is a government initiative Brazilian after the creation of IIRSA with the aim of promoting the development of infrastructure works with priority status in the areas of transport, sanitation, energy, water resources and housing in the Brazilian context.

According to Oliva & Zendron (2010, p.76-77) the program represents a policy public investment, launched in 2007, and focuses on recovering investments public and private sectors in energy, logistics, social and urban infrastructure. In 2007, it anticipated investments of around R\$ 693 (six hundred and ninety-three) billion to be executed in almost all of it until 2010, with emphasis on energy infrastructure, 67% (sixty-seven

percent) of the program. In early 2009, the range of investment was expanded, incorporating new projects with completion by 2010 and others with a longer deadline, raising global investments to R\$1.1 (one point one) trillion. In October of the same year, new expansion was announced with total investments reaching R\$ 1.4 (one comma four) trillion. The authors, when mentioning the PAC, state that “the objectives of boosting regional development and to promote the economic integration of the countries of the subcontinent influenced the composition of the investment list by structuring the selection of projects”. Just as BNDES gradually began to fulfill its mission as an actor focused on the internationalization of Brazilian companies and adopting a look at America do Sul, the bank also became a protagonist in the PAC so much so that on its portal it indicates the launch of the BNDES Program to finance the PAC for infrastructure investments¹⁵.

The support for the PAC by BNDES can be seen in the evolution of disbursements up to this year in 2011 reached the figure of US\$ 104.8 (one hundred and four point eight) billion. (BNDES, 2011). Given BNDES' support for PAC and infrastructure development, it is worth highlight the analysis by Filho, Gonçalves & Oliveira (2013) who correlate the works of IIRSA with the PAC Project Portfolio, from which one can conclude regarding the issue infrastructure that the PAC absorbs projects from the IIRSA portfolio as observed in following table:

Table 02 – IIRSA Project Portfolio x PAC Project Portfolio

IIRSA Card Number	PAC Wallet
1 Duplication and modernization of BR 101 SC RS	BR 101 – Duplication – Aguapés – RS/SC border
2 Completion of the Curitiba ring road, north, south, east and west sections.	BR-116 – Adaptation of the East Curitiba Bypass.
3 São Paulo ring road section south	São Paulo Beltway – Southern Section
4 Port of Paranaguá (Dredging) Port of Paranaguá (Dredging)	
5 Construction of the Cascavel railway - Iguazu Falls	Paraná Railway Corridor
6 Improving the navigability of the upper Paraná River	Dredging, Rock Removal and River Signaling Paraná
7 Road connecting Rio Branco - Southern Cross	BR-364 – Construction and Paving Sena Madureira Feijó and construction of five bridges – BR-364 – Tarauacá - Freedom River

To be continued..

¹⁵ BRAZIL. National Bank for Economic and Social Development. Available at: http://www.bndes.gov.br/SiteBNDES/bndes/bndes_pt/Areas_de_Atacao/Infraestrutura/pac.html. Accessed on December 20, 2014.

8	Cuiabá – Santarem Road	BR - 163/MT - Capacity adjustment of urban crossings in Novo Mutum, Lucas do Rio Verde, Sorriso and Sinop - BR-163-364/MT - Rondonópolis - Cuiabá - Posto Gil – BR 163/PA/MT Section MT – BR 163 – Paving up to the PA/MT Santarém border, including access to Miritituba.
9	Ports of Santarém and Itaituba 10	Santarém and Itaituba Waterway Terminal
	Improvement of navigability on the Iça River and construction of a river terminal for passengers and cargo in Santo Antônio do Içá	Construction of a Waterway Terminal on the Iça River
11	Improvement of the navigability of the Amazon - Solimões system with the construction of several waterway terminals along the course of the rivers.	Construction of several waterway terminals along the Amazon-Solimões system
12	River terminal network in the Amazon	Construction of waterway terminals in the Amazon
13	Restoration of the Caracas-Manaus highway	Maintenance of the Caracas-Manaus highway
14	Improvement of the road network Georgetown – Albina, road Macapá to Oiapoque, section Ferreira Gomes to Oiapoque	BR-156 – Paving Oiapoque - km 56
15	International bridge over the river Oiapoque	BR-156 – International Bridge Construction – river Oiapoque
16	São Paulo railway ring, northern and southern sections	Sao Paulo Railway Ring
17	Construction - Road Arch of Rio de Janeiro and road access to the port of Itaguaí	RJ BR 101 and BR493 Highway Arch
18	Campo Ring Road Big	BR 262/MS – Campo Grande Bypass
19	Corumbá ring road	BR-262/MS – Corumbá Bypass
20	Construction of the perimeter avenues of the port of Santos and dredging	Port of Santos – Right perimeter section 1- Port of Santos – Right perimeter section 2- Port of Santos – Left perimeter of the Port of Santos – Dredging
21	Adaptation of Navegantes - excerpt Rio do Sul	BR 470/SC
22	Expansion of the infrastructure of the port of São Francisco do Sul, construction and recovery of berths and dredging.	Port of S. Francisco do Sul – Dredging - Port of S. Francisco do Sul – Berth 201 - Porto S. Francisco do Sul – Berth 101
23	Expansion of Campinas airport	Viracopos Airport – Taxiway, Runway Main, 2nd Runway Project, Terminal Project Passengers
24	Expansion of the airport Guarulhos	Guarulhos Airport – Runways and Patios, Departure Fast, Passenger Terminal 3
25	Construction of the road section 2nd Stage –	Road Concessions BR 381 – Border

To be continued..

	between Sao Paulo and Belo Horizonte SP/MG-BH	
26	Construction of the Belo Horizonte ring road, north of the metropolitan region of Belo Horizonte	northern section.
27	Construction of the Santa Mary – Rosario of the South	BR 158 – Paving Santa Maria - Rosario do South
28	Construction and paving of the BR 282 / SC Florianópolis-border with Argentina	BR 282 – Paving – Sao Miguel - Paraiso, BR 282 – Paving – Lages - Campos Novos
29	Duplication of the Palhoça section - Osorio (BR 101/SC)	BR 101 – Duplication Palhoça - RS Border - BR 101 – Duplication Osório - Aguapés-BR 101 – Duplication of Aguapés-RS/SC Border
30	Improvement of the infrastructure of the Port of Itajaí (recovery of the north berth and dredging)	Port of Itajaí – Dredging
31	Adaptation of the Rio Grande – Pelotas section	BR 392 – Duplication – Pelotas- Rio Grande
32	Expansion of the breakwaters at the port of Rio Grande and dredging	Port of Rio Grande – Expansion of the breakwaters Port of Rio Grande – Dredging
33	Multimodal transport system in Lagoa dos Patos and Lagoa Mirim.	Multimodal transport system in Lagoa dos Patos and Lagoa Mirim.
34	Construction of the Garabi-RS hydroelectric plant	Construction of the Garabi hydroelectric plant - RS
35	River hydroelectric complex Madeira (Jirau HPP and Santo Antônio HPP)	Santo Antonio HPP Jirau HPP
36	Connection of river plants Wood with the System National Interconnected	Interconnection of Madeira Porto Velho power plants – Araraquara SP

Source: Filho, Gonçalves and Oliveira (2013, p.292-294)

3.3 Infrastructure projects included in the IIRSA project portfolio with support from BNDES

Up to this point it has already been observed that BNDES has progressively supported the formation of IIRSA (2000) investments in infrastructure and exports of engineering services in the form of post-shipment financing, as well as support the Growth Acceleration Program which incorporates part of the Portfolio of IIRSA projects.

However, to quantitatively measure the degree of BNDES support for the Initiative of Integration of South American Regional Infrastructure it is necessary to verify the projects of infrastructure supported by BNDES and included in the IIRSA Portfolio, since, According to Carvalho (2012, p.5), in the specialized literature, BNDES' support for IIRSA varies significantly.

Vaz (2008, p. 21) claims that BNDES' involvement in project financing of IIRSA was partial, since the interest in financing exports prevails Brazilian goods and services without specific direction to South America South. In the same sense, Borges (2008, p. 6-12) points out a diversity of projects of infrastructure in South America, but which are not in IIRSA's portfolio of works. Iglesias (2008, p.175) also analyzes the financing approved for Latin America of the South. However, its analysis does not include projects that are part of the IIRSA portfolio. Even so, the author says that the projects: "Contribute to improving the infrastructure of transportation and energy and agricultural development where they are carried out, but do not seem have as their central objective to facilitate economic integration between the countries of South America".

Meanwhile, for Silveira (2010, p.54), IIRSA would have been an important platform for BNDES's operations in neighboring countries and the proof is that all of the BNDES's projects IIRSA in 2009 had the participation of BNDES. In the same line of understanding Verдум (2008) states that BNDES is so committed to making resources available to Brazilian engineering and construction companies that have become one of the institutions that most invest in IIRSA, in addition to being the main source of resources for the Acceleration Program Growth (PAC) of the federal government.

Given this kaleidoscope of positions, the need to verify is justified. which projects that are part of the IIRSA Portfolio receive or have received financial support from BNDES. Thus, in the First Round of Consultations for the Construction of the Strategic Vision South American in Brazil it is possible to see the existence of projects in the South American space supported by BNDES. However, considering only the operations contracted in accordance with the AEX/DECEx5 Portfolio it is observed that infrastructure projects (BNDES, 2005) although they point out the bank's operations focused on South America, it is possible to see that none of them are listed in the IIRSA list.

In a consultation carried out on BNDES financing data regarding projects infrastructure contained in IIRSA were found, which are detailed in the following table. It is important to highlight that these projects were not protected by confidentiality and that the information was provided by the Infrastructure Area (AIE) of BNDES:

Table 03– IIRSA projects supported by BNDES

AXLE	SECTOR	NAME OF THE PROJECT IN IIRSA	SITUATION DO PROJECT	CREDIT CONTRACTED (In millions of R\$)
Amazonas	Transport	Cuiabá Highway-Santarem (BR) 163/MT/PA)	Execution	762
Amazonas	Transport	New Railway Transnordestina Phase I (Suape-Willow/Pecém-Elisha Martins)	Execution	900
Capricorn	Transport	Railway Corridor BIOCEANIC Paranaguá section-Cascavel and railway variant between Guarapuava and Engineer Bley	Pre-execution	1,711*
Waterway Paraguay-Paraná	Transport	SP 270 – Ourinhos and President Epitacio	Execution	1.022
MERCOSUR-Chile	Transport	Reconditioning of the Rivera-Santana of Deliverance-Cacequi	Completed	1,711*
MERCOSUR-Chile	Transport	Completion of the duplication of the section Sao Paulo-Curitiba (BR-116/SP)	Execution	1.069
MERCOSUR-Chile	Transport	Expansion of the Airport of Campinas	Execution	2,669
MERCOSUR-Chile	Transport	Expansion of the Airport of Guarulhos	Execution	3,477
Amazonas	Energy	500 transmission line KV between Tucuruí-Manaus	Completed	401.00
MERCOSUR-Chile	Energy	Electrical interconnection between Uruguay and Brazil	Execution	27.47
MERCOSUR-Chile	Energy	Itaipu System (Existing)	Completed	1,192.94**
MERCOSUR-Chile	Energy	Line of Itaipu Transmission-	Completed	609.22

Continued...

		Londrina- Araraquara		
Peru-Brazil- Bolivia	Energy	Complex Rio Hydroelectric Madeira (UHE Saint Anthony and (Whirlwind)	Execution	17,670.17
Peru-Brazil- Bolivia	Energy	Line of Transmission between Rio's hydroelectric plants Wood and the System Central	Execution	3975.16

Source: BNDES

* Total investment in ALL's southern network, without specifying sections.

**Values in dollars converted on the base date of contracts signed between 1978 and 1988.

Given the information acquired, it is observed, in reality, that BNDES supports projects infrastructure of IIRSA. However, access to a small number of projects is not allows us to clearly assess the extent of support, since only the portfolio of Brazil's projects at IIRSA have 99 (ninety-nine) projects and the entire Portfolio of the Initiative has 593 (Five hundred and ninety-three projects). Among the projects of the IIRSA that are completed and received financial support from BNDES, it is possible to extract some observations.

The Itaipu-Londrina-Araraquara Transmission Line is an energy sector project which aims to increase transmission capacity between the Itaipu Plant and the submarket of the Southeast/Central West of Brazil in the face of a scenario of looming energy crisis. In At the time the project was added to IIRSA there was only a 750 KV interconnection between Foz de Iguaçu and Ivaporã and a 500KV line between Ivaporã and Londrina. The work consisted of the construction of a 500 KV line connecting Londrina-Assis-Araraquara (370 km), tendered in 2003 and is now completed.

The Rivera-Santana do Livramento-Cacequi railway reconditioning project aims to recover a 158 km stretch from Cacequi to Santana do Livramento, in Uruguay, whose traffic was suspended ten years ago, since, according to the IIRSA, studies indicate that trains favor economies of scale, resulting in low production costs and the increase in goods and services, causing less impact on the environment environment. This project represents yet another international cargo transportation route for serve national markets via the Cacequi/Santana do Livramento route and Rivera/Montevideo strengthening the integration policy in more than one sector.

The 500 KV transmission line between Tucuruí and Manaus was tendered in June 2008 and considered in operation in the studies of the Ten-Year Energy Expansion Plan, PDE 2021, from 2013. This project is in PACII, and divided into the following sections: Construction of 500kV LT Oriximiná/Silves and Silves/Lechuga C1 and C2 (558.25 km), completed on 28/02/2013 and the operating license issued on 19/03/2013. Construction of 500 kV LT Tucuruí/Xingu/Jurupari and associated substations (527 km) with work in progress and 86% of realization. The objective of the project is to connect Macapá and Manaus to the Interconnected System National and with the entry into operation of this interconnection it will be possible to deactivate a large part of the fuel oil thermal park in Manaus.

Furthermore, it is important to highlight the observation of Mata Diz & Souza (2015) when affirm that IIRSA's integration strategy is based on the location of the main resources native to South America, how they could be used and the infrastructure necessary for its use. In this sense, Vitte (2005, p.4) highlights that it has become an obsession with building transport networks with the aim of exporting *commodities* through a capillary network, threatening biodiversity reserves. Within this context, Wanderley et al. (2007, p.24) point out that the initiative has an impact on practically everyone the main biomes in the region with the potential to create social and environmental problems with risks to the maintenance of biodiversity and the social structure of traditional populations.

Regarding the effects derived from financing, it is important to highlight the observation of Oliveira Junior and Mata Diz (2016) when saying that project financing is done by regional banks and by the Member States themselves, in a counterpart system. The issue main refers to the disparity of regulation existing in each State and the consequent application and control of these resources by national bodies, especially with regard to socioeconomic dimension of each project. In addition, the issues must also be highlighted relating to compliance with public procurement rules when it comes to projects nationals that use financing derived from foreign sources.

Furthermore, Mata Diz & Souza (2015) state that the decision-making process in IIRSA projects still depends on each State, leading to doubts regarding the implementation of works and their regulation.

AIIRSA was characterized as a "closed" decision-making forum, since was directly linked to the Executive powers of each participating State, especially at the ministerial level, and by institutional formation based on nomination by national governments (see, for example, the formation of Working Groups). No

there was, therefore, an explicit provision regarding the participation of civil society in the process of decision-making, with the consequent creation of a specific decision-making body for this purpose.

From EASE onwards, a participation scheme was established, more focused on environmental issue, which could stimulate the participation of civil society, even in a restricted spectrum, however, there is no clear indication from the COSIPLAN and also IIRSA in creating mechanisms for effective participation regarding decision-making process that affects, for example, the priorities and strategies adopted to each axis of development.

4 Conclusion

The Initiative for the Integration of South American Regional Infrastructure, in a clear, in its articles of association it provides that for the financing of infrastructure projects may rely on public and private banks other than the institutions highlighted in Communiqué from Brasilia. In this sense, BNDES, which is a federal public company, legal nature of private law with decades of services rendered to development regional part of the country also begins to focus its attention on the issue of integration of regional infrastructure. This institutional mission of BNDES is seen in some important actions:

First, the important participation of BNDES and its staff in Seminars and events whose themes were focused on South American regional integration.

Second, the statutory changes that occurred from 2002 onwards, enabling: contracting technical studies and providing technical and financial support, especially with regard to concerns the integration of Latin America; the permission to use resources raised in external market to finance the acquisition of assets and the implementation of projects and investments abroad by Brazilian companies, and also the permission to create agencies abroad to carry out activities outside the national territory that are part of its corporate purpose, in particular, the creation of the office located in Montevideo, Uruguay.

Third, the change in government political orientation, from 2003 onwards, in a way that South America begins to be seen as an object of Brazilian foreign policy and ideal space for the expansion of national companies as a way of reducing vulnerability external to the country. In this regard, BNDES has played an important role, including in support exports to the South American space as demonstrated in this work.

Fourth, the increasing expenditure on infrastructure, especially in the sectors served by the Initiative for the Integration of South American Regional Infrastructure.

Fifth, the creation of the Growth Acceleration Program and the internalization of part of IIRSA's projects in this government program, as well as the creation of a line specific BNDES financing to meet the needs of the PAC.

Sixth, the increasing disbursements of products that serve infrastructure and export of services from Brazilian companies abroad, and in particular, to South American countries. Americans. As well as BNDESPAR's shareholding in the main companies internationalized Brazilians.

Seventh, the direct support of BNDES in infrastructure projects of IIRSA detailed in this work, although the number of IIRSA projects supported by BNDES are few in relation to the totality of the Portfolio.

All these reasons together contribute to clearly analyzing that the BNDES adopts and implements government policy to look at South America as a space for the development and international insertion of Brazil, supporting the infrastructure development and also support, in part, the IIRSA Portfolio.

However, access to a low number of IIRSA projects supported by the BNDES in relation to the entire IIRSA portfolio does not allow assessing the depth and extent of this support, however, it is observed that the projects supported by BNDES are more close to meeting Brazil's regional interests that actually entail integration regional, since it is strictly related to aspects of national infrastructure.

Finally, it is important to note that the IIRSA Project Portfolio impacts directly all important biomes in the region and serves the interests of large commodity exporters, which may cause serious risks to the environment and population involved. Furthermore, the low popular participation in the election of the projects of the IIRSA still not resolved within the scope of COSIPLAN calls into question the legitimacy of choices made within the scope of the initiative.

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