

**DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND**

**PANAMA**

**STRENGTHENING OF AIRPORT SECURITY**

**(TC-02-05-04-0)**

**LINE OF ACTIVITY MEMORANDUM**

This document was prepared by the project team consisting of José Francisco Demichelis (RE2/FI2), Team Leader; Rosario Arosemena de Silveira (COF/CPN); Asako Yamamoto (MIF); Antonio Gaspar (MIF); María Cristina Landazuri-Levey (LEG); and Michell Maxwell, who assisted in the production of the document.

## CONTENTS

### EXECUTIVE SUMMARY

I.	BACKGROUND AND JUSTIFICATION.....	1
A.	The importance of civil aviation security for private-sector development.....	1
B.	Panama's strategy in the sector .....	1
C.	The Bank's strategy in the sector and the Puebla-Panama Plan .....	3
II.	DESCRIPTION OF THE PROGRAM.....	4
A.	Aim and purpose of the program.....	4
B.	Components.....	4
III.	COST AND FINANCING.....	6
A.	Summary table of costs.....	6
B.	Description and breakdown of financing.....	6
C.	Institutional and financial sustainability .....	6
IV.	EXECUTION AND IMPLEMENTATION MECHANISM.....	6
A.	Executing agency .....	6
B.	Program readiness .....	7
C.	Execution period and disbursements.....	8
D.	Procurement of goods and services.....	8
V.	MONITORING AND EVALUATION.....	8
A.	Monitoring.....	8
B.	Evaluations .....	8
C.	Progress report and final report .....	9
VI.	PROJECT BENEFITS AND RISKS.....	9
VII.	SOCIAL AND ENVIRONMENTAL FEASIBILITY .....	10
VIII.	SPECIAL CONTRACTUAL CONDITIONS .....	10

## **ANNEXES**

Annex I	Logical framework
Annex II	Detailed budget
Annex III	Sector-related MIF projects

## **APPENDICES**

Proposed resolution
---------------------

## **ABBREVIATIONS**

AAC	Autoridad de Aeronáutica Civil [Civil Aviation Authority]
AVSEC	Aviation Security
FAA	Federal Aviation Administration
ICAO	International Civil Aviation Organization
UNDP	United Nations Development Programme

## STRENGTHENING OF AIRPORT SECURITY PANAMA

(TC-02-05-04-0)

### EXECUTIVE SUMMARY

<b>Executing agency:</b>	Autoridad de Aeronáutica Civil [Civil Aviation Authority] (AAC)	
<b>Beneficiaries:</b>	The beneficiaries will be the Civil Aviation Authority, businesses that are directly related to the sector or that depend on the aviation sector, and society as a whole from a secure civil aviation sector.	
<b>Financing:</b>	MIF Facility I:	US\$488,795
	Line of Activity MIF/GN-47	
	Local counterpart:	<u>US\$393,505</u>
	Total:	US\$882,300
<b>Objectives and description:</b>	To strengthen airport security by modifying and adapting the regulatory framework governing civil aviation policy in Panama and training AAC personnel in airport security. The project consists of the following components: (1) updating the standards governing airport security; (2) implementing new administrative services; and (3) training.	
<b>Terms:</b>	Execution period:	24 months
	Disbursement period:	30 months
<b>Coordination with other official institutions:</b>	The Bank is coordinating efforts with other institutions having an interest in supporting civil aviation security in Panama. The project is consistent with the support being provided by institutions such as the United States Federal Aviation Administration and the International Civil Aviation Organization (ICAO).	
<b>Environmental and social review:</b>	Given the nature of this project, no adverse environmental or social risks or effects are anticipated.	
<b>Conditions precedent to the first disbursement:</b>	The Line of Activity sets out the following conditions precedent to the first disbursement: (a) the project coordinator must have been designated, (b) a letter of commitment must have been submitted to the Bank, indicating that airport security standards will be applied to the basic security training program for staff and integrated training programs must have been implemented for all sectors of the aviation industry and other interested parties, and (c) an agreement must have been signed with the United Nations Development Programme, whereby the latter will lend administrative support to the AAC for the procurement of goods and services and payment thereof on terms	

agreed with the Bank.

**Special  
contractual  
conditions:**

In addition, the Bank will not disburse more than 40% of the financing until the terms of paragraph 8.2 have been fulfilled or more than 80% until the terms of paragraph 8.3 have been fulfilled.

**Special  
considerations:**

Notwithstanding the terms and conditions of the line of activity, it is recommended that the proceeds of the contribution be disbursed from a revolving fund and not in tranches as established in the line of activity (see section IX).

## **I. BACKGROUND AND RATIONALE**

### **A. The importance of civil aviation security for private-sector development**

- 1.1 With the establishment of a global economy, the role of civil aviation, whether in cargo or passenger transportation, has become increasingly important for the development of all sectors of the economy. Cargo transportation, in particular, has become key to the development of less-developed economies, and its interruption could have a significant impact on the way business is done and on company results, especially smaller companies. Both manufactured products with high added value and perishable goods are primarily shipped by air.
- 1.2 Improving airport security has become a necessity in the world and in the region. It is imperative to ensure passengers' and exporters' confidence in the safety of the air transportation system. This will involve making changes in a number of areas, the first of which—and the one on which all others are based—is regulation. To this end, the International Civil Aviation Organization (ICAO) has decided to strengthen Annex 17 standards and implement an audit of the regulations of each ICAO member country.
- 1.3 The standards include developing a national airport security plan and a system of regulations, procedures and manuals and having teams of experienced and trained advisors to oversee the operators and install the equipment needed to prevent unlawful and criminal acts against civil aviation. These standards apply to the airlines, the airports, the air traffic system, and all personnel involved in providing aviation services.

### **B. Panama's strategy in the sector**

- 1.4 The Government of the Republic of Panama, through the Autoridad de Aeronáutica Civil [Civil Aviation Authority], the body in charge of civil aviation, is making great strides to maintain Panama's position in the world as a secure civil aviation country for the benefit of business, trade, tourism, and manufacturing and of the user community in general.
- 1.5 For a number of decades, Panama was classified as a secure aviation country. This classification was lost in 2001, however, when it was unable to satisfy the mandatory audit performed by ICAO, the body responsible for setting international air transport security standards.
- 1.6 A deterioration in airport infrastructure was noted during this period. Also noted were shortcomings in runway, platform, and terminal maintenance as well as an absence of suitable policies and plans and inadequate training in airport security for staff.

- 1.7 To correct these problems, the government made major investments in order to improve the level of service, and particularly aviation security. Efforts were devoted to updating communications systems, air navigation, and surveillance, new inspectors and administrative staff were picked, and ICAO experts in airworthiness and air operations were hired. The project for modernization of the radar control center and control towers at the Albrook and Tocumen international airports is now in its final phase. In view of the foregoing, the country is compliant with the international commitments set out in the regional air navigation plan.
- 1.8 In April 2004, as a result of these initiatives, Panama was recertified by ICAO as a Category One State for purposes of licenses for aviation personnel, airworthiness, and aircraft operations and is now compliant with international operational security standards.
- 1.9 Acting through the AAC, the government is interested in consolidating the country's technical capacity in air security on a consistent and permanent basis. To achieve this aim, it must improve service delivery, institute regulatory reform in the aviation sector, and train security personnel to permit continuous surveillance of airlines, companies serving aircraft, workshops, aviation schools, and personnel in charge of flight operations, with a view to ensuring that Category One status is maintained, facilitating air transport services, promoting new freedom air rights agreements, and achieving financial self-sufficiency.
- 1.10 The Autoridad de Aeronáutica Civil [Civil Aviation Authority] (AAC) has established a Department of Airport Security based on the guidelines, regulations and recommendations in ICAO's Annex 17. As Panama's civil aviation regulatory authority and as a member of ICAO, the AAC is aware that it must apply the recommendations set forth in ICAO annexes. These recommendations emphasize suppression of unlawful seizure of aircraft, and the destruction of aircraft or acts of violence on board, as well as the placement of substances or objects that may damage or destroy aircraft and air navigation facilities, false communication that could endanger the security of aircraft in flight, the suppression of unlawful acts of violence committed at airports serving international civil aviation, and the marking of explosives for the purpose of detection.
- 1.11 Panama is a country with enormous potential in the area of international air transportation, mainly due to the combination of its geographical location and its significant tourism potential, which calls for the development of more efficient and secure transportation services. Demand for these services extends throughout all sectors: directly, passenger demand totals approximately 2,4 million, while airlines make about 73,084 takeoffs and landings per year, with 121,000 metric tons transported in 2004.
- 1.12 At the International Airport of Tocumen, Tocumen S.A. operates 17 commercial passenger airlines and 20 commercial airlines that transport cargo and mail. Airport



security is managed through 122 inspectors and supervisors. Tocumen S.A. is set up as a corporation, 100% of whose shares are owned by the State. The seven members of its board of directors are appointed by the Executive Branch. With regard to airport security, the AAC, as the regulatory agency for aviation in Panama, is in charge of training personnel and ensuring compliance with the operational provisions of the Chicago Agreement and Annex 17.

- 1.13 In addition to the International Airport of Tocumen, there are four other international airports operated and managed by the AAC with support from 54 security agents, inspectors, and supervisors. There are three additional airports included in the modernization and expansion plans of the AAC: Enrique Jiménez (CEMIS), Howard, and Cap. Starlett Martínez.

**C. The Bank's strategy in the sector and the Puebla-Panama Plan**

- 1.14 The Puebla-Panama Plan (PPP) strategy is structured around a set of initiatives and projects that promote integration and encourage dialogue among the authorities and civil society, consolidating the shared vision of social and economic development. The PPP, through its transportation initiative, has been promoting improved airport security in the region as a way of championing the sector and preventing illegal activities that could strike a blow against sectors associated with air transport. The Bank has thus approved similar operations in Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua that will make it possible to deal with risks in the future.
- 1.15 The Bank's strategy in Panama includes strengthening the institutional regulatory framework for sustainable growth. Private-sector participation in developing tourism has become a fundamental pillar of growth and the key to transforming tourism into Panama's main source of foreign exchange—even exceeding the Panama Canal in this regard. To support this strategy, the Bank is financing the tourism sector support program with loan 1132/OC-PN and the “Compite Panamá” program to foster competitiveness (loan 1140/OC-PN), approved in June 2002. The latter program will formulate specific projects to expand the business capacity of tourism activities in Panama. Airport security that complies with the new ICAO standards represents a most important addition to this support, since the goal is to provide increased security and confidence to tourists arriving at airports. Indeed, during the past three years, there has been a striking increase in the number of tourists arriving by air. The total is expected to reach one million in 2005, which would represent approximately US\$1 billion in foreign exchange revenues.

## II. DESCRIPTION OF THE PROGRAM

### A. Aim and purpose of the program

- 2.1 The objective of the program is to strengthen airport security by modifying and adapting the civil aviation regulatory frameworks and policies, and by providing training in airport security to AAC staff.

### B. Components

- 2.2 **Component 1: Regulatory reform (MIF: US\$184,500; counterpart: US\$5,500).** Activities falling under this component involve the modification of the legal framework governing airport security in Panama including procedures for compliance with all the minimum provisions set forth in ICAO Annex 17, and the design of a long-term strategy for the financial and operational sustainability of airport security systems and mechanisms. To this end, the AAC will contract consultants to:

- a. Review and define current vulnerabilities in the airport system and a plan to correct them;
- b. Review and improve the national civil aviation security plan, airport security standards, and emergency plans for each international airport as well as to prepare a contingency plan for the airports identified in the project.
- c. Develop manuals for air cargo and airport certification.
- d. Evaluate the organizational structure of the AAC and make recommendations to enhance its workings and effectiveness. Similarly, this component will finance procurement of software for an ongoing training system.

- 2.3 **Component II: Implementation of new services (MIF: US\$53,250; counterpart: US\$284,250).** Through this component, the AAC plans to introduce equipment to screen passengers and employees in order to achieve better control from concentrated surveillance points. The equipment includes:

- a. Two (2) Inoscans to detect prohibited materials;
- b. An Access Control System with 30 security cameras;
  - Marcos A. Gelabert Airport in Albrook: 16 cameras
  - Enrique Malek Airport in David: 6 cameras
  - Bocas del Toro Airport: 4 cameras
  - Manuel Niño Airport in Changuinola: 4 cameras
- c. Equipment for an ongoing training system.

**2.4 Component III: Training (MIF: US\$195,045; Counterpart: US\$38,055).**

Through this component AAC will implement airport security training programs and put together trainer training programs. This component will involve contracting consultants to train airport personnel in Panama and funding for training abroad. Training for personnel will consist of the following:

- a. Five basic ICAO Aviation Security (AVSEC) 123 courses;
- b. One course for instructors;
- c. Two courses for supervisors;
- d. One advanced course;
- e. Seven refresher courses;
- f. One management course;
- g. One security-awareness course;
- h. One crisis-management course;
- i. One course for cargo and mail security officials;
- j. One airline security course;
- k. One equipment maintenance course;
- l. One program development course;
- m. One training and certification course for AVSEC auditors;
- n. One airport certification course;
- o. One course on human factors in airport security.

**2.5** The above-described courses will enable the AAC to train its 176 current staff members in airport security.

### III. COST AND FINANCING

#### A. Summary table of costs

	<b>MIF</b>	<b>Local contribution</b>	<b>Total</b>
Component 1: Regulatory reform	184,500	5,500	190,000
Component 2: New services	53,250	284,250	337,500
Component 3: Training	195,045	38,055	233,100
Evaluation and audits	10,000	0	10,000
Coordination	46,000	40,000	86,000
UNDP administration (3%)	0	25,700	25,700
<b>Total</b>	<b>488,795</b>	<b>393,505</b>	<b>882,300</b>

#### B. Description and breakdown of financing

- 3.1 The total cost of the project is estimated at US\$882,300, with a MIF contribution of US\$488,795 and a local contribution of US\$393,505 to be financed by the AAC.

#### C. Institutional and financial sustainability

- 3.2 Based on the strategy with the country, the Panamanian government has earmarked additional resources for airports in order to maintain its present security classification. This has also meant strengthening AAC institutional capacity. The AAC has in turn set up a Technical Cooperation Unit with a coordinator, two technical experts, and administrative staff.

### IV. EXECUTING AGENCY AND EXECUTION MECHANISM

#### A. Executing agency

- 4.1 The program's executing agency will be the Autoridad de Aeronáutica Civil [Civil Aviation Authority] (AAC), through the Technical Cooperation Unit. The AAC was established by Law 22 passed on 31 January 2003 as an autonomous government agency with its own assets and legal status. The AAC covers all functions related to civil aviation planning, research, management, supervision, inspection, operation and development in Panama. Moreover, the AAC is empowered to set fees and rates for the use of its facilities or for services it provides or supplies. The AAC monitors the dangers and threats to its airports on an ongoing basis, and has assigned staff to manage and administer the National Program for International Civil Aviation Security (AVSEC), which is the responsibility of the National Airport Security Director. The AAC will carry out this project in

coordination with the Ministry of the Interior and Justice, which is the government agency responsible for national security.

- 4.2 The AAC will be in charge of (i) supervising and monitoring fulfillment of the project targets and objectives; (ii) reviewing and approving the annual plan of project activities and the budget, including the use and appropriation of local counterpart funds; (iii) providing the financial resources to ensure project continuity; and (iv) designating the project coordinator, who may be a high-level staff member presently working in the AAC. The cost of the project coordinator will be charged to the local counterpart.
- 4.3 Moreover, the AAC will be responsible for (a) establishing and maintaining appropriate internal financial and accounting controls, as well as keeping the filing systems up to date so that the sources and use of project funds may be determined in detail. The AAC project records will (i) identify resources and their source; (ii) contain information on project expenditures, distinguishing between contributions from the MIF and funds from other sources; and (iii) provide details for determining goods acquired and services contracted; (b) establishing the mechanisms for processing requests for disbursements and the respective justification of expenditures, in accordance with the Bank's disbursement procedures; (c) preparing and submitting to the Bank the project's final financial statements, audited by an independent firm acceptable to the Bank, according to terms of reference previously approved by the Bank within 90 days after the last disbursement; and (d) preparing and submitting to the Bank the reports on the revolving fund within sixty days after the end of each six-month period.
- 4.4 The Project coordinator will work closely with the AAC operating departments that are involved directly or indirectly with the project. These departments include the Air Security Department, the Air Navigation Department, the Airport Security Department, and the Institute of Science and Technology. It will fall to the coordinator to evaluate the consulting work, to correct the reports, and to see to it that the project is carried out properly in each specialized area. The coordinator will in turn submit regular reports to the General Director in order to expedite the execution process.
- 4.5 The AAC will engage the services of the UNDP to deal with the administration of project resources, the contracting of consultants for the project, and procurement of goods. As a condition precedent to the first disbursement, an agreement must be signed with the UNDP on terms set out in the agreement between the UNDP and the Bank. AAC will defray the cost of the UNDP services.

## **B. Program readiness**

- 4.6 This project has been designed in coordination with the AAC project team, which has duly submitted the relevant documents regarding its design in order to expedite

the process of project execution. The AAC has also provided for training its staff in matters of security.

**C. Execution period and disbursements**

- 4.7 The project will be executed over a period of 24 months. The period for the final disbursement of the Bank's resources will be 30 months.

**D. Procurement of goods and services**

- 4.8 Procurement of goods and consulting services for the program will be carried out in accordance with the Bank's standard procedures, and will be open to all member countries of the MIF. The quality-based selection method will be used for procurement of consulting services.

## **V. MONITORING AND EVALUATION**

**A. Monitoring**

- 5.1 The Bank's Country Office in Panama will be responsible for supervision, monitoring of compliance with contractual conditions, processing of disbursement requests, and acceptance of audited financial statements.

**B. Evaluations**

- 5.2 Two evaluations—one midterm and one final—will be performed by an international consultant specializing in airport security, selected and contracted by the Bank with resources from its contribution. The first evaluation will be carried out once more than 50% of the Bank's resources have been disbursed or at the nine-month point, counted from the effective date of the technical cooperation agreement, whichever occurs first. Items to be analyzed will include: (a) the executing agency's delivery capacity; (b) the degree to which the project's specific objectives have been met; (c) the manner in which the new security standards are being implemented; (d) the number of people who have received training, as well as the training programs developed by the agency in order to ensure that all key airport security personnel have the requisite knowledge; (e) a review of resources applied and allocation of the counterpart funds; and (f) the activities carried out for review of airport security standards. This report is to be presented to the Bank no later than three months after the date on which it is commissioned.
- 5.3 The second and final evaluation will take place three months after the last disbursement, and will analyze the following aspects, among others; (a) the executing agency's execution capacity; (b) the degree to which the program's specific objectives as set out in the logical framework, have been achieved; (c) the way in which the new security rules have been implemented; (d) the number of

staff trained and training programs developed by the agency to ensure that all crucial staff in the airport security area has the knowledge it needs. This report is to be presented to the Bank no later than three months after the date on which it is commissioned.

**C. Progress report and final report**

- 5.4 The AAC will be responsible for follow-up and for preparing the associated reports. Every six months it will prepare a progress report that will document the activities that took place during that period, to be delivered to the Bank within the 30 days after the end of each six-month period. These reports will serve as the basis for a final report to be prepared by the executing agency within the three months after the completion of the project. The Country Office will use these reports to monitor the project.

**VI. PROJECT BENEFITS AND RISKS**

**A. Benefits and rationale**

- 6.1 The project will be financed in the context of the Technical Cooperation Facility, under the line of activity for the strengthening of airport security (documents MIF/GN-71 and MIF/GN-71-1). The following benefits will accrue from implementation of this project: (i) provisions of statutes and regulations will be consolidated to make them consistent with the international standards on airport security of the International Civil Aviation Organization (ICAO); (ii) the economic impact on the country will be minimized since it could otherwise be severely affected by interruptions in critical activities such as trade, tourism, and regional integration; and (iii) the implementation of the regulatory framework necessary for large-scale investments and improvements and of cutting-edge airport security technologies will be expedited.

**B. Beneficiaries**

- 6.2 The project's beneficiaries will be: the AAC; businesses directly involved in or dependent on the sector; and society, through a safer civil aviation sector.

**C. Risks**

- 6.3 **Possibility that the new standards are not applied.** Now that the Transportation Security Administration has recertified Panama, the Panamanian government is focusing its efforts on maintaining its satisfactory classification and on allocating resources for this purpose. Accordingly, the country has asked ICAO to perform an audit in October 2005 so that activities can be targeted the new regulations. The activities of the present operation will support this aim.

## **VII. SOCIAL AND ENVIRONMENTAL FEASIBILITY**

- 7.1 In view of the nature of the line of activity for the strengthening of airport security, the Committee on Environment and Social Impact considers projects under this line not to have any direct or indirect social or environmental impacts.

## **VIII. SPECIAL CONTRACTUAL CONDITIONS**

- 8.1 The line of activity sets out the following conditions precedent to the first disbursement: (a) the project coordinator must have been designated, (b) a letter of commitment must have been submitted to the Bank, indicating that airport security standards will be applied to the basic training program for staff and integrated training programs must have been implemented for all sectors of the aviation industry and other interested parties, and (c) an agreement must have been signed with the United Nations Development Programme, whereby the latter will lend administrative support to the AAC for the procurement of goods and services and payments thereof on terms agreed with the Bank.
- 8.2 It is stipulated that the Bank will not disburse more than 40% of the MIF financing until it has been demonstrated that the comprehensive training programs mentioned in paragraph 8.1 are being implemented.
- 8.3 It is further stipulated that the Bank will not disburse more than 80% of the MIF financing until it has been demonstrated that (i) the basic airport security rules have been reviewed and amended and are in the process of being approved by the appropriate authorities; and (ii) the training program is in progress and 20 of the 26 courses identified in the document have been successfully completed.

## **IX. SPECIAL CONSIDERATIONS**

- 9.1 Notwithstanding the terms and conditions of the line of activity, disbursements will not be made in tranches but from a revolving fund of up to 10% of the MIF contribution. The conditions contained in the document establishing the line of activity have been included, however, to ensure compliance with contractual conditions (see paragraphs 8.2 and 8.3).



**STRENGTHENING OF AIRPORT SECURITY  
LOGICAL FRAMEWORK  
(TC-02-05-04-0)**

Narrative Summary	Indicators	Means of Verification	Assumptions
<p><b>End:</b> Help establish an effectively functioning aviation sector in Panama and contribute to security in the sector so the country can reap the economic benefits derived from access to international markets</p>	<p>Three years after project completion:</p> <p>Aviation activity functions normally and airport security systems in Panama are operating on a sustainable basis</p> <p>Confidence in the country's aviation system</p> <p>Airports in Panama are functioning according to civil aviation security standards and are in annual compliance with ICAO international standards</p>	<p>Data on number of passengers Data from immigration service Data on number of flights Evaluation reports and ICAO and FAA audits</p>	<p>Economic indicators remain positive</p>
<p><b>Purpose:</b> Strengthen airport security in Panama by modifying and adapting regulatory frameworks governing civil aviation policy, introducing new administrative services and equipment, and providing training for staff</p>	<p>By the end of the project:</p> <ol style="list-style-type: none"> <li>1. International airports participating in the project are compliant with international civil aviation standards and are approved by ICAO audits</li> <li>2. Airport security standards in Panama are financially and operationally sustainable</li> </ol>	<ul style="list-style-type: none"> <li>• Evaluation reports and ICAO and FAA audits</li> <li>• Semiannual project reports from the executing agency</li> <li>• Project midterm and final evaluation reports</li> <li>• Baseline reference information</li> <li>• PPMR and PCR</li> </ul>	<p>The government remains interested in improving airport security</p>

Narrative Summary	Indicators	Means of Verification	Assumptions
<b>Components:</b> 1. Regulatory reform	12 months after the first disbursement: 1.1 Regulatory framework reviewed and updated in accordance with regulations established in ICAO Annex 17 1.2 Initial steps taken in participating airports to comply with the new regulatory framework By the end of the project: 1.3 All participating airports are compliant with the new regulatory framework 1.4 Sustainability plan for Panamanian airport system implemented	<ul style="list-style-type: none"> <li>• Evaluation reports and ICAO and FAA audits</li> <li>• Semiannual project reports from the executing agency</li> <li>• Project midterm and final evaluation reports</li> <li>• Baseline reference information</li> <li>• PPMR and PCR</li> <li>• Reports on the number of illegal objects impounded</li> </ul>	The recent changes in ICAO standards do not change in the immediate future
2. Implementation of new administrative services	2.1 Fewer prohibited objects enter the aviation operations area 2.2 Equipment for employee and passenger inspections operating at Albrook, David, Bocas del Toro, and Changuinola airports by the end of the project Communications between security personnel improved at 2 international airports		Availability of equipment

Narrative Summary	Indicators	Means of Verification	Assumptions
3. Training	<p>12 months after the first disbursement:</p> <p>3.1 At least 100 AAC and Tocumen officials have received training in airport security topics listed in TOR/ budget</p> <p>By the end of the project:</p> <p>3.2 At least 176 AAC and Tocumen officials have received training in airport security topics listed in TOR/ budget</p> <p>3.3 Surveillance skills are improved</p>		Trained staff members remain interested in continuing their professional careers
<p><b>Activities:</b></p> <p>1.1 Upgrade the national civil aviation security plan and the emergency plans for each international airport</p> <p>1.2 Modify airport security regulations and procedures in order to comply with the changes set out by ICAO in Annex 17</p> <p>1.3 Develop security manuals for international airports</p> <p>2.1 Detection system for drugs and explosives</p> <p>2.2 Procurement and installation of equipment to control access to administrative offices</p> <p>2.3 Procurement and installation of smaller-scale equipment to improve surveillance systems</p>	<p>National security plan developed and sustainability plan prepared</p> <p>Security procedures and regulations modified</p> <p>Airport security manuals completed</p> <p>Database installed and in use</p> <p>Equipment purchased and in use</p>	<ul style="list-style-type: none"> <li>• Evaluation reports and ICAO and FAA audits</li> <li>• Semiannual project reports from the executing agency</li> <li>• Project midterm and final evaluation reports</li> <li>• Baseline reference information</li> <li>• PPMR and PCR</li> </ul> <p>Copy of evaluations conducted</p> <p>Copy of security action plan</p> <p>Copy of manuals</p> <p>Copy of strategy</p>	<p>The national plan is approved</p> <p>The Civil Aviation Authority receives the same level of government funding</p> <p>Equipment is delivered by the dates scheduled</p>

Narrative Summary	Indicators	Means of Verification	Assumptions
3.1 Aviation Security (AVSEC) – 123 – ICAO basic security course	Basic security courses offered to 135 officials. Six people from Tocumen S.A. and three from the AAC.	Registration of participants	Consultants are hired on time
3.2 AVSEC – 123 – Crisis management, management of security components	Courses in crisis planning for 40 officials	Course evaluations	Funding available from executing agency
3.3 Trainer training course	Courses in security management for 20 managers		
3.4 Supervisor training course	Instructors training course for 10 trainers in the third quarter of execution; 14 people from Tocumen S.A. and 12 from the AAC.		
3.5 Refresher course	4 people from Tocumen S.A. and 3 from the AAC.		
3.6 Management course	One 5-day course for 4 people in a single group, 2 from Tocumen S.A. and 2 from the AAC.		
3.7 Security awareness course	One 5-day course for 4 people in a single group, 90 from Tocumen S.A. and 50 from the AAC.		
3.8 Course for cargo and mail security officials	One five-day course for 140 people in a group of 20. 90 for Tocumen S.A. and 50 from the AAC.		
3.9 Airline security course	One five-day course for 20 people in a single group, 15 from Tocumen S.A. and 5 from the AAC.		
3.10 Equipment maintenance course	One 5-day course for 10 people in a single group, 6 from Tocumen S.A. and 4 from the AAC.		
3.11 Program development course	One 5-day course for 6 people in a single group, 3 from Tocumen S.A. and 3 from the AAC.		

Narrative Summary	Indicators	Means of Verification	Assumptions
<p>3.12 AVSEC auditor training and certification course</p> <p>3.13 Airfield certification course</p>	<p>One 5-day course for 6 people in a single group, 3 from Tocumen S.A. three from the AAC.</p> <p>One 5-day course for 4 people in a single group, from the AAC.</p>		

Strengthening of Airport Security (TC-02-05-04-0) Detailed Budget							
Panama							
Specific Tasks	Cost breakdown		Total project cost	MIF Counterpart	AAC		AAC Counterpart
	Consulting services	Equipment			Cash	In kind	
<b>Component 1: Regulatory reform</b>	<b>\$165,000</b>	<b>\$25,000</b>	<b>\$190,000</b>	<b>\$184,500</b>	<b>\$0</b>	<b>\$5,500</b>	<b>\$5,500</b>
Identify areas where the airport system continues to be vulnerable and establish a plan to correct these weaknesses	\$51,600		\$51,600	\$51,400		\$200	\$200
Improve the national civil aviation security plan and the emergency plans for each international airport	\$41,000		\$41,000	\$38,500		\$2,500	\$2,500
Develop an air cargo certification plan	\$41,000		\$41,000	\$38,500		\$2,500	\$2,500
Software for ongoing training system		\$25,000	\$25,000	\$25,000			\$0
Evaluation of the organizational structure of the security department	\$31,400		\$31,400	\$31,100		\$300	\$300
<b>Component 2: Implementation of the new administrative services</b>	<b>\$0</b>	<b>\$337,500</b>	<b>\$337,500</b>	<b>\$53,250</b>	<b>\$280,000</b>	<b>\$4,250</b>	<b>\$284,250</b>
"CCR" access control system		\$150,000	\$150,000	\$0	\$150,000		\$150,000
Audio-video system for ongoing training		\$30,000	\$30,000	\$30,000			\$0
Procurement and installation of smaller equipment to improve surveillance systems		\$27,500	\$27,500	\$23,250	\$0	\$4,250	\$4,250
Two loscan for metal detection		\$130,000	\$130,000		\$130,000		\$130,000
<b>Component 3: Training</b>	<b>\$233,100</b>		<b>\$233,100</b>	<b>\$195,045</b>	<b>\$2,800</b>	<b>\$35,255</b>	<b>\$38,055</b>
5 basic ICAO AVSEC courses for a total of 125 employees	\$66,800		\$66,800	\$56,375		\$10,425	\$10,425
1 course for instructors	\$12,300		\$12,300	\$10,350		\$1,950	\$1,950
2 courses for supervisors	\$18,600		\$18,600	\$15,000		\$3,600	\$3,600
1 high-levelcourse	\$11,300		\$11,300	\$9,350		\$1,950	\$1,950
7 refresher courses for 100 people	\$28,800		\$28,800	\$24,450		\$4,350	\$4,350
1 course in management	\$11,300		\$11,300	\$9,350		\$1,950	\$1,950
1 course security awareness	\$11,300		\$11,300	\$9,350		\$1,950	\$1,950
2 courses in crisis and emergency management and contingency planning for a total of 40 employees	\$18,700		\$18,700	\$15,100		\$3,600	\$3,600
1 course for cargo and mail security officials	\$3,200		\$3,200	\$2,080		\$1,120	\$1,120
1 airline security course	\$11,300		\$11,300	\$10,180		\$1,120	\$1,120
1 course for equipment maintenance	\$11,300		\$11,300	\$10,180		\$1,120	\$1,120
1 course for program development	\$17,700		\$17,700	\$16,580		\$1,120	\$1,120
Trainer training course	\$10,500		\$10,500	\$6,700	\$2,800	\$1,000	\$3,800
Evaluation and audit	\$10,000		\$10,000	\$10,000			\$0
Administration			\$86,000	\$46,000	\$40,000		\$40,000
UNDP 3%			\$25,698		\$25,698		\$25,698
<b>Total</b>			<b>\$882,298</b>	<b>\$448,795</b>	<b>\$348,498</b>	<b>\$45,005</b>	<b>\$393,503</b>

**PANAMA**  
**STRENGTHENING OF AIRPORT SECURITY (TC-02-05-04-0)**

**A. Similar MIF projects.**

None

**B. Similar or equivalent Bank projects.**

<b>Project Number and date of approval</b>	<b>Project title, Executing Agency and amount</b>	<b>Date of signature and disbursement periods in months</b>	<b>Amount Disbursed</b>	<b>Comments</b>
PN-0120 October 14, 1998.	Tourism Support Program Instituto Panameño de Turismo (IPAT) \$3,580,000 (\$2,500,000 from BID)	July 8, 1999.  36 months (extended for 36 months)	67%	The project is classified as satisfactory. The majority of the resources have been committed and the development objectives will be reached. It is estimated an extension (special) of the disbursement period to pay obligations contracted with suppliers and consultants. With the Component II, the Project supported the organization of the institutional structure of the IPAT with the objective of improving the competitiveness of the sector to encourage a greater private and public participation.
PN-0145 June 19, 2002.	Program to Foster Competitiveness Ministerio de Economía y Finanzas \$10,000,000 (\$7,000,000 from BID)	October 16, 2002.  36 months (extended for 15 months)	27%	The 5 clusters formed at the beginning of the execution were reformulated in order to adjust them to the strategy and methodology of the Program, with very good results. New clusters were identified, completing the goal of 10 showing the greatest potential for competitiveness, in the four pillars of the Program: Agricultural export and Agribusiness; Logistic and Transportation; Technology; Tourism, especially rural, ecological and ethnic.  The Program has had a lot of promotion and is a national interest to the public and private

				sector. The new government offers its support to the project and its objectives. The sectors selected have been identified as sectors with great potential for economic growth and with many possibilities to improve the country's economic competitiveness in general.
--	--	--	--	--

**C. MIF projects related to the same sector or beneficiaries.**

None



DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION MIF/DE-\_\_/\_

Panama. Nonreimbursable Technical Cooperation ATN/\_\_\_-\_\_\_\_-PN  
for the Strengthening of Airport Security

The Donors Committee of the Multilateral Investment Fund

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, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Autoridad Aeronáutica Civil, of Panama, and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT-\_\_\_\_\_ with respect to a technical cooperation program for the strengthening of airport security.

2. That up to the amount of US\$488,795, or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the resources of the Line of Activity for Strengthening of Airport Security of the Technical Cooperation Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

Adopted on \_\_ \_\_\_\_ 200\_)