

TECHNICAL COOPERATION (TC)

GUYANA

I. BASIC PROJECT DATA

▪ Country/Region:	Guyana/CCB – Caribbean Group
▪ TC Name:	Support for a National Civil Aviation Master Plan for Guyana
▪ TC Number:	GY-T1134
▪ Team Leader/Members:	Brian Mc Nish, (TSP/CGY) Team Leader; Sharon Miller; Clevern Liddell, (CCB/CGY); Eduardo Café; Reinaldo Floravanti; Daniel Cabrera (INE/TSP); Escarlata Baza LEG/SGO.
▪ Taxonomy:	Client Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	Not applicable
▪ Reference to Request:	Government request IDB docs #40727905
▪ Date of TC Abstract:	November 14 th 2016
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	The Cooperative Republic of Guyana
▪ Executing Agency and contact name	Guyana Civil Aviation Authority
▪ Donors providing funding	Small and Vulnerable Countries Program (SVC)
▪ IDB Funding Requested:	US\$500,000
▪ Local counterpart funding, if any:	US\$125,000
▪ Disbursement period (which includes execution period):	36 months' disbursement, 30 months' execution
▪ Required start date:	January 2 nd , 2017
▪ Types of consultants (firm or individual consultants):	Firm and Individual Consultants
▪ Prepared by Unit:	Transport Division (INE/TSP)
▪ Unit of Disbursement Responsibility:	Country Office Guyana (TSP/CGY)
▪ Included in Country Strategy (y/n);	No
▪ TC included in CPD (y/n):	Yes
▪ Development Challenges and Cross-Cutting themes of the Update to the Institutional Strategy and Corporate Results Framework 2016-2019	Economic Integration and Institutional strengthening and rule of law

II. Objectives and Justification

- 2.1 **Objective.** The purpose of this Technical Cooperation (TC) is to develop a Civil Aviation Masterplan to provide a comprehensive proposal for improving the quality of the civil aviation oversight in Guyana and for the structured development of Civil Aviation improvements over the next two decades in Guyana. Specifically, the purpose of the Civil Aviation Master Plan will be to provide Guyana, and Guyana's Civil Aviation Authority, with a coherent compendium of plans with respect to National Air Transport, National Airspace, National Airports, and the National

Administration of Civil Aviation which collectively will provide a seamless synergistic guide for Guyana Civil Aviation Authority (GCAA) into the future.

- 2.2 Guyana is a country located on the Northeast shoulder of South America, which has difficult connectivity by land with its neighbors: Venezuela, Suriname and Brazil. It is a large country in terms of geographical size - about 214,970 km² - approximately the same as that of Great Britain with 90% of its 767,085¹ inhabitants living mainly along a coastal strip 430 km by 16 km. The other 10% of the population, mostly indigenous people (Amerindians), are located on the remaining difficult to access interior. In the interior, transportation is predominately along primitive roads and waterways to the coast, since connectivity through the provision of built infrastructure is limited and very costly to provide, given the lack of scale, due to the low population density and the sparse production areas.
- 2.3 Guyana's location, and its characteristics of physical and economic development, renders it highly dependent upon air transport, both for connections with the rest of the world and for connections between the coastal region and the interior. In term of connections with the rest of the world Guyana can plays an important role in regional integration between Latin American and Caribbean countries, since it is one of the countries that has deep ties with both the Caribbean Community (CARICOM) and the Union of South American Nations (UNASUR). Given Guyana's dual participation, the country is poised to facilitate a connecting role between investors and traders from both communities. In terms of connection between the coastal region and the interior, Guyana's economy depends on the export of commodities from the hard to reach interior, which represent almost 60% of the country's Gross Domestic Product (GDP). Thus, efficient air transportation is critical to sustain Guyana's competitiveness, and to support production and exports.
- 2.4 Despite this dependence, and possessing two airports² in the capital city and nearly 100 aerodromes in the interior serving smaller towns and villages in the hinterland, the sector remains underdeveloped as evidenced by Guyana's connectivity index which at 2.46% is the lowest in the region³. Also, according to the International Civil Aviation Organization (ICAO) gaps in Guyana's safety oversight as measured by global effective implementation was 44.21% with regard to 8 critical elements. Much of the limitations in Guyana's connectivity however is rooted in the organizational and regulatory underpinnings of the GCAA. The regulatory gaps relate essentially to Guyana as a member of the ICAO operating in breach of a number of its obligations. This for example has translated into the country losing its Federal Aviation Administration (FAA) International Aviation Safety Assessments Program Category 1 classification. Other deficiencies related to the Guyana Civil Aviation Authority are: (i) the qualification and training of technical personnel; (ii) record keeping; (iii) updating of technical manuals; and (iv) the organizational structure necessary to facilitate discharge of its obligations under the Chicago Convention with respect to effective aviation safety oversight.

¹ World Bank 2015.

² Cheddi Jagan International Airport, and Eugene P. Correia Regional Airport: approximately 478,000 international passengers and 6,148,000 kg of cargo move through the Cheddi Jagan International Airport and approximately 43,700 passengers move through the Eugene P. Correia International Airport annually.

³ World Bank Measuring Integration in the Global Air Transport Network June 2011.

- 2.5 To achieve international standards in the air sector, the country needs: (i) an empowered civil aviation system and a strong organization with the adequate technical personnel to carry out various functions of a national civil aviation authority; (ii) minimum cadre of high-qualified inspectors to manage the safety oversight obligations; and (iii) a long-term plan for the aviation sector, in order to guarantee sustainability of the actions.
- 2.6 To address these problems, the Government of Guyana has been supporting the sector through sporadic, disconnected and reactionary initiatives without a strategic focus. The most recent menu of proposals are being supported through the 2016 National Budget which are aimed at: (i) achieving greater compliance with the standards established by ICAO; (ii) ensuring independent aircraft accident investigation; (iii) enhancing the commitment to enforcing safety and security standards in the sector; and (iv) upgrading Guyana's air navigation service by completing the implementation of aeronautical surveillance service using the Automatic Dependent Surveillance-Broadcast ADS-B system satellite technology and the establishment of an Airport Authority.
- 2.7 The Government of Guyana has now recognized that to achieve international standards in the air sector, the country needs: (i) an empowered civil aviation system and a strong organization with the adequate technical personnel to carry out various functions of a national civil aviation authority; (ii) minimum cadre of high-qualified inspectors to manage the safety oversight obligations; and (iii) all actions couched within a long-term holistic civil aviation strategic plan, in order to guarantee sustainability of the actions. Accordingly, by letter dated October 27th, 2016, the Government of Guyana requested assistance for a technical cooperation aimed at providing client support and capacity building to establish a comprehensive approach for the sustainable development of the sector for improved safety, connectivity and governance through the conduct of a Civil Aviation Master Plan.
- 2.8 The Civil Aviation Master Plan will elaborate a blueprint for the development and management of the Aviation sector that: (i) ensures the sustainability of efforts and enforcement actions in civil aviation; (ii) provides effective coordination mechanisms between the different actors in the sector to achieve a strategy consistent with the Government of Guyana's development priorities; and (iii) ensures improved quality of Civil Aviation Oversight and the structured development of Civil Aviation in Guyana over the next decade.
- 2.9 **Additionality.** The Civil Aviation Master Plan for Guyana will be aligned with Guyana's green development agenda by developing the Master Plan along policy principles that facilitate sustainability (avoid-shift-improve), understood as a way to avoid unnecessary air travel, or shifting air travel to a more sustainable mode and/or improving the efficiency of existing air travel.
- 2.10 This Technical Cooperation is also aligned with the regional update to the Institutional Strategy 2010-2020 (AB-3008), since it will contribute to the economic integration, by providing the country with a reliable air sector and improving air network between Guyana and the region. It is also aligned with the institutional capacity and rule of law, since this TC will improve the regulatory capacity of government in the air sector. This TC is also aligned with the Sustainable Infrastructure for Competitiveness and Inclusive Growth Strategy (GN-2710-5) and the Transport Framework (GN-2740-3), as it will promote access to reliable and safe air service by improving the quality of institutions and air sector planning.

- 2.11 The expected result for this TC is a Civil Aviation Master Plan approved by the Government of Guyana and the application of most of the critical elements of the safety oversight, according to ICAO standards.

III. Description of Activities/Components and Budget

- 3.1 This TC will support two main components: Component 1 will finance the Civil Aviation Master Plan for Guyana, while Component 2 will strengthen the executing agency to execute and manage the TC. The following is a description of both components:
- 3.2 **Component 1: Support for the development of a Civil Aviation Master Plan for Guyana (US\$500,000).** This component will finance the consulting activities required to prepare the Civil Aviation Master Plan for Guyana. Due to the inter-disciplinary and complex nature in developing the Civil Aviation Master Plan, which will require the participation of the different public sector institutions at all levels of Government and also from citizen organizations, local communities and interest groups, the first activity to be conducted by a consultancy firm will be to ensure that the Civil Aviation Master Plan is developed through a consultative and participatory process. A consultancy firm will therefore work with stakeholders and first prepare a methodology, unanimously agreed by all stakeholders, which ensures that all the proposals and recommendations pursuant to the development of the Master Plan will be presented and validated with all stakeholders.
- 3.3 Under Component 1, once a consultancy firm has agreed on the modality of consultation and decision-making with stakeholders, other activities to be completed by the consultancy towards the development of the masterplan will consist of a three phase analysis of civil aviation in the country: (i) diagnostic phase; (ii) prognosis phase; and (iii) recommendation phase, taking into consideration inter alia air transport, airspace, airports, and the administration of civil aviation in Guyana. The consultancy will also establish a set of IT tools which will include the creation and launch of a collaborative project website together with a data warehouse where all the documents and information about the project will be stored. The IT tools will also include a Guyana civil aviation investment prioritization tool with attendant manuals.
- 3.4 The master plan will also address the following issues: (i) changes and prospects to the international and domestic aviation policy situation; (ii) defining the objectives of the aviation policy; (iii) issues for the development of the domestic air transportation business and the strengthening competitiveness; (iv) issues for the efficient development and operation of airports; (v) issues about the protection of airport users and service improvement; (vi) issues about producing manpower with specialty in aviation and developing aviation safety technology; (vii) issues about safety management of air traffic, following ICAO recommendations; and (viii) organizational structure for the air sector.
- 3.5 **Component 2: Institutional support General Administration and Supervision (US\$125,000).** This component will be funded by the Government of Guyana which may be in kind to support the strengthening of GCAA, which is the executing agency for this TC. Accordingly, the final products of Component 2 will be the support provided by professional staff to oversee the execution of the master plan and build institutional capacity in GCAA through IT tools. Experts will play key roles by providing the GCAA with the necessary expertise to address the additional technical and execution requirements generated by the Civil Aviation Master Plan for Guyana. This component will support the in-house provision or contracting of consultants to

provide experts to support specific areas and which will include: (i) an expert in civil aviation planning and policy analysis; (ii) a project manager to lead the supervision of the consultancy and to facilitate all the tasks corresponding to inter-institutional coordination and communication; (iii) administrative assistant to execute the procurement process; and (v) the financial audit of the TC.

TABLE 1. INDICATIVE RESULT MATRIX

RESULTS						
Result 1: Civil Aviation Master Plan approved and implementation of the Government of Guyana.						
Result 2: Guyana will apply achieve 80% of compliance of critical elements on safety oversight, according to ICAO standards.						
PRODUCTS						
Component 1	SUPPORT FOR THE DEVELOPMENT OF A CIVIL AVIATION MASTER PLAN FOR GUYANA					
	Baseline	Year	Unit	Goal YEAR 2018	Cost US\$	Verification Mean
Civil Aviation Master Plan concluded	0	2017	Number	1	500,000	Civil Aviation Master Plan with an e-mail that validates the study sent by the Executing Agency
Component 2	INSTITUTIONAL SUPPORT GENERAL ADMINISTRATION AND SUPERVISION					
Individual Experts	Baseline	Year	Unit	Goal Year 2018	Cost US\$	Verification Mean
Final Report on the Institutional Support concluded	0	2017	Number	1	115,000	Final Report with an e-mail that validates the study sent by the Executing Agency
Financial Audit Report concluded	0	2017	Number	1	10,000	Financial Audit Report with an e-mail that validates the study sent by the IDB
Project executing unit established	0	2017	Number	2017	125,000	Signed contracts

3.6 Budget. The budget of this TC is US\$625,000, whereas US\$500,000 will be finance by Window I of the Small and Vulnerable Countries Program (SVC) and US\$125,000 by the counterpart by contribution in-kind.

TABLE 2. INDICATIVE BUDGET

Activity/ Component	Description	IDB/Fund Funding US\$	Counterpart Funding	Total Funding
Component 1	Support for the preparation of the Civil Aviation Master Plan Hire a consulting firm	500,000	0,00	500,000
Component 2	Support for the creation of an Execution Unit <ul style="list-style-type: none"> • Civil Aviation Expert • Project Manager • Administrative Assistant • Audit 	0,00	125,000 (in-kind)	125,000

IV. Conditions prior to the first disbursement

- 4.1 As conditions prior to the first disbursement, the executing agency shall fulfill the following requirement to the Bank's satisfaction: (i) show evidence that a project manager has been contracted, and (ii) show evidence that it has established a Steering Committee to lead coordination between all stakeholders involved in the Civil Aviation Master Plan.

V. Execution Structure and fiduciary arrangements

- 5.1 The Executing Agency for this technical cooperation will be the GCAA, with the assistance of a Project Execution Unit (PEU) consisting of: (i) an expert in civil aviation planning and policy analysis; (ii) a project manager to lead the supervision of the consultancy and to facilitate all the tasks corresponding to inter-institutional coordination and communication; and (iii) an administrative assistant to manage the procurement process. Work of the Master Plan consultant and the PEU will also be guided and supported by a Steering Committee, led by the Ministry of Public Infrastructure which will be constituted by high level representatives of the Ministry of Finance, Ministry of Investment and Business, Ministry of Tourism, National Security and other relevant agencies. The function and role of the Steering Committee and the communication mechanism will be defined and agreed through stakeholder consensus facilitated by the master plan consultant as a proviso prior to commencing technical work on the master plan itself. Accordingly, GCAA will be responsible for the finalization of terms of reference for the master plan and the selection of consultants.
- 5.2 The executing agency does not have prior experience with the IDB policies and procedures; therefore, every procurement process will be supervised ex-ante. Procurement support to the execution agency will be provided through an administrative assistant/procurement officer. See the procurement plan (Annex III) for more details. A financial audit will be made towards the end of the TC's execution period.

- 5.3 US\$125,000 (20% of the total project cost) of the resources of the TC will be government counterpart for the appointment of a civil aviation expert, a project manager and an administrative assistant.
- 5.4 This TC will be executed in 36 months. The executing agency will hire consulting services (individual and firms) in accordance with the "Policies for the Selection and Contracting of Consultants financed by the Bank" (GN-2350-9), March 2011.

VI. Major Issues

- 6.1 Considering the importance of civil aviation and the numerous stakeholders in the sector there is a risk that the civil aviation master plan may not be acceptable to all stakeholders rendering the output unsustainable. To mitigate this, a mechanism for coordination and communication amongst stakeholders will be developed and agreed prior to commencing work on the master plan.
- 6.2 As with all master plans there is a risk that significant resources will be invested in a product which takes several months to complete, causing ongoing or imminent projects to be delayed, and once delivered fails to provide a clear and implementable pipeline of projects and actions. To mitigate this risk, the terms of reference will consider interim deliverables and a firm chronogram.

VII. Exceptions to Bank Policy

- 7.1 No exceptions to the Bank's policies have been identified.

VIII. Environmental and Social Strategy

- 8.1 Given that the focus of the TC is on the preparation of a civil aviation master plan this TC has no social or environmental impacts. The Safeguard Policy Filter Report and Safeguard Screening Form classify the project under category "C" which are saved in Convergence within the Environmental and Social Data tab of GY-T1134. The documents file names are: [The Safeguard Policy Filter Report and Safeguard Screening Form](#).

REQUIRED ANNEXES:

- [Annex I. Request letter from the Ministry of Finance.](#)
- [Annex II. Terms of reference.](#)
- [Annex III. Procurement plan.](#)