



INTER-AMERICAN DEVELOPMENT BANK

Project Completion Report – PCR

Informe de Terminación de Proyecto

Bank Memorandum

June 2006

Project Name: Air Transportation Reform

Project Number: GY 0050

Loan Number(s): 1042/SF-GY-1 & 1042/SF-GY-2

Table of Contents

	Page
1. General Information	
1.1. Development Objective	
1.2. Basic data	
1.3. Summary of ratings	
1.4. Project timeline	
1.5. Reference documents	
2. Bank Memorandum	
2.1. Results analysis (outputs, outcomes, and impacts)	
2.1.1. Outputs attained	
2.1.2. Project outcomes and impacts	
2.2. Implementation analysis	
2.2.1. Project's performance measurement	
2.2.2. Factors affecting project implementation (according to PPMR)	
2.2.3. Analysis of factors affecting output delivery and outcome achievement	
2.2.4. Analysis of project management and lessons learned	
2.3. Sustainability analysis	
2.3.1. Institutional / Organizational Strengthening (IOS)	
2.3.2. Project sustainability	
2.4. Executing Agency Performance	
2.5. Foundations for the Ex-post Evaluation	
2.6. Other lessons learned and recommendations	
5. Annexes	
Annex 1A - Source of Financing	
Annex 1B - Schedule of Investments	
Annex 1C – Financial Information and Audited Financial Statements	

Nota:

This document includes sections 1 (General Information) and 2 (Bank Memorandum) of the PCR, as well as Annex 1.

Section 3 (Executing Agency Memorandum) will be presented in a separate document.

Section 4 will be the CRG Minutes

With regard to section 5 (annexes), Annexes 2 and 3 are not included because they are links of the PCR system. Annex 4 (Exit Workshop Aide Memoire) and Annex 5 (optional documental annex) are presented in separate documents.

General Information

1.1. Development Objective

Improve the standards of air transport operations, safety procedures, and affiliated services to internationally acceptable standards.

Project name: Hybrid Program for Air Transport Reform

Project number: GY-0050

Loan /TC number: 1042/SF-GY-1, 1042/SF-GY-2

Executing Agency: Ministry of Public Works and Communications (MPW&C)

Loan / TC amount (original): US\$ 30,000,000

Loan / TC amount (current): US\$ 29,573,416.64

Loan / TC Cumulative cancellations: US\$426,583.36

Total cost of the project (Original): US\$ 32,000,000

Total cost of the project (Current): US\$ 32,528,370.64

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Start up workshop date: Feb 3-4, 2000

Mid-term evaluation date: None

Exit workshop date: February 16th, 2006

Bank Memorandum

2.0 PRESENTATION OF THE PROJECT

2.0.1. The problems, the project and its context

At the time of project preparation, Guyana was a member of the International Civil Aviation Organization but was in breach of a number of its obligations to operate a safe and secure air transport system. Parliament passed legislation in 1996 to address this problem but key features of the law were not being implemented and the law itself required substantial alteration.

The basic facilities of the system were owned and operated by the central government. The airline was 100% government owned but financial problems arising from irregular services led the Government to sell a 51% stake in its ownership. Similarly, the airports were nominally owned and operated by the Civil Aviation Department of the Ministry of Transport and Works, but that entity had a serious shortage of technically capable staff. The international airport contracted out many of its functions to other government agencies, and private-sector interests, some of which sought legal rights to the facilities before investing in improvements.

To overcome this daunting challenge, the Government of Guyana decided upon a comprehensive program to reform the Air Transport Sector. Amended legislation was being considered that would firmly establish government policy in the sector, create an effective autonomous regulatory agency, and encourage private-sector involvement. The international airport was to be given a corporate structure, professional management, and an investment plan with specific sources of capital. The Government was negotiating a lease of a nearby regional airport to a private group with a mandate to develop domestic and regional transport on a commercially sound and openly competitive basis. Finally, the Government had sold a majority interest in the national flag carrier to private interests through public bidding.

The Program was designed to support the Government in this effort. Specialized consultants assisted the Government and the Bank in analyzing the various components of the sector and in offering suggestions for their improvement. The two parties combined these suggestions and assembled a program that included major financial support by the Bank for structural reforms, specific investments, and technical cooperation. The Program was expected to raise service levels in the sector to ICAO-compliant levels, attracting and retaining freely competitive international and domestic airlines.

The objective of this Program was to raise the standards of air transport operations, safety procedures, and affiliated services to internationally acceptable levels. This required a thorough review of the institutional framework of the sector; significant investments; and private sector participation in operating air transport facilities and services.

The Program has three components:

A Policy-based Component (PBL) of **US\$20.2** million with a series of elements designed to encourage policy decisions and actions to improve air transport at specific locations, comprised of tranches of **US\$7.0** and **13.2** million in fast-disbursement funds; an investment Component of **US\$7.5** million to fund required improvements at CJIA; and a Technical Cooperation Component of **US\$2.3** million to provide assistance in meeting the requirements of the other two.

2.1 RESULTS ANALYSIS (OUTPUTS, OUTCOMES AND FUTURE IMPACTS)

2.1.1 Outputs attained. Description of project outputs by components and analysis of factors that influenced project execution.

2.1.1.1. Output Indicators Analysis. Complete the indicators of the outputs attained in this component using the same output indicators retrieved from the PPMR. Compare the indicators in the Achieved and Planned columns. If there is a significant gap between them, briefly explain the factors responsible for the gap.

POLICY COMPONENT (LO-1042/SF-GY- I)	
(i) The macro economic performance effectively monitored; (ii) The elements tied to the adoption of air transport sectoral policy, regulatory and institutional reforms implemented; (iii) The divestment of the previously State owned airline, and some airport facilities implemented.	
PLANNED	ACHIEVED
Prior to approval *National Airline divested. By First Tranche: (effective December 2002) *Compliance with the policy conditions of the Enhanced Structural Adjustment Facility (ESAF) agreed with the IMF. *Enactment of amended Civil Aviation legislation *Approval of new civil Aviation Regulations for Guyana (ARG)	The publicly owned Guyana Airways Corporation was privatized on April 12, 1999 The Enhanced Structural Adjustment Facility (ESAF) required by the Article 4.02 (a) was replaced by the Poverty Reduction Growth Facility (PRGF), which had been negotiated with the IMF and approved by the IMF Board on September 13th, 2002. The Government of Guyana was in compliance with the PRGF at the time of 1 st tranche disbursement. The Civil Aviation Act of 2000 was approved by the Guyanese Parliament in April 2000, signed into Order by the President on August 16, 2000 and subsequently published in the Gazette on August 29, 2000. The Law was not only enacted but came into operation on March 8, 2002 following the formal establishment of the Guyana Civil Aviation Authority (GCAA). The new Act establishes the regulatory and institutional structure of the sector and eliminated existing provisions that limited private sector participation in the management of airport infrastructure and the provision of commercial air transport services. The new civil Aviation Regulations of Guyana were published in the official Gazette on October 1 st 2001 after coming into effect September 27, 2001. The complementary Civil Aviation Licensing Regulations were published in the Gazette on November 9th, 2001. The GCAA also developed the necessary regulations, Guyana Aviation Requirements, in effect since May 9, 2003 to implement the principles and measures established in the new Civil Aviation Act, and to

<p>*Action Plan (including relevant business plan) for the creation of the Guyana Civil Aviation Authority (GCAA) agreed with the Bank</p> <p>*Business Plan for the Cheddi Jagan International Airport (CJIA) (including the creation of a corporation, naming of the key staff, a medium term investment program and proposed environmental mitigations actions) agreed with the Bank</p> <p>* Action Plan for bringing Ogle Airport into compliance with ICAO standards agreed with the Bank</p> <p>* Plan to ensure certification of aerodromes in accordance with ARG and ICAO standards agreed with the Bank</p> <p>* Execution of contracts for the installation of landing approach lights in compliance with ICAO standards.</p> <p>By Second Tranche:</p> <p>*Continued compliance with Poverty Reduction Growth Facility (PRGF) requirements.</p>	<p>ensure compliance with ICAO requirements governing the operations and airworthiness of aircraft and the licensing of pilots, were developed in close consultation with the GCAA and air sector stakeholders.</p> <p>An action plan describing the institutional structure needed for the Guyana Civil Aviation Authority (GCAA) including staffing requirements and the necessary financing arrangements to ensure the long-term sustainability of the institutional structure was elaborated and the GCAA was formally created with approval of the Civil Aviation Act of 2000. In July 2001 Cabinet appointed the Board of Directors of the GCAA. The Internal Procedures Manual approved by the GCAA by the end of 2001 and the Ministry of Public Works and Communications (MPWC) began implementation in March 2002.</p> <p>The Business Plan for the CJIA, including an investment plan for airport development for the following five years, financial projections, a staffing plan, and a transition plan was formally approved by the Government and is in implementation</p> <p>The Civil Aviation Act of 2000 authorized the creation of the CJIA Corporation. The Corporation was legally constituted on November 5th, 2001. The Board of Directors of the CJIA has been installed and holds regular meetings. Key officers, including the Chief Executive Officer, the Commercial and Administrative Manager, Operations Manager and the Engineering Manager, have been hired and are in position.</p> <p>Action Plan for Ogle Airport was agreed with the Bank. Ogle Airport is being licensed by GCAA, according to its characteristics (ICAO standards), on a yearly basis.</p> <p>A plan was agreed with the Bank and as a result 10 aerodromes that were below standards, according to their category, have been improved to be ICAO compliant. GCAA has licensed all 49 government owned aerodromes as well as 9 private airfields. 5 public aerodromes were closed.</p> <p>Technical studies carried out by ICAO experts concluded that approach lights installation in CJIA was not feasible because of the unsuitability of the terrain beyond both ends of the main runway.</p> <p>According to press releases No 04/160 and No 05/11 from the International Monetary Fund on Guyana's economic performance under the PRGF, the GoG was considered to be in full compliance with the policy</p>
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<p>*Guyana Civil Aviation Authority (GCAA) fully operational for at least six months, with a secure financial structure, adequate internal procedures and adequate professional staff, and is applying the new Aviation Regulations of Guyana (ARG).</p> <p>* Air Transport in Guyana is in full and sustainable compliance with ICAO Standards</p> <p>*Implementation of 5-year Business Plan for CJIA corporation for at least six months.</p> <p>* CJIA is operating in full and sustainable compliance with ICAO standards</p> <p>*Agreement for 25-year renewable lease of Ogle Municipal Airport to private developers signed</p>	<p>conditions set forth in the PRGF at the time of the request of the second tranche disbursement.</p> <p>(i) All critical GCAA staffing was completed as of March 17, 2003 when the Director General was hired.</p> <p>(ii) A secure financial structure was in place. This happened despite the new fee structure expected to be in place only by July 2005 and self-sufficiency being expected only by 2007.</p> <p>(iii)The Internal Procedures Manual, including internal regulations, was approved by the GCAA by December 2001. The MPW&C approved the action plan for institutional development of the GCAA on March 8th, 2002.</p> <p>(iv)The new ARG were being implemented since their approval in September and October 2001.</p> <p>Air Transport is substantially in compliance with ICAO standards. An overall ICAO determined effective implementation of the critical elements of a safety oversight system was 75%, a considerable improvement over the previous finding (ex-ante) and comparable to the major airports of the region. The GCAA revised action plan is addressing all remaining issues identified in the audit and to continue its efforts to improve results.</p> <p>Air Transport in Guyana is sustainable as GoG is supplying necessary funds for the activity and there are new taxes and proposals of increasing overflight fees that will cover operational and maintenance costs. Large maintenance and investment will continue to be Government's decision.</p> <p>The Business Plan for the CJIA has been reviewed by the Bank, formally accepted by the Government and is in implementation. Cheddi Jagan International Airport (CJIA) Corporation was legally constituted in November 2001. The Corporation was deemed to be fully operational, with a secure financial structure and all critical staffing completed. Nevertheless, CJIA Corporation is not able to make decisions regarding large maintenance, important replacements or investments. Nor it can do marketing, as fees, prices and rentals are decided by and its revenues transferred to the Government. The latter pays the electricity and returns to the Airport Corporation revenues from Passenger Security Taxes for airport's operational needs.</p> <p>GCAA is certifying the airport on yearly basis, according to the annex 14 ICAO requirements.</p> <p>The Government of Guyana and Ogle Airport Incorporated signed a lease agreement for the management, operation and development of Ogle</p>
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<p>* Ogle Airport has been in sustainable compliance with ICAO standards for a period of no less than six (6) months.</p> <p>*Environmental Protection Agency (EPA) permit for construction of Ogle Municipal Airport issued</p> <p>* All operable aerodromes were certified according to the plan agreed with the Bank as a condition precedent to the disbursement of the first tranche.</p>	<p>Aerodrome on November 5th, 2001. The lease includes assurances specifying “all airport facilities will be available to the public on fair and reasonable terms and without discrimination”. The lease also clearly specifies that the airport will be operated in accordance to every applicable standard, rule and regulation for development and operation of an airport issued by ICAO and the GCAA.</p> <p>GCAA is licensing Ogle Airport on a yearly basis according to ICAO’s aerodrome standards. The first licence was issued on June 17th, 2004. Ogle Airport is currently licensed for domestic operations of aircrafts engaged in flight for: i) public transport of passengers and ii) instruction in flight. It is expected that in 2007, Ogle Airport will be upgraded to regional standards capable of receiving international flights.</p> <p>The airport received its Environmental Permit in July 2004 and is complying with the requirements of the Environmental Management Plan. The zoning regulations were gazetted and put into affect on November 20, 2004. All environmental issues and mitigation measures raised in the Environmental Mitigation Plan and EIA were being dealt with.</p> <p>All operable aerodromes were certified according to ARG and ICAO standards. The MPW&C completed the implementation of the Plan for the Certification of 54 Rural Aerodromes (PCRA). As of September 2004, the GCAA had certified and licensed 49 aerodromes for domestic operations and closed five (5). The five closed aerodromes are not licensed for take off or landing of aircraft, except in special circumstances with the prior approval of the Director General of the GCAA.</p>
<p>Factors responsible for the gap (if applicable):</p> <p>Guyana Civil Aviation Authority (GCAA):</p> <p>Staffing. The GCAA was supposed to be fully staffed, operational and prepared to administer ARG by February 2002. However, there were severe delays in the process and in the interim short term consultants were hired to partially cover for the vacant position of Director General. The problems related to the hiring and retaining of suitable candidates came from a reluctance to meet the salary scales required in order to attract high calibre aviation professionals to manage the GCAA. The Bank proposed that the revenue garnered from the airport departure tax be used to fund GCAA’s operations. Finally, most staffing was completed by the end of 2002, while some positions (including the director general, finance director and other technical and administrative staff) were only filled in 2003 and 2004. A permanent Director General was finally hired on March 13, 2003 to replace the interim Director in order to meet the 2nd tranche conditionality. In addition, additional staff members were still to be recruited during the period 2004 to 2006 as part of the agreed Business Plan but had not been as of the date of this report. More importantly, the contract of the Director General ended on April 30, 2006 and was not renewed.</p>	

- **Secure Financial Structure.** The lack of a clear definition for ‘secure financial structure’ generated confusion between GOG and the Bank. GOG understood that the term meant for GCAA and CJIA to have guaranteed sources of revenue, including government subvention. The Project Team understood the term to imply financial self-sustainability and independence from government. This resulted in delays of disbursements and staffing decisions. GCAA’s 2001 business plan indicated that it could not be financially self sufficient until 2006 when new sources of revenues could be adequately implemented. However, hardly any significant progress was made to implement the financing structure. In February 2004, GOG submitted a proposal based on an allocation to GCAA of revenues from increases fees to bring overflight charges in line with neighbouring countries and from increase in aircraft arrival and departure charges. It was finally agreed between the GoG and the Bank that the GCAA would operate with a significantly decreased level of GoG subsidy, albeit having viable plans to remove the requirement for subsidy completely by 2007. Prior to the introduction of future charges, a consultancy was to be undertaken to review the current fee structure as well as to review GCAA’s overall financial structure to identify other opportunities for enhancing revenue. As of the writing of this report, the consultancy to review the fee structure has not taken place and charges are yet to be modified and assuming fees were to be changed today, it is not expected that GCAA will achieve financial self sufficiency until 2009. Although GCAA is currently receiving decreased funding from GOG, this keeps the GCAA dependent on the GOG who still dictates the charges for the overflight fees and covers capital expenditures of the Authority.

Search and Rescue & Accident and Incident Investigation. On May 5, 2003, the Bank and the GoG signed a Technical Cooperation Agreement for "Search and Rescue, Accident and Incident Investigation" funded by the U.K for a total of 19,000 pounds sterling. This function of the GCAA had not been formalized primarily because of the lack of a National Search and Rescue Plan. Similarly, Accident and Incident Investigation were effected in a non-structured way, by the former Civil Aviation Department, without the benefit of any scientific analysis. This consultancy was born out of the recognition that assistance was necessary to devise a plan of action to address these shortcomings. The general objective was to determine the requirements to ensure that these aspects of civil aviation in Guyana are conducted in accordance with ICAO standards.

International Civil Aviation Organization (ICAO):

An ICAO audit of the GCAA was carried out in March 2001 and identified that implementation of the critical elements of a safety oversight system had an effective implementation of 60%. Guyana submitted an action plan addressing all the findings and recommendations in the audit report. The audit follow-up mission conducted during June 2003 determined that Guyana had made considerable progress in several areas and it was 75% compliant with the critical elements of a safety oversight system and comparable with this type of airport in the region. The GCAA, through the revised action plan, is supposed to address all remaining issues identified in the audit and to continue its efforts to improve results.

Cheddi Jagan International Airport (CJIA):

Staffing. A job evaluation and compensation rationalization study was undertaken in order to ensure that the proposed remuneration schemes were competitive. The Corporation was deemed to be fully operational with all critical staffing completed. However, an additional 26 staff were still to be employed during the 2004 -2006 period to improve operational efficiency, including 15 Security Staff who were to replace employees of the Guyana Police Force and become Airport Security Personnel.

Secure Financial Structure. During the first two and a half years of the Corporation’s existence, the revenues were insufficient and the resulting deficit was covered through Government budget allocations. The CJIA Business Plan included the establishment of a Passenger Security Tax to be levied on all departing passengers. This was introduced March 1st, 2004 and is still in place. With this additional revenue, CJIA has achieved financial self-sufficiency and no longer needs Government assistance for operational requirements. However, airports have small operational cost and important large maintenance and replacement costs. These issues fall under the financial responsibility of the GoG.

Cheddi Jagan International Airport Corporation has no way to reduce fees for marketing purposes. In the case of privatized or independent airports, governments generally establish fees as a maximum price but airports are allowed to reduce them. This is the instrument that these enterprises use to attract newcomers, mainly those that are looking for a base to create a new hub. In the future, CJIA corporation will have to compete against Ogle Airport to prevent regional operators moving to the down town aerodrome. Ogle also has the advantage in non-regulated fees and rentals.

NATIONAL AIRLINE:

The only publicly owned national airline (Guyana Airways Corp.) was privatized, but subsequently ceased operations because of financial difficulties. Another private Guyanese airline replaced it (Universal Airlines) but also ceased operations. Currently, several foreign carriers are operating international flights, exclusively. Several small private airlines provide services at the national level. The Guyana Defence Force (GDF) continues to provide subsidized services inland at much lower users costs than private domestic airlines.

AERODROMES

The Rehabilitation Plan was only targeted to government owned airfields (54 operable, and more than 70 altogether) and not to the privately owned ones (30). (The operations plan included G\$280m for upgrading the aerodromes to become ICAO compliant. The funds were expected to be provided by the GOG through the CJIA, which had operational responsibility of the aerodromes at that time. Yet, the GOG did not provide the \$280 needed, but only a very small amount for major works on 3 main aerodromes. Instead of raising the bar for aerodromes to reach higher ICAO standards, as the Aircraft Owners' Pilots Association wanted, GCAA licensed the aerodromes with the level they were currently at. Thus, 49 hinterland aerodromes, all public, were licensed in 2004 and renewed in 2005. Without help from the Program, 9 of the 30 private aerodromes are also currently licensed.

INVESTMENT COMPONENT (LO-1042/SF-GY- II)

Improved and safer operations of Cheddi Jagan International Airport (CJIA). Environmental and safety standards implemented.

PLANNED	ACHIEVED
* Runway 06 pavement resurfaced, and runway edge lights installed by Q 4, 2003.	The runway 06 – 24 resurfacing was completed on July 2003. The lights were installed by the same date (see 1 below).
* Apron 01 upgraded by Q 4 2004.	Improvements to apron 01 were not carried out (see 2 below).
* Perimeter safety lighting installed by Q 2, 2004.	Perimeter safety lighting was not installed (see 3 below)
* New X-ray equipment installed by Q 2, 2004.	3 new X-ray equipment were installed in March 2005.
* Perimeter road constructed by Q 2, 2004.	The new perimeter road construction was completed in September 2003.
* New Runway Sweeper in operation by Q 2, 2004 (replaced incinerator installation in 2 nd Q, 2004).	The regenerative Runway Sweeper was in operation by July 2004.
* Installation of the Taxiway lighting completed by Q 2, 2005.	The installation of the Taxiway lighting is in progress (see 4 below).

<p>* Sewerage treatment plant constructed and new sewerage system installed by Q 1, 2005.</p> <p>* Arrival Terminal and Roof rehabilitated by Q 2, 2005.</p> <p>* Rehabilitation of the Control Tower and upgrading of the navigational equipment by Q 2, 2004</p> <p>* Computer Systems</p> <p>* New Vehicles</p>	<p>Sewerage treatment plant was completed in January 2005. Rehabilitation of the sewerage system was completed in April 2004.</p> <p>The arrival terminal and roof rehabilitation were completed in January 2006 (see 5 below).</p> <p>The rehabilitation of the control tower cabin was completed in April 2004. The upgrade of navigational aids and equipment was completed in June 2004 (see 6 below).</p> <p>Installation of Computers and Software completed in December 2004.</p> <p>6 New Vehicles (double cab 4 x 4 Pickups) were procured in July 2003.</p>
<p>Factors responsible for the gap (if applicable):</p> <p>Availability of Resources: Only \$8,694.86 of the amount allocated for Investments was unused. Cancellations totalled 4% of loan amount or \$426,583.36 comprising \$274,560.06 from the Technical Cooperation Component and \$143,328.44 from the capitalization charges for interest payments.</p> <p>There were several reasons for cost increases during the implementation of the project, which resulted in some of the investment items not being completed. Firstly, changes and requests for additional works by the CJIA caused large increases in costs. Secondly, one of the conditions prior to the disbursement the investment component was the creation and full staffing of the corporate entity to manage the CJIA. Consequently, the investment component did not commence until 2003 approximately four years after the operation was designed and resulted in costs that were higher than estimated at the time of project design and although the budget included general price escalation, it was not sufficient to cover the increased costs. Thirdly cost overruns were experienced for works due to late ordering of supplies by contractor and due to environmental factors such as hurricanes in the vicinity that prevented supplies from reaching Guyana. As indicated below, the reason for the differences between the planned and achieved was due mainly to limitations of resources in the amount allocated to the investment component:</p> <ul style="list-style-type: none"> (1): The runway project suffered significant cost increases (22%) for several reasons. The most important one was the change in the original design to allow heavier aircraft to operate in the airfield. The original budget was US\$ 2.5 million while the total cost of the works was US\$ 4.8 million of which the Bank financed US\$ 3.1 million and the difference was funded from counterpart. (2): The upgrading of apron 01 was not a priority for the achievement of safety standards. It involves capacity increases as very heavy aircraft must remain on the runway while they are on the ground and do not allow other aircraft to operate, which means a restriction in total possible movements. A very small percentage of the total movements fall into this category: only cargo aircraft, and they operate during the night when there is no demand of passenger flights. This gap is not considered critical for the programme, as the main goal is to improve safety standards. Therefore funds were reallocated to cover the cost overruns on the runway repaving contract and the rehabilitation of the Arrival Terminal and Roof. 	

- (3): Perimeter safety lighting is recommended for security reasons but not mandatory. However, considering cost escalation and the fact that this airport is located on a hill and the surrounding area is unpopulated, the lack of it is not an obstacle to obtain good safety levels in the case of CJIA.
- (4): The installation was delayed due to the hurricane in the Gulf Region as suppliers placed a higher priority on providing material to the affected airports in the United States. It is expected to be completed in July 2006.
- (5): Works on the arrival terminal and roof rehabilitation suffered a 10% increase compared to the original budget due to additional works that had to be done to resolve existing problems, which were not addressed in the design. One such problem was the leaking roof (Concrete slab) over the Immigration area. The initial solution did not work and it was necessary to erect a new roof over this floor thus extending the VIP area. The contract also entailed the rehabilitation of three sides of some enclosed areas omitting the fourth side; this meant additional work had to be done to complete the building as a whole. These together with additional requests by the CJIA necessitated additional funds, which the GOG supplied.
- (6): The works for the Control Tower weren't considered in the original contract. They replaced the runway approach lighting which was impossible to install due to characteristics of the terrain. In order to guarantee the safety of aircraft landings and to comply with ICAO requirements, the Government proposed to improve navigational aides for approach and landings (runway lights, VOR, ILS, PAPI and beacons) and the control tower. The proposed actions have been implemented and the instruments are functioning. With the improvements conducted in these systems the approach system in runway 06 at CJIA is Category I ICAO compliant.

TECHNICAL COOPERATION COMPONENT (LO-1042/SF-GY- 2)

Technical support to carry out activities as specified in the policy and investment components provided. Overall program administered effectively.

PLANNED	ACHIEVED
<p>*Institutional and organizational studies for component 1 conducted and reports accepted by the Borrower and the Bank. (Main studies: • Organization and capacity building of the GCAA; • Preparation of Civil Aviation Regulation; • Privatization of Ogle Airport; • CJIA corporatization and institutional strengthening; • Environmental Impact for CJIA and Ogle)</p>	<p>* Assistance to Air Transport Reform Programme was completed on October 2001</p> <p>* Seminar on Economics of Airports and Navigation Services (ICAO) on June 2000</p> <p>* Consulting services for negotiating Ogle Airport lease, held by Infrastructure Management Group, ended 15 August 2000.</p> <p>* Revision of Civil Aviation Regulations. Prepared by Civil Aviation Authority of the United Kingdom, on 13 May 2000.</p> <p>* Review of proposed roof design in CJIA, by Orin Hinds and Associates.</p> <p>* Environmental Impact Assessment in CJIA, by Law Engineering and Services, finished on 30 April 2001.</p> <p>* Environmental Assessment of Ogle Airport development. By Senes Consultants, ended June 30, 2001.</p> <p>* Environmental monitoring of CJIA and Ogle airports. By Senes Consultants, ended September 30, 2005.</p> <p>* Institutional Reform and Capacity Building performed by Civil Aviation Authority of the United Kingdom, on August 30, 2000.</p> <p>* Aerial mapping of CJIA, by ALTA Canadian Geometrics, January 15, 2000.</p>

<p>*Engineering designs for Component 2 completed and accepted by the Borrower and the Bank.</p> <p>*GCAA, CJIA and PEU staff trained as follow: (• Flight Operations and Air Worthiness - 4 trained officers. • Safety, Security and Inspection Testing - 3 trained officers. • Airport commercial and operational management - 2 trained officers. • Pavement Conditions Index - 1 trained officer)</p>	<ul style="list-style-type: none"> * Development of operational requirements for air traffic management, by Civil Aviation Authority of the United Kingdom, on April 30, 2001. * Corporatization and Institutional Strengthening in CJIA, by Leading Edge Aviation PL. on April 30, 2001. * Aerodrome certification of CJIA by the Regional Aviation Service Oversight System (RASOS) on February 4, 2004. * Execution of Phase II, Search and Rescue Assignment by Eripio Ltd, on February 25, 2004. * Per diem and travel expenses to Guyana for interviews by candidates for the GCAA's General Direction candidates. * ATRP Coordinator, GCAA Director General, CJIA Operations Manager and Legislative Expert. * Seminar on FAA certification program, Trinidad, June 11, 2003. * Courses and seminars on Airport Management, Air Transport Policy, Flight Operations, Airworthiness Certification, Aviation Safety and Security, etc. * Course on Basic Security Training, held in Guyana on August 18, 2004. <p>* Design and supervision for the arrival terminal and roof. By VIKAB Engineering Consultants, - Designs completed in November 2003 and construction supervision in February 2006.</p> <p>* Design and supervision for the sewerage system rehabilitation by VIKAB (Guyana) Consultants, completed in April 15, 2005.</p> <p>* Geotechnical Survey at CJIA for approach lighting system, by Ground Structures Engineering.</p> <p>* Design of CJIA's apron upgrade by Sir Frederick Snow, completed in February 2005.</p> <p>* Design of the hydro-meteorological building in CJIA, prepared by Caribbean Engineering and Management Consultants, in February 2005.</p> <p>* Flight Operations: November 25, 2001 (ICAO); REDDIG Training Program (Argentina), from August 21 to September 2, 2003, attended by one person. FAA course on approvals of check pilots in Montreal, Canada, on April 19 - 23, 2004, attended by one person. Course on Air Carrier Operations Indoctrination, June 14 – 30, 2004, attended by one person.</p> <p>* Air Worthiness Verification: Course conducted from May 1 to October 31, 2001 in Guyana (ICAO).</p> <p>* Safety, Security and Inspection Testing: Technical Outreach Session on Security Surveys, Inspection and Testing, on May 20 - 24, 2002; 2 persons. Aviation Safety and Security, in Costa Rica on April 23 - 25, 2003. Course on the same subject, on November 11 – 13, 2003, attended by one person.</p> <p>* Airport commercial and operational management: Airport Strategic Management, Canada, on May 7 - 25, 2003, attended by 2 persons.</p> <p>* Pavement Conditions Index: on November 19 - 25,</p>
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	2003, attended by one person
Factors responsible for the gap (if applicable):N/A	

2.1.1.2. Identification of achieved outputs. Bearing in mind the output indicators in the different project components, describe briefly the key outputs achieved by this project

INSTITUTIONAL REFORM

- 1 Establishment of Government policy in the aviation activity creating the legal framework to encourage the private sector involvement and creating effective organizations for regulatory purposes and management of Government owned airports.
- 2 Guyana Civil Aviation Act
- 3 Guyana Civil Aviation Regulations
- 4 Guyana Civil Aviation Authority
- 5 CJIA Corporation
- 6 Privatization of Ogle Airport (25-year lease contract)

SAFETY AND CAPACITY INCREASE

- 7 GCAA regulations and operations are ICAO compliant
- 8 CJIA operations are ICAO compliant
- 9 Improved safety standards in rural aerodromes: 58 (49 government owned and 9 private) have been licensed according to its category 10 of which have been improved
- 11 Improved safety standards in CJIA through investments: 06–24 runway resurfaced, 3 new X-ray equipment, new perimeter road, arrival terminal and roof rehabilitated, new vehicles, rehabilitated control tower cabin, new computers and software, navigational aids and equipment rehabilitated, runway Sweeper (to be finished in 2006)
- 12 One of the requirements of the Ogle lease is that it is open to everyone. This enables capacity increase at Ogle.

SUSTAINABILITY

- 13 GCAA, CJIA and PEU staff trained on: Flight Operations, Air Worthiness, Safety, Security, Inspection Testing, Airport commercial, Airport operational management and Pavement Conditions Index.
- 14 Action Plan for GCAA sustainability, including sources of revenues
- 15 Business Plan for CJIA sustainability, including sources of revenues.

ENVIRONMENT

- 16 New sewerage treatment plant in CJIA
- 17 Ogle Airport Environmental permit.

2.1.2. Project outcomes and impacts. Description of the project results in relation to its Development Objective (DO or purpose in the project logical framework)

2.1.2.1. Outcome Indicators Analysis. Complete the indicators of achievement in the development objective (outcome) using the same outcome indicators retrieved from the PPMR (key performance indicators). Compare the Achieved and Planned outcome indicators. If there is a significant gap between them, briefly explain the factors responsible for the gap.

<p align="center">DEVELOPMENT OBJECTIVE</p> <p>Improve the standards of air transport operations, safety procedures, and affiliated services to internationally acceptable standards.</p>	
PLANNED	ACHIEVED
<p>* The private sector participates in the air transport industry through divesting Guyana Airways Corporation and Ogle Airport</p> <p>*ICAO certification that the air transport sector in Guyana operates in compliance with international standards including but not limited to the following:</p> <ol style="list-style-type: none"> 1. GCAA develops and implements its own regulations, is financially sustainable and operates in compliance with international standards. 2. CJIA is fully sustainable and operate in compliance with international standards including but not limited to: (a) a functional Very High Frequency Omni Directional Radio Range Equipment (VOR) at the CJIA; (b) fully operational Main Runway and Taxiway Lighting at CJIA; and (c) an internal Perimeter Road at 	<ul style="list-style-type: none"> • Guyana Airways Corporation was privatized in 1999 and ceased operations in May 2001. A new private carrier, Universal Airways, was created and had its inaugural flight in December 2001. This latter also ceased operations in September 2005 and currently, there are no Guyanese international carriers. • Ogle airport was leased for 25 years to Ogle Airport Incorporated and is currently being operated by it. It is being upgraded and expects to become certified to regional standards by 2007. • 9 private aerodromes have been licensed by GCAA • The GCAA was audited by ICAO and found satisfactory in June 2003 • The Civil Aviation Act of 2001 has been approved by Parliament. Guyana Air Navigation Regulations, and Guyana Civil Aviation Licensing regulations gazetted. <ol style="list-style-type: none"> 1.1 GCAA has developed and implemented its own operational manuals, including an Airport Security Manual. 1.2 Air transport fees and taxes (a portion of landing fees and passenger departure taxes) plus Government funding cover its operating costs. It is expected to be financially sustainable when overflight fees are increased. 1.3 The GCAA is currently staffed following the job classifications and staff remuneration packages proposed in the Business Plan 2.1 Government is implementing the five-year Business Plan for CJIA. 2.2 The CJIA Corporation is currently staffed following the job classifications and staff remuneration packages proposed in the Business Plan. 2.3 CJIA Board approved 12 operational manuals.

<p>CJIA in accordance security requirements.</p> <p>3. Ogle Airport operates in compliance with ICAO standards.</p> <p>* GCAA certification that 10 priority interior aerodromes operate in compliance with local ARG standards.</p>	<p>2.4 Internal Perimeter Road constructed.</p> <p>2.5 VOR functional</p> <p>2.6 Main Runway fully operational</p> <p>2.7 Taxiway Lighting under construction</p> <p>2.8 Main landing instruments are all operational.</p> <p>2.9 CJIA is financially sustainable using Passenger Security Taxes and its electricity costs being covered by Government</p> <p>3.1 Ogle Airport provide services and in compliance with GCAA rules, is licensed on yearly basis.</p> <ul style="list-style-type: none"> 10 aerodromes of different types have been improved to ICAO standards. GCAA licensed 49 aerodromes owned by the Government plus 9 private airfields and closed 5 aerodromes that did not comply with the required standards.
<p>Factors responsible for the gap (if applicable):</p> <p>➔ FINANCIAL SUSTAINABILITY: Availability of funds for the sector still depends on Government fiscal transfers. GCAA and CJIA should have their own sources to be able to continue maintaining the system as it is currently.</p>	

2.1.2.2. Identification of intermediate outcomes and initial impacts. Considering the achieved project outputs, to the extent possible, identify intermediate outcomes and initial impacts achieved by this project so far.

- **Intermediate outcome:** Trust in Guyana's institutional Civil Aviation framework. **Initial impact:** increase in interest in investing in the aviation activity: expansion and new maintenance facility and training centre in Ogle; one additional aircraft for Trans Guyana.
- **Intermediate outcome:** Safety standards and extension to 24 hours operations at CJIA. **Initial impact:** An important obstacle to many international airlines operations was removed, as they do not operate when safety conditions are not satisfied and there are restrictions in operational hours. For the traditional airlines that operate in CJIA their scheduling is more flexible being able to increase aircraft utilization and, consequently, to reduce capital costs.
- **Intermediate outcome:** The operators of the newly privatized Ogle Airport are investing in a new runway and terminal building. **Initial impact:** Improved operational conditions for domestic services which imply operating cost reductions (and consequently fares).
- **Intermediate outcome:** Aerodrome improvements in safety conditions will make domestic air transportation more reliable. **Initial impact:** Altogether with Ogle expansion, this situation will allow airlines to reduce costs as higher reliability means lower probabilities of deviation of flights to alternative destinations or cancellations.
- **Intermediate outcome:** Sustainability of CJIA. **Initial impact:** increase in fees and revenues from overflight.

2.1.2.3. Identification of future outcomes and impacts. Considering the achieved outputs, identify expected future outcomes and impacts and describe how these outputs are critical towards the achievement of outcomes and impacts.

- **Future outcome:** Increased number of non-stop international flights from and to South and North America operating at CJIA (Non stops to Europe won't take place because of restrictions in the runway). **Future impacts:** (1) Higher competition and, consequently, fare reductions will allow

tourism to grow and will make easy travelling abroad for Guyanese residents. **Condition:** A new policy favouring tourism in compliance with the *GUYANA TOURISM DEVELOPMENT ACTION PLAN 2006 – 2010*. (2) A more enabling environment for regional integration for passenger and cargo from CARICOM, Brazil, etc.

- **Future outcome:** Second phase expansion of Ogle Airport allowing for the operation of larger aircraft capable of longer flights. **Future impact:** New opportunities for airlines in Guyana to extend their services to foreign airports within the Region will allow them to have a bigger market and, through economies of scale, reduce their costs and fares. Efficient passenger links between Georgetown and regional airports (Barbados, Trinidad, etc) Europe, USA and Canada. It will also allow tourists to fly from cities and resorts in the Region to tourist attractions in Guyana's interior through immediate connections without having to travel between the two airports in Georgetown.

2.1.2.4. Analysis of assumptions (from outputs to outcomes). Identify the necessary conditions towards the achievement of the project outcome and explain why they are necessary.

Output: Improved institutional framework, safety and air transport. **Assumption:** Maintaining the policies, institutional and financial arrangement remains a priority for GoG. **Outcome:** Long term sustainability of the system

Output: Higher safety levels of the aviation system. **Assumption:** Reduction in risks and increasing reliability make this activity attractive to more carriers and reduce operating costs through lower probability of diversions and cancellations. Cost reductions push airlines to fare reductions and additional increases in demand. **Outcome:** Increases in international and domestic Air Transport activity

Output: Extension to 24 hours operability of CJIA. **Assumption:** Being able to land and take off in a wider range, airlines may increase aircraft utilization, thus reducing capital costs. Passengers may have a greater variety of timetables to choose from. **Outcome:** Reduction in airline costs; higher satisfaction of passengers because of new flights during the evening and night.

2.1.2.5. Pilot question No. 1 – (Optional). Distribution of the project benefits within the target population. Have you observed inequalities in the access of the target population to project benefits based on gender, location, ethnicity, rural/urban sector, income group or other reason? If so, what are the reasons behind them?

An improved air transport sector generates benefits for different population groups and this project makes a contribution to the expansion of the benefits to all these groups.

Inequalities of access limited to users of the five airfields in the interior that were closed for safety reasons because they were not ICAO compliant. These aerodromes have been closed because of their bad condition and lack of resources to improve them.

2.1.2.6. Pilot question No. 2 – (Optional). Adverse effects of the project. Were any unintended adverse effects produced by this project to the population or to the environment? If so, what measures have been taken?

None

2.1.2.7. Pilot question No. 3 – (Optional). Contribution to the achievement of national / sectoral targets / Country Strategy. The results of the project have most likely contributed to the attainment either of the established goals of the Borrowing Country's sectoral or national strategies or to the indicators of the Bank's Country Strategy. If this has been the case, specify which objective or result

indicator the project has contributed towards and explain how and to what extent it does.

The Bank's strategy agreed with the Country and consistent with the "National Development Strategy", as reflected in the 1998 Country Strategy Paper and reiterated in the 2002-05 version, emphasized the rehabilitation of transport infrastructure, the provision of essential services to support increased production, and the strengthening of private sector incentives. The strategy also encouraged more efficient management, increased revenues, and improved long-term planning arising from budgetary controls. The results of this operation included: A. *Increased private sector participation* in air transport through (i) the privatization of Guyana Airways Corporation; (ii) the privatization of Ogle Airport; B. *Institutional, organizational and statutory reform* by (i) endorsing a new Civil Aviation Act and its Regulations, (ii) the corporatization of CJIA; and (iii) the creation of the GCAA as an independent agency. C. *Transport rehabilitation of Guyanese aviation* to comply with minimum international safety standards at CJIA, Ogle and other aerodromes.

Summarizing:

- Institutionalization means a more reliable legal system and economic opportunities.
- Higher levels of safety improve life conditions.
- A better organization means better allocation of resources
- An improved air transport system could potentially increase economic activity through growth of the tourist industry and exports of high value goods (fruits and flowers).

2.1.2.8. Pilot question No. 4 – (Optional). Project changes in response to changes in the context / environment. Were there any significant changes in the project context and in sectoral/national policies and/or development strategies? If so, explain how the project was adapted to respond to these changes.

The major change in the project context is related to the full sustainability of the CJIA and GCAA. It was initially expected that all the revenues produced by both entities would have automatically reverted back to them. However, in the case of the CJIA, the GOG only credits to the CJIA the revenues from the airport security fee and not those from the airport departure tax. From the other side the GOG continues to cover some of the recurrent costs of the international airport.

Other changes took place in the investment component because of the following reasons:

- The installation of runway approach lights was omitted because it was found to be technical infeasible.
- The higher costs of some projects (runway repaving and lighting and rehabilitation of the arrival terminal) made it impossible to implement other projects such as apron improvement and perimeter lighting
- Changes in priorities: A runway sweeper, which was not contemplated originally, was procured instead of an incinerator as it was deemed to be of greater importance.
- **Supervision services:** The supervision for the pavement rehabilitation works of the main runway (06-24) at Cheddi Jagan was financed with the resources of a Danish-funded Technical Cooperation Agreement in the amount of \$150,000. This was deemed necessary as the Loan program did not envisage or budget for the provision of these services. The supervision of the other airside works was funded from GoG resources (US\$105,000).

2.1.2.9. Recalculation of the Internal Rate of Return (IRR). If the project included ex-ante a calculation of the project's expected rate of return, what was the expected rate of return and what is the observed rate of return?

Not applicable

2.1.2.10. Recalculation of other cost analysis indicators. If the project included ex-ante any other economic evaluation estimates (cost-effectiveness, efficiency-efficiency and/or cost-benefit analysis), what was the expected indicator and what is the observed indicator?

Not applicable

2.1.2.11. Rating of project effectiveness in terms of the development objective (DO). Bearing in mind the analysis in sections 2.1.1. and 2.1.2., rate the attainment of the project development effectiveness in terms of the development objective.

☐ Very Effective (VE)

☒ Effective (E)

☐ Marginally Effective (ME)

☐ Ineffective (I)

(If pertinent, explain your rating)

The project achieved the expected outcomes.

Basic conditions of safety and reliability of the air transport industry in Guyana were achieved as planned. Privatization of Ogle Airport allowed the new owners to expand the infrastructure already allowing domestic airlines to operate in better conditions and probably to regional/international flights. The installation of Runway lights at CJIA increased the capacity of the airport and allowed airlines (mainly charters and cargo) to operate in marginal times. This last result was not expected. The creation of the GCAA introduced into the system an agency that focuses on technical issues in Aviation. It is now involved in security rules for the sector, an item that wasn't taken into account initially.

However the CJIA sustainability goal has been partially achieved:

- All those revenues (from landing and overflight fees, airport rentals and parking charges, use of terminal fees and security fees) are considered taxes and go to the Ministry of Finance which returns the security fee to CJIA, pays its electricity and covers GCAA operational needs. Consequently, CJIA currently has sufficient revenues to cover operational needs. However, the CJIA cannot cover its capital requirements, and the GOG steps in to cover these and larger maintenance items. Nevertheless, if the over flight charges are increased GCAA will enjoy increased revenues.
- In the medium term, CJIA will probably lose some regional flights to Ogle Airport, thus a drop in its passenger security fee and revenues. At that time, unless there is an increase in the number of larger aircraft with passengers and cargo, funds will not be sufficient to cover CJIA's operational expenses unless the Government decides to pay CJIA the passenger security fees charged at Ogle Airport. While the GoG sets CJIA fees, Ogle Airport establishes its own landing fees. Once Ogle management completes rehabilitation, the airport will be operational for aircraft with a capacity of up to 40 seats and thus will attract regional services. The airport is very attractive for these carriers (LIAT, META, and Caribbean Star) as the distance to downtown is very short and urban transportation costs are considerably lower than those to CJIA.
- CJIA is unable to carry out any effective marketing. It doesn't have instruments to compete against Ogle as the Government establishes its fees.

The GCAA sustainability goal is reliant on GOG intervention:

- For the GCAA to increase the overflight fees and become financially independent, it requires the approval of GOG of the new fee structure, which has not taken place since the early stages of this program.
- The GOG still determines some aspects of the GCAA institutional management (such as salary and salary increases) and covers any shortfall in the GCAA budget.
- CJIA and GCAA are not independent from the financial point of view. Revenues go to the Government who in turn provides funds for operations. However, the GoG decides on the funding for investments, big maintenance and replacements. The lack of an Instrument Landing System and other navigational systems at CJIA is an example of how a government may postpone important replacements and allocate resources to non-priority projects such as the expansion of the terminal building. The Authority and the Corporation should have their own resources to be able to fund all their needs.

2.2. IMPLEMENTATION ANALYSIS

2.2.1. Project's performance measurement

2.2.1.1. Elements for monitoring and evaluation. In a scale from 1 a 4 assess the quality of the following elements required for project monitoring and evaluation:

1. Problem analysis	Low ← [] [] [] [X] → High [] N/A
2. Intervention Strategy	Low ← [] [] [X] [] → High [] N/A
3. Identification of expected outcomes and impacts	Low ← [] [] [X] [] → High [] N/A
4. Identification of expected outputs	Low ← [] [X] [] [] → High [] N/A
5. Indicators of expected outcomes	Low ← [X] [] [] [] → High [] N/A
6. Indicators of expected outputs	Low ← [X] [] [] [] → High [] N/A
7. Baseline for expected outcomes	Low ← [] [] [] [X] → High [] N/A
8. Baseline for expected outputs	Low ← [] [] [X] [] → High [] N/A
9. Assumptions from outputs to outcomes	Low ← [X] [] [] [] → High [] N/A
10. Monitoring plan	Low ← [] [X] [] [] → High [] N/A
11. Procurement plan	Low ← [] [X] [] [] → High [] N/A
12. Schedule of investments	Low ← [] [X] [] [] → High [] N/A

2.2.1.2. Critical factors analysis in the project design. Considering the elements assessed above, describe which were the main factors (maximum 3) that had a major influence (negatively or positively) in the project performance measurement.

1. Identification of Expected Outputs (Negative)

The wording of conditions needs to be clear to ensure that all stakeholders have the same understanding. Such an ambiguity was evident in the case with 'secure financial structure' as a second tranche condition for the GCAA. Government and the Bank had a different understanding of this wording (see page 8, Secure Financial Structure).

2. Indicators of Expected Outputs (Negative)

1st disbursement occurred after 34 rather than 8 months of signature of loan. Similarly, 2nd tranche was planned for disbursement after 18 –24 months while actually taking 34 months. There are several reasons for the delay in disbursements. First, confusion with the definition of financial structure for GCAA and CJIA (2.1.1.1) delayed the completion of the 1st tranche disbursement. This relates to the design of the program as the intent of this condition should have been defined better. Second, GOG's refusal to change the financial structure that was agreed to in the Business Plan also caused undue delay. Third, difficulty of GOG to meet all the release conditions simultaneously. Fourth, scarcity of professionals willing to work in Guyana for the proposed salary scale.

The above were partly due to the fact that a Logical Framework had not been prepared for this operation.

2.2.1.3. Lessons learned for the project design (adopted measures). Describe in a concise way what measures were adopted to improve the project design in those aspects related with performance measurement.

N/A

2.2.1.4. Lessons learned for the project design (alternative measures). Based on your experience in this project, describe in a concise way what alternative measures you recommend to improve project performance measurement in the design of future operations.

Indicators should be defined clearly so there is no ambiguity; The definition should be agreed and included in the Loan Contract as a condition rather than in an Aide Memoire which is not as authoritative.

Since one of the main reasons for the delay in meeting 1st tranche conditionality was the inability to recruit suitable international professionals for GCAA and CJIA positions, a recommendation for the design of future projects is to perform an executive search for critical positions prior to loan approval.

Identification and cost estimates the investment component did not cover all the required aspects. A larger contingency would have helped to compensate for this.

As required by the Bank, all operations should have a Logical Framework prepared during the design phase. If no logical framework exists in the design stage, then one should be created during execution.

GOG wanted to meet conditions one at a time, rather than simultaneously. IDB refused to accept this so as to minimize the chances that when one condition was met, the one previously met would no longer be in compliance. Meeting all conditions simultaneously should be specified in loan documentation.

2.2.1.5. Available information during project implementation. In a scale from 1 to 4 rate the level and quality of compliance of the following tasks that should be undertaken by the Executing Agency to obtain the necessary information for project performance measurement:

1. Establishment of processes and mechanisms for data gathering and data analysis (sources of data, responsibilities, periodicity and characteristics of the information)	Low	← [] [] [] [] [X] →	High	[] N/A
2. Data gathering for the outcomes base line	Low	← [] [X] [] [] [] →	High	[] N/A
3. Data gathering for the outputs base line	Low	← [] [X] [] [] [] →	High	[] N/A
4. Data gathering, data analysis and reporting of information on available resources (inputs) and undertaking activities	Low	← [] [X] [] [] [] →	High	[] N/A
5. Data gathering, data analysis and reporting of information on project outputs and their contribution to the achievement of expected outcomes	Low	← [] [X] [] [] [] →	High	[] N/A
6. Data gathering, data analysis and reporting of information on project outcomes and impacts and their contribution to sectoral and national goals	Low	← [] [X] [] [] [] →	High	[] N/A

2.2.1.6. Critical factors analysis for performance measurement during implementation. Considering the elements assessed above, describe which were the main factors (maximum 3) that had a major influence (negatively or positively) on the project performance measurement during its implementation.

1. Establishment of processes and mechanisms for data gathering and data analysis (sources of data, responsibilities, periodicity and characteristics of the information)

Measurement of Performance during implementation of the project included ICAO's review and certification of GCAA operations, CJIA conditions and Ogle conditions that was a positive influence.

2. Data gathering, data analysis and reporting of information on available resources (inputs) and undertaking activities.

GCAA Business plan contained the responses to issues raised in the 1996 ICAO Safety Oversight Assessment Report

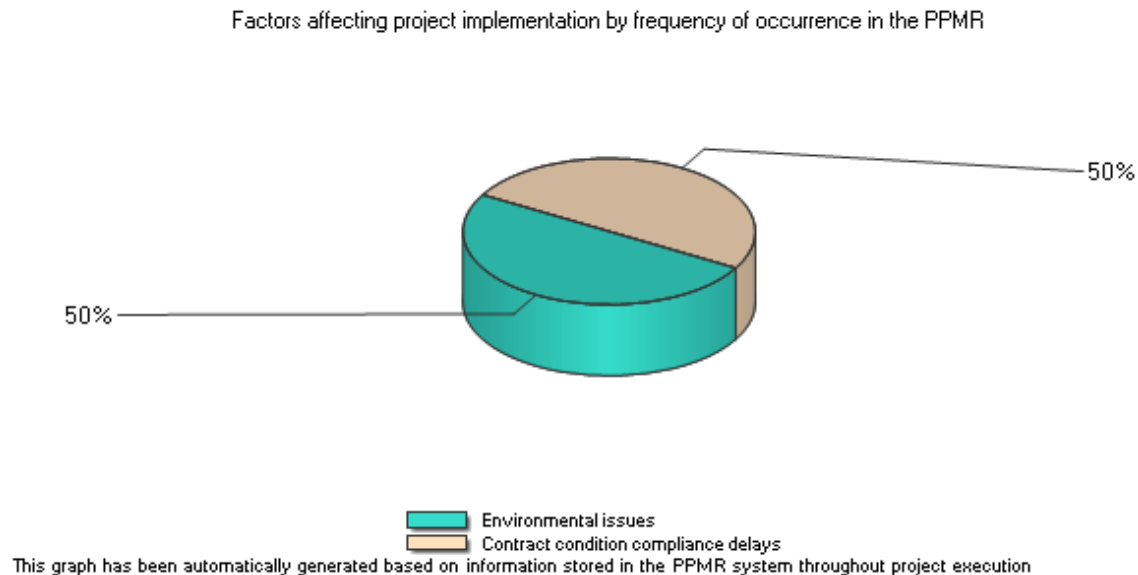
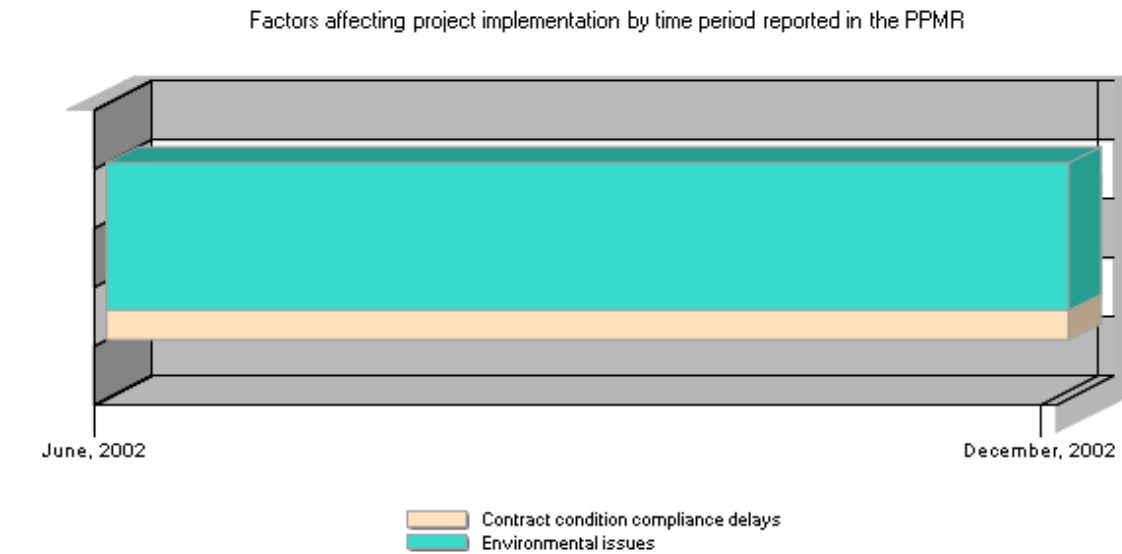
2.2.1.7. Lessons learned during project implementation (adopted measures). Describe in a concise way what measures were adopted to obtain the required information (in the expected quantity and quality) for the project performance measurement.

In order to ensure adequate performance measurement, ICAO was consulted prior to any action taken and the independent assessment was important. For example, an ICAO expert reviewed the draft Civil Aviation Act and Regulations and was consulted on alternatives when it became clear that the runway approach lights could not be erected. The ICAO audits performed, gave clear instructions on the necessary interventions and priorities to achieve the project objective.

2.2.1.8. Lessons learned for the implementation (alternative measures). Based on your experience in this project, describe in a concise way what alternative measures you recommend to improve project performance measurement in the implementation of future operations.

1. Notwithstanding the fact that ICAO reviews were beneficial for measuring safety progress, the Program could have benefited from additional measuring tools/system that were lacking.
2. The loan proposal established that the Bank would monitor compliance with the policy loan conditionalities through semi-annual special administrative missions that would analyze the data collected by the relevant authorities. Invariably, the local authorities did not accomplish much between missions. To support executing agencies, which are inherently weak, it is recommended that specialized consultants be contracted to follow-up with the Executing Agencies during the period between missions in order to ensure conditions are fulfilled on a timely basis. Periodic meetings between headquarters and/or COF and EA may assist in moving the program forward and in monitoring compliance conditions.

2.2.2. Factors affecting project implementation (according to PPMR)



2.2.3. Analysis of critical factors affecting project success

Critical factors affecting output delivery

2.2.3.1. Identification of negative factors to produce outputs. Describe which were the main factors (maximum 3), which affected negatively the implementation of project components and the delivery of products (outputs) in terms of quantity, quality and timeliness, and explain why.

- The runway approach lights could not be implemented and attempts to identify an alternative resulted in delays in the implementation of the eventually agreed solution under the investment loan.
- Several reasons for delays in 1st and 2nd tranche disbursements described in 2.2.1.2, among which were difficulties in finding experts at the salary levels that were offered, affected the completion of outputs both under the policy and investment components.

- Several reasons for cost increases are described in 2.1.1.1, which resulted in some of the investment items not being completed.

2.2.3.2. Identification of positive factors to produce outputs. Describe which were the main factors (maximum 3), which contributed positively to the implementation of project components and the delivery of products (outputs) in terms of quantity, quality and timeliness, and explain why.

- The Government, recognizing that the international tourist industry is a very important source of economic activity has designated tourism as a priority sector as the country has the natural and cultural resource base upon which to develop a sustainable industry. Further, with the expanding market for international travel projected to grow by between 4% and 6% yearly over the next two decades, the Government placed a high priority on improving the aviation sector to bring it in compliance with ICAO standards and position Guyana to take advantage of these developments.
- The proactivity of the Country Office which identified potential problems and together with Administrative Missions proposed timely solutions. On occasions the Bank demonstrated flexibility by accepting alternatives when the originally planned targets proved difficult to achieve or when changed circumstances dictated otherwise.

Critical factors for achieving project outcomes

2.2.3.3. Identification of negative factors for the achievement of outcomes. Describe which were the main factors (maximum 3), which affected negatively the achievement of project outcomes and explain why.

Economic problems and bad weather conditions in the last three years worked against traffic and activity growth. Having improved its aviation system, the international air transport industry hasn't had yet the reaction that was expected.

2.2.3.4. Identification of positive factors for the achievement of outcomes. Describe which were the main factors (maximum 3), which contributed positively to the achievement of project outcomes and explain why.

The hybrid approach used in the design of the operation. The fact that the Bank provided resources for investments and technical assistance contributed positively to the Government achieving the project outcomes.

2.2.4. Analysis of project management and lessons learned

2.2.4.1. Project Management Analysis. Identify and analyze the effectiveness of adopted measures to address the problems and capitalize on the opportunities related with the critical factor analysis and explain how they were put into practice.

Prior to the start of the rehabilitation of the runway pavement, the need to provide adequate supervision was identified and funds for this was sought from the Danish Trust Fund as the Loan program did not envisage or budget for the provision of these services. The preparation of the TC commenced in July 2002 and although it was approved in November 2002 it had to await the decision to replenish the Danish Trust Funds. Funding of the TC in the amount of \$150,000 was certified in February 2003 and at that time the GoG gave a letter of intent to the consultant so that supervision could commence while waiting for the TC to be approved and the TC agreement prepared and signed.

2.2.4.2. Lessons learned on project management. Based on your experience with this project, and considering the effectiveness of adopted measures mentioned in the project management analysis, describe in a concise way what alternative measures you recommend to address the problems that may arise during the implementation of similar future projects.

1. As indicated at 2.2.4.1, it was necessary to access additional resources to provide for supervision of the pavement rehabilitation as the Executing Agency lacked the capacity to carry out this function. A proper assessment of the capacity of the Executing Agency should be undertaken and resources included in the Loan to address any deficiencies.
2. The contract for rehabilitation of the runway was awarded as a lump sum contract. However, there were 10 variations as well as a number of items of additional works during the execution of the contract. Some of the variations were the result of repairs that were not foreseen at the design stage, such as the increased volume of crack repairs. It was also necessary to change the bituminous material specifications as the material prescribed was unavailable and this resulted in a need for redesigning the asphalt concrete mix. Additionally, the original contract envisaged the airport being closed from 8:00 p.m to 6:00 a.m to facilitate the construction works. However, the airport authorities reduced the working window by half an hour each day to accommodate BWIA's flight schedule. Consequently, the contractor claimed for extension of time related to the delays in approval of the new bituminous material, the revision of the mix design, the reduced working window and for implementing the variations and additional works. In this regard, the contract became a blend of lump sum and the traditional measured works contract with an overall increase in the contract sum of US\$266,058. Notwithstanding the variations and additional works, more than 90% of the original contract works were executed. The lesson to be learned from this is that the lump sum form of contract is not the ideal form for rehabilitation works where it is difficult to accurately estimate the extent of repairs until the works commence. It is also important that the availability of the materials to be specified is verified by the design consultants.

Rating project implementation (IP)

2.2.4.3. Rating project implementation. Rate the project implementation considering the above management analysis and the obtained project outputs in the expected quantity and quality, reasonable timeframe, and reasonable costs.

☐ Very Satisfactory (VS) ☒ Satisfactory (S) ☐ Unsatisfactory (U) ☐ Very Unsatisfactory (VU)

The loan has been a success. The aviation system in Guyana has been improved. Delays and outputs changes are normal in this kind of projects. However, there were no waivers. It is not "very satisfactory" because a highly probable financially sustainable system hasn't been fully achieved as was considered in the design of the loan. Nevertheless, if Guyana's economy starts growing, generating tourism, agricultural exports or commerce, the project results will generate significant externalities and then may become very satisfactory.

2.3. SUSTAINABILITY ANALYSIS

2.3.1. Institutional / Organizational Strengthening (IOS)

2.3.1.1. Areas strengthened or improved by the project. Identify those institutional / organizational areas strengthened or improved by the project, directly or indirectly, and indicate the level of influence (national, regional, local).

Strengthened/Improved	Yes	No	N/A	Level		
				National	Regional	Local
1. Legal and regulatory framework	[X]	[]	[]	[X]	[]	[]
2. Procedures, manuals, operational guidelines	[X]	[]	[]	[X]	[]	[]
3. Capacity						
3.1. Top-level management capacity	[X]	[]	[]	[X]	[]	[]
3.2. Mid-level management capacity	[X]	[]	[]	[X]	[]	[]
3.3. Information Systems capacity	[X]	[]	[]	[X]	[]	[]
3.4. Performance measurement (M&E capacity)	[X]	[]	[]	[X]	[]	[]
3.5. Service delivery	[X]	[]	[]	[X]	[]	[]
4. Functional structure and organization	[X]	[]	[]	[X]	[]	[]
5. Planning	[]	[X]	[]	[]	[]	[]
6. Budgeting / Financial management	[X]	[]	[]	[X]	[]	[]
7. Intra- / Inter-sectoral coordination	[]	[X]	[]	[]	[]	[]
8. Intra - / Inter-organizational coordination	[X]	[]	[]	[X]	[]	[]
9. Staffing / Human resources development	[X]	[]	[]	[X]	[]	[]
10. Procurement	[]	[X]	[]	[]	[]	[]
11. Self-evaluation, auditing & accountability	[]	[X]	[]	[]	[]	[]

2.3.1.2. IOS achieved by the project in the country. Describe the project's most significant contributions (maximum 3) to the institutional / organizational strengthening in the country.

1. Functional structure and organization

- Organizational separation between technical regulatory agencies and operational activities: except for Air Traffic Control, the GCAA is a regulatory agency while CJIA, aerodromes and aviation operators are operational units. By the other hand Guyana lacks of a political unit that should be in charge of international relations.
- Concentration of technical regulation activities in just one agency: The GCAA is responsible for designing and imposing the rules for the whole sector, either on safety or on security issues.
- Management structures were introduced in public agencies and corporations: GCAA and CJIA are organizations that must fulfil statutory budgetary requirements and may decide where to allocate its resources.

2. Legal and regulatory framework

Acts establishing the CJIA and GCAA have been effected as well as numerous regulations for the sector have been implemented.

2.3.1.3. IOS achieved by the project in the Executing Agency. Describe the project's most significant contributions (maximum 3) to the institutional / organizational strengthening in the Executing Agency. Compare the current situation with the situation before the project.

- MPW&C is now an agency that has the capacity of analyzing the transportation system as a whole and of improved financial resources allocation in investments in different projects among the modes and regions of the Country. Prior to the project, investment requirements in air transport were prepared by the Civil Aviation Department and the CJIA independently and sent directly to the Ministry's office.

2.3.1.4. Rating the project's contributions to Institutional / Organizational Strengthening (IOS). Rate the extent in which the project contributed to the institutional / organizational strengthening in the Borrowing Country and the Executing Agency

☒ Very Relevant (VR)

☐ Relevant (R)

☐ Partially Relevant (PR)

☐ Irrelevant (I)

The new organization of the Aviation Sector may become an example to follow in many other economic sectors of the country, mainly in those that involve public services.

2.3.2. Project Sustainability

2.3.2.1. Scope of project sustainability. Through consultation with the Executing Agency, define what actions, services and/or outputs should be sustained, and for how long, to ensure the sustainability of the expected project's outcomes and future impacts.

- Safety standards in aviation and in airport/aerodrome operations should be sustained continuously and improved
- CJIA Corporation and GCAA managerial capacity should be sustained continuously.
- CJIA Corporation and GCAA capacity and independence should be maintained.

2.3.2.2. Basis for sustainability analysis. In a 1 to 4 scale estimate the probability of the existence during the first year after project completion (and the termination of Bank financing) of the following institutional and organizational settings, arrangements or resources in the country, needed to sustain the products, actions, services, outputs, outcomes and future impacts initiated by the project and described in 2.3.2.1.

Institutional / Organizational arrangements and resources	Probability
1. Executing Agency top management support for the project	Low <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> High <input type="checkbox"/> N/A
2. Legal and regulatory framework	Low <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> High <input type="checkbox"/> N/A
3. Organizational preparedness and capacity	Low <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> High <input type="checkbox"/> N/A
4. Inter-organizational coordination	Low <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> High <input type="checkbox"/> N/A
5. Availability of financial resources	Low <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> High <input type="checkbox"/> N/A
6. Key personnel	Low <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> High <input type="checkbox"/> N/A
7. Resources for maintaining the infrastructure	Low <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> High <input type="checkbox"/> N/A
8. Support from project beneficiaries	Low <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> High <input type="checkbox"/> N/A

2.3.2.3. Root-cause analysis of factors affecting negatively the project sustainability.

Considering the estimates described in the previous question and the factors, which may affect the project sustainability, identify concrete reasons why the future impacts, immediate outcomes, products, actions and/or services described in 2.3.2.1. may not be sustainable, and explain why.

1. Availability of financial resources

- Changes in policy and redirection by GoG of transport sector revenues to other activities could result in insufficient financing for sustainable operations. If this happens it may be difficult to retain trained staff because of low salaries and to maintain and operate the infrastructure and the new institutional setting.
- Lack of understanding of the airport business in a country that has decided to have competition in this field. Examples of this situation are the following: (i): CJIA management has no marketing tools available to compete with Ogle Airport as the latter has expanded its runway to allow regional operations. (ii): CJIA management has no experience in investment evaluation and funds allocation as it is used to request this of the Government and it is the latter who decides what projects are implemented. For example, the airport is in need of a new apron and taxiway and old apron needs resurfacing, but expenditure has been made for an expansion of the terminal building which may be not the highest priority.

2. Resources for maintaining the infrastructure

- The GoG regards Aviation as an important source of revenues for the Central Government and thus maintains control of aviation fees, rentals and charges. Consequently, one of the main goals of the project, the financial sustainability of the system, has been reached for the short-term but there are risks that it won't last in the long term. Considering the past experience, when the GoG allowed the operational conditions at the main Airport to fall below standard (lack of an ILS), there is a risk that this may happen again as maintenance of critical equipment may be postponed.

3. Key Personnel.

- The issue of high rotation of key personnel at the agencies came up as an issue regarding organizational succession and sustainability. A case in point is the GCAA Director General contract which ended on April 30, 2006 and there is still no replacement assigned. Indeed, the lack of highly experienced professionals in charge of the main tasks or training management who then move abroad introduces a risk to the system and to the continuity of the reform process initiated by the Program.
- Airport representatives raised the importance of technical training and institutional strengthening at the Exit Workshop as a key aspect for the sustainability of the CJIA organizational structure.
- The rotation of personnel also affected the Executing Agency, MPW&C, resulting in a loss of the lessons learned during implementation.

4. Organizational preparedness and capacity.

- Ogle, as a private enterprise, will be competing for similar domestic and international operations with potentially detrimental impacts on CJIA if current passenger numbers remain the same. It was acknowledged that currently GOG supports CJIA in its operations, but due to Ogle's proximity to Georgetown and the upgrades it currently is undertaking, it is not certain if and how GOG will react.

2.3.2.4. Root-cause analysis of factors contributing positively to the project sustainability.

Considering the previous analysis, and the factors, which may affect the project sustainability, identify concrete reasons why the impacts, effects, products, actions and/or services described in 2.3.2.1. may be sustainable, and explain why.

- The Government of Guyana wants to develop tourism as a priority. Outputs of this project are very important for any strategy oriented to receive more flights and to develop domestic transportation to allow tourists to reach eco-tourism resorts. As a consequence, Air Transportation safety and capacity will have to be sustained and improved.

2.3.2.5. Lessons learned on sustainability (adopted measures). Based on your experience with this project, and considering the previous analysis, describe as precisely as possible what measures adopted in the project design and/or implementation were effective towards project sustainability, and explain how they were put into practice.

1. The corporatization of CJIA has resulted in the creation of an agency with the capacity to sell services and earn revenues thereby allowing for improved sustainability
2. The introduction of the security fee that is retained by CJIA has provided a stream of income which will assist in ensuring sustainability.

2.3.2.6. Lessons learned on sustainability (alternative measures). Based on your experience with this project, and considering the previous analysis, describe as precisely as possible what alternative measures could have been adopted during project design and/or implementation to improve the sustainability of this project, and explain how they could be put into practice.

1. The GoG maintains the control of funds of the aviation system. Should the GoG change its policy with respect to handing over of fees to CJIA, this would result in a decrease in funds to the aviation sector. Financial sustainability means that agencies acting within the economic sector, as those of the aviation activity, should be independent from governments. The Project design should have included detailed specifications on this concept.
2. As indicated at 2.3.2.3 there has been a change of personnel in the critical agencies. In order to mitigate the loss of institutional memory that this normally results in, it is recommended that as much detailed information as possible is captured in the project files which should be maintained in a safe place.

2.3.2.7. Sustainability action plan. Considering the previous analysis, describe the significant actions that the Borrowing Country and/or the Bank should undertake during the next year to ensure sustainability of impacts, outcomes, products, actions and/ or services identified in 2.3.2.1.

- A coherent Air Transport Policy should be enunciated.
- To allow fees, charges and rentals to become legitimate source of direct revenues for both the GCAA and CJIA and for any airport that may be built or improved in the future. Fees and charges should be regulated, acting as maximum prices for users but allowing CJIA to be able to do marketing.
- To implement new rules for the tourist sector that would act as an incentive for new investments.
- To change the international air transport policy from the bilateral system to an open skies system.
- Support Ogle Airport development

2.3.2.8. Rating project sustainability. Considering the previous analysis and the probability of implementing the Sustainability Action Plan, rate the probability for the sustainability of this project during the next three (3) years:

☐ Very Probable (VP) ☒ Probable (P) ☐ Low Probability (LP) ☐ Improbable (I)

1. The understanding of the GoG that it is necessary to maintain good levels of safety

2. The priority given to the tourist sector development.
3. A negative factor is that priorities may change in the time and funds may be easily diverted to other sectors.

2.4. EXECUTING AGENCY PERFORMANCE

2.4.1. Executing Agency performance in key areas. Assess the Executing Agency's Performance (including co-executors and the Project Executing /Coordinating Unit) in the following areas:

1. Participation and quality of its contributions during project design	Low ← [] [] [X] [] → High [] N/A
2. Organization for project execution (Executing/Coordinating Unit's staff, infrastructure, coordination, communication, etc.)	Low ← [] [] [X] [] → High [] N/A
3. Coordination and Integration of the Project Executing/Coordinating Unit with the Executing Agency	Low ← [] [] [] [X] → High [] N/A
4. Establishing a monitoring and results framework (baseline data, systems, procedures, data analysis and reporting, etc.)	Low ← [] [X] [] [] [] → High [] N/A
5. Executing/Coordinating Unit's management capacity	Low ← [] [] [X] [] → High [] N/A
6. Timeliness in the fulfilment of the Bank's policies, procedures and contractual clauses	Low ← [] [] [X] [] → High [] N/A
7. Financial management (securing counterpart resources, disbursements, quality and timeliness of AFS, etc.)	Low ← [] [X] [] [] [] → High [] N/A
8. Timeliness and efficiency for procurement of goods, works and consulting services	Low ← [] [X] [] [] [] → High [] N/A
9. Executing Agency top-level management's leadership, ownership and support to project execution	Low ← [] [] [] [] [X] → High [] N/A
10. Effort to secure project sustainability	Low ← [] [] [X] [] → High [] N/A

2.4.2. Lessons learned on organization and management of the PCU (adopted measures). Based on your experience with this project, identify what adopted measures regarding the structure, organization and processes of the Coordination/Executing Unit, as well as the personnel profiles, were effective and analyze how they were put into practice.

The Project Executing Unit lacked personnel with experience in supervising airport pavement construction and rehabilitation. In order to overcome this deficiency, the Bank provided funding through a Danish Technical Cooperation to support the contracting of a consultant.

2.4.3. Lessons learned on organization and management of the PCU (alternative measures). Considering the above assessment, if in a future project you would have the opportunity to re-design the structure, organization and processes of the Coordination/ Executing Unit, as well as the personnel profiles, describe the measures you would propose to improve their performance.

The loan proposal indicated that there was supposed to have been an advisory committee, composed of industry and government leaders. There was no indication this committee existed. This should be given serious consideration for inclusion in future operations.

2.4.4. Rating the Executing Agency performance (EAP). Based on the above performance assessment made in this section, on the achieved project results, as well as on the Executing Agency's efficiency during project implementation, rate the Executing Agency performance:

☐ Very Satisfactory (VS) ☒ Satisfactory (S) ☐ Satisfactory (S) ☐ Very Unsatisfactory (VU)

(If pertinent, explain your rating)

2.5. FOUNDATIONS FOR THE EX-POST EVALUATION

2.5.1. Provisions for ex-post evaluation. Establish if this operation requires an ex-post evaluation according to the Loan Agreement. If applicable, provide the following information about the provisions taken (see agreements among the Bank, Borrower and Executing Agency in the Project Exit Workshop Aide Memoire):

- | | |
|--|--|
| 1. Does the Loan Agreement require an ex-post evaluation for this operation? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes |
| 2. What will be its schedule? | Start up date: N/A
Submission date: N/A |
| 3. Who are the responsible parties for carrying out the evaluation? | <input type="checkbox"/> Bank <input type="checkbox"/> Borrower |
| 4. What is the estimate of the costs involved? | USD\$ - N/A |
| 5. How will the cost involved be financed? | <input type="checkbox"/> Bank loan funds
<input type="checkbox"/> Borrower financing
<input type="checkbox"/> Other source |

If financing comes from other source, please specify:

2.5.2. Analysis of the ex post evaluation capacity. Review the capacity of the Executing Agency, as well as its infrastructure and information systems to collect, review and report information on the achievement of future outcomes and impacts, and the main negative and positive factors that may affect this evaluation.

2.6. OTHER LESSONS LEARNED AND RECOMMENDATIONS

In addition to the lessons learned and recommendations recorded in previous sections of this report, this section offers users the opportunity to state the lessons learned and recommendation that may be helpful in the design and/or implementation of new projects

- As part of design, Technical Cooperation resources were allocated to support the government in reforming legislation, developing regulations, etc. where the government did not have that expertise in-house. These resources enabled the program to move ahead when anticipated delays in complying with conditions materialized. This approach should be adopted for all policy-based loans.
- The use of Trust Funds to hire industry experts where human resources are unavailable locally and there is no provision in the loan. This proved invaluable on two occasions.

Annexes 1A and 1B
Project Financing

Annex 1A
Source of Financing
(Amounts in millions of US Dollars)

Investment Category	Original				Actual				Gap (as % of Original)			
	IDB	Borrower	Other Sources	Total	IDB	Borrower	Other Sources	Total	IDB	Borrower	Other Sources	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1042/SF/GY-1	20.200	0		20.200	20.200			20.200				
1042/SF-GY-2												
1. Investment Component	7.200	0.300		7.500	7.191	2.652		9.843	0	784		31
2. Tech Coop Component	2.300	0		2.300	2.025	163		2.189	-12			5
3. Unallocated	0	1.500		1.500	0	0		0				
4. Capitalization Charges	0.300	0.200		0.500	0.157	0.140		0.296				
SUB-TOTAL	9.800	2.000		11.800	9.373	2.955		12.328	-4	48		4
TOTAL	30.000	2.000		32.000	29.573	2.955		32.528	-1	48		2

Annex 1B
Schedule of Investments
(Amounts in millions of US Dollars)

Year	Original				Actual				Gap
	IDB		Borrower	Total	IDB		Borrower	Total	
	1042/SF-GY-2	1042/SF-GY-1			1042/SF-GY-2	1042/SF-GY-1			
2000		7.000			0.412			0.412	
2001		0.162			0.753		0.077	0.830	
2002		13.038			0.634	7.042	0.078	7.754	
2003					3.105	0.160	1.971	5.236	
2004					2.613		0.215	2.828	
2005					1.947	12.998	0.615	15.560	
2006					(0.092)			(0.092)	
TOTAL		20.200			9.373	20.200	2.955	32.528	

ANNEX 1-C
Financial Information and Audited Financial Statements
(To be completed by the Financial Specialist in the Country Office)

1. Capacity of the Executing Agency: Evaluate in general the Executing Agency's capacity to manage efficiently and transparently the project resources (information systems, procedures, capacity of staff, etc.)

The Executing Agency's capacity to manage project resources in an efficient and transparent manner was found to be adequate. Reliability could have been placed on the financial information emanating from the PEU and the audited financial statements attested to that over the period of execution of the loan resources. The Accounting system in place was appropriate for the size of the project, with adequate internal controls executed. Minor problems were experienced during execution with the PEU and this was due to the changes in the personnel capacity but Borrower made adequate and appropriate responses to these changes to maintain the continuity of the project.

2. Accounting System and Internal Control: Evaluate the efficiency of the accounting and internal control systems used by the Executing Agency during the implementation of the project to produce trustworthy financial information in a timely fashion.

The accounting system was changed several times, as new personnel were not familiar with the system in use by previous personnel. This caused delays sometimes in accessing information, but the PEU was able to update its system and this problem was resolved.

The internal control system of the project in terms of control environment, control activities, supervision and monitoring was considered adequate.

3. Quality of the financial Information: Evaluate the quality of the financial information presented to the Bank by the Executing Agency during the implementation of the project (Progress Reports, Reports on the Revolving Fund, Financial Statements, etc.)

The quality of financial information submitted to the Bank has been fair. However during the last year and a half, financial reports, specifically reports on the revolving fund and counterpart contribution reports, have not been submitted within the deadlines.

4. Audited Financial Statements: Taking into consideration the track record appearing in the LMS about the ratings of the Audited Financial Statements (Unqualified, Qualified, Adverse, Disclaimer), evaluate in general terms the quality and timeliness of presentation of the Audited Financial Statements.

All Audited Financial Statements submitted for the Project have had unqualified opinions and have been submitted in a timely manner. Over the years, the quality of the AFS have been mediocre due to the failure of the PEU to prepare the financial statements, notes and supplementary information in accordance with the Bank's norms. However within the past 2 years, improvement in the quality has been observed.

5. Lessons learned: Identify principal lessons learned from the execution of this operation, which could be used to improve financial and accounting management in future, operations.

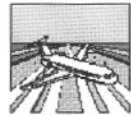
The PEU should implement from project inception, a recognized and reputable accounting package, which the Bank has approved. This would ensure that changes to the personnel would not affect the smooth operation of the project finances. All new personnel would then be trained in the use of the package if they were not familiar with it.

In moving or facilitating the movements of personnel amongst projects, the Borrower needs to ensure that there is adequate closure and appropriate transition between the old and new personnel. This would have prevented a major part of the problems identified earlier.

AIR TRANSPORT REFORM PROGRAMME



Ministry of Public Works and Communications
Oranapal Towers, Wight's Lane, Kingston
Georgetown, GUYANA
Tel: 592-223-9006 Fax: 592-225-6954



30th May 2006

Mr. James Campbell
Senior Multi Sector Specialist
Inter-American Development Bank
47 High Street
Kingston
Georgetown

Dear Mr. Campbell

ATRP Project Completion Report

The Air Transport Reform Program was launched on the 4th February 2000. And scheduled for completion by 4th February 2004. Several delays were experienced due to various difficulties such as delays in establishing institutional and legal requirements, environmental issues and unsatisfactory performances from Civil Works contractors and delays in the implementation of the policy based component (1st tranche). The program was extended several times the final completion date being March 2006.

The original Program Coordinator responsible for the ATRP resigned on November 2004 and the Works Services Group assumed responsibility for the ATRP in July 2005, primarily to complete Civil Works components related to the CJIA improvements and the Orinduik Airstrip. Prior to that the original Project Coordinator was assigned additional duties on another programme and apparently placed more emphasis on that programme when the civil works component (CJIA terminal building) was at a critical stage.

The WSG is therefore not in a position to complete all responses required in the PCR because of the lack of involvement in the initial project preparation and execution stages. We found that the Consultants for the rehabilitation of the CJIA Arrival terminal were allowed too much latitude in critical decision-making, which should have been done by the project unit to capture and resolve problems at an earlier stage. The WSG is of the opinion that this together with a multitude of requests from the CJAC and late ordering of materials by the Contractor has contributed to delays in the rehabilitation of the Arrival terminal.

We trust that the Bank understands the situation that was formed by a series of events that have occurred and the limited role the WSG has played in this programme culminating in that we are able to provide a limited overview of this programme.

Please find Project Completion Report attached.

Yours sincerely



Rickford Lowe
Co-ordinator, ATRP



Att.

PROJECT COMPLETION REPORT – PCR

Executing Agency Memorandum

Submitted to the Inter-American Development Bank (IADB)

(May 2006)

The ability of this report to reflect project results at completion, foster sustainability of project benefits and capitalize on lessons learned to improve the design and implementation of future projects depends to a large extent on the participation of the Borrowing Institution, the Executing Agencies, and the project beneficiaries in the preparation of this report.

Therefore, your contribution as author of the Executing Agency Memorandum will be of great value to the extent that project implementation knowledge and experience, the analysis of information on results and the views of beneficiaries can be transmitted objectively and independently.

Instructions to complete the Memorandum

To complete this memorandum, please bear in mind the following recommendations:

- ☐ Do not forget to complete the cover page and the box regarding basic data by providing the necessary information.
- ☐ It is very important that you review the PCR Guidelines that will be provided to you by the Bank's Country Office, in particular, the technical annex on "Practical guidelines to prepare the PCR". This annex includes guidance, tips and practical examples to assist you in completing the required information. Remember that the questions for the Bank and for the Executing Agency, as well as the appropriate numbering are the same, except for the first digit (for the Bank they start with number 2, i.e. 2.1.1.1., while for the executing Agency they start with number 3, i.e. 3.1.1.1.)
- ☐ Answer the open questions in a concise manner. The desired length for each response is 10 lines maximum. Please do not exceed 15 lines per response. Should you need to attach important relevant information documenting project results, please use Annex 5, "Documental Annex". This optional material can be sent to the Bank's Country Office as a separate document (see PCR guidelines for a description of this annex).
- ☐ Please check with an X inside the corresponding bracket your response in those questions where options are available. Examples:

☐ Very Effective (VE) ☒ Effective (E) ☐ Marginally Effective (ME) ☐ Ineffective (I)

1. Problem analysis Low ← ☐ ☐ ☒ ☐ → High ☐ N/A

Project Basic Data

Project Name: Hybrid Program for Air Transport Reform

Project Number: GY-0050

Loan Number /TC: 1042/SF-GY-1 & 1042/SF-GY-2

Executing Agency: Ministry of Public Works & Communications (MPW&C)

Name of the Author of the Executing Agency Memorandum: Rickford Lowe

Position in the Executing Agency: Coordinator

3. EXECUTING AGENCY MEMORANDUM

3.1 RESULTS ANALYSIS (OUTPUTS, OUTCOMES AND FUTURE IMPACTS)

3.1.1 Outputs attained. Description of project outputs by components and analysis of factors that influenced project execution.

3.1.1.1. Output Indicators Analysis. Complete the indicators of the outputs attained in this component using the same output indicators retrieved from the PPMR. Compare the indicators in the Achieved and Planned columns. If there is a significant gap between them, briefly explain the factors responsible for the gap.

POLICY COMPONENT (LO-1042/SF-GY- I)

- (i) The macro economic performance effectively monitored;
- (ii) The elements tied to the adoption of air transport sectoral policy, regulatory and institutional reforms implemented;
- (iii) The divestment of the previously State owned airline, and some airport facilities implemented.

PLANNED	ACHIEVED
<p>Prior to approval</p> <p>*National Airline divested.</p> <p>By First Tranche: (effective December 2002)</p> <p>*Compliance with Poverty Reduction Growth Facility (PRGF) requirements.</p> <p>*Enactment of amended Civil Aviation legislation</p>	<p>-National airline privatized on April 12, 1999</p> <p>The Structural Enhancement Facility (ESAF) required by the Article 4.02 (a) was replaced by the Poverty Reduction Growth Facility (PRGF), which was negotiated with the IMF and approved by the IMF Board on September 13th, 2002. The Government of Guyana was in compliance at the time of 1st tranche disbursement.</p> <p>-The Civil Aviation Act of 2000 was approved by the Guyanese Parliament in April 2000, signed into Order by the President on August 16, 2000 and subsequently published in the Gazette on August 29, 2000. The Law came into operation on March 8, 2002 following the formal establishment of the Guyana Civil Aviation Authority.</p>

<p>*Enactment of new Aviation Regulations (ARG) for Guyana</p> <p>*Action Plan (including relevant business plan) for the creation of the Guyana Civil Aviation Authority (GCAA) agreed with the Bank</p> <p>*Business Plan for the Cheddi Jagan International Airport (CJIA) (including the creation of a corporation, naming of the key staff, a medium term investment program and proposed environmental mitigations actions) agreed with the Bank</p> <p>* Action Plan for bringing OGLE Airport into compliance with ICAO standards agreed with the Bank</p> <p>* Plan to ensure certification of aerodromes in accordance with ARG and ICAO standards agreed with the Bank</p> <p>* Execution of contracts for the installation of landing approach lights in compliance with ICAO standards.</p> <p>By Second Tranche:</p> <p>*Continued compliance with Poverty Reduction Growth Facility (PRGF) requirements.</p>	<p>- The Civil Aviation (air navigation) Regulations #6 were published in the official Gazette on October 1st 2001 after coming into effect September 27, 2001. The complementary Civil Aviation Licensing Regulations were published in the Gazette on November 9th, 2001 and came into effect October 24, 2001.</p> <p>-The Guyana Civil Aviation Authority (GCAA) was formally created with approval of the Civil Aviation Act of 2000. An action plan describing the institutional structure needed for the GCAA including staffing requirements and the necessary financing arrangements to ensure the long-term sustainability of the institutional structure was approved and began implementation by the Ministry of Public Works and Communications (MPWC) on March 8th, 2002. In July of 2001 Cabinet appointed the Board of Directors of the GCAA.</p> <p>-The Civil Aviation Act of 2000 authorized the creation of the CJIA Corporation. The Corporation was legally constituted on November 5th, 2001. The Board of Directors of the CJIA has been installed. Key officers have been hired and are in position.</p> <p>The Business Plan for the CJIA, including an investment plan for airport development was formally approved by the Government in October 2001 and is currently under implementation. The EPA has issued an environmental permit for environmental mitigation actions, namely related to the upgrade of the runway (Oct. 2001), installation of runway lights (Oct. 2001) and sewage treatment plant (June 2005).</p> <p>The GoG decided to develop Ogle Airport as a privately operated airfield. The Civil Aviation Act of 2000 established the legal framework to permit the private operation of airfields in Guyana. GOG and Ogle Airport Incorporated signed a lease agreement for the management, operation and development of Ogle Aerodrome on November 5th, 2001. It received license to operate from GCAA. The lease includes assurances specifying “all airport facilities will be available to the public on fair and reasonable terms and without discrimination”. The airport received its Environmental Permit in July 2004 and is complying with the requirements of the Environmental Management Plan. The zoning regulations were gazetted and put into effect on November 20, 2004.</p> <p>The MPW&C prepared, jointly with the Aircraft Owners Association of Guyana, a Plan for the Rehabilitation and Upgrading and Certification of Government Owned/Operated Airstrips. The plan specified the actions, including physical investments, necessary to ensure these airstrips comply with the ARG and ICAO regulations and estimates the financial resources necessary for their execution.</p> <p>-Instead of landing approach lights, alternative devices approved by Bank and ICAO were installed at CJIA.</p> <p>According to press releases No 04/160 and No 05/11 from the International Monetary Fund on Guyana’s economic performance under the PRGF, the GoG was considered to be</p>
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<p>*Guyana Civil Aviation Authority (GCAA) fully staffed, operational and prepared to administer aviation regulations (Aviation Regulations of Guyana - ARG) for at least six months.</p>	<p>in full compliance with the policy conditions set forth in the PRGF at the time of the request of the second tranche disbursement. The 2nd review under the agreement was completed on July 28th, 2004.</p> <p>(i) All critical staffing was deemed complete since March 17, 2003 when the Director General was hired. (ii) A secure financial structure was considered to be in place at time of 2nd disbursement. As per financial plans, self-sufficiency is expected by 2007. (iii) The Internal Procedures Manual, including internal regulations, was approved by the GCAA and submitted to the Bank in December 2001. (iv) The new ARG were being implemented since their approval in September and October 2001.</p>
<p>*Implementation of 5-year Business Plan for CJIA corp. for at least six months.</p>	<p>Condition met. The Corporation was deemed to be fully operational, with a secure financial structure and all critical staffing completed.</p>
<p>*Agreement for 25-year renewable lease of Ogle Municipal Airport to private developers signed</p>	<p>Condition met. GOG and Ogle Airport Incorporated signed a lease agreement for the management, operation and development of Ogle Aerodrome on November 5th, 2001.</p>
<p>*Environmental Protection Agency (EPA) permit for construction of Ogle Municipal Airport issued</p>	<p>Condition met. The airport received its Environmental Permit in July 2004 and is complying with the requirements of the Environmental Management Plan. The zoning regulations were gazetted and put into affect on November 20, 2004. All environmental issues and mitigation measures raised in the Environmental Mitigation Plan and EIA were being dealt with.</p>
<p>*Completion and implementation of plan to ensure certification of ten (10) priority interior airfields according to the new ARG</p>	<p>Condition met. operable aerodromes were certified according to ARG standards. The MPW&C completed the implementation of the Plan for the Certification of 54 Rural Aerodromes (PCRA). As of September, 2004, the GCAA has certified and licensed 49 aerodromes for domestic operations. Five aerodromes of the original 54 have been closed.</p>
<p>Factor(s) responsible for the difference (if any):</p> <p>➔</p>	

INVESTMENT COMPONENT (LO-1042/SF-GY- II)	
Improved and safer operations of Cheddi Jagan International Airport (CJIA). Environmental and operating standards implemented.	
PLANNED	ACHIEVED
* Runway 06 pavement resurfaced, and runway edge lights installed by Q 4, 2003.	Completed on July 2003. The lights were installed on the same date.
* Apron 01 upgraded by Q 4 2004.	Not completed. (1).
* Perimeter safety lighting installed by Q 2, 2004.	Not completed (2)
* New X-ray equipment installed by Q 2, 2004.	Completed by March 2005.
* Perimeter road constructed by Q 2, 2004.	Completed by September 2003.

<ul style="list-style-type: none"> * New Runway Sweeper in operation by Q 2, 2004 (replaced incinerator installation in 2nd Q, 2004). * Installation of the Taxiway lighting completed by Q 2, 2005. * Sewerage treatment plant constructed and new sewerage system installed by Q 1, 2005. * Arrival Terminal and Roof rehabilitated by Q 2, 2005. * Rehabilitation of the Control Tower and upgrading of the navigational equipment by Q 2, 2004 * Computers Systems * New Vehicles 	<p>Completed by July 2004.</p> <p>Not completed. The installation of the Taxiway lighting is expected to be completed by mid June 2006. (3).</p> <p>Sewerage treatment plant was completed on January 2005. The sewerage system was rehabilitated on April 2004.</p> <p>Completed on January 2006 (4). is not discussed in GAP</p> <p>Rehabilitation of the control tower cabin was completed on April 2004. Upgrade of navigational aids and equipment was completed on June 2004 (5). is not discussed in GAP</p> <p>Completed by December 2004</p> <p>Completed by July 2003 (six – double cab 4 x 4 pickups)</p>
<p>Factor(s) responsible for the difference (if any):</p> <p>➔The Apron 01 was not upgraded due to the fact that the budgeted sum was inadequate for the works designed.</p> <p>The Perimeter Lighting was not done due to the fact that the works on the apron carried a higher priority (by CJIA) so the funds earmarked for this was intended to be utilized for the Apron.</p> <p>The Taxiway lighting was not completed on time due to claims form the contractor that Hurricanes Wilma and Katrina affected supplies form the USA.</p> <p>Some problems had developed with the sewage plant. The problem was with the grit removal chamber. At this time sewerage overflow was discharged at the original location. This problem was eventually resolved by the Contractor.</p>	

TECHNICAL COOPERATION COMPONENT (LO-1042/SF-GY- II)	
<p>Technical support to carry out activities as specified in the policy and investment components provided. Overall program administered effectively.</p>	
PLANNED	ACHIEVED
<p>*Institutional and organizational studies for component 1 conducted and reports accepted by the Borrower and the Bank. (Main studies: • Organization and capacity building of the GCAA; • Preparation of Civil Aviation Regulation; • Privatization of Ogle Airport; • CJIA corporatization and institutional strengthening; • Environmental Impact for CJIA and Ogle)</p>	<ul style="list-style-type: none"> * Assistance to Air Transport Reform Program (3 October 2001) * Seminar on Economics of Airports and Navigation Services (ICAO) (June 2000) * Consulting services for negotiating Ogle Airport lease (15 August 2000). * Revision of Civil Aviation Regulations prepared by Civil Aviation Authority of the United Kingdom (13 May 2000). * Review of proposed roof design in CJIA, by Orin Hinds and Associates. * Environmental Impact Assessment in CJIA (30 April 2001). * Environmental Assessment of Ogle Airport development. (June 30, 2001). * Environmental monitoring of CJIA and Ogle airports. (September 30, 2005) * Institutional Reform and Capacity Building, performed by Civil Aviation Authority of the United Kingdom, (August 30, 2000) * Aerial mapping of CJIA (January 15, 2000) * Development of operational requirements for air traffic management, by Civil Aviation Authority of the United Kingdom (April 30, 2001)

<p>*Engineering designs for component 2 completed and accepted by the Borrower and the Bank.</p> <p>*GCAA, CJIA and PEU staff trained as follow: (• Flight Operations and Air Worthiness - 4 trained officers. • Safety, Security and Inspection Testing - 3 trained officers. • Airport commercial and operational management - 2 trained officers. • Pavement Conditions Index - 1 trained officer)</p>	<p>* Corporatization and Institutional Strengthening in CJIA, (April 30, 2001)</p> <p>* Aerodrome certification of CJIA by the Regional Aviation Service Oversight System (RASSOS) (February 4, 2004)</p> <p>* Execution of Phase II, Search and Rescue Assignment. (February 25, 2004)</p> <p>* Per diem and travel expenses to Guyana for interviews by candidates for the GCAA's General Direction.</p> <p>* ATRP Coordinator, GCAA Director General, CJIA Operations Manager and Legislative Expert.</p> <p>* Seminar on FAA certification program, Trinidad, June 11, 2003.</p> <p>* Courses and seminars on Airport Management, Air Transport Policy, Flight Operations, Airworthiness Certification, Aviation Safety and Security, etc.</p> <p>* Course on Basic Security Training, held in Guyana on August 18, 2004.</p> <p>* Design and supervision for the arrival terminal and roof. on Dec 31, 2006.</p> <p>* Design and supervision for the sewerage system rehabilitation on April 15, 2005.</p> <p>* Geotechnical Survey at CJIA for approach lighting system.</p> <p>* Design of CJIA's apron upgrade by on June 16, 2004.</p> <p>* Design of the hydro-meteorological building in CJIA on October 18, 2004.</p> <p>* Completed</p>
<p>Factor(s) responsible for the difference (if any):</p> <p>➔ Supervision of the hydro-meteorological building at the CJIA was not done due to a lack of funds for construction.</p>	

3.1.1.2. Identification of achieved outputs. Bearing in mind the output indicators in the different project components, describe briefly the key outputs achieved by this project

- 1 The GCAA has been highly successful in carrying out its technical regulatory responsibilities. The new aviation regulations, in line with ICAO international standards, are being effectively implemented. All operating airports and aerodromes in Guyana have been certified. The latest ICAO audit of the GCAA (June 2003) showed that Guyana had made considerable progress in the areas of the legal framework for civil aviation as well as in airworthiness and safety oversight.
- 2 A new financial structure has been adopted for the sector. The financial restructuring of the air sector entities has created incentives for cost reduction, identification of new revenue sources and efficient resource allocation. A clear allocation of sector revenues was established to permit the funding of both airport infrastructure and related air transport services. However, new capital investments and big maintenance expenditures are still funded through the GoG budget for CJIA and for GCAA.
- 3 Infrastructure at CJIA has been significantly improved. The runway was repaved and new runway lighting was installed; works on the perimeter road and sewerage system are being carried out; the arrival terminal has being rehabilitated; and new safety and security equipment have been acquired and installed. While the government funded most of the capital investments, the Corporation fully covers all operation and maintenance costs and is making provisions for future capital investments.
- 4 Ogle Airport has been privatized and is in full operation. The Airport is home to an aviation technician maintenance

school for which is now receiving students from Suriname. The management of the airport is carrying out expansion plans that include a new runway to permit the operation of regional air services to Suriname, Brazil, Trinidad and Tobago, and Barbados. This plan also includes the construction of concession stands and a new terminal. While this will allow CJIA to receive large jetliner flights, Ogle Airport will provide new options for travel to Guyana with vigorous competition for smaller jets and turboprop flights.

n (you can create new fields to describe more outputs if needed)

3.1.2. Project outcomes and impacts. Description of the project results in relation to its Development Objective (DO or purpose in the project logical framework)

3.1.2.1. Outcome Indicators Analysis. Complete the indicators of achievement in the development objective (outcome) using the same outcome indicators retrieved from the PPMR (key performance indicators). Compare the Achieved and Planned outcome indicators. If there is a significant gap between them, briefly explain the factors responsible for the gap.

<p style="text-align: center;">DEVELOPMENT OBJECTIVE</p> <p>Improve the standards of air transport operations, safety procedures, and affiliated services to internationally acceptable standards.</p>	
PLANNED	ACHIEVED
<p>*ICAO certification that the air transport sector in Guyana operates in compliance with international standards including but not limited to the following:</p> <p>(1) GCAA develops and implements its own regulations, is financially sustainable and operates in compliance with international standards.</p> <p>(2) CJIA is fully sustainable and operate in compliance with international standards including but not limited to: (a) a functional Very High Frequency Omni Directional Radio Range Equipment (VOR) at the CJIA; (b) fully operational Main Runway and Taxiway Lighting at CJIA; and (c) an internal Perimeter Road at CJIA in accordance security requirements.</p> <p>(3) The private sector participates in operating air transport facility and services of Ogle Airport and it does so in compliance with international standards as per ICAO certification.</p> <p>* GCAA certification that 10 priority interior Aerodromes operate in compliance with local ARG standards.</p>	<p>(1) GCAA developed the new ARG and effectively implements them; financial sustainability should be achieved completely by 2009 if increases to charges take place. For the year 2006 the GCAA has not received any subvention from the GoG and is operating on generated finances. The GCAA is compliant with 75% of ICAO standards as per the last audit follow-up undertaken in June 2003.</p> <p>(2a) Complied with. (2b) Pending. Taxiway Lighting is still in progress as of May, 2006. Expected completion is June 2006. (2c) Complied with.</p> <p>(3) Ogle airport is privately operated. Ogle is licensed by GCAA (which is ICAO compliant) and will need to be certified under Annex 14 (ICAO) once all the development works including the runway and terminal buildings are completed.</p> <p>GCAA certified 49 public aerodromes and 9 private aerodromes.</p>
<p>Factor(s) responsible for the difference (if any):</p> <p>➔</p>	

3.1.2.2. Identification of intermediate outcomes and initial impacts. Considering the achieved project outputs, to the extent possible, identify intermediate outcomes and initial impacts achieved by this project so far.

1. Improved safety standards and additional investments have allowed for the extension to 24-hour operations at CJIA. This means that an important obstacle for fostering international traffic has been removed. For traditional airlines that operate in Georgetown, the longer operations timetable allows them to have a more flexible schedule, being able to increase aircraft utilization and, consequently, to reduce capital costs. Further cost reductions will come from the higher reliability of domestic air transport, which will in turn allow airlines to reduce costs due to lower probability of deviation of flights to alternative airports or to cancellations.
2. Capacity building of aviation workforce. From 1999 to 2005 149 pilot and engineer licenses were issued and annual licenses have increased from 15 in 1999 to 32 licenses only in 2005; since 1999 there were an additional 9 inspectors licensed to work in Guyana; finally, there were 6 air operators licensed from 1999 to 2005.

3.1.2.3. Identification of future outcomes and impacts. Considering the achieved outputs, identify expected future outcomes and impacts and describe how these outputs are critical towards the achievement of outcomes and impacts

1. Given the steady involvement of 5 passenger and 2 cargo airlines in Guyana, it is expected that additional international airlines could enter the market. This would only happen if the country effectively implements the Guyana Tourism Development Action Plan 2006 – 2010 to attract new tourists and the GCAA receives FAA certification for Category I. In 5 years, Guyana could be Category I compliant and an additional 2 airlines could be providing services to Guyana (based on current applications at GCAA). This also means that additional routes would be provided and there could be an increased number of non-stop international flights from and to North America operating at CJIA (non-stops to Europe won't take place because of restrictions in the runway). A movement towards a unilateral open skies policy from the current bilateral mechanism would invite additional carriers to operate in Guyana, also thereby increasing taxes to GOG.
2. The expansion of Ogle Airport allowing the operation of bigger aircraft and longer flights is expected for 2007. This will likely result in acute market segmentation, with the large aircrafts landing in CJIA and the smaller flights from the CARICOM region landing in Ogle.
3. Privatization of Ogle airport will set an example for other aerodromes to pursue privatization from MPW&C. As a result, competition would be spurred for regional flights; maintenance and safety would be under direct control of aerodromes as opposed to today's inefficient GOG management; and opening and closure of aerodromes would be based upon market and economic return rather than purely on geographical coverage.
4. Further institutional reorganization in line with countries with more advanced air transport industries, which traditionally separate the economic and policy role from the technical functions of the aviation agency, is not advisable in Guyana due to institutional capacity and staffing limitations that exist. However, liberating fees and opening skies could potentially allow the GCAA to focus its mandate on achieving safety and security.

3.1.2.4. Analysis of assumptions (from outputs to outcomes). Identify the necessary conditions towards the achievement of the project outcome and explain why they are necessary.

1. Air Transport Industry improvements remain a priority for GOG. While the government maintained its strong support for legislative and regulatory changes throughout the project, decisions regarding increased investments and finances for GCAA and airports were secondary in priority. Delay of having financial independence from GOG may have affected safety investments and project completion.
2. GOG remains committed to upgrading airports to ICAO standards. GOG and airports personnel followed through on audit recommendations in order to progress towards safety certification.

3. ICAO continues to give certification to Guyana. Since GOG and airport personnel were committed to executing ICAO & RASOS recommendations, ICAO supported Guyana's requests for certification.
4. FAA & CAA continue to give Certification to Guyana.
5. Staffing was identified as a risk in the loan document simply as a challenge to insulate staff from conflict of interest. However, two additional risks related to staffing should have been taken into account: (i) scarcity of professional staff; (ii) salary structure. The assumption of availability of technical staffing at adequate salary levels could have been included as a risk.

3.1.2.5. Pilot question No. 1 – (Optional). Distribution of the project benefits within the target population. Have you observed inequalities in the access of the target population to project benefits based on gender, location, ethnicity, rural/urban sector, income group or other reason? If so, what are the reasons behind them?

→ No

3.1.2.6. Pilot question No. 2 – (Optional). Adverse effects of the project. Were any unintended adverse effects produced by this project to the population or to the environment? If so, what measures have been taken?

→ No

3.1.2.7. Pilot question No. 3 – (Optional). Contribution to the achievement of national / sectoral targets / Country Strategy. The results of the project have most likely contributed to the attainment either of the established goals of the Borrowing Country's sectoral or national strategies or to the indicators of the Bank's Country Strategy. If this has been the case, specify which objective or result indicator the project has contributed towards and explain how and to what extent it does.

- Yes. An independent authority was created for the Aviation Industry – The Guyana Civil Aviation Authority. The Cheddi Jagan International Airport was also formed into a Corporation. The Guyana Civil Aviation Act was also update in accordance with International Requirements. Hinter Land Aerodromes were also upgraded and Licensed.

3.1.2.8. Pilot question No. 4 – (Optional). Project changes in response to changes in the context / environment. Were there any significant changes in the project context and in sectoral/national policies and/or development strategies? If so, explain how the project was adapted to respond to these changes.

→ No

3.1.2.9. Recalculation of the Internal Rate of Return (IRR). If the project included ex-ante a calculation of the project's expected rate of return, what was the expected rate of return and what is the observed rate of return?

→NA

3.1.2.10. Recalculation of other cost analysis indicators. If the project included ex-ante any other economic evaluation estimates (cost-effectiveness, efficiency-efficiency and/or cost-benefit analysis), what was the expected indicator and what is the observed indicator?

→NA

3.1.2.11. Rating of project effectiveness in terms of the development objective (DO). Bearing in mind the analysis in sections 2.1.1. and 2.1.2., rate the project effectiveness in terms of attainment of the development objective.

☐ Very Effective (VE)

☒ Effective (E)

☐ Marginally Effective (ME)

☐ Ineffective (I)

If pertinent, explain your rating

→

3.2. IMPLEMENTATION ANALYSIS

3.2.1. Project's performance measurement

3.2.1.1. Elements for monitoring and evaluation. In a scale from 1 a 4 assess the quality of the following elements required for project monitoring and evaluation:

1. Problem analysis	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
2. Intervention Strategy)	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
3. Identification of expected outcomes and impacts	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
4. Identification of expected outputs	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
5. Indicators of expected outcomes	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
6. Indicators of expected outputs	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
7. Baseline for expected outcomes	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
8. Baseline for expected outputs	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
9. Assumptions from outputs to outcomes	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
10. Monitoring Plan	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
11. Procurement plan	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A
12. Schedule of Investments	Low	← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	→High	<input type="checkbox"/> N/A

The WSG is unable to comment on the above due to the absence of information.

3.2.1.2. Critical factors analysis in the project design. Considering the elements assessed above, describe which were the main factors (maximum 3) that had a major influence (negatively or positively) in the project performance measurement

→NA

3.2.1.3. Lessons learned for the project design (adopted measures). Describe in a concise way what measures were adopted to improve the project design in those aspects related with performance measurement

→NA

3.2.1.4. Lessons learned for the project design (alternative measures). Based on your experience in this project, describe in a concise way what alternative measures you recommend to improve project performance measurement in the design of future operations

→The civil works component for the rehabilitation of the CJIA terminal building did not capture the full scope of rehabilitation needed. It is recommended that when aged buildings are considered for rehabilitation a substantial contingency is included or a total reconstruction considered with the possible reuse of structural members.

3.2.1.5. Available information during project implementation. In a scale from 1 to 4 rate the level and quality of compliance of the following tasks that should be undertaken by the Executing Agency to obtain the necessary information for project performance measurement:

1. Establishment of processes and mechanisms for data gathering and data analysis (sources of data, responsibilities, periodicity and characteristics of the information)	Low	←[][][][]→High	[] N/A
2. Data gathering for the outcomes base line	Low	←[][][][]→High	[] N/A
3. Data gathering for the outputs base line	Low	←[][][][]→High	[] N/A
4. Data gathering, data analysis and reporting of information on available resources (inputs) and undertaking activities	Low	←[][][][]→High	[] N/A
5. Data gathering, data analysis and reporting of information on project outputs and their contribution to the achievement of expected outcomes	Low	←[][][][]→High	[] N/A
6. Data gathering, data analysis and reporting of information on project outcomes and impacts and their contribution to sectoral and national goals	Low	←[][][][]→High	[] N/A

The WSG is unable to comment on the above due to the absence of information.

3.2.1.6. Critical factors analysis for performance measurement during implementation. Considering the elements assessed above, describe which were the main factors (maximum 3) that had a major influence (negatively or positively) on the project performance measurement during its implementation

→NA

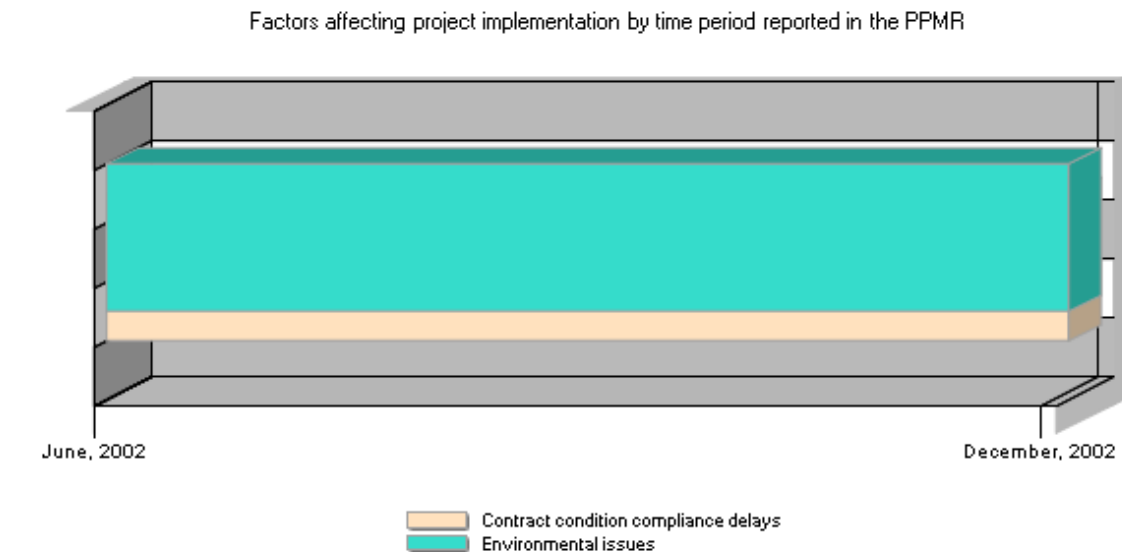
3.2.1.7. Lessons learned during project implementation (adopted measures). Describe in a concise way what measures were adopted to obtain the required information (in the expected quantity and quality) for the project performance measurement

→NA

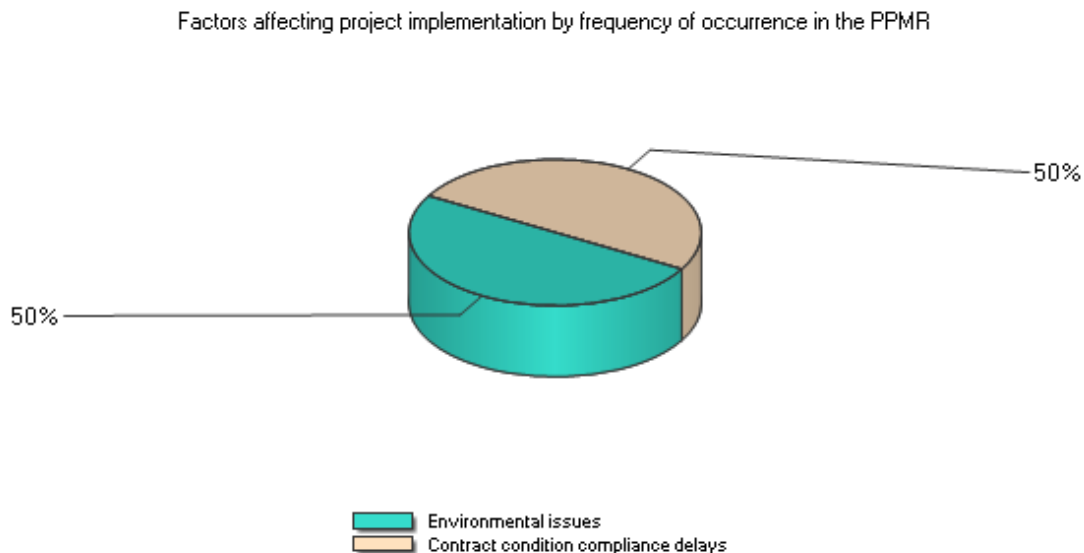
3.2.1.8. Lessons learned for the implementation (alternative measures). Based on your experience in this project, describe in a concise way what alternative measures you recommend to improve project performance measurement in the implementation of future operations

➔ In taking over this project the WSG observed that the Consultants were allowed to grant variation orders affecting the contract sum and completion. The WSG is of the opinion that tighter controls should have been place on the consultants from the project inception and these should be drafted into the contract documents.

3.2.2. Factors affecting project implementation (according to PPMR)



This graph has been automatically generated based on information stored in the PPMR system throughout project execution



This graph has been automatically generated based on information stored in the PPMR system throughout project execution

3.2.3. Analysis of critical factors affecting project success

Critical factors affecting output delivery

3.2.3.1. Identification of negative factors to produce outputs. Describe which were the main factors (maximum 3) which affected negatively the implementation of project components and the delivery of products (outputs) in terms of quantity, quality and timeliness, and explain why

- ➔ 1) The untimely procurement of materials by the Contractor.
- 2) Absence of Client's Representative for approximately 9 months.
- 3) Changes in consultant's staff.

3.2.3.2. Identification of positive factors to produce outputs. Describe which were the main factors (maximum 3), which contributed positively to the implementation of project components and the delivery of products (outputs) in terms of quantity, quality and timeliness, and explain why

- ➔ 1) Intense monitoring of the civil works in the final stages by the WSG
- 2) Flexibility of the IDB local office in view of the necessary additional rehabilitation works.
- 3) GOG preparedness to provide additional financing to complete the project.

Critical factors for achieving project outcomes

3.2.3.3. Identification of negative factors for the achievement of outcomes. Describe which were, the main factors (maximum 3), which affected negatively the achievement of project outcomes and explain why

- ➔ 1) Unsatisfactory performance by contractors.

3.2.3.4. Identification of positive factors for the achievement of outcomes. Describe which were the main factors (maximum 3), which contributed positively to the achievement of project outcomes and explain why

- ➔ N.A

3.2.4. Analysis of project management and lessons learned

3.2.4.1. Project Management Analysis. Identify and analyze the effectiveness of adopted measures to address the problems and capitalize on the opportunities related with the critical factor analysis and explain how they were put into practice

- ➔ Not enough historical information available.

3.2.4.2. Lessons learned on project management. Based on your experience with this project, and considering the effectiveness of adopted measures mentioned in the project management analysis, describe in a concise way what alternative measures you recommend to address the problems that may arise during the implementation of similar future projects

- ➔ NA

Rating project implementation (IP)

3.2.4.3. Rating project implementation. Rate the project implementation considering the above management analysis and the obtained project outputs in the expected quantity and quality, reasonable timeframe, and reasonable costs

☐ Very Satisfactory (VS)

☐ Satisfactory (S)

☐ Unsatisfactory (U)

☐ Very Unsatisfactory (VU)

If pertinent, explain your rating

→ NA

3.3. SUSTAINABILITY ANALYSIS

3.3.1. Institutional / Organizational Strengthening (IOS)

3.3.1.1. Areas strengthened or improved by the project. Identify those institutional / organizational areas strengthened or improved by the project, directly or indirectly, and indicate the level of influence (national, regional, local).

Strengthened/Improved				Level		
	Yes	No	N/A	National	Regional	Local
1. Legal and regulatory framework	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Procedures, manuals, operational guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Capacity						
3.1. Top-level management capacity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2. Mid-level management capacity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.3. Information Systems capacity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.4. Performance measurement (M&E capacity)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.5. Service delivery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Functional structure and organization	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Planning	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Budgeting / Financial management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Intra- / Inter-sectoral coordination	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Intra - / Inter-organizational coordination	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Staffing / Human resources development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Procurement	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Self-evaluation, auditing & accountability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.3.1.2. IOS achieved by the project in the country. Describe the project's most significant contributions (maximum 3) to the institutional / organizational strengthening in the country.

➔ 10 Establishment of the Guyana Civil Aviation Authority, Cheddi Jagan International Airport Corporation, and the Ogle Airport Incorporated.

3.3.1.3. IOS achieved by the project in the Executing Agency. Describe the project's most significant contributions (maximum 3) to the institutional / organizational strengthening in the Executing Agency. Compare the current situation with the situation before the project.

➔ N.A

3.3.1.4. Rating the project's contributions to Institutional / Organizational Strengthening (IOS).

☒ Very Relevant (VR) ☐ Relevant (R) ☐ Partially Relevant (PR) ☐ Irrelevant (I)

If pertinent, explain your rating

➔ NA

3.3.2. Project Sustainability

3.3.2.1. Scope of project sustainability. Through consultation with the Executing Agency, define what actions, services and/or outputs should be sustained, and for how long, to ensure the sustainability of the expected project's outcomes and future impacts.

➔ NA

3.3.2.2. Basis for sustainability analysis. In a 1 to 4 scale estimate the probability of the existence during the first year after project completion (and the termination of Bank financing) of the following institutional and organizational settings, arrangements or resources in the country, needed to sustain the products, actions, services, outputs, outcomes and future impacts initiated by the project and described in 3.3.2.1.

Institutional / Organizational arrangements and resources	Probability	
1. Executing Agency top management support for the project	Low ← <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A
2. Legal and regulatory framework	Low ← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A
3. Organizational preparedness and capacity	Low ← <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A
4. Inter-organizational coordination	Low ← <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A
5. Availability of financial resources	Low ← <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A
6. Key personnel	Low ← <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A
7. Resources for maintaining the infrastructure	Low ← <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A
8. Support from project beneficiaries	Low ← <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A
9. Support from national government	Low ← <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> → High	<input type="checkbox"/> N/A

3.3.2.3. Root-cause analysis of factors affecting negatively the project sustainability.

Considering the estimates described in the previous question and the factors, which may affect the project sustainability, identify concrete reasons why the future impacts, immediate outcomes, products, actions and/or services described in 3.3.2.1. may not be sustainable, and explain why.

→NA

3.3.2.4. Root-cause analysis of factors contributing positively to the project sustainability. Considering the previous analysis, and the factors, which may affect the project sustainability, identify concrete reasons why the impacts, effects, products, actions and/or services described in 3.3.2.1. may be sustainable, and explain why.

→NA

3.3.2.5. Lessons learned on sustainability (adopted measures). Based on your experience with this project, and considering the previous analysis, describe in as precisely as possible what measures adopted in the project design and/or implementation were effective towards project sustainability, and explain how they were put into practice.

→NA

3.3.2.6. Lessons learned on sustainability (alternative measures). Based on your experience with this project, and considering the previous analysis, describe as precisely as possible what alternative measures could have been adopted during project design and/or implementation to improve the sustainability of this project, and explain how they could be put into practice.

→NA

3.3.2.7. Sustainability action plan. Considering the previous analysis, describe the significant actions that the Borrowing Country and/or the Bank should undertake during the next year to ensure sustainability of impacts, outcomes, products, actions and/ or services identified in 3.3.2.1.

→NA

3.3.2.8. Rating project sustainability. Considering the previous analysis and the probability of implementing the Sustainability Action Plan, rate the probability for the sustainability of this project during the next three (3) years:

☐ Very Probable (VP)

☐ Probable (P)

☐ Low Probability (LP)

☐ Improbable (I)

If pertinent, explain your rating

→NA

3.4. BANK PERFORMANCE

3.4.1. Bank Performance in critical areas. Evaluate the Bank's performance in the following areas:

1. Extent to which the Bank facilitated the project design in a participatory manner with the Borrower and Executing Agency

Low ← ☐☐☐☐☐☐ → High ☒ N/A

2. Technical assistance and training as well as consistent follow-up provided so that the Executing Agency follow the Bank's policies and procedures	Low ← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> → High	<input checked="" type="checkbox"/> N/A
3. Technical assistance and training provided to the Executing Agency to improve project management	Low ← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> → High	<input checked="" type="checkbox"/> N/A
4. Benefits of the Bank's supervision and assistance to improve project management	Low ← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> → High	<input checked="" type="checkbox"/> N/A
5. Timeliness in the Bank's response to the needs of the Executing Agency during project implementation	Low ← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> → High	<input checked="" type="checkbox"/> N/A
6. Bank flexibility to respond to emergencies during project implementation	Low ← <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> → High	<input checked="" type="checkbox"/> N/A

3.4.2. Lessons Learned for the organization and operation of the PEU (measures adopted). Based on the project experience, identify the measures adopted in terms of structure, organization and processes of the Project Coordination/Executing Unit, as well as its interaction with the Bank, and the lessons learned. How were those measures put into practice?

→NA

3.4.3. Lessons Learned for the organization and operation of the PEU (alternative measures). Based on the project experience during its implementation, what do you suggest that the Bank do in future operations in order to support the improvement of the structure, organization and processes of the Project Coordination/Executing Unit and its interaction with the Bank in future operations?

→NA

3.4.4. Ratings of Bank Performance. Based on 3.4.1, rate the Bank's performance in monitoring the project, taking into account the experience of the Borrower and your experience as Executing Agency during project design and implementation.

☐ Very Satisfactory (VS) ☐ Satisfactory (S) ☐ Unsatisfactory (U) ☐ Very Unsatisfactory (VU)

If pertinent, explain your rating

→NA

3.5. FOUNDATIONS FOR THE EX-POST EVALUATION

3.5.1. Provisions for ex-post evaluation. Establish if this operation requires an ex-post evaluation according to the Loan Agreement. If applicable, provide the following information about the provisions taken (see agreements among the Bank, Borrower and Executing Agency in the Project Exit Workshop Aide Memoire):

Does the Loan Agreement require an ex-post evaluation for this operation?

☐ No ☐ Yes

What will be its schedule?

Start up date: DD MM YY

Submission date: DD MM YY

Who are the responsible parties for carrying out the evaluation?

☐ Bank ☐ Borrower

What is the estimate of the costs involved?

USD\$ []

How the cost involved will be financed?

☐ IDB Resources
☐ Borrower Resources
☐ Other Sources

If financing comes from other source, please specify:

3.5.2. Analysis of the ex post evaluation capacity. Review the capacity of the Executing Agency, as well as its infrastructure and information systems to collect, review and report information on the achievement of future outcomes and impacts, and the main negative and positive factors that may affect this evaluation.

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3.6. OTHER LESSONS LEARNED AND RECOMMENDATIONS

In addition to the lessons learned and recommendations recorded in previous sections of this report, this section offers users the opportunity to state the lessons learned and recommendation that may be helpful in the design and/or implementation of new projects.

➔

Annexes 1A - IB

Annex 1A - Source of Financing (Amounts in millions of US Dollars)

Investment Category	Original				Actual				Gap as % of Original			
	IDB	Borrower	Other Sources	Total	IDB	Borrower	Other Sources	Total	IDB	Borrower	Other Sources	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1.												
2.												
3.												
4.												
Etc.												
TOTAL												

Source of information:

From LMS: Columns (1) and (5)

To be completed by the author of the Executing Agency Memorandum: Columns (2) (3) (6) (7) (10) (11)

Annex 1B - Schedule of Investments

(Amounts in millions of US Dollars)

Years	Original				Actual				Gap
	IDB (1)	Borrower (2)	Other (3)	Total (4)	IDB (5)	Borrower (6)	Other (7)	Total (8)	(8)- (4) (9)
1									
2									
3									
4									
5									
6									
7									
N									
TOTAL									

Source of information:

To be completed by the author of the Executing Agency Memorandum: Columns (2), (3), (6), (7)

**Air Transportation Reform Program (GY-0050) (1042/SF-GY-1 & 1042/SF-GY-2).
Project Completion Report. CRG Minutes.
Wednesday, June 21st 2006**

I. PARTICIPANTS

Invitees: A. Ritchie, RE3/MGR; C. Gómez-Fabling, RE3/DEP; G. Calvo, RES/MGR; C. Gaskin-Reyes, DEV; M. Stabile, DEV/PLN; A. Vives, SDS/PEF; S. Sagari, RE1/FI1; M. Antinori, RE2/FI2; M. Woscoboinik, MIF; A. Giro, MIF/OPR; L. Profeta, LEG/OPR; D. Currea, RE3/OD6; S. Varas Oleas, Representative, COF/CGY; M. Nicola, Deputy Representative, COF/CGY; E. Londero, RE3/RE3; R. Hernández, RE3/RE3; P. Adam, RE3/RE3; F. Jaramillo, RE3/RE3; E. Armendariz, RE3/OD6; M. Berger, RE3/OD6; A. Taddia, RE3/FI3; C. Suaznabar, RE/FI3; S. Tamir, RE3/FI3; J. Campbell, COF/CGY; J. Reyes, Development Effectiveness Coordinator, COF/GY; K. Focke, RE3/FI3.

Participants: K. Focke, Chief RE3/FI3 presided the CRG. J. Campbell, COF/CGY, M. Nicola, Deputy Representative, COF/CGY and S. Varas Olea, Representative COF/CGY, were present via videoconference. From the Headquarters, were present: K. McTigue, LEG/OPR; R. Hernandez, RE3/RE3; S. Doherty, DEV/PMP; S. Tamir, RE3/FI3; A. Taddia, RE3/FI3; and C. Suaznabar, RE3/FI3 who acted as Secretary of the CRG.

Written Comments: T. Correa, DEV/FMR; R. Pinheiro RE1/FI1; and S. Tamir RE3/FI3 sent written comments before the CRG session.

II. ISSUES DISCUSSED

Critical factors in project design. Section 2.2.1.2

The CRG recommended the team to review the wording of the explanation about the factors that had a negative influence on project performance. With regards to the specific issue of "secure financial structure", the CRG recommended the team to clarify that although the lesson learned was the need for non-ambiguous wording of the conditions, it was also important to indicate that the fact that the Government did not have the capacity to earmark funds for specific activities to be carried out in a five year period, and thus, it was not able to provide a "secure" financial structure for the Guyana Civil Aviation Agency (GCAA) and the Cheddi Jagan International Airport (CJIA) as the project required. The CRG also recommended the team to review the wording of the statement regarding delays in completion of first and second tranche conditions, and to especially review the timing of compliance with the conditions.

Critical factors affecting project success. Section 2.2.3.1

The CRG recommended the team to modify the reference to the cross-conditionality of the investment and policy loans in order to clarify that the special conditions on the loan contract specifically included the requirement of the corporatization of the CJIA and not the compliance with all of the first tranche conditions.

Lessons learned from implementation. Section 2.2.1.8

The CRG recommended the team to clarify the wording to reflect that, in cases of substantial weakness of the executing agencies, it could be useful to provide additional support to these agencies with consultants that help them comply with these conditions. The CRG also recommended the team to clarify the reference to the semi-annual administrative missions related to the policy component.

Additionally, the CRG requested the team to include an analysis of the lessons learned regarding the use of the lump sum procedure for the procurement of works, as this is the first finished Bank project which has implemented this procedure.

Other issues

The CRG recommended the team to review the reference to the Danish-funded technical cooperation for the supervision services for the pavement rehabilitation of the main runway, in order to clarify the timing and the existence of a waiver in the contracting process.

Finally, the CRG recommended the team to include in the document the comments received from FI1, FI3 and also requested that COF/CGY answer directly to DEV/FMR regarding the justification or reimbursement of funds totaling US\$23,634 that the 2004 audit indicated was pending justification.

III. OTHER RECOMMENDATIONS

The CRG recommended the team to incorporate the suggested changes and to circulate the document for final approval.



Kurt Focke, RE3/FI3
President



Claudia Staznabar, RE3/FI3
Secretary



Sergio Varas Olea
Representative COF/CGY

ANNEX 4 - EXIT WORKSHOP AIDE MEMOIRE

1. Introduction

- 1.1 The Aide Memoire reflects the main points of agreement and disagreement between the Bank and the different stakeholders of the project, including the Executing Agency, in relation to project design, implementation and sustainability issues arising from the Exit Workshop held on February 16, 2006. The results of general discussions on the project that took place during the workshop are also presented.
- 1.2 Mr. Sergio Varas-Olea, (COF/CGY) Representative, opened the meeting highlighting the importance of exit workshops as a tool to facilitate the learning process for Bank projects. The Hon. Harry N. Nawbatt, Minister of Public Works and Communication, who had only recently assumed his position as Minister, remarked on the success of the Air Transport Reform Program in its role of upgrading safety standards in Guyana. He also mentioned that events like the upcoming ICC Cricket World Cup were examples of opportunities that lay ahead for Guyana, which needed complementary improvements in infrastructure in order to be fully exploited.

2. Workshop Discussion

- 2.1 Mr. James Campbell, Senior Multi-Sector Specialist (COF/CGY), presented the background information on the project. He emphasized how the project had been successful in reaching its Development Objective of *“Improving safety standards of air transport operations, safety procedures and affiliated services to internationally acceptable levels”*.
- 2.2 This goal was achieved despite the delay in its implementation (the project was expected to fully implemented by February 4, 2004, however the date for final disbursement was scheduled for March 4, 2006.)
- 2.3 **Analysis of Program Results:** Consultant Eugenio Negre presented the analysis of the outputs, outcomes and impacts generated by the project. The framework for the discussion included five goals for the project: (i) improvement of safety standards of the air industry at project’s completion; (ii) sustainability of safety standards for the future; (iii) increased private sector participation and reduced state involvement; (iv) increased capacity at CJIA; and (v) improvement in the compliance with environmental standards. The project was successful in achieving most of the outputs included in the loan conditions. The first and second tranche conditions for loan disbursements had been satisfied, except the secure financial structure, some staffing was cancelled and the police/fire services remained under the MPW&C rather than with CJIA.
 - (i) **Improvement in safety standards.** Positive outcomes identified in relation to this goal included: (a) the improvement in the safety of conditions for air carriers operating in Guyana and for the aviation sector in general; (b) benefits for users of air transport as a result of the improved reliability of the services; and (c) cost savings due to the lower probability of deviation and usage of alternative airports by flights arriving in the country. The workshop attendants agreed on the success of the Program in achieving improved safety conditions for the industry in general. However, although airport representatives admitted that increased safety levels would help to avoid previous episodes of deviations, there wasn’t an agreement on the size and the time needed to

effectively notice the impact of these savings. CJIA representatives commented that although increased investments (runway lights) led to reductions in deviation to other airports, there was room for additional engineering to further increase air safety, such as the navigational aids. Ogle representatives remarked that in their case it was more difficult to account for cost savings.

- (ii) **Sustainability of safety standards.** The presentation argued that there were important pending issues to guarantee the sustainability of the results achieved with the Program. The discussion centered on the challenges that each stakeholder faced in order to sustain the achieved results.
- a. Airport and aviation authority representatives mentioned the need for sustainable investments for maintenance and replacement in order to maintain current safety standards. In addition, new investments were mentioned in order to improve further current safety standards such as the radio navigation aids, the ILS, fencing and approach lighting, aerodrome fire protection systems and training for firefighters . It was suggested that a study could be undertaken in order to determine the kind of investments necessary for the upgrading of the approach lights, the extension of the safety area of the runway and the ILS. In addition, GCAA proposed to the Homeland Minister to hand over fire services to CJIA and OGLE in order that this aspect of safety is managed directly by its users.
 - b. Pending investments related to airport expansion in order to improve the taxiway and the apron to allow it to receive aircraft of the same weight of the runway. Today, a heavy aircraft has to park on the runway as it cannot go through the taxiway and stay on the apron. These investments were dropped from the Program due to cost overruns incurred in the upgrade of the runway. However, this type of aircraft is only used by some non regular cargo operators and the improvements would have amounted to only 5 minutes in time savings, and would not have affected safety.
 - c. Institutional sustainability, revenue generation and financial independence of GCAA and CJIA were mentioned as weak areas that could potentially affect the capacity of these agencies to make the necessary expenditures and investments to keep up the current operational safety standards (more on this in the next section).
 - d. A criticism to the Program regarding its minimal support for domestic flights and interior aerodromes was raised. The Program allowed for GCAA to set the standards that rural aerodromes should comply with, but included too few investments to markedly improve operating conditions. Despite some advances being made, works done in aerodromes in the interior haven't been enough to establish adequate minimum safety conditions in many aerodromes. In addition, maintenance works are not adequate and the passengers are the ones affected by the extra costs. Supply problems with contractors to keep up with the necessary maintenance works for aerodromes was mentioned as a possible cause for insufficient maintenance. The consultant had suggested that perhaps 49 aerodromes cannot currently be supported with the number of passengers, and that perhaps attention and future works should be concentrated in a few locations. Executing Agency indicated that pilots and carrier managements continually wish for improvements, but this is difficult with limited finances given that aerodromes were licensed without requesting additional investments. However, it was argued, airstrips are used for emergency medical transport and are less expensive to maintain than roads. It was suggested that each aerodrome collect fees independently to support itself and manage the aerodrome from within, or conversely, establish regional councils to collect them; privatization of the aerodromes was also suggested as an option.

- e. A criticism to the Program regarding the absence of the air navigation systems was voiced. However, it was argued that currently there was no need for Guyana to have radar. Usually only very large airports such as in New York have this capability.
 - f. Current capacity at CJIA was also discussed. Although there is enough capacity to manage more flights per day, bottlenecks are formed at the migration and customs services. CJIA representatives responded by indicating that management needs to improve operations and scheduling, and in the medium term, since there is no increase in passengers, CJIA would need to manage the current system without new large investments. In the short term, investments are taking place at the airport, namely items under this loan, and others sponsored by GOG such as the new conveyor belt. It was concluded that CJIA must operate for the current average flow of passengers with the understanding that at the peak (namely during the World Cricket match in 2007) it would be difficult and resources would be strained.
- (iii) **Private Sector participation.** The project promoted increased private sector participation via the leasing of Ogle airport and the privatization of the Guyanese airlines (which was short-lived, as the new company which had its inaugural flight in July 1999 went bankrupt in May 2001). The discussion focused on the need to promote competition among carriers by establishing industry policies, and the need to actively invite foreign carriers to operate in Guyana rather than relying simply on the open-skies policy. Attendants argued that the increase in passengers over the last 10 years has been negligible, so carriers are forced to implement predatory pricing actions to increase their share in a stagnant market. The issue of having a national airline was discussed, it was concluded that its key benefit would be to offer cheaper fares, which the carriers' predatory actions had accomplished. It was agreed that not enough effort had been made, outside of this operation, in other sectors that would increase the need for air transport (tourism, etc.). Alternative models to develop tourism were discussed. Those with reduced investments (i.e. eco-tourism) and where suppliers (mainly charter airlines) have a great power in pushing passenger to destinations were discussed as being more appropriate to Guyana's environment. And that the new trend in tourism (ecotourism) doesn't require important investments to be developed.
- (iv) **Compliance with environmental standards.** It was agreed that there had been a noticeable improvement in the compliance with environmental standards at both CJIA and Ogle airport.
- 2.4 Due to the few attendants that stayed for the afternoon session, it was decided that the sessions on Implementation and on Sustainability should be held together.
- 2.5 **Implementation:** During the discussions, five main issue areas that affected Program implementation were identified:
- (a) failure to undertake scheduled investments;
 - (b) underestimation of investment costs;
 - (c) unexpected delays in the undertaking of some investments;
 - (d) delays in filling of all the staff positions in GCAA and CJIA; and
 - (e) high rotation of human resources in key positions at some organizations, including the position of Program Coordinator in the Executing Agency.
- 2.6 Cost overruns in the improvement of the runway affected the schedule of investments and were the cause for two projected investments being dropped (CJIA apron and taxiway and perimeter lighting). Airport representatives agreed that the difference in estimated costs came from the long lag between project design and implementation. In addition, they justified unexpected delays in investments because of problems with the design of the Program and the difficulties in

renegotiating changes. Two examples were mentioned: (i) changes made to the runway to allow use by heavier planes, should have been followed by the taxiway and the apron should have been upgraded as well to match the weight restriction; and (ii) the passenger arrival terminal which was originally designed too small to handle the passengers from two airplanes landing simultaneously. However, it was agreed that the second problem could only happen during short periods of time (Christmas) but it was not a permanent situation. It was also suggested that high rotation of key personnel left several months void of any management to supervise the execution of the project and having different managers with different priority areas could lead to actions not being fulfilled.

- 2.7 **Sustainability.** The discussion on sustainability focused on how improvements to the air transport sector could continue to exist after the loan is disbursed. While it was acknowledged that several positive impacts resulted, such as increased safety standards and improvement in the general airport environment as per feedback from passengers, it was the following items that should be considered for the program's sustainability:
- (a) The importance of an independent revenue structure for GCAA and CJIA. Taxes, fees and charges go partially to each agency's coffers and partially to the GoG. This minimizes the capacity of these agencies to make independent management decisions.
 - (b) The revenues automatically go to the agencies are just enough for general expenses and minimum maintenance. Large maintenance and replacements are considered investments and the funds for these are provided by the Government.
 - (c) The issue of high rotation of key personnel at the agencies came up as an issue regarding organizational succession and sustainability. A case in point is that the GCAA Director General contract would be coming to an end in a few months and there was no replacement assigned. Indeed, the lack of highly experienced professionals in charge of the main tasks or training management who then move abroad introduces a risk to the system and to the continuity of the reform process initiated by the Program. Airport representatives raised the importance of technical training and institutional strengthening, in general, as key aspects for the sustainability of the CJIA organizational structure. A Technical Cooperation of around US\$200,000 was estimated to be needed to accomplish this task.
 - (d) The issue of competition between Ogle and CJIA was raised, although no Ogle representative was present at the time. Ogle, as a private enterprise, would be competing for similar domestic and international operations with potentially detrimental impacts on CJIA. It was acknowledged that currently GOG supports CJIA in its operations, but due to Ogle's proximity to Georgetown and the upgrades it was undertaking, it was not certain if and how GOG would support Ogle going forward.
 - (e) It was also requested that a study be done to investigate the possibility of undertaking the investments that had not been accomplished under this loan, such as the ILS, runway extension, and navigational aids.

LIST OF PARTICIPANTS

Names	Designation	Institution
H N Nawbatt	Minister	Ministry of Public Works & Communication
Rickford Lowe	Coordinator	Work Services Group, MPW&C
Sean Pike	Senior Engineer	Work Services Group, MPW&C
Omram Rajeendra	Accountant	Work Services Group, MPW&C
Anil Ramnauth	Engineer	Work Services Group, MPW&C
Ramesh Ghir	Chief Executive Officer	Cheddi Jagan Airport
M.S. Khan	Operations Manager	Cheddi Jagan Airport
Omadat Samaroo	Manager, Engineering & Maintenance	Cheddi Jagan Airport
Dikedemma Utoh	Civil Engineer	Cheddi Jagan Airport
Chabeenanan. Ramphul	Director General	Guyana Civil Aviation Authority
Zulificar Mohamed	Director, Air Transport Management	Guyana Civil Aviation Authority
Mr. Kenneth White	Director, Internal Affairs	Guyana Revenue Authority
Mel Ron Williams	Economist (Planner)	Ministry of Finance
Alphonso Mangah	Asst Airport Maintenance Superintendent	Aerodromes Division
Nevilleon Dundas	Industrial Development Analyst	Ministry of Tourism, Industry & Commerce
Shyam Nokta	Executive Member	Tourism & Hospitality Association of Guyana
Gerry Gouveia	Chief Executive Officer	Roraima Airways Limited
Rajesh Rambarath	Engineer	Vikab Guyana
Kalyan Tiwari	QS	Vikab Trinidad

Sergio Varas-Olea (COF/CGY), James Campbell (COF/CGY), Alejandro Taddia (RE3/FI3), Alejandro Melandri (RE3/FI3), Susan Tamir (RE3/FI3), Eugenio Negre (consultant) and Claudia Suaznábar (RE3/FI3) attended the workshop on behalf of the Bank.