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MULTILATERAL INVESTMENT FUND
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CHILE

STRENGTHENING OF AIRPORT SECURITY

(TC-02-05-02-3-CH)

LINE OF ACTIVITY MEMORANDUM

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ABBREVIATIONS

AMB	Arturo Merino Benítez International Airport
AVSEC	Aviation Security
CCTV	Closed Circuit Television
CESI	Committee on Environment and Social Impact
CIPE	Centro de Instrucción, Perfeccionamiento y Experimentación, [Center for Training, Advanced Courses, and Testing], Argentina
DAR-17	Official name of the DGAC Security Regulations to safeguard civil aviation against acts of unlawful interference
DGAC	Dirección General de Aeronáutica Civil [Civil Aviation Directorate]
ICAO	International Civil Aviation Organization
IDB	Inter-American Development Bank
ISTAC	Instituto Superior Tecnológico de Aviación Civil [Civil Aviation Technical College], Ecuador
MIF	Multilateral Investment Fund
PCR	Project Completion Report
PPMR	Project Performance Monitoring Report
TSA	Administración de la Seguridad del Transporte [Transportation Security Administration]

STRENGTHENING OF AIRPORT SECURITY

(TC-02-05-02-3-CH)

EXECUTIVE SUMMARY

Executing agency: Dirección General de Aeronáutica Civil [Civil Aviation Directorate] (DGAC)

Beneficiaries: Republic of Chile

Financing:	MIF (Window I, Line of Activity):	US\$ 500,000
	Local counterpart (DGAC):	<u>US\$ 526,300</u>
	Total:	US\$ 1,026,300

Execution timetable:	Execution period:	24 months
	Disbursement period:	30 months

Objectives: The general program objective is to promote safe and efficient air transportation operations, minimizing the risk of threats and acts of unlawful interference. The specific program objective is to strengthen airport security in Chile by modifying, adapting, and aligning the national legal framework with applicable international civil aviation regulations, and by implementing administrative management services, improving airport surveillance and security operations, and training personnel at the DGAC.

Description: The program comprises the following components: (i) adjustment of the national regulatory framework to incorporate the amendments to Annex 17 of the International Civil Aviation Organization (ICAO); (ii) implementation of administrative management services and improvement of existing surveillance and security operations at the Arturo Merino Benítez International Airport (AMB); and (iii) training of the airport security personnel and implementation of training programs.

**Special
contractual
clauses:**

In accordance with the Line of Activity, as a condition precedent to the first disbursement, the executing agency must submit, to the Bank's satisfaction: (i) evidence that the program coordinator has been appointed in accordance with the terms of reference agreed to with the Bank; and (ii) a letter of commitment from the government concerning mandatory implementation of airport security regulations and the commitment to disseminate the basic security training program to all personnel at national airports and airfields.

I. COUNTRY AND PROGRAM ELIGIBILITY

- 1.1 The Donors Committee declared Chile eligible for all forms of MIF financing on 6 October 1993. This program is considered eligible for MIF financing under the Technical Cooperation Facility, Line of Activity for the Strengthening of Airport Security (MIF/GN-71 and MIF/GN-71-1). Implementation of this program is expected to result in the following benefits: (i) consolidate institutional and regulatory reforms in the country in line with international standards for airport security issued by the International Civil Aviation Organization (ICAO), and the Transportation Security Administration (TSA) of the United States; (ii) minimize the economic impact that would result from an interruption to critical activities such as trade, tourism, and regional integration, which could severely affect the country; and (iii) contribute towards the regulatory framework necessary for larger-scale adjustments and investments and the implementation of state-of-the-art airport security technologies.

II. BACKGROUND

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

- 2.1 With the advent of the global economy, the role of air transportation for both cargo and passengers has become increasingly important in the development of all economic sectors. Air freight, in particular, is an important factor in the growth of less developed economies. Any interruption could significantly impact the conduct of business and profits, especially for small companies. Passenger transportation is equally important as economic development relies on the safe and dependable mobility of tourists, executives, professionals, and technical experts.
- 2.2 The consequences of the tragic events of September 11, 2001, in the United States demonstrated the importance of air transport security. As a result, improving airport security became a global priority, and is essential to restoring passenger and exporter confidence. This requires making several changes to the air transport system, beginning with the regulatory area. ICAO started by adopting new

regulations and strengthening existing standards in Annex 17, and implementing a system of audits to verify standards in member countries. The enhanced standards include developing a nationwide airport security program, updating rules and procedures, drafting security manuals aligned with international standards, training a team of experts to monitor operators, and deploying the necessary equipment to prevent unlawful and criminal acts against civil aviation.

B. Chile's sector strategy

- 2.3 The Chilean aviation system is essentially comprised of a number of facilities, services, infrastructure capacity, and monitoring entities, developed by the Government of Chile over time and, starting in 1996, encourages private investor participation in the commercial areas of the country's principal airports. Chile has given priority to maintaining a high level of security at all airports, as well as for civil aviation operations within its territory. Based on the Chicago Convention of 1944, which established an international aviation operating framework, Chile developed and implemented regulations and procedures applicable to all sector actors, and diligently monitors and enforces compliance to ensure that airlines operating in its territory, and airports and airfields meet these standards.
- 2.4 The Civil Aviation Directorate (DGAC), created in 1968, is a public service under the Chilean Air Force Command Headquarters. In its capacity as the agency responsible for administering and managing the air transportation system in Chile, the DGAC administers operations at 348 public airports and airfields, all in compliance with ICAO standards, classified in four categories: ten airports, six airfields for aircraft over 50 tons, nine airfields for aircraft under 50 tons, and 323 minor airfields. The National Airports Division, a branch of the Ministry of Public Works, Transport, and Telecommunications, is responsible for planning, construction, and maintenance of the airport and airfield infrastructure subsystem.
- 2.5 Since September 11, 2001, the DGAC has implemented several measures to reinforce security at the airports and airfields under its authority using its own resources. These measures included: (i) increasing security personnel staffing; (ii) increasing surveillance of the facilities and their perimeter; (iii) expanding the video surveillance systems; (iv) improving procedures to better control the entry of vehicles and persons to sensitive areas at airports and airfields; (v) procuring equipment to screen baggage prior to loading in aircraft holds; and (vi) procuring explosives detection equipment to screen baggage prior to loading in aircraft holds.

C. The Bank's sector strategy

- 2.6 Through similar projects under the Line of Activity to strengthen airport security, the Bank has supported institutional and regulatory reforms to guarantee implementation of new airport security standards in the region. Thus, the Bank plays an important role in improving the comparative advantages of countries,

promoting expansion of their trade activities and their positioning in the global economy.

III. OBJECTIVES AND BASIC COMPONENTS

A. Objectives

- 3.1 The general objective of the program is to promote safe and efficient air transport operations, minimizing the risk of threats and acts of unlawful interference. The specific objective of the program is to strengthen airport security in Chile by modifying, adapting and aligning the national legal framework with applicable international civil aviation regulations, and by implementing administrative management services, DGAC, improving airport surveillance and security operations, and training the personnel at the DGAC.

B. Components

1. Adjustment of airport security regulations to new ICAO regulations (MIF US\$50,200 and DGAC US\$21,900)

- 3.2 This component comprises the following activities: (i) adjustment and strengthening of regulatory framework; and (ii) formulation of regulations and procedures required to comply with the minimum standards established in the National Civil Aviation Plan for the purpose of meeting the provisions in the most recent version of ICAO's Annex 17 and the procedures and guidelines in Document 8973, Security Manual for Safeguarding Civil Aviation against Acts of Unlawful Interference.
- 3.3 The DGAC will carry out the following activities: (i) adjustment of the regulations contained in Annex 17 and amendments thereto, and incorporate them into the national regulations and, where applicable, amend the Security Regulations, known as DAR 17; (ii) update, modification, adaptation, and development of procedures as needed to comply with the amendments to the national regulatory framework; and (iii) publication of approved modifications in the Official Gazette of Chile. Given their experience, competence, and knowledge of the matter, only DGAC staff will be assigned to carry out most of the specific tasks involved in implementing the above actions.
- 3.4 Compliance with the amendment to ICAO Annex 17 calls for developing a security certification program, which would involve updating the National Civil Aviation Security Plan and evaluating security at the principal airports. Accordingly, these activities should consider the formalization of a general regulatory structure and the design of long-term strategies for financial and operational sustainability of the security system and mechanisms.

- 3.5 The specific activities to update the National Civil Aviation Security Plan include: (i) identifying the airport system vulnerabilities, and preparing security studies to plan appropriate rectification activities; (ii) updating the National Civil Aviation Security Plan, adapting it to new national and international requirements; (iii) amending the National Regulations governing airport security activities (DAR-17), incorporating the modifications to national and international standards in order to comply with the changes indicated by ICAO in Annex 17; (iv) developing Airport Security Manuals; (v) drawing up legal and regulatory documents to support the work of the Aviation Security (AVSEC) Department in its capacity as the agency responsible for the National Security Plan and as the airport and airfield administrator; (vi) drafting Procedures Manuals to ensure that AVSEC activities at airports and airfields are conducted in a coordinated manner, maintaining a standard for the performance of airport security personnel; (vii) formulating National Regulations governing inspection and control of activities for the safe transport of hazardous goods by air, taking into account the different categories and activities involved in order to comply with the changes made by ICAO to Annex 18; and (viii) developing materials and elements to disseminate airport security activities.

2. Implementation of new administrative services for airport security (MIF: US\$99,900 and DGAC US\$418,800)

- 3.6 The purpose of this component is to implement administrative management systems that will streamline data transmission and collection processes required for sound and expeditious decision-making. The component also includes procurement of equipment to increase surveillance and security levels at the Arturo Merino Benítez Airport (AMB) in Santiago, in order to optimize existing resources and maintain appropriate standards.
- 3.7 The component will specifically provide for: (i) installation of a remote monitoring system (CCTV) at the AMB to improve control of persons and vehicles in sensitive or restricted areas of the airport; (ii) implementation of a national Intranet system for effective communication and speedy delivery of information between airports and airfields, and between these and the Aviation Security Department (AVSEC); and (iii) procurement of an X-ray inspection simulator for training and related infrastructure to train up to 20 people per session.

3. Training of airport security personnel (MIF: US\$324,900 and DGAC US\$85,600)

- 3.8 This component provides for training of AVSEC personnel at airports and airfields administered by the DGAC, thereby updating the skills directly related to security activities, and working towards their standardized and uniform application.

3.9 The component will include the following current airport security and instructor training programs:

- a. **AVSEC instructor training:** 19 airport security officials will take a course at the Instituto Superior Tecnológico de Aviación Civil [Civil Aviation Technical College] (ISTAC), in Quito, Ecuador. The ISTAC is a recognized ICAO-AVSEC Regional Training Center. This course will teach participants to become instructors or advisors in instruction techniques.
- b. **Crisis management:** 19 airport security officials will take a course at the ISTAC in Quito to learn the skills required to confront and manage emergencies;
- c. **Civil aviation security management:** 18 airport security officials will take an ISTAC course on local security system planning and administration activities;
- d. **Security against acts of unlawful interference:** 19 airport security officials will take a course at the AVSEC Inc. Institute in the United States, an ICAO-recognized training center. The objective is to train personnel in the appropriate procedures in the case of a threat, and preventive planning.
- e. **Handling hazardous goods:** 19 airport security officials will take a course at the Centro de Instrucción, Perfeccionamiento y Experimentación [Center for Training, Advanced Courses, and Testing] (CIPE), in Argentina, an ICAO-recognized training center. The course will train participants in activities to control the transport of hazardous goods in order to provide for accidents or incidents attributable to these substances. The course also includes preparing plans to train users and the respective contingency plans.
- f. **Aviation antiterrorism:** 35 officials will be trained in Chile by international advisors specializing in combating terrorism, focusing on training to prevent acts that may affect aviation.
- g. **National Auditors-Inspectors:** Consistent with the ICAO audit plan, four officials at the central level will be trained in auditing and inspection techniques at a course given by ISTAC so they may prepare national airports and airfields for an aviation security audit.

C. Environmental and social impact

3.10 When this Line of Activity was approved, it was exempted from having to present individual programs to the environmental control entity. However, given the type of operation, environmental and social impacts or risks are not anticipated.

IV. COST AND FINANCING

- 4.1 The total program cost will be US\$1,026,300, broken down as follows: US\$500,000 (48.7% of total program cost) in funding from the MIF (Window I, Line of Activity), and US\$526,260 (51.3% of total program cost) in counterpart contributions from the DGAC. Annex II presents the itemized budget, and the table below summarizes the distribution by investment component and source of funding:

Budget (in U.S. dollars)				
Components		MIF	Local contribution	Total
1: Adjustment of regulations to new ICAO regulations		50,200	21,900	72,100
2: Implementation of new administrative services for airport security		99,900	418,800	518,700
3: Training of airport security personnel (courses)		324,900	85,600	410,500
Administration and execution expenses		25,000		25,000
EVALUATION	10,000			
Audit	5,000			
Contingencies	10,000			
Total		500,000	526,300	1,026,300

V. EXECUTING AGENCY AND EXECUTION MECHANISMS

A. Executing agency

- 5.1 The Civil Aviation Directorate (DGAC) will be the program executing agency. The DGAC is principally financed by revenues from taxes and other charges levied in connection with the navigation and airport services it provides, complemented by additional resources from the central government budget.
- 5.2 The DGAC is empowered to organize, regulate, and establish security systems to safeguard air traffic and airport facilities. In addition, it proposes the adoption or adopts, as appropriate, international standards, recommended practices, and procedures approved by ICAO and by the World Meteorological Organization.

B. Program execution and administration

- 5.3 The DGAC will be in charge of: (i) supervising and monitoring fulfillment of the program objectives and goals; (ii) reviewing and approving the program's annual plan of activities and budget, including the availability of local counterpart funds; (iii) assigning the necessary financial resources to ensure program continuity; (iv) carrying out the program administration activities, including selection and

hiring of training program consultants, and procurement of program equipment and services in accordance with Bank procedures and policies; and (v) designating the program coordinator.

- 5.4 A senior DGAC official with broad experience in the aviation sector will be appointed program coordinator. The duties of the program coordinator include: (i) managing day-to-day program execution; (ii) supervising the technical aspects of the work performed by the consultants hired under this Line of Activity; (iii) keeping itemized records and supporting documentation for all purchases, contracts, and activities; (iv) coordinating with all DGAC units, such as logistics and supplies, finance, and administration, to ensure proper support for program execution; (v) ensuring timely appointment of any necessary counterpart personnel; and (vi) verifying implementation of local counterpart components.

C. Procurement of goods and services

- 5.5 Procurement of goods and related services, and the selection and contracting of consulting services with program resources will be carried out in accordance, respectively, with the Policies for the procurement of works and goods financed by the IDB (document GN-2349-4), and the Policies for selection and contracting of consultants financed by the IDB (document GN-2350-4), both dated January 2005. The procurement of goods and services is open to all MIF member countries.

D. Execution period and disbursement schedule

- 5.6 Pursuant to the Line of Activity, the project will be executed in 24 months and disbursements will be made over no more than 30 months.

VI. MONITORING AND EVALUATION

A. Progress reports

- 6.1 The DGAC will be responsible for monitoring the program and preparing the reports. It will prepare semiannual progress reports documenting the activities performed during the period, following the format agreed to with the Bank. The semiannual report will include the work plan and the schedule of disbursements for the following six-month period. The progress reports will be submitted to the Bank's Country Office in Chile within 30 calendar days after the end of each six-month period. These reports will serve as the basis for the executing agency to prepare a final report in the three months prior to program completion. The Bank will use these reports to monitor the program.

B. Evaluations

- 6.2 The two evaluations mentioned in paragraph 7.7 of the Line of Activity document (MIF/GN-71) will be conducted by an international consultant specializing in airport security, selected and hired by the Bank with resources from the contribution. The midterm evaluation will be performed once over 50% of the total contribution has been disbursed or nine months have elapsed since the first disbursement, whichever occurs first, and will as a minimum address the following: (i) institutional capacity of the executing agency; (ii) the activities carried out as part of the review of airport security standards; (iii) the activities performed to implement amendments to the instruments mentioned above; and (iv) review of all resources allocated and commitment of counterpart funds.
- 6.3 The midterm evaluation report must be delivered within two months from the time it is commissioned. The report will evaluate whether the executing agency is executing the program as agreed to with the Bank. If not, it will identify actions needed to ensure that the program is executed as agreed to with the Bank, and may recommend suspending disbursements in the event of structural deficiencies in program execution. Disbursements may be resumed once the executing agency demonstrates it has taken the necessary actions to correct such deficiencies.
- 6.4 The final evaluation report will be submitted to the Bank within three months of the last disbursement, addressing the following issues, among others: (i) degree of compliance with the specific objectives of the program; (ii) the manner in which the new security standards have been implemented; (iii) the number of persons trained and of training programs developed by the agency to guarantee that all key airport security personnel has the necessary know-how.

C. Accounting and financial audits

- 6.5 The DGAC will be responsible for establishing and maintaining an appropriate financial accounting system, internal controls, and an up-to-date records system so as to identify the sources and uses of program funds. The program accounting records will be kept in such a way as to: (i) identify resources received and their respective sources; (ii) provide information concerning program expenditures based on a chart of accounts approved by the Bank in advance; and (iii) provide details about goods procured and services contracted, and their use.
- 6.6 The DGAC will open separate and specific bank accounts to manage MIF contributions and local counterpart funds. The DGAC will also process the requests for disbursement and the justification of expenses, in accordance with the Bank's disbursement policies.
- 6.7 The DGAC will submit to the Bank the program's financial statements and revolving fund reports, duly audited by an independent auditing firm acceptable to

the Bank. The findings of the external audit will be submitted within 90 days after the date of the last disbursement. The cost of the external audit will be covered by the MIF contribution.

VII. COMPLIANCE WITH ELIGIBILITY CRITERIA

- 7.1 The Government of Chile will be considered to have met the eligibility criteria for executing agencies and individual projects under the Line of Activities for the Strengthening of Airport Security, provided it submits evidence that it: (a) constantly monitors the danger level and threats to its airports; (b) has assigned personnel to manage and administer the national civil aviation security program; and (c) has a basic airport security plan that corresponds to its domestic traffic needs.
- 7.2 In accordance with the provisions of the Line of Activity, the program request was accompanied by: (i) the applicable form; (ii) the action plan; (iii) the schedule of activities; (iv) the itemized budget; and (v) the description of the executing agency.

VIII. SPECIAL DISBURSEMENT CONDITIONS

- 8.1 In accordance with the provisions of the Line of Activity, as a condition precedent to the first disbursement, the DGAC must submit evidence that: (i) it has appointed the program coordinator; and (ii) the competent authority has pledged to enforce the airport security standards and to replicate the basic security training course to all personnel assigned to airports and airfields in the country.

**LOGICAL FRAMEWORK
STRENGTHENING OF AIRPORT SECURITY
CHILE
(TC-0205023-CH)**

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Goal:</p> <p>Chile's economy benefits from safe and efficient air transportation of both persons and cargo.</p>	<p>Three years after program completion:</p> <ul style="list-style-type: none"> - There is confidence in the aviation system in the region, air activity continues to grow. - The airports involved in the program are consistently approved by the ICAO audits and TSA inspections. 	<ul style="list-style-type: none"> - Immigration Service and Statistics Department statistical reports on passengers and flights - ICAO and TSA audit evaluation reports 	<ul style="list-style-type: none"> - Macroeconomic stability is maintained. - No international incidents affecting the country occur.
<p>Purpose:</p> <p>Promote safe and efficient air transportation operations, minimizing the risk of threats and acts of unlawful interference.</p>	<p>At program completion:</p> <p>Full compliance with ICAO and TSA international security standards, with all airports included in the program approved through audits and inspections.</p>	<ul style="list-style-type: none"> - ICAO and TSA audit evaluation reports - Independent consultant evaluation reports (midterm and final) - Semiannual and final DGAC reports - PPMR and PCR 	<ul style="list-style-type: none"> - The government remains committed to improving airport security.
<p>Components:</p> <p>1. Adjustment of the Regulatory Framework</p>	<p>At the end of the first 12 months of program execution:</p> <ul style="list-style-type: none"> - Amendments to national and international regulations have been incorporated, to comply with ICAO amendments in Annex 17. - The National Civil Aviation Security Plan has been updated and adjusted to reflect new national and international requirements. 	<ul style="list-style-type: none"> - Independent consultant evaluation reports (midterm and final) - Semiannual and final DGAC reports - ICAO and TSA audit evaluation reports 	<ul style="list-style-type: none"> - The amendments to Annex 17 are available as a basis for regulatory changes. - The government remains committed to improving airport security.

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<ul style="list-style-type: none"> - Airport system vulnerabilities have been identified and the respective security studies have been prepared to facilitate planning of the respective rectification activities. - The National Regulations governing airport security activities have been amended. - The legal and regulatory documents giving the AVSEC Department authority to act in its capacity as the agency responsible for the National Security Plan and as the administrator of national and international airports, have been drafted. - The National Regulations governing inspection and control of activities related to the safe transport of hazardous goods by air have been formulated, taking into account the different levels and activities involved in order to comply with the changes made by ICAO to Annex 18. <p>At the end of the 24 months of program execution:</p> <ul style="list-style-type: none"> - All the participating airports are in compliance with the new DAR-17. - The international airport security manuals have been drafted. - The procedures manuals to ensure that AVSEC activities at international and national airports are conducted in a coordinated manner, maintaining a standard for the performance of airport security personnel, have been drafted. - The materials and elements to disseminate airport security activities have been developed, raising social awareness of the relevance of such activities. 	<ul style="list-style-type: none"> - Publication of updated standards in the Official Gazette of Chile. - PPMR and PCR. 	

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
2. Implementation of new airport security services	<p>At the end of the first 12 months of program execution:</p> <ul style="list-style-type: none"> - The remote monitoring system (CCTV) is installed at the Arturo Merino Benítez Airport in Santiago, and the capacity to control persons and vehicles in sensitive or restricted areas of the airport has been enhanced. - The Intranet system has been deployed nationwide, for effective communication and speedy delivery of information between airports and airfields, and between these and the AVSEC Department. - The X-Ray simulation equipment to train airport security personnel is operational. 	<ul style="list-style-type: none"> - Independent consultant evaluation reports (midterm and final) - Semiannual and final DGAC reports - DGAC statistical report on the occurrence of security incidents - DGAC statistical report on detection of prohibited objects - Airlines Security Committee statistics on the drop in security incidents 	<ul style="list-style-type: none"> - Appropriate equipment and technological platforms are available for purchase. - The government remains committed to improving airport security.
3. Personnel training	<p>At the end of the first 12 months of program execution, the following have been trained:</p> <ul style="list-style-type: none"> - 19 officials to serve as AVSEC instructors. <p>At the end of 24 months of program execution, the following have been trained:</p> <ul style="list-style-type: none"> - 19 officials for crisis planning. - 18 officials in Aviation Security Management. - 19 officials in security against acts of unlawful interference. - 19 officials in hazardous goods management. - 35 officials in prevention of aviation terrorism. - 4 officials as National Auditors-Inspectors. 	<ul style="list-style-type: none"> - Independent consultant evaluation reports (midterm and final) - Semiannual and final DGAC reports - DGAC statistical report on the number of officials trained at all administrative and management levels - Certificates issued to students by the training centers - PPMR and PCR 	<ul style="list-style-type: none"> - Trained personnel remains committed to this career. - Availability of ICAO trained personnel to teach courses. - Availability of training centers.

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Activities: Component 1: Adjustment of the regulatory framework 1.1 Identify the airport system's vulnerabilities 1.2 Update the National Civil Aviation Security Plan 1.3 Amend the National Regulations governing airport security activities 1.4 Draft security manuals applicable to international airports 1.5 Draw up legal and regulatory documents in support of the AVSEC Department's activities 1.6 Draft procedures manuals necessary to ensure that AVSEC activities at international and domestic airports are conducted in a coordinated manner 1.7 Formulate National Regulations governing inspection and control of activities for the transport of hazardous goods by air 1.8 Prepare materials and elements to disseminate airport security activities	1.1- Total: US\$19,306; MIF:US\$13,320; 1.2- Total: US\$5,887; MIF:US\$4,120; 1.3- Total: US\$4,411; MIF:US\$3,088; 1.4- Total: US\$13,505; MIF:US\$9,450; 1.5- Total: US\$3,177; MIF:US\$2,224; 1.6- Total: US\$15,774; MIF:US\$11,041; 1.7- Total: US\$3,654; MIF:US\$2,558; 1.8- Total: US\$6,387; MIF:US\$4,400.	- Program accounting records (DGAC) - Independent external audit report - Independent consultant evaluation reports (midterm and final) - PPMR and PCR	The government remains committed to improving airport security

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Component 2. Implementation of new airport security services 2.1 Install a remote monitoring system (CCTV) at the Arturo Merino Benítez Airport (Santiago) 2.2 Implement an intranet system nationwide 2.3 Procurement of X-ray simulation equipment to train airport security personnel	2.1 - Total: US\$254,060; MIF:US\$47,000 2.2 - Total: US\$78,555; MIF:US\$15,700 2.3 - Total: US\$186,085; MIF:US\$37,200	- Program accounting records (DGAC) - Independent external audit report - Independent consultant evaluation reports (midterm and final) - PPMR and PCR	- Appropriate equipment and technological platforms are available for purchase. - The government remains committed to improving airport security.
Component 3: Training of personnel 3.1 AVSEC instructor training course 3.2 Crisis management course 3.3 Aviation security management course 3.4 Course on security against acts of unlawful interference 3.5 Course on hazardous goods management 3.6 Course on aviation antiterrorism 3.7 National auditors-inspectors course	Total: US\$73,098; MIF:US\$56,288 Total: US\$67,321; MIF:US\$53,858 Total: US\$78,972; MIF:US\$63,179 Total: US\$97,697; MIF:US\$78,159 Total: US\$37,756; MIF:US\$30,206 Total: US\$40,871; MIF:US\$32,289 Total: US\$14,786; MIF:US\$10,921	- Program accounting records (DGAC) - Independent external audit report - Independent consultant evaluation reports (midterm and final) - PPMR and PCR	Availability of training centers.



Strengthening of Airport Security – Itemized budget in US\$

CHILE

(TC-0205023-CH)



Specific tasks	Number of officials	Cost breakdown	Total project cost	MIF counterpart	DGAC counterpart	Amount		Equipment	
						Misc.	Equipment	MIF	DGAC
Component 1: Adjustment of the Regulatory Framework			\$72,100	\$50,200	\$21,900	\$68,355	\$3,740	\$0	\$3,740
Identify the airport system's vulnerabilities, and conduct security studies to plan appropriate rectification activities	14	14 officials for 10 days, for a total of US\$4,719.70 in travel allowances + 7 round-trip tickets totaling US\$2,090.90 + US\$2,662.12 for materials + US\$6,093.40 for services + US\$3,740 for equipment	\$19,306	\$13,320	\$5,986	\$15,566	\$3,740	-	\$3,740
Update the National Civil Aviation Security Plan, adapting it to new national and international requirements	2	Two officials, for a total of US\$606 + US\$1,136 for supervision, legal and regulatory review + US\$358 for materials + US\$3,787 for services	\$5,887	\$4,120	\$1,767	\$5,887	-	-	-
Amend the National Regulations governing airport security activities, incorporating the modifications to national and international standards in order to comply with the amendments to ICAO Annex 17	2	Two officials, totaling US\$606 + US\$1,136.36 for supervision, legal and regulatory review + US\$623.19 for materials + US\$2,045.45 for services	\$4,411	\$3,088	\$1,323	\$4,411	-	-	-
Draft security manuals applicable to international airports	10	Ten officials, totaling US\$3,030.30 + US\$2,272.70 for supervision, legal and regulatory review + US\$1,761 for materials + US\$6,436 for services	\$13,505	\$9,450	\$4,055	\$13,500	-	-	-
Draw up legal and regulatory documents giving the AVSEC Department authority to act in its capacity as the agency responsible for the National Security Plan and as the international and domestic airport administrator	2	Two officials, totaling US\$606 + US\$1,136 for supervision, legal and regulatory review + US\$147,12 for materials + US\$1,287.88 for services	\$3,177	\$2,224	\$953	\$3,177	-	-	-
Draft procedures manuals necessary to ensure that AVSEC activities at international and domestic airports are conducted in a coordinated manner to set a standard for the performance of airport security personnel	10	Ten officials, totaling US\$3,030.30 + US\$2,272.73 for supervision, legal and regulatory review + US\$1758.97 for materials + US\$8,712 for services	\$15,774	\$11,041	\$4,733	\$15,774	-	-	-
Formulate National Regulations governing inspection and control of activities for the transport of hazardous goods by air, taking into account the different levels and activities involved, to comply with the changes made by ICAO to Annex 18	2	Two officials, totaling US\$606 + US\$1,136 for supervision, legal and regulatory review + materials worth US\$624,12 + services US\$1,287.88	\$3,654	\$2,558	\$1,096	\$3,654	-	-	-
Prepare materials and elements to disseminate airport security activities, publicizing the importance of such activities, thus raising social awareness about the need to comply with them.		Two promotional videos for US\$5,410.60 + US\$976.39 for services	\$6,387	\$4,400	\$1,987	\$6,387	-	-	-
Component 2: Implementation of new airport security services			\$518,700	\$99,900	\$418,800	\$129,649	\$389,056	\$94,200	\$424,495
Install a remote monitoring system (CCTV) at the Arturo Merino Benítez Airport in Santiago, to enhance the capacity to control persons and vehicles in sensitive or restricted areas of the airport.	-	One CCTV system, with indoor and outdoor cameras, recorder and other equipment worth US\$180,605 + US\$73,455 for services	\$254,060	\$47,000	\$207,060	\$73,452	\$180,608	\$47,000	\$207,060
Implement a national Intranet system for effective communication and speedy delivery of information by and between airports, airfields, and the Aviation Security Department.	-	One nationwide Intranet system comprising equipment worth US\$46,348 + US\$530.30 for system implementation + US\$7,593.64 for furnishings + US\$7,575.76 for infrastructure outfitting	\$78,555	\$15,700	\$62,855	\$32,212	\$46,348	\$10,000	\$68,550
Procurement of the X-Ray simulation equipment to train airport security personnel.	-	One simulator for X-Ray inspection training, with capacity for 20 participants + US\$162,100 for control and monitoring system + US\$22,727.27 for refurbishing the facilities	\$186,085	\$37,200	\$148,885	\$23,985	\$162,100	\$37,200	\$148,885



Strengthening of Airport Security – Itemized budget in US\$

CHILE

(TC-0205023-CH)



Specific tasks	Number of officials trained	Cost breakdown	Total project cost	MIF counterpart	DGAC counterpart	Amount		Equipment	
						Misc.	Equipment	MIF	DGAC
Component 3: Training of personnel			\$410,500	\$324,900	\$85,600	\$0	\$0	\$0	\$0
One AVSEC instructor training course	19	One 7-day course for 19 participants, divided into two groups. Total cost of the course in the trainers' country US\$8,554 + US\$15,542 for 19 round-trip tickets + US\$42,665 for 11 days per diem x 19 officials totaling + US\$3,493 for national per diem + US\$2,844 for domestic travel.	\$73,098	\$56,288	\$16,810	-	-	-	-
One Crisis Management course	19	One 6-day course for 19 participants, divided into two groups. Total cost of the course in the trainers' country US\$6,657 + US\$15,542 for 19 round-trip tickets + US\$38,786,00 for 10 days per diem for 19 participants + US\$3,492 for local per diem + US\$2,844 for domestic travel.	\$67,321	\$53,858	\$13,463	-	-	-	-
One Aviation Security Management course	18	One 9-day course for 18 participants, divided into two groups. Total cost of the course in the trainers' country US\$10,088 + US\$14,724 for 18 round-trip tickets + US\$47,823.10 for 13 days per diem x 18 officials + US\$3,493 for national per diem + US\$2,844 for domestic travel.	\$78,972	\$63,179	\$15,793	-	-	-	-
One course on security against acts of unlawful interference	19	One 7-day course for 19 participants, divided into two groups. Total cost of the course in the trainers' country US\$17,106 + US\$24,681 for 19 round-trip tickets + US\$49,573 for 11 days travel allowance x 19 officials + US\$3,493 for national per diem + US\$2,844 for domestic travel.	\$97,697	\$78,159	\$19,538	-	-	-	-
One course on hazardous goods management	19	One 5-day course for 19 participants, divided into two groups. Total cost of the course in the trainers' country US\$5,705 + US\$6,061 19 round-trip tickets + US\$19,653 for 7 days per diem x 19 officials totaling + US\$3,493 for national per diem + US\$2,844 for domestic travel.	\$37,756	\$30,206	\$7,550	-	-	-	-
One course on aviation antiterrorism	35	One 5-day course for 35 participants in a single group. Total cost of the course in the participants' country US\$35,006 + US\$3,021 for national per diem + US\$2,844 for domestic travel.	\$40,871	\$32,289	\$8,582	-	-	-	-
One National Auditors-Inspectors course	4	One 7-day course for 4 participants in two groups of two. Total cost of the course in the trainers' country US\$2,247 + US\$3,272 for 4 round-trip tickets + US\$ 9,237 for 11 days per diem x 4 officials .	\$14,786	\$10,921	\$3,865	-	-	-	-
Program administration and execution expenses			\$25,000	\$25,000					
Evaluation			\$10,000	\$10,000					
Audit			\$5,000	\$5,000					
Contingencies			\$10,000	\$10,000					
Total			\$1,026,300	\$500,000	\$526,300	\$198,004	\$392,797	\$94,200	\$428,235

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION

Chile. Nonreimbursable Technical Cooperation for a
Strengthening of Airport Security Program

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Republic of Chile, and to take such additional measures as may be pertinent for the execution of the project proposal contained in Document MIF/AT-____ with respect to a technical cooperation for a strengthening of airport security program.
2. That up to the amount of US\$500,000, or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the resources of the Technical Cooperation Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.