



Operation Number: **BH-L1027**  
Year- PMR Cycle: **Second period Jan-Dec 2015**  
Last Update: **4/29/2016**  
PMR Validation Stage: **Validated by Representative**

Chief of Operations validation date: **05/02/2016**  
Division Chief validation date: **05/02/2016**  
Country Representative validation date: **05/02/2016**

Inter-American Development Bank - IDB  
Office of Strategic Planning and Development Effectiveness

## Operation Profile

### Basic Data

|                        |                                     |                                   |   |
|------------------------|-------------------------------------|-----------------------------------|---|
| Operation name:        | Air Transport Reform Program        | Loan Number:                      | 2682/OC-BH; 2683/OC-BH  |
| Executing Agency (EA): | Ministerio de Transporte y Aviación |                                   |   |
| Team Leader:           | Mc Nish,Brian Martin                | Sector/Subsector:                 | TRANSPORT   |
| Operation Type:        | LON - Loan Operation                | Overall Stage:                    | Disbursing (From eligibility until all the loans are closed). |
| Lending Instrument:    | HYB - Hybrid Operation              | Country:                          | Bahamas   |
| Borrower:              | THE COMMONWEALTH OF THE BAHAMAS     | Convergence related Operation(s): |   |

### Total Cost and Source

|          | Original IDB    | Current Active IDB | Local Counterpart | Co-Financing/Country | Total operation cost - Original Estimate |
|----------|-----------------|--------------------|-------------------|----------------------|--|
| BH-L1027 | \$50,000,000.00 | \$50,000,000.00    | \$0.00            | \$0.00               | \$50,000,000.00                          |

### Available Funds (US\$)

|            | Current IDB     | Disb. Amount to Date | % Disbursed | Undisbursed Balance |
|------------|-----------------|----------------------|-------------|---------------------|
| Aggregated | \$50000000.00   | 17492777.58          | 34.99%      | \$32507222.42       |
|            | \$0.00          | \$0.00               |             | \$0.00              |
| BH-L1027   | \$50,000,000.00 | \$17,492,777.58      | \$0.35      | \$32,507,222.42     |

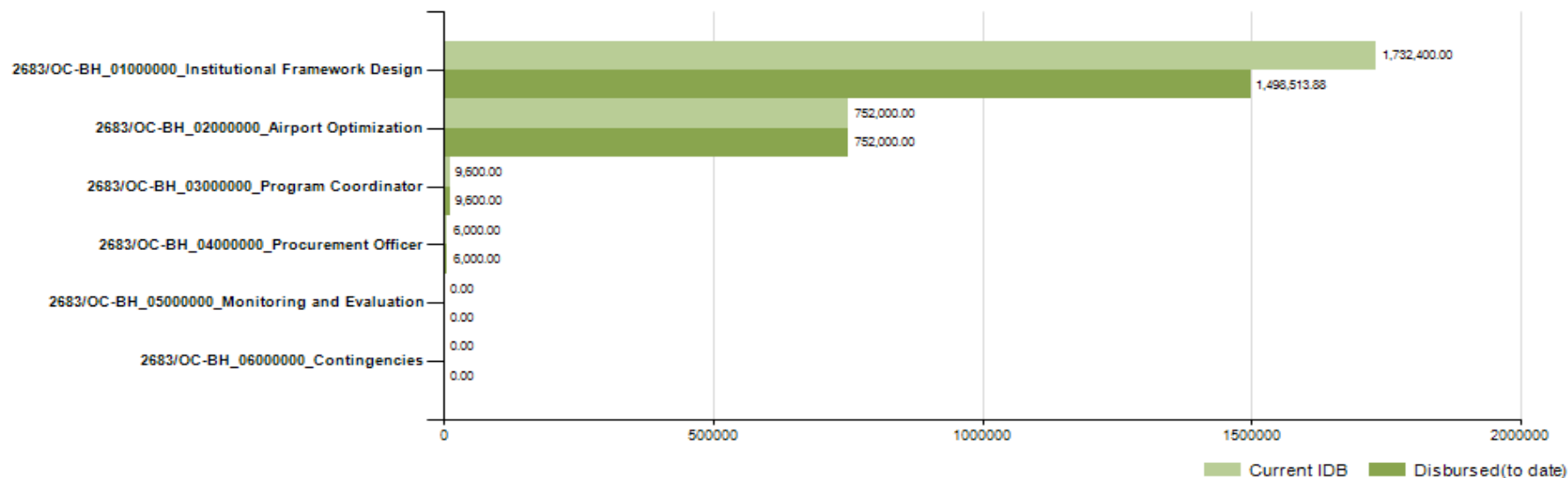
### Environmental and Social Safeguards

| Main Operation                            |  |
|---|--|
| Impacts Category:                         |  |
| Safeguard Performance Rating:             |  |
| Safeguard Performance Rating - Rationale: |  |

### Reformulation Information

|   | Main Operation | Oper. BH-L1027 |
|---|----------------|----------------|
| Was/Were the objective(s) of this operation reformulated? | NO             | NO             |
| Date of approval:   |                |                |

## Expense Categories by Loan Contract (cumulative values)



## Results Matrix

### Impacts

| Impact:  | 1 The Air Transportation sector is safe, secure and efficient . |                 |          |               |   |              |      |        |        |        |        |       |       |
|--|---|-----------------|----------|---------------|---|--------------|------|--------|--------|--------|--------|-------|-------|
| Observation:   |   |                 |          |               |   |              |      |        |        |        |        |       |       |
| Indicators   | Flags*  | Unit of Measure | Baseline | Baseline Year | Means of verification                                     | Observations |      | 2012   | 2013   | 2014   | 2015   | 2016  | EOP   |
| 1.1 Number of incidents per year                                       |   | Base points     | 100.00   | 2012          | Report provided by the Ministry of Tourism and Aviation   |              | P    |        |        |        |        |       | 85.00 |
|  |   |                 |          |               |   |              | P(a) | 100.00 | 100.00 | 100.00 | 100.00 | 85.00 | 85.00 |
|  |   |                 |          |               |   |              | A    | 100.00 |        | 100.00 |        |       |       |
| Impact:  | 2 Increased connectivity (measures development of sector)       |                 |          |               |   |              |      |        |        |        |        |       |       |
| Observation:   |   |                 |          |               |   |              |      |        |        |        |        |       |       |
| Indicators   | Flags*  | Unit of Measure | Baseline | Baseline Year | Means of verification                                     | Observations |      | 2012   | 2013   | 2014   | 2015   | 2016  | EOP   |
| 2.1 International Air Transport Association (IATA) connectivity index. |   | number          | 6.00     | 2011          | Web site Musings of the Global Traveller                  |              | P    |        |        |        |        |       | 7.00  |
|  |   |                 |          |               |   |              | P(a) | 6.00   | 6.00   | 6.00   | 6.00   | 7.00  | 7.00  |
|  |   |                 |          |               |   |              | A    | 6.00   |        | 6.00   |        |       |       |
| Impact:  | 3 Lower air transport costs                                     |                 |          |               |   |              |      |        |        |        |        |       |       |
| Observation:   |   |                 |          |               |   |              |      |        |        |        |        |       |       |
| Indicators   | Flags*  | Unit of Measure | Baseline | Baseline Year | Means of verification                                     | Observations |      | 2012   | 2013   | 2014   | 2015   | 2016  | EOP   |
| 3.1 Average operating expenses per traffic unit.                       |   | Base points     | 100.00   | 2011          | Reports provided by the Ministry of Tourism and Aviation. |              | P    |        |        |        |        |       | 90.00 |
|  |   |                 |          |               |   |              | P(a) | 100.00 | 100.00 | 100.00 | 100.00 | 90.00 | 90.00 |
|  |   |                 |          |               |   |              | A    | 100.00 |        | 100.00 |        |       |       |

**Outcomes**

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No information related to this operation.

**Outputs: Annual Physical and Financial Progress**

| Conditions for First Tranche (\$15 million)  |  | Physical Progress |      |      | Financial Progress |      |      |
|--|--|-------------------|------|------|--------------------|------|------|
| Outputs  | Unit of Measure  |                   | 2015 | EOP  |                    | 2015 | EOP  |
| Macroeconomic framework of the borrower and program objectives aligned   | framework  | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| Policy on the Aviation Sector Reform (White Paper), approved by Cabinet, separating policy making, regulatory and operational functions.   | Cabinet Approval   | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| White Paper provides for the creation of an independent and autonomous Civil Aviation Authority, responsible for technical regulation of the aviation sector.                      | Independent CAA  | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| White paper provides for the transfer of all responsibilities for airports operation and Air Traffic Control operation to the Airport Authority.                                   | Vested Airport Authority   | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| White Paper provides for the assignment of responsibility for accident and incident investigation to a newly created body, completely independent from the regulator and operator. | Responsibility assigned to a newly created body for accident investigation | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| Guidelines for a comprehensive strategy for Family Islands airport optimization to satisfy the new aviation sector policy and obligations of the Airport Authority.                | Approved strategy for Family Islands airport                               | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| Approval by the Ministry of Tourism and Aviation of bidding documents for the procurement of the new radar equipment for LPIA according to ICAO standards.                         | Approved bidding documents   | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| Environment, Health and Safety and Emergency Preparedness standards and procedures for airports, under preparation   | Development of Health, safety and emergency standards                      | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| Hazardous Cargo Management Procedures, under preparation.  | Development of Hazardous Cargo Management Procedures                       | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |
| Standards for energy and water-use conservation in airports under preparation  | Development of conservation measures                                       | P                 |      | 1.00 | P                  |      | 0.00 |
|  |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|  |  | A                 | 0.00 | 1.00 | A                  |      | 0.00 |

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| Conditions for Second Tranche (\$32.5) million  |  | Physical Progress |      |      | Financial Progress |      |      |
|---|--|-------------------|------|------|--------------------|------|------|
| Outputs   | Unit of Measure  |                   | 2015 | EOP  |                    | 2015 | EOP  |
| The macroeconomic framework of the Borrower and Program objectives are aligned.   | Aligned macroeconomic framework                                      | P                 |      | 1.00 | P                  |      | 0.00 |
|   |  | P(a)              | 0.00 | 1.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| Legislation to implement Policy on the Aviation Sector Reform (included in the White Paper), approved by Parliament, and in implementation.   | Legislation approved   | P                 |      | 1.00 | P                  |      | 0.00 |
|   |  | P(a)              | 0.00 | 1.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| CAA created by MTA and operational for three months with responsibility over regulation of the aviation sector and ability to charge for its services, with defined organizational structure, lines of responsibility approved and allocated annual budget, and | CAA and MTA created.   | P                 |      | 1.00 | P                  |      | 0.00 |
|   |  | P(a)              | 0.00 | 1.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| AA has been assigned responsibility to operate and develop all government owned airports and manage ATC operations in The Bahamas control airspace, with defined organizational structure and lines of responsibility revenue strategy in place to meet its fin | AA assigned responsibility for all government airports               | P                 |      | 1.00 | P                  |      | 0.00 |
|   |  | P(a)              | 0.00 | 1.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| Establishment by Cabinet of a unit and procedures for the independent investigation of accidents and incidents at airports under Bahamian Jurisdiction and within The Bahamas control airspace and the unit is operational for at least three months.           | Accident Unit established  | P                 |      | 1.00 | P                  |      | 0.00 |
|   |  | P(a)              | 0.00 | 1.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| New financial structure in place to implement the policies for (i) a financially stable CAA with sufficient resources to meet its responsibilities (ii) An AA that operates on a commercial basis over five airports (iii) Adequate GBH budget allocations for  | New financial structure in place                                     | P                 |      | 1.00 | P                  |      | 0.00 |
|   |  | P(a)              | 0.00 | 1.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| Comprehensive strategy for Family Islands airport optimization to satisfy the new aviation sector policy and obligations of the AA, finalized and approved by Cabinet, including timeline for and resources for its implementation.                             | Optimized strategy for family islands                                | P                 |      | 1.00 | P                  |      | 0.00 |
|   |  | P(a)              | 0.00 | 1.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| Acquisition, installment and operation of new radar equipment for LPIA (Nassau airport).  | Radar Installed  | P                 |      | 1.00 | P                  |      | 0.00 |
|   |  | P(a)              |      | 1.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| Seven (7) airports (Nassau, Freeport, Marsh Harbour Abaco, North Eleuthera, San Salvador, Governor's Harbor and Exuma & Moss Town) comply with the established Environment, Health and Safety and Emergency Preparedness standards.                             | 7 airports comply with safety standards                              | P                 |      | 7.00 | P                  |      | 0.00 |
|   |  | P(a)              |      | 7.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |
| Seven (7) airports (Nassau, Freeport, Marsh Harbour Abaco, North Eleuthera, San Salvador, comply with the established hazardous cargo management procedures.  | Number of airports comply with hazardous cargo management procedures | P                 |      | 7.00 | P                  |      | 0.00 |
|   |  | P(a)              |      | 7.00 | P(a)               |      | 0.00 |
|   |  | A                 | 0.00 | 0.00 | A                  |      | 0.00 |

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|   |                                 |      |      |      |      |  |      |
|---|---------------------------------|------|------|------|------|--|------|
| Standards for energy and water use and conservation in airports, approved by MoTA | Conservation standards approved | P    |      | 1.00 | P    |  | 0.00 |
|   |                                 | P(a) |      | 1.00 | P(a) |  | 0.00 |
|   |                                 | A    | 0.00 | 0.00 | A    |  | 0.00 |

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| Technical Cooperation component (\$2.5 million)            |                             | Physical Progress |      |      | Financial Progress |                |              |
|--|-----------------------------|-------------------|------|------|--------------------|----------------|--------------|
| Outputs  | Unit of Measure             |                   | 2015 | EOP  |                    | 2015           | EOP          |
| Consultancy study: Institutional framework design          | number of consultancies     | P                 | 0.00 | 1.00 | P                  | 0.00           | 1,400,000.00 |
|  |                             | P(a)              | 0.00 | 1.00 | P(a)               | 0.00           | 1,790,085.40 |
|  |                             | A                 | 0.00 | 1.00 | A                  | 0.00           | 390,085.40   |
| Consultancy study: Airport Optimization                    | Number of consultants hired | P                 | 0.00 | 1.00 | P                  | 0.00           | 810,000.00   |
|  |                             | P(a)              | 0.00 | 1.00 | P(a)               | 0.00           | 1,562,000.00 |
|  |                             | A                 | 0.00 | 1.00 | A                  | 0.00           | 752,000.00   |
| Other Cost   |                             |                   |      |      | 2015               | Cost           |              |
| Program Execution Unit including monitoring and evaluation |                             |                   |      | P    | \$50,000.00        | \$290,000.00   |              |
|  |                             |                   |      | P(a) | \$17,500.00        | \$827,500.00   |              |
|  |                             |                   |      | A    | \$17,500.00        | \$642,500.00   |              |
| Total Cost   |                             |                   |      |      | 2015               | Total Cost     |              |
|  |                             |                   |      | P    | \$50,000.00        | \$2,500,000.00 |              |
|  |                             |                   |      | P(a) | \$17,500.00        | \$4,179,585.40 |              |
|  |                             |                   |      | A    | \$17,500.00        | \$1,784,585.40 |              |

#### Changes to the Matrix

No information related to this operation.

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