



Operation Number: **BH-L1027**
Year- PMR Cycle: **Second period Jan-Dec 2014**
Last Update: **4/30/2015**
PMR Validation Stage: **Validated by Representative**

Chief of Operations validation date: **05/01/2015**
Division Chief validation date: **05/06/2015**
Country Representative validation date: **05/14/2015**

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 ,Ministerio de Transporte y Aviación		
Team Leader:	Mc Nish,Brian Martin	Sector/Subsector:	TR
Operation Type:	Loan Operation	Overall Stage:	Disbursing (From eligibility until all the loans are closed).
Lending Instrument:	Policy Base Loan	Country:	BAHAMAS
Borrower:	THE COMMONWEALTH OF THE BAHAMAS ,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
BH-L1027	\$50,000,000.00	\$16,992,777.58	33.99%	\$33,007,222.42

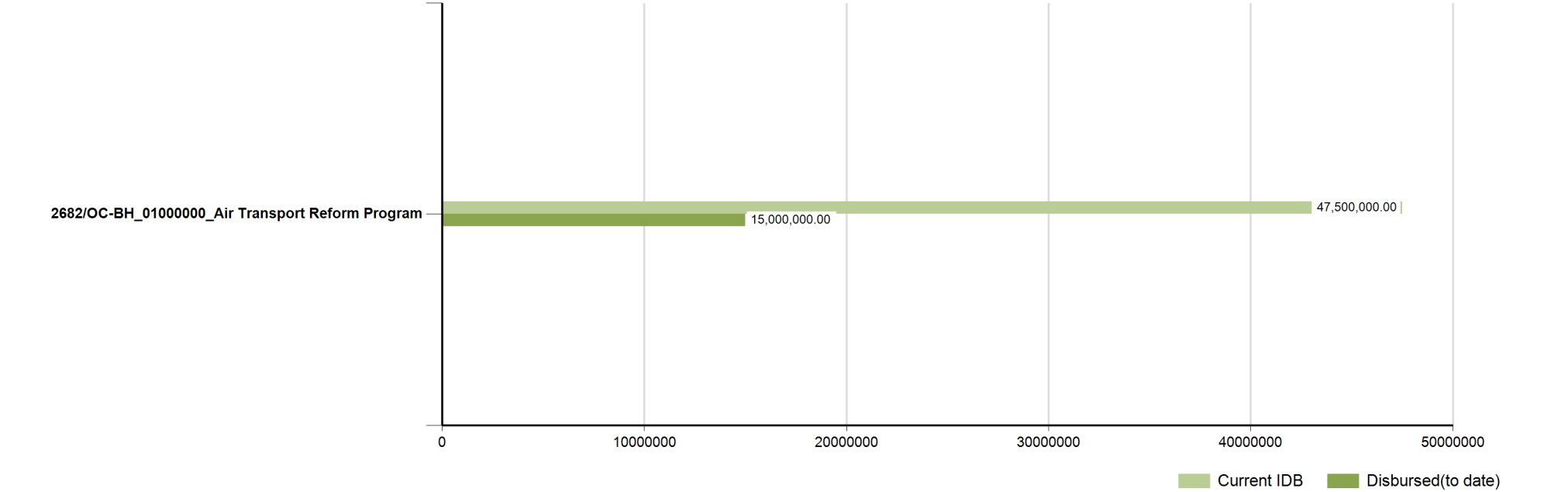
Environmental and Social Safeguards

Main Operation	
Impacts Category:	B13
Safeguard Performance Rating:	
Safeguard Performance Rating - Rationale:	

Reformulation Information

Main Operation	
Was/Were the objective(s) of this operation reformulated?	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	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	100.00			

 RF - RF Indicator  SI - Sector Indicator  CI - Country Indicator  PG - Pro-Gender  PE - Pro-Ethnicity

Outcomes

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	2014	EOP		2014	EOP	
Macroeconomic framework of the borrower and program objectives alingned	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 operaiton	Vested Airport Authority	P		1.00	P		0.00

and Air Traffic Control operation to the Airport Authority.		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 Harzrdous 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
Conditions for Second Tranche (\$32.5) million		Physical Progress			Financial Progress		
Outputs	Unit of Measure		2014	EOP		2014	EOP
The macroeconomic framework of the Borrower and Program objectives are aligned.	Aligned macroeconomic framework	P		1.00	P		0.00
		P(a)		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)		1.00	P(a)		0.00
		A	0.00	0.00	A		0.00
CAA created by MTA and operaitonal 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)		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)		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)		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)		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)		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 wiht 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
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
Technical Cooperation component (\$2.5 million)		Physical Progress			Financial Progress		
Outputs	Unit of Measure		2014	EOP		2014	EOP
Consultancy study: Institutional framework design	number of consultancies	P	1.00	1.00	P	0.00	1,400,000.00
		P(a)	1.00	1.00	P(a)	0.00	1,790,085.40
		A	1.00	1.00	A	390,085.40	390,085.40
Consultancy study: Airport Optimization	Number of consultancts hired	P	1.00	1.00	P	0.00	810,000.00
		P(a)	1.00	1.00	P(a)	0.00	1,562,000.00
		A	1.00	1.00	A	752,000.00	752,000.00
Other Cost					2014	Cost	
Program Execution Unit including monitoring and evaluation				P	\$45,000.00	\$290,000.00	
				P(a)	\$17,500.00	\$827,500.00	
				A	\$0.00	\$625,000.00	
Total Cost					2014	Total Cost	
				P	\$45,000.00	\$2,500,000.00	
				P(a)	\$17,500.00	\$4,162,085.40	
				A	\$1,142,085.40	\$1,767,085.40	

Changes to the Matrix

No information related to this operation.

Please note that the Overall Stage represents the stage of the operation at the time of this report's publication, which might not necessarily match the stage of the operation during the PMR Cycle to which the report pertains.