

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: 46466

<b>Project Name</b>	3A W/C Africa Air Transport Phase II-B
<b>Region</b>	AFRICA
<b>Sector</b>	Aviation (100%)
<b>Project ID</b>	P108583
<b>Borrower(s)</b>	GOV OF BENIN and SENEGAL
<b>Environment Category</b>	<input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
<b>Date PID Prepared</b>	November 3, 2008
<b>Date of Appraisal Authorization</b>	July 08, 2008
<b>Date of Board Approval</b>	February 26, 2009

## I. Countries and Sector background

1. Today, air transport accounts for up to 40% of world trade by value. It plays a significant role in the economic development of countries. In Africa, where poor road, port and railway infrastructure often constrains the rapid and efficient movement of high value goods earmarked for export, air transport holds both a potential for growth and a role for the economic development of the continent. For now, however, reality has not met expectations and air services in Africa, and especially in West and Central Africa (WCA), continue to be inefficient, expensive and unreliable.

2. In order to address these shortcomings, African Ministers responsible for civil aviation adopted on November 14<sup>th</sup>, 1999 the Yamoussoukro Decision (YD) on the liberalization of access to air transport markets in Africa. It is enforceable continent-wide since it was endorsed by the African Union Heads of State under the African Union treaty framework in 2000. The Decision's primary aim is to liberalize intra-African air transport. In order to achieve this goal without compromising safety and security standards, the region Civil Aviations and Airport Authorities (CAAs) must be capable to collectively reach International Civil Aviation Organization's (ICAO) standards in these areas. ICAO's Standards and Recommended Practices (SARP) are contained in most of the Annexes of the Chicago Convention on International Civil Aviation in the case of aviation safety, and Annexes 9 and 17 in the case of aviation security and facilitation.

3. The main safety<sup>1</sup> issues facing WCA's air transport sector today include the lack of a compliant and enabling legal framework as well as a critical shortage in qualified inspection manpower (see PAD Annex 1 for more details). In WCA, fewer than six (6) countries out of twenty-three (23) are considered to have the required level of Civil Aviation Administration capacities. The current situation results in the presence of "junk companies" whose operations distort the air transport market preventing access to the world market for local African airlines and contribute largely to WCA high accident rates. According to ICAO's statistics, the WCA

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<sup>1</sup> ICAO Definition of Air Transport Safety: A condition in which the risk of harm or damage is limited to an acceptable level.

region air transport accident rate was thirty (30) times higher than of the US during the past years (see PAD Annex 15)<sup>2</sup>.

4. In terms of security<sup>3</sup> currently, fewer than five of WCA's numerous international airports are compliant with world standards. Indeed, most WCA international airports lack basic access control to runways and terminals as well as adequate security procedures. This situation endangers WCA's air transport network security, resulting in sky-high insurance costs and high internal security costs for airlines. Moreover, in a post 9/11 environment, it risks isolating WCA even further from main air trade flows.

5. Although the YD is a continent wide initiative, its implementation in WCA has resulted in the signing of an implementation memorandum of understanding as well as, in November 2001, in the creation of two Secretariat Units within the Economic Community of West African States (ECOWAS)<sup>4</sup> and the Economic and Monetary Community of Central Africa (*Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC)*)<sup>5</sup>. Additionally, in 2003, the Region's ministers of Transport agreed to support the following initiatives: 1) the revision and harmonization of air transport legal and institutional frameworks at each country level; 2) the development of a new mechanism for effective regional technical and safety regulation; 3) the creation of a regional economic regulatory framework to address competition, market access, consumer protection; and 4) the upgrading of security standards for each country as well as WCA's main airports. In order to fund these initiatives, a scale up in donors and government support is required.

## II. Objectives and phases

6. Under Phase I of the program, approved by the Board in April 2006, four countries; namely Burkina Faso, Cameroon, Guinea and Mali, received a total of US\$ 33.57 million in grant and credit financing. Phase II-A of the program was initiated with Nigeria following Board's approval in October 2007. Subsequently, Phase II-B of the program includes Benin, and Senegal for an estimated total investment cost of US\$ 16.00 million, while Phase III may encompass Congo, Equatorial Guinea, Côte d'Ivoire, Ghana, Niger, Guinea Bissau, Liberia, Sierra Leone, Chad, Central African Republic, Sao Tomé & Príncipe, and Togo<sup>6</sup> for an estimated investment cost of US\$ 52.28 million.

7. As indicated in the program document submitted to the Board for Phase I, any country's program component will be based on a set of standardized project activities in aviation security

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<sup>2</sup> In 2005 alone, out of 35 fatal accidents and the 1,269 related deaths worldwide, Sub-Saharan Africa (SSA) accounted for 13 of these accidents and 374 of these deaths or 37% and 29% of the World's total, respectively. These figures compare to SSA's share of the world's total departure of only 4.5%.

<sup>3</sup> ICAO Definition Air Transport Security: A combination of measures and human and material resources intended to safeguard civil aviation against acts of unlawful interference.

<sup>4</sup> The ECOWAS countries are Senegal, Niger, Nigeria, Togo, Benin, Burkina Faso, Guinea, Guinea-Bissau, Ghana, Mali, Cote d'Ivoire, Liberia, Sierra Leone, The Gambia, Cape Verde

<sup>5</sup> The CEMAC countries are Cameroon, Central African Republic, Chad, Gabon, Equatorial Guinea, The Republic of Congo,

<sup>6</sup> Pending on the clearance of arrears for Togo.

and safety and airport security. Benin and Senegal proposed program's components do not depart from this requirement.

### **III. Rationale for Bank involvement**

8. The Bank was instrumental in the adoption of the YD and later supported through successive regional IDF Grants the adoption of common policies in safety and air transport regulations in WCA. However, the Bank along with regional institutions as well as other international lenders had to acknowledge that most WCA States did not and would not, in the foreseeable future, have the financial and human resources to comply with either US or ICAO's safety and security requirements unless external assistance was provided to them. Moreover, even when a State did prove its ability to comply with ICAO's requirements, its capacity to maintain compliance and retain qualified personnel remained questionable as illustrated, unfortunately, by the Ghanaian CAA's loss of its US Federal Aviation Administration (FAA) International Aviation Safety Assessment (IASA) category I certification in April 2005. Accordingly, the Bank in coordination with regional institutions and other international lenders adopted a comprehensive approach to globally address these problems by supporting: 1) the establishment of regional mechanisms to oversee safety and security standards in member countries; and 2) the financing of national safety and security support programs to enhance local CAA's ability to comply with ICAO's standards:

### **IV. Description**

#### ***Lending instrument***

9. Since the readiness and needs of the 23 WCA countries to receive support from the program vary significantly (see PAD Annex 16), it was decided to select a horizontal Adaptable Program Loan (APL) instrument to allow for a phased long-term development program. Countries will join the program under three (3) successive phases using similar eligibility criterion. These criterion are: 1) the creation of an administratively and financially autonomous national civil aviation agency; 2) the use of aviation security and/or safety taxes for the purpose of financing its civil aviation agency; and 3) the attainment of definite percentage of compliance level with ICAO's standards in the areas of aviation security and safety, as well as improved airport security.

#### ***Development objective and key indicators***

10. The Program Development Objectives (PDOs) which apply to all program's phases, and therefore to Benin and Senegal, are to: 1) Improve CAAs' compliance with ICAO's safety standards, 2) Increase CAA's compliance with ICAO's security standards, and 3) Enhance main international airports' compliance with ICAO's security standards. In order to measure attainment of these PDOs, the following key outcome indicators and target values are used for all participating countries:

- **PDO 1** – Improve CAA’s compliance with ICAO’s safety standards:
  - ⌚ Compliance rate with ICAO aggregate safety standards based on ICAO’s audits;
  - ⌚ Percentage of technical personnel in compliance with ICAO’s safety standards; and
  - ⌚ Total CAA’s budget amount.
- **PDO 2** – Improve CAA’s compliance with ICAO’s security standards:
  - ⌚ Compliance rate with ICAO’s aggregate security standards based on ICAO’s audit;
  - ⌚ Percentage of CAA’s ICAO’s certified security inspectors trained during the last three years;
  - ⌚ Level of CAA’s budget dedicated to security; and
  - ⌚ National Security Plan compliance with ICAO’s standards.
- **PDO 3** – Enhance main international airports’ compliance with ICAO’s security standards:
  - ⌚ Percentage of airport security personnel with three or more years of experience;
  - ⌚ Number of serious problems recorded during annual airport crisis exercises; and
  - ⌚ Percentage of embarking passengers stopped in possession of illegal objects, as defined by the ICAO, by airlines security personnel.

11. The program supports the ongoing development of a regional Air Transport Program within the context of the YD implementation. As such, it complements the work that will be undertaken by regional institutions (with donors’ support) in the area of Air Transport Economic Regulation Harmonization, while primarily focusing on airport and aviation safety and security. The two Secretariat Units located within ECOWAS and CEMAC will have regional and national program management responsibilities in order to promote effective coordination and harmonization at the regional level. However, national program component will effectively be implemented independently by designated entities within each country.

12. National program component activities were elaborated with Benin and Senegal CAAs in order to address globally safety and security issues affecting the aviation sector in each country. National CAA will contribute through the provision of office space and manpower for the duration of the project.

### ***12.1. Aviation safety improvements (US\$ 7.6 million)***

#### ***Benin*** (US\$3.9 million):

- Equipment and training for “Search and Rescue” activities;
- Replacement of basic communications and inspection equipments (e.g., VHF radios, telephone network within the airport area, IT network at headquarters, etc.);
- Purchase of technical library equipment (e.g., relevant ICAO’s manuals, directives, online library, training materials, etc.);
- Training of civil aviation staff in the area of civil aviation safety oversight;
- Dissemination and translation (in English) of updated regulations; and,
- Personnel training based on a prior needs’ assessment study.

#### ***Senegal*** (US\$3.7 million):

- Equipment for a medical examination center;

- Equipment and training for “Search and Rescue” activities;
- Setting-up of an independent Office for aircraft incidents and accidents investigation;
- Purchase of technical library equipment (e.g., relevant ICAO’s manuals, directives, online library, training materials, etc.);
- Training of civil aviation staff in the area of civil aviation safety oversight;
- Dissemination and translation (in English) of updated regulations; and,
- Personnel training based on a prior needs’ assessment study.

***12.2. Aviation security improvements (US\$6.2 million)***

***Benin*** (US\$3.8 million):

- Improvement of airport security through the acquisition of passengers and cargo X-ray machines as well as an explosive material tracer;
- Acquisition of airport personnel identification equipment, security cameras, communication systems, and inspection equipment;
- Training of civil aviation staff in the area of civil aviation security;
- Training of airport security personnel.

***Senegal*** (US\$2.4 million):

- Installation of an access control system at the airport;
- Training of airport security personnel;
- Updating of technical regulation;
- Acquisition of training equipment, communication equipment, and patrol vehicles.

***12.3 Management and Governance oversight of the national component of the program (US\$4.2 million)***

***Benin*** (US\$2.3 million) and ***Senegal*** (US\$1.9 million):

13. This activity is meant to encompass the financing of national program component operating costs covering CAA program dedicated personnel salaries for fiduciary management and technical management, office rentals and expenses; as well as inter alia annual fiduciary audits and day-to-day management.

**V. Financing (USD million)**

Borrower/Recipient	2.0
International Development Association	<u>16.00</u>
<b>Total</b>	<b>18.00</b>

*Project estimated cost*

14. **Benin and Senegal program** costs are estimated at US\$ 18.00 million. Detailed national program component activities costs are presented in Table 2 for the two aviation agencies (CAAs) that will benefit from it.

**Table 2: Financing breakdown for the Benin and Senegal program components of the WCAATSSP (in US\$ million)**

	Sector of activity			Total	Financing sources	
	Aviation Safety improvements	Aviation Security improvements	Project Management and oversight		World Bank	National
Benin	3.8	3.8	2.4	10.0	9.0	1.0
Senegal	3.6	2.4	2.0	8.0	7.0	1.0
<b>Total</b>	<b>7.4</b>	<b>6.2</b>	<b>4.4</b>	<b>18.0</b>	<b>16.0</b>	<b>2.0</b>

## VI. Implementation

*Partnership arrangements*

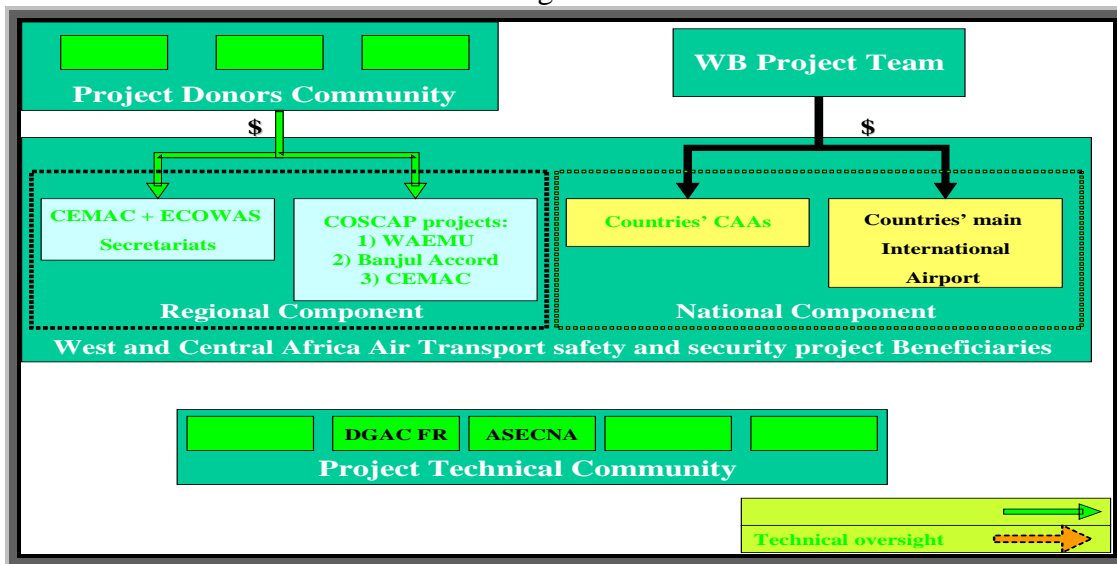
15. The program regional component (i.e., COSCAP projects) is fully financed through grants obtained from other bi or multilateral donors. As shown in Table 3, the grant financing is already secured and Benin and Senegal CAAs already benefit from the assistance of the Banjul and the UEMOA Accord's COSCAPs. National program component also benefit from support of bilateral technical assistance or aid, especially that of the US in the countries which are members of the Safe Skies initiative (i.e., Senegal) and of France when there is an existing cooperation in the area of security and/or safety (i.e. Benin).

**Table 3: COSCAP projects financing sources**

	COSCAP characteristics	Banjul Accord	CEMAC	UEMOA
<b>Basic</b>	ICAO agreement	June 2004	Pending	September 2003
	Estimated cost	US\$ 2.8 million	US\$ 4.0 million	US\$ 4.0 million
	Estimated duration	2 years	3 years	2 years
<b>Implementation</b>	Project office location	Abuja	N'Djamena	Ouagadougou
	Planned start-up date	Fall 2005	To be determined.	Fall 2005
	Regional Agency created	Decision taken	Planned	Decision taken
<b>Donors</b>	ADB Grant Amount	US\$ 2.0 million	US\$ 1.8 million	US\$ 1.9 million
	ADB Implementation support	US\$ 520,000	US\$ 520,000	-
	Date of signature of ADB agreement	May 2005	June 2005	May 2005
	France agreed amount	US\$ 1.2 million	US\$ 1.2 million	US\$ 1.2 million
	IFFAS grant	US\$ 123,375	-	US\$ 107,000
	IFFAS loan	US\$ 284,445	-	Declined
	European Commission Agreement	Signed	Signed	Signed
European Commission Grant	US\$ 500,000	US\$ 500,000	US\$ 500,000	

### *Institutional and implementation arrangements*

16. The implementation of the program's regional component (i.e., COSCAP) is overseen by the technical bureaus of the two regional organizations: ECOWAS and CEMAC (see Figure 1) while the fiduciary implementation (financial management and procurement responsibilities) of the national components will be managed by the local CAAs in Benin and Senegal. In the two countries, technical management of the project will be handled by local CAAs as they possess unique technical knowledge in the field of aviation. The CAAs will also draft initial technical documentation in support of the project's procurement activities, and oversee the implementation on the ground of the project's activities. As in other countries, financial and procurement assessments of the CAAs have resulted in recommendations designed to address the shortcomings identified in terms of financial and procurement capacities. Disbursements for all activities benefitting the agencies will be centralized in a designated account managed by the respective CAAs or designated structure in order to increase project's fiduciary compliance. Furthermore, the CAA personnel will be strengthened by externally recruited specialists in the area of procurement and aviation whose initial appointment will be for at least a year with terms of reference explicitly geared towards building capacity of the units and agencies' staff. These recruitments will be financed initially by the respective CAAs and reimbursed by IDA upon effectiveness, subject to compliance with IDA's procurement guidelines. The Financing Agreements will include a retroactive financing clause to this effect.



## **VI. Sustainability**

17. The key sustainability factors are: (i) institutional reforms have been implemented to ensure CAAs administrative and financial autonomy; (ii) the necessary safety and security infrastructure and oversight capabilities have been established in the form of potent national and regional safety and security agencies; (iii) appropriate financing mechanisms (e.g., user fees)

have been developed and adopted to sustain local and regional institutional oversight and security/safety infrastructure capacities. These factors are translated into project outcome indicators and legal covenants in order to secure project long term sustainability (see PAD Annex 3 and section 6.4).

## **VII. Lessons learned from past operations in the country/sector**

18. Since this program was the first regional aviation security and safety program in the Africa region, there were limited precedents that could be used during the project design phase. However, the following findings from the implementation of the first Phase and Phase II-A of the program have been used to better design the current program's Phase II-B:

- Program design must reflect the intent, interest and priorities of its beneficiaries and stakeholders so as to ensure their ownership and particularly their support to the accompanying reform processes. The implementation of new audit standards by ICAO in the area of security and safety as well as the agreement by all ICAO members' states in 2007 to publish the results of their security audit has effectively ended an era of lack of accountability within developing countries' CAAs. Accordingly, national program components are now specifically designed around the results of recently published ICAO security and safety audits using new audit standards and do focus both in terms of money and timeline more on manpower training and regulatory regime improvements over equipment acquisition when compared to the previous Phase program activities. This change of priority within each national program component has been demanded by beneficiary CAAs as it will help them improve their now public ICAO compliance ratings in safety.
- Program design must be coordinated with other donors in order to ensure consistency in the goals and expected outcomes of all planned and undergoing programs within the same sector. The program was developed in close cooperation with all the donor agencies involved in the aviation sector in WCA, especially USFAA, European Union (EU), ADB, DGAC, UNDP and ICAO. The Bank's Team has widely shared the initial results of Phase I of the program with all local and international partners in order to foster an Africa-wide initiative on aviation security and safety matters. This effort culminated in September 2007 with the announcement at the ICAO 2007 annual meetings of an Africa wide initiative under the auspices of the ICAO and the African Union (AU) to combat poor ICAO safety and security standards compliance by African's CAAs.
- Program design must emphasize capacity building for the targeted agencies. Experience in WCA countries confirms that sustained program impact depends on well-managed, well-financed executing agencies. Accordingly, during the preparation of Phase II-B of the program, the Bank's Team has paid special attention to policy issues surrounding CAA's financial and administrative autonomy with a view of ensuring that sought after results in terms of security and safety oversight capacity will be sustainable.

## **VIII. Safeguard Policies (including public consultation)**

19. The project is categorized C for Benin and Senegal. No safeguards policies apply.



<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
<a href="#">Environmental Assessment (OP/BP/GP 4.01)</a>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Natural Habitats ( <a href="#">OP/BP 4.04</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management ( <a href="#">OP 4.09</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cultural Property ( <a href="#">OPN 11.03</a> , being revised as OP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement ( <a href="#">OP/BP 4.12</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples ( <a href="#">OD 4.20</a> , being revised as OP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests ( <a href="#">OP/BP 4.36</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams ( <a href="#">OP/BP 4.37</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas ( <a href="#">OP/BP/GP 7.60</a> )*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways ( <a href="#">OP/BP/GP 7.50</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## **IX. List of factual technical documents**

- Projet “COSCAP” pour la supervision de la sécurité aérienne dans les Etats membres de la CEMAC et de Sao Tome e Principe – Document Cadre (July 2000)
- Questionnaire Banque mondiale pour l’amélioration de la Sécurité et de la Sûreté aériennes (Mai 2004)
- OSTA Safety Audit of African Airlines (July 2004)
- Project Concept Note (April 2008)
- Project Information Document Concept Stage (April 2008)
- ISDS Concept Stage (April 2008)
- ISDS Appraisal stage (July 2008)
- Risks Identification Sheet (July 2008)
- PAD (June 2008)

## **X. Contact point**

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