

INTERNATIONAL CIVIL AVIATION ORGANIZATION
FIRST MEETING OF DIRECTORS OF CIVIL AVIATION OF THE
CARIBBEAN REGION (CAR/DCA/1)

(Grand Cayman, Cayman Islands, 8-11 October 2002)

Agenda Item 8: Air Transport
8.4 Funding of Civil Aviation Activities

Enhancing Aviation Safety and Security in Latin America and the Caribbean: Funding Possibilities

(Presented by the United States)

Summary

The FAA has been successful in collaborating with other U.S. Government agencies and multi-lateral development banks to obtain financial assistance and support to enhance aviation safety and security in Latin America. This paper emphasizes the importance of working with these organizations to secure funding for programs in Latin America and the Caribbean.

1. Introduction

1.1 A safe and efficient aviation system is critical to the growth of economies and the integration of Latin American and Caribbean countries in the world economy. This is especially important to countries that depend upon tourism and exports to sustain their economies. It is essential, therefore, that competent civil aviation authorities and efficient aviation systems be established to promote the confidence of the traveling public and reduce the overall costs of the aviation system. This is mainly achieved through a complex, integrated, long-term strategy combining infrastructure development and institution building.

1.2 With aviation developing at a rapid rate in Latin America and the Caribbean, the identification of a means to support this growth becomes extremely important. Many countries in the region are striving to achieve compliance with International Civil Aviation Organization (ICAO) standards. The steps necessary to comply with these international standards and form the foundation for an efficient aviation system are largely contingent upon both the financial and human resources available to these countries.

1.3 The events of September 11th underscore the importance of commercial aviation to the world's economy. These events also demonstrated the need for more resources to ensure a safe and secure global aviation system. The importance of this issue has been raised to a new level, and provides an incentive to seek diverse sources of funding to enhance both aviation safety and security.

2. Discussion

2.1 By investing in aviation infrastructure, multi-lateral financial institutions and U.S. government agencies can play a critical role in stimulating economic development. Multi-lateral development banks and U.S. government agencies are becoming more aware of the need to invest in a country's aviation infrastructure to promote tourism and commerce, to facilitate nation-building and political reform, and to provide air transport in support of lifesaving and humanitarian operations.

2.2 The Federal Aviation Administration (FAA) has been actively engaged with different multi-lateral institutions and U.S. government agencies in order to secure funding for both aviation safety and security enhancements. It is through interaction with these different institutions that the FAA, in coordination with countries in Latin America and the Caribbean, has been successful in securing financial assistance from the Inter-American Development Bank (IDB), the World Bank, the Department of State and the U.S. Mission to the Organization of American States.

2.3 In October 2000, the FAA, the IDB and the Central American Cooperation for Air Navigation Services (COCESNA) collaborated to secure funding for the Central American Agency for Aviation Safety (ACSA). This coordination resulted in a US\$4 million grant from the IDB over a three year period to the COCESNA member states that comprise ACSA: Belize, Guatemala, Honduras, El Salvador, Costa Rica, and Nicaragua. The specific objectives of this project are: (i) to strengthen the regional institutional framework for aviation safety and assist in the development of a harmonized regulatory framework for the region; (ii) to develop a regional information system to improve the access to safety information; and (iii) to modernize the Civil Aviation Authorities (CAA) of the countries to contribute to their compliance with international and national safety standards, as required ICAO audits.

2.4 Since the events of September 11th, the FAA has redoubled its efforts with the IDB and the World Bank to secure funding for aviation security for Latin America and the Caribbean. These efforts have resulted in the allocation of US\$10 million dollars in grants under the Multi-Lateral Investment Fund (MIF) of the IDB for aviation security projects in both Latin America and the Caribbean. The MIF program has been designed to help strengthen airport security in Latin America and the Caribbean by modifying and adapting the regulatory policy frameworks for civil aviation, strengthening administrative services, and providing training for personnel required to apply and enforce the new standards.

2.5 In addition, a substantial loan has been secured from the World Bank for aviation security enhancements for the Organization of Eastern Caribbean States (OECS). This favorable loan is payable by the States in 10 to 40 years with no interest, and is designed to provide funding to the OECS states for capital improvements, equipment, training and institutional and regulatory issues.

2.6 In February 2002, the FAA announced that through the creation of the Third Border Initiative, the Bush Administration has expanded U.S. interest and involvement in a Caribbean regional aviation safety mechanism by providing US\$400,000 as seed money to assist the region. Under this initiative, the FAA will develop, in coordination with CARICOM and the Caribbean States, a strategy to work with the region to create an efficient and cost effective mechanism for achieving compliance with international aviation safety and security standards.

2.7 Finally, the FAA has collaborated with the U.S. Mission to the Organization of American States (USOAS) in the development and implementation of aviation security curricula for the Caribbean States. The USOAS has provided US\$500,000 in funding to establish aviation security training courses in the Caribbean for the English-speaking CARICOM states. The first two security classes, Basic Aviation Security Training and Instructor training, were held in Trinidad and Tobago in July 2002.

3. Conclusion

3.1 A safe and efficient aviation system provides the stimulus for a country's transportation sector to grow, thus providing greater access to the economic advantages of the international marketplace. Multilateral financial institutions and other U.S. government agencies recognize that newly constructed airports and newly purchased equipment alone does not constitute such a system. New airports and new equipment will only be able to fulfill their potential if a country's aviation institutions are capable of developing, regulating, and maintaining the entire aviation system.

3.2 The FAA is committed to work with its counterparts in Latin America and the Caribbean to develop a coordinated approach in the continuing effort to secure funding from multilateral financial institutions and other U.S. government agencies in the development and improvement of aviation infrastructure. Only by working together will we be able to convince non-aviation interlocutors that aviation infrastructure improvements are a priority for the region, and that the economic benefits of a safe and efficient civil aviation system extend beyond the development of tourism.

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