

# ICAO AIR TRANSPORT SYMPOSIUM

18 - 20 APRIL 2012



## Strategies and Tools for Sustainable Air Transport





## Airport Financed Projects (AFP)

### Contested externalities

Facing extensive community opposition 40.3%

Facing international pressure groups 31.9%

### Crafted over many years

Average front-end period (search) 49 months

Average (Engineering, Procurement and Construction) 32 months

### Exposed to political risk

Political considerations influenced initiation 63.8%

Viewed as a vehicle for economic development 71.1%

Facing bureaucracy with strong expertise 69.8%

### Facing coherent regulatory frameworks

Facing highly developed regulatory frameworks 61.8%

Having to deal with multiple uncoordinated agencies 68.3%



# Sustainable investment airport – definition

## A socially positive impact

- Create/maintain a balanced local workforce
- Minimize possibility of human economic migration

## An environmentally positive impact

- Air pollution
- Noise restriction
- Water and fuel treatment

## An economically positive impact

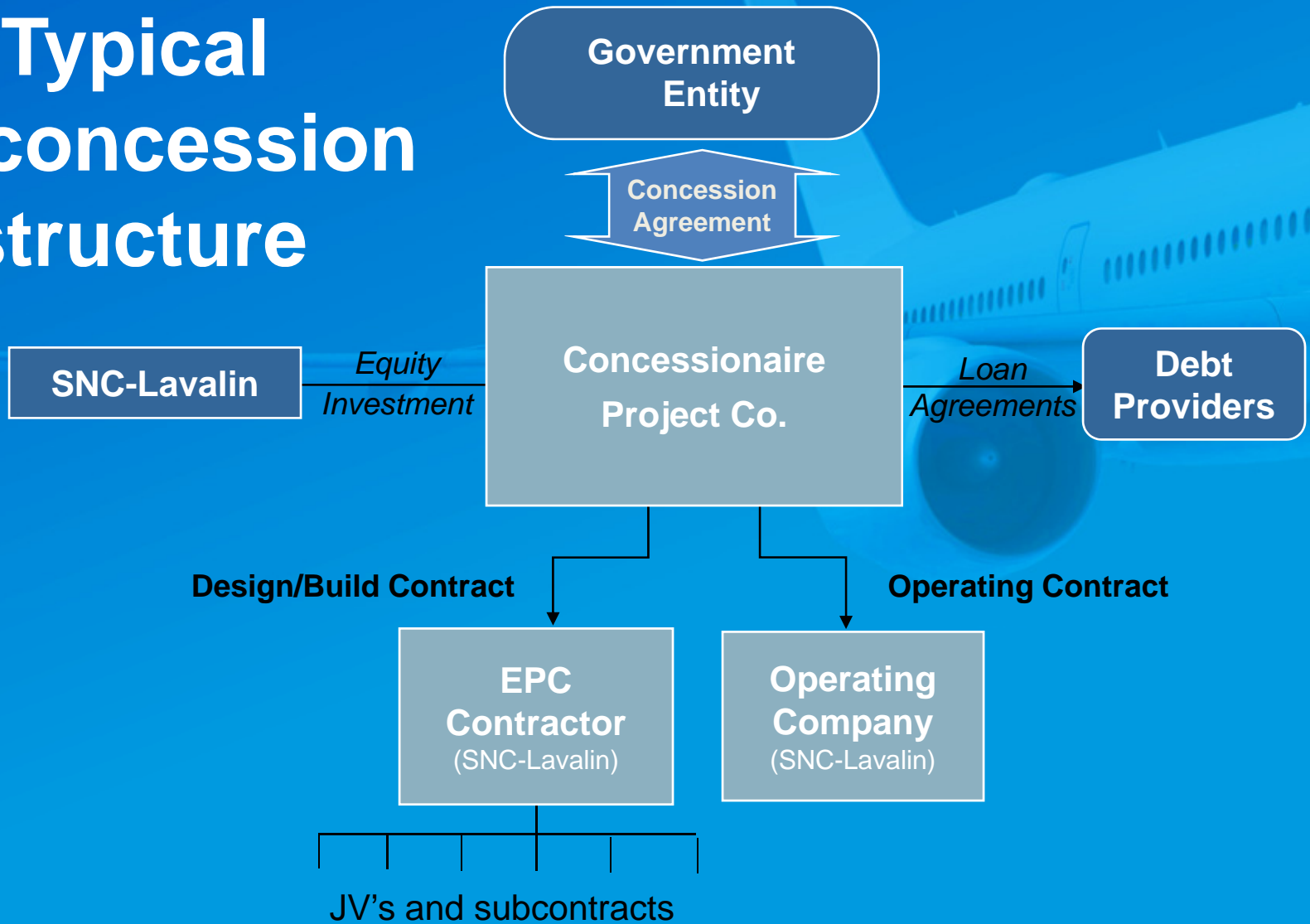
- Stimulate regional and national economies by targeting employment, growth and win-win dynamics

## A politically positive impact

- The stakeholders' engagement
- The commitment of the community



## Typical PP/concession structure



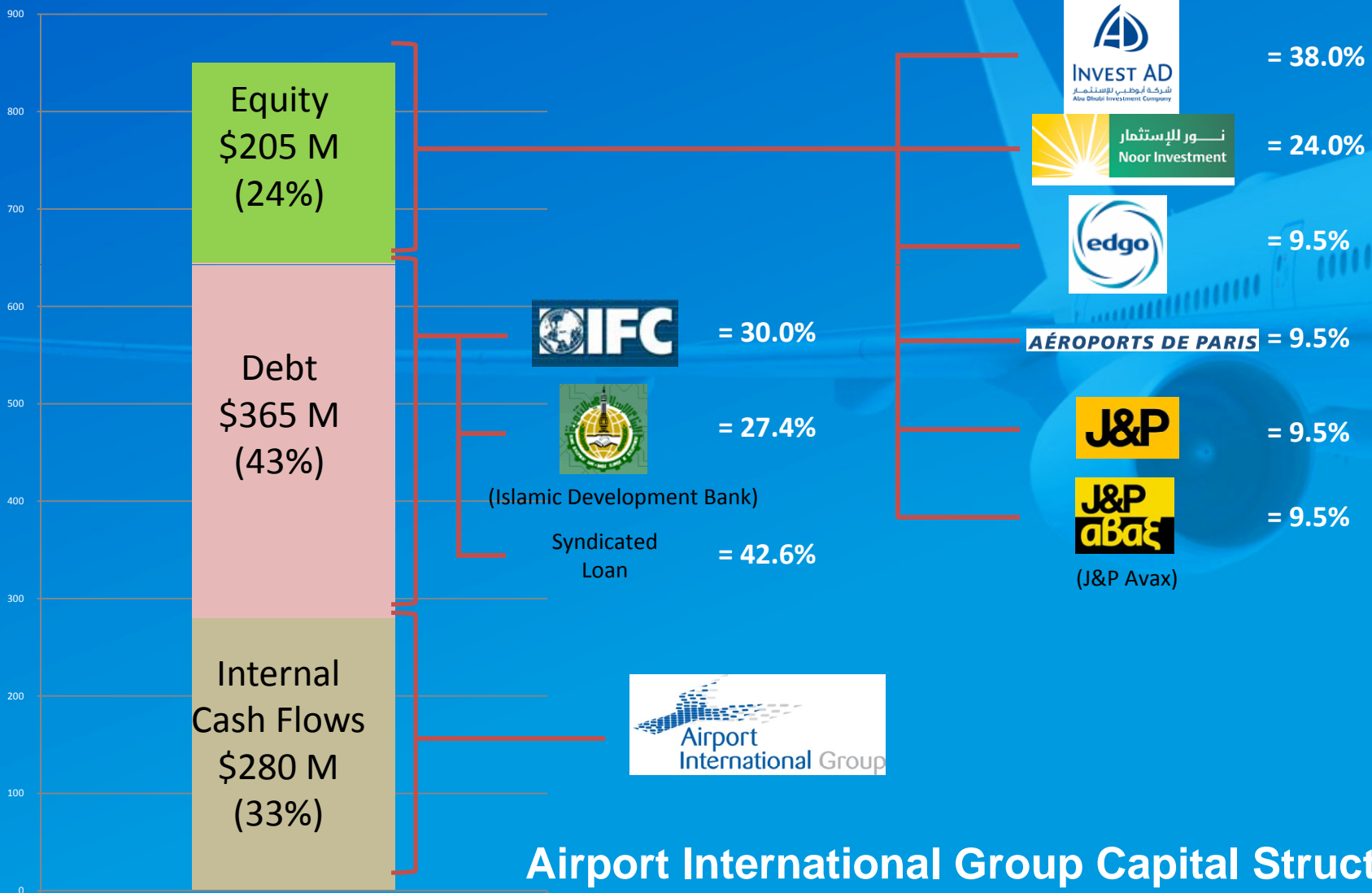


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### Airport International Group Capital Structure



# Sustainable investment airport – perspectives and challenges

Topics	Perspective	Challenges
<ul style="list-style-type: none"><li>• Major impediments to sustainability of air transport</li></ul>	<ul style="list-style-type: none"><li>• Clients are gaining more awareness of the complexity and intricacies of airport investments.</li><li>• The IMF, the WB and other international agencies are making vast contributions to rationalize government on debit and to improve project governance.</li></ul>	<ul style="list-style-type: none"><li>• Investing in airports is very complex and requires a complex process.</li><li>• The client has to prepare the project and invest many resources and effort at the front-end phase.</li><li>• Time or political pressure</li><li>• The legal context</li><li>• The coordination between different government agencies and, principally, among the Minister of Finance, the Minister of Transport and the Minister responsible for the economy.</li></ul>





# Sustainable investment airport – perspectives and challenges

Topics	Perspective	Challenges
Strategies that could be adopted to create conditions for sustainable air transport	<ul style="list-style-type: none"><li>• Government support at the front-end phase</li><li>• Address international agencies for financing, in order to produce the basic RFP for PPP or BOT airport development projects.</li></ul>	<ul style="list-style-type: none"><li>• The political pressure and lack of coordination among the internal government agencies.</li><li>• The legal framework has been improved.</li><li>• The political involvement and lack of commitment by key stakeholders may drive certain governments to negotiate a one-to-one arrangement without utilizing an open bid process.</li></ul>



# Sustainable investment airport – perspectives and challenges

## Tools

1. An international standardized guideline of the feasibility study including the content, the objective, the level of details and how the government will coordinate its own agencies to produce it.
2. The international funding agencies to finance the front-end phases, based not on the development countries' experience but on the real, practical and business cultural context of the country.
3. An international standardized RFP for investment projects.

**For these three tools, ICAO ought to provide leadership and to coordinate a clear schedule to institute them quickly.**





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**QUESTIONS OR COMMENTS?**