



International Civil Aviation Organization
South American Regional Office

Third Virtual Meeting of Civil Aviation General Directors of the South American Region on the Response to COVID-19

(Lima, Peru, 22 September 2020)

Agenda Item 4: Provide guidance on the mechanisms for financial sustainability of the civil aviation system within the framework of the crisis

ARTICULATION FOR POSSIBLE EXTERNAL FINANCIAL NEEDS

(Prepared by the Secretariat)

SUMMARY

This information paper presents the results of the survey and discussions from Activity SAM012 of the Strategic Framework (“Meeting between SAM States and multilateral financial institutions”).

1. INTRODUCTION

1.1 The effects of the COVID-19 pandemic were felt in most aspects of civil aviation, and the economic and financial aspects are no exception.

1.2 In line with that, the second virtual meeting of the Directors General of Civil Aviation of the SAM region in response to COVID-19, organized by the ICAO SAM Office, has analysed the Working Paper WP/11, presented by Colombia, that highlighted the role of multilateral banks in the strategic framework for recovery of the region and suggested an initiative to convene the stakeholders and discuss solutions with the multilateral banks as one of the activities of the strategic framework. The meeting agreed with the initiative and asked the Regional Office to work on its implementation, with the support from Colombia and LACAC.

1.3 This information paper presents the results of the survey presented to SAM States on this subject, as well as other considerations from this initiative.

2. ACTIVITIES UNDERTAKEN

2.1 Following the Directors General Meeting, the SAM Office included this activity in the Strategic Framework in Response to COVID-19 as Activity SAM012, and together with representatives from LACAC and Colombia, and with the support from representatives of the Inter-American Development Bank (IADB), discussed alternatives to move on with the initiative. It was proposed to have an initial survey with SAM States, to collect information to support the discussion. Additionally, it was proposed to have an online session with CAAs and multilateral financial institutions.

2.2 To have a better understanding of SAM Region concerns regarding possible needs for seeking financing, a short survey was prepared and distributed to States in the region. The survey comprised four questions, nine States responded the survey. The results of the survey are shown below:

2. Does your State's aviation authority have or has it already had initiatives involving multilateral banks?	Qty of answers
Yes	0
No	8

3. In the actions identified (or taken) by your Aviation Authority in response to COVID-19, do you identify initiatives where the participation of external entities such as multilateral banks could have a key contribution for the expected results?	Qty of answers
Yes	4
No	3
The authority's responses are still under development, so initiatives in this situation have not yet been identified.	2

4. If you answered "Yes" to question 3, what form should this support have?	Qty of answers
Assistance from international experts	3
Support for training initiatives	3
Acquisition of equipment	2
Other	2

5. If you answered "Yes" to question 3, in which areas would this support be required?	Qty of answers
Implementation and harmonization of facilitation procedures	4
Implementation and harmonization of sanitary protocols	4
Establishing communication strategies (national coordination among sectors, communication with the public)	3
Managing passenger-related information	2
Strengthening aviation security oversight systems	4
Training centers	2
Aircraft maintenance organizations	2
Parts and components manufacturers	1
Airport operators	2
Air navigation services providers	2
Airlines	2
Air cargo logistics operators sector	1
Other	1

2.3 Apart from the results of the survey, the SAM Office also contacted multilateral banks to gather a perspective of their strategies and work on civil aviation.

3. SECRETARIAT CONSIDERATIONS

3.1 An interesting point is that the results of the survey indicate that CAAs and multilateral banks have little history of working together. This may merit further evaluation by the parties if there are synergies to be explored.

3.2 Another observation is that the CAAs that have identified projects where the support of international banks would make a key contribution represent 44% of the respondents, or 31% of the States if considering all States in the region. In addition, the areas of work identified by the CAAs in the survey (questions 4 and 5) were broad and spread across many areas of the aviation system. That suggests that the projects and needs are not the same for each State, and indicates that while there is interest from States in specific initiatives, a common project for the whole region was not clearly identified.

3.3 As for the initial discussions with the financial institutions, SAM Regional Office and ICAO HQs, have contacted different multilateral banks that have presence in the region, with different levels of feedback. From the feedback received it is understood that the projects are usually bilateral between the State and the bank, with specific national mechanisms of approval and implementation of the project. Multilateral financial institutions have different strategies and work structures, so projects would be specific in each case.

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