

# World Bank Development Projects in the Americas

*Opportunities for a more efficient, sustainable and resilient  
connectivity*

ICAO-NACC Capacity Building Workshop on  
Economic Regulation and Oversight

Dr. Charles E. Schlumberger

Panama City, Panama

21-23 May 2024



# Outline of the Presentation

1. World Bank Group History & Structure
2. Air Transport Portfolio Overview
3. Air Transport Connectivity in Caribbean
  - I. Importance of Transport Connectivity for Caribbean Development
  - II. Key Challenges of Air Transport Connectivity for Caribbean Development
  - III. Programmatic Advisory Services and Analytics (P-ASA)
  - IV. World Bank Financial Support (CATCOP)
4. Estudio: Promoviendo una mayor integración en Centroamérica y la República Dominicana

# THE WORLD BANK GROUP HISTORY



1945

LIFE

# THE WORLD BANK GROUP HISTORY

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

LOAN TO  
CRÉDIT NATIONAL POUR FACILITER  
LA RÉPARATION DES DOMMAGES  
CAUSÉS PAR LA GUERRE  
GUARANTEED BY  
THE REPUBLIC OF FRANCE

Loan Number — 1 Fr

LOAN AGREEMENT  
GUARANTEE AGREEMENT  
LETTER FROM MINISTER OF FINANCE  
LOAN REGULATIONS NO. 1

Dated May 9, 1947



Finally, the Bank disbursed \$5,933,000 towards the cost of 9 Constellations used by Air France on the Paris-New York run, and engines and equipment used in the construction of a new 70-ton four engined aircraft.

# THE WORLD BANK GROUP HISTORY

## A BRIEF HISTORY



● **1950s**

WBG provides loans to airlines to undertake fleet modernization (e.g., KLM, Qantas, and Air India)

● **1970s - 1980s**

“Standalone” airport infrastructure projects in various developing countries

● **1990s**

Policy advice, some capacity building (liberalization, privatization of carriers, regulatory oversight)

● **Current**

Infrastructure (airports, ATC), financing (IFC), policy advice, regulatory oversight (safety & security), sector research

# WBG STRUCTURE



GOVERNMENTS

PRIVATE SECTOR



Middle Income Countries

Low Income Countries

Business

Insurance

Tribunal

Active Portfolio	IBRD			IDA			IFC			TOTAL		
(in millions USD)	FY23	FY22	Change	FY23	FY22	Change	FY23	FY22	Change	FY23	FY22	
<b>WB Group Total Active Portfolio</b>	149,305	141,069	5.84%	182,066	164,719	10.53%	70,069	63,763	9.89%	401,440	369,551	8.63%
<b>WB Group Active Portfolio-Transport</b>	14,826	16,905	-12.30%	19,636	19,728	-0.47%	1,864	1,684	10.69%	36,326	36,717	-5.20%
<b>Transport % of Total Active Portfolio</b>	9.93%	11.98%	-2.05 pp	10.79%	11.98%	-1.19 pp	2.66%	2.64%	0.02 pp	11.61%	11.61%	1.24 pp
<b>Air Transport Active Projects</b>	44.16	44.16	0.00%	496.56	512.06	-3.03%	616.58	461.76	33.53%	1,157.30	1,017.98	13.69%
<b>% of Total Active Portfolio</b>	0.03%	0.03%	0 pp	0.27%	0.31%	-0.04 pp	0.88%	0.72%	0.16 pp	0.14%	0.28%	-0.14 pp
<b>% of Total Transport Portfolio</b>	0.30%	0.26%	0.04 pp	2.53%	2.60%	-0.07 pp	33.08%	27.42%	5.66 pp	1.20%	2.66%	-1.46 pp



## Active Portfolio in Air Transport EBRD/IDA lending and non-lending

- Africa: 11 projects
- Europe Central Asia: 1 project
- South Asia: 1 project
- East Asia Pacifica: 8 projects
- Latin America and Caribbean: 5 projects

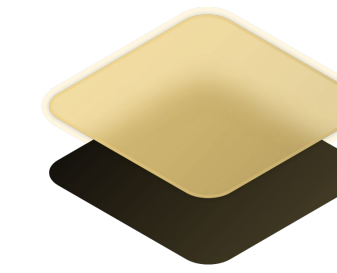
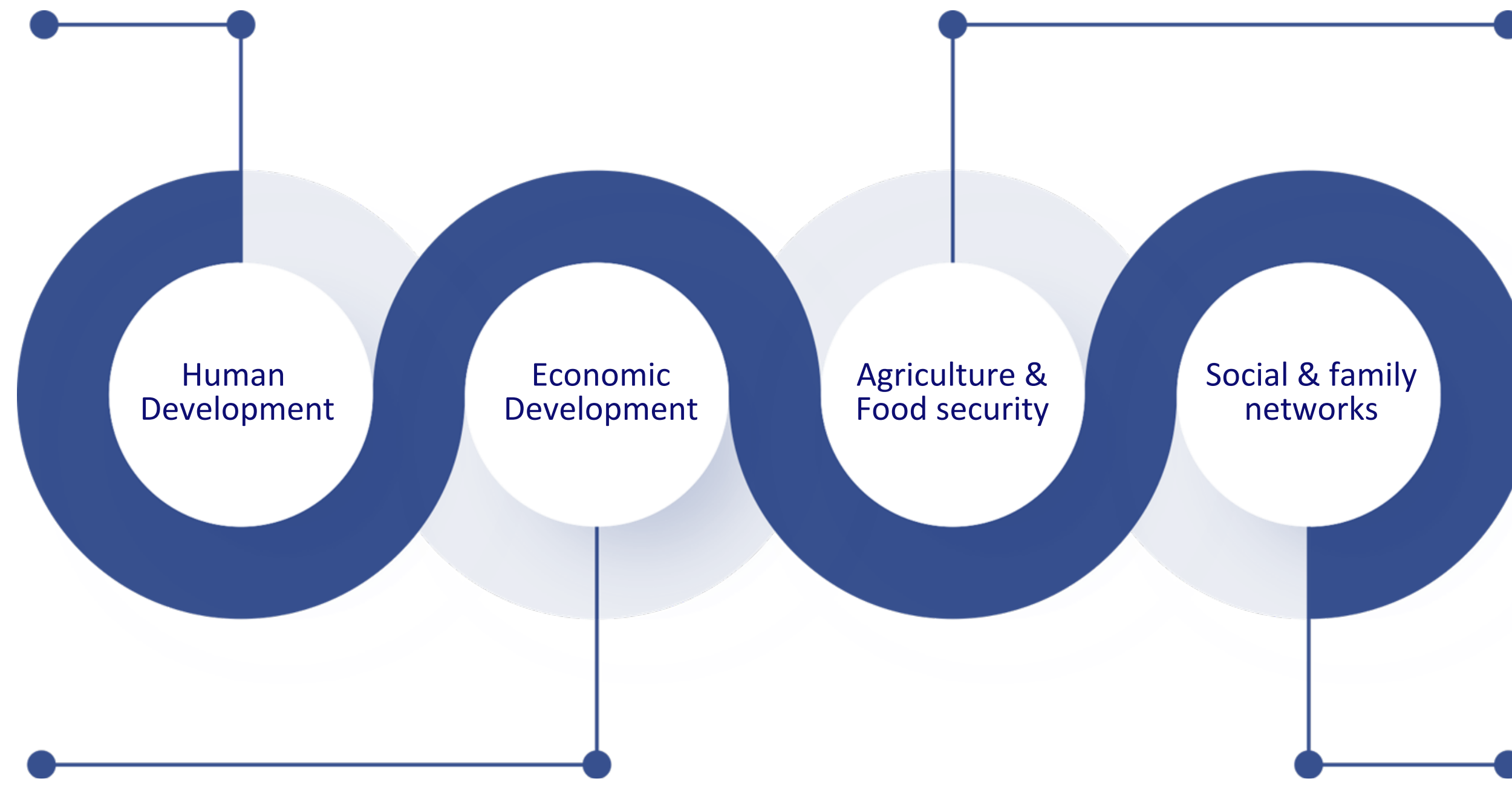
Region	Country	Project Code	Project Name	Description of Aviation Component (s)	WBG Commitment (USD M)		Type	Status as of End of FY2023
					Total (USD M)	Aviation Component		
Latin America & the Caribbean	Bolivia	P122007	BO National Roads & Airport Infrastructure	Infrastructure development; improve safety, security and operational reliability of the Rurrenabaque Airport	104.0	5.48	IDA Credit	Active
	Grenada	P172951	Grenada - Caribbean Regional Air Transport Connectivity	To improve MBIA operational safety and resilience as well as support Grenada's efforts to comply with ICAO's SARP and abide by the POS Declaration. The project also aims to strengthen the institutional capacity of GAA and Civil Aviation Division through a combination of regional and Grenada-specific technical assistance and capacity building activities with a focus on enhancing aircraft operational safety, air transport sector regulatory oversight, airport management capability, climate/disaster resilience, and gender diversity in the workplace.	17.0	15	IDA Credit	Active

Region	Country	Project Code	Project Name	Description of Aviation Component (s)	WBG Commitment (USD M)		Type	Status as of End of FY2023
					Total (USD M)	Aviation Component		
Latin America & the Caribbean	Haiti	P170907	Caribbean Regional Air Transport Connectivity Project - Haiti	To improve operational safety and navigation efficiency of air transport in the Recipient's territory and increase the climate and disaster resilience of associated infrastructure at the Recipient's international airports.	84.0	84	IDA Grant	Active
	Saint Lucia	P170860	Saint Lucia - Caribbean Regional Air Transport Connectivity Project	To improve operational safety and navigation efficiency of air transport and enhance resilience of Saint Lucia's airport infrastructure to natural disasters.	45.0	41	IDA Credit	Active
	Sint Maarten	P167974	Sint Maarten Airport Terminal Reconstruction Project	The development objective to restore the passenger capacity of Princess Juliana International Airport to pre- Hurricane Irma levels with improved resilience towards hurricanes.	92.0	72	IDA Grant	Active

# Importance of Transport Connectivity for Caribbean Development



Access to higher Education;  
Access to health Services;



Access to markets by Caribbean agriculture products



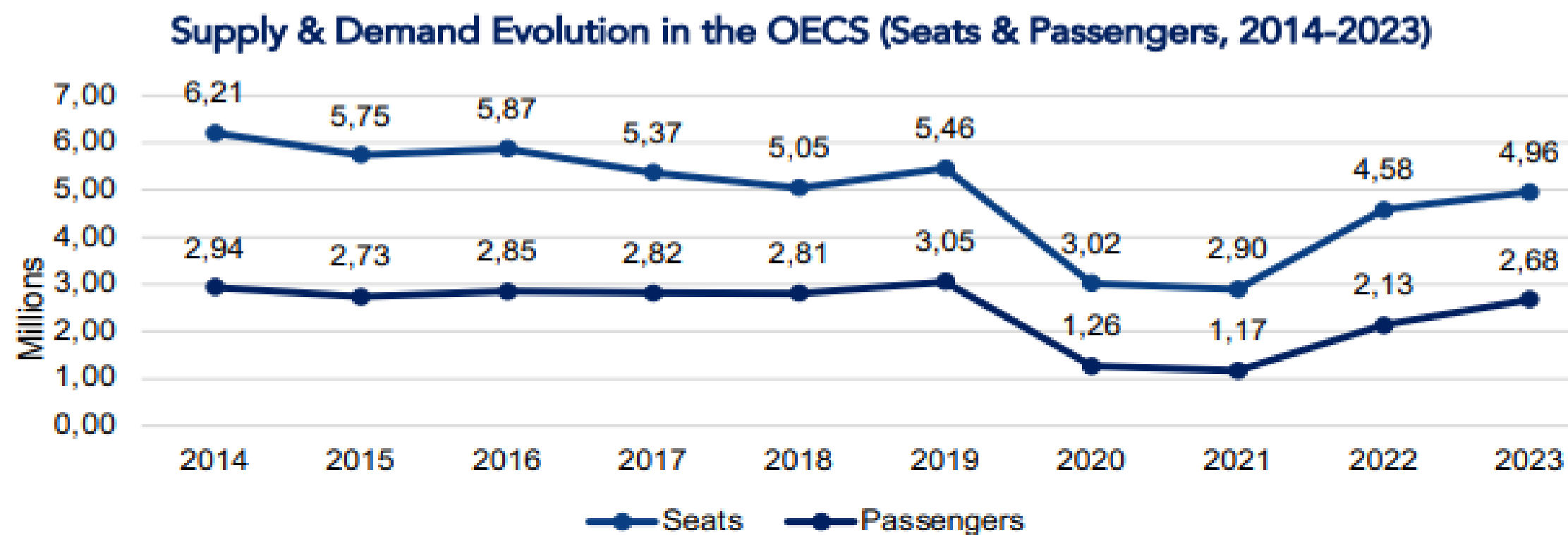
Access to jobs and markets by  
Caribbean companies;



Access to family and friend;

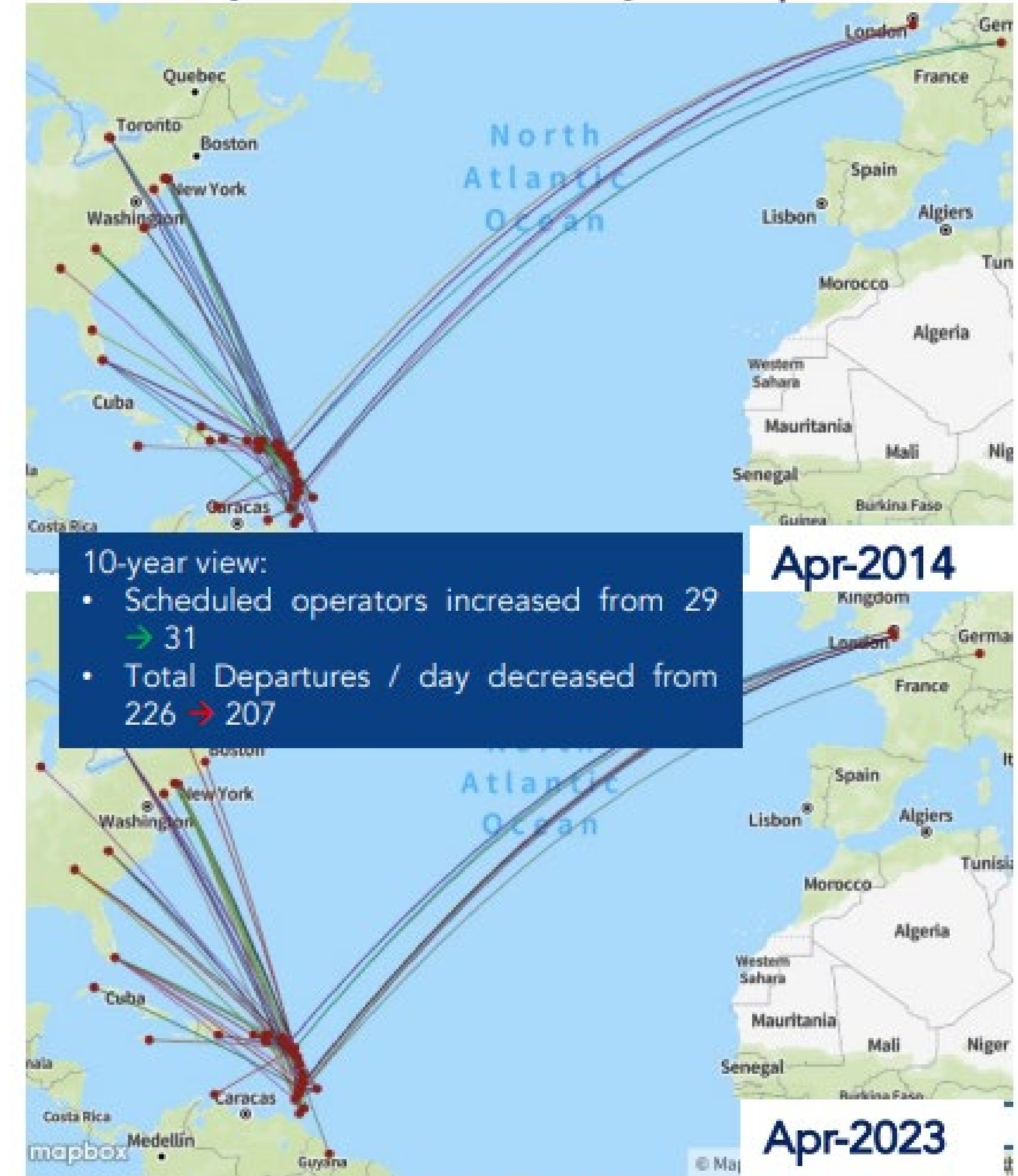
# Key Challenges of Air Transport Connectivity for Caribbean Development

- *Small markets*
- *High operating costs for intra-regional travel*
- *Poor financial sustainability and operations of regional operators and agencies*
- *Aging Infrastructure*
- *Stagnant growth for the past decade*



Source: OAG Schedules and Traffic Analyzer (2024)

**Air Connectivity within the OECs (Weekly Seats, Apr-2014 vs 2023)**



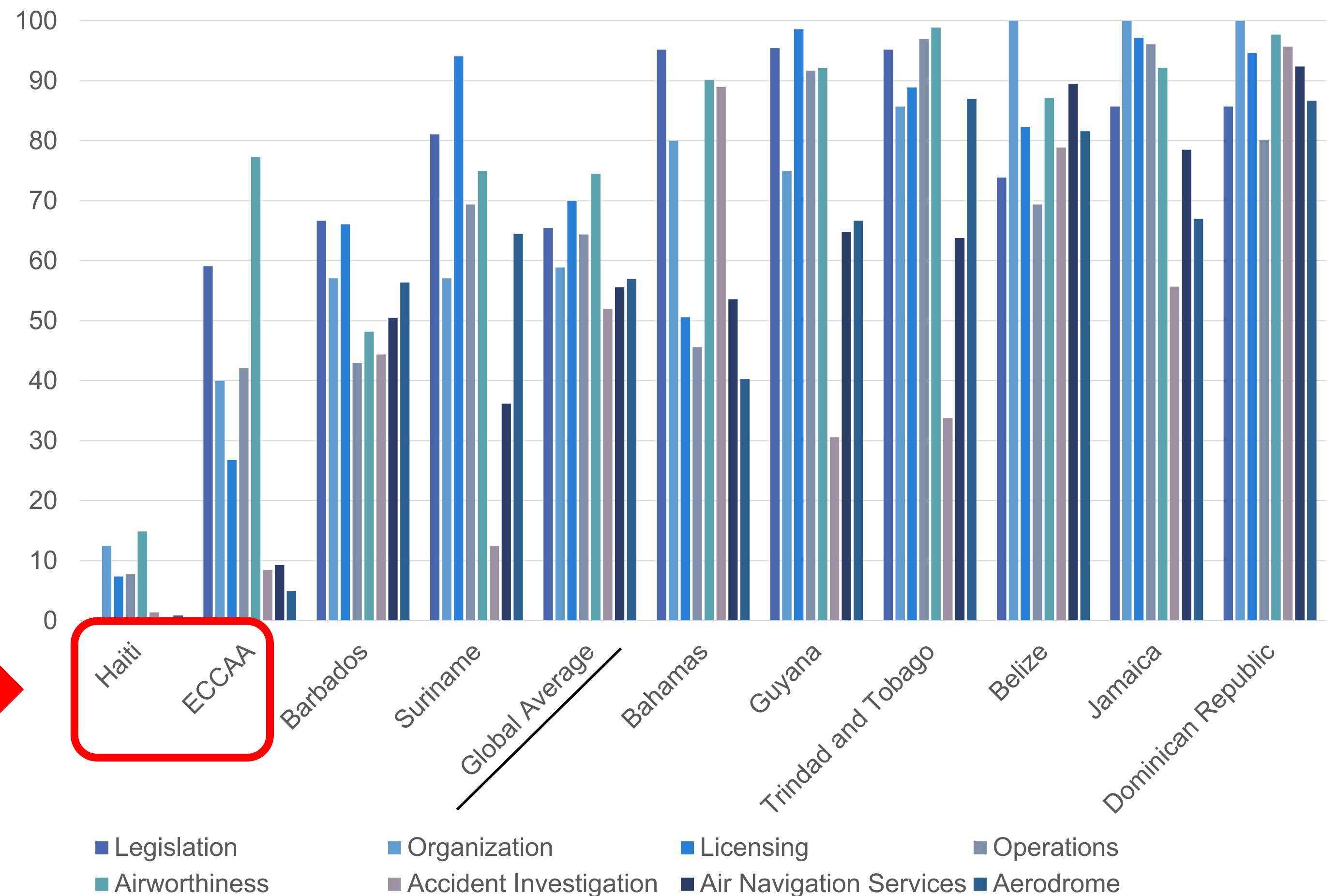
Source: OAG Schedules Analyzer (2024)

# Challenges of Aviation Sector in the OECS

- **Small markets dominated by extra-regional demand** = little leverage to influence demand
- ▶ **Poor financial sustainability** and operations of regional operators and agencies, worsened by COVID-19
- **Natural disaster risk management** and role of aviation in recovery
- **Sub-standard air safety performance**, particularly for aerodromes, air navigation services, and accident investigation
- **Decarbonization measures** ICAO LTAG

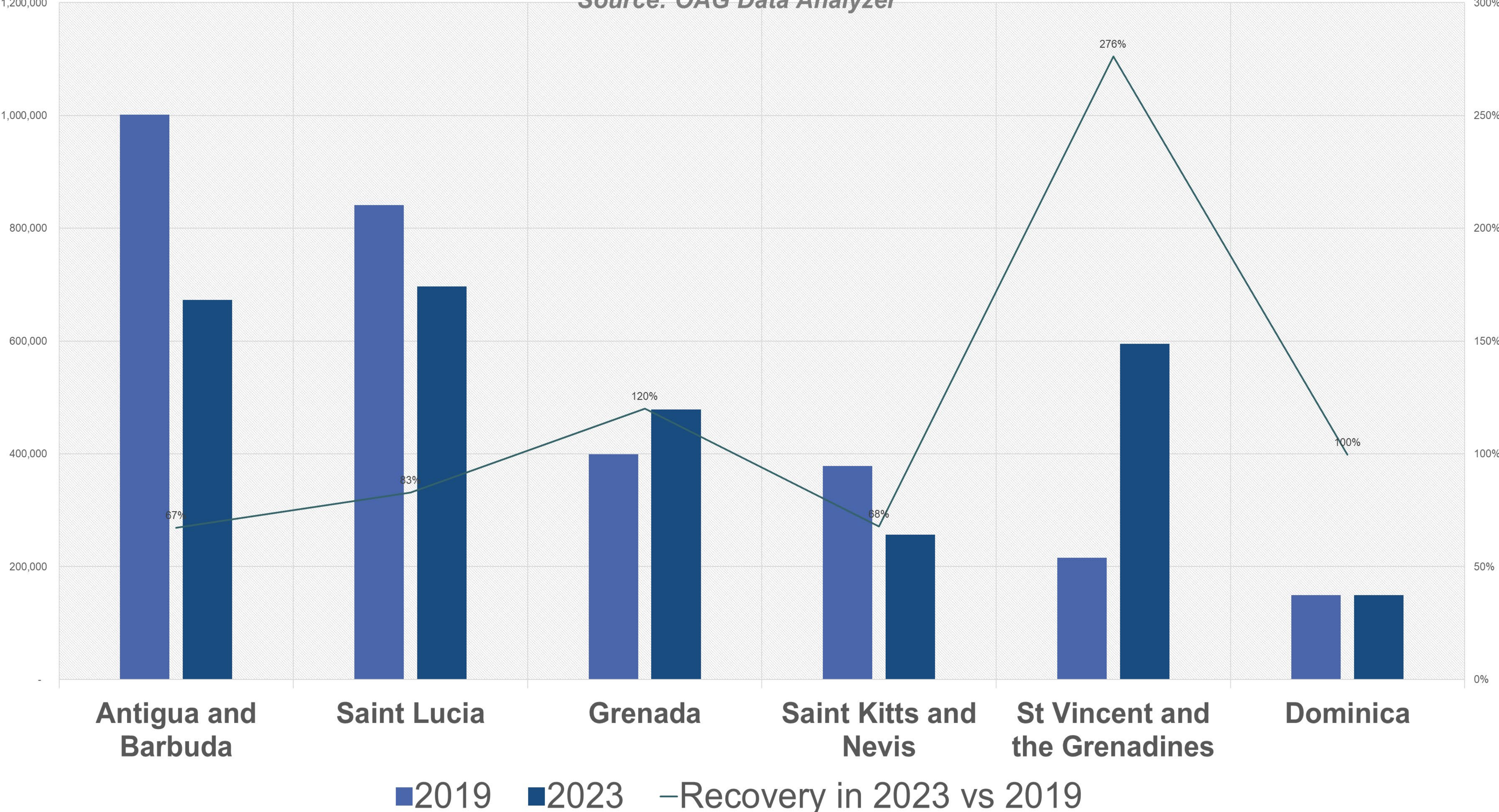
## ICAO USOAP results: Caribbean region vs. Global Average

\*ECCAA = Antigua and Barbuda, Grenada, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines



# Capacity Recovery in the OECS (2019 vs 2023)

Source: OAG Data Analyzer



# Programmatic Advisory and Analytics (in collaboration with ACI – LAC): P-ASA

Raising safety standards at airports -  
ICAO USOAP compliance

Infrastructure improvement and  
upgrades

## 1. SAFETY

Investigating the causes for inefficiency in  
airport terminal

Understanding of airport fees and air  
transport taxes

Financial drain of air service agreements

Liberalization and support of state-owned  
enterprises

Climate resilience

Industry  
commitments to  
decarbonization

Green and energy  
efficient airports

## 2. CLIMATE CHANGE

## 3. EFFICIENCY and FINANCIAL SUSTAINABILITY


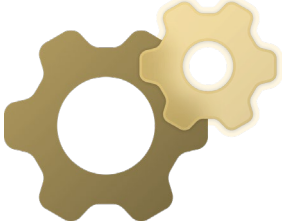

The development objective is to:

- increase understanding of the key drivers of the poor intra-regional connectivity in the Caribbean and
- identify activities in the transport infrastructure, the enabling policy, institutional, and regulatory environment needed to improve intra-regional connectivity in cooperation with ACI-LAC.

# P-ASA activity overview

The development objective is to:

- increase understanding of the key drivers of the poor intra-regional connectivity in the Caribbean and
- identify activities in the transport infrastructure, the enabling policy, institutional, and regulatory environment needed to improve intra-regional connectivity in cooperation with ACI-LAC.

Addressed key challenges	Pillar	Component	timeline	Expected outcome
Small markets and short sector lengths which create a natural hurdle to intra-regional connectivity	<b>REGULATION and POLICY</b> 	Reevaluation of Caribbean Regional Connectivity (country deep-dives): Policy and Regulatory Oversight Frameworks	February 2024 – January 2025	a policy note on improvements (under regional scope)
Aging infrastructure with major rehabilitation needs and with high climate vulnerabilities	<b>INFRASTRUCTURE And TECHNOLOGY</b> 	Assessment of current infrastructure and Technological Innovation instruments for Decarbonization, Resilience, and Connectivity	February 2025 – January 2026	Resilience and decarbonization roadmap (with focus to energy efficient airports and service)
High operating costs for intra-regional travel exacerbated by regulatory impediments, taxes & charges	<b>FINANCIAL SUSTAINABILITY</b> 	Assessment of financial and stakeholder solutions -Fe	February 2026 – January 2027	financial mechanism for PPPs

# World Bank Financial Support: Caribbean Air Transport Connectivity Project **CATCOP**

- **Objective:** Improve safety and climate resilience of targeted airports
- **Activities:** runway rehabilitation, drainage improvement and air navigation systems
- Participating countries and WB commitment:

Haiti	US\$96m
Saint Lucia	US\$45m
Grenada	US\$17m



- + Technical Assistance on Resilience Assessment: Identification of Infrastructure, Regulatory and Financials needs

## CARIBBEAN REGIONAL RESILIENCE BUILDING FACILITY

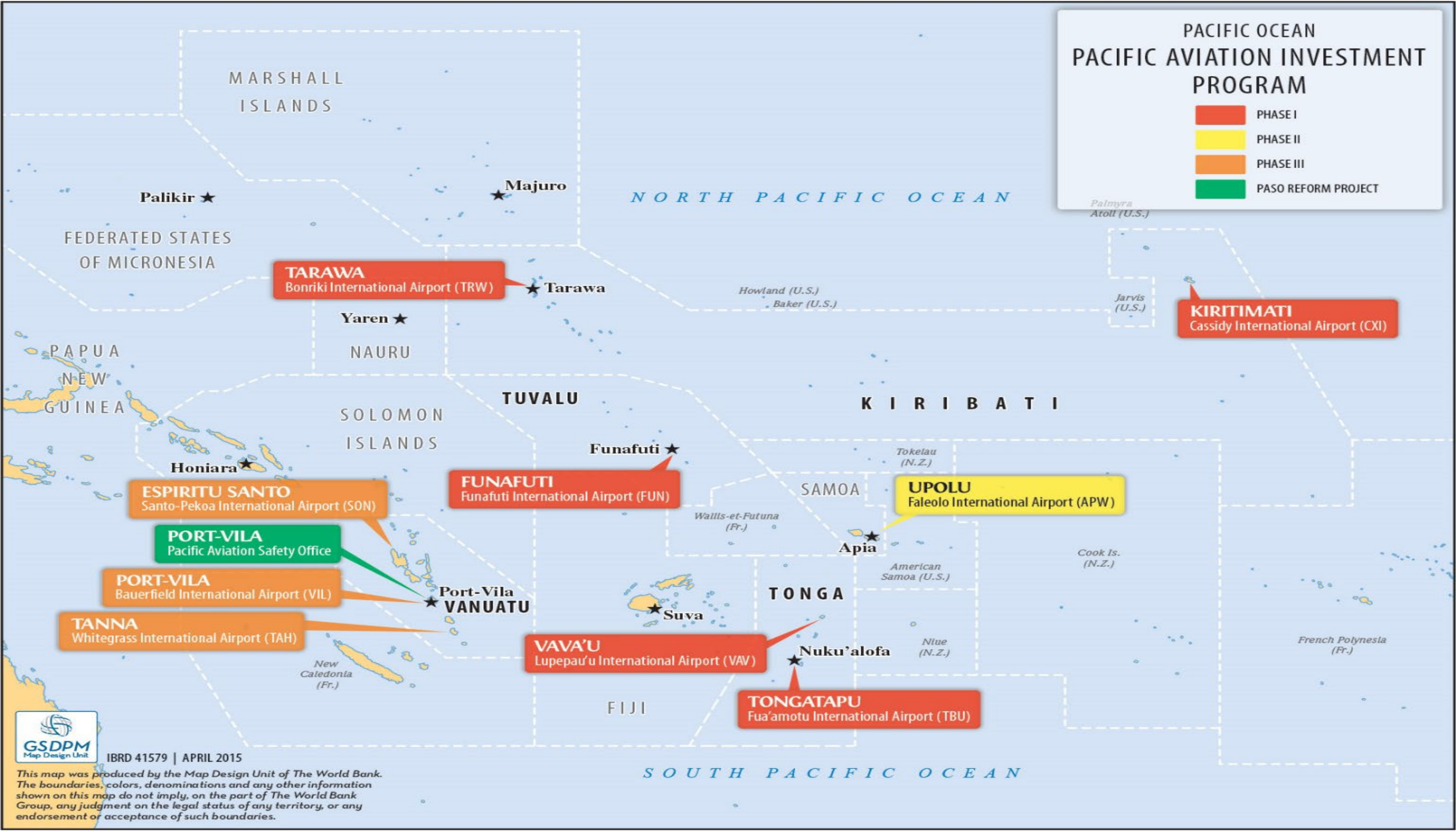


**GFDRR**  
Global Facility for Disaster Reduction and Recovery  
Administered by the World Bank



**THE WORLD BANK**  
IBRD • IDA | WORLD BANK GROUP

# World Bank Financial Support: PACIFIC AVIATION INVESTMENT PROGRAM (PAIP)

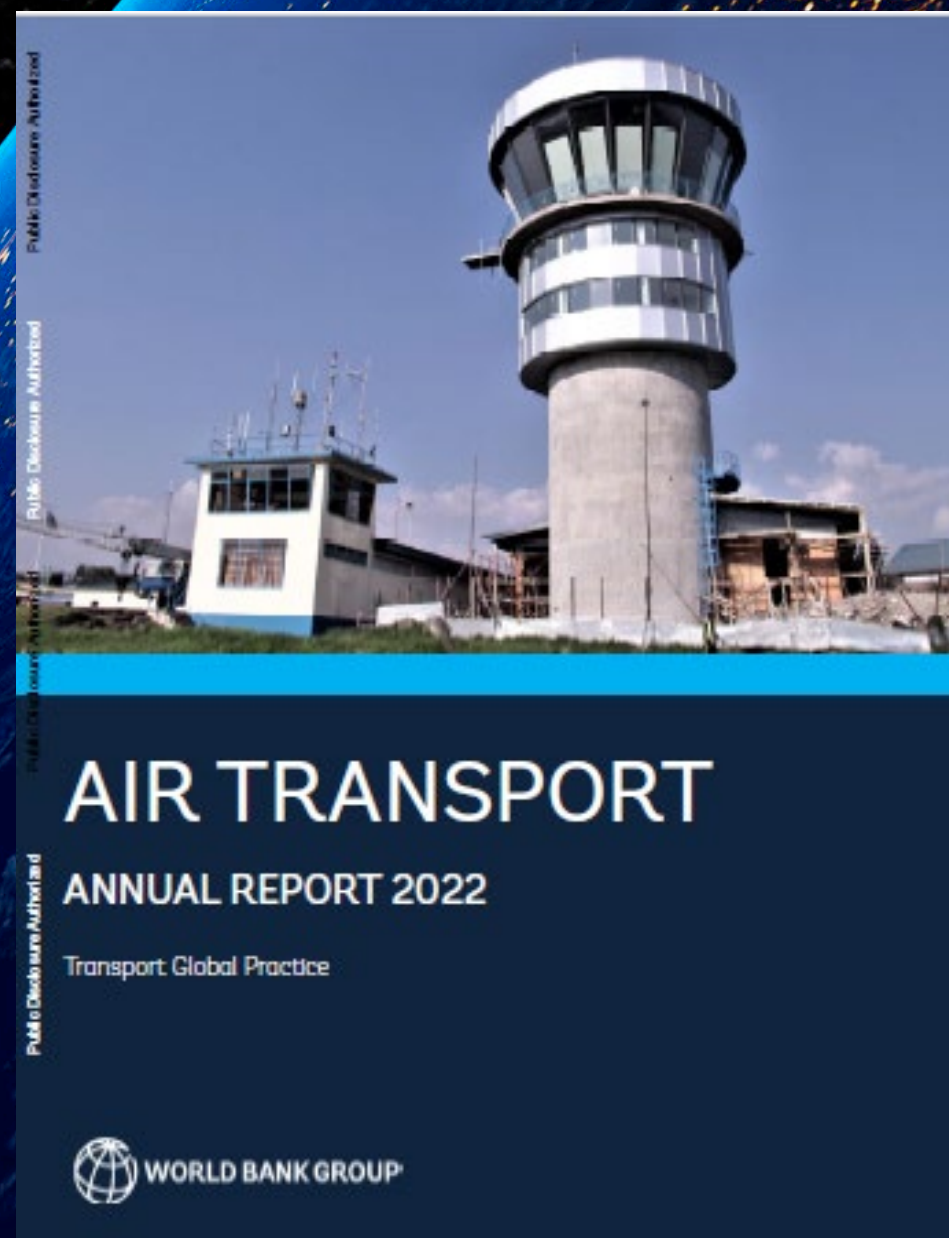


- Kiribati – US\$53.74m
- Tonga – US\$35.02m
- Tuvalu – US\$20.96m
- Samoa – US\$41.92m
- Vanuatu – US\$66.70m
- PASO Reform – US\$3.10m

**US\$221 m Series of Projects**



# THANK YOU!



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**Promoviendo una mayor integración en  
Centroamérica y la República Dominicana  
a través de una conectividad aérea regional más  
inclusiva**

**Resultados y Recomendaciones de un Estudio  
reciente**

**ICAOLACAC NAMCARSAM Capacity-Building Workshop on Economic  
Regulation and Oversight of Air Transportation**