



International Arab Civil Aviation Security Conference

- The Need for Multilateral Development and Assistance in Aviation Security

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The World Bank

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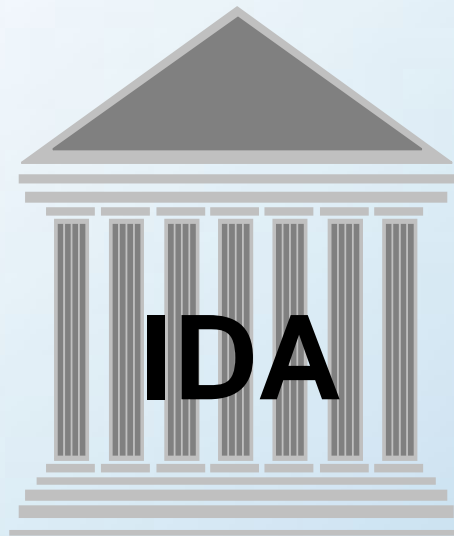


The World Bank Group



IBRD

1945



IDA

1960



IFC

1956



MIGA

1988



ICSID

1966



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World Bank Mission

- **To fight poverty**
- **To help people help themselves and their environment**
- **To be an leading institution in policy and technical advise**





The World Bank Group is One of the World's Largest Sources of Development Assistance

- With only US\$11 billion from shareholders to IDRB, the World Bank has made almost US\$ 400 billion in loans
- Works in more than 100 developing economies
- Is owned by 184 member countries
- Main functions include:
 - ✓ to loan funds (States IDRB/IDA, Private Sector IFC/MIGA)
 - ✓ to provide advice and technical assistance
 - ✓ to serve as a catalyst to stimulate investment in developing countries and countries in transition





World Bank Financial Data

The Air Transport Portfolio

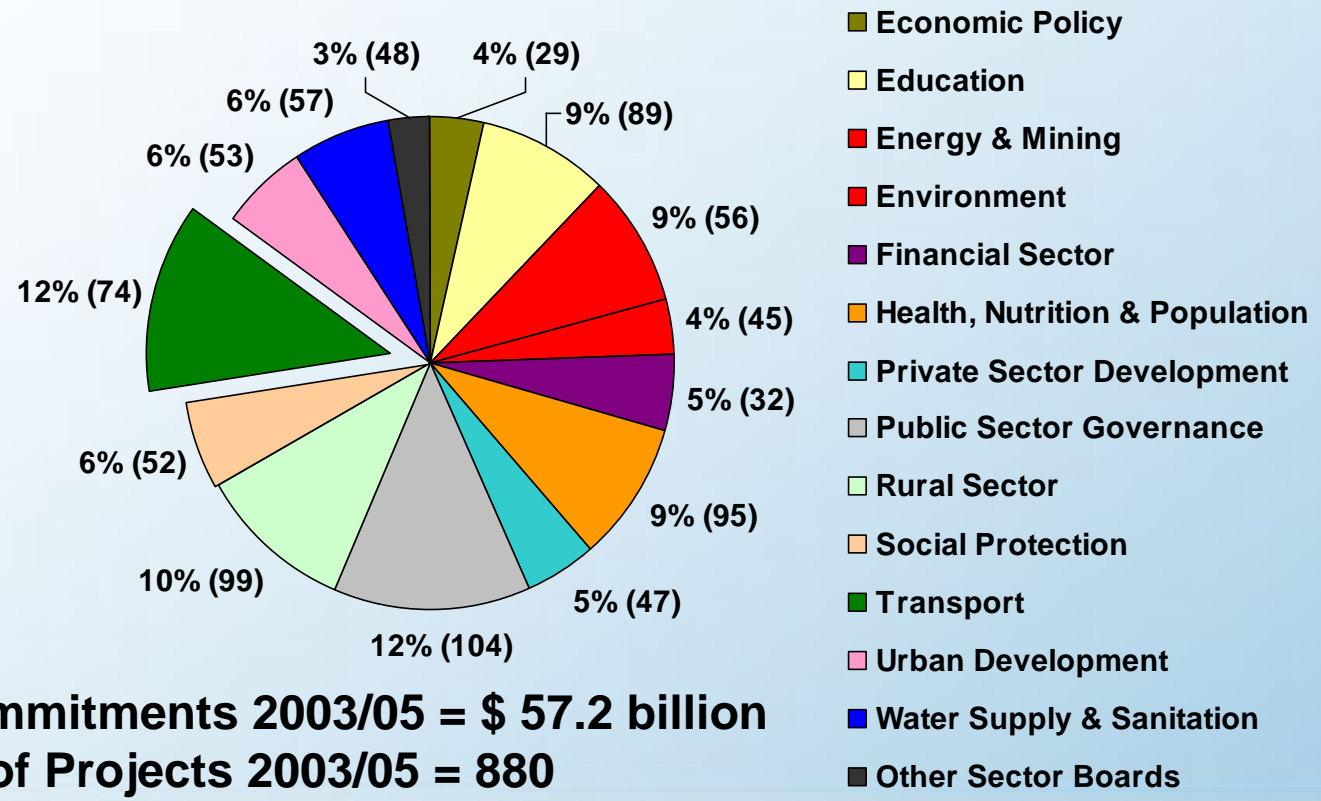
Fiscal Year 05 (in millions USD)	IBRD	IDA	IFC	Total
Loans/Credits outstanding	104,401	120,907	19,274	238,582
Transport Sector	15,660	14,509	1,204	31,373
Air Transport	380	270	275	925
Percent of rows above	15% 2.4%	12% 1.9%	6.2% 23%	13% 2.9%



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World Bank Commitment (%) and Projects by Sector 2003 - 2005



Total Commitments 2003/05 = \$ 57.2 billion
Number of Projects 2003/05 = 880



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Transport Sector Objectives

- **Reduce poverty and increase economic growth by improving access to markets, employment and services**
- **Assist our clients to adjust to new roles for the public and private sectors**
- **Assist our clients to adopt innovative financial and management techniques**
- **Facilitate trade through the removal and/or streamlining of regulations and promoting regional integration**





Air Transport at the World Bank Mission Statement

- **Overall Goal:** Develop safe, secure, reliable, cost-effective and environmentally responsible air transport services to improve accessibility and affordability for all sections of the population, in support of social and economic growth.





Air Transport at the World Bank

Air Transport Focus

- **Policy advice and knowledge transfer**: regulatory reforms (aviation code, regulations), capacity building (CAA), airline restructuring and privatization, commercialization of airport operations.
- **Partnerships**: ICAO, FAA, EU on projects (funding, T/A) and policy implementation.
- **Financing of Infrastructure**: airports, runways, CNS equipment, GNSS, security equipment (fencing etc.)
- **Private Sector Funding**: aircraft acquisition (IFC), foreign investment guarantee (MIGA)





The Air Transport Sector

Priorities for Development

- Infrastructure: Adequate air transport infrastructure as a necessary condition (ICAO SARP)
- CAA Oversight Capacity Building and Equipment
 - Air Transport Safety: not a public health issue, but:
 - High accident rates – high cost (insurance, financing, code sharing)
 - **Air Transport Security**: not law enforcement issue:
 - Non-compliance will hinder access to international markets (USA, Europe)
- Economic Regulation for liberalization, especially for dispute settlement and competition rules





Air Transport Security Example of Threats

Unlawful Seizure of Aircraft

- Serious threat, but countermeasures are increasingly introduced
- Countermeasures: Passenger screening, tarmac access control, Air Marshals, reinforced cockpit doors
- Incidents: Comoros Islands Nov. 1996, USA September 11, 2001

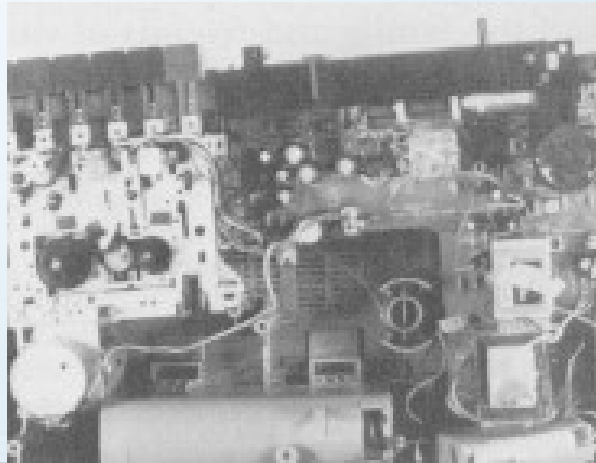




Air Transport Security Example of Threats

Explosives on Board of Aircraft

- Increasingly serious threat, as new examples show since 9/11
- Countermeasures: access control, tarmac surveillance, cargo and passenger screening and inspection, haul baggage inspection



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Air Transport Security Example of Threats

Explosives on Board of Aircraft

- 20 reported explosions on board with 1151 fatalities since 1981

13-Oct-81	Boeing 737	Air Malta	0	Egypt	29-Nov-87	Boeing 707	Korean Air	115	sea
12-Dec-81	Boeing 727	Aeronica	0	Mexico	17-Aug-88	Lockheed C130	Pakistan	37	Pakistan
11-Aug-82	Boeing 747	Pan Am	1	USA	21-Dec-88	Boeing 747	Pan Am	259	U.K.
23-Sep-83	Boeing 737-200	Gulf Air	112	U.A.E.	9-Jul-89	Shorts 330	Short Brs	0	U.K.
10-Mar-84	DC-8	UTA	0	Chad	19-Sep-89	DC-10	UTA	171	Niger
9-Mar-85	Lockheed L1011	Jordanian	0	U.A.E.	27-Nov-89	Boeing 727	Avianca	107	Colombia
23-Jun-85	Boeing 747	Air-India	329	Atl. Ocean	28-Nov-89	Shorts 360	Brothers	0	U.K.
30-Oct-85	Boeing 727	American	0	USA	18-Mar-91	Ilyushin 86	Aeroflot	0	Russia
2-Apr-86	Boeing 727	TWA	4	Greece	10-Dec-94	Boeing 747	Air Lines	1	Japan
3-May-86	Lockheed L1011	Air Lanka	14	Sri Lanka	9-Jul-97	Fokker 100	TAM	1	Brazil



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Air Transport Security Example of Threats

Surface to Air Missiles (SAM)

- Serious threat, but less likely (training, higher maintenance)
- Supply: 750,000 shoulder-fired missiles in the World
- Countermeasures: border control, area surveillance, intelligence
- Incidents: Mombassa November 2002, Baghdad December 2003



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Air Transport Security Example of Threats

Rocket Propelled Grenade Launcher (RPG)

- Very serious threat, and quite likely (great supply, very cheap)
- Countermeasures: access control, perimeter surveillance
- Incidents: Nairobi May 2003



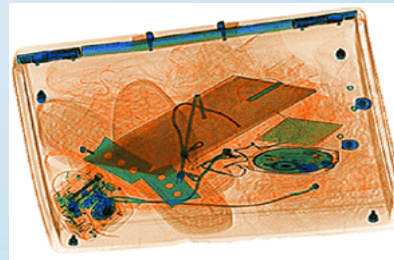


Air Transport Security Consequences

Challenge for Developing Countries

- Non compliance will seriously hinder benefits and the development of air transport industry
- Need for Technical Assistance and Training
- Investments in Infrastructure and Equipment
- Condition: Political Will & Good Governance

X-ray inspection



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Regional Air Transport Projects

The solution for many smaller countries

Worldwide liberalization of air transport and increased safety and security responsibilities require for many states to consider a regional approach:

- Economic regulation: harmonization, competition rules, dispute settlement etc., regulatory body
- Safety & Security Oversight: capacity building at national level and regional safety programs (COSCAP) leading to safety agency (ACSA)





Regional Air Transport Projects Possible Set-Up

Regional (Agency)

- Existing organization funds with income (e.g. COCESNA)
- Grant of international organization (IDB, WB)
- Bilateral support (FAA, EU)
- Challenge: Establish a sustainable mechanism for long-term funding (e.g. air navigation fees)

National (CAA)

- Allocation of public funds and income of operations (landing/ air navigation fees)
- Loans of international organization (IDB, WB)
- Bilateral support (FAA, EU)
- Challenge: Establish permanent allocation of public funds





Conclusions

- The World Bank Group supports air transport projects in developing countries with grants and loans
- Air transport safety and security, two crucial factors, must be addressed on both a regional and a national level
- Funding for the establishment of regional agencies as well as support for national CAAs is available from international organizations and bilateral partners
- The main objective remains long-term self-sustainable funding by public and operational income

