



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 23-May-2019 | Report No: PIDC27136



BASIC INFORMATION

A. Basic Project Data

Country St. Lucia	Project ID P170860	Parent Project ID (if any)	Project Name Caribbean Regional Air Transport Connectivity Project - St. Lucia (P170860)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Apr 01, 2020	Estimated Board Date Jun 18, 2020	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service	Implementing Agency Minister for Economic Development, Housing, Urban Renewal, Transport and Civil Aviation, Ministry of Infrastructure, Ports, Energy and Labour, Saint Lucia Air and Sea Ports Authority	

Proposed Development Objective(s)

The Project Development Objective is to improve air transport safety in compliance with international and regional standards and enhance resilience of airport infrastructure to natural disasters.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	45.00
Total Financing	45.00
of which IBRD/IDA	45.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	45.00
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IDA Credit	45.00
Environmental and Social Risk Classification Moderate	Concept Review Decision Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

Saint Lucia, an upper-middle income small island Caribbean state with a gross national income per capita of US\$11,370 (2016) and a population of 178,000 (2016), has been challenged by relatively low levels of economic growth and high unemployment since 2011. Given its geographic location and topography, Saint Lucia is highly exposed to hydro-meteorological and geological hazards and the impacts of climate change, which have significant negative impacts to its economic stability and social development gains. According to the Global Climate Risk Index 2018, Saint Lucia is among the top high-risk countries in the world, ranking 18th globally in terms of vulnerability of its GDP to weather-related losses from 1997 to 2016.

The tourism sector is the largest source of employment, income and foreign exchange in the country. International tourist arrivals in St. Lucia has increased significantly since the 2007-2008 global financial crisis from a level of 278,000 in 2009 to 348,000 in 2016¹. During the same year, the tourism sector is estimated to have contributed up to 40 percent of GDP and 47 percent of employment through direct, indirect and induced contributions (World Travel and Tourism Council 2017). These figures are projected to increase going forward, reaching over 50 percent of GDP and 60 percent of jobs by 2027. However, such improvement may be affected by the tourism industry’s vulnerability to extreme weather events and airport infrastructure is a binding constraint on increasing arrivals in the country.

Sectoral and Institutional Context

The existing two airports in St Lucia are vital for the regional movement of people and goods and for the tourism sector. The island has two airports: Hewanorra International Airport (HIA), which is the main airport located in the south of the island, and George FL Charles Airport (SLU), which provides regional connectivity to Saint Lucia’s closest neighbors from the capital city of Castries in the north. Together, they account for commercial air travel non-stop services to 21 international destinations. SLU complements HIA long-haul service by providing regular regional scheduled service. The coexistence of the two airports improves the island’s

¹ <https://data.worldbank.org/indicator/ST.INT.ARVL?locations=LC>



resilience to major climatic hazard. (Annex 1). The Department of Civil Aviation of the Ministry of Economic Development, Housing, Urban Renewal, Transport and Civil Aviation is the responsible entity for aviation policy and regulation in St. Lucia. Most of its prerogatives on air transport regulation are delegated to the regional Eastern Caribbean Civil Aviation Authority (ECCAA) who notably undertakes the airport certification processes. Regarding airport operations, Saint Lucia Air and Sea Ports Authority (SLASPA) is responsible for the administration of both airports and reports to the Ministry of Infrastructure, Ports, Energy, and Labor.

Airport infrastructure is limited and highly vulnerable to natural disasters and climate change, leading to a lack of efficiency and substantial safety, operational and logistical challenges. The pavement of HIA's runway is in poor condition and the instrument approaches are non-precision², which limit arrivals in poor meteorological conditions resulting in aircraft arrival delays and periodic diversions to alternate airports. Also, certain ICAO safety standards, such as those related to pavement condition and runway end safety areas (RESA) are not being met. While SLU is much better located with respect to the capital and major population / tourism centers, it is smaller than HIA and non-compliant with several ICAO safety standards such as runway shoulders and RESAs. Further, it is directly exposed to the sea increasing risk to availability during and after severe meteorological conditions.

Aviation safety concerns still remain in both airports and will not be addressed under the ongoing government program. The Government of Saint Lucia (GoSL) has commissioned the preparation of a master plan for HIA. The current draft of the master plan prioritizes the expansion of the airport through the construction of a new main terminal, air traffic control tower, taxiways, and an extended aircraft parking apron. However, due to financial constraints, the plan does not include certain airfield safety improvements necessary to comply with ICAO standards.

The proposed project fits within this coordinated sectorial effort, complementing existing activities by addressing observed safety and resilience infrastructure deficiencies at St. Lucia's airports with a particular focus on the airfield and aircraft operations and (ii) management and operations capacities of SLASPA and Department of Civil Aviation.

Relationship to Higher Level Objectives

The proposed project is aligned with the Regional Partnership Strategy (RPS) for the Organization of Eastern Caribbean States (OECS) for the period FY15-19. It supports the realization of the RPS overall strategic goal – to support the OECS in laying the foundations for sustainable inclusive growth – by increasing competitiveness and resilience in St. Lucia and, more specifically, by contributing to the achievement of the following outcomes: (i) Outcome 1 (Improved investment climate), through improvements in transport connectivity, (ii) Outcome 2 (Increased tourism benefits with stronger linkages to agribusiness) by enhancing the quality and standard of airport infrastructure which is an essential component for growth in tourism and its spillover effect on agriculture, and (iii) Outcome 9 (Increased capacity to manage natural hazards) by supporting the GoSL to better

² Area navigation (RNAV), Very high-frequency Omnidirectional Range (VOR), and Non-directional beacon (NDB),



manage the impact of shocks and adapt to changing circumstances through the improvement of resilience in airport infrastructure and systems.

This project will support the extensive and long-running regional agenda for improving overall air transport connectivity and resilience through a regional Series of Projects (SOP) approach. Several countries, including Haiti, Dominica, and St. Lucia, have agreed on the common objective toward improving air transport connectivity and resilience and are seeking IDA financing for targeted country-specific critical investments and technical assistance related to airport infrastructure, safety, and resilience. The proposed SOP regional approach can effectively address key operational, regulatory, safety, and resilience challenges across the region in a uniform manner rather than having a single country focus, which is critical to success. In addition, such an approach will allow to manage effectively preparation and implementation of these projects under the common regional-level objective with different local contexts of each participating country based on potentially different preparation and implementation timelines.

C. Proposed Development Objective(s)

The Project Development Objective is to improve air transport safety in compliance with international and regional standards and enhance resilience of airport infrastructure to natural disasters.

Key Results (From PCN)

- a) Number of international and regional air transport safety standards complied with
- b) Improved HIA runway surface condition (yes/no)
- c) Number of aircraft arrivals using ILS precision approaches
- d) Number of diverted aircraft due to inclement weather
- e) Airport with improved drainage (yes/no)

D. Concept Description

1. Description

The project will support targeted and coordinated investments to address the most critical observed safety and resilience deficiencies at St. Lucia's airports with a particular focus on (i) the airfield and aircraft operations and (ii) strengthening the capacity of SLASPA and Department of Civil Aviation. Further, given the HIA master planning effort is ongoing, the project focuses only on urgent safety and resilience improvement opportunities that are compatible with any feasible master plan.

The proposed Project would comprise three components: Component 1 – Improvement of the HIA runway's resilience and operational safety; Component 2 – Improvement of St. Lucia's air traffic safety; Component 3 – Capacity Building and Project Management. The Project cost is estimated at US\$45 million.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The environmental and social risk classification of the project is moderate under the World Bank Environmental and Social Framework based, on the nature and scale of the project intervention and client capacity. The proposed physical work -described in the project’s concept note-is mainly focused on improvement of existing facilities, including existing airport runway and emergency rooms at the airport. The project locations are within urbanized and developed areas with restricted access, thus minimizing community health and safety risks. Project activities are expected to be site-specific (occurring uniquely within the current demarcations of airports.) Minimal impact to areas outside the airport perimeter is foreseen.

The main environmental and social risks of the project are: i) from erosion and sedimentation that could impact off-site coastal and marine habitat -the terrain is flat at the work sites and there are standard construction protocols and operations design parameters to address these risks. ii) Some risks associated to labor influx may exist -an estimate of some 20-50 workers for the resurfacing of airport runway may take place, as well of the possible use of primary supplier to provide raw materials like sand and that may need some type of due diligence, to prevent the use of child labor, iii) Gender parity in the labor market in St. Lucia reflect that women’s mean compensation is 10 percent lower than men.; female employees are also highly concentrated in traditionally female-dominated occupations, and 25 percent of female employees are not compensated at all for working overtime, compared to 16 percent of male employees. If the project doesn’t address properly gender parity in projects work, it could exacerbate gender disparities.

Measures to mitigate the potential risks and impacts will be included in the Environmental and Social Management Plan (ESMP.)The relevant environmental and social instruments will be incorporated into the Environmental and Social Commitment Plan (ESCP) and to ensure project compliance with the Environment and Social Standards and the World Bank Group (WBG) Environmental, Health and Safety (EHS) Guidelines. Among other instruments, the project will implement labor management procedures, Occupational Health and Safety (OHS), a grievance mechanism for workers as well as due diligence to prevent the use of all forms of forced labor and child labor. The ESMP will also address pertinent measures to strengthen women participation in projects activities, including aspects of gender pay gap and compensation for working over time.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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APPROVAL

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