



STRATEGIC MASTER PLAN FOR THE TCIAA

B.1. TCIAA role, functions and organisational structure

October 2024

ALG



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Objectives

- The objective of this report is **to define a strategic framework for the TCIAA given the transformation that the entity will have to undergo in the short-term—as the Providenciales Airport begins its PPP process—and provide a set of tools to ensure the sustainability of the Authority in the long-term**, as it retains ownership of the remaining airports and responsibility over the PLS privatization process. The strategic path to follow will be developed in the following blocks
 1. **Analysis of the current situation of the TCIAA**: Assessment of the current organization, its objectives, the governance model and financial state of the Authority, as well as its legal bases & ordinances
 2. **Identification of best-practices and gap analysis**: The TCIAA operational model, organization and governance model will be benchmarked against regional and global best-practices, with the aim of understanding any gaps that the Authority’s current organization may have
 3. **TCIAA 2.0 and PPP Monitoring Unit**: A redefined strategy for the TCIAA will be laid out considering the conclusions of the gap analysis and the key items needed in this post-PPP phase, where the TCIAA will have less operational depth, but will have direct oversight over the private operator of PLS; for this matter, the creation of a PPP Monitoring Unit will be detailed, and its roadmap also outlined
 4. **Meteorological Strategic Master Plan**: Assessment of the current TCIAA Meteorological Department followed by an overview of the Strategic Plan for the National Meteorological Services to define the strategy that the TCIAA will follow to offer an independent Meteorological Service as a new institution
- The roadmap outlined in this report is a **preliminary strategic assessment and shall be adapted to the circumstances of the PPP process once it is fully defined** and ready to be launched. The transition period of the PPP Monitoring Unit is key, and the **support of an external advisor is strongly encouraged** to ensure the strategy and capacity building elements are carried out successfully

Content

Analysis of the current situation of the TCIAA

Identification of best-practices in the region and gap analysis

Definition of the TCIAA 2.0 and PPP Monitoring Unit

Meteorological Strategic Master Plan



The TCIAA is the airport governing body and air navigation service provider of the TCI, owning and operating 6 airports across the Territory

TCIAA - History and overview



The **Turks and Caicos Islands Airport Authority (TCIAA)** is the main airport governing body and the air navigation service provider in the Turks & Caicos

2005 – Establishment

The TCIAA was created after **The Airports Authority Ordinance (Ord.11 of 2005)** with the aim of having a Government entity that would **construct, control and manage the TCI airports**, including their maintenance

2010-11 – Purchase of Providenciales Airport Company

The TCIAA acquired **full ownership of Providenciales Airport Company (PAC), the former owner of PLS and GDT airports**; this was done by transferring the Govt's 35% share, and buying the remaining 75% for 30M USD

2022-present – PPP and Strategic Master Plan

In 2022 the TCIAA launched a redevelopment project initiative for PLS under a Public-Private Partnership (PPP) scheme; this will transform the TCIAA, which is developing a Strategic Master Plan to define its long-term way forward

Airports under TCIAA Ownership



**Providenciales
Howard Hamilton Int'l**
PLS - MBPV



**Salt Cay
Henry Leon Wilson**
SLX - MBSY



**Grand Turk
JAGS McCartney Int'l**
GDT - MBGT



**North Caicos
Clifford Gardiner Int'l**
NCA - MBNC



**South Caicos
Norman B. Saunders
Sr. Int'l**
XSC - MBSC



**Middle Caicos
Eric Arthur Airport**
MDS – MBMC
(closed)

- With over 400 employees, **the TCIAA owns and operates 6 airports within the Turks and Caicos Islands** (PLS, GDT, XSC, SLX, NCA and MDS), and **provides air navigation services for the low-level airspace** above the Territory
- Under the TCIAA Airports Authority Ordinance, **the TCIAA has a set of functions that involve the operation and maintenance of all airports** under its control, in addition to the provision of rescue and firefighting services, meteorological services, guaranteeing ICAO compliance, fee collection, and air navigation services provision
- The TCIAA works alongside the TCI Civil Aviation Authority (TCICAA, regulatory body) **towards the development and growth of the air transport sector in the Turks and Caicos**, albeit with **independent functions**, allowing a regulatory and operational separation of powers within the aviation sector

While the TCI Airport Authority serves as an airport (and airspace) operator, the TCI Civil Aviation Authority provides regulatory oversight

Characterization of the TCIAA and the TCICAA

TCI Airports Authority



- Its main objective is to **provide world class airport operations as owner & operator of most of the airports** within the TCI, while also **providing air navigation services on the lower airspace** of the TCI
- It is **governed by the TCI Airports Authority Ordinance**, which was first instituted in 2005, and which devises the **operational and service provision functions of the body**
- The TCIAA owns, manages and operates airports, and provides air navigation services **under the regulatory frames of the TCICAA**, the Overseas Territories Aviation Requirements (OTARs), and ICAO
- The entity is **governed by an 8-member Board of Directors, which reports to the Ministry of Immigration and Border Services** (also in charge of the Airport Authority and Civil Aviation Authority)
- **The TCIAA has its home offices adjacent to Providenciales Airport**, having relocated from Grand Turk in 2007



TCI Civil Aviation Authority



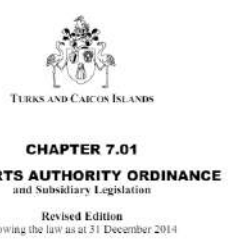
- **It is the body responsible for aviation regulatory oversight in the TCI**, specifically regulating and licensing aerodromes, aviation personnel, aircraft maintenance organizations, issuing AOCs, and conducting airworthiness surveys
- It is **governed by the TCI Civil Aviation Authority Ordinance**, which was first instituted in 2005, and which **lays out the regulatory functions of the body** and their compliance with ICAO regulations
- The **regulatory frame of the TCICAA is instituted within the UK's Air Navigation (Overseas Territories) Order**, with requirements laid out in the Overseas Territories Aviation Requirements (OTARs)
- **The TCICAA is governed by a 4-member Board of Directors**, which reports to the Ministry of Immigration and Border Services
- **Its home office is in Grand Turk island**, next to the Government seat, but it also has a satellite office in Providenciales Airport

The TCI Airport Authority executes its functions under oversight of the TCI Civil Aviation Authority, which is also in charge of licensing personnel, aircraft maintenance organizations, and issuing AOCs, among others

The functions and capabilities of the TCIAA are defined by the Airports Authority Ordinance; nevertheless, there are other relevant legislations

Legislations relevant to the TCIAA's functions

1



CHAPTER 7.01
AIRPORTS AUTHORITY ORDINANCE
and Subsidiary Legislation

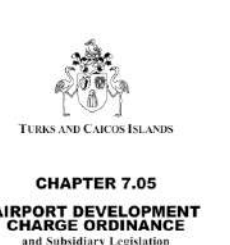
Revised Edition
showing the law as at 31 December 2014

This is a revised edition of the law, prepared by the Law Revision Commission under the authority of the Revised Edition of the Laws Ordinance.

This edition contains a consolidation of the following laws—

AIRPORTS AUTHORITY ORDINANCE	Page
Ordinance 11 of 2005 ... in force 24 May 2006 (L.N. 10/2006)	5
Amended by Ordinances:	
2 of 2007 ... in force 11 May 2007	
2 of 2009 ... in force 1 May 2010 (L.N. 2/2010)	
10 of 2009 ... in force 18 September 2009 (L.N. 26/2009)	
11 of 2010 ... in force 23 April 2010	
AIRPORTS AUTHORITY (LANDING, PARKING AND AIR NAVIGATION FACILITIES FEES) REGULATIONS – Sections 29 and 37	25
Legal Notice 14/2008 ... in force 1 July 2008	
AIRPORTS AUTHORITY (AIRPORTS USE) FEES – Section 37	15
Legal Notice 4/2010 ... in force 9 April 2010	
AIRPORT AUTHORITY (SECURITY CHARGE) REGULATIONS – Section 37	37
Legal Notice 5/2010 ... in force 9 April 2010	

2



CHAPTER 7.05
AIRPORT DEVELOPMENT CHARGE ORDINANCE
and Subsidiary Legislation

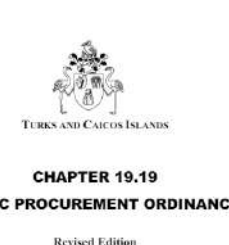
Revised Edition
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This edition contains a consolidation of the following laws—

AIRPORT DEVELOPMENT CHARGE ORDINANCE	Page
Ordinance 2 of 2009 ... in force 1 May 2010 (L.N. 2/2010)	3
Amended by Ordinance 14 of 2010 ... in force 1 May 2010	
AIRPORT DEVELOPMENT CHARGE REGULATIONS – Section 10	7
Legal Notice 3/2010 ... in force 1 May 2010	

3



CHAPTER 19.19
PUBLIC PROCUREMENT ORDINANCE


Revised Edition
showing the law as at 31 December 2014

This is a revised edition of the law, prepared by the Law Revision Commission under the authority of the Revised Edition of the Laws Ordinance.

This edition contains a consolidation of the following laws—

PUBLIC PROCUREMENT ORDINANCE	Page
Ordinance 53 of 2012 ... in force 1 November 2012 (L.N. 31/2012)	2
Amended by Legal Notice 65/2012 ... in force 16 November 2012	
Amended by Ordinance 7 of 2013 ... in force 24 May 2013 (L.N. 22/2013)	

4



CHAPTER 19.18
PUBLIC FINANCE MANAGEMENT ORDINANCE
and Subsidiary Legislation

Revised Edition
showing the law as at 31 March 2021

This is a revised edition of the law, prepared by the Law Revision Commission under the authority of the Revised Edition of the Laws Ordinance.

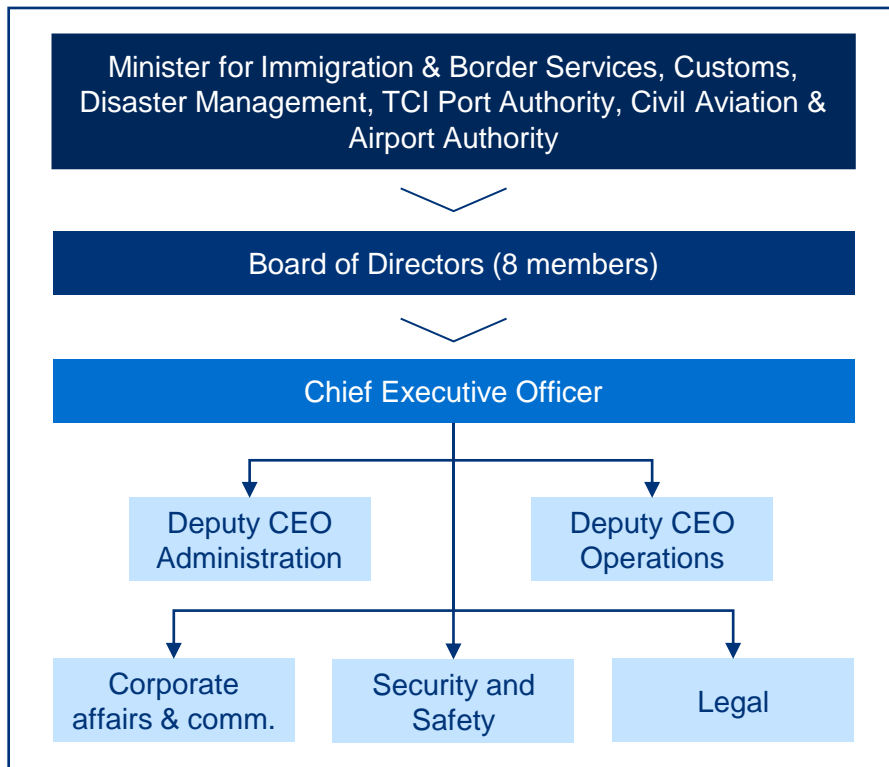
This edition contains a consolidation of the following laws—

PUBLIC FINANCE MANAGEMENT ORDINANCE	Page
Ordinance 6 of 2012 ... in force 1 April 2012	3
Amended by Ordinances:	
9 of 2010 ... in force 24 March 2010	
10 of 2017 ... in force 25 September 2017 (L.N. 22/2017)	
4 of 2018 ... in force 26 March 2018 (L.N. 10/2018)	
PUBLIC FINANCE MANAGEMENT REGULATIONS	55
Legal Notice 48/2012 ... in force 29 September 2012	
Amended by Legal Notices:	
25/2013 ... in force 31 March 2013	
14/2016 ... in force on publication 4 March 2016	
(except Regs. 1 and 5 in force 1 April 2016)	
59/2016 ... in force on publication	
36/2019 ... in force on publication 18 October 2019	
121/2020 ... in force on publication 19 December 2020	

- 1** The **Airports Authority Ordinance** defines the functions of the TCIAA and establishes the powers of the entity, as well as the regulations pertaining to the fees charged by the Authority; **it is the legislation that guides every step of forward of the TCIAA**
- 2** The **Airport Development Charge Ordinance** is the regulation that **enables a charge to be levied, collected and paid to the Authority for every international passenger departing Providenciales Airport**, with the purpose of having fund for the airport's development
- 3** The **Public Procurement Ordinance** regulates the procurement of goods and services by the Govt. and all public bodies of the TCI; in this regard, this document outlines **the process that all goods & services to be contracted/purchased by the TCIAA must undergo prior to their purchase/execution**
- 4** The **Public Finance Management Ordinance** is a piece of legislation that governs and manages the public finances in the Territory. Given that all TCIAA revenues/costs are public, **the standards for budgeting, accounting, expenditure, revenue collection, auditing, etc., must adhere to this legislation**

The TCIAA has an 8-member Board of Directors that oversees the execution of the policy and general administration of the entity's affairs

Organizational chart of the TCIAA's governance



The Ministry in charge of the TCIAA is the **ultimate entity responsible for the correct operation and management** of the TCIAA; it **appoints the board of directors and provides its members the faculties** to carry out the entity's mandated functions

The Board of Directors has 8 members (a Chairman, the CEO of the TCIAA, and 6 other Directors), and **is responsible for carrying out the policy and general administration** of the TCIAA's affairs

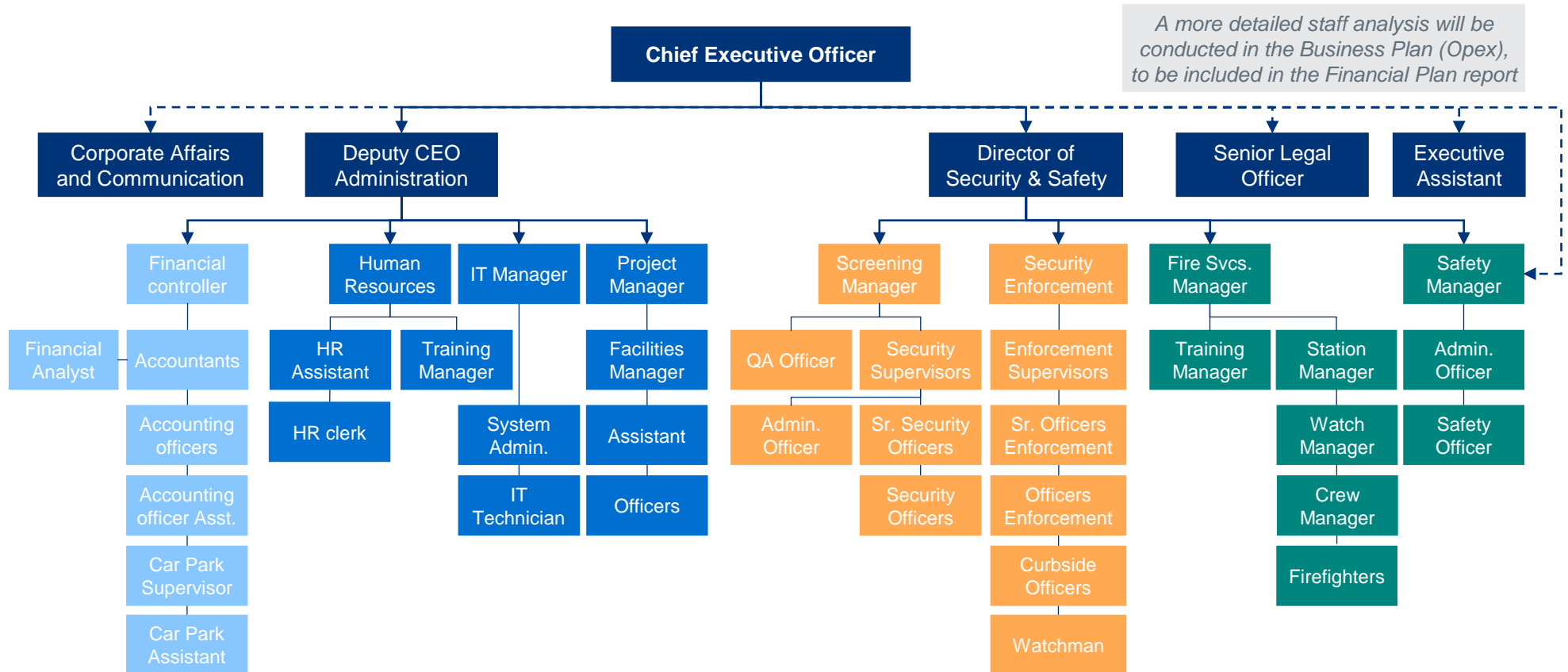
The TCIAA's staff **directly executes TCIAA's mandates** as per the Airports Authority Ordinance. The functions of the TCIAA include:

- **Manage the operation of the 6 airports** under its control and their respective development/redevelopment plans
- **Maintain runways, taxiways, aprons, terminals** and other facilities of the airports under its control
- **Provide air navigation services** in the TCI
- **Provide rescue and firefighting services** for its airports
- **Provide facilities for the exercise of the Govt.** regulatory powers
- **Collect all approved fees and charges**
- **Ensure ICAO compliance** of the airports under its control

The TCIAA's staff directly executes the TCIAA's mandates as per the Airports Authority Ordinance, and is run by the CEO (who is also a member of the Board of Directors) and two Deputy CEOs

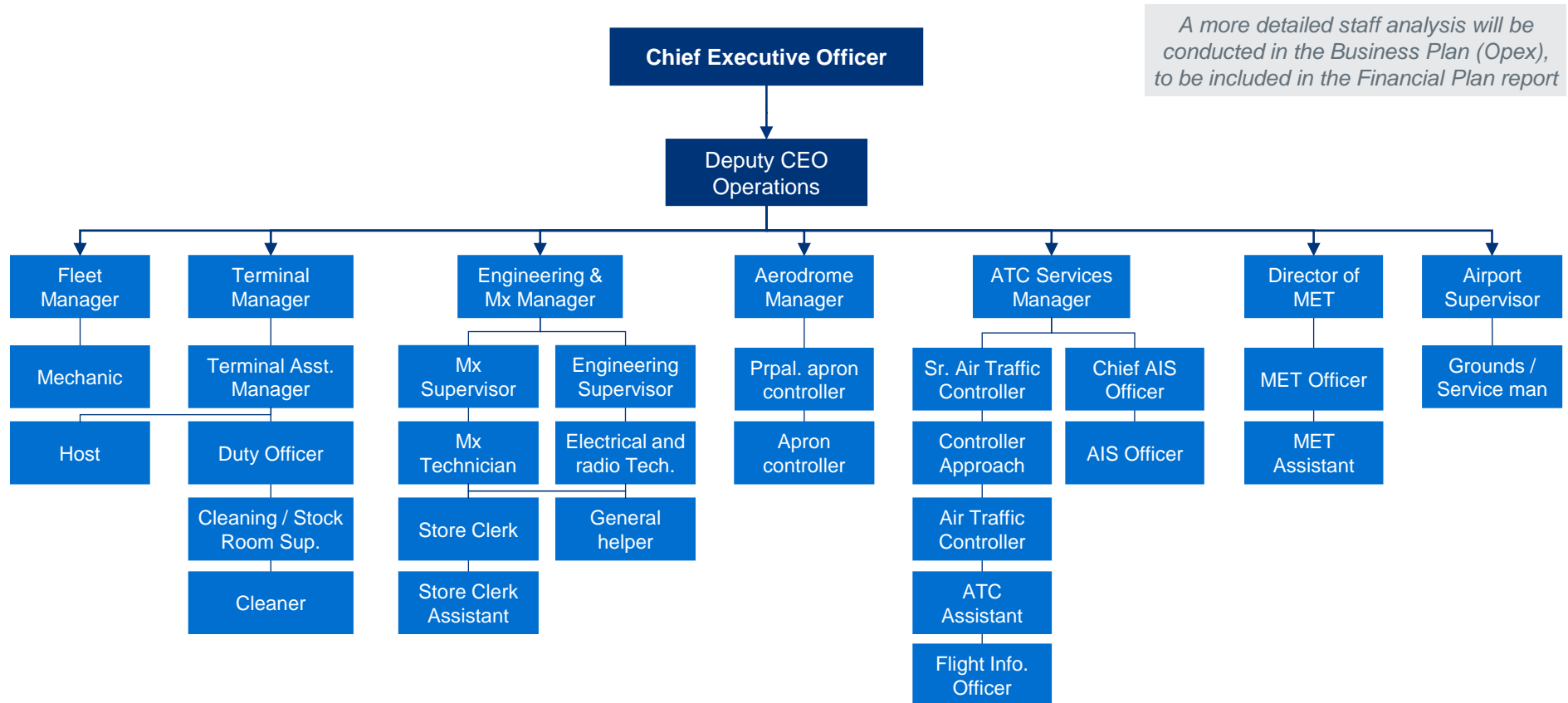
The TCIAA has two Deputy CEOs (Admin. and Operations), and parallel departments for Corporate Affairs, Safety & Security and Legal (1/2)

TCIAA Organizational Chart (General Administration and Safety/Security)



The TCIAA has two Deputy CEOs (Admin. and Operations), and parallel departments for Corporate Affairs, Safety & Security and Legal (2/2)

TCIAA Organizational Chart (Operations)



With a total income of 44M USD in 2019, and total costs of 18M USD, the TCIAA obtained an EBIT of 25M USD, and an EBITDA margin of 68%

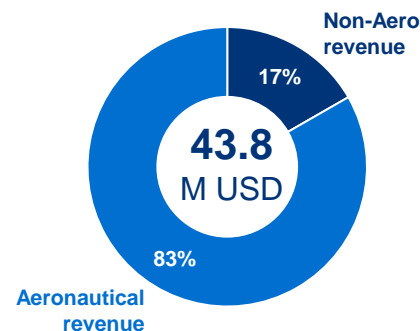
TCIAA Historic profit/loss statement analysis (USD nominal, 2019)

A more detailed analysis of the historical financial performance of the TCIAA will be included in the Financial Plan report

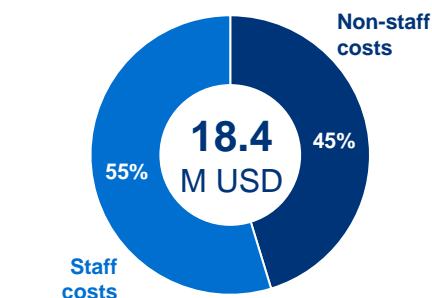
Income		
Passenger Facility Fees	\$	20,907,893
Airport Development Charge	\$	10,608,880
Aircraft Landing and Parking Fees	\$	2,429,379
Dues, Rents, and Other Charges	\$	2,315,356
Security Recovery Charge	\$	2,554,610
Other Operational Income	\$	5,002,583
	\$	43,818,701

Expenditure		
Staff Costs	\$	10,072,847
Depreciation and amortisation	\$	4,563,533
Office and Administrative Expenses	\$	2,127,211
Professional and Consultancy Fees	\$	596,460
Insurance	\$	363,947
Repairs and Maintenance Expenses	\$	681,389
	\$	18,405,388

NET INCOME BEFORE OTHER INCOME/(EXPENSES)	\$	25,413,312
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- ~72% of revenue comes from **passenger facility fees and airport development charges** (charged to departing pax)
- With a traffic of 1.34 Mpax and 51.6 kATMs in 2019, the TCIAA had a unit pax-related revenue of **25.5 USD¹/Pax**, and an aircraft related unit revenue of **47.1 USD¹/ATM**
- The non-aero unit revenue stood at **5.5 USD¹/pax** in 2019



- With over **10M USD¹**, **staff costs** **suppose the main stream of expenditure**, resulting in **55%** of 2019 total
- Regarding non-staff costs, **the depreciation and amortization category** represents the **major stream**, with ~55% of this expenditure

For 2019, the TCIAA had an EBIT of 25M USD and an **EBITDA of almost 30M USD** (net income plus D&A), **yielding an EBITDA margin of 68%**

Passenger-related charges (pax facility fees and airport development charge) were the main source of revenue for the TCIAA (~72%), while staff costs accounted for over 50% of total costs

The TCIAA is also committed to enhancing quality standards; several security, safety and sustainability policies support this position

TCIAA - Other policies and strategies



Sustainability Strategy

- The **TCIAA is committed to creating a platform of growth to support the economy of all the islands**, and therefore it continues to move forward with projects related to **airport development**



Security & Safety

- Aviation safety has traditionally focused on complying with regulatory requirements; however, the TCIAA aims to go further by adopting a **Safety Management System (SMS) program**
- **The ICAO** has published standards in several of its Annexes to place **requirements on operators, service providers and regulators to implement SMS programs**
- SMS programs complement regulatory compliance by **identifying existing or potential threats to safety**, and subsequently determine and **implement remedial actions**. In a business-like approach, SMS assesses direct and indirect cost:

Direct cost

- Easy to quantify and settled through an insurance claim
- Includes damage to the aircraft, compensation for injuries and damage to property

Indirect cost

- Difficult to assess, and often not covered or fully reimbursed
- Include loss of business or reputation, legal fees, time lost by injured person(s) or aircraft recovery



Other regulations



- The **Physical Planning Ordinance** is an ordinance to make new provision for the **planning and regulation of the development and use of land**
- Concerning the **TCIAA**, it regulates the **repairs, maintenance or development of structures that connects with any public airports**

Content

Analysis of the current situation of the TCIAA

Identification of best-practices in the region and gap analysis



Definition of the TCIAA 2.0 and PPP Monitoring Unit

Meteorological Strategic Master Plan



Civil Aviation regulation in the TCI is based on ICAO standards for international matters and on the UK's CAA for regional/domestic affairs

International civil aviation institutional framework

 <p style="text-align: center;">ICAO (International Civil Aviation Organization)</p>	 <p style="text-align: center;">UK Civil Aviation Authority</p>
<ul style="list-style-type: none"> • ICAO was established in 1947 after the signing of the Chicago Convention in 1944 to regulate international aviation; it was one of the most significant milestones in the history of air transport • Its main objective is to ensure the operational and physical safety, efficiency, and sustainability of air transport through the issuance of standards and recommended practices (known as SARPs) and policies that establish the framework within which states must develop their institutional and regulatory frameworks 	<ul style="list-style-type: none"> • Before 1972, the former regulatory body of aviation was the Air Registration Board, but in 1972, the CAA was established under the term of the Civil Aviation Act 1971 • As a Contracting State of ICAO, the UK set up a State Safety Programme (SSP) to regulate and oversee the UK aviation system • For the UK, this covers the United Kingdom of Great Britain and Northern Ireland (UK 'Main'), the UK's Overseas Territories (and thus apply to the TCI) and the Crown Dependencies

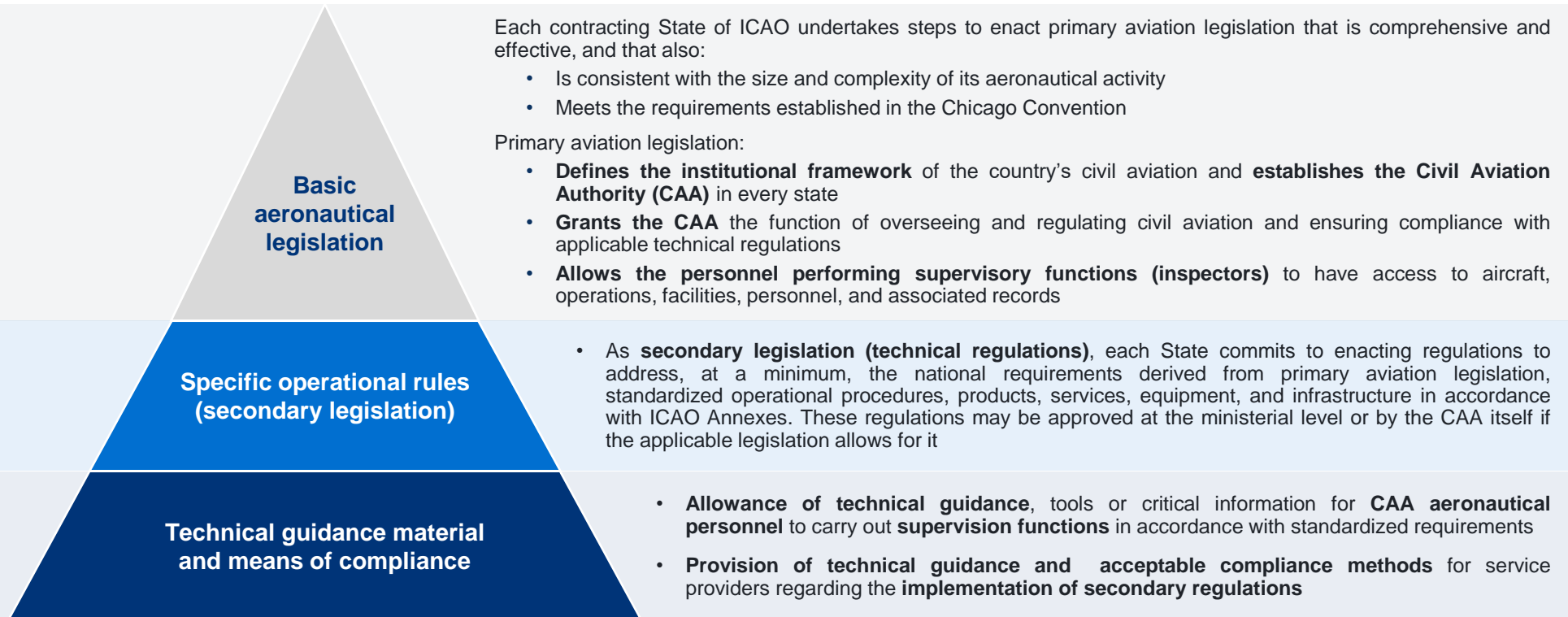
Main responsibilities of ICAO's Member States

 <p>Aviation policies</p>	 <p>Operational safety oversight</p>	 <p>Service Provision</p>
 <p>International relations</p>	 <p>Physical security oversight</p>	 <p>Infrastructure provision</p>
 <p>Accident investigation</p>	 <p>Economic regulation</p>	 <p>Regulation and control</p>

- UK ratified the Chicago Convention in 1944 and has been a **Member State since 1947**, committing to compliance with SARPs and undertaking the primary responsibilities defined by ICAO
- Memorandums of Understanding (MoU) between the UK's Department of Transport and each of the Crown Dependencies assist the UK Government in **meeting its obligations under the Chicago Convention**

At an international level, ICAO promotes a clear structure for the legislative and regulatory framework, which its members should adopt

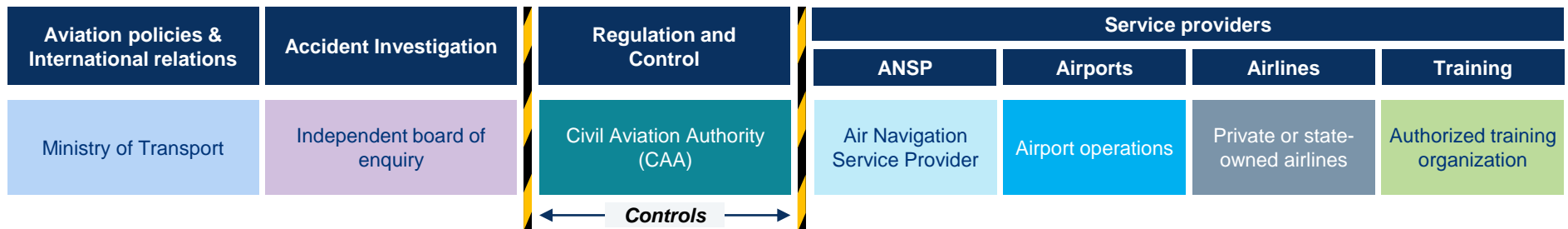
ICAO's recommended civil aviation regulatory framework



There are various existing legal perspectives on aviation matters; implementing this hierarchy ensures better alignment with ICAO provisions and its Safety Oversight Audit Programme (USOAP)

ICAO defines an institutional framework with clearly independent functions and responsibilities to avoid potential conflicts of interest

ICAO's recommended civil aviation system framework



- The **definition and setting of aviation policy** is usually the responsibility of a nation's **Ministry of Transport or a Civil Aviation Board**, including defining market entry rules, economic regulation and national civil aviation policies
- The **investigation of air accidents** should be the responsibility of a commission or board that is **autonomous and independent of CAA**. In countries with insufficient traffic levels, such commissions or boards are formed on an ad-hoc basis once they become necessary
- The technical regulator is usually the **Directorate or the Civil Aviation Authority** of each country, which is responsible for the monitoring and supervision of all safety aspects pertaining to civil aviation, in accordance with international standards and ICAO recommendations, implying the issuing of licenses and certificates
- The **navigation and communication services** over the country's airspace should be provided by an **air traffic control (ATC) service operator**, which may operate as a **functionally and financially independent body** from the airport authority itself
- The **airport operation** could be responsibility of the **airport authority** or similar body. However, it could also be the case that the operation of airports relied on the private sector by means of a concession

In the case of the TCI, the national civil aviation system is mainly overseen by the Civil Aviation Authority & operated by the Airports Authority

Civil Aviation System in Turks and Caicos

	Aviation Policies	Investigation of air accidents	Regulation and Control	Service providers			Training
				ANSP	Airports	Airlines	
ICAO framework	Ministry of Transport	Independent board of enquiry	Civil Aviation Authority (CAA)	Air Navigation Service Provider	Airports operations	Private or state-owned airlines	Authorized training organization
TCI framework	Minister responsible for the TCIAA and TCICAA	AAIB	TCICAA	TCIAA	TCIAA	InterCaribbean & Caicos Express	Various entities



Various entities

- The **Ministry responsible for the TCIAA and TCICAA** is in charge for **formulating and adopting policies, plans, programs, and projects** in the air transport sector
- **TCICAA** provides **guidance to the development of aviation policy** as appropriate

- The **AAIB** is the **accident investigation authority** for the **Turks and Caicos Islands** for the purpose of carrying out **investigations into accidents and incidents** to which these Regulations apply

- The **TCICAA** (Turks and Caicos Islands Civil Aviation Authority) is the statutory body **responsible for aviation regulatory oversight** throughout the **Turks & Caicos Islands** and for aircraft registered on the **Turks & Caicos Island Aircraft Registry**

- The **TCIAA** (Turks and Caicos Airport Authority) is responsible to **provide air navigation services or air traffic control services on the lower airspace**
- The **FAA** provides air navigation services on the upper airspace (overflights), as in several Caribbean countries

- The **TCIAA** is **responsible for constructing, controlling, and managing public airports, and providing and maintaining runways, taxiways, and terminals** for the **efficient operation of airports** in the Turks and Caicos Islands
- There are 2 private airports in the TCI

- **InterCaribbean Airways** is a **regional airline** based at Providenciales International Airport, with approximately a **75-80% market share**
- **Caicos Express Airways** is a **Turks & Caicos airline** established in 2007, operating in the Caribbean region and **also based in Providenciales**

- **TCICAA** is responsible for **issuing licenses** for air traffic personnel, engineers, medical personnel, and pilots and regulates training organizations
- **Providing training is responsibility of various entities** (e.g, TCIAA is responsible for ATC)

In the TCI there is segregation between regulatory entities and service providers, a common best-practice among Caribbean countries

Institutional framework benchmark: Caribbean

Countries	Aviation Policies	Investigation of air accidents	Regulation and Control	Service providers		Training
				ANSP	Airports	
	Ministry of Transport	Independent board of enquiry	Civil Aviation Authority (CAA)	Air Navigation Service Provider	Airports operations	Authorized training organization
Turks and Caicos	Ministry of Immigration & Border Services	AAIB	TCICAA	TCIAA (Turks and Caicos Islands Airport Authority)		Various entities
Jamaica	Ministry of Sc., Energy, Telecom. & Transport	JCAA (Jamaica Civil Aviation Authority)		JCAA - ANS	AAJ & private enterprises	JCAA Training Institute
Barbados	Ministry of Tourism & Intl' Transport	BCAD JCAA (Barbados Civil Aviation Authority)		Trinidad & Tobago CAA	GAIA	BCAD Training Centre
Cayman Islands	Ministry of Tourism & Ports	CAACI (Civil Aviation Authority of the Cayman Islands)		CIAA (Cayman Islands Airport Authority)		-
Dominican Republic	Junta de Aviación Civil (JAC)	CIAA	IDAC	DINA	Private enterprises	ASCA
Saint Lucia	Ministry of Ext Affairs, Civil Aviation, Intl' Trade	Eastern Caribbean CAA		Trinidad & Tobago CAA	SLASPA	-
Bahamas	Ministry of Tourism & Civil Aviation	AAIA (Aircraft Accident Investigation Authority)	CAAB (Civil Aviation Authority of Bahamas)	BANSA	NAD, Airport Authority	-
Antigua and Barbuda	Ministry of Public Ut., Civil Av., Transp. and Energy	Eastern Caribbean CAA		Trinidad & Tobago CAA	ABAA	-
COCESNA (6 countries)	National Governments	GRIAA	ACSA	ACNA	BACC (Belize) & other private enterprises	ICCAE
Aruba	MoTransp., Integrity, Nature and Elderly Affairs	AASB	DLA	ANSA & DC-ANSP	AAA	-

In addition to the functions required for airport operations, the TCIAA is also responsible for providing air navigation services, which, for the current operation (lower airspace, as upper airspace is controlled by the FAA) is acceptable

The international institutional trend also shows a movement towards segregating roles between government entities and service providers

Institutional framework benchmark: Latin America & Europe

Countries	Aviation Policies	Investigation of air accidents	Regulation and Control	Service providers		Training
				ANSP	Airports	
	Ministry of Transport	Independent board of enquiry	Civil Aviation Authority (CAA)	Air Navigation Service Provider	Airports operations	Authorized training organization
Argentina	Air Transport Subsecretary	JST (Transportation Safety Board)	National Civil Aviation Administration (ANAC)	EANA (Argentine Air Navigation Company)	ORSNA (Regulatory Agency of the National Airport System)	CIPE (Training, Development and Experimentation Center)
Brazil	Civil Aviation Secretary (Ministry of Infrastructures)	CENIPA (Aero. Accidents Invest. and Prevention Center - MoD)	National Civil Aviation Agency (ANAC)	DECEA (Department of Airspace Control - MoD)	Infraero Concessions	ICEA (DECEA subordinate organization)
Mexico	Infrastructure, Communications and Transport Secretary	AFAC		SENEAM	ASA Private operators	SENEAM
Peru	DGAC (Civil Aviation Authority - MoT & Communications)	CIAA (Aviation Accident Investigation Commission - MoT & Communications)	DGAC (Civil Aviation Authority - MoT & Communications)	CORPAC (Peruvian Corporation of Airports and Commercial Aviation S.A.) Private operators		EDACI (Civil Aviation School of Peru)
Chile	JAC (Civil Aviation Board - Ministry of Transport and Communications)	DGAC (Civil Aviation Authority)			Private operators	ENAE (Air Navigation School)
Spain	DGAC (Civil Aviation Authority - MoT & Sustainable mobility)	CIAIAC (Ministry of Transport and Sustainable mobility)	AESA (Civil Aviation Safety Agency)	ENAIRES Private operators	AENA (PPP) Private operators	SENASA ATOs

Global Institutions like the IDB or the World Bank support many countries in implementing programs to reform and improve their aviation institutional framework to align with ICAO best practices

The trend in large LAC, European, and other regions' countries is the organizational separation between the CAA and the service provider

International trends in the institutional framework of the Civil Aviation System

International best practices aligned with ICAO recommendations



The Civil Aviation Authority (CAA) is independent of the Air Navigation Service Provider (ANSP) and Airport Operators

CAA

ANSP

Airport Op.

Latin America & Caribbean

Peru  Dirección General de Aeronáutica Civil	Argentina  AVIACIÓN CIVIL ARGENTINA	Brazil  AGENCIA NACIONAL DE AVIAÇÃO CIVIL	Mexico  AGENCIA FEDERAL DE AVIACIÓN CIVIL
Bolivia 	Cuba 	Bahamas 	Turks & Caicos 

Europe and Rest of World

Italy  ENTE NAZIONALE PER L'AVIAZIONE CIVILE	Portugal  ANAC	German  Luftfahrt-Bundesamt	KSA  GACA
Poland 	UK 	Thailand 	Spain 



The Civil Aviation Authority (CAA) acts as both the regulator and the provider of Air Navigation Services and Airport Operations

CAA + ANSP/Airport Op.

Colombia 	Ecuador  Dirección General de Aviación Civil	Chile 	Panama 
Jamaica 	Venezuela 	Dom. Rep. 	Paraguay 

France 	Singapur  Civil Aviation Authority of Singapore	USA  Federal Aviation Administration
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These states have strict "firewall" mechanisms and coordination to prevent potential conflicts of interest

Typically, these are smaller countries, except for Chile, Venezuela & Colombia





A concentrated model, such as the one instituted in Chile, Venezuela or Colombia, where the CAA also provides airport and air navigation services, harms the independent development of each sector of aviation in the country

The aviation institutional framework of the TCI is generally aligned with ICAO's recommendations for best-practices

Institutional framework gap analysis

Aviation Policies	Investigation of air accidents	Regulation and Control	Service providers			Training
			ANSP	Airports	Airlines	
Minister responsible for the TCIAA and TCICAA	AAIB	TCICAA	TCIAA	TCIAA	InterCaribbean & Caicos Express	Various entities
						Various entities

- ICAO recommends an institutional framework in which, ideally, **the functions of aviation policy definition, international affairs, accident investigation and CAA are exercised by independent state bodies** with financial provisions, since they do not generate any
- However, the self-financed operational activities such as the provision of **Air Navigation and Airport Services adopt a more “business approach”**, with the objective of **improving the quality-of-service** delivery

 <p>The CAA is independent of the ANSP and Airport Operators</p>	<p>Regulatory and Control tasks are carried out by the TCICAA, while the TCIAA is responsible for the Air Navigation Services and runs as Airports Operator, ensuring functional independence</p>
 <p>The CAA should be a department of the Ministry of Transport</p>	<p>Generally, the CAA would be an office or agency under the authority of the Ministry of Transport, but with the current organization (TCIAA answers to the Minister for Immigration & Border Services), there are clearly differentiating functions between the CAA and the Ministry itself, avoiding any potential conflicts of interest</p>
 <p>The investigation of air accidents is independent of CAA</p>	<p>The AAIB is the accident investigation authority for the Turks and Caicos Islands, which is completely autonomous and independent of the TCICAA</p>
 <p>ANSP and Airport Operators should be autonomous entities</p>	<p>Ideally, Air Navigation Services and Airports operations should be carried out by independent authorities. However, due to the size of TCI and the type of air navigation services provided (lower airspace, as the upper airspace is controlled by the FAA), it is acceptable that the TCIAA provides both services under the current scheme</p>

Content

Analysis of the current situation of the TCIAA

Identification of best-practices in the region and gap analysis

Definition of the TCIAA 2.0 and PPP Monitoring Unit

Meteorological Strategic Master Plan



LAC boasts the highest concentration of airport PPPs (>160 airports), with most authorities having faced restructuring needs throughout

PPP in airports in Latin America & the Caribbean



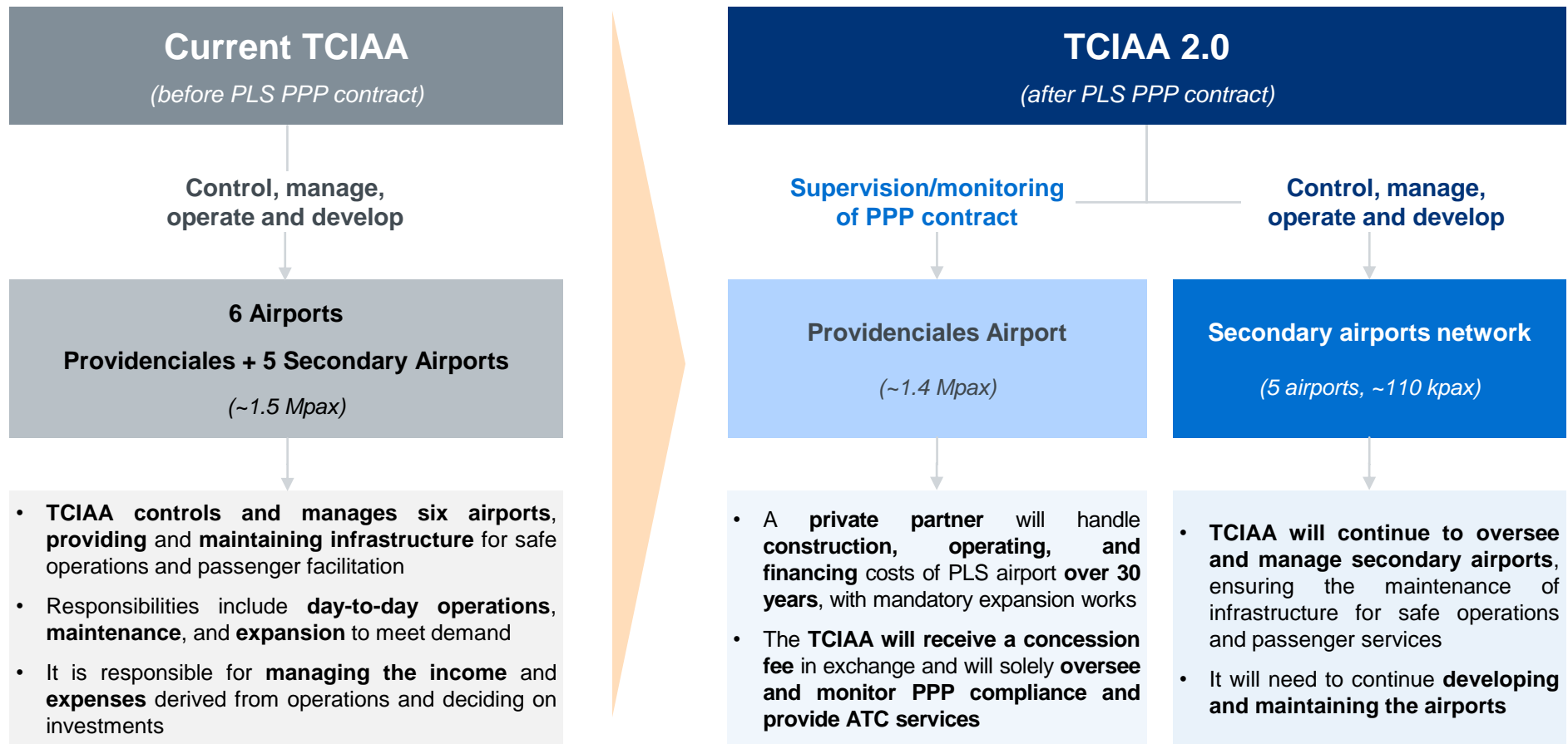
- **Latin America and the Caribbean** has been the **region with the highest airport PPP process concentration** since 1990, with >38,000 MUSD in >160 airports. This vast network accounts for **approximately ~75% of the region's total air traffic**
- **Most of the PPP** processes in airports in the region have been **brownfield projects** (90%), for a 20-year term, with a one-stage public tender process and an average of 3 offers; this has meant **massive efforts both from private and public entities to shift adapt their modus operandi** to this new operational reality
- The adoption of **PPP** mechanisms has proven instrumental in **enhancing the quality, efficiency, and competitiveness of airports** across the region. **This model has emerged as the preferred choice** due to its numerous advantages over other alternative approaches to air development, and **its ability to simplify the structure of public entities, which previously operated the airports**
- In a small fraction of cases, approximately **~10%**, **PPP contracts encountered early cancellations, terminations, or requested changes** in operators due to financial challenges. While notable, **these are exceptions** to the overall success of PPP initiatives in the region (*Bolivia, San Andrés and Providencia in Colombia, Nicaragua, Asunción, Chinchero in Peru, and Margarita in Venezuela*)
- **5 companies** account for nearly **60% of the regional traffic**, while **regional operators manage 40%** of the total traffic in the region



Most countries in the region have already undergone a PPP process like the one currently ongoing in PLS, and therefore their respective authorities have faced the need of restructuring after the entrance of private operators

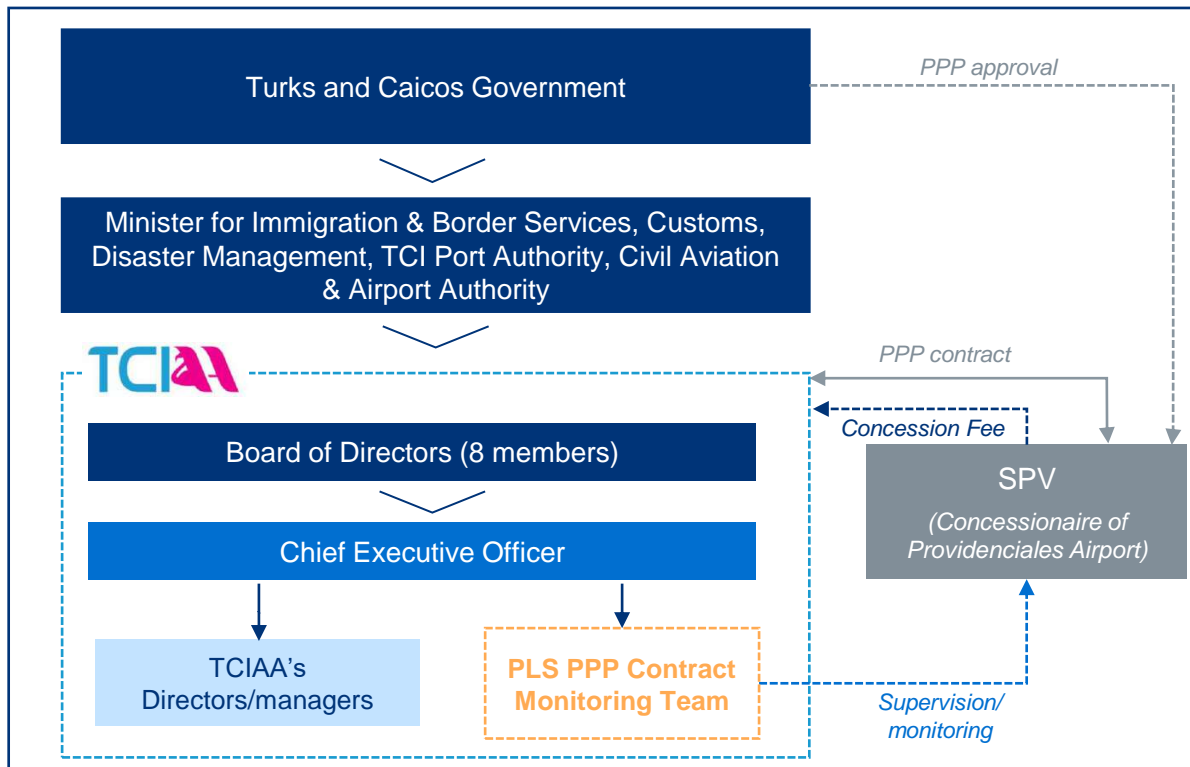
After the transfer of PLS to a private investor, the TCIAA will continue to manage secondary airports while supervising the PLS PPP contract

TCIAA main functions before and after Providenciales PPP contract



The governance model of the TCIAA will remain similar, although the new SPV will require a PPP monitoring team on the TCIAA's behalf

Future TCIAA's governance model



The **Governor and the Cabinet**, in accordance with local regulations, **are responsible for approving the PPP**

The **PPP will adhere to the TCI Public Procurement Ordinance** and a **proposed amendment to Public Procurement Ordinance (Section 50)** which will provide legal certainty both to the tender process and to the PPP

The **TCIAA's staff will be responsible for:**

- **Overseeing the execution of the PPP agreement**, acting as the **Contracting Authority** alongside the private partner
- **Executing TCIAA's mandates as per the Airports Authority Ordinance**, including airport management, maintenance, air navigation services, and regulatory compliance for the rest of the airports of the network

TCIAA's staff will directly execute the TCIAA's mandates as per the Airports Authority Ordinance (operation of the secondary network), in addition to having a monitoring team that oversees and monitors the PPP contract at PLS

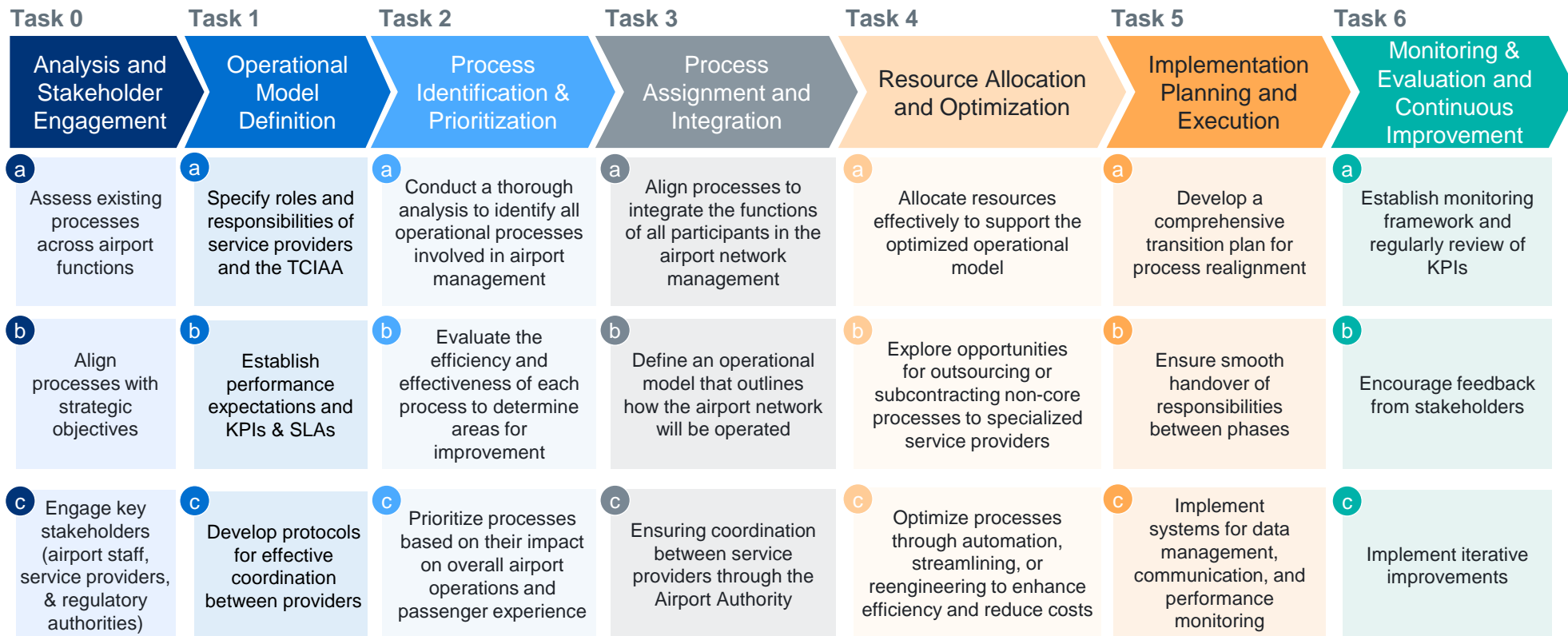
With the transfer of the operation of PLS to a private entity, the TCIAA will reduce its operating costs, while receiving a concession fee

Analysis of the future TCIAA revenues and cost structure



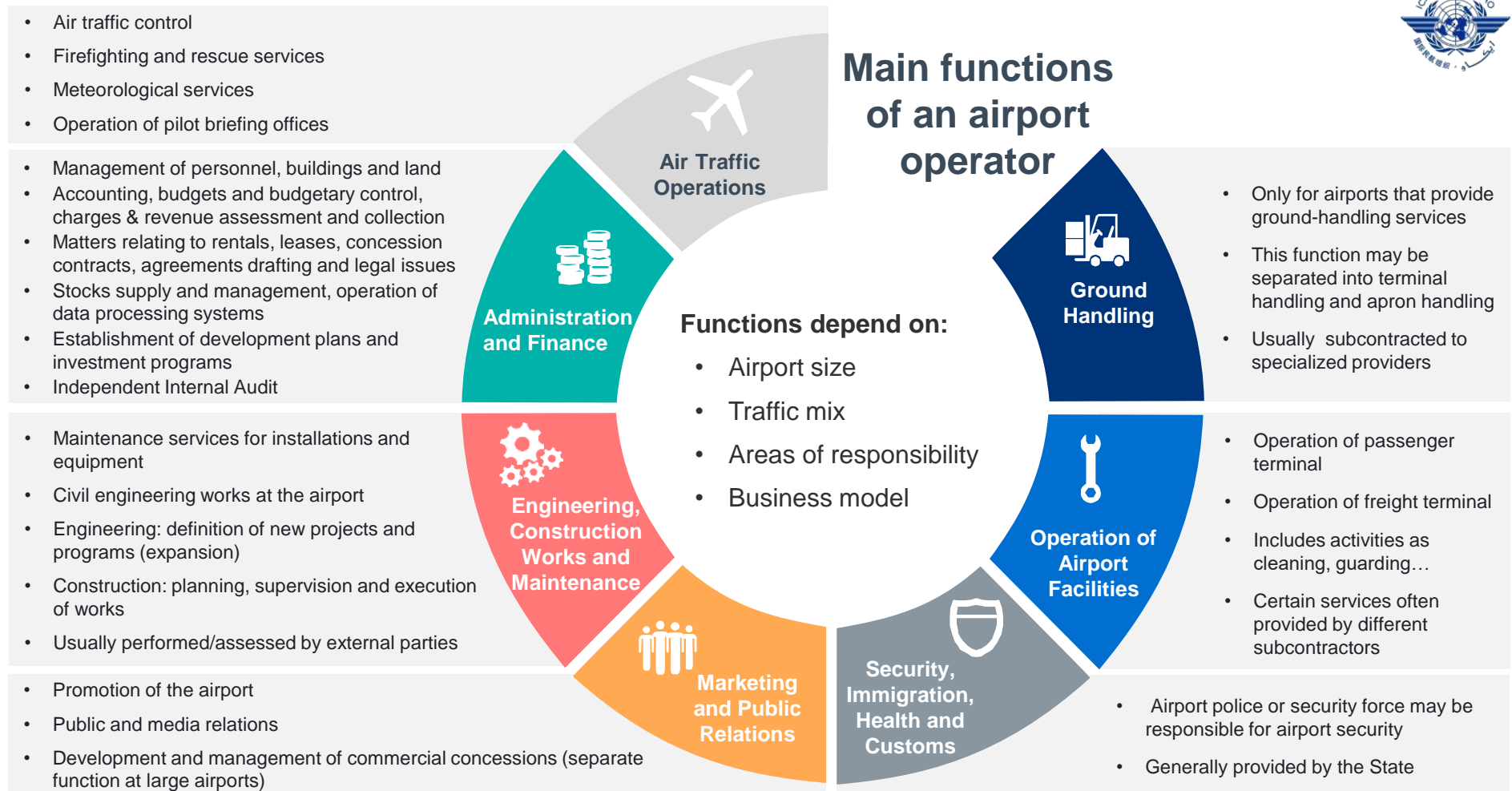
A 7-step model is recommended for the restructuring of the TCIAA, which should be carried out during the PLS transfer transition phase

Restructuring process for the operational model



This process should be carried out during and after the transition phase of PLS to the private operator, particularly given that it is an iterative process that will require adjustments throughout

Once implemented, the new TCIAA structure should follow the main ICAO recommendations for an Airport's Internal Organization



ICAO Recommendations for Organizational Charts provide guidance in the allocation and determination of costs of the facilities and services

General considerations



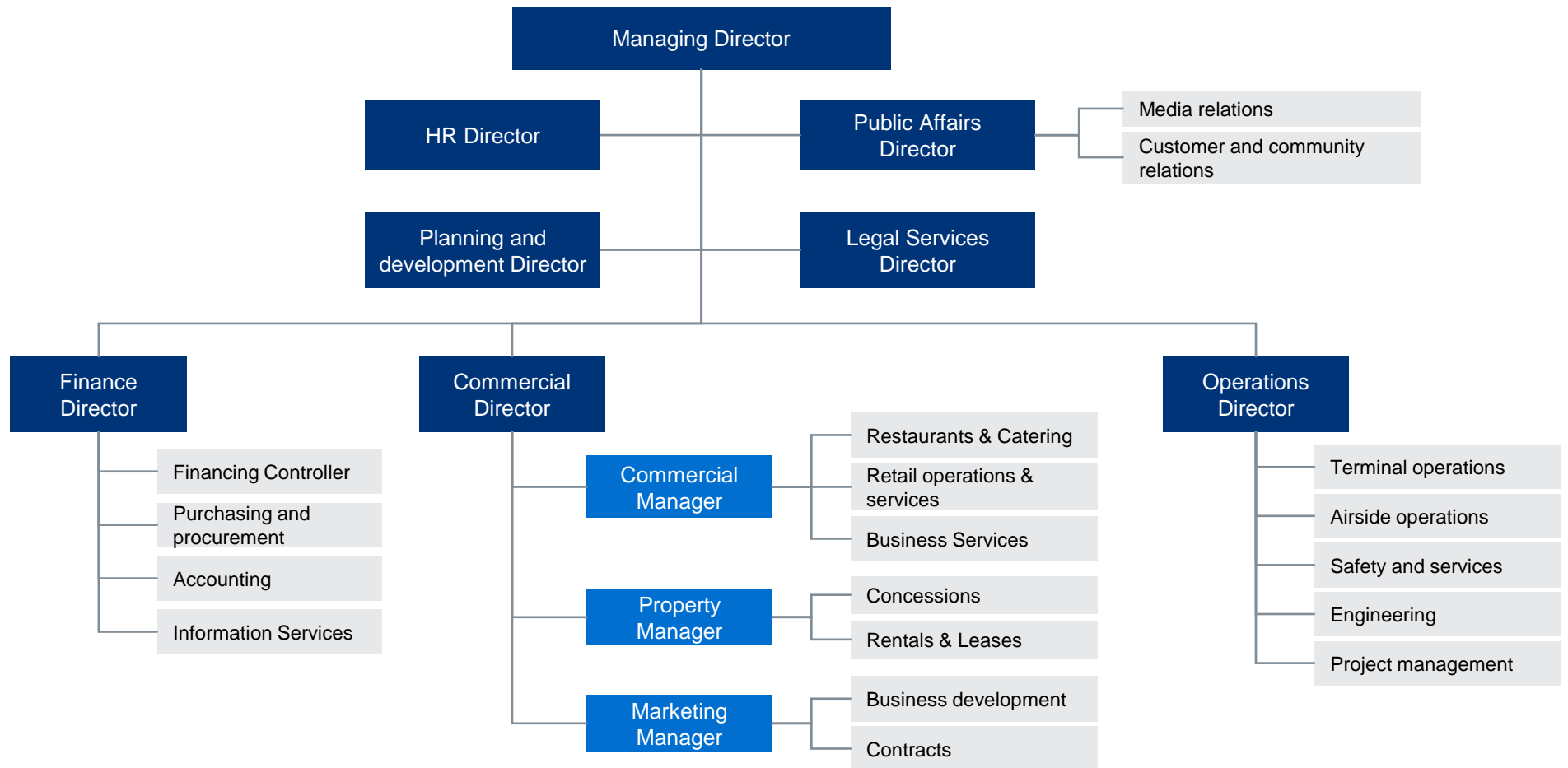
- 1 One or more functions should be grouped together in each department when they are related or have common purpose
- 2 For low traffic volumes, limited number of departments. At higher traffic volumes, multiplicity of departments, which should not result in overlapping responsibilities
- 3 All departments should be closely coordinated (particularly as regards airport security)
- 4 Regardless of the internal organization, airports are usually managed by a Board of Directors and a Managing Director (responsible for day-to-day operation & administration and the implementation of the Board's decisions)

Factors to be considered

- ✓ Functions and objectives of the airport
- ✓ Relationships between the functions performed at the airport
- ✓ Number of airports and geographical distribution (airport groups)
- ✓ Airport size (determines number of departments per function)
- ✓ Type of traffic
- ✓ Airport's degree of financial autonomy

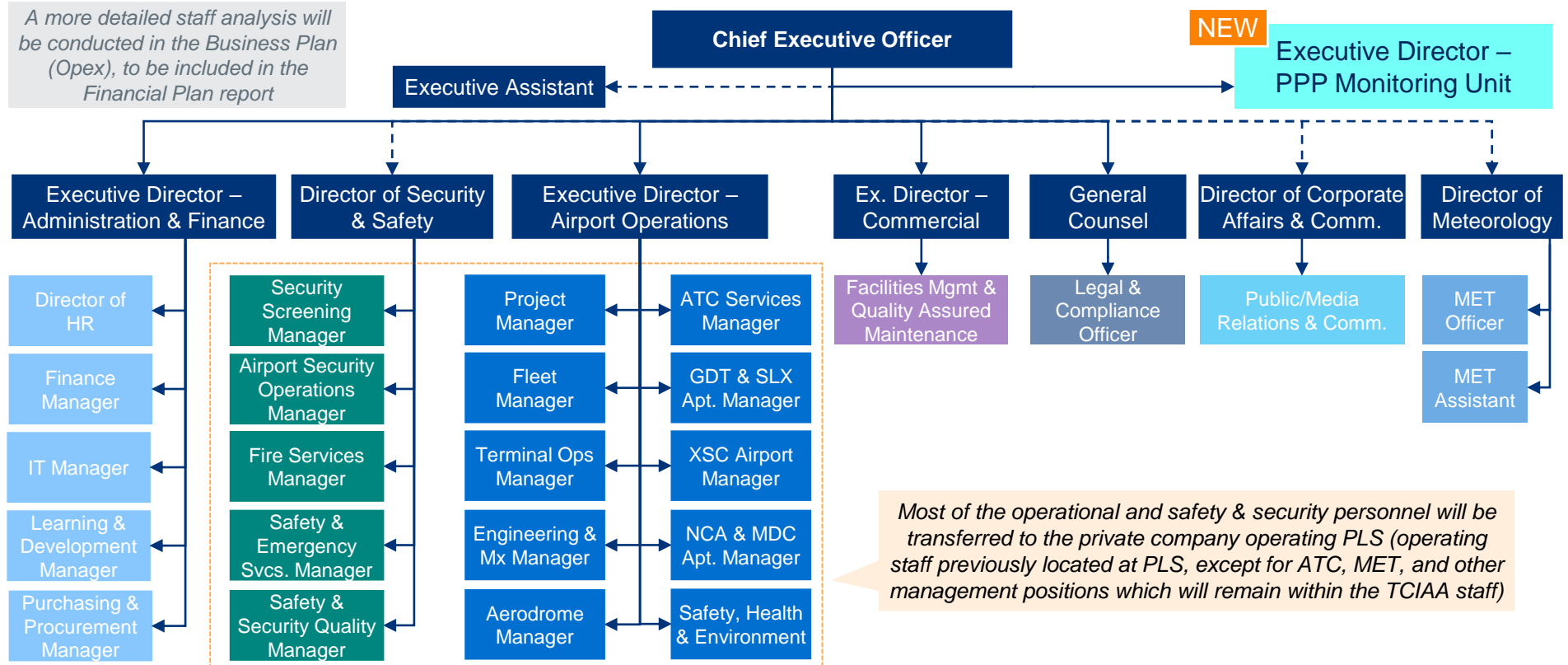
ICAO also provides recommendations based on a generic organizational chart for a commercial airport

Commercial airport (generic organizational chart)



Based on ICAO's best practices, a new TCIAA organizational chart is proposed once PLS is transferred to a private operator

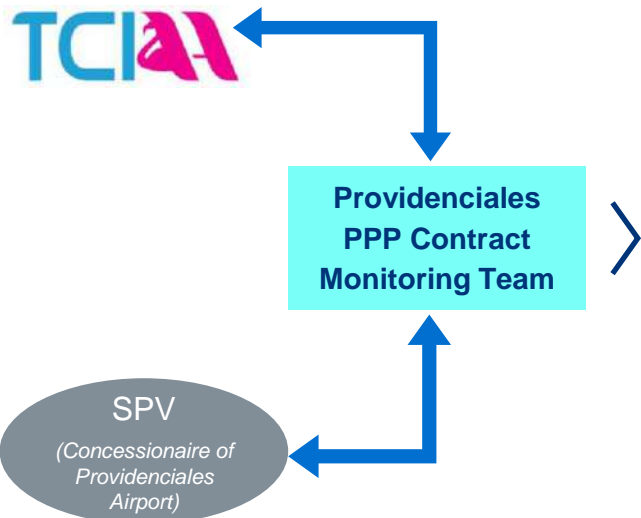
TCIAA Future Organizational Chart



With the transfer of PLS to a private operator, part of TCIAA current staff, mainly operations, safety and security, will also be transferred; in addition, a new department for PPP monitoring should be created

The new Monitoring Team will be responsible for overseeing the PPP execution; support from an external advisor is initially recommended

Governance model of the PPP Monitoring Team



The new Monitoring team within the TCIAA will be **responsible for the correct operation and management** of the Providenciales PPP contract. The functions of this department include:

- Define clear **roles and responsibilities** for all parties involved, outlining **decision-making authority** and **reporting structures**
- Establish **governance bodies** like steering committees to oversee the partnership, determining their **composition and meeting schedules**
- Develop **effective communication channels** between the Airport Authority and the private operator to ensure transparency and collaboration
- Formulate **criteria** for **evaluating partnership performance**, including metrics and KPIs
- Ensure **compliance with legal and regulatory** requirements, with provisions for reviews
- Establish a comprehensive **risk management framework** tailored specifically for the PPP environment
- Develop a robust **stakeholder engagement strategy** to ensure all relevant parties are informed and involved in the project lifecycle

The monitoring team's **functions will vary depending on the phase of the project** (i.e., an initial transition and construction phase will require a more engineering-oriented approach, whereas a mid/long-term phase will be focused on operational compliance, etc.)



The support of an external advisor is strongly encouraged during the implementation phase of the monitoring unit given the need for capacity building and staff training

The monitoring team requires certain essential capabilities to efficiently and effectively manage the PPP contract, ensuring optimal performance

Required capabilities of the Monitoring Team

Based on the assigned functions of the **Monitoring Team within the TCIAA** for managing the Providenciales PPP contract, it is **recommended that the team possess the following skills**, but not limited to:

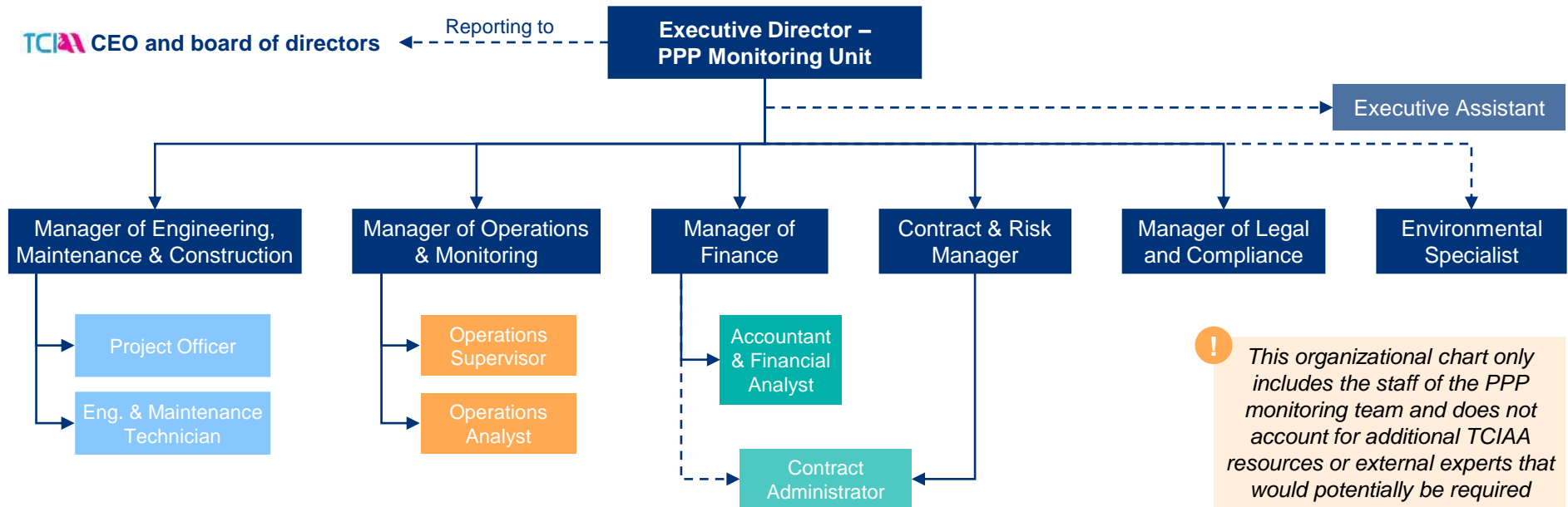
- Comprehensive **understanding of public-private partnership (PPP)** contracts and regulations
- **Expertise in contract management** and oversight
- **Familiarity with legal frameworks** related to PPP agreements
- **Knowledge of aviation industry** regulations and standards, airport operations and safety systems
- **Advanced analytical skills** to measure and predict project impacts
- **Ability to analyze financial data**, budget management and performance metrics
- Capability to develop and implement **monitoring processes and procedures**
- Strong **communication and negotiation** skills
- Experience in **risk assessment and mitigation** strategies
- Proficiency in **project management** methodologies
- Aptitude for **stakeholder engagement and relationship management**
- Ability to **manage and facilitate organizational and project changes**
- Capability to oversee **integration of new technologies**
- Familiarity in **sustainable practices and environmental** regulations

PPP Monitoring Team: Global Practices Insight

- **PPP monitoring teams** are generally composed of **5-10 dedicated members**. The **configuration of each monitoring team can vary** based on **several factors**, such as airport type, traffic levels, and specific national or regional considerations, ensuring a tailored approach to each PPP agreement
- It is common for **monitoring teams to collaborate** closely with the **Grantor staff** (Airport Authority in this case) **and national PPP units** (when existing). This latest partnership facilitates access to additional resources and expert guidance, enhancing the effectiveness of monitoring efforts
- In cases where national units do not exist, such as the TCI, it is advisable that the **PPP monitoring team possesses the required in-house expertise**, particularly in contractual matters, **setting a foundation for future PPPs in the country**
- Additionally, **during critical phases or for specialized tasks**, **PPP monitoring teams** are frequently **supported by external advisors to provide targeted expertise** or to manage complex challenges that exceed the internal capabilities of the team, and occasionally outsource some tasks

A PPP monitoring unit with 14 permanent members is proposed for the TCIAA, including a Director responsible for reporting to the CEO & Board

PPP Monitoring Team Organizational Chart



- The organizational chart for the **PPP Monitoring Team** is initially expected to consist of **14 permanent staff** members. As the PPP progresses, the team **will gradually reduce in size and reorganize** some functions and areas
- The **monitoring team should be composed of its own dedicated staff**, which may vary depending on the phase of the PPP, and could receive support from other TCIAA departments and external experts for specific assignments

The monitoring team will require some specific profiles to be hired, but it is recommended to fill some positions with current TCIAA staff given their know-how of Providenciales and the organisation

PPP Monitoring team capabilities and responsibilities (1/7)

Executive Director

Capabilities



- **Strong experience** (ideally >15 years) in airport administration, public office, aviation management or related field
- Proven track record in managing **large-scale projects and teams**
- **Strong knowledge of PPP frameworks**, including contract negotiation, administration, and compliance monitoring
- Skilled in **strategic planning and execution** that aligns airport operations with PPP agreements
- Strong **financial oversight, budget management, and risk assessment capabilities**

Responsibilities



- Ensure **effective management** of all aspects of the PPP agreement, overseeing compliance with contractual obligations and regulatory standards
- **Set strategic goals** for the PPP Monitoring Team, define project scopes, and align with TCIAA's overall business strategy
- **Manage relationships with all stakeholders**, including government entities, private partners, and regulatory bodies
- **Oversee all initiatives** (strategic, operational, financial, organizational) that have a high impact in reaching the unit goals
- **Evaluate the performance of PPP operations**, identify improvement areas, and implement efficiency-enhancing changes
- **Monitor financial performance** against the PPP agreement obligations for the Concessionaire
- **Perform all functions related to the executive management of the relationship with the Concessionaire** to obtain the best possible financial outcome, guarantee operational safety and develop airport infrastructure to attend to customers needs
- Design **changes in organizational structure**, and define the requirements, responsibilities and functions

The Executive Director is responsible for the PPP Monitoring Team, and it is highly recommended that he/she has extensive experience in PPP processes

PPP Monitoring team capabilities and responsibilities (2/7)

Manager of Engineering, Maintenance & Construction

Capabilities



- **Strong experience** (ideally >10 years) in engineering, infrastructure maintenance, and construction management within the aviation industry
- Proven **knowledge of ICAO Annex 14 Aerodrome Design and Operations Course** and local airport regulatory framework
- Proven **knowledge of engineering projects** and **maintenance** activities
- Proficient in **budgeting, resource allocation, and cost control**
- **Excellent leadership abilities**, capable of managing diverse teams and coordinating with multiple stakeholders

Responsibilities



- **Oversee, in collaboration with the independent engineer, the planning and execution** of all engineering, maintenance, and construction projects under the PPP agreement, ensuring they align with strategic goals and compliance requirements
- Ensure, in collaboration with the independent engineer, that all **engineering and construction activities** are carried out in compliance with environmental, safety, and quality standards, minimizing risks and liabilities
- **Collaborate with the PPP independent engineer, PPP partners and contractors** to ensure project deliverables meet specified standards and are delivered on schedule
- Review and audit the Concessionaire's **maintenance strategies** to enhance the durability and performance of physical assets
- **Monitor asset and equipment maintenance performance** and compliance to processes and standards along all services provided by private operator
- **Lead and mentor engineering and maintenance team**, fostering a culture of continuous improvement and innovation

The Manager of Engineering, Maintenance & Construction will be supported by an Engineering and Maintenance Technician and a Project Officer, primarily focused on construction stages, who will help develop the tasks within this area

PPP Monitoring team capabilities and responsibilities (3/7)

Manager of Operations & Monitoring

Capabilities



- **Proven experience** (ideally >5 years) in **operations management**, with a strong focus on efficiency and performance optimization within PPPs
- Expertise in **developing and implementing monitoring systems** to ensure compliance with operational standards and contractual obligations
- **Experience operating IT tools** and communication systems
- **Strong analytical skills**, able to interpret complex data to drive decision-making and improve operational processes
- **Excellent leadership and team management skills**

Responsibilities



- **Oversee day-to-day operations** and ensure all activities align with the strategic objectives of the PPP agreement
- **Gather and manage all information** related to airport operations provided by the Concessionaire
- Actively **monitor performance indicators** and steer decision-making to ensure efficient airport operations and to provide quality service to customers
- Regularly **report to senior management and the board** on operational status, challenges, and progress
- **Perform periodical audits** to the Concessionaire's operations (measurements of the level of service and occasionally to double-check certain data provided by the Concessionaire)
- Ensure that all operational **activities performed by the Concessionaire comply with legal and ethical standards**, and respond proactively to any compliance issues that arise
- **Lead the operations monitoring team**, providing training and development to ensure high performance

The Manager of Operations and Monitoring will be supported by two dedicated team members, who will assist in executing a variety of tasks and responsibilities essential to the monitoring of the Concessionaire's activity

PPP Monitoring team capabilities and responsibilities (4/7)

Manager of Finance

Capabilities



- **Strong experience** (ideally >10 years) in **financial management, accounting** or similar positions, with a preference for experience in public-private partnerships and airport operations
- **Deep understanding of regulations**, audit, financial strategy and planning, taxation, governance, and concession contracts
- Capacity to perform **accounting controls** including receivables and payables, manage fixed assets, handle disbursements, and conduct reconciliations
- **Proficient in financial analytics software** (IBM, Oracle, SAS, etc.) which simplifies complexity and accelerates the creation of reports and data presentation

Responsibilities



- **Oversee financial operations related to the PPP agreement**, ensuring compliance with financial regulations and contractual obligations
- **Perform financial analysis and lead the relationship** with the main stakeholders and governmental entities, external audits, regulatory bodies, clients and key providers
- Conduct **detailed financial analyses** to inform the board and strategic direction
- **Develop administrative processes and new control** systems that improve the management and overseeing of all financial operations and metrics within the PPP framework
- **Establish control mechanisms and financial KPIs within the PPP framework** (Business plan audit, revenue and expenses budgets, investments, etc.), to enhance financial efficiency and reduce risks
- **Lead financial reporting and auditing processes** to maintain accuracy and integrity of financial data

The Finance Manager will delegate work and responsibilities to an Accountant/Financial Analyst and a Contract Administrator, ensuring comprehensive oversight of the Concessionaire's financial operations

PPP Monitoring team capabilities and responsibilities (5/7)

Contract & Risk Manager

Capabilities



- **Proven experience** (ideally >5 years) in **contract management and risk assessment** within public-private partnerships
- **Proficient in negotiating, drafting, and managing** complex contracts in a highly regulated environment
- Skilled in identifying, analyzing, and mitigating potential risks to ensure project stability and compliance
- **Strong understanding of legal requirements** related to contracts and risk management in the aviation sector

Responsibilities



- **Oversee all contract management activities**, ensuring compliance with legal standards and operational requirements established within the contract
- **Develop and implement risk management strategies** to identify, evaluate, and mitigate risks throughout the PPP process lifecycle
- **Coordinate with legal and financial teams** to align contract terms with business goals and risk tolerance
- **Manage relationships with stakeholders**, ensuring clear communication and contractual alignment with the PPP contract
- **Lead audits and compliance** reviews to ensure adherence to all contractual obligations and risk protocols
- **Provide training and support to the PPP Monitoring Team** on contract and risk management best practices

The Contract and Risk Manager will have a Contract Administrator to assist him/her in the development of the department, who will also provide support to the Financial Manager

PPP Monitoring team capabilities and responsibilities (6/7)

Manager of Legal and Compliance

Capabilities



- **Strong experience** (ideally >10 years) in legal standards and compliance requirements, preferably within the aviation industry and/or PPP
- Knowledge of **legal standards and compliance** requirements specific to public-private partnerships and the aviation industry
- **Expertise in managing legal risks**, ensuring all organizational activities comply with laws, regulations, and ethical standards
- Strong background in **drafting, reviewing, and enforcing contracts**, including negotiation skills
- Ability to **lead and train a team** in all aspects of legal and compliance operations

Responsibilities



- Oversee and ensure the **Concessionaire's compliance** with all legal and regulatory requirements established within the PPP framework
- **Manage the legal aspects** of the PPP contract, providing guidance on legal relationship with the Concessionaire
- **Develop and implement comprehensive compliance** programs to prevent, detect, and resolve legal issues
- **Lead internal audits and investigations** to ensure the Concessionaire's adherence to compliance standards
- **Provide legal and compliance** advice to the management team and board of directors
- Participate in high-level meetings within the PPP framework, including authorities, public and private local and international entities, stakeholders, lenders, etc.
- **Establish control mechanisms and provide legal risk assessments** to identify potential non-compliance issues within the PPP framework

The Legal and Compliance Manager not only requires a thorough knowledge of PPP legal standards and requirements, but should also of local Turks and Caicos legislations

PPP Monitoring team capabilities and responsibilities (7/7)

Environmental Specialist

Capabilities



- **Expert knowledge of environmental laws, regulations and best practices** applicable to the aviation industry
- **Skilled in environmental impact assessment and risk mitigation**
- Ability to collaborate with government agencies and stakeholders on environmental compliance and sustainability initiatives

Responsibilities



- **Oversee the Concessionaire's compliance with environmental legislation** regarding water, noise, fauna and flora, dangerous and solid waste, etc., including the review of periodical reports issued by the private party
- **Lead the environmental management supervision to the Concessionaire by implementing policies and practices** which ensure a full compliance with environmental legislation and best practices
- **Conduct regular environmental audits to the Concessionaire** and prepare reports for management and regulatory bodies
- **Provide guidance and training** to the unit staff on environmental best practices and compliance requirements

Executive Assistant

Capabilities



- **Organizational and administrative skills**
- **Excellent communication skills**, both written and verbal, and the ability to handle sensitive information discreetly
- **Proficient in a variety of office software**, including MS Office and corporate communication tools

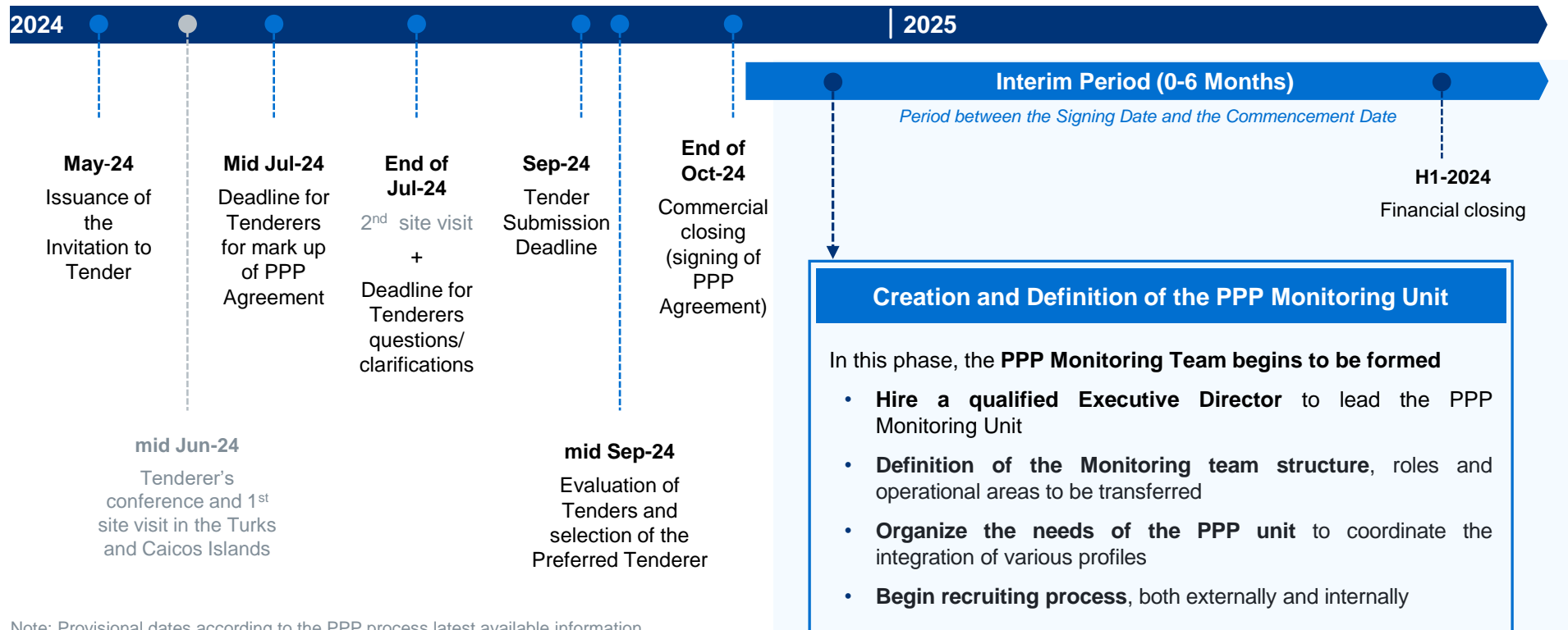
Responsibilities



- **Provide general administrative support** to ensure efficient operation of the unit
- **Manage and organize** the executive's calendar
- **Serve as the first point of contact for the executive**, handling inquiries and managing communications
- **Facilitate effective communication** within the organization and acting as a liaison between departments and external partners
- **Prepare and edit** correspondence, reports, and presentations for internal and external use
- **Assist in the preparation of meeting agendas and minutes**, and ensure follow-up on action items

The Monitoring Team should start to be formed and structured at the beginning of the Interim Period, right after the commercial closing

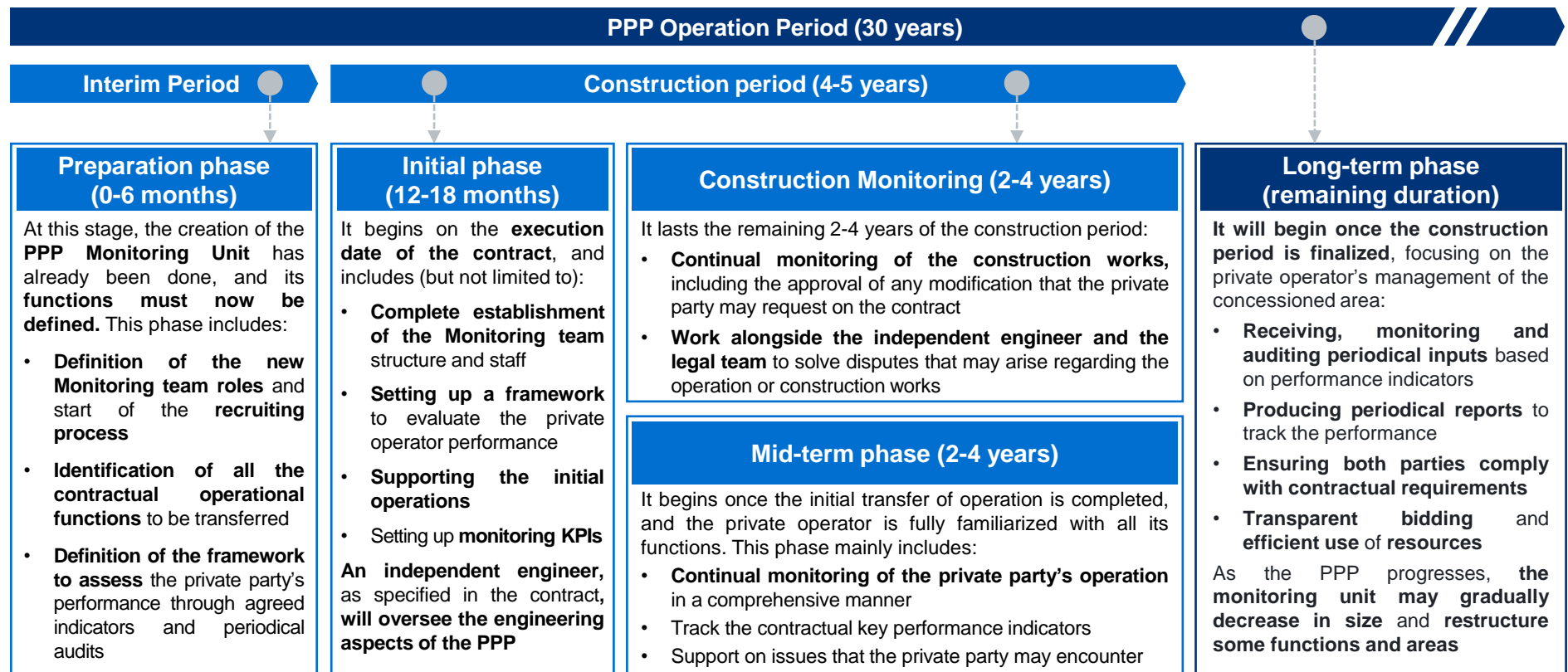
PPP Monitoring Team timeline of functions (1/2)



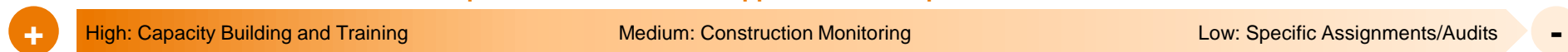
Once the PPP contract is signed, an Executive Director for the Monitoring Team must be hired, who will then lead the definition of the team's structure and the recruitment process during the coming months

The functions of the Monitoring Team will be divided across 3 phases: the Interim period, the Construction period, and the Long-term phase

PPP Monitoring Team timeline of functions (2/2)



Requirements of external support to the unit permanent staff

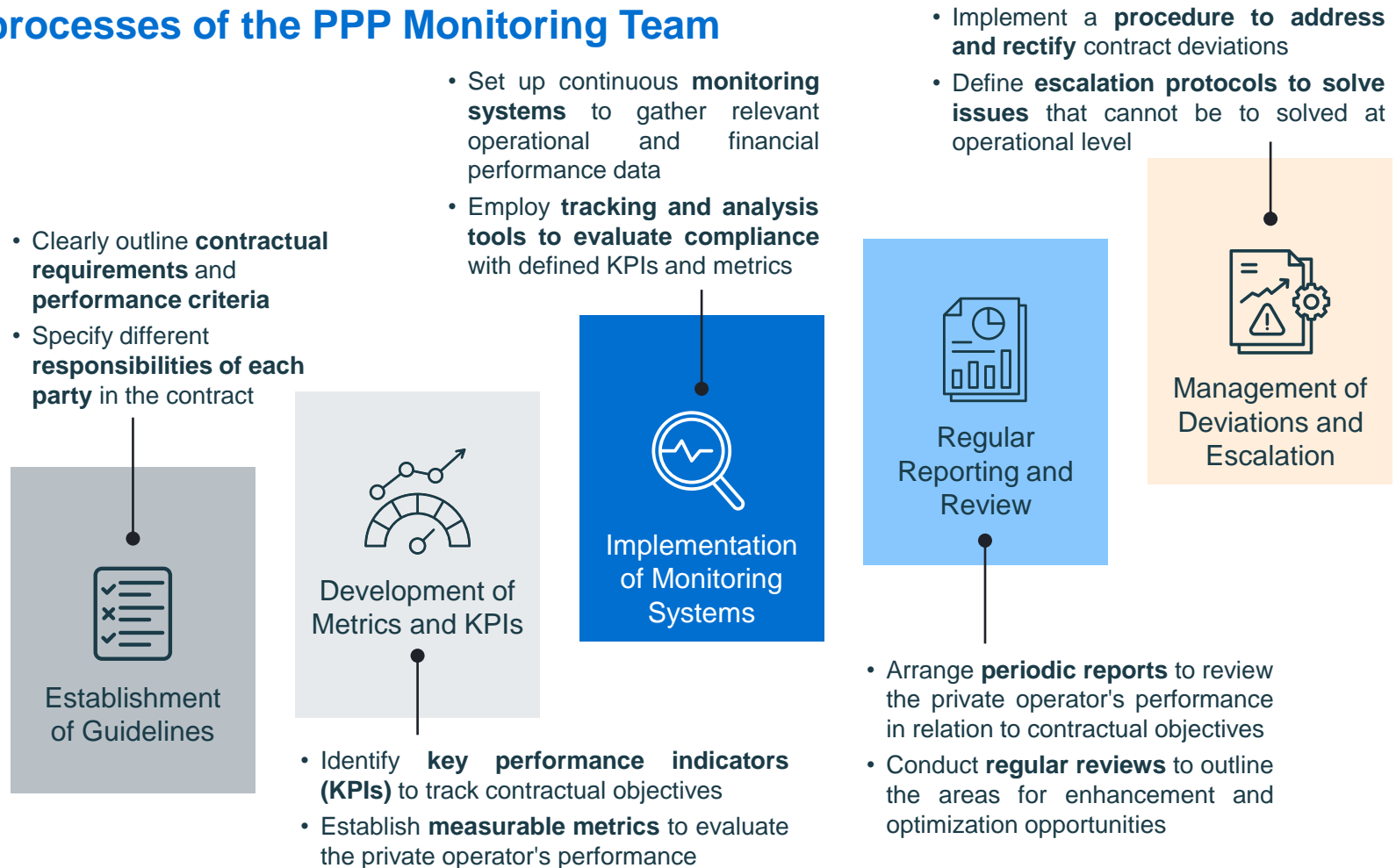


The Monitoring Team should take different steps to secure contractual compliance in the PPP and achieve the performance objectives

Compliance processes of the PPP Monitoring Team

In the compliance processes, the Monitoring Team should:

1. Establish guidelines
2. Develop KPIs
3. Implement monitoring systems
4. Report & review
5. Manage deviations



The PPP draft contract outlines various Key Performance Indicators (KPIs), which, if breached, would incur in corresponding penalties

PPP Key Performance Indicators linked to penalties

Time Performance Parameters



- Security Control waiting times
- Assistance to Passengers with Reduced Mobility with Pre-notification (48 hours before service)
- Assistance to with Reduced Mobility, no Pre-notification

Maintenance Performance Parameters - Availability of equipment and facilities



- Elevators, stairs and escalators
- Luggage processing system (departure & arrival)
- Flight Information Display System
- Air Conditioning in public areas

Quality Indicators - Pax Satisfaction Survey



- Quality of information: signaling, flight information, sound system of announcement to Passengers
- Restrooms cleanliness and availability, and airport cleanliness
- Comfort/availability of seats at the boarding hall and other areas
- Employees' customer service & attention at the Airport
- Overall survey scoring

Critical Passenger Operations



- Max response time to airfield safety-related operational issues creating an immediate hazard (for both RWY and TWY and non-RWY & TWY)
- Max response time between non-compliance/failure detection and corrective action according to the Maint. and renewal plan
- Events where the baggage processing system (departures) is unavailable for >30 min

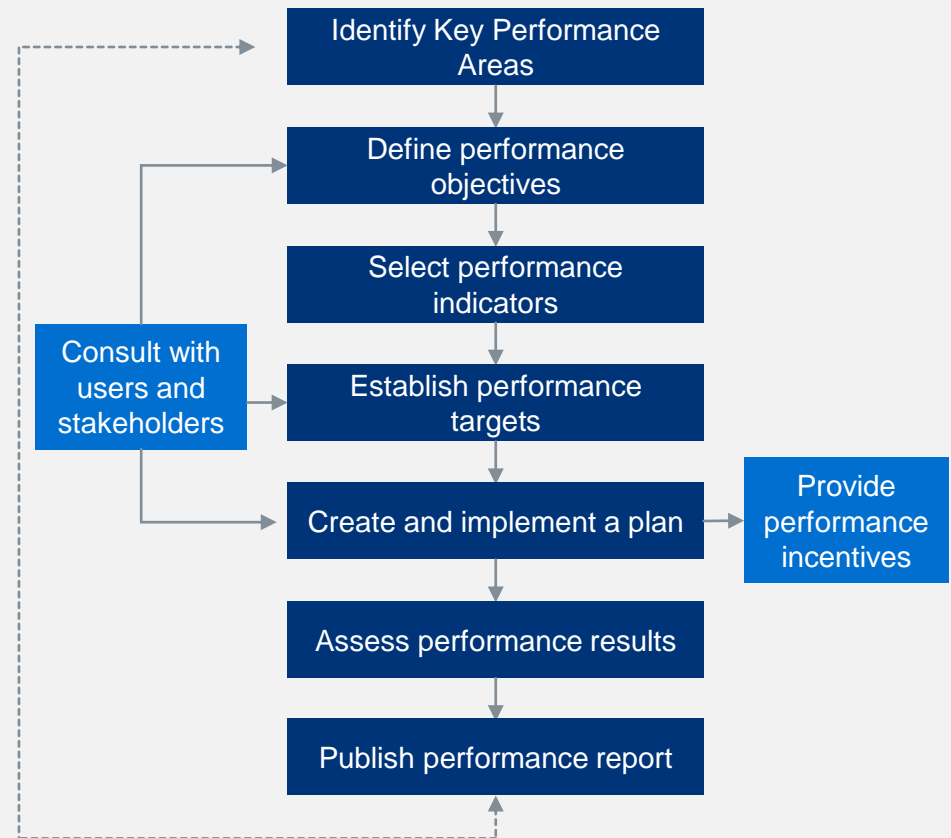
Moreover, in addition to the KPIs included in the PPP agreement draft, ICAO recommends a set of best practice KPIs for Key Performance Areas (see next slides)

Additionally, including other KPIs recommended by ICAO will help ensure successful monitoring over the PPP and the TCIAA itself

Performance management process for PPP Monitoring team



- The starting point for developing a successful performance management process is the **identification of Key Performance Areas (KPAs)**
- With the goal of enhancing performance qualitatively, **at least one objective per selected KPA should be defined**
- For airports with little prior experience or undergoing a new process, it is advisable to begin with a **limited set of low-risk, high-level, and achievable objectives**
- As a tool to quantitatively measure the degree to which performance objectives are being met and should be met, a range of **performance indicators**, usually called **KPIs**, are used
- For each KPA, **a variety of indicators can be considered based on airport's objectives** and particular circumstances, but to be relevant they must accurately **reflect the intended performance objectives**
- Each indicator should have a **unique target value** to attain within a specified timeframe to assess the full achievement of a performance objective
- Achievement of performance targets may require **new initiatives**, so a planning is needed. To help this process incentives may be incorporated
- As soon as the required data on indicators and targets are available, **performance assessment can start formulating recommendations based on results**

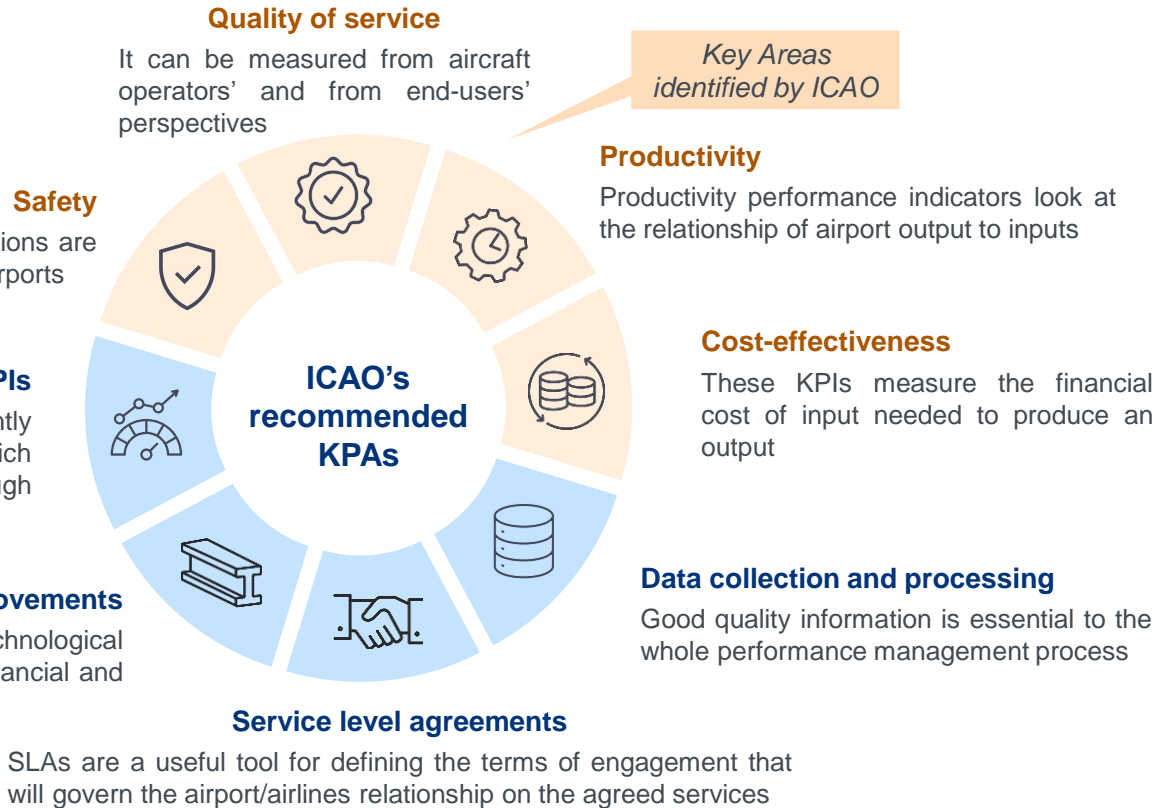


These are the KPA recommended by ICAO, which can also be added for the success of PPP monitoring and TCIAA's remaining airports operation

Key Performance Areas (KPAs) for the TCIAA



Some of these areas such as productivity, cost-effectiveness or infrastructure development are not of special interest for the PPP monitoring process, since it is in the best interest of the concessionaire to perform well in order to optimise its costs; however, monitoring these areas may be relevant for the rest of the TCIAA network

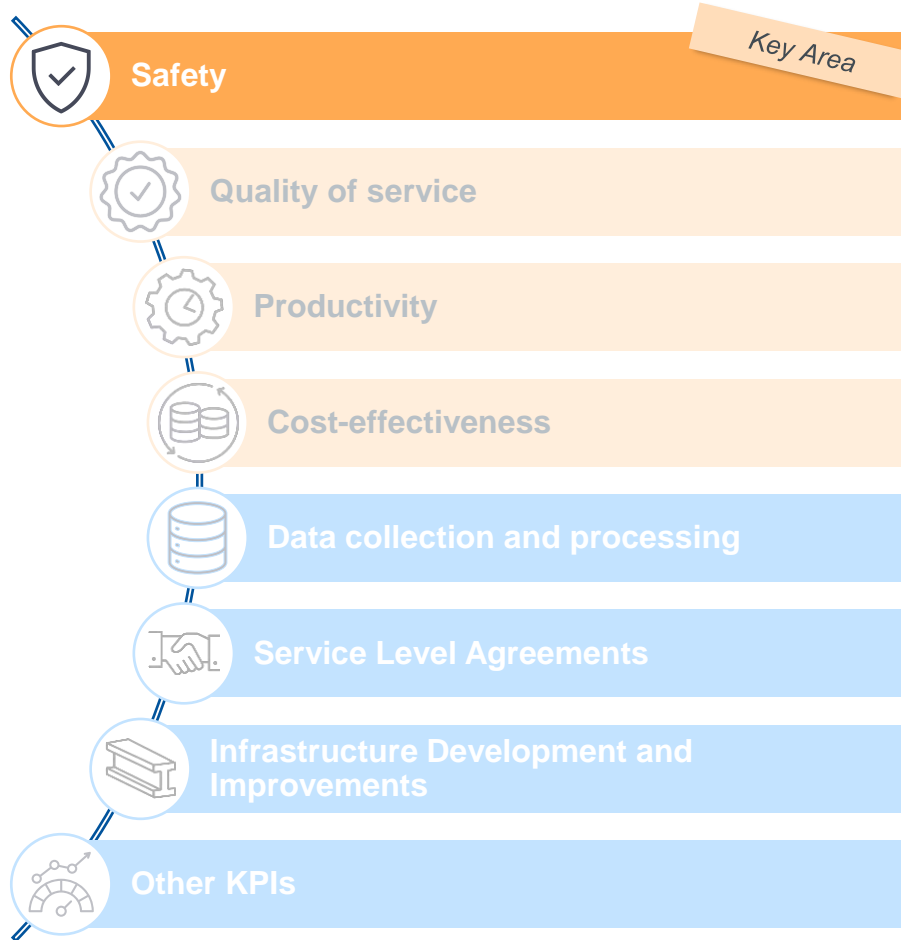


While the areas identified by ICAO fully apply to the implementation and monitoring of the PLS PPP process, most of them also apply—and are highly important—to the operation of the entire airport network of the TCIAA

Key Performance Area for PPP Monitoring team (1/8)

Safety

Main Key Performance Indicators (KPIs)

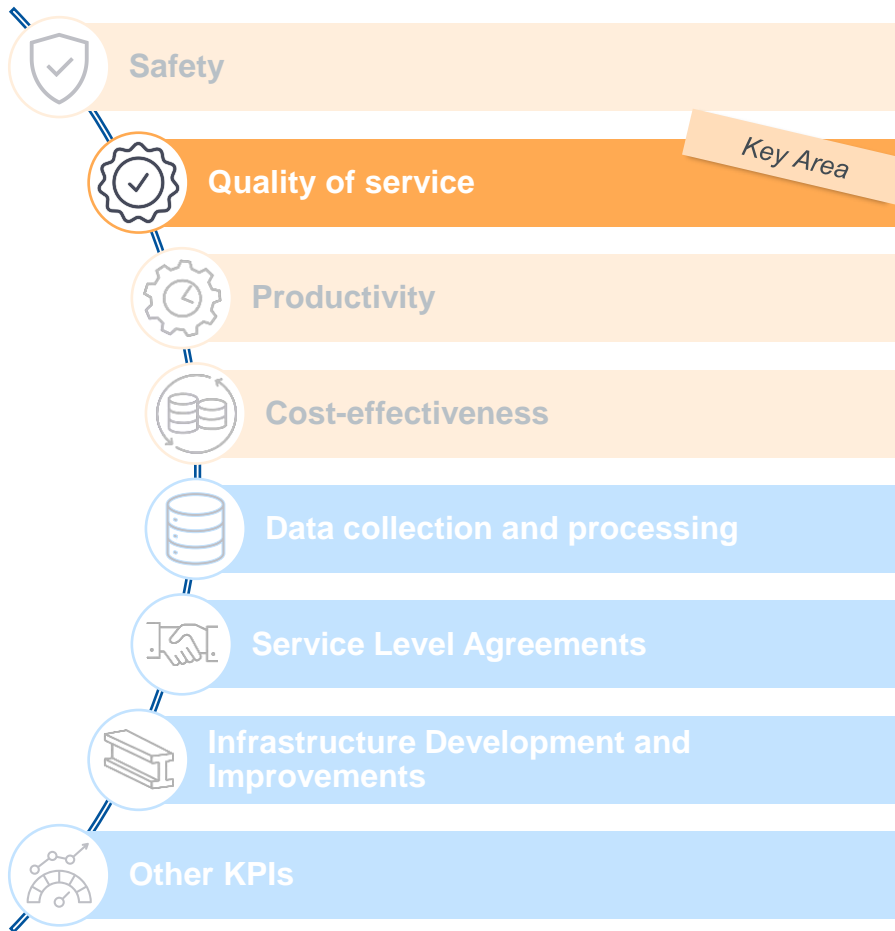


- **Runway accidents** and incursions are **primary safety concerns for airports**
- A runway incursion is any occurrence at an airport involving an aircraft, vehicle, person or object on the ground that creates a collision hazard or results in a loss of separation with an aircraft taking off, intending to take off, landing, or intending to land
- Potential indicators include:
 - **Safety-response times for airfield & non-airfield matters**
 - **Response time between non-compliances and corrective action**
 - **Events with critical systems unavailability**
 - **RWY accidents/'000 operations**
 - **RWY incursions/'000 operations**
 - **Bird strikes /'000 operations**
 - **Average resolution time/incursion**

Key Performance Area for PPP Monitoring team (2/8)

Quality of service

Main Key Performance Indicators (KPIs)



- Airport service quality frameworks identify the service standards that airlines and their passengers can expect from airports in return for the airport charges they pay
- **Quality of service** can be measured from aircraft operators' and from end-users' perspectives These indicators could be:
 - **Daily ATMs**
 - **# delays/cause**
 - **Average delay/flight**
- The quality of airports services could be also assessed through **passenger surveys or measurements**:
 - **Time at security queues**
 - **% time baggage system available during hours of operation**
 - **Ease of finding one's way**
 - **Accuracy of screen information**
 - **Cleanliness of washrooms**
 - **Overall passenger satisfaction**

Key Performance Area for PPP Monitoring team (3/8)

Productivity

Main Key Performance Indicators (KPIs)

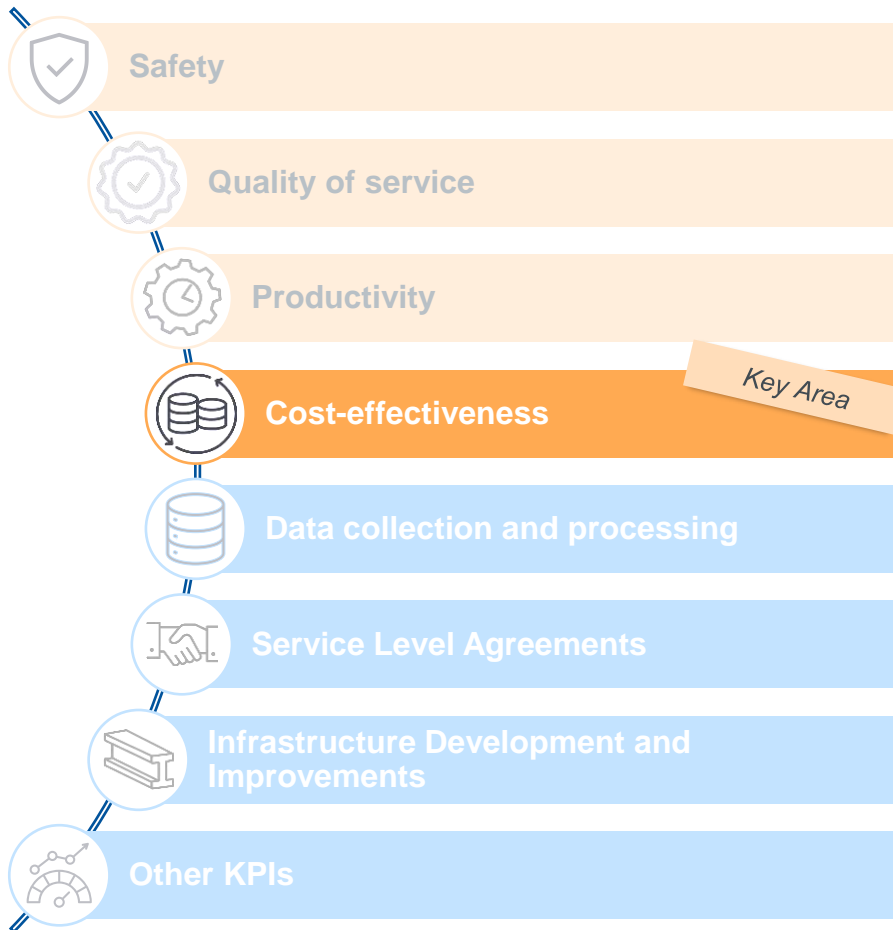


- **Productivity performance** indicators look at the **relationship of airport output** (for example, number of aircraft movements, number of passengers and tonnage of cargo handled) **to inputs** (for example, employees, gates and airport facilities).
- Potential indicators include:
 - **ATMs/employee**
 - **ATMs/gate**
 - **ATM/h**
 - **Pax/employee**
 - **Pax/gate**
 - **Pax/stand**
 - **Pax/h**
 - **Ton of cargo/employee**
 - **Ton of cargo/warehouse sqm**

Key Performance Area for PPP Monitoring team (4/8)

Cost-effectiveness

Main Key Performance Indicators (KPIs)

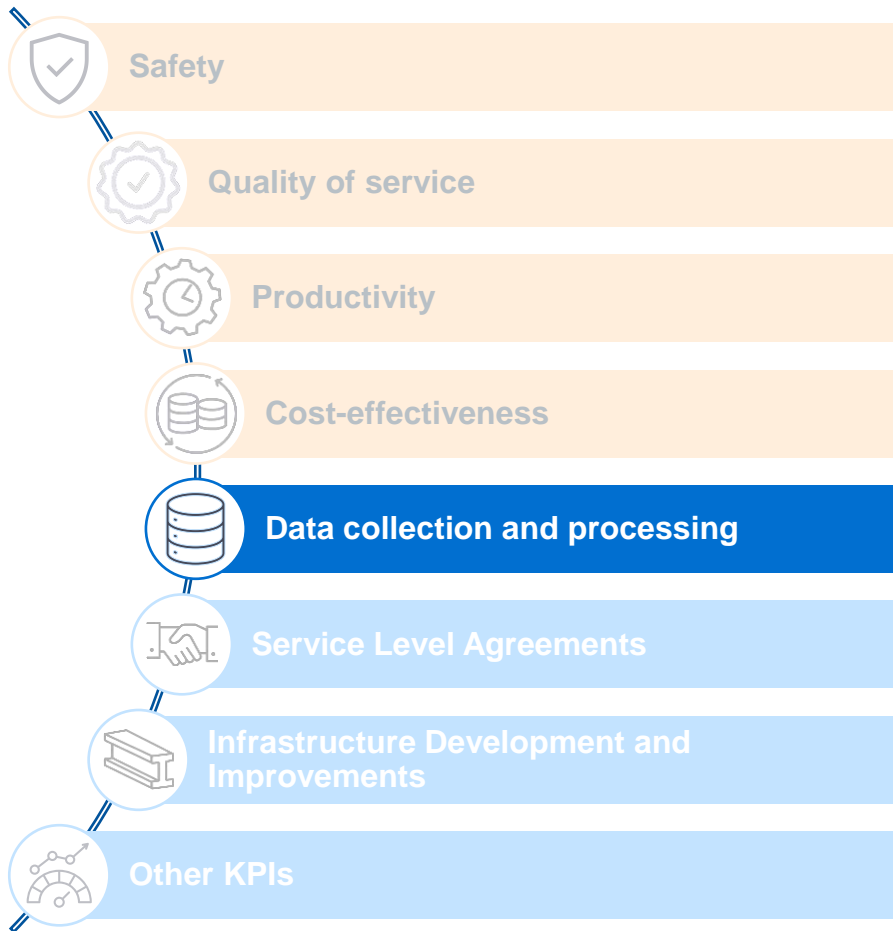


- **Cost-effectiveness performance** indicators gauge the **financial expenses**, such as total airport costs, facility costs, and operating costs, necessary to generate specific outputs, such as aircraft movements, passenger traffic, and cargo handled
- Potential indicators include:
 - **Total costs per aircraft movement**
 - **Total costs per passenger**
 - **Total costs per 1,000 air traffic units**
 - **Staff costs as a percentage of turnover**
- These metrics offer insights into the efficiency and financial viability of airport operations, allowing stakeholders to make informed decisions regarding resource allocation and performance optimization

Key Performance Area for PPP Monitoring team (5/8)

Data Collection and Processing

Main Key Performance Indicators (KPIs)



- Airports should always take care that **the benefits of data collecting and processing** justify the cost incurred and that the effort and money spent on the collection and **processing of data** are actually **used to improve the effectiveness of decision making**
- For performance management to be effective and credible, it is important to **adhere to certain guidelines** on data collection and processing
 - The data used should be obtained from **accurate sources**
 - The **compilation of data** should be thorough with **clear definitions of services and units of measurements**, and if estimation procedures such as sampling are used, they should be free from bias as much as possible
 - **Consistent, transparent methodologies** should be used to compile or estimate results

Key Performance Area for PPP Monitoring team (6/8) Service Level Agreements

Main Key Performance Indicators (KPIs)



- **Service level agreements (SLA)** serve as valuable instruments for delineating service levels and **establishing the terms of engagement** governing the relationship between airports and various entities (*such as airlines, Airport Authority, or Government*) when **requesting services beyond generic standards**
- Potential **airside & passenger terminal** indicators include:
 - **Fixed electrical ground power** serviceability
 - **Aircraft parking** (dedicated) stand availability
 - **Remote coaching performance**
 - **People mover systems serviceability**
 - **Queuing and transfers standards** — coaching performance, security queuing
 - **Baggage systems**
 - **Ease of finding way around terminals and flight information**
 - **Departure and gate lounges**
 - **Comfort and Cleanliness of terminal** (*seat availability, seat comfort, cleanliness of the facilities, air conditioning, elevators and escalators, etc.*)
 - **Overall survey scoring**

Key Performance Area for PPP Monitoring team (7/8) Infrastructure Development and Improvements

Main Key Performance Indicators (KPIs)

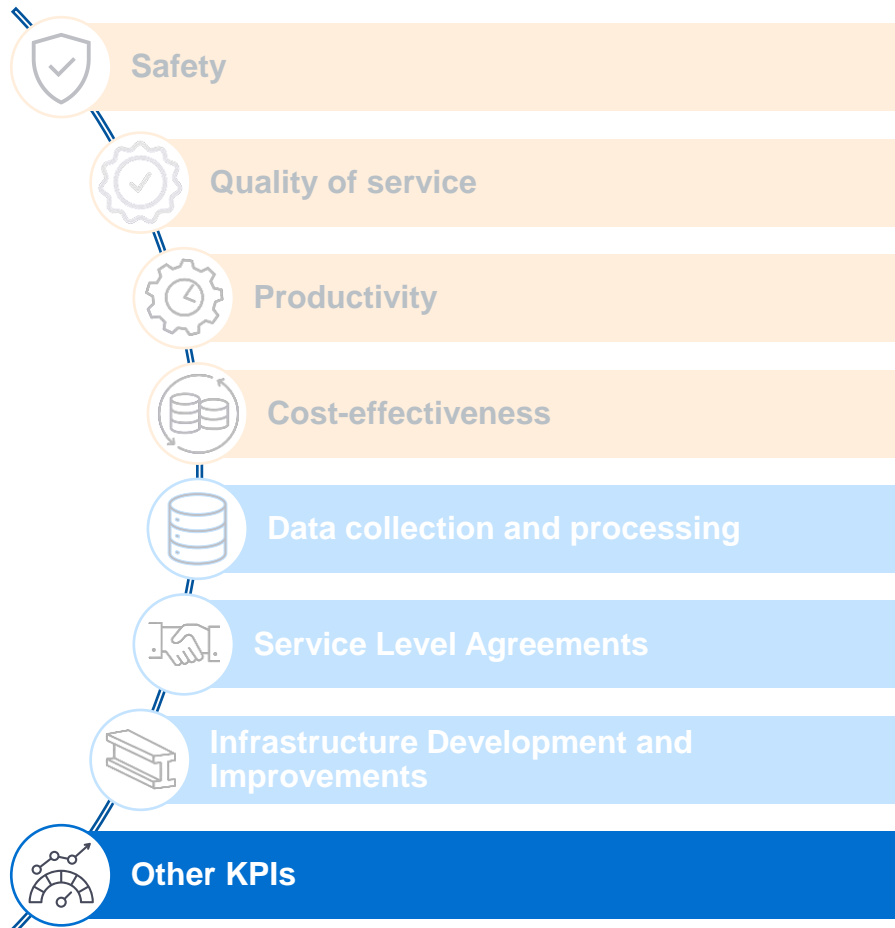


- Effective **infrastructure development** is crucial for optimizing airport operations. By identifying best practices and assessing **resource utilization, capacity, and financial impacts**, airports can prioritize investments and drive efficiency. Tracking infrastructure **ROI, operational expenses, and environmental impact** ensures sustainable development and resilience
 - **Resource Utilization Rate**
 - **Capacity Utilization Index**
 - **Infrastructure Return on Investment (ROI)**
 - **Cost of Downtime**
 - **Operating Expenses (OpEx) on Infrastructure**
 - **Capital Expenditure (CapEx) on Infrastructure**
 - **Revenue Impact**
 - **Innovation Enablement**
 - **Infrastructure Adaptability**
 - **Environmental Impact**

Key Performance Area for PPP Monitoring team (8/8)

Other KPIs

Main Key Performance Indicators (KPIs)



- In addition to the aforementioned KPIs, **the industry also recommends the use of performance comparisons and benchmarks**, which are frequently employed at a decision-maker level and serve as a foundation for discussion and awareness among all stakeholders
- **Airport performance is often evaluated in relative terms**, making **benchmarking a valuable tool** for assessing and improving operational effectiveness. Benchmarking can be conducted internally and externally
 - **Internally**, benchmarking involves comparing an **airport's performance against its own historical data** to track progress over time
 - **Externally**, benchmarking entails **comparing an airport's performance against industry peers** to identify areas for improvement and best practices
- **Both internal and external benchmarking** provide **valuable insights into performance metrics**, facilitating informed decision-making and fostering continuous improvement in airport operations and management

Key points within the TCIAA restructuring strategy

1 Restructuring for the TCIAA

- The TCIAA is currently undergoing a PPP process in which its largest asset, PLS Airport, will be transferred to a private operator, following what >160 airports in the region have done; **this will substantially alleviate the TCIAA's operational functions**
- In light of this process, **the need to restructure TCIAA has arisen**, and a plan, in which the TCIAA is able to monitor the PPP once it is established will be sought, while maintaining the TCIAA's governance model as close to the existing one as possible

2 Alignment with ICAO best-practices and implementation plan

- While the TCIAA's current structure is aligned with ICAO best practices, it is imperative that the new structure continues on this path (from a functional point of view, as well as from an organizational point of view), **adapting the needs of an entity with less operational depth, but which will have the responsibility of ensuring the success of the PPP**
- An **implementation plan to guide the TCIAA through its restructuring process** shall include several steps, from a stakeholder engagement phase, through a model definition, prioritization, resource allocation, execution, and continuous monitoring

3 Creation of a PPP contract monitoring entity

- Given that the responsibility to ensure a smooth transition and future success of the PLS PPP will fall under the TCIAA's scope, **the Authority should set up a PPP monitoring entity**, that shall work alongside the private operator from day one
- **The PPP monitoring department shall be composed of a multidisciplinary team with 14 permanent members**, with some specific profiles that would need to be externally recruited and some positions filled with current TCIAA staff
- The continuous **support of an external advisor during the initial implementation phase** is imperative to ensure an adequate execution and capacity building; as the process moves forward, external help may become a punctual requirement (periodical audits, Master Plans, strategic/technical advice, operations optimization, etc.)

4 Identification of Key Performance Areas

- **The draft PPP contract proposes thresholds to certain KPIs**, which, if reached, could mean penalties to the operator; it is highly recommended, however, to **keep present and follow all key performance indicators recommended by ICAO**
- These Key Performance Areas **apply both to the PPP monitoring team, as well as to the TCIAA entity as a whole**

Content

Analysis of the current situation of the TCIAA

Identification of best-practices in the region and gap analysis

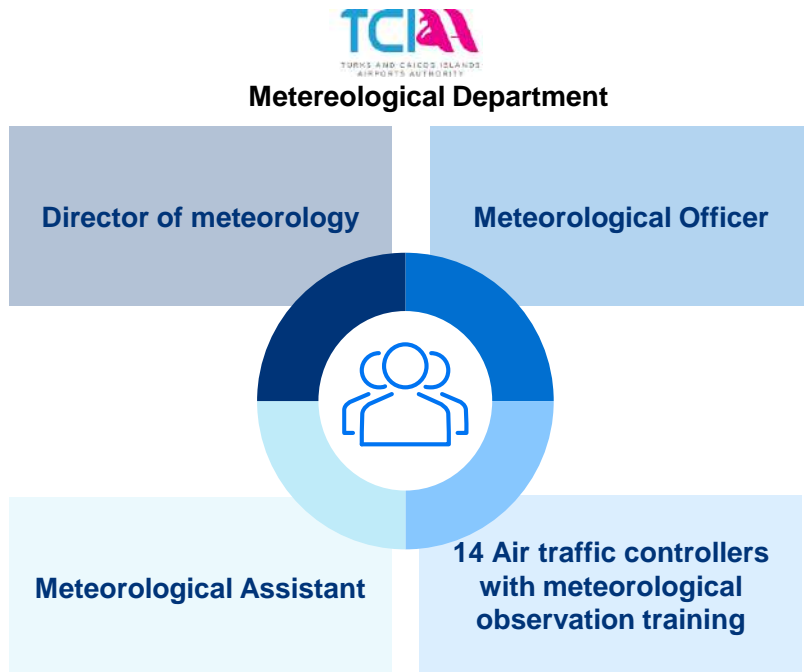
Definition of the TCIAA 2.0 and PPP Monitoring Unit

Meteorological Strategic Master Plan



Current TCIAA Meteorological Department provides public weather info for the entire TCI, in collaboration with the Govt. of The Bahamas

The TCIAA Meteorological Department



- The **TCIAA Meteorological Department** works closely with the **Bahamas Department of Meteorology (BDM)**, which provides aerodrome forecasts for the airports in the TCI (PLS, GDT in particular), as well as with the **Caribbean Meteorological Organization (CMO)** for severe weather advisory information
- Currently, **ATC controllers in the TCI provide observations of meteorological elements** to aircraft during manned hours. Furthermore, an aeronautical observation is taken every hour and transmitted directly to the WAFS Internet File Service (WIFS) maintained by the FAA
- **The department also generates 3-day public weather forecasts** and local severe weather advisories, as a service to the entire Territory

Development of a Meteorological Service in the TCI - 2019

- A study was carried out in 2019 to **provide a plan of action for the development of a general meteorological service in the TCI**. Various options were presented, particularly with regards to the future responsibilities of the Meteorological Department of the TCIAA
- The path chosen involves the **Government of the TCI developing its own Department of Meteorology** based on the current TCIAA Meteorological Dept.
- **Meteorological observations** in different areas, **data storage and retrieval**, and **meteorological training** are capacities needed to develop the service
- According to this pathway, at the end of a **10-year** period, the **TCI will be able to conduct observations** at all manned stations, **manage climate data**, and **issue aviation and public weather forecasts**, including specialized and impact forecasts for tropical storms and hurricanes. They will **have the authority to issue their own alerts and warnings** for these events

Meteorology Services in the Turks and Caicos fall under the responsibility of the TCIAA, which hosts a specialized Department of Meteorology in charge of **providing weather information and other services for the entire Territory**

Currently, **only PLS, GDT and XSC are manned during hours of operation**, so only these airports provide recorded observations

The Strategic Plan for the National Meteorological Services places the TCIAA Met. Dept. as the base to developing the independent weather entity

Overview of the Strategic Plan for National Meteorological Services (SPNMS)

- The first Strategic Plan for National Meteorological Services (SPNMS) and the Framework for Weather, Water, and Climate Services (FWWCOS), with a complementary Action Plan for Turks and Caicos, was developed in 2023
- The **SPNMS-FWWCOS serves as a key coordination mechanism to bring together the stakeholders** for the successful generation and **delivery of co-designed and co-produced weather, water, climate, and ocean services** with and for users
- These are committed to **achieving high-level policy objectives and institutional instruments** which will allow the TCI to have an **independent weather entity in the future**
- The **SPNMS (2023-27) aims to guide the service provider in ensuring that its weather, water, climate and ocean services play an effective role in the islands' socio-economic development**, so that the Government of Turks and Caicos Islands and development partners sustainably support the TCINWS in delivering its mandate
- The **TCIAA Meteorological Department is a key element** to achieving the creation of an independent weather entity, given it is **considered the predecessor of the new organ**

Key pillars of SPNMS's Recommendations

- The Strategic Plan proposes the development of an **independent entity which provides TCI's National Meteorological Services (NMS)**
- The **benefits of having an independent entity** in charge of weather services are as follows:



Support for TCI's tourism and aviation industry



Regional and international collaboration



Economic benefits



Weather forecasting and monitoring



Disaster preparedness and response



Public awareness and education



Sovereignty and self-reliance



The main goals of the future meteorological services include effective policies, improved infrastructures, and enhanced human resource capacities

Objectives and actions for every goal for the future meteorological services provider

1
Effective policy, institutional, and system environment for delivering weather, water, climate, and ocean services

- **Improve governance framework** for effective weather, water, climate, and ocean services
- **Develop management systems** such as the concept of operations (CONOPS) and standard operating procedures (SOP) for service delivery and Improve Quality Management Systems

2
Improved infrastructure capacity of the service provider to deliver weather, water, climate, and ocean services

- **Enhance and upgrade Infrastructure** for weather, water, climate, and ocean services, and **improve information management** and observation
- Implement **end-to-end impact-based early warning systems, and enhance dissemination systems** of weather, water, climate, and ocean information (early warnings)

3
Strengthened partnerships with stakeholders and intra and inter-agency coordination and communication

- **Generate stakeholder** interface platforms to coordinate the implementation of activities under the NSP & AP developed
- **Ensure stakeholders and communities understand** forecasts and impact-based warnings
- **Improve partnerships** with BDM and CIMH

4
Enhanced human resource capacity at the service provider's team to deliver weather, water, climate, and ocean services

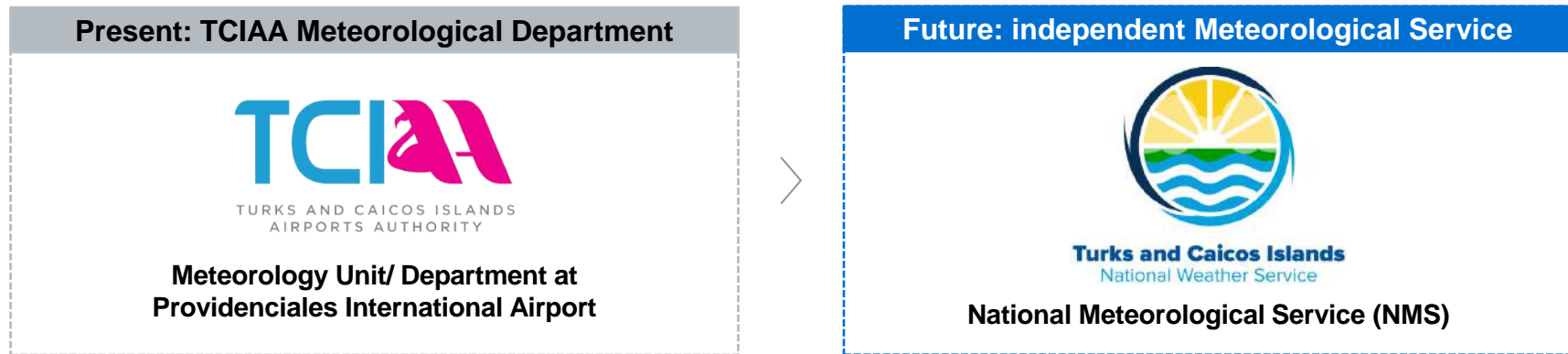
- **Strengthen the staff capacity at TCINWS**, hiring a data and systems administrator, aeronautical forecasters, an additional meteorological officer, a meteorology instrument technician and a marine (weather) forecaster, as well as **providing basic and refresh training**

With the aim of achieving stakeholders' expectations on the aviation sector, **the meteorological service provider must provide services compliant with ICAO's Annex 3:**

- Prepare and/or **obtain forecasts and other relevant information** for flights
- **Prepare forecasts of local meteorological conditions**
- Maintain a **continuous survey of meteorological conditions over the aerodromes** for which it is designated to prepare forecasts
- Provide **briefing, consultation and flight documentation to flight crew members** and/or other flight operations personnel
- **Display the available meteorological information**
- **Exchange meteorological information** with other meteorological offices
- **Improve quality management** of the meteorological information

The TCIAA Meteorological Dept. will shift to become the TCIA National Meteorological Service, with its own values, mission and vision

Meteorological service provider change



- **Current leaders within the TCIAA have the capacity to support the development of TCINWS**, that will be the national leader in providing weather, climate, and ocean services
- **The financial mechanism for the creation of the new entity is highly linked to the TCIAA**, which shall provide support in properly managing the transition to the new organization structure

VISION

The TCINWS will **deliver actionable, user-focused, and high-quality weather, climate and ocean services** through the **application of world-class technology by highly skilled and well-trained professionals** to build national resilience and promote the sustainable development of the Turks and Caicos Islands

MISSION

The TCINWS mission is **to make reliable and actionable weather, climate, and ocean information and impact-based early warning services** accessible to all residents, visitors, and economic sectors in the Turks and Caicos Islands

The values, mission and vision, of the TCINWS have been laid out; its independence will allow the Govt. to effectively serve different sectors in need of meteorological services without directly depending on the TCIAA, in line with int'l best-practices

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