

Funding and Resource Mobilization for Civil Aviation

Presented by:

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Funding Options

- ❖ Recipient States
- ❖ Donor countries
- ❖ International financial institutions
- ❖ Regional development banks
- ❖ Private sector and aviation industry
- ❖ Regional organizations
- ❖ International Financial Facility for Aviation Safety (IFFAS)

**International Financial
Facility
for
Aviation Safety (*IFFAS*)**

1. What is IFFAS?

- ❖ A mechanism for financing safety related projects
- ❖ Financial assistance offered when States cannot provide resources

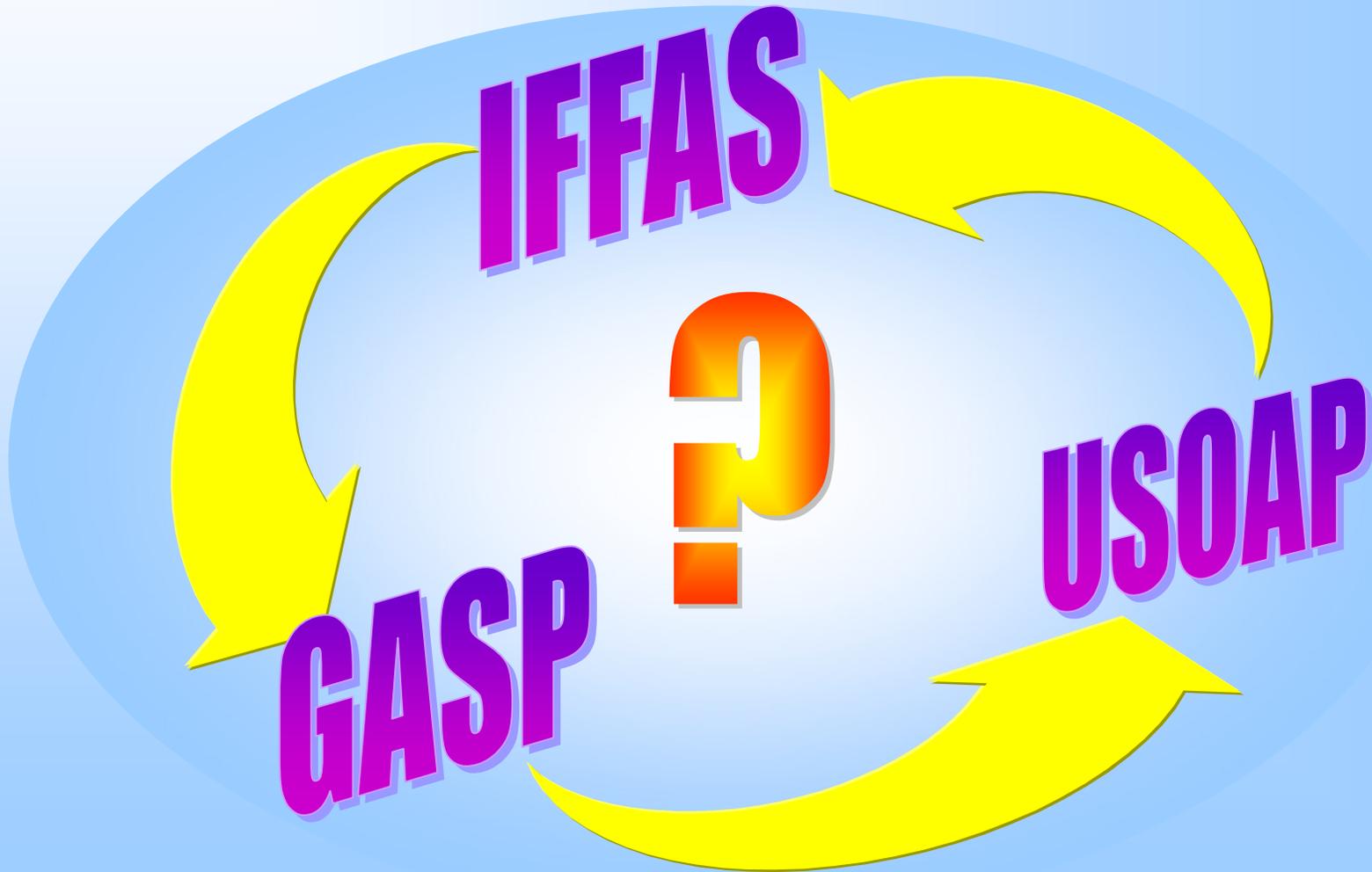


How was IFFAS formed?

- ❖ Council Resolution
- ❖ Administrative charter
- ❖ Memorandum of Understanding
- ❖ Became operational in June 2003



How are projects identified for assistance?



What are the main distinguishing features of IFFAS

- ❖ Participation on voluntary basis
- ❖ Eligibility based on need
- ❖ Transparent management structure
- ❖ Effective audit and quality system
- ❖ Complete independence from ICAO budget

Why an IFFAS?

- ❖ There is a demonstrable need for funding global aviation safety
- ❖ Traditional methods of cost recovery are insufficient



What are facts supporting the establishment of IFFAS?

❖ A33-9 [clause 2]

The Assembly

A33-9

2. *Urges* the Secretary General to ensure that ICAO provides, when requested, reasonable assistance within available resources, to help States to obtain the necessary financial resources to fund assistance projects by Contracting States, industry organizations or independent consultants;

❖ A33-10 [clause 2(a)]

The Assembly

A33-10

2. *Endorses* the concept of an IFFAS with:

- a) the objective of financing safety-related projects for which States cannot otherwise provide or obtain the necessary financial resources, with the principal area of application being safety-related deficiencies identified through the ICAO Universal Safety Oversight Audit Programme (USOAP) as an element of the Global Aviation Safety Plan (GASP); and

❖ Legal basis under Chicago Convention

What are facts supporting the establishment of IFFAS?

❖ A35-8 [clauses 3, 4 & 5]

3. *Invites* Contracting States experiencing difficulties in financing measures necessary to correct safety-related deficiencies identified through the ICAO Universal Safety Oversight Audit Programme (USOAP) as an element of the Global Aviation Safety Plan (GASP) to take advantage of the assistance which can be offered by IFFAS in the financing of such measures by direct funding or as a facilitator and catalyst for other sources of funding, in order to ensure that required aviation safety standards be maintained globally;

4. *Urges* Contracting States to consider participation in IFFAS by making voluntary financial or in-kind contributions to the Facility;

5. *Strongly encourages* international organizations (private and public) having association with international aviation, airlines, airports, providers of air navigation services, manufacturers of airframes, engines and avionics, other members of the aerospace industry, and civil society, to make voluntary financial or in-kind contributions to IFFAS;

3. *Invites Contracting States experiencing difficulties in financing measures necessary to correct safety-related deficiencies identified through the ICAO Universal Safety Oversight Audit Programme (USOAP) as an element of the Global Aviation Safety Plan (GASP) to take advantage of the assistance which can be offered by IFTAS in the financing of such measures by direct funding or as a facilitator and catalyst for other sources of funding, in order to ensure that required aviation safety standards be maintained globally;*

4. *Urges Contracting States to consider participation in IFTAS by making voluntary financial or in-kind contributions to the Facility;*

5. *Strongly encourages international organizations (private and public) having association with international aviation, airlines, airports, providers of air navigation services, manufacturers of airframes, engines and avionics, other members of the aerospace industry, and civil society, to make voluntary financial or in-kind contributions to IFTAS;*

6. *Requests the Council to submit to the next ordinary session of the Assembly a report regarding IFTAS activities, including performance assessment and audited financial statements; and*

7. *Declares that this resolution supersedes Resolution A33-10.*

Legal basis of the IFFAS

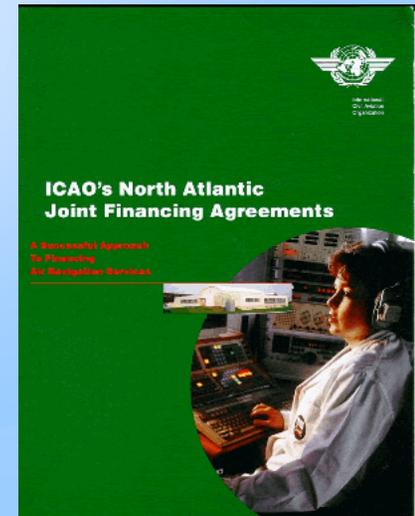
❖ Chicago Convention

➤ Chapter XV

- Article 69 (Council intervention)
- Article 70 (Agreement between State and Council)
- Article 71 (Provision of services)

The Joint Financing Paradigm of ICAO

- ❖ DEN/ICE Agreements
- ❖ Administrative support by ICAO
- ❖ Independence from ICAO
Budget



Can there be other ICAO Mechanisms that may offer similar services?

No

- ❖ A33-10 laid down principles of structure, later replaced by A35-8
- ❖ Governing body of Individuals
- ❖ ICAO Council
- ❖ ICAO legal structure

What does IFFAS provide?

- ❖ IFFAS is required to provide loans (grants an exception)
- ❖ Only one loan has been accepted (as against 10 grants)
- ❖ Governing body of IFFAS has decided to award loans only or a combination of loan and grant

Who is eligible for IFFAS assistance?

- ❖ Only States (regional groups or singular)
- ❖ Only States that contribute to IFFAS
- ❖ Usually States which satisfy certain criteria (low income, low GDP)

What has IFFAS provided so far?

- ❖ IFFAS has financed ten projects benefiting 51 States

- ❖ Africa

- (COSCAP) UEMOA – 2005

- (COSCAP) BAG - 2005

Thank you for your attention

Questions?