



ICAO PARIS UNITING AVIATION

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Sustainable Financing for the CAAs

Workshop conclusions and actions

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ICAO EUR/NAT: WORKING WITH THE STATES

- **March 2019** - EUR/NAT DGCA meeting: ICAO EUR/NAT Regional Office to organize a dedicated workshop concerning the sustainable funding of States Civil Aviation Authorities (EUR/NAT-DGCA Decision 2019/6).
- **September 2019** - ICAO A-40: Ukraine with the support of ICAO EUR/NAT prepared the A40-WP/183 “*Financing Mechanisms for CAAs*” which was presented by Ukraine.



ICAO EUR/NAT: WORKING WITH THE STATES

- **May 2020** - ICAO presents the CART report, including Recommendation 10 to support financial viability and to maintain an adequate level of safe, secure and efficient operations for ICAO Member States.
- **29 September 2020** - EUR/NAT Workshop on Sustainable Funding of CAAs
 - 136 participants from 37 States and EC, EASA, EUROCONTROL, IAC, ECAC, IATA, CANSO, ACI, IFATCA and IFAIMA
- **20 October 2020** - EUR/NAT organizes an EUR/NAT DGCA Meeting to discuss the 8 Workshop Conclusions and decide further actions.



29 September 2020 | Workshop Discussions

- Background on relevant ICAO provisions and statistical information.
- Global and regional dashboards on the COVID-19 impact.
- Presentations by Italy, Kazakhstan, Montenegro, Turkey, United Kingdom and Ukraine sharing their experience and financing mechanisms. Pooling of resources as one of the potential solutions to tackle the problem.
- Presentation by EASA highlighting the roles RSOOs can play in addressing the issue of sustainable CAAs financing.
- The role of RSOOs to address the issue of sustainable CAAs financing.
- Presentations by IAC, IFATCA, CANSO, IATA on industry concerns and measures.



29 September 2020 | Workshop highlights

- Link between lack of financing of CAAs and the potential repercussions on safe, secure and efficient civil aviation operations.
- Aviation sector challenge: from rapid growth to a deep recession.
- COVID-19 impact detrimental to the aviation sector including the finance of the CAAs.
- Implementation of Recommendation 10 from ICAO CART/Take off is key to facilitate the restart and recovery phases.
- Importance to continue working under the ICAO EUR/NAT leadership and other stakeholders on the sustainable funding of CAAs.



Workshop Conclusion 1

- *C1: The sustainable funding of the CAAs is an existing and ongoing issue with possible safety repercussions. Until the beginning of 2020, the aviation sector went from a situation of rapid growth, where it was difficult for CAAs to keep pace with the expansion of demand, to a situation of deep recession caused by the COVID-19 pandemic.*

Note: Addressed in Draft DGCA Conclusion 2020/5 (See Slide # 14)



Workshop Conclusion 2

- *C.2 : The outbreak of this pandemic has impacted the air transport sector and its effects have been particularly acute for the finances of developing and land locked States with not enough traffic and/or limited financial resources. It has led to a drastic and detrimental effect on CAAs, airlines, airports and the aviation tourism industry worldwide.*

Note: Addressed in Draft DGCA Conclusion 2020/5 (See Slide # 14)



Workshop Conclusion 3 and DGCA Draft Conclusion 1

- *C3: Following the restart and recovery phases, the post-COVID normality will probably not be the same as before (bankruptcies, layoffs, consolidations, and competition for Government funding by different sectors). We must look ahead and tailor new financing models that support the future of the sector, maintaining or deepening the required independence of CAAs from national governments. In that sense both short and long-term new supportive measures and financial models including diversification of financing sources and availability of State-provided contingency financing, should be identified to ensure solidarity, sustainability and effective functioning of national CAAs.*

Draft EUR/NAT-DGCA Conclusion 2020/1

That, recognizing the need to develop and tailor new financing models that support the future of the civil aviation and its resilience, States are encouraged to consider, in their appropriate national legislation and regulations laying down the foundation of national civil aviation oversight function, the financing models that include diversified sources of financing and availability of State-provided contingency financing to cater for any potential future contingencies.



Workshop Conclusion 4

- *C4: States and aviation stakeholders must try to raise the system's level of resilience by focusing on cooperation, benchmarking, exchange of views and best practices and discussing new solutions that appears to trace a more sustainable path than the one some CAAs are presently taking.*

Note: Addressed in Draft DGCA Conclusion 2020/5 (See Slide # 14)



Workshop Conclusion 5 and DGCA Draft Conclusion 2

- C5: ICAO, regional and global organizations (including the RSOOs) play an utmost important role in this regard, as they are the appropriate forum for cooperation and collaboration to happen and succeed between States, industry and all stakeholders from the value chain. In that sense, the Regional Director, ICAO EUR/NAT, is urged /mandated to continue the work on the sustainable funding of CAAs and on strengthening the collaboration between relevant stakeholders.*

Draft EURNAT-DGCA Conclusion 2020/2

That the Regional Director, Europe and North Atlantic, is urged to continue work on the topic of sustainable funding of the CAAs as one of the priorities on the EUR/NAT working programme, using the available resources.



Workshop Conclusion 6 and DGCA Draft Conclusion 3

- *C6: RSOOs and enhanced cooperation/collaboration between States is an alternative means of dealing with the identified financing difficulties, whether in the normal or current contingency situation. To that end, States are invited to consider joining their efforts and resources, either through RSOO arrangements, through direct agreements with other States to enable pooling and sharing of resources (e.g. qualified inspectorate staff, training etc.) or through GASOS.*

Draft EUR/NAT-DGCA Conclusion 2020/3

That the EUR/NAT States are encouraged to enhance collaboration through use of RSOOs and pooling/sharing of resources between CAAs as possible means of tackling the identified sustainable CAAs financing issues.



Workshop Conclusion 7 and DGCA Draft Conclusion 4

- C7: In order to provide the right information and tools for States to better support their internal strategies and decision-making processes, it is instrumental to understand and showcase the funding structures and available resources for the CAAs within the EUR/NAT Regions. For that reason ICAO EUR/NAT is urged/ mandated to collect the relevant information via an anonymous survey and make the data available to the EUR/NAT States.*

Draft EUR/NAT-DGCA Conclusion 2020/4

That the EUR/NAT ICAO Regional Director, Europe and North Atlantic, is mandated to develop and conduct a regional survey to collect and analyze data concerning funding structures and available resources for the CAAs within the EUR/NAT Regions, taking into consideration the impact of COVID-19.



Workshop Conclusion 8

- *C8: ICAO EUR/NAT therefore is urged /mandated to:*
 - a. *Continue creating awareness and capacity building activities as necessary, including webinars, workshops and other communication outreach activities;*
 - b. *Foster the understanding of the COVID-19 impact on CAAs funding and the collaboration and sharing of know-how between States and relevant stakeholders;*
 - c. *Bring the topic of CAAs' funding challenges to the attention of appropriate fora (HLSC, relevant ICAO Panels etc.) as deemed necessary;*
 - d. *Support at the national level the CAAs, emphasizing at governmental level the importance of sustainable funding of the CAAs and of the air transport sector for national economies;*
 - e. *Consider establishing a network with relevant organizations and financial institutions and identifying what kind of tools States would need to make better and informed decisions to support the sustainable funding of the CAAs and their oversight capabilities, both at the immediate and longer term, depending on resources made available to the ICAO EUR/NAT.*



DGCA Draft Conclusion 5

(addressing Workshop Conclusions 1, 2, 4 and 8)

Draft EUR/NAT-DGCA Conclusion 2020/5

That the ICAO Regional Director, Europe and North Atlantic, is invited to continue work on the topic of sustainable financing of CAAs and on strengthening the collaboration between relevant stakeholders, including the following:

- a) Creating awareness and capacity building activities as necessary, including webinars, workshops and other communication outreach activities;
- b) Fostering the understanding of the COVID-19 impact on CAAs funding and the collaboration and sharing of know-how between States and relevant stakeholders;
- c) Bringing the topic of CAAs' funding challenges to the attention of appropriate fora (HLSC, relevant ICAO meetings, etc.) as deemed necessary;
- d) Supporting at the national level the CAAs, emphasizing at governmental level the importance of sustainable funding of the CAAs and of the air transport sector for national economies; and
- e) Consider establishing a network with relevant organizations and financial institutions and identifying what kind of tools States would need to make better and informed decisions to support the sustainable funding of the CAAs and their oversight capabilities, both at the immediate and longer term, depending on resources made available to the ICAO EUR/NAT.



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