



WORKING PAPER

**DIRECTORS GENERAL OF CIVIL AVIATION CONFERENCE
ON A GLOBAL STRATEGY FOR AVIATION SAFETY**

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Theme 2: Improving aviation safety

Topic 2.3 Unified strategy to resolve safety-related deficiencies

Theme 3: Beyond the current framework

**IFFAS AND STRENGTHENING FINANCIAL LEVERAGE TO
ADDRESS SAFETY DEFICIENCIES**

(Presented by Argentina, Chile, Egypt, France, India, The Netherlands, Nigeria,
and Pakistan)*

SUMMARY

This paper contains information on activities undertaken by the IFFAS Governing Body to further strengthen the operations of IFFAS. Furthermore, the paper proposes to study opportunities and modalities for close cooperation between IFFAS and ICAO's Unified Strategy Programme.

Action by the Conference is in paragraph 8.

1. INTRODUCTION

1.1 More and more, governments and funding institutions across the globe are becoming aware of the facilitating role that aviation plays for general economic development. The International Financial Facility for Aviation Safety (IFFAS) aims to assist countries in obtaining the necessary funding to help maximize that potential by support to enhance safe aviation. The IFFAS mechanism is designed to provide financial support to projects that can improve aviation safety in an effective way. This is mainly done through the implementation of measures, which are primarily identified through the outcome of the Universal Safety Oversight Audit Programme (USOAP). IFFAS is as an independent financial instrument which implies that IFFAS allows States, applying for IFFAS funding, to choose their own implementing agency for the appropriate project. It is important to underline that the initiative to establish the IFFAS can be considered as the first attempt to address the financial needs for aviation safety and security improvements in low income countries on a global scale.

* Members of the Governing Body of the International Financial Facility for Aviation Safety (IFFAS).

1.2 Two tasks have been accepted for IFFAS:

- a) IFFAS as a financial facility itself, a task that is harnessed in the IFFAS Charter. However, it should not merely be considered as a banking function but more importantly as a function to facilitate the coordination and proper implementation of safety projects, funded at the request of third parties.
- b) the leveraging of funds from other sources, such as from developing banks, for the benefit of improving aviation safety in developing countries and low income countries. This second task has been approved by the Governing Body of IFFAS.

1.3 Given the activities in the area of aviation (safety) of large financial institutions such as the World Bank, the IFFAS aims to facilitate requests by Contracting States in the bracket between small to medium sized projects often of a high (safety-related) priority in need for a pragmatic approach as identified by individual civil aviation authorities from IFFAS target States. IFFAS will position itself complementary to, and separately from, the major programmes by institutions such as the World Bank. Large funding institutions such as the World Bank may not be best equipped or mandated to effectively undertake or fund such medium to small sized projects.

1.4 IFFAS may become an even more interesting facility if it focuses on combining middle sized projects with a clear technically based quality control mechanism. Such a mechanism may be realized by integrating this function into each IFFAS loan or grant for quality control. In this context, IFFAS may seek setting up twinning relationships between IFFAS beneficiaries and aviation authorities from States other than less developed countries and low income countries, aimed at sustainable cooperation.

2. IFFAS ACTIVITIES IN FIRST PERIOD OF OPERATIONS

2.1 Since becoming operational in June 2003, a total of eleven projects have been submitted for financing by IFFAS. Taking into account the recommendations of the IFFAS Expert Panel, eight of these projects have been selected for appropriate assistance by way of loan and/or grant.

2.2 All of the selected projects also meet a further key criterion of IFFAS in that they are regional or sub-regional in nature and that the States concerned have a low income country status as identified by the World Bank. A total of forty-five States in different regions are the recipients of IFFAS assistance. The assistance granted in each case is on the basis of improving aviation safety in the regions selected. In brief, the projects selected are as follows:

- **COSCAP SA** (South Asia): 4 of the 7 States are concerned (Bangladesh, Bhutan, Maldives and Nepal). A grant in the amount of U.S.\$94 900 was offered by IFFAS and specifically designated for the recruitment of an international expert in personnel licensing over a period of six months. The main IFFAS partner in the project is the European Commission.
- **COSCAP UEMOA**: the Economic and Monetary Union of West Africa (Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo). In this case, the Governing Body of IFFAS approved an amount of U.S.\$107 200 aimed at the recruitment of two regional experts in the field of navigation and airworthiness for a period of twelve months each.

- **COSCAP BAG:** Banjul Accord (Cape Verde, Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone). In this case IFFAS offered a grant/loan combination amounting to U.S.\$427 250. The grant will cover the recruitment of an international expert in Aviation Regulation for a period of six months and the loan will cover the employment of an expert in Aerodrome Safety and Certification for twelve months. In this initiative IFFAS is joined by the European Commission, French cooperation and the World Bank.
- **COSCAP NA** (North Asia): Funding of U.S.\$95 300 will be devoted to operational safety in Mongolia and the Democratic People's Republic of Korea.
- **COSCAP SEA** (South East Asia): An IFFAS grant of U.S.\$100 000 will assist safety in Cambodia, Lao People's Democratic Republic, Myanmar and Viet Nam.
- **COSCAP CEMAC:** the Economic and Monetary Community of Central Africa (Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon and Sao Tome and Principe) a grant amounting to U.S.\$126 840 has been approved for the hiring of a Regional Flight Operations Inspector, duration twelve months and a Regional Airworthiness Inspector, duration twelve months.
- **CIS :** the Commonwealth of Independent States (Kyrgyzstan, the Republic of Moldova, Tajikistan and Uzbekistan). A grant amounting to U.S.\$94 500 has been approved for the training of national inspectors on flight safety through four sessions.
- **PASO:** the Pacific Aviation Safety Office (Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon islands, Vanuatu). A grant amounting U.S.\$250 000 has been approved (under certain conditions) for the hiring of a group of experts in the areas of legislation, flight safety operations and airworthiness regulations for a period of eighteen work months.

3. **FURTHER OPERATIONAL STRENGTHENING OF IFFAS**

3.1 At its latest meeting on 23 January 2006, the Governing Body has adopted an extensive work programme for 2006. Implementation of the work programme will strengthen IFFAS operations and will lead to a significant number of strengthened or new characteristics of IFFAS' operations. The aim is to build and to enlarge stakeholders confidence in the efficiency and effectiveness of IFFAS' operations. The new characteristics may include a donor platform and an evaluation instrument.

4. **NEED FOR INCREASED GLOBAL COOPERATION AND PRAGMATIC APPROACH**

4.1 The IFFAS Governing Body is of the opinion that joining forces and cooperating with other actors and programmes in the area of technical cooperation for the promotion of aviation safety and security in low income countries is deemed essential to create genuine opportunities for increasing global aviation safety. It will also create a unified approach towards the industry and stakeholders.

4.2 It is expected that an increasing number of organizations and Contracting States will become active in the area of technical cooperation in order to maintain safe operations in certain regions for operators on their national registry. The increasing number of projects and the expectation that

numerous implementation issues will arise in the coming years necessitate a more pro-active and pragmatic approach than has been adopted by the world aviation community so far. By bundling efforts for the benefit of aviation safety in low income countries, existing lack of coordination and fragmentation may be reduced. Such lack of coordination also increases the workload of recipient countries and takes capacity away from the real task of improving aviation safety. To this regard it is essential to ensure a “problem solving orientation” of such efforts instead of a “process oriented set up” and that any cooperation towards this goal is implemented by a pragmatic organisational set up that deals with activities on a project base.

5. POSSIBLE LINKAGE BETWEEN IFFAS AND ICAO’S UNIFIED STRATEGY PROGRAMME

5.1 ICAO’s Unified Strategy Programme (USP) provides a good basis to systematically assist States in developing and implementing their corrective action plans. With IFFAS and the USP, ICAO now holds two crucial and complementary instruments in moving from developing new Standards and Recommended Practices (SARPs) to implementing existing Standards and associated provisions. It will be in the interest of ICAO to ensure that both the USP and IFFAS adequately synchronize and complement their activities. At the same time, USP and IFFAS shall maintain their autonomy towards each other. In order to further increase the leverage of IFFAS, the IFFAS Governing Body would like to encourage ICAO and the USP to clearly acknowledge IFFAS participation in documentation and papers that cover projects which IFFAS co-finances. ICAO may consider studying the consequences of having IFFAS and the USP jointly devising funding strategies to assist States or groups of States in aligning their activities with ICAO SARPs and associated provisions. Also, ICAO could consider studying as to how far IFFAS and the USP could jointly strengthen project management skills within the applicant countries, enabling them to further increase their capacity to apply for, and manage, externally funded projects themselves.

6. RESOURCE CONSIDERATIONS

6.1 In order to keep IFFAS financially independent from ICAO, the IFFAS Charter stipulates that provision of any administrative or other services by ICAO, only upon request of participating States, shall exclusively be done on a cost-recovery basis. Given the fact that IFFAS suits well with the departure from the way ICAO has done business in the past, increasingly taking up the task of problem solving, the ICAO Contracting States may have to consider accepting the tasks performed by IFFAS as an integral part of ICAO’s tasks. In that frame of mind, alternative staffing scenarios and organizational modification may need to be considered.

6.2 ICAO and its Contracting States may have to consider enabling IFFAS to achieve a stronger and more pragmatic set-up at the upcoming ICAO Assembly in 2007.

7. CONCLUSIONS

7.1 IFFAS will continue its fundraising activities and will work in further maturing its activities along the lines of its work programme.

7.2 IFFAS will continue to work on the recognition of the relevance of aviation as a catalyst for general economics development within the economic system of low income countries. This relates to

the recognition of the economic relevance of aviation within the wider governments of those countries but also to the availability of funds from sources that are not directly aimed at aviation only (Official Development Aid sources, etc.)

7.3 In view of its complementary functions and to enhance the effectiveness, ICAO should consider studying the possible closer cooperation between IFFAS and USP.

8. ACTION BY THE CONFERENCE

8.1 The Conference is invited to recommend that:

- a) Contracting States, as well as other stakeholders, that are in a position to do so, make financial contributions and/or contributions in kind to IFFAS;
- b) ICAO Contracting States, at the next ICAO Assembly, accept IFFAS' Terms of Reference as an integral part of ICAO's strategy in moving towards implementation of existing Standards and associated provisions;
- c) ICAO consider alternative staffing scenarios and organizational modification to achieve a more project based set-up, in line with b above);
- d) the ICAO and IFFAS Secretariat study possible closer cooperation between the USP and IFFAS to enable benefits of economies of quality and scale; and
- e) all stakeholders engaged in devising and financing projects aimed at increasing aviation safety in low income countries, shall strengthen their cooperation in an effort to avoid duplications and shall exchange information and experiences.

— END —