

APPENDIX C**INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)****ANNEX**

to the Letter of Agreement signed between the American States and ICAO for the provision of technical cooperation financed with trust funds

PROJECT DOCUMENT

Project number: RLA/09 /902

Title: Assistance for the implementation of a Regional Multinational Organisation for the management, consolidation, and implementation of multinational systems

Duration: years, extendable

Government executing bodies: Civil aviation authorities

Executing organisation: ICAO

Expected start-up date:, 20....

(Estimated) cost of the project: US\$

Participating States and organisations: SAM States

Brief description: The purpose of this project is to assist civil aviation authorities of ICAO SAM States so that, in keeping with the initiatives of the global air navigation plan and GREPECAS recommendations, they may implement a Regional Multinational Organisation to manage the existing multinational facilities, like the REDDIG and the CARSAMMA, and the implementation of other multinational systems required in the Region with a view to the global ATM system.

Approved on
behalf of

Signature

Name/Title

Date

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A. CONTEXT

1. Description of the Subsector

1.1 The air transport industry plays an important role in the economic activities of a State and continues to be the fastest growing sector in the global economy. The States rely on the aeronautical industry to maintain or encourage economic growth and to assist in the provision of essential services to local communities. Thus, it can be said that civil aviation makes an important contribution to the general wellbeing and economic viability of each nation and of the world as a whole.

1.2 The Convention on International Civil Aviation, signed in Chicago on 7 December 1944 (the Chicago Convention), establishes certain principles and arrangements for the safe and orderly development of international civil aviation and for the establishment of safe and cost-effective international air transport services based on equal opportunities.

1.3 The Chicago Convention provides an appropriate frame of reference for the identification and definition of State responsibilities regarding civil aviation management, and of the organisational structure and methods to be followed in order to fulfil this mandate. The Convention gave origin to the International Civil Aviation Organization (ICAO), whose purpose and objectives are to develop international air navigation principles and techniques, and promote the organisation and development of air transport with a view to a safe and orderly development of international civil aviation worldwide. All of the States that participate in this regional project are signatory to the Chicago Convention and members of ICAO.

1.4 During the 1994-2006 period, scheduled passenger traffic (in passenger-kilometres) of airlines in the Latin American and Caribbean (CAR/SAM) Regions grew at an annual average of 3.3%, compared to the global annual mean growth rate of 5.1%. In 2006, traffic grew in increments of up to% in some parts of the CAR/SAM Regions, anticipating a continuous improvement in the medium term, in line with economic activity.

1.5 A key factor for maintaining the vitality of civil aviation in face of its continuous growth is to ensure that a safe, secure, efficient, and environmentally sustainable air navigation system is in place. This requires the implementation of an air traffic management system to maximise the improved capabilities provided by technical developments.

1.6 The global air traffic management (ATM) operational concept, endorsed by the Eleventh Air Navigation Conference convened by ICAO in 2003 (AN-Conf/11), offers a new vision for the implementation of an integrated and interfunctional global ATM system with an implementation horizon of 2025. Following a consultation meeting held in 2004 with the ICAO Air Navigation Commission, the industry stakeholders developed a roadmap for ATM implementation with a view to obtaining short- and medium-term benefits, while working to attain the global ATM system foreseen in the operational concept. At the request of the Commission, this roadmap was included in a revision of the Global Air Navigation Plan for CNS/ATM systems.

1.8 The revised global air navigation plan will expedite the planning and implementation of these developments using new and innovative methods. A set of Global Plan Initiatives (GPIs) will ensure that opportunities in the short and medium term are fully tackled, while the related planning tools will provide guidance concerning the activities foreseen and serve as a basis for setting performance objectives and implementation deadlines.

1.9 The 35th ICAO Assembly endorsed the ATM operational concept and stated that it was the framework for planning and implementing CNS/ATM systems with a view to the global ATM system (Res. 35-15). Taking into account the nature of CNS/ATM systems, the philosophy and structure of the ATM operational concept, the implementation of the global ATM system within the framework of the concept vision will require unprecedented cooperation among all the stakeholders of the ATM community. In this sense, the implementation of multinational systems is seen as the most suitable option to meet the global/regional performance requirements that have been and that may be identified in the SAM Region.

2. The Strategy of the States in the Region

2.1 As ICAO contracting States and signatories to the Convention on International Civil Aviation, the States participating in this project have assumed specific obligations regarding the adoption of international standards and recommended practices to regulate international civil aviation. The civil aviation director or similar administrative authority in each State is responsible for ensuring that the civil aviation administration complies with these international obligations.

2.2 According to those obligations, civil aviation administrations are responsible for the development and implementation of the facilities, services, and procedures necessary for the safety, regularity, and efficiency of air operations. The orderly and timely implementation of such facilities, services, and procedures is agreed upon by the contracting States and coordinated by ICAO through regional air navigation plans.

2.3 Air navigation plans define in detail the facilities, services, and procedures required for international air navigation in a given area. These plans contain recommendations that governments can apply in their programmes for the provision of air navigation facilities, with the assurance that, if implemented according to the plan, these facilities, together with those of the other States, will form a general network that will last for a long time.

2.4 Each contracting State is responsible for providing such facilities in its territory, in keeping with Article 28 of the Convention. The ICAO Council has recommended that these facilities encompass those specified in air navigation plans. These plans are constantly being reviewed and updated by ICAO with the assistance of the corresponding regional planning and implementation group (PIRG), based on a global plan that consolidates and unifies the general requirements. In the Caribbean (CAR) and South American (SAM) Regions, the planning of these facilities is contained in Doc 8733, Air Navigation Plan - Caribbean and South American Regions, Volume II-FASID, based on the recommendations of the Third Caribbean/South American Regional Air Navigation Meeting (CAR/SAM RAN/3).

2.5 Each State must secure the necessary financial and technical resources to ensure the implementation of air navigation plans, taking into account the global nature of CNS/ATM systems, which sometimes extend beyond the boundaries of flight information regions under the responsibility of the State, and, in other cases, require a multinational approach to their implementation, under a cooperation scheme for sharing the resources required to implement these multinational facilities.

2.6 Through the GREPECAS mechanism, the meetings of Civil Aviation Authorities, and with the assistance of Regional Project RLA/98/003, the States have been considering for years a multinational approach to facilities that is consistent with the Regional Air Navigation Plan and the Global Plan. In this process, the States have identified possible regional scenarios, the facilities subject to implementation as multinational systems, a CAR/SAM strategy for the implementation of these systems, and several organisational options for the implementation of these multinational facilities.

2.7 The RACC/10 meeting (Caracas, Venezuela, June 2007) analysed the results of the GREPECAS/14 meeting. In this regard, it reviewed Conclusions 14/5 and 14/6 on the use of the guidance material concerning an Constituent Agreement for the implementation of a Regional Multinational Organisation, as well as the use of ICAO technical cooperation to expedite the implementation of said organisation. These matters were discussed in depth by the EANA/1 meeting held in May 2008 with a view to continue discussions at the EANA/2 meeting.

2.8 The States concerned of the Region adopted the approach of implementing a Regional Multinational Organisation as the most suitable strategy to manage the South American digital network, consolidate the regional agency, CARSAMMA, and conduct studies for the implementation and management of the new multinational facilities required for a gradual evolution to the global ATM.

3. Previous and Current Assistance Provided to the Subsector

3.1 The study of institutional aspects for the implementation of multinational systems was supported by regional technical cooperation project RLA/98/003. However, other projects have provided assistance for the implementation and/or study of multinational systems. These cooperation mechanisms are described below.

Transition to CNS/ATM Systems in the CAR and SAM Regions (RLA/98/003)

3.1.1 The objective of this project, funded by 12 States of the CAR and SAM Regions and COCESNA, was to assist States in the implementation of the new communication, navigation and surveillance/air traffic management (CNS/ATM) systems, in keeping with the CAR/SAM Regional Implementation Plan and ICAO standards and recommended practices. It started in 1998 with a foreseen duration of 3 years, and was extended until 2006. Project activities were an important tool for restructuring the ATS route network, using area navigation (RNAV) routes as well as the plan for the implementation of reduced vertical separation minima (RVSM) and the required navigation performance (RNP 10) in the Santiago-Lima segment. This resulted in improved safety and efficiency levels.

3.1.2 Project RLA/98/003 also prepared the document entitled “*Guidance material for the evolution to the ICAO Global ATM in the CAR/SAM Regions*”, which will be an important guide on this topic for the next few years. Likewise, a software tool for the implementation of CNS/ATM systems, known as the *Planning and Evaluation Tool (PET)*, was distributed to all States. Three seminars were held on the institutional aspects of CNS/ATM systems, and studies were conducted in support of the GREPECAS Institutional Aspects Task Force concerning possible institutional arrangements for systems identified as the most appropriate ones to be implemented as multinational systems.

Implementation of the SAM Digital Network - REDDIG (RLA/98/019)

3.1.3 This project, which was implemented between 1999 and 2003, was aimed at providing assistance to the States for the acquisition, installation, implementation, and initial management of the South American Digital Network (REDDIG), with a view to modernising aeronautical fixed service communications at the regional level. This ground-backed satellite communication system was implemented as a multinational system and is currently managed by ICAO technical cooperation project RLA/03/901.

Regional GNSS Augmentation Trial (RLA/00/009)

3.1.4 This project was funded by twelve States and the Central American Corporation for Air Navigation Services (COCESNA). Its goal was to develop a plan to test and assess the technical and operational advantages of the WAAS-type satellite augmentation system (SBAS) of the United States Federal Aviation Administration (FAA) in the Caribbean and South American Regions, in order to contribute to the establishment of the satellite-based augmentation system operational model. It started in 2001 with a foreseen duration of 3 years, and was extended until 2007.

REDDIG and Satellite Segment Management System (RLA/03/901)

3.1.5 The purpose of this project, funded by thirteen States, was to establish a multinational mechanism to manage the South American digital network (REDDIG), taking into account regional developments and the need to modernise aeronautical fixed service communications to make them homogeneous, interconnectable and interfunctional with other digital networks. It started in 2003 and was foreseen to last 5 years. Trinidad and Tobago joined the REDDIG in 2005.

GNSS Transition in the CAR/SAM Regions - Augmentation Solution for the Caribbean, Central America and South America – SACCSA (RLA/03/902)

3.1.6 This project, which was initiated in 2003, has focussed in three phases: the first phase of data collection and SBAS demonstrations, the second phase addressed to study technical, financial, operational and institutional aspects of a SBAS pre/operational system for the CAR/SAM Regions, and the third phase intended to have available more judgement elements that, complemented by other regional plans, would permit States and International Organizations of the CAR/SAM Regions to make the most adequate decision to implement GNSS system and, more concretely, SBAS augmentation. This project has counted with the participation and financing of the Governments of Bolivia, Chile, Colombia, Cost Rica, Cuba, Spain, Panama, Venezuela and COCESNA.

Transition to the Global ATM (RLA/06/901)

3.1.7 The purpose of this project is to assist the civil aviation authorities of the participating States and organisations in the development of Global Air Navigation Plan Initiatives (GPIs) that will contribute to the implementation of a regional air traffic management system, taking into account the ATM operational concept and the support of CNS/ATM technologies, including AGA, AIS, MET, and SAR elements, the exchange of experiences in the processes, and the training of personnel in the related topics.

4. Regional Institutional Framework for the Subsector

4.1 ICAO has a Regional Office in Lima (for South America), accredited before the States that participate in this project, which is in charge of promoting and furthering the implementation of the standards, recommended practices, and international procedures established in the Annexes to the Chicago Convention, and the implementation of the regional air navigation plan.

4.2 The Caribbean and South American Regional Planning and Implementation Group (GREPECAS) is the regional mechanism (PIRG) responsible for ensuring the continued implementation of the regional air navigation plan, identifying specific problems affecting air navigation, and suggesting the appropriate solutions. All of the States that participate in this project are members of GREPECAS.

4.3 The Meetings of Civil Aviation Authorities (RAACs) review the progress made in the implementation of the Air Navigation Plan and set guidelines to expedite the process of implementation of the facilities foreseen in the Regional and Global Plans.

4.4 The ICAO Technical Co-operation Bureau (TCB) with headquarters in Montreal, maintains contact through the Lima Regional Office with the contracting States that require or receive technical cooperation in the civil aviation field, and coordinates the management and provision of the agreed assistance.

B. PROJECT JUSTIFICATION

1. Problems to be Addressed: Current Situation

Limitations for the Implementation of CNS/ATM Systems to Support the Global ATM

1.1 The States have identified the problems related to limitations in the planning, implementation, and management processes for the integration of technological resources, information systems, services, and human resources, which need to be addressed in a holistic way in order to evolve towards the global ATM system. In this sense, and taking into account the global nature of the ATM system, the following can be noted:

- a) Lack of a systematic implementation process, resulting in different services and procedures emerging from different collaborative decision-making systems and tools.
- b) Lack of a regional strategic approach to the definition of performance specifications for a homogeneous identification of technical/operational requirements.
- c) More regional cooperation and collaboration to expedite funding for sharing all types of resources for short- and medium-term implementation of ATM improvements.
- d) Lack of a centralised management structure enabling a cost-efficient and more reliable operation of facilities under the ATM operational concept.
- e) More flexibility in the airspace structure in order to permit taking full advantage of airborne and ground system automation capabilities.

1.2 The multinational approach agreed by the States for a joint solution to the implementation of multinational facilities will permit the development of a global, inter-functional air traffic management system for all users during all flight phases that meets the agreed safety levels, provides cost-effective operations, is environmentally sustainable, and meets security requirements.

2. **Situation and Benefits Expected upon Completion of the Project**

2.1 A regional multinational organisation (RMO) will have been implemented in the Region, providing the following benefits:

- a) Regional strength and presence for the planning, consolidation, implementation, and management of the multinational systems required by the Region with a view to the global ATM.
- b) Regional strength and presence to coordinate, at the global level, the implementation and development of the ATM operational concept with a view to the global ATM.
- c) Capacity for a homogeneous and integrated planning/implementation of services with common technical/operational objectives.
- d) The funding and reduction of costs for the implementation, operation, and maintenance of multinational and other services and systems will be facilitated.
- e) Users throughout the regional airspace will derive immediate benefits in a harmonised way; and
- f) Centralised management of the main multinational facilities in the Region and more efficient and reliable management and control by the States that form part of the RMO.

3. Future Assistance Requirements

3.1 Additional assistance might be required during the early years of operation of the new international organisation for its gradual consolidation and evolution. These services can be hired as needed.

5. Justification of ICAO Assistance

6.1 As the international aeronautical community knows, ICAO has been for more than 50 years the United Nations specialised agency for civil aviation, and, as such, is responsible for providing the frame of reference for virtually all civil aviation regulations in its contracting States. The same experts that provide assistance for the development and maintenance of this frame of reference provide technical support in the ICAO Technical Cooperation Programme. Against this background, ICAO has been implementing technical assistance projects for its contracting States in a neutral, non-profit, and thus more cost-effective manner since 1952.

6.2 The States and organisations that participate in this project and in the various regional projects cited in paragraph 3 see it is an effective tool for executing regional plans for the implementation of the global ATM system elements foreseen in the regional/global air navigation plan. They also feel that many of these projects have contributed to the timely and successful attainment of GREPECAS objectives, allowing for an increase in airspace capacity and efficiency.

6.3 Accordingly, based on the studies conducted within the framework of GREPECAS, the GREPECAS/14 meeting concluded that ICAO should provide assistance for the implementation of the Regional Multinational Organisation (Conclusion 14/6).

7. Special Considerations

7.1 This project will maintain links with existing regional projects that are related to its objectives, and with the national technical cooperation programmes being executed by the participating States in the same subsector, in order to coordinate and complement their activities.

8. Coordination Arrangements

8.1 Taking into account the dynamic and the close relationship that needs to exist with the States concerned in the Region in order to carry out project activities, the technical activities of the project will be conducted by the ICAO South American Regional Office, which has the appropriate staff for the technical development of the project. To this end, an international coordinator will be designated. The Technical Cooperation Bureau will provide the administrative support in keeping with the policies, regulations, and instructions defined for the ICAO Technical Cooperation Programme.

8.2 The Project Coordination Committee, made up by representatives accredited by the participating States and organisations, will analyse and assess project development, approve the annual programme of activities, update the work plan as necessary, and review and approve changes to its scope at the suggestion of the executing organisation. The Project Coordination Committee will meet regularly, at least once a year, under the leadership of the International Coordinator.

8.3 Progress shall have been made on the following issues before the project is started:

1. Final comments on the draft Constituent Agreement, based on the results of the EANAI/1 and EANAI/2 meetings.

2. Agreements for conducting the studies required for the establishment of the RMO, in keeping with the results of the EANAI/1, EANAI/2, and RAAC/11 meetings.
3. Preliminary studies on the selection of RMO Headquarters.

8.4 The project will be executed in two phases. Phase I involves the attainment of Immediate Objective No 1. Once the results foreseen in this Objective have been achieved, the project will proceed to Phase II, involving Immediate Objective No 2, for the implementation of the RMO as an international organisation. The budget for Phase II will be defined once Phase I has been completed.

9. Support Capabilities of Counterparts

9.1 States participating in the project shall undertake to fully participate in all planned assistance activities and support the visits scheduled, working with the counterparts and obtaining information for the purposes of the project. They shall also agree to apply or implement the results and recommendations of the project relevant to them, with a view to the gradual implementation of the RMO.

9.2 The States participating in the project will provide counterpart support as necessary for the successful implementation of the activities foreseen and for ensuring the sustainability of the results. This support may involve the participation of professionals or other full-time or part-time staff, and the provision of office space, rooms, furniture, equipment, inputs, local transportation, telephone, telefax, Internet and other services that are essential for the effective performance of activities by the staff assigned by the project.

C. DEVELOPMENT OBJECTIVE

The project will help maintain a safer, more efficient, and cost-effective air transportation system as a means to support the social, economic, and cultural development of the SAM Region, facilitating the establishment of a safe, secure, efficient, and environmentally sustainable air navigation system.

D. IMMEDIATE OBJECTIVES, RESULTS, AND ACTIVITIES

These are shown in the following pages. Abbreviations used in the third column have the following meaning:

PM	Project Manager/Coordinator
RO	ICAO South American Regional Office
LEG	Legal expert
CNS	CNS expert
ATM	ATM expert
ECO	Economic expert
RAAC	Meetings of civil aviation authorities
States	States participating in the project
RCC	Project coordination meetings

Immediate Objective No. 1

Conduct the studies required for the implementation of the Regional Multinational Organisation (RMO) as an international organisation, including those to be conducted by this organisation according to CNS/ATM systems.

Success criteria: Relevant studies duly coordinated and conducted to the satisfaction of the States concerned.
Action plan for the establishment of the RMO approved.

Result	Activities	Responsible parties
1.1 Legal/institutional background material to begin studies duly documented.	1.1.1 Collection of data on the legal/institutional matters addressed by the CAR/SAM Regions One week	RO; LEG
1.2 RMO Headquarters defined.	1.2.1 Completion of preliminary studies on the minimum requirements for defining the Headquarters. One week	RO, LEG
	1.2.2 Approval of the minimum requirements for defining the Headquarters	States
	1.2.3 Identification of the State to host the RMO and drafting of the Headquarters Agreement Two weeks	RO, LEG
	1.2.4 Approval of the host State and of the Headquarters Agreement First Project Coordination Meeting (RCC/1)	RO, States
1.3 Action plan for the establishment of the RMO developed and approved by the States	1.3.1 Visit to the host State for <i>in-situ</i> verification of the conditions offered and the Headquarters Agreement, and establishment of the coordination mechanism for the development of the Action Plan Two weeks	RO, LEG, PM
	1.3.2 Development of the Action Plan for the establishment and initial operation of the RMO, taking into account the following: a) The period for the ratification of the Agreement by the States concerned. b) Implementation of the legal framework offered by the host State for the operation of the RMO (legal status, privileges, immunities, policy on personnel, etc.), based on the results of the Diplomatic Conference c) Work timetable of the host State for adjusting the facilities in accordance with the Headquarters Agreement. d) REDDIG as the first multinational facility to be	PM, LEG, ATM, CNS; ECO, States

	<p>managed by the RMO. Studies to discontinue ICAO technical cooperation and begin management by the RMO.</p> <p>e) Studies for the management of CARSAMMA by the RMO</p> <p>f) Definition of the RMO organisational chart based on the organisational/administrative aspects of the Constituent Agreement. Definition of the initial organisational chart for operational purposes.</p> <p>g) Drafting of the by-laws and administrative procedures for the RMO and personnel policies in accordance with the Headquarters Agreement</p> <p>h) Personnel requirements and training for initial operation</p> <p>10 weeks of consultants</p>	
	<p>1.3.3 Coordination with the host State and the other States concerned for the approval of the Action Plan</p> <p>Second Coordination Meeting (RCC/2)</p>	<p>RO, PM; member States</p>

The formulation of the next Immediate Objective or Objective No 2 is based on the availability and approval of the Action Plan for the establishment of the RMO (Note 1) by member States. To this end, projects and studies need to be defined so that the RMO may begin operations, at least through the management of the REDDIG and the CARSAMMA.

Likewise, the beginning of activities under Immediate Objective No. 2 will be done once the RMO Headquarters is established and the project is able to initiate activities.

Immediate Objective No. 2

Management of multinational systems by the RMO

Success criterion: REDDIG and CARSAMMA operating within the framework of the RMO.

Result	Activities	Responsible parties
2.1 Action Plan for the establishment of the RMO implemented	<p>2.1.1 Activities involved in the implementation of the Action Plan for the establishment of the RMO, including:</p> <p>a) Studies for the transfer of REDDIG operations to the RMO.</p> <p>b) Studies on CARSAMMA for its future management by the RMO</p> <p>c) Execution of the action plan for the transfer of the REDDIG to the RMO, and definition of activities for its implementation.</p> <p>e) Execution of the Plan of Action for the transfer of CARSAMMA to the RMO, and establishment of activities for its implementation.</p> <p>f) Development of the initial organisational chart of the RMO, and personnel and training requirements.</p> <p>g) Implementation of the personnel training plan.</p> <p>h) Development of the RMO Staffing Programme for gradual assumption of executive functions.</p> <p>i) Development of the programme for transferring technical cooperation programme responsibilities to RMO staff</p>	RO, PM, host State, and different consultants.
2.2 RMO in operation	2.2.1 Implement the RMO initial organisational chart and transfer the REDDIG from the project to the RMO.	PM, RCC
	2.2.2 Same as 2.2.1 for CARSAMMA	PM, RMO executive director
	2.2.3 Coordination work and official announcement of RMO establishment and operation to the international community.	PM, RMO executive director
	2.2.4. End of the transfer period and inauguration of the RMO as an international organisation	RMO executive director

E. INPUTS

1. Inputs by the Participating States and Organisations

1.1 Staff

1.1.1 The participating States will provide:

- a) Professionals in the required specialties as candidates to be selected by ICAO to carry out project activities;
- b) The national counterpart staff corresponding to the specialties of project consultants;
- c) Administrative staff to support project advisory missions, as necessary.

1.1.2 The participating States will continue to pay their personnel their usual salary during the period agreed for their assignment by ICAO to carry out project activities.

1.2 Training

1.2.1 The participating States will pay for air tickets to and from the venue of events and training programmes sponsored by the project and held abroad, and will continue paying the corresponding salary and other usual assignments to their staff throughout the fellowships granted to them.

1.3 Office space and equipment

1.3.1 Until the RMO Headquarters is defined, the project will operate in the ICAO South American Office in Lima. Once the RMO Headquarters has been defined and its facilities available, the project will operate in Phase II in the host State, under the conditions established with the Hosting Agreement for RMO Operation.

1.3.2 The participating States will provide office facilities, equipment, office supplies, as well as local transportation, and international telephone and electronic communication facilities for project consultants when sent by the project in a mission to said States.

2. Project Inputs

2.1 Assignment of Professional Staff

2.1.1 International consultants will be provided to carry out the activities foreseen in those areas in which there are no professionals available from the participating States and organisations.

2.2 Administrative Support

2.2.1 Administrative staff will be provided as necessary to support project activities.

2.3 Official Trips and Missions

2.3.1 Funds will be provided to cover the cost of project coordination, monitoring, and revision missions, as necessary.

2.3.2 Funds will be provided to finance the trips, insurance, and *per diems* of the professionals from the participating States and organisations who have been selected by ICAO to conduct project activities.

2.4 Training

2.4.1 Funds will be provided for scholarships, in keeping with the training plan approved every year by the Project Coordination Committee.

2.4.2 Occasionally, and based on the budget available and approved to this effect, international two-way tickets will be provided for the participation of State representatives at events sponsored by the project.

2.5 Equipment

2.5.1 The host State will provide the project with the necessary equipment, in keeping with the Headquarters Agreement. However, budget items will be foreseen for the acquisition of equipment and supplies that might be required for project activities.

2.6 Other

2.6.1 The budget includes provisions to cover the various expenses of the project, the drafting of reports, plans and manuals, simultaneous interpretation services, translation of documents, and overhead of the project executing body.

F. RISKS

1. Factors that could delay or prevent the achievement of project results and objectives are the lack of timely payment of contributions to cover the shared costs of participating States, delays in the selection of professional staff for the project and candidates for scholarships, and bureaucratic delays in the approval of purchases.
2. The delay in the definition of the RMO Headquarters could affect its achievements.
3. Another factor that could cause serious delays or prevent the achievement of project results and objectives is a drastic change in the political or economic conditions in the participating States.

G. PREVIOUS OBLIGATIONS AND PRE-REQUISITES

1. Participant States and organizations commit themselves to deposit their cost-sharing contributions to the project on the dates established in the payment calendar included with the project budget, in order that the execution organization can start project activities.
2. States participating in the project will provide project professional personnel with all reference material and background available related to activities to be developed, as well as authorization, approval, licences and logistic support required for their functions performance.
3. Participating States will provide the necessary counterpart support in order that the project has an effective development, attains its objectives and maintains results. For this effect, the organizations receiving technical cooperation subject of the project will participate with the assignment of counterpart personnel that is required, and will provide premises, office equipment, vehicles, materials and services as necessary.
4. While the RMO is consolidated and project operates in the RMO Hosting State, the Hosting State will provide all services and facilities that are indicated in the Hosting Agreement for the adequate project operation.
5. As a matter of importance, to start the MRO operation, participant States will ensure the application of legal instruments that are necessary to retain in service personnel trained by the project

6. ICAO will sign the project document and will provide the agreed assistance subject to compliance or probable compliance with obligations and previous requisites indicated above. If one or more previous requisites are not complied with, ICAO is able, at own discretion, to suspend or end the assistance.

H. PROJECT SUPERVISION, REPORTING AND REVIEWS

1. The project will be object of joint examination by representatives of participant States and of the execution organization, which will constitute the Project Executive Committee, for at least once every 12 months, and the first of these exercises will be held within the first 12 months from the beginning of execution. The International Coordinator (Phase I)/Project Manager (Phase II) will prepare an evaluation report on the project progress that will be presented to each of the meetings of the Executive Committee. During project execution, additional evaluation reports can be requested if necessary.

2. A final report of the project will be elaborated for the consideration of the final Executive Committee Meeting. The draft of this report will be prepared by the Project Manager with the necessary time in advance in order that the execution organization is able to examine it and adjust technical aspects at least four months before the final meeting of the Executive Committee.

3. The Parts will determine in a coordinated way if the project will be submitted to an evaluation. If this evaluation is decided, the necessary budget provisions and arrangements should be done through consultation among project document signatory Parts regarding the organization of the evaluation mission, its terms of reference and the time in which this will be held.

4. The following types of revision to present project document could be carried out, only with the approval of the execution organization, provided that this organization ensures that the other signatories of the project document do not have objections to proposed changes:

- a) Revisions of any of the attachments to the project document, or additions to it;
- b) Revisions that do not imply significant changes in the immediate objectives, results or activities of the project, but are due to a redistribution of inputs already agreed upon or to the increases of expenses due to inflation, and
- c) Annual mandatory revisions through which redistribution of agreed project inputs delivery or increment of expenses due to inflation or flexibility margin of execution organization regarding expenses is being considered.

I. PROJECT BUDGET

1. In the following pages, the project budget is being consigned with the following particularities:

- a) No budget is being allotted to the REDDIG operation since this is already considered within the Technical Cooperation Regional Project RLA/03/901, and this budget will be transferred to this new project during the transition period in Phase I.
- b) No budget is being assigned to CARSAMMA operation since studies are still lacking for the transference of this Agency to the MRO. These studies will determine the operation budget, which during the execution of the Action Plan a project budget will be allotted and available before the transference is done.

2. In order to provide dynamism to project funds management, an "Imprest Account" will be opened following ICAO procedures, which will be managed by the Project Manager.

FINAL PROJECT REPORT

1. Annual reports will be submitted in order to follow procedures established for technical cooperation project development.

PROJECT BUDGET
CORRESPONDING TO CASH GOVERNMENT CONTRIBUTION
 (IN US DOLLARS)

PAÍS: REGIONAL
 PROYECTO : RLA/09/902
 TÍTULO : ASSISTANCE FOR THE IMPLEMENTATION OF A REGIONAL MULTINATIONAL ORGANISATION FOR THE
 MANAGEMENT, CONSOLIDATION, AND IMPLEMENTATION OF MULTINATIONAL SYSTEMS

	TOTAL		2009		2010		2011	
	w/m	\$	w/m	\$	w/m	\$	w/m	\$
10. - PROJECT PERSONNEL								
11. - INTERNATIONAL PROFESSIONALS								
11.01 CIVIL AVIATION CONSULTANT/MANAGER	12.0	242 600			4.0	83 100	8.0	159 500
11.51 LEGAL ADVISOR	1.0	18 700	1.0	18 700				
11.99 SUB-TOTAL	13.0	261 300	1.0	18 700	4.0	83 100	8.0	159 500
13. - SUPPORT PERSONNEL								
13.01 HQ TECHNICAL AND ADMINISTRATIVE (PMO)		50 000		10 000		20 000		20 000
13.02 SECRETARIAT	12.0	42 600			4.0	14 200	8.0	28 400
13.99 SUB-TOTAL	12.0	92 600		10 000	4.0	34 200	8.0	48 400
16. - MISSIONS EXPENSES		252 500				101 000		151 500
17. - NATIONAL PROFESSIONALS								
17.01 CIVIL AVIATION CONSULTANT	12.0	36 000			4.0	12 000	8.0	24 000
17.99 SUB-TOTAL	12.0	36 000			4.0	12 000	8.0	24 000
19.- COMPONENT TOTAL		642 400		28 700		230 300		383 400
20. - SUBCONTRACTS								
21.01 NATIONAL SUBCONTRACTS		50 000				25 000		25 000
29.- COMPONENT TOTAL		50 000				25 000		25 000
30. - TRAINING								
33.01 LOCAL TRAINING		50 000				20 000		30 000
39.- COMPONENT TOTAL		50 000				20 000		30 000
40. - EQUIPMENT								
45.02 NON-EXPENDABLE EQUIPMENT		10 000				4 000		6 000
49.- COMPONENT TOTAL		10 000				4 000		6 000
50. - MISCELLANEOUS								
53.01 MISCELLANEOUS EXPENSES		16 200		700		7 000		8 500
55.01 ADMINISTRATIVE EXPENSES		76 800		2 900		28 600		45 300
59.- COMPONENT TOTAL		93 000		3 600		35 600		53 800
99.- PROJECT TOTAL		845 400		32 300		314 900		498 200