



**Agenda Item 3: Institutional Aspects for the Management and Control of Multinational Systems and Facilities**

**REVIEW OF AGREEMENTS/ACTION TAKEN FOR THE ESTABLISHMENT OF A REGIONAL MULTINATIONAL ORGANISATION (RMO) IN THE SAM REGION**

(Presented by the Secretariat)

**SUMMARY**

This working paper contains information on the results of the activities carried out within the framework of the GREPECAS mechanism and the Meetings of Civil Aviation Authorities for the establishment of a Regional Multinational Organisation in the SAM Region to facilitate the implementation of CNS/ATM systems under the modality of multinational facilities with a view to the implementation of the Regional/Global ATM system. It also contains the proposals of the Second Meeting of High-Level Experts on Institutional Aspects (EANAI/2) for consideration by the RAAC/11 meeting. The action suggested for adoption by the Meeting appears in paragraph 4.

**References:**

- CAR/SAM FASID, CAR/SAM ANP Doc. 8733
- Reports of the GREPECAS/12, GREPECAS/13, GREPECAS/14, and GREPECAS/15 meetings
- Reports of the RAAC/7, RAAC/8, RAAC/9, and RAAC/10 meetings
- Report of the EANAI/1 meeting
- Report of the EANAI/2 meeting

**1. Introduction**

1.1 Since the approval of the CAR/SAM Air Navigation Plan (ANP) developed by the CAR/SAM RAN/3 meeting (November 1999), the SAM Region has focused its efforts on the implementation of multinational facilities based on the guidance material developed in the EUR Region and adopted by the CAR/SAM Regions, which is currently available in the ANP FASID. However, plans to integrate efforts for the implementation of multinational facilities under the modern CNS/ATM systems approach date back to the first GREPECAS meetings that resulted in the planning/implementation of the South American Digital Meeting (REDDIG), one of the successfully implemented multinational systems currently in operation that provides significant cost/benefit advantages to the participating States.

1.2 The global nature of CNS/ATM systems and the ATM development vision based on the ATM operational concept approved by the Eleventh Air Navigation Conference (AN-Conf/11) require a significant amount of international cooperation and collaboration for the implementation of CNS/ATM systems with different levels of process automation, so as to take advantage of the great potential that technological developments in the area of international civil aviation offer to navigation and the provision of the corresponding support services, areas in which the need to establish a multinational implementation approach has been recognised. The following paragraphs analyse the activities carried out by GREPECAS in the SAM Region on these matters.

## 2. **Review of the Activities carried out regarding Institutional Aspects**

2.1 It must be recognised that, in order to address the technical/operational, economic, and legal aspects related to the implementation of multinational facilities, there are political aspects that must be harmonised in order to further the implementation of project of common interest. This has been one of the main objectives of the continuous work of ICAO in the Region, with a view to creating a suitable cooperation and collaboration environment among the States interested in a multinational undertaking. Basically, there have been two discussion fora: the Meetings of Civil Aviation Authorities (RAAC) and the GREPECAS mechanism.

## 2.2 **Discussion of Institutional Aspects within the GREPECAS Mechanism**

2.2.1 The discussion of institutional aspects received a strong thrust within the framework of the activities of Regional Technical Cooperation Project RLA/98/003, which supported the tasks of GREPECAS and its Institutional Aspects Task Force. This was the most productive stage of GREPECAS, which used the modality of yearly Task Force meetings, and a seminar on institutional aspects immediately before each meeting, with the support of project RLA/98/003. This ensured a greater participation by States in the drafting of documents and proper discussion of difficult multi-disciplinary topics. The results of these tasks, which included those carried out under project RLA/98/003, were submitted to the consideration of GREPECAS meetings.

2.2.3 Up until the GREPECAS/14 meeting, the following had been defined:

1. A CAR/SAM strategy for the implementation of multinational facilities.
2. A study of the various implementation options. It was decided that the best option would be to implement multinational facilities under a Regional Multinational Organisation (RMO).
3. The systems that could be implemented as multinational facilities.
4. The operational scenarios where multinational systems would be implemented.
5. A preliminary cost/benefit study.
6. The development of a draft Constituent Agreement for the Implementation of a Regional Multinational Organisation (RMO) (Con. 14/5).
7. A recommendation to provide the assistance required for the implementation of the RMO (14/6).

2.2.4 The GREPECAS/15 meeting reviewed in detail the terms of reference and the six tasks of the Institutional Aspects Task Force. As a result, it agreed that, for the time being, there was no need for the mechanism to carry out more activities related to institutional aspects and decided to disband the task force.

### 2.3 Discussion of Institutional Aspects at the Meetings of Civil Aviation Authorities

2.3.1 Since the RAAC/6 meeting (Panama, Panama, 1999), the Region became interested on institutional aspects related to the implementation of CNS/ATM systems. In this sense, it was clearly stated that the GREPECAS mechanism should further the definition of operational scenarios and the use of available guidance material. The meeting foresaw the need to establish a high-level panel to address institutional aspects once GREPECAS had completed the respective work (Con. 6/9).

2.3.2 The RAAC/7 meeting (Bahia, Brazil, 2002), pursuant to RAAC/6 Con. 6/9, created the regional high-level group, and developed its terms of reference and work programme. Likewise, it agreed that the ICAO Regional Office should coordinate with the States the holding of the first meeting of the group, based on the progress made with the institutional aspects within GREPECAS (Con.7/5).

2.3.3 The RAAC/8 meeting (Buenos Aires, Argentina, 2003) took note of the amendments made to the activities of project RLA/98/003, aimed at the formulation of a regional institutional arrangement for air navigation services. In this sense, the RAAC/8 meeting encouraged the States that had designated experts to work in the GREPECAS Institutional Aspects Task Force to provide all their support to these experts in the fulfilment of their tasks within the Group (Con. 8/12).

2.3.4 The RAAC/9 meeting (Santiago, Chile, 2005) reviewed all the work carried out by GREPECAS/12, and coincided with its approach, expecting more progress to be made by the GREPECAS mechanism prior to the first meeting of the High-Level Panel. However, with a view to maintaining the thrust in the definition of multinational systems, the RAAC/9 meeting considered that it would be very useful to foster the implementation Air Traffic Flow Management (ATFM) (Con. 9/13), already incorporated into the Global Air Navigation Plan GPIs, in order to promote the development of CNS/ATM technologies within the ATM operational concept.

2.3.5 The RAAC/10 meeting (Caracas, Venezuela, 2007) made a complete assessment of the work of GREPECAS concerning institutional aspects. In this respect, it took note of Conclusions 14/5 and 14/6, stating that the material recommended by GREPECAS should be taken into account for the establishment of a regional mechanism for the consolidation, management, and implementation of multinational facilities, and requested ICAO to develop a draft document to expedite the implementation of this regional mechanism. The RAAC/10 meeting also requested ICAO to coordinate the holding of the first meeting of the High-Level Panel, in order to review the guidance material prepared by GREPECAS on the establishment of a regional mechanism and the aforementioned project document (Con. 10/8).

2.3.5.1 In view of the above, the RAAC/10 meeting modified the work programme of the High-Level Panel, taking into account the current circumstances of the activities to be carried out according to the aforementioned Con. 10/8.

2.3.6 Based on the results of the RAAC/10 meeting, the Secretariat organised the first meeting of the High-Level Panel on Institutional Aspects (EANAI/1) (Lima, Peru, June 2008). This meeting discussed matters of great interest in preparation for the EANAI/2 meeting (Lima, Peru, March 2009), which developed concrete proposals for this RAAC/11 Meeting.

### 3. **Proposals for the RAAC/11 Meeting as a result of the EANAI/1 and EANAI/2 Meetings**

3.1 The EANAI/1 and EANAI/2 meetings worked on the basis of a programme of activities established by the RAAC meetings, taking into account the CAR/SAM FASID guidance material for the implementation of multinational facilities, basically GREPECAS Con. 14/5 and 14/6 that summarise the work of the Regional Group in terms of institutional aspects and the ICAO guidance and plans regarding the implementation of the Global/Regional ATM System.

3.2 On two occasions, the EANAI meetings made an in-depth review of the guidance material prepared by GREPECAS on the Constituent Agreement for the establishment, operation, and management of a Regional Multinational Organisation (RMO), as the most effective way to implement/consolidate/manage multinational facilities. Likewise, the ICAO Regional Office did a close follow-up on the results of the EANAI/1 meeting on this matter. After analysing the aforementioned guidance material, the EANAI/2 meeting felt that, based on the amendments made thereto, this material was ready for revision by the RAAC/11 meeting, and drafted Conclusion EANAI 2/1 as follows:

CONCLUSION EANAI 2/1 - REVIEW BY THE RAAC/11 MEETING OF THE DRAFT CONSTITUENT AGREEMENT FOR THE ESTABLISHMENT, OPERATION, AND MANAGEMENT OF A REGIONAL MULTINATIONAL ORGANIZATION (RMO)

That the RAAC/11 meeting:

- a) Review the draft Constituent Agreement for the establishment, operation, and management of a Regional Multinational Organization (RMO), as shown in **Appendix A** to this part of the report, amend it as necessary, and approve it as a legal/institutional instrument to be applied by States concerned of the SAM Region for the implementation of an RMO; and
- b) Accordingly, request ICAO to coordinate as necessary for the holding of a Diplomatic Conference in the Region, whose sole purpose would be to make a detailed analysis of the draft Constituent Agreement, and to draft and approve its final text for the establishment of the Regional Multinational Organization.

3.2.1 The aforementioned appendix is contained in **Appendix A** to this working paper.

3.3 Regarding Article 6 of Appendix A, the EANAI/1 meeting requested the Regional Office to prepare and send to the States for comments a document on the minimum conditions required for the establishment of the headquarters of the Regional Multinational Organisation (RMO). The Regional Office, based on the material made available during the EANAI/1 meeting, prepared a draft of these minimum conditions and sent it to the States for comments. In its response, Colombia expressed that it had no plans to participate in the implementation of an RMO. The EANAI/2 meeting reviewed the document in light of the comments received, and following some good inputs, reached an agreement on the topic. It was considered that the minimum conditions defined by the EANAI/2 meeting should be analysed by the RAAC/11 meeting so that ICAO could invite States to make proposals. In this regard, it formulated Conclusion EANAI 2/2 as follows:

CONCLUSION EANAI 2/2 - PROPOSALS BY THE STATES FOR DETERMINING THE HEADQUARTERS OF THE REGIONAL MULTINATIONAL ORGANIZATION (RMO)

That the minimum conditions for the establishment of the Headquarters of the Regional Multinational Organization (RMO), listed in Appendix A to this part of the report, be reviewed by the Eleventh Meeting of Civil Aviation Authorities (RAAC/11), so that they will serve as a basis for the invitation to be extended by ICAO to the States for submitting proposals concerning RMO Headquarters.

3.3.1 The aforementioned appendix appears in **Appendix B** to this working paper.

3.4 Pursuant to the recommendations of GREPECAS (Con 14/6) and of the RAAC/10 meeting (Con 10/8), the EANAI/2 meeting analysed the proposals of the Secretariat regarding the use of ICAO technical cooperation to support the implementation of the RMO, within the spirit of Article 27, *Temporary Provisions*, of Appendix A to this working paper. The EANAI/2 meeting considered that, so as not to delay the implementation of the RMO, support for its implementation should be provided under a single regional technical cooperation project, since there was a proposal to use the current regional project RLA/06/901 for the first phase of RMO implementation. In this sense, the EANAI/2 meeting analysed a project document profile and agreed that the systems with which the RMO would start its operations should be REDDIG and CARSAMMA. In this regard, the EANAI/2 meeting also agreed that ICAO should develop the corresponding project document to be submitted to the RAAC/11 meeting. In this respect, the EANAI/2 meeting formulated the following conclusion:

CONCLUSION EANAI 2/3 - TECHNICAL ASSISTANCE FOR THE IMPLEMENTATION OF THE REGIONAL MULTINATIONAL ORGANIZATION (RMO)

That the ICAO Secretariat complete the draft regional technical cooperation project document contained in Appendix A to this part of the report, and document the matter so that the RAAC/11 meeting may consider this initiative and, if deemed appropriate, request ICAO to circulate the regional technical cooperation project document to the States of the Region.

3.4.1 The Secretariat has developed the regional project document taking into account Appendix A mentioned in Con. EANAI 2/3, which is submitted to the consideration of the Meeting as **Appendix C** to this working paper.

3. **Suggested Action**

3.1 The Meeting is invited to consider the information contained in this working paper, which summarises the results obtained from the discussions on institutional aspects by the States of the Region and the GREPECAS mechanism, and:

- a) review and, if deemed necessary, approve the Constituent Agreement document shown in **Appendix A** to this working paper, and request ICAO to organise a Diplomatic Conference for the drafting and approval of the final text;
- b) based on above, review and approve the minimum conditions for the establishment of RMO headquarters that appear in **Appendix B** to this working paper, so that ICAO may invite the States to submit proposals;
- c) based on the above, review the Regional Project document shown in **Appendix C** to this working paper and, if deemed advisable, request ICAO to circulate it to the States for approval; and
- d) formulate other actions to expedite the implementation of the RMO.

- END -

## APPENDIX A

### CONSTITUENT AGREEMENT FOR THE ESTABLISHMENT, OPERATION AND MANAGEMENT OF A REGIONAL MULTINATIONAL ORGANISATION (RMO)

Whereas no aspect inherent to the communications, navigation and surveillance/air traffic management (CNS/ATM) systems is incompatible with the Convention on International Civil Aviation (Chicago, 1944) or with its standards and recommended practices and, as a result, there are no legal obstacles to prevent their establishment and operation, as reflected in Resolutions A32-19, A32-20 and A35-3 of the International Civil Aviation Organization (ICAO) Assembly.

Whereas, in keeping with Article 28 of the Convention on International Civil Aviation (Chicago, 1944), States maintain authority and responsibility over air navigation control and the fulfilment of safety oversight standards within their sovereign airspace.

Whereas ICAO Assembly Resolutions A32-19, A32-20, and A-35-15 on the subject call for cooperation and mutual assistance among States to achieve the maximum degree of uniformity possible in the provision of CNS/ATM services.

Whereas regional initiatives for the development and planning of international air navigation principles and techniques, the enhancement of safety within the sphere of international civil aviation in order to prevent and reduce the negative consequences of operational failures of the CNS/ATM systems, and effective compliance of responsibilities for safety oversight, are all important.

Whereas regional cooperation is effective for putting into practice and consolidating the organisation and implementation of CNS/ATM systems, with a view towards global ATM and the safety system, taking into account for that purpose ICAO standards, recommendations, and guidance and, particularly, ICAO Assembly Resolutions A35-3 and A35-7.

Whereas ICAO Assembly Resolution A35-7 encourages States to promote the creation of regional or subregional associations to collaborate in developing solutions to common problems, in order to strengthen their individual capacities for safety oversight.

Whereas it is necessary to establish international agreements at the regional level to facilitate the establishment, operation and management of communications, navigation, and surveillance/air traffic management (CNS/ATM) and safety systems in the SAM and/or CAR Regions.

Whereas the CNS/ATM systems are global/regional in nature and the investments needed for their implementation and operation are sizeable, and international regional collaboration is essential for greater efficiency and economy, thereby avoiding the duplication of human and material resources, given the benefits to be gained from the sharing of facilities, services and costs and the possibilities for obtaining common financing and benefits.

Whereas cost sharing among users should be reasonable, their imposition and recovery will be carried out according to Article 15 of the Convention on International Civil Aviation (Chicago, 1944).

Whereas an appropriate legal framework is required to regulate the operation of CNS/ATM systems and cooperation for safety oversight, permitting the access of the largest possible number of States, with a view towards applying the principle of uniformity of international air navigation and safety standards and procedures.

Whereas the meetings of Civil Aviation Authorities (RAACs) of the SAM Region recognised the need to create a regional mechanism to study and decide on the feasibility of implementing CNS/ATM systems (RAAC/6, RAAC/7, RAAC/8, RAAC/9 and RAAC/10).

Whereas the CAR/SAM Regional Planning and Implementation Group (GREPECAS) has completed the task on institutional aspects and has prepared guidance material for the implementation of CNS/ATM systems (Conclusion 14/5) through the establishment of a Regional Multinational Organisation (RMO).

It is resolved to adopt the following:

## **AGREEMENT FOR THE ESTABLISHMENT OF A REGIONAL MULTINATIONAL ORGANISATION (RMO)**

### **Article 1 – Scope**

The Contracting States agree to create a Regional Multinational Organisation (RMO) in the ICAO SAM Region for the provision and management of multinational facilities in order to facilitate the implementation of, and, if necessary, implement the ATM operational concept with a view to the global ATM, supported by communication, navigation and surveillance/air traffic management (CNS/ATM) systems, and to give assistance on other matters, in keeping with the standards and recommended practices of the International Civil Aviation Organization (ICAO), which is to be called....and henceforth to be known as ... (in this document, “the Organisation”).

### **Article 2 – Legal nature**

The Organisation shall have a legal status, may exercise its rights and incur obligations, and shall enjoy such management and financial autonomy as may be appropriate for contracting for, acquiring and disposing of the goods and services of the Organisation, as well as for undertaking legal action, taking part in trials, and being represented extrajudicially.

### **Article 3 – Purpose**

The purpose of the Organisation is to provide and manage the multinational facilities envisaged in the CAR/SAM Regional Air Navigation Plan. It is not a profit-seeking organization since it operates under a cost-recovery scheme, in accordance with what its bylaws will stipulate, within the territory of the Contracting Parties and in all spheres of responsibility set forth in Regional Air Navigation Agreements and agreements with States/Organisations as may be reached by virtue of any bilateral or multilateral arrangement with the Organisation. Furthermore, the Organisation may provide assistance on other matters for the effective compliance of responsibilities by the Contracting Parties.

The Organisation may also provide other services not envisaged in the CAR/SAM Regional Air Navigation Plan, in keeping with what the respective bylaws stipulate and through the signing of bilateral or multilateral contracts or agreements.

### **Article 4 – Duties and responsibilities**

The Organization shall have the following duties and responsibilities:

- a) Exercise rights in regard to the provision, determination, receipt and management of the services listed in the previous article.
- b) Establish an economic policy that will make it possible to achieve financial balance by obtaining its own resources.
- c) Obtain loans in the financial markets that may be guaranteed by the Contracting Parties or others, if necessary.
- d) Propose to the Contracting Parties the standardisation of national regulations and procedures with regard to air navigation services and other matters, in accordance with the standards and recommended practices of the Annexes to the Convention on International Civil Aviation (Chicago, 1944).

e) Carry out the necessary technical, operational and administrative studies and take the corresponding action to fulfil its purpose, taking into account the evolution and development of international civil aviation and compliance with the standards of the Convention on International Civil Aviation (Chicago, 1944).

f) Propose to the Contracting Parties the relevant amendments to the CAR/SAM Regional Air Navigation Plan.

g) Give its personnel appropriate and continuous training.

h) Establish the necessary links with States and International Organisations for the exercise of its duties and responsibilities.

i) Request from and communicate to the competent national authorities all relevant information and report to them any alleged violations of air navigation standards committed within the sphere of its responsibilities.

j) Assess the standardisation of systems within the territory of the Contracting Parties, in keeping with ICAO standards and recommended practices.

k) Study, advise, recommend, facilitate, decide and implement all matters related to the normal and regular activities of the Organisation.

l) Carry out any other activity demanded of it by the Member States that is related to its purpose and within its capability.

#### **Article 5 – Liability and insurance**

The Organisation shall, by taking out adequate insurance policies, cover all risks stemming from its liability for damages to third parties resulting from the operation of the facilities.

#### **Article 6 – Headquarters**

The Organisation shall have its headquarters in a city of a State Party to be determined according to the advantages offered for its establishment, to which end it shall sign the respective Headquarters Agreement with that State.

#### **Article 7 - Structure**

The Organisation shall consist of an Executive Council, an Executive Director and the necessary and appropriate technical, operational and administrative units to fulfil the responsibilities entrusted to it. The structure of the executive body shall be simple, so that it can operate in an agile manner. The tasks to be performed by officials shall cover technical, operational and administrative aspects.

#### **Article 8 – Executive Council**

An Executive Council shall administer the Organisation and shall be comprised of one representative of each Contracting Party, who will be replaced by an alternate if unable to attend, both of whom shall be appointed by that Contracting Party and shall be competent in aeronautical matters.

The Executive Council shall have a Chairman and a Vice-Chairman, elected from among the members in rotation and for such terms as the bylaws may stipulate.

#### **Article 9 – Responsibilities of the Executive Council**

The Executive Council shall have the following responsibilities:

a) Adopt a common policy for the operation and management of the multinational systems.

b) Set the rates and fees to be paid by users of the services provided by the Organisation.

c) Appoint the Executive Director and the technical, operational and administrative Directors, at the proposal of the Executive Director.

d) Approve the insurance policies stipulated in Article 5, to be taken out with such companies as it may deem appropriate.

e) Approve the annual budget and any reforms to it.

f) Approve the bylaws and internal regulations of the Organisation and/or make amendments or modifications to them.

- g) Approve the amount and terms and conditions of any loans to be obtained in the financial markets for the accomplishment of its objectives.
- h) Consider any proposal of amendments or modifications to this agreement.
- i) Establish the policy for the personnel to be hired.

#### **Article 10 –Executive Director**

The Executive Director shall be a national of any of the Contracting Parties and shall occupy that position for such a term as the respective bylaws may stipulate.

#### **Article 11 – Responsibilities of the Executive Director**

The Executive Director is the legal representative and executive administrator of the Organisation and shall have the following responsibilities:

- a) Sign the documents for the operation of the Organisation within its sphere of competence.
- b) Present all such reports as required by the Executive Council.
- c) Hire and exercise such personnel management duties as the Organisation may require, in accordance with the policy established by the Executive Council.
- d) Propose to the Executive Council nominees for technical, operational and administrative Directors, with a view to their hiring.
- e) Propose constituent amendments or modifications to the bylaws and internal regulations of the Organisation.
- f) Analyse and propose the rates and fees to be collected by the Organisation.
- g) Prepare the annual budget and advise the Executive Council on the subject.
- h) Perform the duties of Secretary of the Executive Council.
- i) Perform any other such task as may be entrusted by the Executive Council.

#### **Article 12 – Decision-making methods**

Each Contracting Party shall have one vote in the Executive Council, to be exercised through its representative.

Executive Council meetings shall require a quorum of two-thirds of the members.

Decisions shall be adopted by majority vote of two-thirds of those present, except in such cases specifically requiring a unanimous vote as may be stipulated in the bylaws and shall be binding on each State or Contracting Party.

#### **Article 13 – Personnel**

The Organisation shall hire personnel that are nationals of the Contracting States, except in duly justified exceptional circumstances or situations.

The staff shall have its own labour regime to that end the respective bylaws shall be drawn up and approved, based on those of the United Nations.

#### **Article 14 – Financial system**

In accordance with Article 15 of the Convention on International Civil Aviation (Chicago, 1944), the Organisation should try to reach a financial balance.

#### **Article 15 - Audits**

The Organisation shall undergo such internal, external, and ICAO audits as the bylaws may stipulate.

#### **Article 16 – Fiscal and customs exemptions**

The Organisation, its assets, income, activities and any such contracts as it may sign will be exempt from taxes, duties, charges and/or any other levy, as well as from any restriction or prohibition deriving from the import or export of what is needed for its operation, in a way similar to that contemplated for the United Nations system, within the territory of each of the Contracting Parties.

### **Article 17 – Privileges and immunities**

The Organisation and each of the internal bodies shall, in the territory of each of the Contracting States, enjoy the necessary legal capacity to exercise their responsibilities and such facilities, privileges and immunities necessary to achieve their objectives, which are compatible with their bylaws, international law and the legislation of each State involved.

Its representatives and officials will also enjoy the privileges and immunities associated to their official activities, which are necessary to carry out their responsibilities with independence under this agreement.

All goods and salaries shall enjoy immunity against any legal proceeding, unless such is expressly waived. Even so, such waiver shall not be applied to any legal measure of execution.

### **Article 18 – Violations**

The Organisation shall report to the competent national authorities any alleged violation of air navigation standards committed within the duties and responsibilities provided for in Article 4 and shall send the record accrediting the commission or omission that constitutes the transgression, for the adoption of any such measures as may be appropriate.

### **Article 19 – Dispute settlement**

Any such difference or disagreement as may arise over the interpretation or application of this agreement shall be submitted to the Executive Council for resolution, whose final decision the States Parties agree to accept.

### **Article 20 – Signing and ratification**

This agreement is to be signed and ratified by each of the Contracting Parties and the respective instrument of ratification deposited with ICAO.

Before the date of its entry into effect, this agreement shall be open to the signing of any other interested State of the ICAO South American Region.

ICAO shall notify the Governments of the other signatory States to the Agreement about any other signature or deposit of an instrument of ratification of the Agreement.

### **Article 21 – Entry into effect**

This Agreement shall enter into effect sixty days after the deposit of the instruments of ratification of at least ... (the final number shall depend upon the decision made by the Diplomatic Conference) Contracting States, to which end ICAO shall inform each of the respective Governments about that date.

In the case of any State depositing its instrument of ratification after the date of entry into effect of this Agreement, the Agreement shall become effective for that State sixty days after the date of deposit of its instrument of ratification.

### **Article 22 – Registration**

This Agreement shall be registered with the International Civil Aviation Organization (ICAO) as stipulated in Article 83 of the Convention on International Civil Aviation (Chicago, 1944).

### **Article 23 – Adherence**

The States from the ICAO South American Region that are not signatory to this Agreement may adhere to it, once it has entered into effect, by depositing an instrument of adherence with ICAO.

Before a State can adhere to the Agreement, unanimous approval must be obtained from all the Contracting Parties and an agreement signed between that State and the Organization, in order to consider such technical, operational, financial and administrative issues as may permit its incorporation.

The adherence shall become effective within thirty days after the deposit of the respective instrument.

**Article 24 – Amendments or modifications**

Any one of the Contracting Parties may propose amendments or modifications to this Agreement, which shall be submitted to the Executive Council for consideration and approved unanimously by the Contracting Parties.

**Article 25 – Denouncement**

Contracting Parties may denounce this Agreement two years after it has become effective for said Contracting Party, by accordingly notifying ICAO, which shall advise the other Contracting States thereof within a period of 30 days.

The denouncement of the Agreement shall become effective one year after the date of the communication by ICAO.

**Article 26 – Duration and dissolution**

This agreement will have an indefinite duration and will cease to be effective when the Executive Council decides unanimously upon the dissolution of the Organisation, which will continue to exist until its definitive liquidation. The Contracting Parties shall agree on the distribution and transfer of goods and the continued provision of services.

**Article 27 – Temporary provision**

During its initial stage, the Organisation shall operate on the basis of assistance provided by ICAO through a Technical Cooperation Project until such a time as its operation is consolidated.

## APPENDIX B

### MINIMUM CONDITIONS TO BE OFFERED FOR THE ESTABLISHMENT OF THE REGIONAL MULTINATIONAL ORGANISATION (RMO)

These conditions are based on the corresponding articles of the Draft Agreement for the Establishment of the Regional Multinational Organisation (RMO), as approved by the first meeting of the High-Level Panel on Institutional Aspects (EANAI/1), held in Lima – Peru, on 2-5 June 2008, and extended as necessary for better understanding of the States interested in submitting proposals to host the RMO.

The main purpose of the Hosting Agreement is to define:

- a) The legal capacity of the RMO
- b) The privileges and immunities of the RMO
- c) The privileges and immunities that RMO personnel will have

#### 1. ESSENTIAL REQUIREMENTS NOT SUBJECT TO ASSESSMENT

##### 1.1 LEGAL REQUIREMENTS

1. Recognition of the necessary legal capacity to perform the functions of the Regional Multinational Organisation (OMR), according to the following characteristics:

*Regional/sub-regional international organisation created by agreement of the States interested in operating a multinational facility, with legal capacity, managerial and financial autonomy, capable of hiring, acquiring, litigating and disposing of the goods and services of the Organisation.*

2. Facilities, privileges, immunities, franchises, and tax exemptions in order to fulfil the purpose of the Organisation and to safeguard the independent performance of functions, in relation to its goods, representatives, officials, personnel, their spouses and relatives under their responsibility. The benefits to be granted to the representatives, officials and personnel of the Organisation may be in no case less than those granted to those from any other international organisation based in the offering State.

3. Administrative, legal, executive, or legislative immunity from attachment, inspection, seizure, requisition, confiscation, expropriation and any other form of intervention of the real estate and goods of the Organisation.

4. Inviolability of the headquarters, offices, units, goods, documents, and files of the Organisation.

5. Immunity of jurisdiction or against legal and administrative procedures with regard to the Organisation, its real estate, goods, documents and assets, in all types of proceedings instituted by reason of acts stemming from the exercise and fulfilment of its functions and objectives, unless an express waiver of that immunity exists.

6. Police or security measures to protect the real estate and goods of the Organisation and the surrounding area against trespassing and damage.

## **1.2 FINANCIAL AND ECONOMIC REQUIREMENTS**

1. Financial, tax, tariff, fiscal, customs, and consular exemptions of all kinds for the Organisation, its equity, goods, income, communications, acts, and contracts it may enter into, including the real estate owned by the Organisation or provided by the host State. In this connection, equal treatment must be demanded to that given to diplomatic missions or other equivalent intergovernmental or international organisations.

In this connection, all priorities, liens, taxes, rates, contributions, fees, and tariffs in effect in the host State at the time the agreement is signed (*e.g.*, income tax, capital earnings tax, correspondence, etc.) must be taken into account and, if applicable, equal treatment must be demanded to that given to diplomatic missions or other equivalent intergovernmental or international organisations.

2. The right to import or export or the possibility of importing and exporting the equipment, supplies, and publications required by the Organisation for the provision of its services, without any limitation or restriction whatsoever.

3. Non subjection to monetary or exchange restrictions, including the management of bank accounts.

## **1.3 PERSONNEL POLICY**

1. Recognise and respect the regulations for the staff, which will have their own labour system based on that of the United Nations Organization.

## **1.4 SERVICES**

1. Provision and assurance of public services, such as drinking water, electricity, sewerage for the facilities (household gas if applicable).

## **1.5 OTHERS**

Aspects that the offering State adds on its own initiative.

**2. ITEMS SUBJECT TO PERCENT EVALUATION**

<b>ITEM</b>	<b>PERCENTAGE</b>
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<b>2.1 FACILITIES</b>	<b>40%</b>
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1. Executive offices outfitted and adapted to the hierarchy of the Organisation, with drawings showing the units and free space for:

The office of the Executive Director, department chiefs, technical, administrative, support personnel, meeting room, IT offices, free space for circulation and coffee breaks, storerooms, print shop, kitchen.

Initial area: 500 m<sup>2</sup> with possibility of expansion to 1000 m<sup>2</sup> within the three years of operation and to 2000 m<sup>2</sup> in the following five years.

Parking space with ultimate capacity for 50 vehicles.

2. Open areas for entertainment (terrace, garden)
3. Located in a safe area and with easy access to public transportation.
4. Type of assignment  
Permanent ownership  
  
In use
  - Free of charge
  - At a cost
5. Need to make any permanent or temporary change in location/size of the premises in order to carry out the activities of the Organisation.
6. Furniture, hardware, software, photocopying machines, facsimile.

<b>2.2 SERVICES – ACCESS TO AND GUARANTEED PROVISION OF PUBLIC SERVICES</b>	<b>27%</b>
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1. Access to and guaranteed provision of security services: electrical security system, robbery and fire alarms.
2. Communication services:
  - a) Fixed and mobile telephony communications services.
  - b) Optical fibre data transmission networks and access to data and internet services providers.
  - c) Satellite communications services.

Provided by the State  
Provided by the RMO

3. Air conditioning and heating systems, elevators (if applicable).

4. Facility maintenance services.

Provided by the State  
 Provided by the RMO

5. Housekeeping services

Provided by the State  
 Provided by the RMO

6. Garbage collection services

Provided by the State  
 Provided by the RMO

**2.3 PERIOD OF EFFECTIVENESS OF THE AGREEMENT 10%**

As of the signing by the Parties.

As of the ratification of the Agreement by another Authority, if so required by the constitutional law of the State.

**2.4 TERM OF THE AGREEMENT 10%**

Indefinite period of time

Definite period of time, automatically renewable.

- Limited 0-10 year
- Limited 11 to 20 years
- Limited 21 to 30 years or more

**2.4 OTHER 5%**

Aspects that the offering State adds on its own initiative.

*NOTE: The offering State must indicate the corresponding limitations and/or exceptions for each item.*

**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 35<sup>th</sup> 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 EANAI/1 meeting held in May 2008 with a view to continue discussions at the EANAI/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 Cooperation Bureau (TCB) is responsible for the development and execution of the ICAO technical cooperation programme. TCB assists States in all the areas related to project formulation, at the State and at the regional levels. This advisory and assistance covers studies in all the project development phases: project identification and formulation, support in identifying financing sources, including, among others, the hiring of international and national experts, purchase of systems and equipment, fellowships, management of field personnel policies.

## **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.

<b>Result</b>	<b>Activities</b>	<b>Responsible parties</b>
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.

<b>Result</b>	<b>Activities</b>	<b>Responsible parties</b>
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