



A36-WP/332
P/43
25/9/07

ASSEMBLY — 36TH SESSION

REPORT OF THE EXECUTIVE COMMITTEE ON AGENDA ITEM 14

(Presented by the Chairman of the Executive Committee)

The attached report on Agenda Item 14 has been approved by the Executive Committee. Resolution 14/1 is recommended for adoption by the Plenary.

Note.— After removal of this covering sheet, this paper should be inserted in the appropriate place in the report folder.

(4 pages)

Agenda Item 14: International Financial Facility for Aviation Safety (IFFAS)

14.1 At its second meeting, the Executive Committee considered the subject of the International Financial Facility for Aviation Safety (IFFAS) on the basis of A/36-WP/25 (and Appendices A to E) which presented the report of the Council on IFFAS activities, including performance assessment and financial statements, as required by Assembly Resolution A35-8, paragraph 6. The Committee also considered WPs/95 and 96, presented by the Interstate Aviation Committee (IAC) and WP/262, presented by the Republic of Korea.

14.2 The Council reported that since the last session of the Assembly the membership of the IFFAS Governing Body was increased from 8 to 11 in 2006 for the triennium commencing 13 June 2006. The Council also reported that during the triennium 2004-2005-2006, and the period up to 13 June 2007, the IFFAS Governing Body had held several meetings and as a result six projects had been funded with financing from IFFAS benefiting 29 States. Additionally, 3 projects had been approved for funding in 2007. Also for 2007, 4 grants had been approved as extensions to projects already funded with a view to covering more States in the regions concerned.

14.3 The Committee noted that States and other interested parties have been encouraged to contribute to IFFAS by State letters issued periodically by the Secretary General of ICAO which have also encouraged States to apply for funding under IFFAS for safety related projects. Since its establishment on 4 December 2002, contributions to IFFAS have totalled approximately USD 3.9 million of which approximately 50 per cent has been disbursed for the implementation of safety related projects. With regard to attracting funding, there had been numerous efforts including discussions held with regional international aviation bodies and civil aviation authorities of various States. IFFAS featured prominently in a series of development forums organized annually by ICAO, the World Bank and the Air Transport Action Group (ATAG). One of the results of these activities had been the development by ICAO, in association with the World Bank and the ATAG, of a database called the Aviation Development Coordinated Database (AvDeCo) containing information on projects relating to civil aviation safety.

14.4 The Council further reported that although the Administrative Charter of IFFAS stipulates that as a rule loans should be the main medium of IFFAS funding, and that grants should be an exception, to date, out of the funding offered and disbursed only one had been in the nature of a loan. This had encouraged the Governing Body to decide that a grant should be offered only if it were to accompany a loan whereby the loan component would cover a significant percentage of the total funds disbursed to implement a project.

14.5 The Committee addressed the issue of the level of costs charged to IFFAS with regard to administrative support rendered by the ICAO Secretariat and decided to refer the issue to the Administrative Commission with a request that the Commission recommend the best methodology to be followed in setting the administrative charges levied on IFFAS. The opinion of the Administrative Commission will be reported to the Plenary for its consideration.

14.6 In conclusion, the Committee agreed to recommend that the Assembly adopt the following draft Resolution:

**RESOLUTION FRAMED BY THE EXECUTIVE COMMITTEE
AND RECOMMENDED FOR ADOPTION BY THE ASSEMBLY**

Resolution 14/1

International Financial Facility for Aviation Safety (IFFAS)

Whereas under Article 44 of the Chicago Convention the aims and objectives of ICAO *inter alia* are to foster planning and development of international air transport so as to ensure the safe and orderly growth of international civil aviation, meet the needs of the people of the world for safe, regular and economical air transport, and promote safety of flight in international air navigation;

Whereas under Article 69 of the Chicago Convention, if the Council is of the opinion that the airports and air navigation facilities of a Contracting State are not reasonably adequate for the safe, regular, efficient and economical operation of international air services, the Council shall consult with the State directly concerned, and other States affected, with a view to finding means by which the situation may be remedied, and may make recommendations for that purpose;

Whereas in pursuance of Resolution A32-11, the Council has brought into effect, from 1 January 1999, a Universal Safety Oversight Audit Programme, and the results of the initial audits of almost all Contracting States under that Programme have been received;

Whereas these audits have revealed that a number of Contracting States have to draw on scarce resources from other national priorities in order to implement effective safety oversight and that these States will require various degrees of assistance to meet their safety oversight responsibilities;

Whereas most developing States experience difficulties in gaining access to many financial market sources, particularly foreign capital markets, for funding their airport and air navigation services infrastructure, including safety-related components of that infrastructure;

Whereas the 33rd Session of the Assembly, satisfied with the Council's study demonstrating the need for an IFFAS, endorsed the establishment of IFFAS;

Considering that assistance rendered by IFFAS has contributed substantially toward IFFAS achieving the objectives of improving aviation safety, through the implementation of the necessary corrective measures identified in the ICAO Universal Safety Oversight Audit Programme (USOAP); and

Whereas IFFAS is continuing to provide funding for safety-related projects under the guidance of the Council and the Council continues to receive annual reports from the IFFAS Governing Body on the implementation of IFFAS projects;

The Assembly:

1. *Expresses appreciation* to Contracting States and international organizations for their contributions and pledges to IFFAS and urges States and international organizations (private and public) having association with international aviation, airlines, airports, providers of air navigation services, manufacturers of airframes, engines and avionics, other members of the aerospace industry, and civil society, to make voluntary financial or in-kind contributions to IFFAS;

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

3. *Notes* the steady progress made by IFFAS since its establishment and valuable services provided in the implementation of safety-related projects;

4. *Notes* the various constraints under which IFFAS is functioning including the heavy administrative costs incurred;

5. *Requests* that the Council support the smooth functioning of IFFAS through consistent monitoring of progress made by IFFAS in funding safety-related projects and to continue its efforts in promoting and expanding IFFAS while at the same time reducing costs to a minimum;

6. *Requests* that the Council make every effort to attract contributions to IFFAS from States and other contributors;

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

8. *Declares* that this resolution supersedes Resolution A35-8.

— END —