



Cooperative Development of Operational Safety and Continuing Airworthiness Programme

(Under ICAO Technical Co-operation Programme)

COSCAP – South Asia



19th Meeting of the Steering Committee

26th – 28th January 2010

Bangkok, Thailand

Programme Budget and Funding -2010

EXECUTIVE SUMMARY

The purpose of this paper is to provide the Steering Committee Members with an update on the funding received since the last Steering Committee Meeting and to provide a budget update for the Programme for 2010/11 based on the additional funding received.

1. Background :

1.1 Paragraph 3.3, Article III of the Memorandum of Understanding (MoU) signed by Member States for the Institutionalization of COSCAP-South Asia stipulates that the Programme shall be funded primarily by the Member States through annual contributions in accordance with a cost-sharing formula which is approved by the Steering Committee.

1.2 Paragraph 3.4, Article III of the MoU provides for the mobilization of grant funds from the donor community to supplement the Programme funds.

1.3 Paragraph 3.5, Article III of the MoU stipulates that the Member States' annual contributions which is supplemented by donor- provided funds as may be available, shall constitute the general pool of the COSCAP-SA Trust Funds to be maintained by ICAO. The moneys from the Trust Fund shall be used for common benefits, functions and activities defined in paragraph (i) and paragraphs (ii) (a) and (b), Article II of the MoU.

1.4 The Member States have also approved the Programme Document for the Phase III which describes in detail the nature and scope of Programme's objectives, outputs and activities to be undertaken during the Phase III (2008-2012).

1.5 Pursuant to Paragraph 4.1, Article IV of the MoU, TCB, ICAO shall provide the services

specified in the Programme Document in accordance with the established ICAO rules, policies, procedures and practices.

1.6 Paragraph 7.4, Article VII of the MoU describes the duties and functions of the Steering Committee which include inter alia, the following responsibilities:

- a) Formulation of policies and assign priorities for the activities of COSCAP-SA, taking into account the requirements of this Memorandum of Understanding, and the provisions in the current phase of the COSCAP - SA Programme document and the availability of funds; and
- b) Review and approving the annual work programme and budget of COSCAP-SA.

1.7 The Attachment II to the Programme Document – Phase III which is reproduced below set outs the expected annual contribution from each Member States during the five year cycle of the Programme from 2008 to 2012.

Member State	%	2008	2009	2010	2011	2012	Total
Bangladesh	14.00%	63,140	65,996	67,984	69,972	71,932	339,024
Bhutan	9.00%	40,590	42,426	43,704	44,982	46,242	217,944
India	20.00%	90,200	94,280	97,120	99,960	102,760	484,320
Maldives	12.50%	56,375	58,925	60,700	62,475	64,225	302,700
Nepal	14.00%	63,140	65,996	67,984	69,972	71,932	339,024
Pakistan	16.30%	73,513	76,838	79,153	81,467	83,749	394,721
Sri Lanka	14.20%	64,042	66,939	68,955	70,972	72,960	343,867
Total	100	451,000	471,400	485,600	499,800	513,800	2,421,600

2. Discussion :

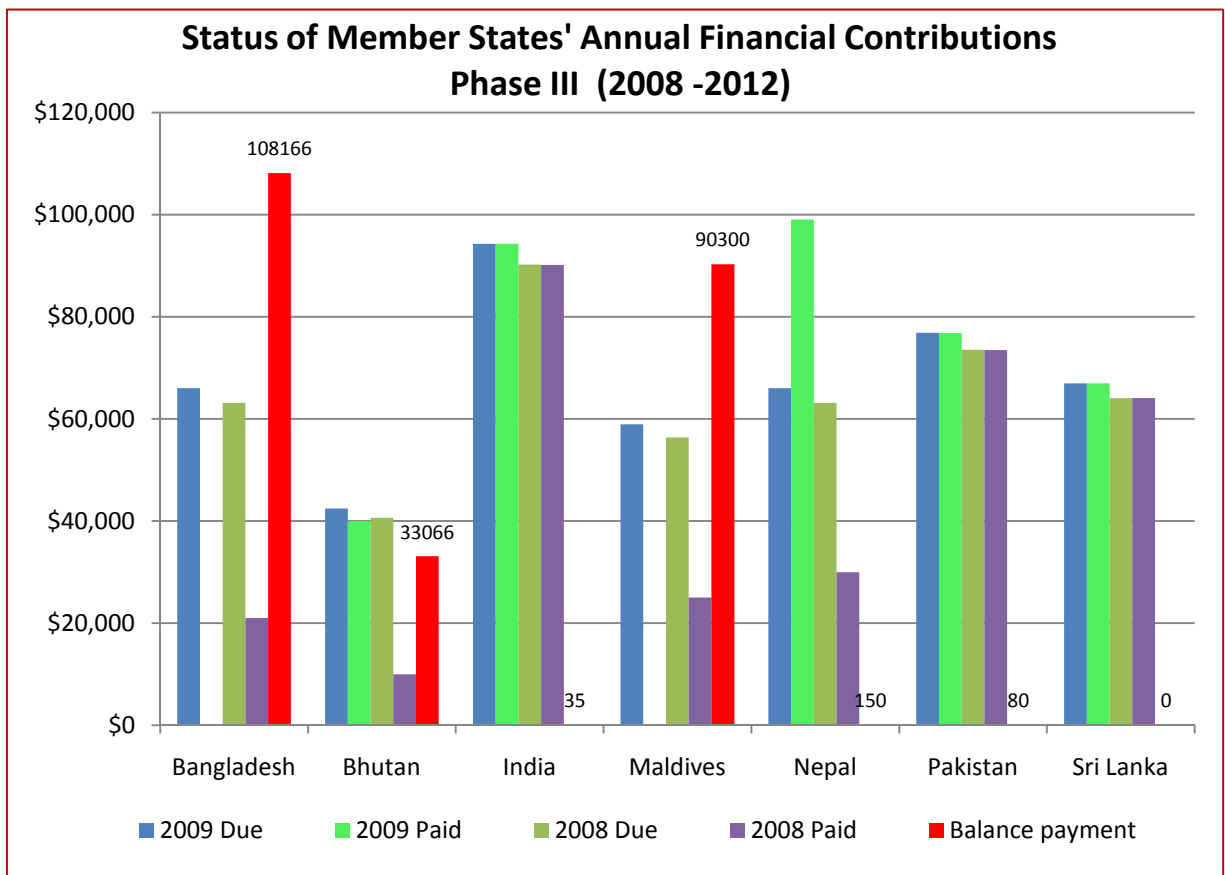
2.1 Contributions received from the Member States during the Phase-III (2008 onwards) are as follows.

State	State Contributions (in USD)						
	2008			2009		(2008 +2009)	
	Due	Paid	Deficit	Due	Paid	Deficit	Total Balance
Bangladesh	63,140	20,970	42,170	65,996	0	65,996	108,166
Bhutan [†]	40,590	9,980	30,610	42,426	39,970	2,456	33,066
India	90,200	90,165	35	94,280	94,280	0	35
Maldives	56,375	25,000	31,375	58,925	0	58,295	90,300
Nepal	63,140	29,950	33,190	65,996	99,036	+ 33,040	150
Pakistan	73,513	73,473	40	76,838	76,798	40	80
Sri Lanka	64,042	64,042	0	66,939	66,939	0	0

[†] Note-1 The Royal Government of Bhutan requested the Chairman, COSCAP-South Asia to review its annual contributions due to the Programme considering the fact that very limited aeronautical activities are taking place in Bhutan and also affordability of the State due to economic situation. The Chairman, COSCAP-South Asia accordingly suggested to the DGCA-DCA Bhutan to pay a fixed amount of USD 25,000/= per year, subject to formal concurrence of the Steering Committee for this revision. If the revision is approved by the SCM, there is no deficit of payment as far as Bhutan's annual contribution is concerned, other than small difference created by Bank Commissions during transactions.

Note -2 The CAA-Nepal has paid USD 33,040 in 2009, in full settlement of its arrears of contribution in 2008.

Note-3 The Civil Aviation Department, Maldives has informed the Chairman, COSCAP-South Asia that the Government of Maldives was not in position to defray its annual contribution for 2009 due to strict budgetary controls implemented by the Government following the world economic recession and CAD-Maldives would settle the Maldives' contributions in 2010 with the applicable arrears.



2.2 Contributions /donations from donor agencies for the year 2009 are as under

- (a) EC (Phase II) - US\$ 50,605
- (b) Airbus - US\$ 50,000

2.3 The Boeing and Airbus contributions are tied to specific activities agreed to between Boeing, Airbus and the Programme.

2.4 **Contributions**

Airlines: The Member States' airlines whose names are given in the attachment have thankfully contributed to the Programme in kind by providing the gratis / rebated travel facilities for the International and Regional Experts to travel between the Member States. The total value of airline contribution in 2009 is estimated to be USD 19,000 approximately. Furthermore, the magnanimous contributions of international airlines such as Cathay Pacific Airways and Thai

Airways made to the Programme in terms of rebated of gratis travel facility for official travels of the Regional Experts, are much valued and appreciated with gratitude.

2.3 **Budget**

Appendix I reflect the total funds received by ICAO for the Programme as of 31 December 2010.

3. **Recommendations:**

a. To request each Member State to contribute to the Programme in full as agreed and as shown in the table above in view of the depleting sources of funding available to the Programme, and of the necessity of continuing the Programme without curtailing any of its planned activities.

b. To urge each Member State to settle their financial contributions as early as possible but not later than the 3rd quarter of each year. The SCM may wish to discuss the consequences of continued under-funding of this Programme.

c. To continue to set apart a fixed percentage (to be determined by the SC) of Programme funds for the employment of Regional Experts (Home Based).

d. To encourage the partners of the Programme to continue their contributions in kind which are of vital importance to its continuation.