



STATE AVIATION  
ADMINISTRATION OF UKRAINE

# Financing Mechanism of the Ukrainian Civil Aviation Authority

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# Source of Funding of the State Aviation Administration of Ukraine (SAAU)

State Specialized Fund for Financing National Expenditure on Aviation Activities and the Participation of Ukraine in International Aviation Organizations (Fund)





# History of creation of the Fund

- Order of the President of Ukraine #217/92 dated 30.12.1992 “Actions necessary for the civil aviation international activities”
  - Decree of the Cabinet of Ministers of Ukraine #819 dated 28.09.1993 “On creation of the State Specialized Fund for Financing National Expenditure on Aviation Activities and the Participation of Ukraine in International Aviation Organizations”
  - The name of the Fund and its main purposes are included in the new edition of the Air Code Ukraine (19.05.2011)
  - Update of the provisions of the Fund made by the Decree of the Cabinet of Ministers of Ukraine #182 dated 22.03.2017
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# Purpose of the Fund

Fulfilment of the State Policy in the sphere of civil aviation:

- Safety oversight
- Security oversight
- Economic oversight
- Regulatory and policy making functions
- Airspace utilization management
- Certification, licensing and further assistance to the civil aviation entities

Representation of Ukraine in the civil aviation organizations:




| ICAO



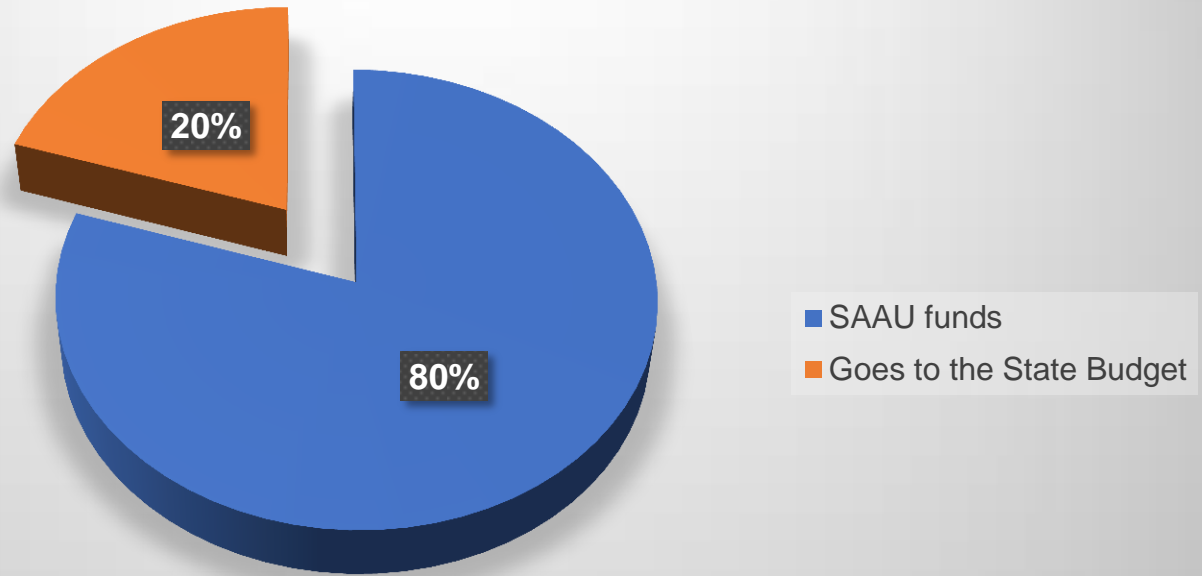


## Relation between the Fund and the State Budget

- Each year the general State Budget includes the amount of the funds which are dedicated to the financing of the SAAU;
  - The Fund is operated and controlled by the SAAU, meaning that the SAAU is not dependent on the yearly State Budget and can solely use the funds accumulated on the respective account dedicated to the Fund.
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# Relation between the Fund and the State Budget

80% of the income to the Fund stays in it for the SAAU and 20% goes straight to the State Budget

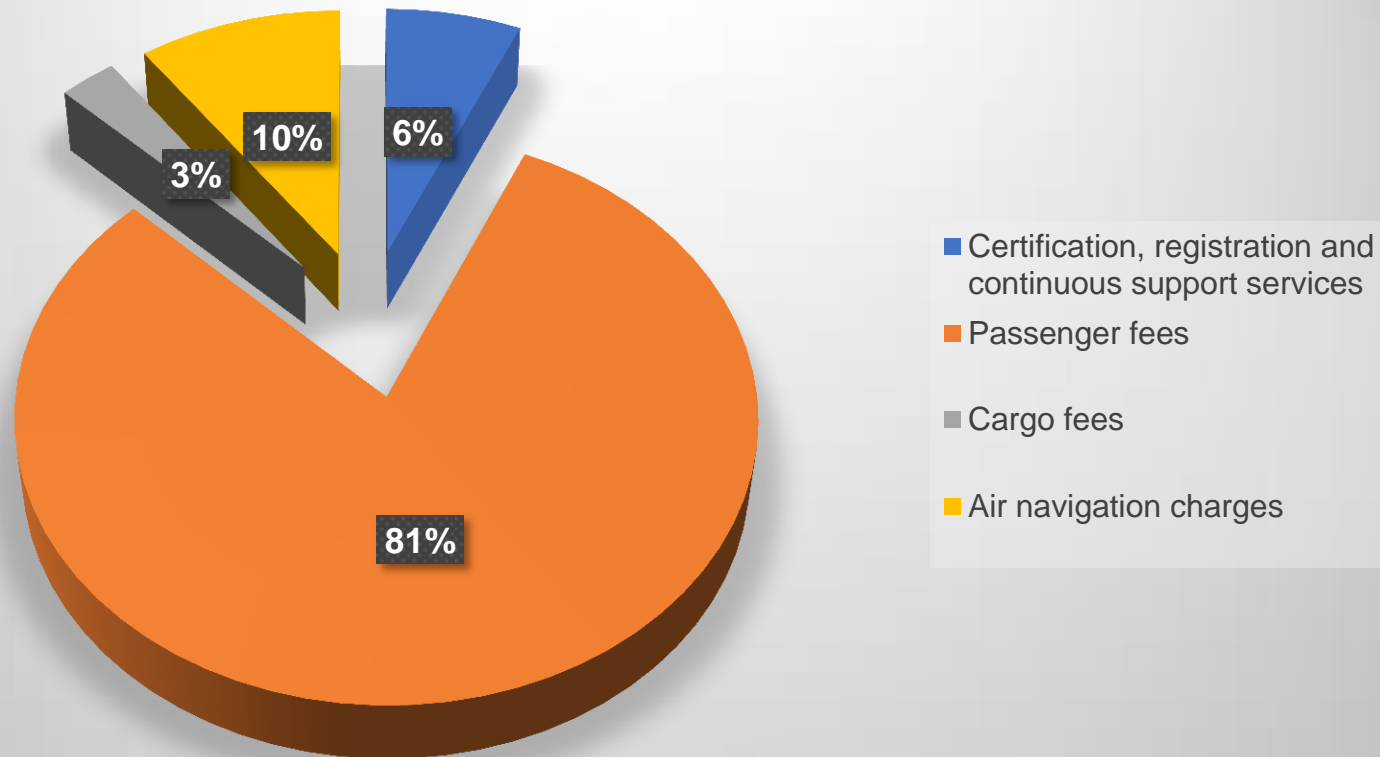




# Sources of the Fund

- Certification and Registration of the civil aviation entities (including ANSP) and their continuous support;
  - Licensing and other services provided by the SAAU;
  - State fees for international passenger air services operations which start from Ukraine ( 2 USD for each departed passenger);
  - State fees for domestic passenger air services operations (0,5 USD for each departed passenger);
  - State fees for domestic cargo air services operation (2,5 USD for each ton);
  - State fees for international cargo air services operation (10 USD for each ton).
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## Sources of income, 2018







# How the funds from passenger and cargo fees are being collected?


Each month Ukrainian airports provide the SAAU with the report regarding the number of passengers departed by each carrier from the territory of Ukraine and the number of destined/departed tone of cargo



Basing on the data in the provided reports SAAU issues invoices to each air carrier participated in the air services with the purpose to collect mentioned fees for each passenger and ton of cargo



Air carriers have 30 days to transfer collected fees from passengers and from cargo owners to the dedicated account



## What does the Fund give to the SAAU?


- Financial independence from the Government and stable mechanism of financing



- Ability to appropriately fulfill the main responsibility of the CAA – **oversight**;
- Ability to hire and retain qualified staff;
- Salary level at SAAU = industry salary level;
- Be up to date with the speed of industry growth;
- Ability to fund staff training;
- Appropriate level of working conditions for the staff .




# Conclusions

- State Specialized **Fund** for Financing National Expenditure on Aviation Activities and the Participation of Ukraine in International Aviation Organizations **is a reliable source** specified on the level of the Law of Ukraine which allows the Ukrainian CAA to be funded in accordance with the needs;
  - Fund allows SAAU **to be independent in its decisions** with regards to the main functions laid upon it by the ICAO Convention and the National Legislation of Ukraine.
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## **EURNAT-DGCA 2019 is invited to note the information presented**

- There is a direct correlation between the level of CAA funding and the ability of each State to fulfil its responsibilities concerning safety, security and economic oversight according to ICAO SARPs;
  - Existence of a stable source of CAA financing which allows CAAs to “compete” with the industry is crucial for safety and security of civil aviation in the State;
  - All States shall take necessary efforts in order to allow CAAs be fully provided with the necessary financial resources.
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Thank you for your attention!

