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CAA Financing Mechanisms

EURNAT-DGCA/2019
Paris, 19-20 March 2019



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SAFETY IMPLICATIONS

- Are there safety implications for the not sufficiently funded CAAs?



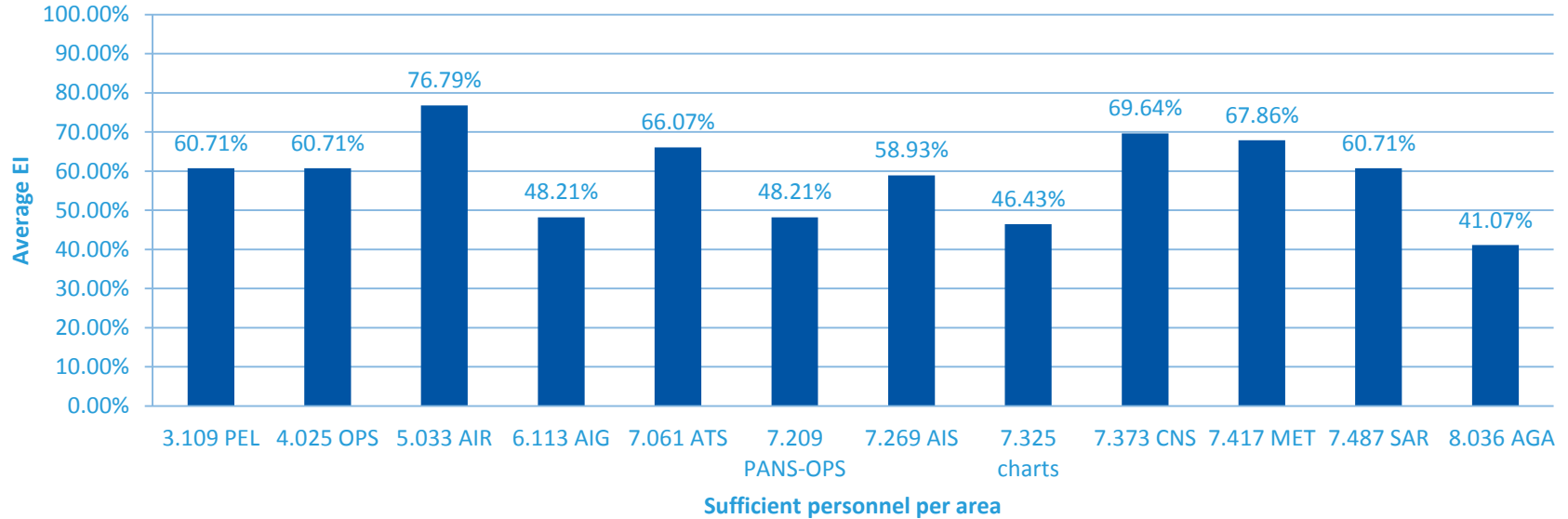
USOAP CMA data for EUR/NAT States

- 25% States safety oversight authorities do not have sufficient financial resources to meet its national and international obligations (PQ 2.051)
- 30% of States accident investigation authorities do not have sufficient financial resources to meet its national and international obligations (PQ 6.105)
- 59% do not have sufficient qualified personnel (PQ 2.053)
- 50% has the ability to attract, recruit and retain sufficiently qualified/experienced technical personnel (PQ 2.103)





Qualified technical personnel



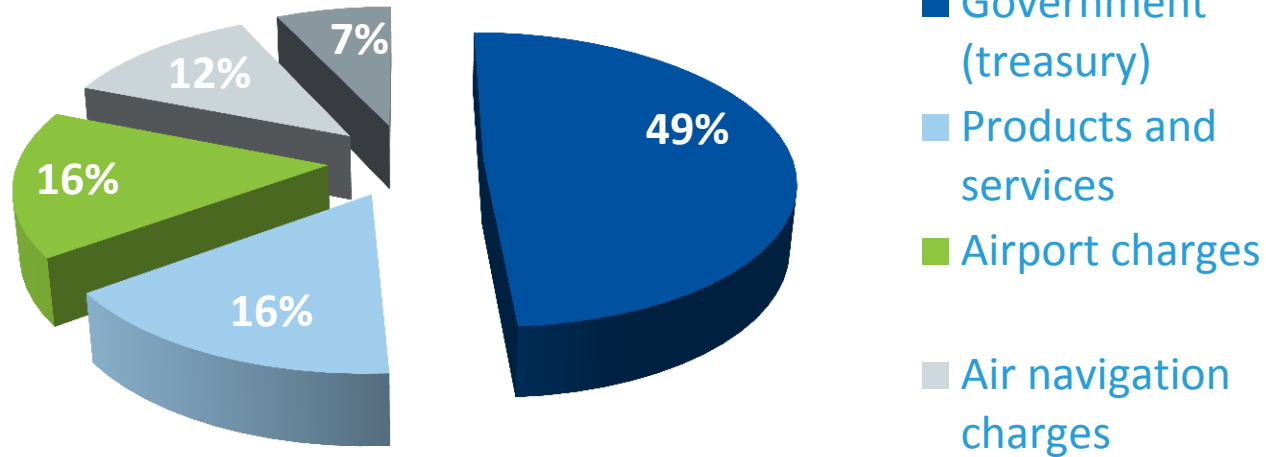


Challenges for States

- Since the functions of safety, security and economic oversight are a State responsibility, Government funding is the assumed method by which to finance these functions.
- However, this is not always possible or practical, particularly for States with limited financial resources.
- Consequently, ICAO has developed policies and guidance on the issue of funding oversight functions.

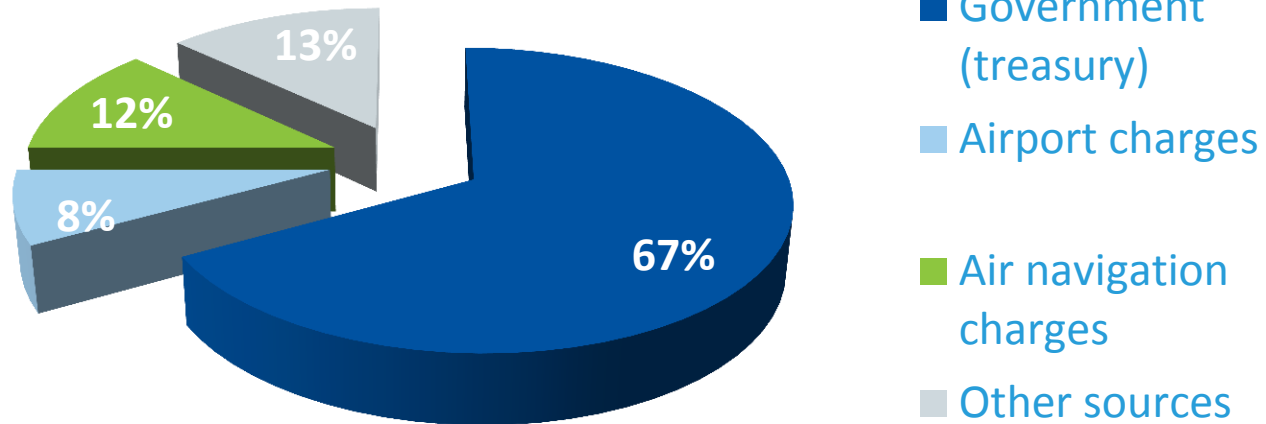


ICAO survey regarding funding of safety oversight (2010)



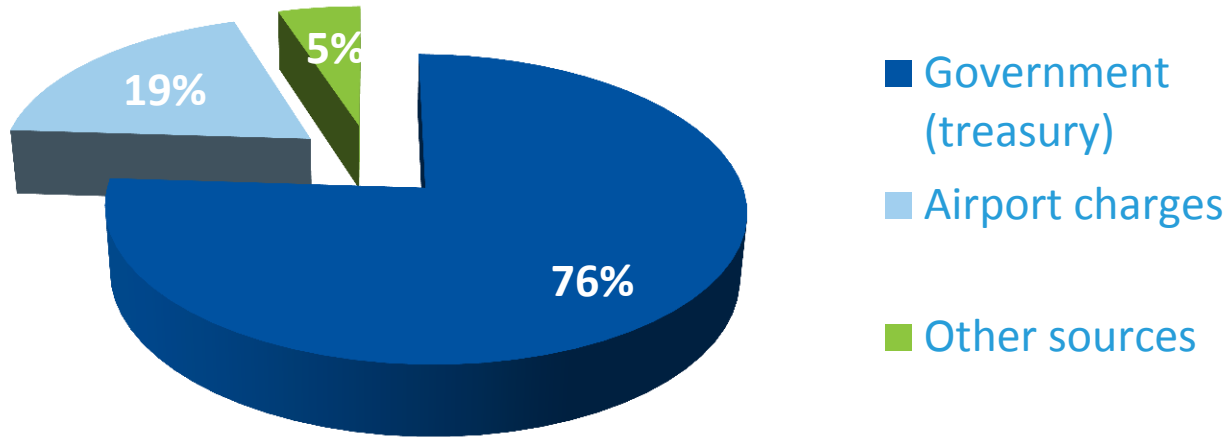


ICAO survey regarding funding of security oversight





ICAO survey regarding funding of economic oversight






ICAO Policy and Guidance

- Doc 9161-Manual on Air Navigation Services economics
- Doc 9562-Airport economics manual
- Doc 9082 – charges for airports and ANS
- Regulation of International Air Transport (Docs 9587 & 9626)
- Template Air Services Agreements (TASAs)
 - Traffic Rights
 - Market access by Designation
 - Capacity
 - Tariffs
 - Routes



Doc 9161




Manual on Air Navigation Services Economics

Approved by the Secretary General
and published under his authority

Fifth Edition — 2013

Doc 9562




Airport Economics Manual

Approved by the Secretary General
and published under his authority

Third Edition — 2013

International Civil Aviation Organization

Doc 9082



ICAO's Policies on Charges for Airports and Air Navigation Services

Approved by the Council
and published by its decision

Ninth Edition — 2012

International Civil Aviation Organization



Different financing schemes

State-allocated budget	Fees and charges collected from those participating in the aviation system	Fees and charges collected from those using services within the aviation system
As part of bigger governmental or ministry budget or individual allocated for CAA	Such as licence and approval fees	Such as levies on passengers or fuel

The source of funding depends on the circumstances of that State. For example, a State that has a small aviation industry may find that it is not enough for its CAA to rely only on fees and charges to fund its regulatory activities. A State may need to have multiple sources of funding for its aviation activities.



Annex 19, ed 2 — Safety Management

3.1 States shall establish relevant authorities or agencies, as appropriate, supported by **sufficient and qualified personnel** and **provided with adequate financial resources** for the management of safety.

Safety Oversight Manual, Doc 9734

Part A, 2.3.1 An effective and sustainable SSO system is characterized by the following:

the **continuous allocation of the necessary financial and human resources** for the State authorities to effectively carry out their responsibilities, functions and activities

2.4.4State authorities responsible for safety oversight should ... **be provided with the necessary resources, both human and financial**, to enable them to effectively fulfil their safety oversight responsibilities. These elements should be taken into account and prioritized by States when crafting their national development plans and air transport sector strategic plans.

2.4.5 **Political will and budgetary resource allocation are essential to the establishment and sustainability of an SSO system and to ensuring Member States' compliance with ICAO SARPs.**the socio-economic benefits and contributions of aviation to a State's sustainable development can offset such costs. Thus, States need to find a balance between the cost of establishing and sustaining their CAA and the ability of the industry and stakeholders to contribute to the funding of such a system.



3.3.3.1 States without sufficient resources or competencies might consider **delegating** specific safety oversight functions and activities to an **RSOO**, a regional accident and incident investigation organization or another State. States may also consider delegating activities to other recognized entities — like trade associations, industry representative organizations or other bodies that may collect and analyse data on their behalf, provide training or conduct surveillance and monitoring activities.

3.4.2.3 The State authorities also need to provide **the necessary financial resources** and time for their technical personnel to receive the required training.

Safety Management Manual, Doc 9859

8.3.6.17 The State must ensure that agencies that have safety responsibilities are given **sufficient resources** to carry out their mandates. This includes **financial resources as well as human resources**.

As a State starts to fully implement its **SSP** and adopt safety management practices, it may need to **revisit its budget** and funding to ensure that it continues to have a sufficient revenue stream.

New functions are introduced and must be carried out well in order for a safety management approach to succeed, including for example SRM, data collection and analysis, and safety promotion.

Inspectors and other personnel may need to be retrained.

As such, the State may find it necessary to **allocate sufficient financial resources** for State agencies when **transitioning to a safety management approach**.



Decision

Draft EURNAT-DGCA Decision 2019/ – Sustainable funding of civil aviation authorities

That the ICAO Regional Director, Europe and North Atlantic, in coordination with other international organisations and States, is invited to organise in 2019 a dedicated workshop concerning the sustainable funding of States civil aviation authorities.



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Asia and Pacific
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