



**Cooperative Development of Operational Safety and  
Continuing Airworthiness Programme  
COSCAP-SOUTH ASIA  
International Civil Aviation Organization**



**20<sup>th</sup> STEERING COMMITTEE MEETING  
05-08 APRIL 2011, COLOMBO, SRI LANKA**

**PROGRAMME BUDGET AND FUNDING - 2011**

**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 2011/12 based on the additional funding received.

**1.0. Background:**

- 1.1. Paragraph 3.3.3, 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 3.3.4, Article III of the MoU provides for the mobilization of grant funds from the donor community to supplement the Programme funds.
- 1.3. Paragraph 3.3.6, 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 3.4.1, 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 3.7.5, 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
<b>Bangladesh</b>	14.00%	63,140	65,996	67,984	69,972	71,932	<b>339,024</b>
<b>Bhutan</b>	9.00%	40,590	42,426	43,704	44,982	46,242	<b>217,944</b>
<b>India</b>	20.00%	90,200	94,280	97,120	99,960	102,760	<b>484,320</b>
<b>Maldives</b>	12.50%	56,375	58,925	60,700	62,475	64,225	<b>302,700</b>
<b>Nepal</b>	14.00%	63,140	65,996	67,984	69,972	71,932	<b>339,024</b>
<b>Pakistan</b>	16.30%	73,513	76,838	79,153	81,467	83,749	<b>394,721</b>
<b>Sri Lanka</b>	14.20%	64,042	66,939	68,955	70,972	72,960	<b>343,867</b>
<b>Total</b>	<b>100</b>	<b>451,000</b>	<b>471,400</b>	<b>485,600</b>	<b>499,800</b>	<b>513,800</b>	<b>2,421,600</b>

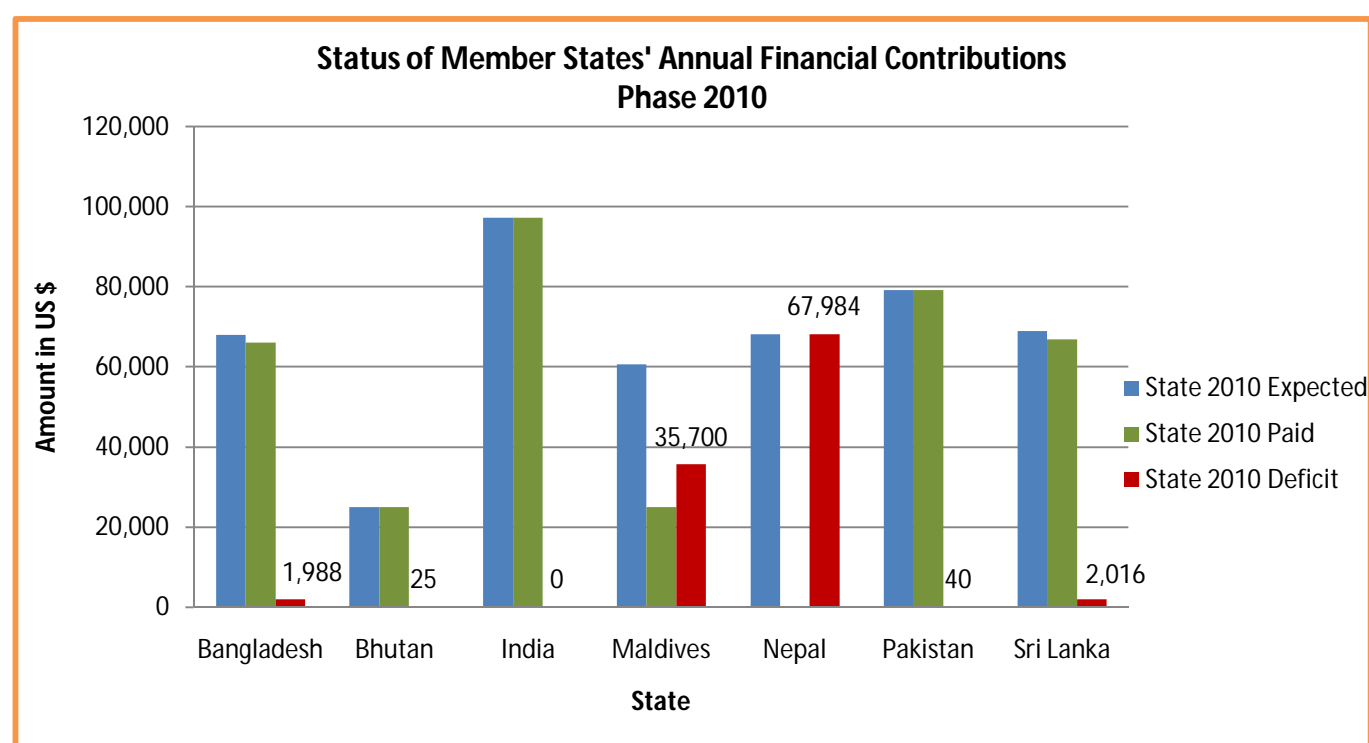
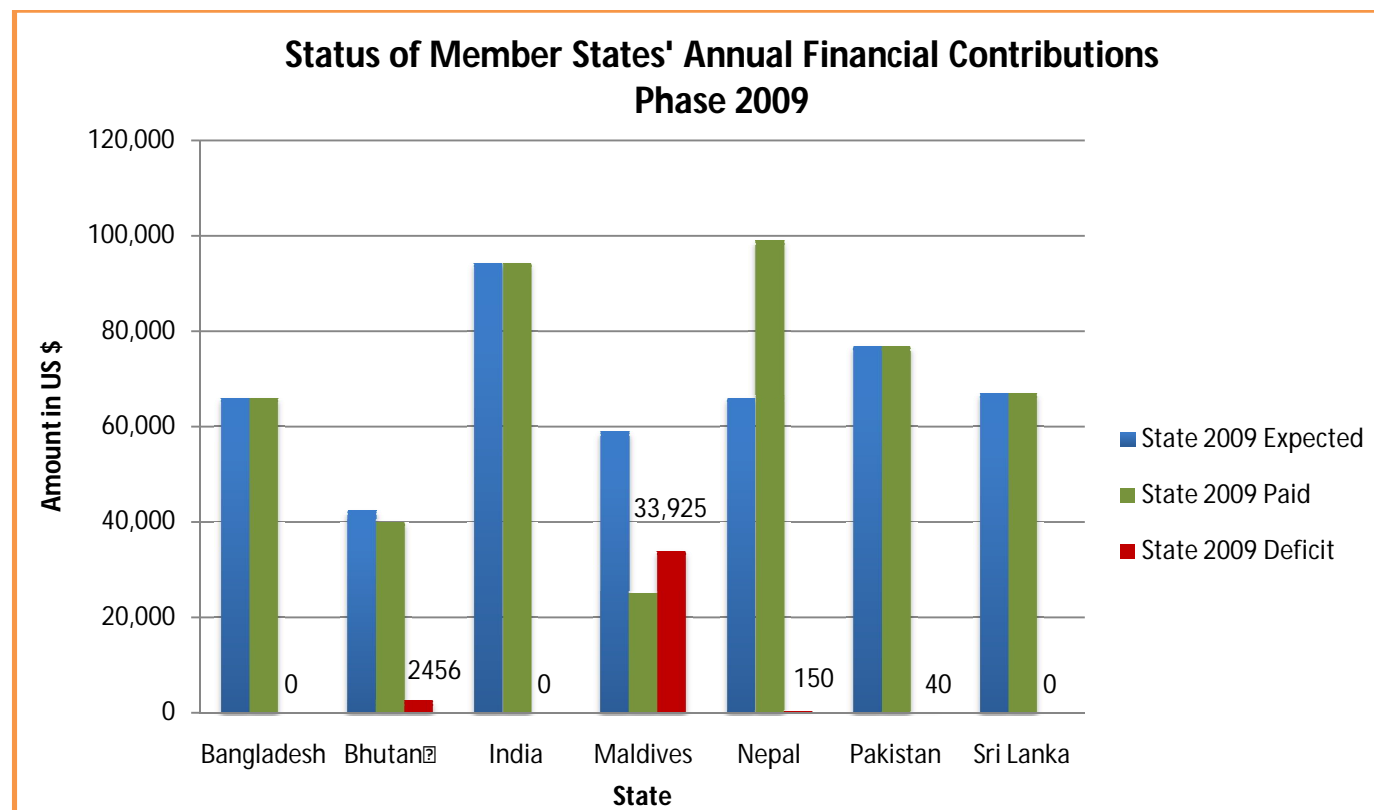
## 2.0. Discussion:

**2.1.** Contributions received from the Member States vis-à-vis the expected contribution during 2009 and 2010 are as follows.

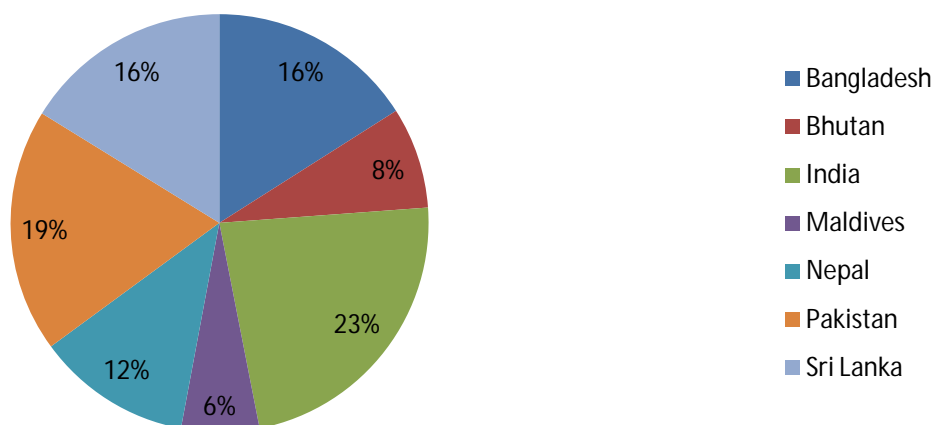
State	State Contributions (in USD)							
	2009			2010			Total (2009 + 2010)	
	Expected	Paid	Deficit	Expected	Paid	Deficit	Total Paid	Total Deficit
<b>Bangladesh</b>	65,996	65,966	0	67,984	65,966	2,018	131,932	2,018
<b>Bhutan</b>	42,426	39,970	2456	<b>25,000</b>	24,975	25	64,945	2,481
<b>India</b>	94,280	94,280	0	97,120	97,120	0	191,400	0
<b>Maldives</b>	58,925	25,000	33,925	60,700	25,000	<b>35,700</b>	50,000	69,625
<b>Nepal</b>	65,996	99,036	150	67,984	0	67,984	99,036	68,134
<b>Pakistan</b>	76,838	76,798	40	79,153	79,113	40	155,911	80
<b>Sri Lanka</b>	66,939	66,939	0	68,955	66,939	2,016	133,878	2,016
<b>Total</b>	471,400	467,989	2646	466,896	359,113	107,783	827,102	144,354

*Note-1: As per request from the Royal Government of Bhutan the steering committee in its 19<sup>th</sup> meeting has concurred that state of Bhutan will continue to pay a fixed amount of 25,000/= US \$ per year considering very limited aeronautical activities in Bhutan and also the affordability of the State due to economic situation.*

*Note-2: During the 19<sup>th</sup> steering committee meeting the Civil Aviation Department, Maldives informed that 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*



## Status of Member States' Total Financial Contributions Phase 2009 and 2010



- 2.2.** Country specific activities funded separately from regular COSCAP-SA State contribution for the year 2010:

Airports Authority of India (AAI) – US\$ 52,350

This activity covered the cost of successfully conducting National Performance Framework Workshop held in New Delhi in February, 2010.

- 2.3.** Contributions /donations from donor agencies for the year 2009 are as under

- |                  |   |  |
|------------------|---|--|
| a) EC (Phase II) | - | US\$ 50,605  |
| b) Boeing        | - | US\$ 40,867  |
| c) Airbus        | - | Airbus had contributed US\$ 50,000 in 2008 and US \$ 50,000 in 2009. |

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

### **2.5. 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 whereas the total for the year 2010 is approximately 22,000 approximately. Furthermore, the magnanimous contributions of international airlines 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.

## 2.6. Budget

**Attachment 01** reflects the total funds received by ICAO for the Programme as of 24 March 2011

**Attachment 02** reflects the donor contribution in detail.

## 3.0. 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 3<sup>rd</sup> 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