

Sustainable Funding of CAAs

13 October 2020

ICAO EUR/NAT Regional Initiatives

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RD Brief



I. WELCOME

The current crisis has prompted many governments to introduce unprecedented measures to contain the pandemic. These priority measures, which are imposed by a public health emergency, have left little room for other sectors, including appropriate funding for civil aviation. Our Region is no exception and we need to create awareness about this challenge urgently.

Our interest in the financial challenges faced by CAAs goes back to the DGCA meeting in 2019; but COVID-19 has amplified it. This is why the ICAO EUR/NAT Office held a workshop on Sustainable Funding of States' Civil Aviation Authorities on 29 September 2020. One hundred and thirty-six participants from 37 States, 5 European organisations (EC, EASA, EUROCONTROL, IAC and ECAC), and 7 industry organisations (IATA, CANSO, ACI Europe, IFATCA, IFAIMA, European Express Association and AviaSafety) attended this virtual workshop.

The discussions focused on the challenges that CAAs face for their safety, security and economic oversight functions during these times of the COVID-19 crisis; on the best practices and lessons learned so far and on how a cooperative and collaborative approach with industry, regional and international organizations, including RSOOs during the crisis, can provide effective solutions along the way.

Our Regional Office is standing by the States and is committed to providing further assistance moving forward. This RD Brief is part of the activities recommended by the ICAO EUR/NAT DGCA to further inform and support the 56 States to which the EUR/NAT Office is accredited.

Enjoy the reading and let's keep the dialogue open.

Silvia Gehrler

II. Background

The topic of **Sustainable Funding of States' Civil Aviation Authorities**, has certainly impacted all CAAs in the EUR/NAT Region and it is an area of great concern for all of us.

In fact, our concerns are not new. When the ICAO EUR/NAT Directors General met in Paris in March 2019 during the Directors General of Civil Aviation (EUR/NAT DGCA) Meeting, we covered this topic under Agenda Item 5: "ICAO Business Plan and EUR/NAT Operating Plans for 2020-2022, including priorities for the ICAO EUR/NAT Regions".

The Directors General received various presentations describing the main challenges faced in the area of sustainable availability of financial resources and qualified personnel to enable the effective functioning of the States' aviation safety, security and economic oversight responsibilities.

A Working Paper, jointly prepared by the EUR/NAT Office and the State Aviation Administration of Ukraine, raised this issue at the ICAO 40th Assembly in September 2019.

The EUR/NAT DGCA also decided that the ICAO EUR/NAT Regional Director, in coordination with other international organisations and States, should organise in 2019 a dedicated workshop concerning the sustainable funding of States' CAAs. The event was postponed to 2020 as it was not possible to arrange it by the close of 2019.

The outbreak of COVID-19 affected our programs early this year, forcing us to adapt our interactions with each other and leading us to meet virtually at a Workshop on 29 September.

The cases and experiences shared by some of our Civil Aviation Authorities at the Workshop were interesting and revealing of their trust and openness to share their experiences. Their presentations describing their actions, figures, and solutions that they have built over the last months when our sector has been so drastically impacted can be found at this [link](#).



III. Conclusions and actions

The discussions during the Workshop confirmed the following understanding:

1. The sustainable funding of the CAAs is an existing and ongoing issue with possible safety repercussions. Until the beginning of 2020, the aviation sector went from a situation of rapid growth, where it was difficult for CAAs to keep pace with the expansion of demand, to a situation of deep recession caused by the COVID-19 pandemic.
2. The outbreak of this pandemic has impacted the air transport sector and its effects have been particularly acute for the finances of developing and land locked States with not enough traffic and/or limited financial resources. It has led to a drastic and detrimental effect on CAAs, airlines, airports and the aviation tourism industry worldwide.
3. Following the restart and recovery phases, the post-COVID normality will probably not be the same as before (bankruptcies, layoffs, consolidations, and competition for Government funding by different sectors). We must look ahead and tailor new financing models that support the future of the sector, maintaining or deepening the required independence of CAAs from national governments. In that sense both short and long-term new supportive measures and financial models including diversification of financing sources and availability of State-provided contingency financing, should be identified

to ensure solidarity, sustainability and effective functioning of national CAAs.

4. States and aviation stakeholders must try to raise the system's level of resilience by focusing on cooperation, benchmarking, exchange of views and best practices and discussing new solutions that appears to trace a more sustainable path than the one some CAAs are presently taking.

5. ICAO, regional and global organizations (including the RSOOs) play an utmost important role in this regard, as they are the appropriate forum for cooperation and collaboration to happen and succeed between States, industry and all stakeholders from the value chain. In that sense, the Regional Director, ICAO EUR/NAT, is urged /mandated to continue the work on the sustainable funding of CAAs and on strengthening the collaboration between relevant stakeholders.

6. RSOOs and enhanced cooperation/collaboration between States is an alternative means of dealing with the identified financing difficulties, whether in the normal or current contingency situation. To that end, States are invited to consider joining their efforts and resources, either through RSOO arrangements, through direct agreements with other States to enable pooling and sharing of resources (e.g. qualified inspectorate staff, training etc.) or through GASOS.

7. In order to provide the right information and tools for States to better support their internal strategies and decision-making processes, it is instrumental to understand and showcase the funding structures and available resources for the CAAs within the EUR/NAT Regions. For that reason ICAO EUR/NAT is urged/ mandated to collect the relevant information via an anonymous survey and make the data available to the EUR/NAT States.

8. ICAO EUR/NAT therefore is urged /mandated to:

- a. Continue creating awareness and capacity building activities as necessary, including webinars, workshops and other communication outreach activities;
- b. Foster the understanding of the COVID-19 impact on CAAs funding and the collaboration and sharing of know-how between States and relevant stakeholders;
- c. Bring the topic of CAAs' funding challenges to the attention of appropriate fora (HLSC, relevant ICAO Panels etc.) as deemed necessary;
- d. Support at the national level the CAAs, emphasizing at governmental level the importance of sustainable funding of the CAAs and of the air transport sector for national economies;
- e. Consider establishing a network with relevant organizations and financial institutions and identifying what kind of tools States would need to make better and informed decisions to support the sustainable funding of the CAAs and their oversight capabilities, both at the immediate and longer term, depending on resources made available to the ICAO EUR/NAT.

The above conclusions will be submitted for discussion and decision at the ICAO EUR/NAT DGCA meeting on 20 October 2020.

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| ICAO EUR/NAT

IV. EUR/NAT TRAINING, WORKSHOPS & WEBINARS

ICAO EUR/NAT Sustainable Funding of States CAAs Workshop Documentation click [here](#)

EUR/NAT COVID-19 Updates/ CAPSCA EUR click [here](#)

EUR/NAT events schedule click [here](#)

ICAO Webinars click [here](#)

ICAO COVID-19 Response and Recovery Platform click [here](#)

V. The EUR/NAT Team

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The next RD Brief will be issued on 27 October 2020. The focus will be on the role and the work of the European and North Atlantic Aviation Security Group (ENAVSECG).