



ICAO

**INTERNATIONAL CIVIL AVIATION ORGANIZATION
EASTERN AND SOUTHERN AFRICAN (ESAF) OFFICE**

**THE FIFTEENTH VIRTUAL MEETING OF THE NAFISAT SUPERVISORY
BOARD (NAFISAT-SVB/15) (14 – 15 JULY 2021)**

Agenda Item 6: Collection of Charges and Cost Recovery

(Presented by ATNS)

| SUMMARY |
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| This paper aims to demonstrate the challenges faced by the Network Service Provider in the collection of charges and cost recovery, and further suggests the mitigation to address these challenges. |
| REFERENCES |
| MoU between NAFISAT States and ATNS & IATA NAFSAT Annual Financial Reports Convention on International Civil Aviation (Article 28) APIRG/18 APIRG/19 |

1. INTRODUCTION

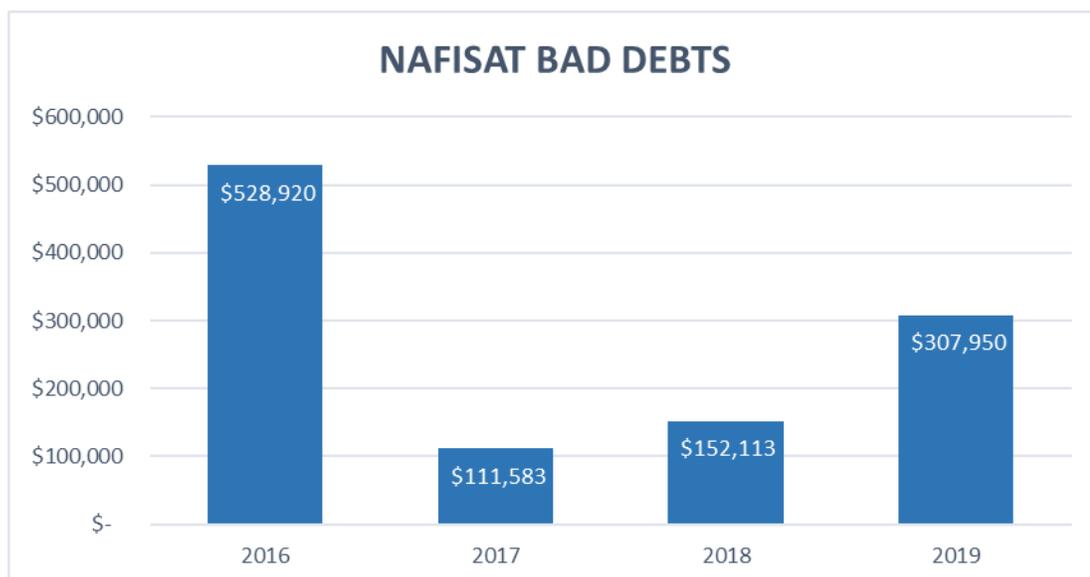
- 1.1. The NAFISAT States recognized the improved reliability of aeronautical fixed service telecommunications network (AFTN) and air traffic service direct speech (ATS/DS) communications in the North Eastern part of the Africa-Indian Ocean (AFI) Region and in the interface with adjoining regions during the first phase of the NAFISAT network operation that commenced in 2007. Through this recognition, the NAFISAT Member States expressed their wish to continue with the second phase of the services for another seven-year period from 2015 to 2022.
- 1.2. Article 4 of the NAFISAT MoU recognizes the legal responsibilities of the NAFISAT Member States as per Article 28 of the Convention on International Aviation, that each Contracting State undertakes to provide, in its territory, airports, radio services, meteorological services and other air navigation facilities to facilitate international air navigation, and adopt and put into operation the appropriate standard systems of communications procedure.

- 1.3. Section 2 of Article 7 of the NAFISAT MoU requires that Member States will publish appropriate aeronautical information to inform the airspace users of the charges and that the same will be collected directly by the Network Service Provider.

2. DISCUSSION

- 2.1. The key limitation of Section 2 of Article 7 of the NAFISAT MoU is that the provision does not prescribe what the appropriate aeronautical information to be published by the Member States is. This limitation has created room for inconsistent publication of aeronautical information by the Member States. This has resulted in Operators in some Member States not acknowledging services provided by the Network Service Provider and in turn not willing to pay for the services.
- 2.2. Furthermore, the same provision under Section 2 of Article 7 does not provide a standardized framework under which the Member States are to publish the aeronautical information. This has resulted in inconsistent publication of aeronautical information across the Member States and confusion of Operators as far as applicability of the aeronautical information is concerned.
- 2.3. All the issues raise above continue to threaten the financial sustainability of the NAFISAT network as the debt position is not getting any better. Below is an illustration of the bad debt over the duration of the MoU to 2019.

Figure 1: NAFISAT Bad Debt



2.4. In resolving the current bad debt position of the NAFISAT network, the Fourteenth NAFSAT Supervisory Board Meeting held in Egypt in 2019 resolved that:

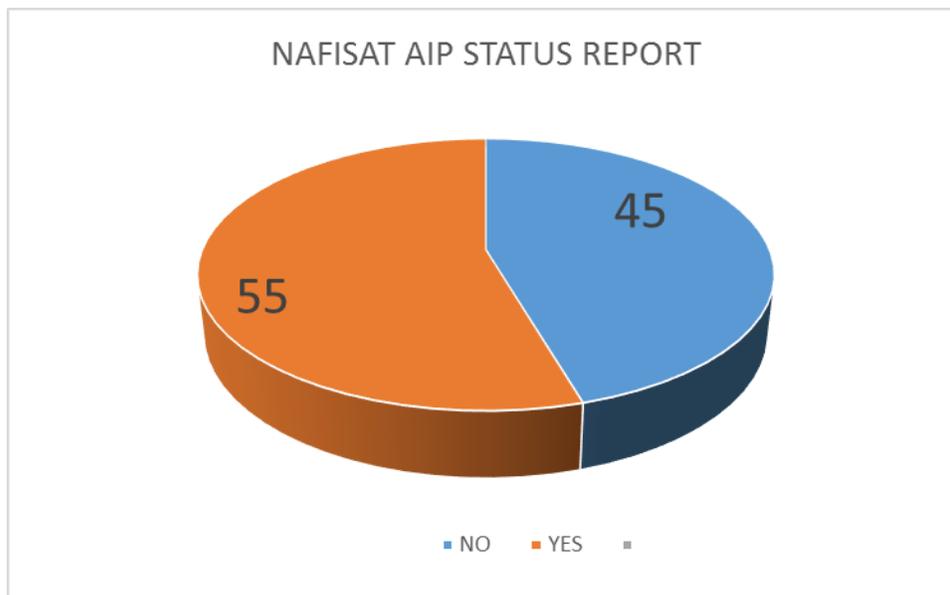
2.4.1. Member States will publish aeronautical information in line with the Airac cycle

2.4.2. The content of the aeronautical information publication to be standardized across all Member States as per template attached as **Annexure A**.

2.4.3. Member States to furnish the Network Service Provider with a copy of the aeronautical information publication, for record purposes and presentation to Operators when the need arises.

2.4.4. Member States to appoint Focal Points and submit their names and contact details to the Network Service Provider by no later than 13 December 2019.

2.5. To date, some Member States are yet to implement the resolution of the Fourteenth NAFSAT Supervisory Board Meeting and this continues to strain the financial sustainability of the network. Below is a graphical representation of the status of compliance of the Member States.



3. ACTION BY THE MEETING

- 3.1 The meeting is invited to note the content of this Working Paper and urge all NAFISAT Member States to comply with the resolution of the Fourteenth NAFISAT Supervisory Board Meeting by ensuring the aeronautical publication of NAFISAT Charges within their territories.

-END-

ANNEX A

NAFISAT VSAT CHARGE METHOD OF PAYMENT

The state of ZZZZ has authorized the NAFISAT Network Service Provider (Air Traffic and Navigation Services (ATNS), South Africa and the International Air Transport Association (IATA)) to collect a charge of USD \$10.00 for all international flights crossing, terminating, exiting, or departing from the ZZZZ FIR with effect from 01 April 2015.

Payment shall be made within 30 (thirty) days from the invoice date. Invoices shall be settled in US Dollar directly with IATA, through the ICH, or directly to the following bank account:

United Bank of Switzerland
Swift: UBSWCHZH12A