



International Civil Aviation Organization

MIDANPIRG MIDAD Task Force

Second Meeting (MIDAD TF/2)
(Cairo, Egypt, 3 - 5 March 2015)

Agenda Item 4: MIDAD Project Phase 2 - Detailed Study

FUNDING MECHANISM FOR THE MIDAD DETAILED STUDY

(Presented by the Secretariat)

SUMMARY

This paper highlights the criteria to be taken into consideration for the endorsement of the best funding mechanism option(s) for the MIDAD Detailed Study.

Action by the meeting is at paragraph 3.

REFERENCES

- MIDAD TF/1 Report
- MSG/4 Report

1. INTRODUCTION

1. The MSG/4 meeting (Cairo, Egypt, 24-26 November 2014) urged States to provide the ICAO MID Regional Office before **31 December 2014** with their preferred option for the funding of the MIDAD Detailed Study in order to be considered by the MIDAD TF/2 meeting in the selection of the best option(s) to be presented to the DGCA-MID/3 meeting for final decision.

2. In this respect, as a follow-up to the MIDAD TF/1 Draft Conclusion 1/3, State Letter Ref.: AN 3/2.5.1-14/178 was issued by the ICAO MID Regional Office on 29 June 2014. Reply from Qatar on behalf of the six (6) GCC States was received on 1 December 2014, in response to the mentioned State Letter (as presented by WP/5).

2. DISCUSSION

2.1 The meeting may wish to note that Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Sudan, UAE and Yemen signed the Memorandum of Agreement (MOA) reflecting their commitment to the MIDAD Project.

2.2 Based on the experience of other similar regional initiatives (e.g. MIDRMA and MAEP), it is suggested that contribution of maximum number of the MIDAD Participating States should be considered, based on the economic figures of the States, inter alia, volume of traffic and the Gross Domestic Product per capita (GDP).

2.3 The meeting may wish to note that the MSG/4 meeting agreed that, for the funding of the MAEP PMO running cost, the contribution of States should be based on the volume of traffic and the Gross Domestic Product per capita (GDP), to be paid through the ICAO TCB. Accordingly, it was agreed that States be divided in three groups as follows:

Group 1: Bahrain, Iran, Oman, Qatar, Saudi Arabia and UAE annual contribution is US\$ 30,000 each;

*Group 2: Egypt, Iraq, Kuwait and Libya annual contribution is US\$ 20,000 each;
and*

Group 3: Jordan, Lebanon, Sudan, Syria and Yemen annual contribution is US\$ 10,000 each.

2.4 Based on the above, it is proposed that for the MIDAD Detailed Study funding mechanism, the following should be considered:

- a) the MIDAD Project Memorandum of Agreement (MOA) as signed by the MIDAD Participating States;
- b) the contribution of States be based on their economic figures; the volume of traffic and the Gross Domestic Product per capita (GDP);
- c) proposals received from States (formal proposal, discussions, etc.) and in particular from the GCC States;
- d) the method of collection of contributions;
- e) the political/security stability of the committed States and their ability to pay contributions;
- f) possibility of advance contribution from a number of State with a possibility for recovery;
- g) late joining of additional States;
- h) possible delays in the payment/collection of contributions;
- i) legal/institutional framework;
- j) initial thoughts about a cost-recovery mechanism.

3. ACTION BY THE MEETING

3.1 The meeting is invited to discuss and propose option(s) for the MIDAD Detailed Study funding mechanism, for review and decision by the DGCA-MID/3 meeting.