



## DIRECTORS GENERAL OF CIVIL AVIATION-MIDDLE EAST REGION

### Seventh Meeting (DGCA-MID/7) (Riyadh, Saudi Arabia, 19 – 20 May 2024)

#### Agenda Item 4: Aviation Safety and Air Navigation

#### MID FPP PROJECT SUSTAINABILITY

*(Presented by the Secretariat)*

##### SUMMARY

This paper provides an update on the MID FPP achievements, challenges, and the future of the Programme (sustainability).

Action by the meeting is at paragraph 3.

##### REFERENCES

- Report of the Fifth meeting of the MID FPP Steering Committee (SC/5)
- Report of the Twenty-First Meeting of the Middle East Air Navigation Planning and Implementation Regional Group (MIDANPIRG/21)

## 1. INTRODUCTION

1.1 The MID Flight Procedure Programme (MID FPP) is established to support States in fulfilling their obligations related to PANS-OPS and the implementation of Performance Based Navigation (PBN) regulatory approval and services provision.

1.2 The Programme financial sustainability should be assured through following sources: (1) Annual contributions paid by the Active States, (2) Cash and/or in-kind contributions provided by Donors and, (3) Services (training and project consultancy) fees paid by the beneficiaries.

## 2. DISCUSSION

2.1 The MID FPP provided a comprehensive range of services including introductory and advanced RNP AR (online and onsite) PANS OPS courses, a three-course package on PBN covering database coding, design, and charting along with AIP promulgation, operational approval for PBN, workshops on PBN airspace design, webinars on GBAS/SBAS, as well as consulting services for IFPD and Airspace & Route projects.

2.2 The Matrix at **Appendix A** clearly evidences the importance and benefits of MID FPP activities since the start of its operations in 2022.

2.3 The Twenty-First Meeting of the Middle East Air Navigation Planning and Implementation Regional Group (MIDANPIRG/21) held in Abu Dhabi, UAE from 4 to 8 March 2024, was apprised of the outcome of the MID FPP SC/5 meeting held in Doha, Qatar, 14 December 2023 and provided with an update on the achievements and challenges of the MID FPP. MIDANPIRG/21 acknowledged the effectiveness and benefits of the MID FPP, affirming its viability as a valuable solution to assist States in the domains of PANS-OPS and PBN.

### ***MID FPP Challenges and Sustainability***

2.4 The MID FPP SC/5 meeting recognized that MID FPP financial status is critical and agreed that, regardless of the demonstrated technical effectiveness of the Programme, the future of the MID FPP is at risk and there might be a need to reconsider its business model.

2.5 The meeting may wish to recall that the MID FPP business model is based on cost-recovery mechanism (non-profit). The programme is managed by a Manager recruited through ICAO CDI Bureau (CDIB). The Programme financial sustainability is ensured through a combination of the following sources: (1) revenue generation services and activities (projects & trainings), (2) Active States' & Donor contributions and (3) voluntary contributions and donations (sponsorship, in-kind & financial contributions, experts).

2.6 Based on the ICAO Financial Status Report as at 31 Dec 2023, the **Summary** below provides the financial status of the MID FPP project (RAB18801) as follows:

| Fund available as of 30 Sep 23           |                          | Payments received after 30 Sep 23 |                                | Arrears 2022 & 2023 |  | Pending fees in 2023 |               |
|--|--------------------------|-----------------------------------|--------------------------------|---------------------|--|----------------------|---------------|
| 4,273                                    | Airspace Project         | 28,000                            | Iran Active State              | 20,000              | PBN 3-courses package                          | 8,200                |               |
|  | Iraq Active State        | 9,975                             | Kuwait Active State            | 20,000              |  |                      |               |
|  | PANS OPS course Module 2 | 3,975                             | PANS OPS online classes (Iran) | 9,000               | IFPD Projects (Erbil and Kirkuk) (30% in 2023) | 15,600               |               |
|  | PBN DB Coding            | 1,797                             |                                |                     | Airspace Project                               | 3,000                |               |
| <b>Total</b>                             | <b>4,273</b>             | <b>Total</b>                      | <b>43,747</b>                  | <b>Total</b>        | <b>49,000</b>                                  | <b>Total</b>         | <b>26,800</b> |
| <b>Expenditures as of 31 Dec 23</b>      |                          |                                   | <b>USD 52,092</b>              |                     |  |                      |               |
| <b>Available Balance as of 31 Dec 23</b> |                          |                                   | <b>-USD 3,819</b>              |                     |  |                      |               |

2.7 The meeting may wish to note that after 1 Jan 2024, some pending fees were received amounting to USD 26,232, in particular from Erbil and Kirkuk projects and payment of fees for the PBN 3-courses.

2.8 Currently, the MID FPP financial status shows a deficit of **USD 11.613**.

2.9 It is to be underlined that one of the financial challenges for the Programme, is the existence of payment arrears from 2022 (training activities) and for the 2023 annual contributions with a total amount of USD 49,000 as well as the pending fees for 2023 activities.

2.10 The meeting may wish to note that the continuation of the MID FPP as an ICAO TC project, through the recruitment of another Manager by the ICAO CDIB would be challenging, since this process could not be started until the necessary (estimated) budget of (# **USD 250K**) is secured in order to run the Programme for at least one (1) year.

2.11 The meeting may also wish to note that the MIDANPIRG/21 meeting discussed recommended options with regard to the future of the MID FPP and the ways to ensure a stable financial platform as follows:

- Foster the commitment to financially support and join the MID FPP by a maximum number of Active States (Civil Aviation Authority (CAA)/national Air Navigation Service Provider (ANSP).
- Encourage Donors from Industry and/or commercial organizations to contribute annually up to the level of an Active State, minimum.
- Encourage voluntary contributions/sponsorship by Donor States. - States to consider offering experts in secondment to support the Programme.
- Consider the review/amendment of the MID FPP Funding Mechanism i.e., increasing the annual contribution by Active States.
- Consider a payment method to avoid delays in services payment e.g., issuance of proforma and payment 50% of the fees before the start of the activity and the remaining 50% after the delivery of the service.
- Fees should be sought from States benefiting as "user States".

2.12 Furthermore, the MIDANPIRG/21, through Conclusion 21/9, directed the ICAO MID Office to conduct a survey on the subject, analyze the replies/feedback received and recommend options for consideration by the DGCA MID/7 meeting, where a final decision on the future of the Programme should be made.

2.13 As recommended by the MIDANPIRG/21, the ICAO MID Office conducted a survey on the MID FPP Sustainability. The survey was dispatched on 27 March 2024 via State letter (Ref: AN 6/33 – 24/047), seeking States' insights and opinions on the future of the Programme. The main outcomes of this survey are summarized in the **Table** below:

|                     | <b>Interest to keep the MID FPP running</b>         | <b>MID FPP Membership</b> | <b>Support the removal of "User State" from the MID FPP membership</b> | <b>Change of MIDFPP current business model</b> | <b>Plan to support the implementation of the new business mode</b> | <b>Review/Amendment of the MID FPP Funding Mechanism</b> | <b>Support to required minimum annual contribution fees from States benefiting as 'User State'</b> |
|---------------------|---|---------------------------|--|--|--|--|--|
| <b>Bahrain</b>      | Yes   | Plan "User"               | No   | No   | -  | No   | No   |
| <b>Jordan</b>       | Yes   | Current "User"            | No   | Yes  | No   | No   | Yes  |
| <b>Kuwait</b>       | Yes   | Current "Active"          | Yes  | Yes  | No   | No   | Yes  |
| <b>Libya</b>        | Yes   | -                         | -  | -  | -  | -  | -  |
| <b>Oman</b>         | Yes   | Current "User"            | Yes  | Yes  | Yes  | No   | Yes  |
| <b>Qatar</b>        | No  | -                         | -  | -  | -  | -  | -  |
| <b>Saudi Arabia</b> | No answer since we are not member of the MID FPP SC | -                         | -  | -  | -  | -  | -  |
| <b>UAE</b>          | Yes   | Current "Host"            | Yes  | Yes  | Yes  | Yes  | Yes  |
| <b>Yemen</b>        | Yes   | Current "User"            | No   | No   | No   | No   | No   |

2.14 From the 15 MID Members, 9 States have replied to either some or to all questions. Saudi Arabia indicated that for the moment they could not provide any specific reply since they are not a member of the MID FPP Steering Committee. No reply was received from 6 States.

2.15 The replies indicate that 7 MID States are for the continuation of the MID FPP and they are also planning or currently a User State or Active State of MID FPP. 2 States have indicated explicitly that they are not in favor of continuing the programme. The number of “Active States” is still the same (Iran, Iraq and Kuwait; and UAE as the Host State).

2.16 4 States believe that the continuation of the MID FPP needs the change of its current business model, however only 2 States plan to support the implementation of the new business model in particular the UAE with continuation of provision of local subject matter experts to the MID FPP along with advanced payments.

2.17 Based on the above and considering the financial status of the MID FPP, the number of Active States contributing financially to the programme and the current funding mechanism, it is very clear that it is impossible to continue the project with the same Business Model (recruitment of a MID FPP Manager through the ICAO CDIB).

### **3. ACTION BY THE MEETING**

3.1 The meeting is invited to:

- a) note the MID FPP achievements and challenges related to its sustainability;
- b) note the results of the survey; and
- c) take a decision with regard to the future of the MID FPP.

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| MID FPP Operations: Y2022 until (to date) 2024   |                  |  |           |                |  |   |  |
|--|------------------|--|-----------|----------------|--|---|--|
| Programme Framework  | Pool of Experts  | Courses Diversity  | No.       | Participants   | Revenues (invoiced) *  | Free Services (Activity: Attendees/Total Value)     | Involved States/Entities   |
| 4 Active States<br>6 User States<br>1 Donor Industry<br>2 Donor States<br>5 Steering Committee | 19<br>(7 States) | PANS OPS Initial (6-week)  | 2         | 59<br>(Y2022)  | \$95,455<br>(Y2022)  | PANS OPS M1: 1 pers/ \$2,000                        | Egypt, Iran,<br>Iraq, Kuwait,<br>Libya, Oman,<br>Qatar, Sudan,<br>UAE, Yemen,<br>APAC FPP,<br>APAC/Pakistan<br>United ATS,<br>ICAO MID |
|  |                  | PANS OPS modules (virtual)   | 5         |                |  | PANS OPS M2: 1 pers/ \$2,000                        |  |
|  |                  | RNP AR Workshop  | 1         |                |  | PANS OPS M3: 1 pers/ \$2,000                        |  |
|  |                  | PANS OPS OJT   | 1         |                |  |   |  |
|  |                  | PBN Oversight (ENAC)   | 2         |                |  | Airspace Design Workshop (ENAC):<br>1 pers/ \$2,000 |  |
|  |                  | PBN DB coding & Interrelation & OPS Approval   | 9         | +              | \$105,439<br>(Y2023)   | PBN Interrelationship S1: 2/ \$4,000                |  |
|  |                  | Asp Design Workshop (ENAC)   | 1         | 99<br>(Y2023)  | \$18,000 *<br>(YTD2024)  | PBN Interrelationship S2: 4/ \$8,000                |  |
|  |                  | CCO/CDO Workshop (ICAO)  | 1         | +              | * Active States<br>Voucher (not<br>considered in<br>above): \$18,920 | PBN Interrelationship 2024: 1/\$2,000               |  |
|  |                  | Airspace Consultancy Project   | 4         | 4<br>(YTD2024) |  | Airspace Project FIR Sanaa: \$3,000                 |  |
|  |                  | Airspace Consultancy Project   | 4         |                |  |   |  |
|  |                  | IFPD/Regulatory Project  | 4         |                |  |   |  |
|  |                  | GBAS/SBAS Webinar  | 1         |                |  |   |  |
|  |                  | Asp Design TMA Optimization (ENAC)   | 1         |                |  |   |  |
| PBN Design for ATC (APAC FPP)  | 1                |  |           |                |  |   |  |
| <b>TOTAL</b>   | <b>19</b>        | <b>PANS OPS &amp; PBN courses,<br/>Workshops, Webinar, IFPD/ASP<br/>project consultancy services</b> | <b>33</b> | <b>162</b>     | <b>\$218,894</b>   | <b>\$25,000</b>                                     | <b>14</b>  |

\* Note: Revenues are reflecting only the amounts that have been invoiced by ICAO CDI Bureau (ex TCB).