



ASSEMBLY — 36TH SESSION

EXECUTIVE COMMITTEE

Subject No. 15: Aviation Security Programme

LEVEL OF INDICATIVE CONTRIBUTIONS FOR THE ICAO AVIATION SECURITY (AVSEC) PLAN OF ACTION

(Presented by the Council of ICAO)

EXECUTIVE SUMMARY

The total funding required by the Aviation Security (AVSEC) Plan of Action for the period 2008 – 2010 is U.S.\$ 17.9 million. The costs of the AVSEC Plan of Action are being integrated into the Regular Budget. However, as a result of funding constraints for 2008 – 2010, only about U.S.\$ 8.6 million of the amount required is included in the Regular Budget. The balance of U.S.\$ 9.3 million will have to be funded by a combination of funds carried over at the end of fiscal 2007 and new voluntary contributions. However, the carried forward balance is estimated to be U.S.\$ 4.7 million at the end of 2007. As a result, the Secretariat is requesting approval for a suggested voluntary contribution of an additional U.S.\$ 4.6 million in 2008 to fully fund the programme for the period 2008 - 2010.

Action: The Assembly is invited to:

- review the unaudited estimated balance of contributions received for the AVSEC Plan of Action and not utilized in the 2005-2007 triennium (see paragraph 2.2);
- review the projections for receipts and expenditures for both 2007 and for 2008 – 2010 triennium;
- request the Secretary General to ask for voluntary contributions in the amount of U.S. \$ 4.6 million in support of the AVSEC Plan of Action for 2008 – 2010 to be included in the same State letter as that for contributions to the Regular Budget; and
- adopt the draft Assembly resolution presented in Appendix C.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objectives B.
<i>Financial implications:</i>	Based on present projections, the AVSEC Plan of Action will face a potential funding gap of U.S. \$ 4.6 million for 2008 – 2010. If this gap is not closed, AVSEC activities will have to be curtailed.
<i>References:</i>	A36-WP/23 – Draft Budget of the Organization for 2008, 2009 and 2010 A36-WP/55 – Developments in the Aviation Security Programme since the 35th Session of the Assembly

1. INTRODUCTION

1.1 The 35th Session of the Assembly in October 2004 unanimously adopted Resolution A35-10: *Financial Contributions to the Aviation Security Plan of Action*. This resolution, *inter alia*, expressed appreciation to States for the voluntary contributions received in the form of human and financial resources; endorsed indicative funding requirements from extra-budgetary resources for the AVSEC Plan of Action totalling U.S.\$ 20 million for the financial years 2005, 2006 and 2007; and urged all Contracting States to provide voluntary contributions to finance the implementation of the AVSEC Plan of Action. The suggested contributions are based upon the scales of assessments approved by the Assembly for the Regular Programme Budget for 2005, 2006 and 2007.

1.2 Taking into account advice received from the Committee on Unlawful Interference (UIC) and the Council during the 172nd Session, the Secretary General subsequently issued a State Letter (AS 8/1.5-04/107 Confidential dated 29 December 2004) seeking voluntary contributions for the AVSEC Plan of Action. The letter presented the suggested level of contributions payable by States towards the Plan of Action for the financial year 2005 of U.S.\$ 5.20 million, based on the amounts presented to the 35th Session of the Assembly in A35-WP/49, Addendum No. 1. The letter also explained that, during the first quarter of the year 2005, the actual balance of contributions received and not utilized in the 2002-2004 triennium and the indicative contributions for the years 2006 and 2007 would be submitted to the Council for review and States would be advised of the outcome.

1.3 Based on the funds available for the years 2005 and 2006, the requested voluntary contributions were adjusted to the amounts of U.S. \$ 5.30 million for 2006 and U.S. \$ 5.35 million for 2007. As a result, total voluntary contributions assessed for the period 2005-2007 were U.S. \$ 15.85 million.

1.4 Not all States have been able to make contributions to the voluntary fund. For the period 2005 – 2006, total receipts were approximately U.S. \$ 6.0 million or 57 per cent of the total assessment. When earmarked contributions are included, the total amount of funding received increases to U.S. \$ 7.71 million or 73.4 per cent of the assessment. A detailed review of receipts and expenditures is included in Appendix D to this paper. As a result of these shortfalls, expenditures for the AVSEC Plan of Action have exceeded assessments received in both fiscal years 2005 and 2006. This trend is forecasted to continue in 2007 unless States take remedial actions to contribute to this important programme.

2. BALANCE OF CONTRIBUTIONS AS AT 31 DECEMBER 2007

2.1 As noted in Appendix D to this paper, the balance of funds available at the end of fiscal year 2006 is U.S. \$ 7.25 million and the suggested voluntary contribution for 2007 is U.S. \$ 5.35 million. Based on the present trend of receipts, ICAO is forecasting receipts of U.S. \$ 3.21 million during 2007 against a total assessment of U.S. \$ 5.35 million out of which less than U.S. \$ 526 000 has been received by June 2007. Expenditures funded by the AVSEC Plan of Action for 2007 are forecast to be approximately U.S. \$ 5.12 million.

2.2 As a result, the balance of contributions remaining unspent as of 31 December 2007 is projected to be approximately U.S. \$ 4.7 million, assuming that U.S. \$ 3.21 million in voluntary contributions are received during 2007.

3. AVSEC PLAN OF ACTION FUNDING REQUIREMENTS FOR 2008 – 2010

3.1 As noted in Assembly Resolution A35-10, the funding for AVSEC is to be integrated into the Regular Budget, “progressively, and as soon as possible”. The ICAO forecast for programme expenditures in this area is for an increase to a total of U.S. \$ 17.9 million for the period 2008 – 2010 i.e. approximately U.S. \$ 6.0 million per year.

3.2 For the next Budget triennium, ICAO has included the maximum amount of funding possible in the Regular Budget given the funding cap applied to the Regular Budget. As indicated in A36-WP/23, U.S. \$ 8.6 million or 47.9 percent of the total funding required for 2008 – 2010 has been integrated into the Regular Budget proposals. The balance of approximately U.S. \$ 9.3 million will have to be bridged through the balance of funds remaining at the end of fiscal 2007. If such amount is lower than U.S. \$ 9.3 million, AVSEC activities will have to be reduced accordingly unless new voluntary funding is secured.

3.3 Given that the expected balance of funds remaining at the end of 2007 is projected to be U.S. \$ 4.7 million, the shortfall is presently forecast at U.S. \$ 4.6 million.¹

Projected Receipts and Expenditures for 2008-2010

(in millions of U.S. \$ dollars)

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Amount carried forward from previous year	4.7	0.6	(2.6)
Less: Expected expenditure (balance not from Regular Budget)	(4.1)	(3.2)	(2.0)
Balance of funds remaining at end of year	<u>0.6</u>	<u>(2.6)</u>	<u>(4.6)</u>

3.4 Given that Security is one of the major Strategic Objectives in the ICAO Business Plan, it is recommended that voluntary contributions be sought from Contracting States in the year 2008 to cover the deficit (U.S. \$ 4.6 million) as indicated in the table above. A schedule of Indicative Contributions for States is contained in Appendix B to this paper based on the 2008 draft scale of assessment. A draft Assembly resolution to this effect is found in Appendix C to this paper.

¹ Equivalent to CA \$ 5.3 million at the exchange rate of CA \$ to U.S. \$ of 1.15 to 1.00 consistent with A36-WP/23. Details provided in Appendix B in accordance with the Council’s Recommendation.

APPENDIX A
RESOURCES REQUIRED FOR
THE AVIATION SECURITY PLAN OF ACTION
2008-2010 TRIENNium
(In thousands of US\$)

A36-WP/62

EX/21

Appendix A

Programme	Proposed Integration into the Regular Programme	Extrabudgetary Funding Required*	Total Requirement
	A	B	A+B
Major Programme III: Air Transport			
Specifications and Guidance Materials (SGM)			
Staff	328	154	482
Missions		284	284
Other		182	182
Major Programme V: Regional and Other Programmes			
Aviation Security Regional Officers (ASRO's)			
Staff	477	918	1 395
Major Programme VIII: Safety and Security Audits (SSA) Branch			
Office of the Chief, SSA			
Staff	795	1033	1 828
Missions	55	102	157
Other		154	154
Aviation Security Audit (ASA)**			
Staff	3 937	1073	5 010
Audit Missions	1 174	1022	2 196
Other	94	542	636
Audit Coordination and Reporting (ACR)			
Staff	620	461	1 081
Missions	61	104	165
Other	115	794	909
Implementation Support and Development (ISD) Branch***			
Office of the Chief, ISD			
Staff	623	483	1 106
Missions	0	150	150
Other	0	234	234
Security Section****			
Staff	292	236	528
Missions	0	582	582
Other	0	817	817
TOTAL	8 571	9 325	17 896

* From carryover surplus of 2007 and additional voluntary contributions.

** The Aviation Security Audit Section will initiate a second cycle of audits in 2008 with a focus on States' security oversight capabilities, and will conduct some 30 audits per year. Follow-up missions to validate the implementation of State corrective action plans from the first cycle of audits will continue at a rate of about 40 per year, and will be undertaken in close cooperation with the applicable Regional Office. Careful review of corrective action plans and analysis of audit findings will be maintained, with an emphasis on channelling results to ICAO's coordinated assistance strategy.

*** As of 15 June 2007, the ISD Branch was created under the Office of the Secretary General.

**** Formerly the Coordinated Assistance and Development (CAD) Section.

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APPENDIX B
SUGGESTED LEVEL OF CONTRIBUTIONS TO THE
ICAO AVIATION SECURITY PLAN OF ACTION

Contracting States	2008 %	2008*	
		Suggested Contributions (in U.S. \$)	(in CA \$)
Afghanistan	0.06	2 760	3 174
Albania	0.06	2 760	3 174
Algeria	0.08	3 680	4 232
Andorra	0.06	2 760	3 174
Angola	0.06	2 760	3 174
Antigua & Barbuda	0.06	2 760	3 174
Argentina	0.33	15 180	17 457
Armenia	0.06	2 760	3 174
Australia	1.77	81 420	93 633
Austria	0.74	34 040	39 146
Azerbaijan	0.06	2 760	3 174
Bahamas	0.06	2 760	3 174
Bahrain	0.07	3 220	3 703
Bangladesh	0.08	3 680	4 232
Barbados	0.06	2 760	3 174
Belarus	0.06	2 760	3 174
Belgium	0.83	38 180	43 907
Belize	0.06	2 760	3 174
Benin	0.06	2 760	3 174
Bhutan	0.06	2 760	3 174
Bolivia	0.06	2 760	3 174
Bosnia & Herzegovina	0.06	2 760	3 174
Botswana	0.06	2 760	3 174
Brazil	0.92	42 320	48 668
Brunei Darussalam	0.06	2 760	3 174
Bulgaria	0.06	2 760	3 174
Burkina Faso	0.06	2 760	3 174
Burundi	0.06	2 760	3 174
Cambodia	0.06	2 760	3 174
Cameroon	0.06	2 760	3 174
Canada	2.48	114 080	131 192
Cape Verde	0.06	2 760	3 174
Central African Rep	0.06	2 760	3 174
Chad	0.06	2 760	3 174
Chile	0.26	11 960	13 754
China	2.42	111 320	128 018
Colombia	0.21	9 660	11 109

Contracting States	2008 %	2008*	
		Suggested Contributions (in U.S. \$)	(in CA \$)
Comoros	0.06	2 760	3 174
Congo	0.06	2 760	3 174
Cook Islands	0.06	2 760	3 174
Costa Rica	0.06	2 760	3 174
Côte d'Ivoire	0.06	2 760	3 174
Croatia	0.06	2 760	3 174
Cuba	0.07	3 220	3 703
Cyprus	0.06	2 760	3 174
Czech Republic	0.18	8 280	9 522
Dem People's Rep of Korea	0.06	2 760	3 174
Dem Rep of the Congo	0.06	2 760	3 174
Denmark	0.56	25 760	29 624
Djibouti	0.06	2 760	3 174
Dominican Republic	0.06	2 760	3 174
Ecuador	0.06	2 760	3 174
Egypt	0.17	7 820	8 993
El Salvador	0.06	2 760	3 174
Equatorial Guinea	0.06	2 760	3 174
Eritrea	0.06	2 760	3 174
Estonia	0.06	2 760	3 174
Ethiopia	0.07	3 220	3 703
Fiji	0.06	2 760	3 174
Finland	0.48	22 080	25 392
France	5.17	237 820	273 493
Gabon	0.06	2 760	3 174
Gambia	0.06	2 760	3 174
Georgia	0.06	2 760	3 174
Germany	7.08	325 680	374 532
Ghana	0.06	2 760	3 174
Greece	0.46	21 160	24 334
Grenada	0.06	2 760	3 174
Guatemala	0.06	2 760	3 174
Guinea	0.06	2 760	3 174
Guinea-Bissau	0.06	2 760	3 174
Guyana	0.06	2 760	3 174
Haiti	0.06	2 760	3 174
Honduras	0.06	2 760	3 174
Hungary	0.14	6 440	7 406
Iceland	0.07	3 220	3 703
India	0.54	24 840	28 566

Contracting States	2008 %	2008*	
		Suggested Contributions (in U.S. \$)	(in CA \$)
Indonesia	0.29	13 340	15 341
Iran, Islamic Republic	0.18	8 280	9 522
Iraq	0.06	2 760	3 174
Ireland	0.42	19 320	22 218
Israel	0.47	21 620	24 863
Italy	3.71	170 660	196 259
Jamaica	0.06	2 760	3 174
Japan	12.16	559 360	643 264
Jordan	0.06	2 760	3 174
Kazakhstan	0.06	2 760	3 174
Kenya	0.06	2 760	3 174
Kiribati	0.06	2 760	3 174
Kuwait	0.19	8 740	10 051
Kyrgystan	0.06	2 760	3 174
Lao People's Dem Rep	0.06	2 760	3 174
Latvia	0.06	2 760	3 174
Lebanon	0.06	2 760	3 174
Lesotho	0.06	2 760	3 174
Liberia	0.06	2 760	3 174
Libyan Arab Jamahiriya	0.06	2 760	3 174
Lithuania	0.06	2 760	3 174
Luxembourg	0.38	17 480	20 102
Madagascar	0.06	2 760	3 174
Malawi	0.06	2 760	3 174
Malaysia	0.57	26 220	30 153
Maldives	0.06	2 760	3 174
Mali	0.06	2 760	3 174
Malta	0.06	2 760	3 174
Marshall Islands	0.06	2 760	3 174
Mauritania	0.06	2 760	3 174
Mauritius	0.07	3 220	3 703
Mexico	1.46	67 160	77 234
Micronesia	0.06	2 760	3 174
Monaco	0.06	2 760	3 174
Mongolia	0.06	2 760	3 174
Montenegro	0.06	2 760	3 174
Morocco	0.09	4 140	4 761
Mozambique	0.06	2 760	3 174
Myanmar	0.06	2 760	3 174
Namibia	0.06	2 760	3 174

Contracting States	2008 %	2008*	
		Suggested Contributions (in U.S. \$)	(in CA \$)
Nauru	0.06	2 760	3 174
Nepal	0.06	2 760	3 174
Netherlands	1.96	90 160	103 684
New Zealand	0.37	17 020	19 573
Nicaragua	0.06	2 760	3 174
Niger	0.06	2 760	3 174
Nigeria	0.06	2 760	3 174
Norway	0.57	26 220	30 153
Oman	0.11	5 060	5 819
Pakistan	0.16	7 360	8 464
Palau	0.06	2 760	3 174
Panama	0.06	2 760	3 174
Papua New Guinea	0.06	2 760	3 174
Paraguay	0.06	2 760	3 174
Peru	0.10	4 600	5 290
Philippines	0.18	8 280	9 522
Poland	0.42	19 320	22 218
Portugal	0.47	21 620	24 863
Qatar	0.16	7 360	8 464
Republic of Korea	2.45	112 700	129 605
Republic of Moldova	0.06	2 760	3 174
Romania	0.07	3 220	3 703
Russian Federation	0.73	33 580	38 617
Rwanda	0.06	2 760	3 174
Saint Kitts & Nevis	0.06	2 760	3 174
Saint Lucia	0.06	2 760	3 174
St Vincent & Grenadines	0.06	2 760	3 174
Samoa	0.06	2 760	3 174
San Marino	0.06	2 760	3 174
Sao Tome & Principe	0.06	2 760	3 174
Saudi Arabia	0.71	32 660	37 559
Senegal	0.06	2 760	3 174
Serbia	0.06	2 760	3 174
Seychelles	0.06	2 760	3 174
Sierre Leone	0.06	2 760	3 174
Singapore	1.24	57 040	65 596
Slovakia	0.06	2 760	3 174
Slovenia	0.07	3 220	3 703
Solomon Islands	0.06	2 760	3 174
Somalia	0.06	2 760	3 174

Contracting States	2008 %	2008*	
		Suggested Contributions (in U.S. \$)	(in CA \$)
South Africa	0.46	21 160	24 334
Spain	2.38	109 480	125 902
Sri Lanka	0.08	3 680	4 232
Sudan	0.06	2 760	3 174
Suriname	0.06	2 760	3 174
Swaziland	0.06	2 760	3 174
Sweden	0.77	35 420	40 733
Switzerland	1.00	46 000	52 900
Syrian Arab Republic	0.06	2 760	3 174
Tajikistan	0.06	2 760	3 174
Thailand	0.56	25 760	29 624
TFYR of Macedonia	0.06	2 760	3 174
Timor-Leste	0.06	2 760	3 174
Togo	0.06	2 760	3 174
Tonga	0.06	2 760	3 174
Trinidad & Tobago	0.06	2 760	3 174
Tunisia	0.06	2 760	3 174
Turkey	0.44	20 240	23 276
Turkmenistan	0.06	2 760	3 174
Uganda	0.06	2 760	3 174
Ukraine	0.06	2 760	3 174
United Arab Emirates	0.64	29 440	33 856
United Kingdom	5.94	273 240	314 226
United Rep of Tanzania	0.06	2 760	3 174
United States	25.00	1 150 000	1 322 500
Uruguay	0.06	2 760	3 174
Uzbekistan	0.06	2 760	3 174
Vanuatu	0.06	2 760	3 174
Venezuela	0.16	7 360	8 464
Viet Nam	0.07	3 220	3 703
Yemen	0.06	2 760	3 174
Zambia	0.06	2 760	3 174
Zimbabwe	0.06	2 760	3 174
	<u>100.00</u>	<u>4 600 000</u>	<u>5 290 000</u>

* Scale percentage and amounts are indicative only as they are based on the 2008 draft scale to be approved by the 36th Assembly.

APPENDIX C

DRAFT ASSEMBLY RESOLUTION FOR ADOPTION BY THE 36TH SESSION OF THE ASSEMBLY

Resolution 15/.. Financial contributions to the Aviation Security Plan of Action

Whereas the development of international civil aviation can greatly help to create and preserve friendship and understanding among the nations and peoples of the world, yet its abuse can become a threat to general security;

Whereas the threat of terrorist acts, unlawful seizure of aircraft and other acts of unlawful interference against civil aviation, including acts aimed at destruction of aircraft, as well as acts aimed at using the aircraft as a weapon of destruction, have a serious adverse effect on the safety, efficiency and regularity of international civil aviation, endanger the lives of persons on board and on the ground and undermine the confidence of the peoples of the world in the safety of international civil aviation;

Recalling its Resolution A35-10;

Endorsing the Aviation Security Plan of Action adopted by the Council to urgently address the new and emerging threats to civil aviation, in particular the establishment of an ICAO Universal Security Audit Programme relating to, *inter alia*, airport security arrangements and civil aviation security programmes, the review of the adequacy of the existing aviation security conventions and the review of the ICAO aviation security programme, including a review of Annex 17 and other related Annexes to the Convention;

Convinced that aviation security continues to remain a critical and priority programme of ICAO and of the need to establish and implement work programmes in the next triennium to address the issues identified under Assembly Resolution A35-10; and

Noting that the Secretary General had integrated close to 50 per cent of the Aviation Security Plan of Action into the Regular Budget and that the funding required to implement the work programme relating to aviation security could not be fully included within the Regular Budget for 2008-2010 due to budgetary and financial constraints;

The Assembly:

1. *Expresses* its appreciation to the ~~relevant~~ Contracting States for the voluntary contributions in the form of human and financial resources expected to reach at least U.S. \$ [4.6] million by the end of 2008 for the implementation of the Aviation Security Plan of Action during the 2008-2010 triennium;

2. *Urges* all Contracting States to, as soon as possible, and preferably as part of their 2008 assessment provide voluntary contributions to finance the implementation of the Aviation Security Plan of Action, the suggested contributions to be based upon the 2008 scales of assessments approved by the Assembly for the Regular Budget;

3. *Urges* all Contracting States to make pledges of voluntary contributions in advance and make contributions early in 2008 so as to ensure the proper planning and implementation of the Aviation Security Plan of Action;

4. *Urges* the Council to support the long term sustainability of the Aviation Security Plan of Action by continuing to progressively incorporate the funding requirements within the Regular Budget, and accordingly *requests* the Secretary General to make specific proposals for a full integration when preparing the draft Programme Budget for 2011-2013; and

5. Declares that this resolution supersedes Assembly Resolution A 35-10.

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APPENDIX D
AVIATION SECURITY PLAN OF ACTION
FINANCIAL SUMMARY 2002-2007
(in thousands of U.S. dollars)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Suggested Contributions A						
(ref: State Letters AS 8/1.5-02/90 and AS 8/1.5-05/54)	3,936	5,240	6,240	5,200	5,300	5,350

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
		<u>actual audited</u>					<u>estimates</u>
Voluntary Contributions ¹	B	3,337	2,000	3,381	3,432	2,612	3,210
Earmarked Contributions	C	474	2,039	620	708	956	
Other income (interest, etc)		285	355	586	449	701	
Less: Expenditures ²		-1,049	-2,514	-4,348	-4,739	-4,162	-5,115 ³
Plus: Surplus from previous year		1,359	4,406	7,409	7,684	7,549	7,253
Prior year adjustment			11	46	15	127	-65
Transfer to Other Funds ⁴			1,112	-10		-530	-530
Balance at end of year		4,406	7,409	7,684	7,549	7,253	4,753

<i>Percentage of Voluntary Contributions over Suggested Contribution</i>	B/A	84.8%	38.2%	54.2%	66.0%	49.3%
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<i>Total Receipts as percentage of Suggested Contributions</i>	(B+C) /A	96.8%	77.1%	64.1%	79.6%	67.3%
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¹ Projected receipts for 2007 is approximately 60% of Suggested Contributions, based on 2005 and 2006 actual receipts.

² Approximately 15% of the expenditures is funded by Earmarked Contributions.

³ Ref: C-WP/12642, Appendix B.

⁴ \$530,000 transfer to Regular Programme in 2006 and 2007 approved under C-DEC 176/8.

The Aviation Security Plan of Action was approved by the Council, on 14 June 2002, in principle for strengthening aviation security worldwide which was developed pursuant to Assembly Resolution A33-1.

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