



FIFTH STEERING COMMITTEE MEETING OF THE AFRICAN FLIGHT PROCEDURE PROGRAMME (AFPP)

Dakar, Senegal, 6 to 8 February 2019

Agenda item 4: Review of the approved budget and expenditures
4.2: Budget and expenditures for the SAFE contributions

(Presented by the Secretariat)

EXECUTIVE SUMMARY

This paper provides a review of the budget for the funds which were made available to the African Flight Procedure Programme (AFPP) by the Directorate General of Civil Aviation (DGCA) of France, through the ICAO Safety Fund (SAFE), and the corresponding expenditures and commitments.

Action: The steering committee is invited to note the information provided in this paper.

REFERENCES

AFPP-SC/5-WP/4.1 (Budget and expenditures for the contributions from Member States)

1. INTRODUCTION

1.1 Sources of contributions for the AFPP

1.1.1 The funds for the African Flight Procedure Programme (AFPP) which are managed by ICAO are provided by two sources:

- a) The project members, to cover their respective annual contributions and the payment of services delivered by the AFPP, such as assistance with the design of flight procedures or the delivery of training and workshops; and
- b) The ICAO Safety Fund (SAFE), for the procurement of automated procedure design software and related services¹.

¹ The funds were initially provided by France to the ICAO Safety Fund. They were made available to the AFPP based on an agreement between ICAO, ASECNA and the Directorate General for Civil Aviation (DGCA) of France in November 2012.

1.1.2 Since the SAFE funds are provided for a specific purpose, it is necessary to track corresponding expenditures. In order to comply with this requirement, the project funds are held in two separate project accounts:

- a) The contributions from project members are held in project RAF14801; and
- b) The contributions from SAFE are held in project RAF14801SF.

1.2 Budget for RAF14801SF

1.2.1 The initial budget for the procurement of automated procedure design software and related services was established based on exchanges between ICAO and France in September 2015.

1.2.2 The overall amount of the budget is US\$ 75,200 and includes the items below.

- a) Sub-contracts: expenditures related to software installation and training (about US\$ 11,000);
- b) Equipment: expenditures for the procurement of the software licenses (about US\$ 57,000); and
- c) Miscellaneous: administrative fees and a small contingency amount of 5 per cent of the remaining budget (about US 7,000).

1.2.3 The present paper provides a review of the budget for project RAF14801SF established in September 2015 and the corresponding contributions, expenditures and outstanding commitments for the period from 1 January 2016 to 31 December 2018.

1.2.4 A review of the funds for project RAF14801 is provided in working paper AFPP-SC/5-WP/4.1.

2. DISCUSSION

2.1 Budget vs. expenditures and outstanding commitments

2.1.1 The table below provides a summary of the overall budget for RAF14801SF and the corresponding expenditures, contributions and outstanding commitments as at 30 September 2018²:

Item	Budget	Expenditures+ Commitments	Difference	Percent spent
Sub-contracts	10,900	-	10,900	-
Equipment	57,400	68,499	(11,099)	119%
Miscellaneous	6,900	4,888	2,012	71%
Contributions	(75,200)	(75,254)	54	100%

² The financial statement for 2018 includes the expenditures for the period from January to September and the commitments for the period from October to December. At the time of writing, the financial statement as at 31 December 2018 was not yet available.

Total	1,867	98%
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2.1.2 The comparison of the expenditures/commitments with the budget shows differences, which are due to the factors below:

- a) The provisions related to software installation and training were included in the budget as subcontracts, while the actual expenditures were recorded as related to equipment. As a result, there are no expenditures for subcontracts.
- b) The budget for equipment appears to be overspent since subcontract activities are recorded under this item in addition to the procurement of four sets of software licenses.
- c) In total, the overall budget for both subcontracts and equipment is about US\$ 200 less than the actual expenditures, which is due to a slight underestimation of the costs which may be attributed to fluctuations in currency exchange rates between the development of the budget and the issuance of the purchase order. The overspent amount could be covered through a small portion of the contingency buffer.
- d) The miscellaneous expenditures are about 30 per cent less than the corresponding budget, as only a small portion of the contingency buffer was used.

2.1.3 The first four sets of software licenses were procured in 2016, and the related services for installation and training were delivered the same year.

2.2 Current fund balance

2.2.1 As shown in section 2.1 au-dessus, the received contribution exceeds the actual expenditures and commitments by approximately US\$ 2,000.

2.2.2 When the activities related to the procurement of software licenses are completed, the fund balance will be returned to SAFE.

2.3 Detailed information

2.3.1 The initial budget for the funds administered under project RAF14801 is provided in Appendix 1.

2.3.2 The financial statements for the expenditures during the years 2016, 2017 and 2018 are provided in Appendices 2, 3 and 4.

APPENDIX 1**INITIAL BUDGET FOR RAF14801SF****PROJECT BUDGET COVERING MSA CONTRIBUTION
(IN UNITED STATES DOLLARS)**

COUNTRY: REGIONAL
 PROJECT NO: RAF14801SF
 PROJECT TITLE: SAFE GRANT TO RAF14801 (AFRICAN FLIGHT PROCEDURE PROGRAMME)
 WORK ORDER: RAF14801SF-01
 VERSION: 1

	TOTAL		2015		2016	
	w/m	\$	w/m	\$	w/m	\$
SUB-CONTRACTS						
B803A SUB-CONTRACT - INTERNATIONAL		10 900				10 900
TOTAL (SUB-CONTRACTS)		10 900				10 900
EQUIPMENT						
B751B NON-EXPENDABLE EQUIPMENT - INTERNATIONAL		57 400	44 900			12 500
TOTAL (EQUIPMENT)		57 400	44 900			12 500
MISCELLANEOUS						
B807M MISCELLANEOUS EXPENSES		1 700	1 100			600
B807F PROFESSIONAL LIABILITY INSURANCE		300	200			100
B754A OVERHEAD CHARGES		4 900	3 200			1 700
TOTAL (MISCELLANEOUS)		6 900	4 500			2 400
PROJECT TOTAL		75 200	49 400			25 800

1. The amounts for the individual budget lines were determined as described in the table below.

Item	Description
Sub-contracts	The item includes a provision for the installation of software and the delivery of related training.
Non-expendable equipment	The item includes a provision for the procurement of five sets of software licenses for automated procedure design software.
Miscellaneous expenses	Provision for expenses such as banking charges, mailing charges, etc.
Professional liability insurance	Required for projects with procurement activities to cover potential legal claims or lawsuits.
Overhead charges	ICAO's administrative fees, which correspond to 10 per cent of the expenditures.

APPENDIX 2
FINANCIAL STATEMENT FOR 2016

Statement of Estimated Fund Balance

SAFE Grant to RAF14801 (African Flight Procedure Programme)
Management Service Agreement
RAF14801SF
As at 31 December 2016
(in United States dollars)

Financial Status from accounts:

Balance of Surplus (Deficit) as at 1 January 2016

Adjustment

Adjusted Balance of Surplus (Deficit) as at 1 January 2016

Add/(Deduct):

Contributions Received (Schedule I)	-	
Transfer of Funds to/from Other Funds (Schedule I)	75,254	
Interest Earned and Accrued	-	
Foreign Currency Exchange Gain(Loss) and other Income (Note 5)	-	
Refund of Contributions	-	
Interest Expenses	-	
Refund of Interest Earned	-	
	75,254	

75,254

Deduct Expenses (Note 1):

Experts (Schedule II)	-	
Administrative Support Personnel (Schedule III)	-	
United Nations Volunteers (Schedule IV)	-	
Travel on Official Business (Schedule V)	-	
Mission Costs (Schedule VI)	-	
National Professionals (Schedule VII)	-	
Subcontracts (Schedule VIII)	-	
Fellowships (Schedule IX)	-	
Equipment (Schedule X)	64,354	
Sundry (Schedule XI)	-	
Administrative Overhead (Schedule XII) (Note 2)	4,467	
	68,822	

Fund Balance/(Deficit Balance) as at 31 December 2016

6,432

Deduct outstanding commitments known up to 31 December 2016 (Note 3):

Experts (Schedule II)	-	
Administrative Support Personnel (Schedule III)	-	
United Nations Volunteers (Schedule IV)	-	
Travel on Official Business (Schedule V)	-	
Mission Costs (Schedule VI)	-	
National Professionals (Schedule VII)	-	
Subcontracts (Schedule VIII)	-	
Fellowships (Schedule IX)	-	
Equipment (Schedule X)	4,145	
Sundry (Schedule XI)	-	
Administrative Overhead (Schedule XII)	421	
		<hr/>
		4,566
Estimated funds available/(required) (Note 4)		<hr/> 1,867
Future Commitments: beyond 31 December 2016 (Note 3):		<hr/> -
Estimated funds available/ (required) including future commitments beyond 2016 (Note 4)		<hr/> 1,867

Contributions and Transfer of Funds

**SAFE Grant to RAF14801 (African Flight Procedure Programme)
Management Service Agreement
RAF14801SF
As at 31 December 2016
(in United States dollars)**

Contributions

Date Received	Customer	Currency	Currency Amount	USD Amount	Exchange Rate	Description
			-	-		

Transfer To/From Other Funds

Date Received	Customer	Currency	Currency Amount	USD Amount	Exchange Rate	Description
2016/08/02		EUR	57,170	63,452	1.11	Transfer from project RAF14801 to project RAF14801SF
2016/08/02		EUR	10,634	11,802	1.11	Transfer from project RAF14801 to project RAF14801SF
			<u>67,804</u>	<u>75,254</u>		

Equipment Expenses and Estimated Commitments

SAFE Grant to RAF14801 (African Flight Procedure Programme)
Management Service Agreement
RAF14801SF
(in United States dollars)

Financial Status From Accounts as at 31 December 2016

Purchase Order No.	Purchase Order Description	Total
International		
22501596	Procurement of software tools for the African Flight Procedure Programme (AFPP).	53,150
22501718	Installation, testing and training of GeoTITAN software for the African Flight Procedure Programme (AFPP).	11,204
Operation and Maintenance		
Local		
Total		64,354

Commitments outstanding (POs and Contracts) known up to 31 December 2016

Purchase Order No.	Purchase Order Description	Total
International		
22501596	Procurement of software tools for the African Flight Procedure Programme (AFPP).	4,145
Operation and Maintenance		
Local		
Total		4,145
Grand Total (Expenses and Commitments)		68,499

* Purchases or charges which are not covered by Purchase Orders.

Administrative Overhead Expense and Estimated Commitments

**SAFE Grant to RAF14801 (African Flight Procedure Programme)
Management Service Agreement
RAF14801SF
(in United States dollars)**

Financial Status From Accounts as at 31 December 2016

Overhead Accounts		Amount	Percentage	Amount of Overhead
14	Exp & Non Exp International Equipment Costs without Purchase Order	-	7.00%	-
Total				-
<hr/>				
Purchase Order No.	Purchase Order Description	Amount of Overhead		
22501596	Procurement of software tools for the African Flight Procedure Programme (AFPP).	3,691		
22501718	Installation, testing and training of GeoTITAN software for the African Flight Procedure Programme	776		
Total				4,467
<hr/>				
Other Administrative Overhead				
<hr/>				
Total Expenses				4,467

Commitments outstanding (POs and Contracts) known up to 31 December 2016

Overhead Accounts		Amount	Percentage	Amount of Overhead
14	Exp & Non Exp International Equipment Costs without Purchase Order	-	7.00%	-
Total				-
<hr/>				
Purchase Order No.	Purchase Order Description	Amount of Overhead		
22501596	Procurement of software tools for the African Flight Procedure Programme (AFPP).	421		
Total				421
<hr/>				
Total Commitments				421
<hr/>				
Grand Total (Expenses and Commitments)				4,888

* Purchases or charges which are not covered by Purchase Orders.

APPENDIX 3
FINANCIAL STATEMENT FOR 2017

Statement of Estimated Fund Balance

SAFE Grant to RAF14801 (African Flight Procedure Programme)
Management Service Agreement
RAF14801SF
As at 31 December 2017
(in United States dollars)

Financial Status from accounts:

Balance of Surplus (Deficit) as at 1 January 2017	6,432	
Adjustment	<u>-</u>	
Adjusted Balance of Surplus (Deficit) as at 1 January 2017		6,432
Add/(Deduct):		
Contributions Received (Schedule I)	-	
Transfer of Funds to/from Other Funds (Schedule I)	-	
Interest Earned and Accrued	-	
Foreign Currency Exchange Gain(Loss) and other Income (Note 5)	-	
Refund of Contributions	-	
Interest Expenses	-	
Refund of Interest Earned	<u>-</u>	
		<u>-</u>
		6,432
Deduct Expenses (Note 1):		
Experts (Schedule II)	-	
Administrative Support Personnel (Schedule III)	-	
United Nations Volunteers (Schedule IV)	-	
Travel on Official Business (Schedule V)	-	
Mission Costs (Schedule VI)	-	
National Professionals (Schedule VII)	-	
Subcontracts (Schedule VIII)	-	
Fellowships (Schedule IX)	-	
Equipment (Schedule X)	-	
Sundry (Schedule XI)	-	
Administrative Overhead (Schedule XII) (Note 2)	<u>-</u>	
		<u>-</u>
Fund Balance/(Deficit Balance) as at 31 December 2017		6,432

Deduct outstanding commitments known up to 31 December 2017 (Note 3):

Experts (Schedule II)	-
Administrative Support Personnel (Schedule III)	-
United Nations Volunteers (Schedule IV)	-
Travel on Official Business (Schedule V)	-
Mission Costs (Schedule VI)	-
National Professionals (Schedule VII)	-
Subcontracts (Schedule VIII)	-
Fellowships (Schedule IX)	-
Equipment (Schedule X)	4,145
Sundry (Schedule XI)	-
Administrative Overhead (Schedule XII)	421

4,566

Estimated funds available/(required) (Note 4)

1,867

Future Commitments: beyond 31 December 2017 (Note 3):

-

Estimated funds available/ (required) including future commitments beyond 2017 (Note 4)

1,867

Equipment Expenses and Estimated Commitments

**SAFE Grant to RAF14801 (African Flight Procedure Programme)
Management Service Agreement
RAF14801SF
(in United States dollars)**

Financial Status From Accounts as at 31 December 2017

Purchase Order No.	Purchase Order Description	Total
International		
Operation and Maintenance		
Local		
Total		-
<hr/>		
Commitments outstanding (POs and Contracts) known up to 31 December 2017		
Purchase Order No.	Purchase Order Description	Total
International		
22501596	Procurement of software tools for the African Flight Procedure Programme (AFPP).	4,145
Operation and Maintenance		
Local		
Total		4,145
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Grand Total (Expenses and Commitments)		4,145

* Purchases or charges which are not covered by Purchase Orders.

Administrative Overhead Expense and Estimated Commitments

SAFE Grant to RAF14801 (African Flight Procedure Programme)
 Management Service Agreement
 RAF14801SF
 (in United States dollars)

Financial Status From Accounts as at 31 December 2017

Overhead Accounts	Amount	Percentage	Amount of Overhead
Total			-

Purchase Order No.	Purchase Order Description	Amount of Overhead
Total		-

Other Administrative Overhead

Total Expenses

Commitments outstanding (POs and Contracts) known up to 31 December 2017

Overhead Accounts	Amount	Percentage	Amount of Overhead
14 Exp & Non Exp International Equipment Costs without Purchase Order	-	7.00%	-
Total			-

Purchase Order No.	Purchase Order Description	Amount of Overhead
22501596	Procurement of software tools for the African Flight Procedure Programme (AFPP).	421
Total		421

Total Commitments

Grand Total (Expenses and Commitments)

* Purchases or charges which are not covered by Purchase Orders.

421

APPENDIX 4
FINANCIAL STATEMENT FOR 2018

Statement of Estimated Fund Balance

SAFE Grant to RAF14801 (African Flight Procedure Programme)
Management Service Agreement
RAF14801SF
As at 30 September 2018
(in United States dollars)

Financial Status from accounts:

Balance of Surplus (Deficit) as at 1 January 2018	6,432	
Adjustment	-	
	<hr/>	
Adjusted Balance of Surplus (Deficit) as at 1 January 2018		6,432
Add/(Deduct):		
Contributions Received (Schedule I)	-	
Transfer of Funds to/from Other Funds (Schedule I)	-	
Interest Earned and Accrued	-	
Foreign Currency Exchange Gain(Loss) and other Income (Note 5)	-	
Refund of Contributions	-	
Interest Expenses	-	
Refund of Interest Earned	-	
	<hr/>	<hr/>
		6,432
Deduct Expenses (Note 1):		
Experts (Schedule II)	-	
Administrative Support Personnel (Schedule III)	-	
United Nations Volunteers (Schedule IV)	-	
Travel on Official Business (Schedule V)	-	
Mission Costs (Schedule VI)	-	
National Professionals (Schedule VII)	-	
Subcontracts (Schedule VIII)	-	
Fellowships (Schedule IX)	-	
Equipment (Schedule X)	-	
Sundry (Schedule XI)	-	
Administrative Overhead (Schedule XII) (Note 2)	-	
	<hr/>	<hr/>
Fund Balance/(Deficit Balance) as at 30 September 2018		6,432

Deduct outstanding commitments known up to 31 December 2018 (Note 3):

Experts (Schedule II)	-
Administrative Support Personnel (Schedule III)	-
United Nations Volunteers (Schedule IV)	-
Travel on Official Business (Schedule V)	-
Mission Costs (Schedule VI)	-
National Professionals (Schedule VII)	-
Subcontracts (Schedule VIII)	-
Fellowships (Schedule IX)	-
Equipment (Schedule X)	4,145
Sundry (Schedule XI)	-
Administrative Overhead (Schedule XII)	421

4,566

Estimated funds available/(required) (Note 4)

1,867

Future Commitments: beyond 31 December 2018 (Note 3):

-

Estimated funds available/ (required) including future commitments beyond 2018 (Note 4)

1,867

Equipment Expenses and Estimated Commitments

SAFE Grant to RAF14801 (African Flight Procedure Programme)
Management Service Agreement
RAF14801SF
(in United States dollars)

Financial Status From Accounts as at 30 September 2018

Purchase Order No.	Purchase Order Description	Total
International		
Operation and Maintenance		
Local		
Total		
		-

Commitments outstanding (POs and Contracts) known up to 31 December 2018

Purchase Order No.	Purchase Order Description	Total
International		
22501596	Procurement of software tools for the African Flight Procedure Programme (AFPP).	4,145
Operation and Maintenance		
Local		
Total		
		4,145
Grand Total (Expenses and Commitments)		
		4,145

* Purchases or charges which are not covered by Purchase Orders.

Administrative Overhead Expense and Estimated Commitments

SAFE Grant to RAF14801 (African Flight Procedure Programme)
 Management Service Agreement
 RAF14801SF
 (in United States dollars)

Financial Status From Accounts as at 30 September 2018

Overhead Accounts		Amount	Percentage	Amount of Overhead
Total				-
Purchase Order No.	Purchase Order Description	Amount of Overhead		
Total				-
Other Administrative Overhead				
Total Expenses				-

Commitments outstanding (POs and Contracts) known up to 31 December 2018

Overhead Accounts		Amount	Percentage	Amount of Overhead
14	Exp & Non Exp International Equipment Costs without Purchase Order	-	7.00%	-
Total				-
Purchase Order No.	Purchase Order Description	Amount of Overhead		
22501596	Procurement of software tools for the African Flight Procedure Programme (AFPP).	421		
Total				421
Total Commitments				421
Grand Total (Expenses and Commitments)				421

* Purchases or charges which are not covered by Purchase Orders.