

**SADIS COST RECOVERY ADMINISTRATIVE GROUP  
(SCRAG)**

**SIXTH MEETING**

(Paris, 21 and 22 November 2005)

**Agenda Item 4: Review of estimated SADIS costs and cost shares for the period 1 January to 31 December 2006**

**2006 ICAO ESTIMATED SADIS ADMINISTRATIVE COSTS**

(Presented by the Secretariat)

**1. Introduction**

1.1 The SADIS Agreement stipulates under Article VIII that: "Support services for the SCRAG specifically attributable to administering the SCAR arrangement shall be performed by the Secretary General, the costs of which shall be included in the costs to be shared amongst the Parties participating in the arrangement."

1.2 The estimated ICAO Administrative costs for 2006 to be shared amongst the Parties participating in the SADIS Cost Allocation and Recovery (SCAR) arrangement include the costs of the necessary services provided by ICAO to the SCRAG and to the SADIS Operations Group (SADISOPSG).

**2. Discussion**

2.1 At its Fifth Meeting (Paris, 8 and 9 November 2005), the SCRAG has been informed (paragraph 4.6 of the SCRAG/5 Report) that the ICAO support services costs might increase as of 1 January 2006, by an amount of approximately £22 000 per year, to cover the costs incurred by the Air Navigation Bureau of ICAO to support the SADISOPSG, subject to an amendment to Article VIII of the SADIS Agreement.

(2 pages)

2.2 Subsequently, the Director of the Legal Bureau of ICAO expressed the opinion that “there is no need to amend any provision of the SADIS Agreement and its Annexes, including Article VIII and Annex III, to recover the costs of the necessary support services provided by the Secretary General to SADISOPSG.” According to this legal opinion, “The SADIS services set out in Annex I include outputs from SADISOPSG as described in paragraphs 1 (f) and 2 (a) thereof. This shows that the Parties to the SADIS Agreement, namely the SADIS user States, are the ultimate beneficiaries of the outputs provided by SADISOPSG, and that, therefore, it is legitimate that the costs of all required support services provided by the Secretary General to SADIS, including those provided to SADISOPSG which is part of the System, be recoverable under the SCAR arrangement. In accordance with the information provided by C/JF, SADISOPSG deals with technical requirements for the operation of SADIS, makes proposals to update the SADIS Inventory set out in Annex II and provides reports to SCRAG. It is, therefore, considered that the support services of the Secretary General provided to SADISOPSG for the purpose of discharging such functions are covered by the “chargeable costs” established in paragraph 1(a) – Costs of operation and maintenance; and (b) – Administrative costs – of Annex III, and that, consequently, such costs may be included in the estimated assessments of the costs of SADIS, in accordance with the last paragraph of Annex III (Costs of support services provided by the Secretary General.”

2.3 The legal opinion in paragraph 2.2 above has been endorsed by the President of the Council of ICAO on 21 July 2005.

### 3. Estimated Costs 1 January - 31 December 2006

3.1 The estimated costs attributable to the administrative supporting services provided by ICAO to the SCRAG during the period 1 January to 31 December 2006 are as follows:

	SCRAG US\$	SADISOPSG US\$	TOTAL US\$	TOTAL £ *
Personnel costs	20 000	28 500	48 500	27 500
Travel costs	5 000	7 500	12 500	7 087
Sundry costs	500	500	1 000	567
Total	25 500	36 500	62 000	35 154

\* Converted at the United Nations exchange rate of 0.567 (rate for October 2005)

### 4. Action by the Group

4.1 The Group is invited to note this paper.

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