

Workshop
**Air Transport, Air & Space
Law and Regulation**
Abu Dhabi, UAE April 15, 2009

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AVIATION SAFETY
WORLDWIDE SAFE FLIGHT –
A “Carrot” vs. “Stick” Approach

AVIATION SAFETY

WORLDWIDE SAFE FLIGHT:

A Carrot vs. Stick approach

We will discuss this topic in terms of 2 objectives.

Objective 1:

Explain the GAP in Aviation Safety that exists between Developed & Developing/LDC countries

& the Regimes to Monitor & Police it.

Is this an effective STICK?

Objective 2:

Review existing & proposed solutions & approaches (technical & financial) to help remedy aviation safety deficiencies in the developing/LDC countries.

Is there an effective CARROT?

AVIATION SAFETY
WORLDWIDE SAFE FLIGHT:
A Carrot vs. Stick approach

Objective 1:

**The GAP in
Aviation Safety
between Developed
& Developing/LDC
countries
& the Regimes to
Monitor & Police it.**

***Is this an
effective STICK?***

DESPAIR



HOPE



Objective 1: The **GAP in Aviation Safety**
between **Developed & Developing/LDC countries**
& the **Regimes to Monitor & Police it.**
Is this an effective STICK?

Overview:

We discuss this objective as 3 topics:

- A. Improving Aviation Safety –
But Higher Accident Rates in
Developing/Less Developed
states**
- B. International Framework
for Aviation Safety**
- C. STATE COMPLIANCE with
International Aviation
Safety Requirements**



GOOD NEWS!!!

**Some evidence exists that
Aviation is getting *Safer Worldwide*
with a trend towards *improvement*
& *more survivability in crashes***

....

**But not as quickly in the
Developing & Less Developed countries**



**US Airways -
Airbus A320-214
at New York, N.Y.
January 15, 2009
Fatalities: 0 [out of 155]**



**British Airways
BOEING 777-236ER
London, UK
January 17, 2008
Fatalities: 0 [out of 152]**

Improving Aviation Safety Worldwide

Long Run Trend is Positive

Globally measuring the rate of accidents:

Passenger deaths per 10 million flights
[commercial scheduled],

There has been a significant decline in the
accident rate.

1990: 19 accidents per *10 million departures*

2008: 4 accidents per *10 million departures*

ICAO Press Release, March 19, 2009

BUT: GLOBAL improvement in the aircraft accident rate
has NOT benefited
many ***Developing & Less Developed Countries***

Improving Aviation Safety Worldwide

BUT Developing World Remains a Higher Risk

- ❑ The **Developed regions** of **North America, Western Europe & Australia** have the ***lowest*** fatal aviation accident rates,

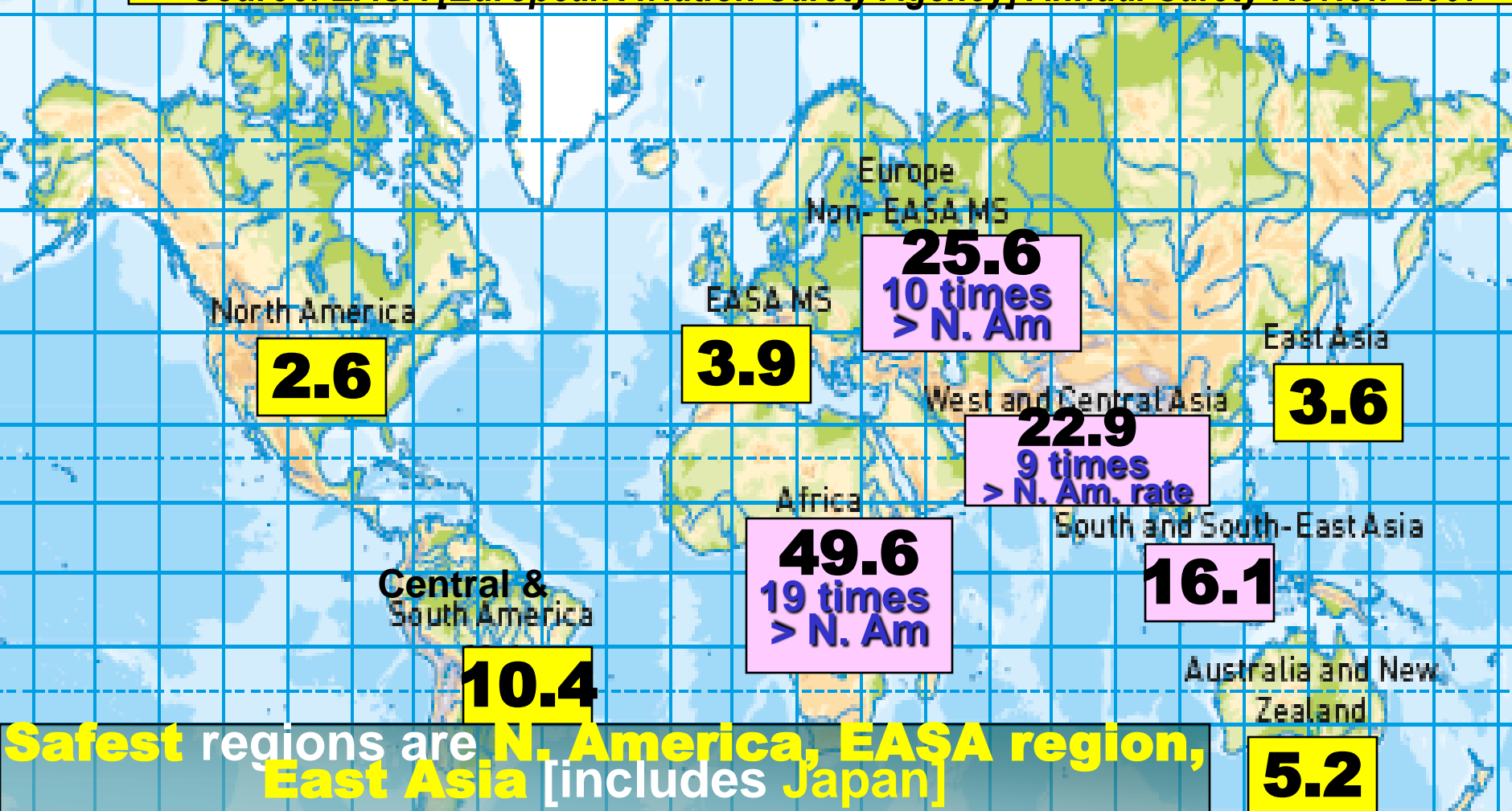


- ❑ **70% of aviation accidents occur in the Developing/LDC countries** when they account for only **15% of the aviation traffic**
- ❑ Airlines of **Eastern Europe & the Commonwealth of Independent States** have the **highest accident rate** (some almost **30+ times higher than Western Europe**)
- ❑ Airlines from **Africa, parts of Asia & Central/South America** have accident rates **many times the world average**

See Next Slide

Regional Perspective: Fatal Accident Rates [per 10 million scheduled flights] Vary by Region of the World 2000 - 2007

Source: EASA [European Aviation Safety Agency] Annual Safety Review-2007



Safest regions are **N. America, EASA region, East Asia** [includes Japan]

Most dangerous regions are **Africa, Eastern Europe** [non-EASA region], & **West & Central Asia**



Africa 2003

Developing/LDC
countries

African aviation accounts for
25% of the world's *accidents*
& less **than** 5% of the
world's *air traffic* !!



OUR FOCUS **now** shifts to
the **GAP** in aviation safety
between ***Developed & Developing/LDC*** countries.
We will examine, in terms of **international law**
& processes, how **aviation safety** is
being **monitored & policed** –
particularly in the ***Developing & LDC*** world.

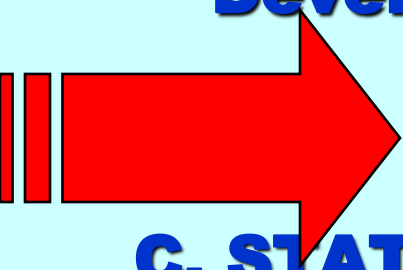
Airport

Objective 1: The **GAP in Aviation Safety** between **Developed & Developing/LDC countries** & the **Regimes to Monitor & Police it.**
Is this an effective STICK?

Overview:

We discuss this objective as 3 topics:

**A. Improving Aviation Safety –
But Higher Accident Rates in
Developing/Less Developed states**



**B. International Framework
for Aviation Safety**

**C. STATE COMPLIANCE with
International Aviation
Safety Requirements**



ICAO Head Office: Montreal

B. International Framework for Aviation Safety

- ❑ The **Chicago Convention** granted ICAO *Quasi-legislative* authority/power **to impose upon states** international aviation safety obligations.
- ❑ ICAO exercises this power by promulgating, *inter alia*, **standards & recommended practices [SARPs]** governing international aviation safety as *Annexes* to the Chicago Convention.
- ❑ **“Standards”** are:
 - **MANDATORY**
 - **UNIFORM** since Member States are **obliged** to incorporate these **standards** into their **domestic laws** with “... *the highest practicable degree of uniformity*” in conforming with ICAO safety standards
[Article 37, Chicago Convention]
 - **PRESUMED** to have been complied with in the **member States’ laws & regulations**, particularly in respect of certifying ***airmen, aircraft, & aircraft operators*** as *airworthy & competent to carry out safe operations*
[Chicago Convention: Annexes 1, 6 & 7]



B. International Framework for Aviation Safety

...Because the safety standards are mandatory
& presumed incorporated in state laws

Therefore, states have a

☐ **Mutual Obligation to Recognize the validity of other contracting states' certificates**

as long as the standards under which such certificates or licenses were rendered are at least as stringent as those established under the Chicago Convention.

☐ if a State fails to comply,
then other States are NOT obliged to *recognize the validity of the Certificates of Airworthiness, etc.*
issued by the delinquent State.

2 Options if State wants to ***not comply*** with ICAO SARPs
[& thus breach *Chicago Convention obligations*]:

- 1. “Opt out”** by immediately notifying ICAO of differences between the SARPs in the Annexes & their domestic laws
[Article 38, *Chicago Convention*]
- 2. Do nothing** ... This is the most likely option

Objective 1: The **GAP in Aviation Safety** between **Developed & Developing/LDC countries** & the **Regimes to Monitor & Police** it.
Is this an effective STICK?

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Objective 1: The PROBLEM of the GAP in Safety
Aviation Safety, Its Deficiencies & International Law

C. STATE COMPLIANCE with International Aviation Safety Requirements

Initially: The uniform international rules governing aviation safety [i.e. ICAO's SARPs] were supposed to create *uniform standards* & be *adopted universally* BUT: were ***ignored by many countries***

- ❑ **2 key Problems** were & are apparent, particularly among certain ***Developing/LDC countries***:
 - **Some states failed to comply** with their Chicago Convention obligation to promulgate laws & regulations incorporating the SARPs into their domestic legal regime
 - **Some states have lacked the resources to implement** these obligations,

Next 2 Slides: 4 Reasons for these Problems

Objective 1: The PROBLEM of the GAP in Safety
Aviation Safety, Its Deficiencies & International Law

STATE COMPLIANCE with International Aviation Safety Requirements

Challenges in Certain Less Developed Countries:

➤ There are **4 major reasons** why such States may *lack the will, means, &/or ability* to **remedy their aviation safety deficiencies**

1. Primary aviation legislation & regulations may be either *non-existent or inadequate*

2. The Institutional structures that regulate & supervise aviation safety often *do not have the authority &/or independence* to effectively satisfy their regulatory duties

Objective 1: The PROBLEM of the GAP in Safety
Aviation Safety, Its Deficiencies & International Law

STATE COMPLIANCE with International Aviation Safety Requirements

Challenges in Certain Less Developed Countries:



3. Human resources in many States may be plagued by a **lack of appropriate expertise**. This is largely due to ***inadequate funding & training of staff.***

[This results in the *poor maintenance & operation of airport & airline infrastructure*]

4. Financial resources allocated to ***civil aviation safety*** are **insufficient** since many developing/LDC countries **do not consider this a high priority** compared to other demands such as ***health care, education, irrigation, & poverty.***

J. Saba, *WORLDWIDE SAFE FLIGHT:
WILL THE INTERNATIONAL FINANCIAL
FACILITY FOR AVIATION SAFETY
HELP IT HAPPEN?*

Journal of Air Law & Commerce

RESULT:
.... ICAO failed !!!

2 APPROACHES Developed
to Respond to the evident **Aviation Safety Deficiencies**
resulting from a failure of STATES
– particularly Developing/LDC countries --- to effectively
incorporate &/or implement the SARPs nationally :

□ APPROACH 1: UNILATERAL Oversight of State Compliance

i.e. UNILATERALLY investigating, exposing & punishing
weaker states for failing to adhere to the SARPs with
Blacklisting of **STATES** by the **US**
& **AIRLINES** by the **EU**

EFFECT:

This approach was unpopular among weaker targeted states.
A **consensus** developed, that the **oversight**
[i.e. auditing & facilitating state compliance to the SARPs & imposing sanctions]
should be *discharged* **internationally by ICAO**
rather than **unilaterally** by a powerful country like the **US**

APPROACH 2: INTERNATIONAL Oversight of State Compliance [by ICAO]
We turn this 2nd Approach

STATE COMPLIANCE with International Aviation Safety Requirements

APPROACH 2: INTERNATIONAL Oversight State Compliance [by ICAO]



APPROACH 2: ICAO's Response

1st Programme: *Not very successful*

1994: ICAO's Safety Oversight Programme [SOP]

- ❑ Established [by ICAO General Assembly's Resolution A32-11] with **2 goals:**

- 1. To Audit member States' aviation safety regulation & oversight systems**
to assess State compliance with the SARPs
- 2. To Assist States when compliance was deficient**

❑ **Limitations:**

- ***Voluntary***
- ***Under-funded***
- ***Confidential*** : ICAO was ***reluctant to publicize the names of states*** that were delinquent in satisfying the SARPs

STATE COMPLIANCE with International Aviation Safety Requirements

APPROACH 2: INTERNATIONAL Oversight State Compliance [by ICAO]

APPROACH 2: ICAO's Response ..Continued



2nd Programme: Successful

1999: ICAO's Universal Safety Oversight Audit Programme [USOAP] [replaced the SOP]

- ☐ Audits now became **mandatory & transparent**
- ☐ The **USOAP**, for a **3-year period** [starting Jan. 1999], performed **initial audits** of States to verify effective State compliance/implementation of the **SARPs** in **3 Annexes** respecting the **aircraft**.
 - **Annex 1** (personnel licensing)
 - **Annex 6** (flight operations)
 - **Annex 8** (aircraft airworthiness including design, certification, & maintenance)

By 2004

ICAO had audited **181 States & 5 territories** for safety compliance & performed **120 audit follow-up** missions.....

There were many cases of **aviation safety deficiencies** resulting from **State non-compliance with the SARPs**

STATE COMPLIANCE with International Aviation Safety Requirements

APPROACH 2: INTERNATIONAL Oversight State Compliance [by ICAO]



APPROACH 2: ICAO's Response ..Continued

EFFECTS of the USOAP audits

- 1. States responsible for non-compliance with SARPs: are deemed to have Notified ICAO of differences***
- 2. ICAO has a large database of most contracting States respecting their compliance with Annexes 1, 6 & 8.***
 - The USOAP now is applied to the other safety-related Annexes including **Annex 11** (Air Traffic Services), **Annex 13** (Accident Investigation) & **Annex 14** (Aerodromes).
- 3. The results of the audits are available to all member States***

Resolution: 35th session of the ICAO General Assembly, 2004

- They must be posted on the secure portions of **ICAO's Web site**

STATE COMPLIANCE with International Aviation Safety Requirements

APPROACH 2: INTERNATIONAL Oversight State Compliance [by ICAO]

APPROACH 2: ICAO's Response Continued



EFFECTS of the USOAP audits:

4. The USOAP audit programme discovered many cases of aviation safety deficiencies resulting from State non-compliance with the SARPs including:

Let us turn to:

ICAO's recent *Whitelist* Approach

including:

- ☒ Improper & insufficient inspections by State authorities before the certification of air operators, maintenance organizations & aviation training schools
- ☒ Licenses & certificates improperly issued, validated, & renewed without due process
- ☒ Procedures & documents improperly approved

KEY **Overall:** failure to follow-up on identified safety deficiencies & take remedial action to resolve such concerns



Objective 1: The PROBLEM of the GAP in
Aviation Safety, Its Deficiencies & International Law
ICAO “White List”

- ❑ **March 31, 2008:** ICAO started publishing its aviation safety **‘white-list’** of states.
- ❑ **June 5, 2008:** All but 2 of the ICAO's 190 member states agreed that ICAO may publish **the results of the organisation's USOAP**

IATA's Operational Safety Audit [IOSA] Approach

This is the industry's attempt to **self-audit**
& thereby bypass repetitious inspections.

Not a concern of this discussion.

- 1.** Not all results are flattering
[6 states are identified as having immediate safety concerns]
BUT the audit summaries are now transparent
& can be viewed by **ordinary travellers**
- 2.** *Whitelisting* makes it easier for **states & donors**
to co-operate in providing assistance where needed

AVIATION SAFETY

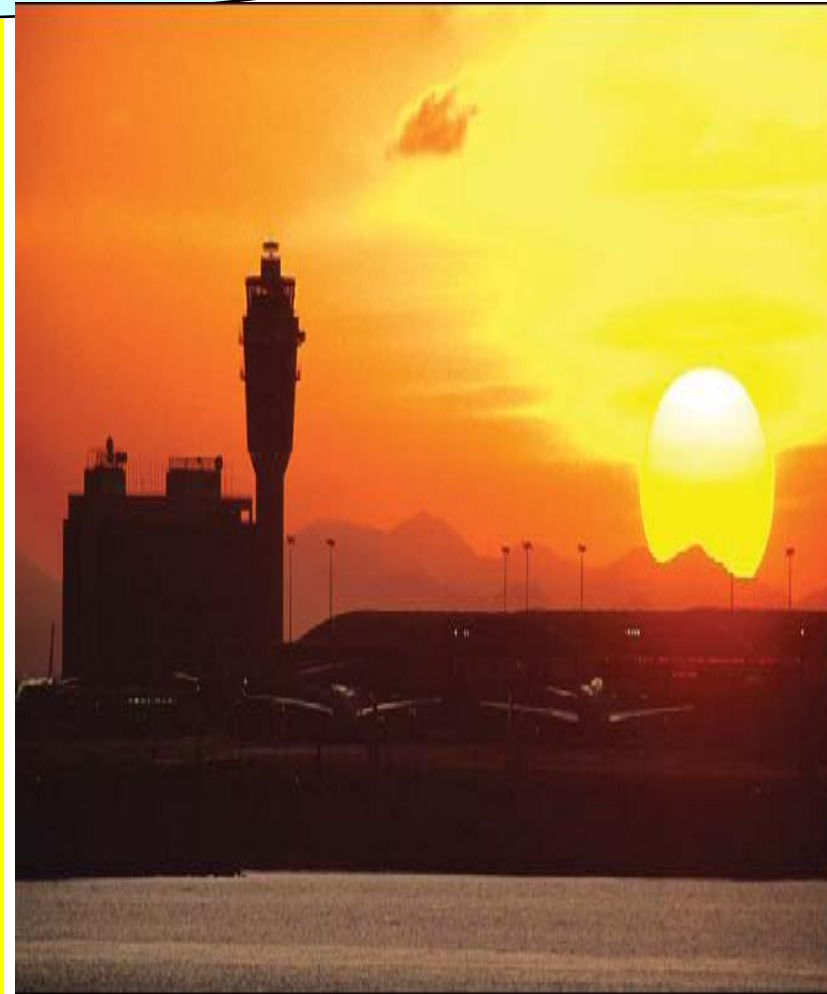
WORLDWIDE SAFE FLIGHT:

A Carrot vs. Stick approach

Objective 2:

Review **existing & proposed solutions & approaches (technical & financial)** to *help remedy aviation safety deficiencies in the developing/LDC countries. ...*

Is there an effective
CARROT?



Objective 2:

Review **existing & proposed solutions & approaches** to **help remedy aviation safety deficiencies in the Developing/LDC countries.**
Is there an effective “carrot”?

Overview:

We discuss this objective as 2 topics:

A. Defining the Problem:

Why Remedy Aviation Safety Deficiencies in Developing/ Less Developed Countries?

B. Existing & Proposed Solutions & Approaches to remedy Aviation Safety Deficiencies in Developing/LDC Countries

A. Defining the Problem:

Why Remedy Aviation Safety Deficiencies in Developing/LDC Countries?

The USOAP, FAA & EU audits, blacklisting, etc. suggest:

☐ **Positively:** Many States [**Developed & certain developing countries**] have the means & have **remedied** their non-compliance after the audits

☐ **Negatively:** Many States, primarily **Developing & LDCs**, **fail to remedy** aviation safety deficiencies, **due to a *lack of will, means* &/or *ability to do so*** ...They “***require assistance to do so.***”

Annual Report of the [ICAO] Council (2002)

☐ The serious difficulties in fulfilling safety oversight obligations apply to **specific States & regions disproportionately.**

There is a **direct** relationship between 2 factors:
the ***higher*** the ***non-compliance to SARPs***
→ the ***higher*** the ***aviation accident & incident rates***
in that region

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A. Defining the Problem: Why Remedy Aviation Safety Deficiencies in LDCs?

All States—Developed & Developing/LDC — have **2 important REASONS for *remedying the aviation safety deficiencies of Developing & LDC countries***

Reason 1 :

Everyone is at risk of aviation accidents everywhere

- ☐ **Civil aviation safety** is an **indivisible & global regime** such that any *recognized aviation safety deficiency* in **one country** *threatens the safety* of the **entire global civil aviation system**.
- ☐ **Aircraft & aviation infrastructure safety deficiencies of Developing/LDC countries'** may create **potential victims [& litigants]** worldwide including:
 - 1. Passengers & third parties on the ground** — irrespective of citizenship — are ***at risk*** of death or injury through aircraft accidents **anywhere in the world**
 - 2. Developed country aircraft operators & citizens** *fly internationally* to developing/LDC country destinations
 - 3. Developed country airports** *receive flights* from developing/LDC country aircraft operators

Why Help Remedy Aviation Safety Deficiencies in Developing/LDC Countries?

Reason 2 : Global economic development is closely connected to a vibrant transportation industry.

- ❑ Global markets require fast & efficient transportation of *not only* **perishable goods** from *developing/LDC* countries to the *developed* countries, *but also* **finished products** sent from the *developed* to *developing/LDC* countries.
- ❑ The **air transport industry & economic development** depend on the confidence of the traveling public that air travel is **safe**.

Objective 2:

Review **existing & proposed solutions & approaches** to ***help remedy aviation safety deficiencies in the Developing/LDC countries.***
Is there an effective “carrot”?

Overview:

We discuss this objective as 2 topics:

A. Defining the Problem:

**Why Remedy Aviation Safety
Deficiencies in Developing/
Less Developed Countries?**



**B. Existing & Proposed Solutions
& Approaches to remedy
Aviation Safety Deficiencies in
Developing/LDC Countries**

B. Existing & Proposed Solutions & Approaches to remedy Aviation Safety Deficiencies in Developing/LDC Countries

❖ We focus on **2 Approaches:**

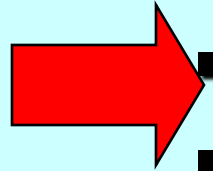
I. TECHNICAL Assistance

II. FINANCIAL Assistance



I. TECHNICAL Assistance

*To help remedy aviation safety deficiencies, needy developing/LDC States are often directed to apply to **existing &/or evolving technical cooperation and assistance institutions and programmes** at the following levels:*



- **International**
- **Regional**
- **Bilateral**
- **Multilateral**
- **Plurilateral**

B. SOLUTIONS: TODAY'S APPROACHES

I. Technical Assistance

1. International Technical Assistance

- ❖ Since World War II, there has been a **reduction in aviation safety deficiencies in many developing/LDC countries**
- ❖ This **result is partly** because these countries have gradually acquired equipment, facilities & services so as to conform to ICAO's SARPs primarily through the work of **2 ICAO institutions**:
 - **The Technical Co-operation Bureau (TCB)**
 - The **TCB** provides ***advice & technical assistance*** to developing & LDC countries.
 - **The Technical Co-operation Programme (TCP)**
 - The **TCP** focuses on ***aeronautical training***.

B. SOLUTIONS:

TODAY'S APPROACHES

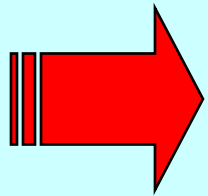
I. Technical Assistance. 1. International Technical Assistance

- ❖ In turn, the TCB & TCP have received much funding from the **United Nations Development Programme (UNDP)**
- ❖ BUT: over the last 20 years, the ICAO has progressively *received less money* from the UNDP because UNDP funding priorities have changed to divert funding from a lower priority item, like **civil aviation**, in favour of *health, education, agriculture, water purification & poverty reduction.*

Thus, civil aviation projects are expected to be **self-financed** by public & private funding sources (but *no longer the UNDP*). Thus, the **ultimate goal is that** commercial revenues should provide cost recovery.

I. TECHNICAL Assistance

To help needy developing/LDC States remedy aviation safety deficiencies, they are often directed to apply to **existing &/or evolving technical cooperation and assistance institutions and programmes** at the following levels:



- **International**
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B. SOLUTIONS: TODAY'S APPROACHES

I. Technical Assistance

2. Regional Technical Cooperation

- ❖ Different **regional technical cooperation/self-help** approaches are being tried by Developing countries, with some success

Certain countries organize themselves ***regionally*** for a **common aviation purpose** so as to ***rationalize their costs & regionally employ the needed resources.***

-- They collect whatever charges or taxes are necessary to finance these activities regionally.

Example:

- ❖ 6 countries may not be able to afford to hire 4 safety oversight inspectors each to monitor & upgrade their aviation infrastructure,
BUT: they may be able to pool their resources & maybe hire 10 inspectors for their region

I. TECHNICAL Assistance

To help needy developing/LDC States remedy aviation safety deficiencies, they are often directed to apply to **existing &/or evolving technical cooperation and assistance institutions and programmes** at the following levels:

- 
- **International**
 - **Regional**
 - **Bilateral**
 - **Multilateral**
 - **Plurilateral**

B. SOLUTIONS: TODAY'S APPROACHES

I. Technical Assistance

3. **Bilateral, Multilateral & Plurilateral Technical Assistance**

- ❖ **Developed donor States** often prefer to provide technical assistance [in civil aviation safety projects] to **developing/LDC countries** through **bilateral, multilateral, or plurilateral** mechanisms.
- ❖ **2 Limitations to this approach**
[similar to the *international assistance* framework]:
 - **Recipient Developing/LDC countries** prefer to channel resources to priorities like **health, education, agriculture, water purification & poverty reduction** rather than **civil aviation**
 - **Donor Developed States** often insist that civil aviation projects be **self-financed** through public & private funding sources with an ultimate goal of **revenues assuring cost recovery**.

B. SOLUTIONS: TODAY'S APPROACHES

1. Technical Assistance

3. Bilateral, Multilateral & Plurilateral

a. BILATERAL Technical Assistance

- Some **developed donor States** prefer that their limited technical assistance money be spent to help particular **regions, sub-regions** or individual **countries**, using a **bilateral & directed approach**, rather than **international mechanisms**.
- There are **3 main reasons** for preferring this approach:
 - **Reason 1:** Such an approach may assure that the ***money is spent in the area that the donor State desires.***
 - **Reason 2:** This approach often provides more ***transparency, accountability, & effective auditing***, than ***International assistance mechanisms.***

1. Technical Assistance

3. Bilateral, Multilateral & Plurilateral

a. Bilateral Technical Assistance...Cont..

■ **Reason 3:**

Developed countries may want their assistance channeled to recipient neighbour countries & regions *benefiting the donor's political & economic interests.*

Examples:

- **Canada & the United States** are involved in such projects (with the cooperation of the *Inter-American Development Bank*).
- Some suggestions have been made that more affluent Middle Eastern states might do something similar to help their African neighbours.

B. SOLUTIONS: TODAY'S APPROACHES

I. Technical Assistance

3. Bilateral, Multilateral & Plurilateral

b. MULTILATERAL Technical Assistance

❖ is illustrated by the **European Union [EU]** & its Commission that encourages EU initiatives ***to improve aviation safety globally.***

B. SOLUTIONS:

TODAY'S APPROACHES

1. Technical Assistance

3. Bilateral, Multilateral & Plurilateral

C. PLURILATERAL Technical Assistance

- ❖ ... is a ***developing concept, structure, & process*** of technical assistance **expanding associates** to include ***not only recipient & donor States*** but also “the efforts, experience and. . . resources of

Additional
NON-State
Participants

***international [e.g., ICAO, IATA]
& regional organizations,
aviation manufacturers,
financial & other funding institutions.”***

- ❖ This approach is generally applied regionally
***Example: EU's technical assistance
to Eastern Europe & Africa***

B. Existing Solutions & Approaches to remedy Aviation Safety Deficiencies in Developing/LDC Countries

❖ We focus on **2 Approaches:**

I. TECHNICAL Assistance



II. FINANCIAL Assistance



II. FINANCIAL Assistance

Financial assistance is a **2nd important approach** for **developing/LDC countries** to ***remedy their aviation safety deficiencies*** including borrowing from:



(1) commercial banks

(2) regional development banks & funds

**(3) international banks
& other institutions**

**(4) export credit agencies
& bilateral development institutions**

(5) ICAO's IFFAS

II. FINANCIAL Assistance



1. **COMMERCIAL Banks**



- ❖ **Commercial banks are *reluctant to lend money* to developing/LDC countries.**
- ❖ **Both the aviation industry generally & the type of clients (LDCs) are considered too high risk given the small return on investment in the aviation industry.**

II. FINANCIAL Assistance

Financial assistance is a **2nd important approach** for **developing/LDC countries** to ***remedy their aviation safety deficiencies*** including borrowing from:



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& other institutions**

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II. FINANCIAL Assistance

2. *REGIONAL Development Banks & Funds*

- ❖ These are a **promising source of potential financing** to assist countries to remedy aviation safety deficiencies
- ❖ The main such banks include the:
 - ***Islamic Development Bank (IDB)***
 - ***African Development Bank (AFDB)***
 - ***Asian Development Bank (ADB)***
 - ***Inter-American Development Bank (IADB, also called the IDB)***

B. SOLUTIONS: TODAY'S APPROACHES

II. FINANCIAL Assistance 2. REGIONAL Development Banks & Funds

3 Constraints on the **availability & extent** of the **financial assistance** provided by these banks & funds

Constraint 1:

- ❖ These Banks/Funds priority objectives are ***reducing poverty, education, water supply purification, health care, rural road infrastructure*** ***[NOT the improvement of aviation infrastructure & services]***.

Constraint 2:

- ❖ The lending policies & practices of such banks/funds apply **such demanding criteria** that loans tend to be limited to **creditworthy countries**
- ❖ Therefore, this effectively **excludes** the ***more needy*** but ***credit risky*** developing/LDC countries

Constraint 3:

- ❖ When countries apply to regional development banks for assistance, they are lacking help:
 - ***to professionally prepare project proposals***
 - ***to satisfy project management requirements***
 - ***to follow documentation procedures***

II. FINANCIAL Assistance

Financial assistance is a **2nd important approach** for **developing/LDC countries** to ***remedy their aviation safety deficiencies*** including borrowing from:

(1) commercial banks

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**(3) international banks
& other institutions**

**(4) export credit agencies
& bilateral development institutions**

(5) ICAO's IFFAS

II. FINANCIAL Assistance

3. *INTERNATIONAL Banks & Other Financing Institutions*

- ❖ These are ***NOT very helpful*** in financing projects to remedy aviation safety deficiencies.
 - The **United Nations Development Programme (UNDP)** has dramatically reduced its financing of aviation infrastructure, training, etc.
 - The **World Bank** has limited involvement [about \$1 Billion USD] involved in the aviation sector.

II. FINANCIAL Assistance

Financial assistance is a **2nd important approach** for **developing/LDC countries** to ***remedy their aviation safety deficiencies*** including borrowing from:

- (1) commercial banks**
- (2) regional development banks & funds**
- (3) international banks
& other institutions**
-  **(4) export credit agencies
& bilateral development institutions**
- (5) ICAO's IFFAS**

II. FINANCIAL Assistance***4. Export Credit Agencies
& Bilateral Development
Institutions***

Theory: These agencies operate in some **developed countries &** might get involved in certain cases *to remedy aviation safety deficiencies of LDCs*

Practice: They generally **do not**

II. FINANCIAL Assistance

Financial assistance is a **2nd important approach** for **developing/LDC countries** to ***remedy their aviation safety deficiencies*** including borrowing from:

(1) commercial banks

(2) regional development banks & funds

**(3) international banks
& other institutions**

**(4) export credit agencies
& bilateral development institutions**

**(5) ICAO's International Financial
Facility for Aviation Safety [IFFAS]**

5. ICAO's International Financial Facility for Aviation Safety (IFFAS)

- ❖ On one hand, there is an **international consensus** of **the need to identify aviation safety deficiencies worldwide** (with almost universal praise for the ICAO's successful **USOAP** programme).
- ❖ On the other hand, there is much **disagreement** as to whether the **ICAO** is the *best mechanism* **to help Developing/LDC countries remedy their identified aviation safety deficiencies** *when these States lack the ability & means to do so.*

.... Thus, the **QUESTION** is....

Does the ICAO have a role in helping remedy identified aviation safety deficiencies?

.... and, if so, HOW?

B. SOLUTIONS: TODAY'S APPROACHES

5. ICAO's IFFAS

- If ICAO sends the POLICEMAN, does ICAO have a responsibility to send a DOCTOR?**
- Can the IFFAS help remedy aviation safety deficiencies identified by the USOAP ?**



B. SOLUTIONS: TODAY'S APPROACHES

5. ICAO's IFFAS

- ❖ **Created: December 4, 2002** -- the ICAO Council adopted an **Administrative Charter** for IFFAS
- ❖ **Principal objectives:**

IFFAS is a Great Idea

**IFFAS is a Great Idea
BUT with Limited Success**

because its funding relies on
very limited voluntary contributions

Since IFFAS' establishment 7 years ago,
has only fully or partly funded a small number of projects

ICAO/IFFAS Relationship

- ❑ **ICAO & IFFAS operate as distinct entities**
While the IFFAS operates under the ICAO umbrella, IFFAS is a **self-financed quasi-independent** entity ***independent of the ICAO Programme Budget***
- ❑ **ICAO provides administrative & technical service support** to the IFFAS (to minimize IFFAS costs) on a **cost-recovery** basis

AVIATION SAFETY
WORLDWIDE SAFE FLIGHT:
A Carrot vs. Stick approach

CONCLUSION



CONCLUSION

Putting
things
in
Perspective

Non-remedied safety deficiencies persist
in States that represent only 1% of
international aviation activities.

- ❖ There are real **constraints** of
economic scarcity
& politically dictated priorities
BUT these should **not** divert the world's
political leaders from pursuing the goal of
worldwide ***civil aviation "safety."***
- ❖ Civil aviation **safety** constitutes a
global & indivisible system.
..... If civil aviation **safety** is
threatened in *one State or region*,
it is threatened *worldwide*.

CONCLUSION

- ❖ The interests of the **sovereign State & international community** necessitate respect for this goal to promote the air transport industry and to protect passenger lives & property.
- ❖ The citizens of the world can hope for *no more*. They have a right to expect *no less*

Workshop
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Law and Regulation
Abu Dhabi, UAE April 15, 2009

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WORLDWIDE SAFE FLIGHT -
A “Carrot” vs. “Stick” Approach