

ESTABLISHMENT, ADMINISTRATION AND OPERATION OF THE AIDS TO NAVIGATION FUND

Report on the Establishment of the Aids to Navigation Fund

Submitted by Malaysia

Introduction

1. Following the Jakarta Meeting in 2006 the general concept of the Cooperative Mechanism between the littoral States and user States on safety of navigation and environmental protection in the Straits of Malacca and Singapore (Straits) was presented at the Kuala Lumpur Meeting. Subsequently, the Cooperative Mechanism was fully presented at the Singapore Meeting in September 2007 where it was endorsed, and agreed that the Cooperative Mechanism should be supported and encouraged.
2. The Cooperative Mechanism comprised of three components: <1> Cooperation Forum, <2> Project Coordination Committee and <3> Aids to Navigation Fund. The Aids to Navigation Fund (Fund) is an important component of the Cooperative Mechanism with the main purpose of receiving direct financial contributions from user States and other parties for the provision and maintenance of aids to navigation in the Straits. The concept of the Fund is to create an avenue and opportunity by which users of the Straits can cooperate with the littoral States to share the responsibility of maintaining the Straits on a voluntary basis.
3. The Fund shall be administered on a rotation basis between the three littoral States, each for a period of three years. This is similar in concept to the Revolving Fund for oil spill response established in 1981 by the three littoral States with financial support from the Malacca Strait Council.

Establishment of the Aids to Navigation Fund

4. The littoral States have agreed that Malaysia will be the first host of the Aids to Navigation Fund and its Secretariat. For this purpose, the Marine Department Peninsular Malaysia has been appointed by the Government of Malaysia to be the Authority for the purpose of administering and operating the Fund for a period of three years from 1st January 2008 to 31st December 2010.
5. Following from the above, the Fund has been set up as a legal entity under Malaysian law. This involved the establishment of a trust account in the name of the Aids to Navigation Fund and the setting up of a Secretariat to manage the day to day work and organizing the

activities of the Fund.

6. The Fund was formally put into operation by the 1st Aids to Navigation Fund Committee Meeting held in Penang, Malaysia from 16 – 17 April 2008.

7. The meeting was attended by Committee Member comprising of representatives from the three littoral States; Indonesia, Malaysia and Singapore and representatives from -

- .1 Republic of Korea;
- .2 United Arab Emirates;
- .3 Nippon Foundation; and
- .4 Middle East Navigation Aids Service (MENAS).

8. The following also attended the Fund Committee Meeting as Observers -

- .1 China;
- .2 Greece;
- .3 Japan; and
- .4 The International Maritime Organization

During the meeting the Republic of Korea, United Arab Emirates, Nippon Foundation and MENAS confirmed their commitment to contribute to the Aids to Navigation Fund. At the same time both China and Japan indicated that they are exploring the possibility of contributing to the Fund on top of their commitments in sponsoring projects under the Cooperative Mechanism.

9. The second meeting of the Aids to Navigation Fund Committee has already been planned for October 2008.

Action requested of the Committee

10. The Committee is invited to take note of the information provided in this document.