



CEANS-WP/74
16/9/08

CONFERENCE ON THE ECONOMICS OF AIRPORTS AND AIR NAVIGATION SERVICES

Montréal, 15 to 20 September 2008

DRAFT REPORT ON AGENDA ITEM 1.2

Agenda Item 1: Issues involving interaction between States, providers and users
1.2: Economic performance and minimum reporting requirements

1.2.1 Documentation

Secretariat (WP/5) emphasized the importance of performance management and the need for States to encourage their airports and air navigation services providers (ANSPs) to develop performance management systems. The paper concluded that service providers should establish performance objectives related to, at least, four key performance areas (KPAs), i.e. safety, quality of service, productivity and cost-effectiveness, and to report relevant performance indicators for each KPA. An amendment of the text in Doc 9082 was proposed to better reflect the elements of a performance management process, including the four KPAs and consultation with users and other parties concerned.

France on behalf of EU, ECAC and their Members (WP/55) reviewed a number of ways through which environmental impact could be taken into account in airports and ANSPs performance. Environmental performance should be part of the overall performance objectives at regional and/or national level. The paper suggested that further work be undertaken by ICAO in this respect, in particular to elaborate on possible environmental performance criteria for ANSPs, as well as the links between the achievement of performance objectives and the charging schemes for ANSPs.

European Commission and EUROCONTROL (WP/52) described European efforts to implement a performance-driven system covering all air navigation services in line with and, where possible, going beyond ICAO's policies. The paper supported the conclusions of the ICAO Secretariat in WP/5 and requested ICAO to consider establishing a regular dialogue with regional organizations with a view to improving performance of air navigation services and assisting airspace users facing the economic challenges.

UNWTO (WP/22) considered it vital that performance parameters be established, monitored and made available to the public in the context of system efficiency, safety, security, facilitation, and environmental values. It also drew particular attention to the potential value of recording, monitoring and publicizing processing times for passengers in relation to the targets in ICAO *Annex 9 – Facilitation Recommended Practices*.

ACI (WP/28) asserted that the performance requirements for airports must not be the same as those for ANSPs because of the difference in their competitive and commercial environments. The paper concluded that relevant and appropriate performance indicators (as opposed to objectives) should be developed and include all service providers at the airport. To reflect their view, further amendment of the text in Doc 9082 proposed by the ICAO Secretariat (WP/5) was provided.

CANSO (WP/34) provided an overview of the work that CANSO and its member ANSPs have been carrying out in the field of performance measurement and benchmarking. A global ATM performance measurement framework, which is being developed in consultation with customers and other stakeholders, would assist individual

ANSPs in optimizing their performance and serve the needs of air navigation services oversight bodies.

ITF (WP/24) stressed the need for workers' involvement in the development of a performance management system. The paper suggested including a reference to workers in the text in Doc 9082 proposed in WP/5.

Secretariat (WP/18 – information paper) provided information covering this item (see paragraph 1.1.1).

Mali (WP/41 – information paper) provided information touching on this item (see paragraph 1.1.1).

Republic of Korea (WP/63 – information paper) provided information touching on this item (see paragraph 1.1.1).

European Commission (WP/56 – information paper) provided information covering this item (see paragraph 3.4.1).

1.2.2 Discussion

1.2.2.1 The Conference considered this item on the basis of WP/5 presented by the Secretariat together with several other papers, where some specific proposals were made concerning the issue of economic performance. There was general recognition of the importance and benefit of performance management and the need for States to ensure establishment of such systems by their airports and ANSPs. Broad support was expressed for the updating of the ICAO policies to take account of the latest developments, and to the draft conclusions presented in WP/5.

1.2.2.2 In considering WP/55, which proposed that environmental performance be included as part of the overall performance objectives and that ICAO initiate work to develop policy guidance on possible environmental performance criteria for ANSPs, diverging views were expressed. While some voiced support for the proposal, many others were of the opinion that it would be premature for ICAO to undertake such work since environmental issues were being addressed by other ICAO fora responsible for aviation environment. After considerable discussion, the Conference agreed that this issue should be referred to the appropriate forum in ICAO for consideration. The Conference also took note that ECAC planned to conduct a study on this issue with the intent to present its results to ICAO at the 4th meeting of the Group on International Aviation and Climate Change (GIACC) in June 2009.

1.2.2.3 The Conference also addressed the proposal in WP/28 that appropriate performance indicators should be developed for KPAs but that objectives were not necessary, and concluded that there cannot be performance indicators without performance objectives, and thus no amendment was required to the text of the draft conclusions in WP/5.

1.2.2.4 With respect to the proposal in WP/24 to include “staff employment conditions” as a KPA and also include “trade unions and professional associations” in the consultation process, the view was expressed that such inclusions could have the risk of conflicting or creating confusion with existing provisions in Annexes 6, 11 and 14 to the *Convention on International Civil Aviation*. Many also felt that

CEANS was not the appropriate forum to discuss such issues. The Conference therefore agreed to retain the text of the draft conclusions in WP/5 without amendment.

1.2.2.5 A proposal was made that ICAO should consider establishing a regular dialogue with regional organizations on the issue of economic performance. Considering that such a dialogue would be beneficial for both parties, the Conference agreed to recommend that ICAO pursue this where appropriate.

1.2.2.6 Finally, with respect to the proposal in WP/22 to include facilitation as an additional KPA, the Conference concluded that this could be covered by the existing provisions in Annex 9 - Facilitation to the *Convention on International Civil Aviation*, as well as the recommended KPAs in WP/5, for example, under “quality of service” or “productivity”.

1.2.3 Recommendation

1.2.3.1 From the documentation and ensuing discussion on economic performance and minimum reporting requirements under Agenda Item 1.2, the Conference adopted the following recommendation:

RECOMMENDATION 2 – ECONOMIC PERFORMANCE AND MINIMUM REPORTING REQUIREMENTS

THE CONFERENCE RECOMMENDS THAT:

- a) since performance management is an important management tool for service providers, regulators and users, States should ensure, within their economic oversight function and through the consultation process, that appropriate performance management systems are developed and implemented by their service providers;
- b) States should ensure that their service providers establish performance objectives with the purpose, as a minimum, to continuously improve performance in four KPAs, i.e. safety, quality of service, productivity and cost-effectiveness, and to report at least one relevant performance indicator for each KPA. States may choose additional KPAs according to their objectives and their particular circumstances;
- c) ICAO should amend paragraph 16 of Doc 9082 to recommend the establishment of performance management systems by service providers, and to include the major elements of a performance management system with emphasis on the selection of KPAs and related indicators; and
- d) ICAO should establish a dialogue, where appropriate, with regional organizations on economic performance with a view to improving performance of the air navigation services system.

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