



A40-WP/485  
AD/21  
27/9/19

**ASSEMBLY — 40TH SESSION**

**ADMINISTRATIVE COMMISSION**

**DRAFT TEXT FOR THE GENERAL SECTION OF THE ADMINISTRATIVE COMMISSION'S  
REPORT AND FOR THE REPORT**

**ON**

**AGENDA ITEMS 41, 42, 43, 44, 45, 46, 47, 48, 49, 50  
51, AND 52**

(Presented by the Chairperson of the Administrative Commission)

The attached report on the General Section of its Report and Agenda Items 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, and 52 has been approved by the Administrative Commission. Resolutions 42/1, 43/1, 45/1, 46/1, 49/1, and 50/1 are recommended for adoption by the Plenary.

*Note. — After removal of this covering sheet, this paper should be inserted in the appropriate place in the Report Folder.*



## **REPORT OF THE ADMINISTRATIVE COMMISSION TO THE ASSEMBLY**

1. The Administrative Commission held two meetings between 26 September and 30 September 2019.
2. Mr. Mark Rodmell (United Kingdom) was elected Chairperson of the Administrative Commission at the Plenary Meeting of the Assembly held on 24 September 2019.
3. The Commission, at its first meeting, elected Ms. Paule Assoumou epe Koki (Cameroon) as its First Vice-Chairperson and Ms. Eileen Poh (Singapore) as its Second Vice-Chairperson as proposed by United Kingdom and seconded by Australia.
4. Representatives from at least 83 Member States attended one or more meetings of the Commission.
5. The President of the Council, Dr. Aliu, was present at the commencement of the first meeting of the Commission, gave an opening introductory statement and then proceeded to the Executive Committee. The Secretary General, Dr. Fang Liu, attended the first meeting of the Commission during the consideration of Agenda Item 42 on the Budget and made a statement on the Organization's commitment to support the Council and respectfully requested the Council's support in relation to the Budget.
6. The Secretary of the Commission was Ms. M. Hemmerde, Chief, Finance Branch. Ms. X. Liu, Chief, Accounting Services Section; Ms. L. Lim, Chief, Financial Services; and Ms. K. Balram, Chief, Staff Employment and Administration Section acted as Deputy Secretaries; Ms. S. Muldoon, Associate Budget Analyst and Ms. R. Zhao, Head, General Ledger and Reporting Unit acted as Assistant Secretaries; Mr. A. Byrne, Treasury Officer and Mrs. Z. Amhal, Head Accounts Receivable Unit, acted as Liaison Officers. Ms. A. Borsellino (FIN) and Ms. S. Callaghan (ADB) acted as Chief Clerks. In addition, support staff from ADB in attendance at the meeting were Ms. S. Brand, Chief, Revenue and Production Management; Ms. S. Rose, Chief, Policy, Organizational and Staff Development Section; and Ms. G. Newton, HR Officer, Gender and Outreach.

### **Working arrangements**

7. At its first meeting, the Chairperson of the Administrative Commission welcomed the Delegates and requested that the Secretary of the Commission present the Items listed in the Order of Business. Presentations on both the Budget and the Scales of the Assessment were made by the Secretary of the Commission in order to provide a detailed view on both subject matters. The consensus was that extensive discussion on all of the relevant items had been conducted at the Council level and allowed for an efficient and expedited review of the Items at the First Meeting.

## Agenda

8. Items referred to the Commission by the Plenary and Executive Committee were considered.

- 41 Annual Reports of the Council to the Assembly for 2016, 2017 and 2018
- 42 Budgets for 2020, 2021 and 2022
- 43 Confirmation of Council action in assessing the contributions to the General Fund and determining advances to the Working Capital Fund of States which have adhered to the Convention
- 44 Contributions in arrears
- 45 Assessments to the General Fund for 2020, 2021 and 2022
- 46 Report on the Working Capital Fund
- 47 Disposition of cash surplus/deficit
- 48 Amendment of the Financial Regulations
- 49 Review of expenditures, approval of accounts and examination of Audit Reports for the financial years 2016, 2017 and 2018
- 50 Appointment of External Auditor
- 51 Status of ICAO Workforce and Human Resources Management
- 52 Other issues for consideration by the Administrative Commission

9. The documents and working papers considered by the Commission are listed by agenda items in the Appendix to this report (see page 5).

10. The action taken by the Commission in respect of each item is reported on separately in the paragraphs that follow. The material is arranged according to the numerical sequence of the agenda items considered by the Commission at the Second Meeting of the Administrative Commission on 30 September 2019.

## Conclusion

11. The Chairperson thanked delegates and the Secretariat for the efficient manner in which proceedings were conducted, noting that the Agenda Items had been completed in a single meeting and the review of the the Administrative Commission Reports in another short meeting, for a total of two meetings of the Administrative Commission during the 40th Session of the Assembly; and that this had been achieved in spite of the Commission having had a broader remit than in recent Assemblies.

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\* Will be provided in final edition of the report.

**Agenda Item 41: Annual Reports of the Council to the Assembly for 2016, 2017 and 2018**

41.1 The Financial Highlights section of the Annual Reports of the Council to the Assembly for 2016, 2017 and 2018 and the supplementary report covering the first six months of 2019 falling within the Commission's field of competence were referred by the Plenary, for the Commission's review.

41.2 At its first meeting, the Commission noted the content and presentation of the section entitled 'Financial Highlights' for the years 2016, 2017 and 2018 and the supplementary report covering the first six months of 2019 of the Annual Reports (<http://www.icao.int/annual-report-2016/Pages/default.aspx> ; <http://www.icao.int/annual-report-2017/Pages/default.aspx> ; <http://www.icao.int/annual-report-2018/Pages/default.aspx> and Supplement).

41.3 The Commission recommends to the Plenary that the section entitled 'Financial Highlights' of the Annual Reports be approved.

**Agenda Item 43: Confirmation of Council action in assessing the contributions to the General Fund and determining advances to the Working Capital Fund of States which have adhered to the Convention**

43.1 At its first meeting, the Commission noted the information put forth in the Oral Status Report indicating that subsequent to the 39th Session of the Assembly, two new States, Tuvalu and Dominica, adhered to the Convention and became Member States of ICAO.

43.2 After consideration, the Administrative Commission proposed the Resolution below for adoption by the Assembly and it was approved as presented below.

**RESOLUTION FRAMED BY THE ADMINISTRATIVE COMMISSION**

**ADOPTED BY THE ASSEMBLY**

**Resolution 43/1: Confirmation of Council action in assessing the contributions to the General Fund and determining advances to the Working Capital Fund of States which have adhered to the Convention**

*The Assembly:*

1. *Notes* that:
  - a) Financial Regulations 6.9 and 7.5 provide that the Council shall, if the Assembly is not in session, determine the assessment of contributions and the advance to the Working Capital Fund of a new Member State, subject to approval or adjustment at the next regular session of the Assembly; and
  - b) the Council has acted accordingly in respect of the States which became members of the International Civil Aviation Organization after the 39th Session of the Assembly, and assessable, as indicated below;
2. *Confirms* the action of the Council in assessing the contributions and the advances to the Working Capital Fund of the following States at the percentage rates indicated, such assessment rates to apply from the assessable dates indicated:

<b>Name of New Member State</b>	<b>Date of Membership</b>	<b>Date from which Assessable</b>	<b>Assessment Rate</b>
Tuvalu	18 November 2017	1 December 2017	0.06%
Dominica	13 April 2019	1 May 2019	0.06%

**Agenda Item 44: Contributions in arrears**

44.1 At its first meeting, the Commission considered A40-WP/46, EX/15, AD/16, Revision No. 1, and Addendum No. 1 to Appendix C , which provide information on the financial aspects of the question of contributions in arrears as at 16 September 2019 and those Member States that had their voting rights deemed suspended as at 24 September 2019. Item 10 of the working paper has previously been considered by the Executive Committee at its first meeting, during which the Executive Committee's oral report has been approved by the plenary.

44.2 The Commission considered A40-WP/38, AD/9 regarding the application of funds from incentive scheme for the settlement of long-outstanding arrears (Report on Assembly Resolution A38-25). The commission was requested to note the action taken pursuant to Assembly Resolution A39-37, to transfer CAD 1.0 million funds to finance the Regular Budget for 2017, 2018 and 2019. There is no unreserved surplus as of 31 December 2018 and no accrual to unreserved surplus is foreseen to the end of 2019.

**Agenda Item 45: Assessments to the General Fund for 2020, 2021 and 2022**

45.1 At its first meeting, the Administrative Commission examined A40-WP/36, AD/7, on the proposed draft scales of assessment for the triennium 2020, 2021 and 2022.

45.2 It was explained that there was no change to the methodology, therefore, the existing assessment principles will be maintained.

45.3 The Administrative Commission recommends that the Plenary adopt draft Resolution 45/1.

**RESOLUTION FRAMED BY THE ADMINISTRATIVE COMMISSION  
AND RECOMMENDED FOR ADOPTION BY THE ASSEMBLY**

**Resolution 45/1: Assessments to the General Fund for 2020, 2021 and 2022**

*The Assembly resolves:*

1. that the amounts to be assessed on Member States for 2020, 2021 and 2022 pursuant to Article 61, Chapter XII, of the Convention shall be determined in accordance with the scales set out below.

<b>Member States</b>	<b>Draft Scales of Assessment 2020, 2021, 2022</b>
	%
<b>Afghanistan</b>	0.06
<b>Albania</b>	0.06
<b>Algeria</b>	0.11
<b>Andorra</b>	0.06
<b>Angola</b>	0.08
<b>Antigua and Barbuda</b>	0.06
<b>Argentina</b>	0.70
<b>Armenia</b>	0.06
<b>Australia</b>	1.91
<b>Austria</b>	0.55
<b>Azerbaijan</b>	0.07
<b>Bahamas</b>	0.06
<b>Bahrain</b>	0.09
<b>Bangladesh</b>	0.09
<b>Barbados</b>	0.06
<b>Belarus</b>	0.06
<b>Belgium</b>	0.70
<b>Belize</b>	0.06
<b>Benin</b>	0.06
<b>Bhutan</b>	0.06
<b>Bolivia (Plurinational State of)</b>	0.06
<b>Bosnia and Herzegovina</b>	0.06
<b>Botswana</b>	0.06
<b>Brazil</b>	2.27
<b>Brunei Darussalam</b>	0.06
<b>Bulgaria</b>	0.06
<b>Burkina Faso</b>	0.06
<b>Burundi</b>	0.06
<b>Cabo Verde</b>	0.06
<b>Cambodia</b>	0.06

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<b><u>Member States</u></b>	<b>Draft Scales of Assessment 2020, 2021, 2022</b>
Cameroon	0.06
Canada	2.51
Central African Republic	0.06
Chad	0.06
Chile	0.41
China	11.39
Colombia	0.32
Comoros	0.06
Congo	0.06
Cook Islands	0.06
Costa Rica	0.06
Côte d'Ivoire	0.06
Croatia	0.06
Cuba	0.06
Cyprus	0.06
Czechia	0.24
Democratic People's Republic of Korea	0.06
Democratic Republic of the Congo	0.06
Denmark	0.42
Djibouti	0.06
Dominica	0.06
Dominican Republic	0.06
Ecuador	0.07
Egypt	0.23
El Salvador	0.06
Eritrea	0.06
Equatorial Guinea	0.06
Estonia	0.06
Eswatini	0.06
Ethiopia	0.22

<b><u>Member States</u></b>	<b>Draft Scales of Assessment 2020, 2021, 2022</b>
<b>Fiji</b>	0.06
<b>Finland</b>	0.41
<b>France</b>	3.66
<b>Gabon</b>	0.06
<b>Gambia</b>	0.06
<b>Georgia</b>	0.06
<b>Germany</b>	5.08
<b>Ghana</b>	0.06
<b>Greece</b>	0.28
<b>Grenada</b>	0.06
<b>Guatemala</b>	0.06
<b>Guinea</b>	0.06
<b>Guinea-Bissau</b>	0.06
<b>Guyana</b>	0.06
<b>Haiti</b>	0.06
<b>Honduras</b>	0.06
<b>Hungary</b>	0.23
<b>Iceland</b>	0.08
<b>India</b>	0.95
<b>Indonesia</b>	0.59
<b>Iran (Islamic Republic of)</b>	0.34
<b>Iraq</b>	0.10
<b>Ireland</b>	0.72
<b>Israel</b>	0.43
<b>Italy</b>	2.44
<b>Jamaica</b>	0.06
<b>Japan</b>	6.64
<b>Jordan</b>	0.06
<b>Kazakhstan</b>	0.15
<b>Kenya</b>	0.06

<b><u>Member States</u></b>	<b>Draft Scales of Assessment 2020, 2021, 2022</b>
<b>Kiribati</b>	0.06
<b>Kuwait</b>	0.21
<b>Kyrgyzstan</b>	0.06
<b>Lao People's Democratic Republic</b>	0.06
<b>Latvia</b>	0.06
<b>Lebanon</b>	0.06
<b>Lesotho</b>	0.06
<b>Liberia</b>	0.06
<b>Libya</b>	0.06
<b>Lithuania</b>	0.06
<b>Luxembourg</b>	0.28
<b>Madagascar</b>	0.06
<b>Malawi</b>	0.06
<b>Malaysia</b>	0.52
<b>Maldives</b>	0.06
<b>Mali</b>	0.06
<b>Malta</b>	0.06
<b>Marshall Islands</b>	0.06
<b>Mauritania</b>	0.06
<b>Mauritius</b>	0.06
<b>Mexico</b>	1.10
<b>Micronesia (Federated States of)</b>	0.06
<b>Monaco</b>	0.06
<b>Mongolia</b>	0.06
<b>Montenegro</b>	0.06
<b>Morocco</b>	0.12
<b>Mozambique</b>	0.06
<b>Myanmar</b>	0.06
<b>Namibia</b>	0.06
<b>Nauru</b>	0.06

<b><u>Member States</u></b>	<b>Draft Scales of Assessment 2020, 2021, 2022</b>
Nepal	0.06
Netherlands	1.43
New Zealand	0.34
Nicaragua	0.06
Niger	0.06
Nigeria	0.18
North Macedonia	0.06
Norway	0.66
Oman	0.15
Pakistan	0.16
Palau	0.06
Panama	0.12
Papua New Guinea	0.06
Paraguay	0.06
Peru	0.19
Philippines	0.35
Poland	0.60
Portugal	0.37
Qatar	1.05
Republic of Korea	2.21
Republic of Moldova	0.06
Romania	0.15
Russian Federation	2.23
Rwanda	0.06
Saint Kitts and Nevis	0.06
Saint Lucia	0.06
Saint Vincent and the Grenadines	0.06
Samoa	0.06
San Marino	0.06
Sao Tome and Principe	0.06

<b><u>Member States</u></b>	<b>Draft Scales of Assessment 2020, 2021, 2022</b>
<b>Saudi Arabia</b>	1.04
<b>Senegal</b>	0.06
<b>Serbia</b>	0.06
<b>Seychelles</b>	0.06
<b>Sierra Leone</b>	0.06
<b>Singapore</b>	0.93
<b>Slovakia</b>	0.11
<b>Slovenia</b>	0.06
<b>Solomon Islands</b>	0.06
<b>Somalia</b>	0.06
<b>South Africa</b>	0.29
<b>South Sudan</b>	0.06
<b>Spain</b>	1.78
<b>Sri Lanka</b>	0.08
<b>Sudan</b>	0.06
<b>Suriname</b>	0.06
<b>Sweden</b>	0.67
<b>Switzerland</b>	1.01
<b>Syrian Arab Republic</b>	0.06
<b>Tajikistan</b>	0.06
<b>Thailand</b>	0.58
<b>Timor-Leste</b>	0.06
<b>Togo</b>	0.06
<b>Tonga</b>	0.06
<b>Trinidad and Tobago</b>	0.06
<b>Tunisia</b>	0.06
<b>Turkey</b>	1.60
<b>Turkmenistan</b>	0.06
<b>Tuvalu</b>	0.06
<b>Uganda</b>	0.06

<b><u>Member States</u></b>	<b>Draft Scales of Assessment 2020, 2021, 2022</b>
<b>Ukraine</b>	0.08
<b>United Arab Emirates</b>	2.17
<b>United Kingdom</b>	4.19
<b>United Republic of Tanzania</b>	0.06
<b>United States</b>	20.50
<b>Uruguay</b>	0.06
<b>Uzbekistan</b>	0.06
<b>Vanuatu</b>	0.06
<b>Venezuela (Bolivarian Republic of)</b>	0.51
<b>Viet Nam</b>	0.18
<b>Yemen</b>	0.06
<b>Zambia</b>	0.06
<b>Zimbabwe</b>	0.06
	<b>100.00</b>

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**Agenda Item 46: Report on the Working Capital Fund**

46.1 At its first meeting, the Administrative Commission examined A40-WP/39, AD/10, which reports on the adequacy of the level of the Working Capital Fund, the financial position of the Organization, and the financial trends affecting the necessary level of that Fund. The Commission considered the recommendation to maintain the level of the Working Capital Fund at USD 8.0 million for the next triennium, to establish the level of the Working Capital Fund at a level no higher than USD 10.0 million if the Council determines that it is warranted, and to maintain the borrowing authority at no time to exceed the current level of CAD 3.0 million for the next triennium.

46.2 After consideration, the Commission recommended adoption of the following Resolution.

**RESOLUTION FRAMED BY THE ADMINISTRATIVE COMMISSION  
AND RECOMMENDED FOR ADOPTION BY THE ASSEMBLY**

(To supersede A39-33)

**Resolution 46/1: Working Capital Fund** *The Assembly:*

*I. Notes that:*

- a) in accordance with Resolution A39-33, the Council has reported upon, and the Assembly has considered, the adequacy of the level of the Working Capital Fund and the related borrowing authority;
- b) the accumulation of contributions in arrears has constituted, together with the delays in payment of current year contributions, a growing obstacle to the implementation of the work programme while creating financial uncertainty;
- c) based on past trends, there is only a limited risk that the level of the Working Capital Fund may not be sufficient to cover the needs in the foreseeable future;
- d) experience has shown that in general payments are not made at the beginning of the year when contributions are due and that ICAO cannot rely on contributions being paid even by the end of the year to which they relate and that such unacceptable avoidance of their financial obligations under the Convention by some Member States is leading to a potential financial crisis within the Organization that could impact all Member States;
- e) as long as the cash flow remains uncertain, ICAO would need the Working Capital Fund as a buffer on which it could draw to meet its unavoidable cash commitments; and
- f) the Council reviewed the financial situation of the Organization and the level of the Working Capital Fund in February 2019 and noted that it has not been necessary to use the Working Capital Fund in 2018.

2. *Resolves that:*

- a) the level of the Working Capital Fund remain at USD 8.0 million;
- b) the Council shall continue to monitor the level of the Working Capital Fund no later than November 2020, 2021 and 2022 to determine if an increase is urgently needed during that year or for the following year;
- c) if the Council determines that it is warranted, the level of the Working Capital Fund shall be established at a level no higher than USD 10.0 million, subject to increases resulting from advances paid by new States becoming members of the Organization after approval of the scales. Such adjustment to the Working Capital Fund will be based on the scales of assessment in effect for the year for which the increase in the level of the Working Capital Fund is approved;
- d) the Secretary General be authorized, with the prior approval of the Finance Committee of the Council, to finance regular and supplementary appropriations that cannot be financed from the General Fund and the Working Capital Fund, by borrowing externally amounts needed to meet immediate obligations of the Organization, and that the Secretary General be required to repay such amounts as rapidly as possible; the outstanding total of such indebtedness of the Organization at no time to exceed CAD 3.0 million during the triennium;
- e) the Council shall report to the next ordinary session of the Assembly:
  - i) on the adequacy of the level of the Working Capital Fund in the light of experience during 2019, 2020 and 2021;
  - ii) whether the financial position of the General Fund and the Working Capital Fund would indicate the need for assessing Member States for cash deficits caused by arrears of contributions; and
  - iii) on the appropriateness of the level of the borrowing authority; and
- f) Resolution A39-33 is no longer effective and is hereby superseded; and

3. *Urges:*

- a) all Member States to pay their assessments as early as possible in the year in which they fall due in order to lessen the likelihood of the Organization having to draw on the Working Capital Fund and resort to external borrowing; and
- b) the Member States in arrears to meet their obligations to the Organization as promptly as possible, as called for by Resolution [A40-xx].

**Agenda Item 47: Disposition of cash surplus/deficit**

47.1 At its first meeting, the Commission examined A40-WP/35, AD/6 and Corrigendum No.1 dealing with the disposition of cash deficit.

47.2 The Commission noted the financial results for the year ended 31 December 2018, showing a cash deficit of CAD 6.3 million as at the end of December 2018. The Commission noted that this deficit is being considered as temporary and may be eliminated by the payment of all assessments in arrears by Member States. The Commission confirmed that there is no need to assess Member States to finance the deficit.

**Agenda Item 48: Amendment of the Financial Regulations**

48.1 At its first meeting, the Commission noted that no amendments to the Financial Regulations are being proposed in this Assembly and this agenda item is expected to be presented at the next ordinary Session of the Assembly.

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**Agenda Item 49: Review of expenditures, approval of accounts and examination of Audit Reports for the financial years 2016, 2017 and 2018**

49.1 At its first meeting, the Commission considered the Audited Financial Statements of the Organization and the corresponding audit reports presented as A40-WP/43, AD/14 and Document 10089 for 2016; A40-WP/42, AD/13 and Document 10128 for 2017; A40-WP/41, AD/12 and Document 10129 for 2018 and recommended the adoption of the consolidated draft Resolution in the Appendix to A40 WP/37, AD/8.

**CONSOLIDATED RESOLUTION FRAMED BY THE ADMINISTRATIVE COMMISSION  
AND RECOMMENDED FOR ADOPTION BY THE ASSEMBLY**

**Resolution 49/1: Approval of the accounts of the Organization for the financial years 2016, 2017 and 2018 and examination of the Audit Reports thereon**

*Whereas* the accounts of the Organization for the financial years 2016, 2017 and 2018 and the Audit Reports thereon, submitted by the Corte dei Conti of Italy - a member of the Joint Panel of External Auditors of the United Nations and Specialized Agencies - as the External Auditor of ICAO, have been submitted to the Assembly after being circulated to Member States;

*Whereas* the Council has examined the Audit Reports and submitted them to the Assembly for its review; and

*Whereas* in accordance with Chapter VIII Article 49 (f) of the Convention, expenditures have been reviewed;

*The Assembly:*

1. *Notes* the Reports of the External Auditor on the Financial Statements as well as the Secretary General's Comments to the Report of the External Auditor for the financial year 2016;
2. *Notes* the Reports of the External Auditor on the Financial Statements as well as the Secretary General's Comments to the Report of the External Auditor for the financial year 2017;
3. *Notes* the Reports of the External Auditor on the Financial Statements as well as the Secretary General's Comments to the Report of the External Auditor for the financial year 2018;
4. *Approves* the audited Financial Statements for the financial year 2016;
5. *Approves* the audited Financial Statements for the financial year 2017; and
6. *Approves* the audited Financial Statements for the financial year 2018.

**Agenda Item 50: Appointment of External Auditor**

50.1 At its first meeting, the Commission noted A40-WP/44, AD/15 and Corrigendum No.1, reporting on action taken by the Council to appoint an External Auditor to audit the accounts of the Organization for the next triennium and seeks confirmation by the Assembly of the action taken by the Council, in accordance with Article XIII of the Financial Regulations.

50.2 In conclusion, the Commission recommended and requests the Assembly to confirm the appointment of Mr. Michel Huissoud, President of the Swiss Federal Audit Office, as ICAO's External Auditor for the accounts of the financial years 2020, 2021 and 2022.

50.3 Accordingly, the following Draft Resolution 50/1 is recommended for adoption by the Assembly.

**RESOLUTION FRAMED BY THE ADMINISTRATIVE COMMISSION  
AND RECOMMENDED FOR ADOPTION BY THE ASSEMBLY**

**Resolution 50/1: Appointment of the External Auditor**

*The Assembly:*

1. *Notes that:*

- a) the Financial Regulations provide that, subject to confirmation by the Assembly, the Council shall appoint an External Auditor to the Organization; and
- b) the Council reviewed the nominations submitted by Member States in 2019 and approved the appointment of Mr. Michel Huissoud, President of the Swiss Federal Audit Office, as ICAO's External Auditor for the financial years 2020, 2021, and 2022, in accordance with Financial Regulation 13.1.

2. *Expresses* its sincere appreciation to Mr. Giuseppe Cogliandro, President of the Audit Chamber for Community and International Affairs of the Corte dei Conti of Italy, Mr. Raffaele Squitieri, President of the Corte dei Conti of Italy, and Mr. Angelo Buscema, President of the Corte dei Conti of Italy, for the high quality of their service to the Organization as its External Auditors (2014-2019) and for their effective and cooperative assistance during that period to the officials and organs of ICAO; and

3. *Confirms:*

the action taken by the Council in appointing Mr. Michel Huissoud, President of the Swiss Federal Audit Office as ICAO's External Auditor for the financial years 2020, 2021 and 2022.

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**Agenda Item 51: Status of ICAO Workforce and Human Resources Management: Human Resources Management**

51.1 The Commission, considered A40-WP/29, presented by the Secretariat, outlining ongoing initiatives and future actions to improve the human resources management of the Organization in attracting, retaining and motivating a diverse workforce while promoting ethics and integrity throughout the Organization. It was advised that the human resources management function is critical to the Organization and that the staff of ICAO is considered as the most valuable asset and must therefore be placed at the centre of development, policies and strategies, as they invest their time, energy and talent to the Organization.

51.2 The Secretariat emphasised efforts and improvements made in various strategic areas of its human resources management system that address good performance and strategically aligned policies and practices, including the strengthening of the Ethics Framework and the development of a Whistle-blower Policy, development of a People Strategy, enhancing of recruitment and outreach efforts so as to increase the pool of potential candidates and contributing to gender equality in the Organization; strengthening of knowledge sharing and knowledge transfer in support of the retention of institutional knowledge and continuity.

51.3 Building on the achievements to date, priority areas which will be pursued in the next triennium, will focus on strategies and actions addressing workforce diversity; talent management; workforce and succession planning; staff well-being and work life balance and the automation of human resources processes leveraging relevant IT tools.

51.4 During the Commission's discussion, the importance of ICAO having a strong and credible whistle-blower policy that would contribute towards a transparent Organization with clear accountability measures, was emphasised. Several delegations requested a greater immediacy to the implementation of the Whistle-blower Policy: some suggested that the implementation date should be recognised as the date when the Council considered possible revisions to the Ethics Framework, in order for it to be aligned with the current United Nations system; while one Delegation, in its support of the efforts of the Council and the Secretariat, called for the implementation of the Whistle-blower Policy during the triennium. It was clarified by the Secretariat that this issue was under the purview of the Council and that as mandated by the Council, revisions to the Ethics Framework and revisions and the new Whistle-blower Policy adopted by the Council in June 2019 will be incorporated in the ICAO Service Code, which is due to be presented to the Council at its 218<sup>th</sup> Session.

51.5 In light of the discussion, the Administrative Commission invites the Assembly to:

- a) note the reforms undertaken and achievements made by the Organization to enhance the management of its human resources;
- b) endorse the priority initiatives and future actions identified for human resources management for the next triennium; and
- c) further endorse the immediate implementation of the Whistle-blower Policy approved by Council in June 2019, and the changes to the Ethics Framework under the ICAO service code referred to in paragraph 3.1 of A40-WP/29.

**Agenda Item 51: Status of ICAO Workforce and Human Resources Management: Status of ICAO Workforce**

51.6 The Commission considered A40-WP/30, outlining the status of the ICAO Workforce as at 31 December for the years 2016, 2017, and 2018, including the status of Equitable Geographical Representation (EGR) and Gender, together with an analysis of the Professional and higher categories appointments and their impact on EGR and Gender, as well as Human Resources data on age, length of service and retirement projections. It also provides observations based on the statistics.

51.7 During the discussion it was noted that some progress had been made, but that results in terms of redressing the imbalance, particularly in the professional and higher categories remained slow. The Commission was advised that while at the end of 2018, women occupied 30% of all professional and higher categories, the current status as of date, reflects a positive growth, in the percentage of women occupying positions in these categories, when compared with the status at 2016: SG – no change, D2 – no change, D1 – from 5% to 20%, P5 – from 27% to 31%, P4 – no change, P3 – decrease from 43% to 40%, and P2 – from 50% to 52%. These movements were attributed to outreach activities and the commitment of the Secretariat towards the achievement of Resolution A39-30. Noting the progress made, the Commission acknowledged the importance of the Secretariat and Member States to work together in attainment of gender quality and equitable geographic representation.

51.8 The Administrative Commission invites the Assembly to:

- a) take note of the composition and status of the ICAO workforce as presented in this paper for the years 2016-2018; and
- b) request the Council to continue to monitor progress of the Secretariat in relation to the future priority and actions as presented in the paper for the attainment and maintenance of a diverse, flexible and motivated workforce.

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**Agenda Item 51: Status of ICAO Workforce and Human Resources Management: Status of the ICAO Gender Equality Programme**

51.9 The Commission considered A40-WP/31, presenting a report on the status of the ICAO Gender Equality Programme and the ongoing initiatives to improve gender quality and the promotion of gender mainstreaming, along with the empowerment of women.

51.10 The Commission also considered the information presented by the following Member States: Canada on behalf of Australia and the United Kingdom (A40-WP392), South Africa (A40-WP/406), Dominica Republic (A40-WP/425) and United Arab Emirates (A40-WP/479).

51.11 During the discussion, the Commission strongly welcomed the efforts made and initiatives taken by ICAO and States and urged all parties to make sustained efforts towards outreach activities and creating more awareness, so that the principles behind gender equality and the advancement of women in aviation could be turned into practical realities. The Secretariat reiterated its commitment in working in collaboration with Member States, aviation partners and international Organizations in addressing gender equality in aviation at the global level, and at achieving a gender balanced workforce bearing in mind the aspirational goal of 50-50 (women-men) by 2030.

51.12 The Administrative Commission invites the Assembly to:

- a) extend its commitment under A39-30 enhancing gender equality and the advancement of women's development by supporting UN Sustainable Development Goal 5: *Achieve gender equality and empower all women and girls* including aiming to achieve the aspirational goal of 50-50 (women-men) by 2030 at all professional and higher levels of employment in the global aviation sector;
- b) note the progress undertaken and achievements made by the Organization to enhance gender equality and gender mainstreaming;
- c) note the Communique from the Global Aviation Gender Summit 2018 and urge Member States to consider and support the implementation of the roadmap;
- d) urge Member States to support policy developments which provide for enabling environments for women to pursue and develop careers within the aviation sector; and
- e) encourage Member States, ICAO, regional and international Organizations and the global aviation industry to initiative programmes which will enhance gender equality in aviation globally.

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**Agenda Item 52: Other issues to be considered by the Administrative Commission**

52.1 The Committee considered A40-WP/33 presented by the Council. This working paper reports on the analysis of free public web access to ICAO publications, as requested by the 39th Assembly.

52.2 The Committee noted the information presented in A40-WP/33 and expressed strong support for Option 2, a phased approach to public web access to ICAO publications in a *freemium* model as recommended in the Working Paper.

52.3 During the Committee's deliberations, interventions were made regarding the importance of increasing public access to ICAO publications while at the same time recognizing budget implications. The recommended option was recognized as a progressive means to further enhance safety in aviation.

52.4 In light of the discussion, the Administrative Commission invites the Assembly to:

- a) endorse the phased in *freemium* model for providing free public access to ICAO publications; and
- b) note the recommended approach detailed in Section 5 and its implication for the next triennium budget and programme activities.

**Agenda Item 42: Budgets for 2020, 2021 and 2022**

42.1 The Administrative Commission had before it working paper A40-WP/34, AD/5 and Corrigenda Nos. 1 and 2 related to the Draft Budget of the Organization for 2020, 2021 and 2022, submitted by the Council of ICAO.

42.2 At the first meeting of the Administrative Commission, held on 26 September 2019, the President of the Council presented the Draft Budget of the Organization for 2020, 2021 and 2022 (A40-WP/34, AD/5 and Corrigenda Nos. 1 and 2). The President stated that this Draft Budget was a product of solid collaboration between the Council and the Secretariat involving a productive exchange of ideas and information over several Council sessions and meetings.

42.3 The President noted that this Draft Budget is presented in a results-based format and based on the ICAO Business Plan for 2020-2021-2022. For each Programme under the Strategic Objectives the proposed budget contains the required resources along with expected results, key activities and deliverables.

42.4 The President provided some key highlights of the Draft Budget which included the following: (a) additional resources for the aviation security and facilitation, environmental protection, aviation safety and air navigation capacity and efficiency; (b) focus on new/expanded activities such as trust framework, sustainable aviation fuels, remotely piloted aircraft systems; (c) a strengthened ethics framework; and (d) adequate funding to ensure multilingualism.

42.5 In addition, the President stated that the Draft Budget is built with no increase in Assessments of Member States as it caps assessments to average the 2019 level over the next three years, while retaining all important, existing activities and incorporating incremental initiatives. To achieve the stabilization of Assessments of Member States at their 2019 levels, the contribution for the Ancillary Revenue Generation Fund (ARGF) will increase by 50% over the current triennium to CAD 29.0 million in the next triennium. The President acknowledged that this is an ambitious and challenging target, and as such, the Council recognized the associated risk as highlighted in the Council Message.

42.6 The President also informed the Commission that the Organization will maintain the pay-as-you-go funding for the After-Service Health Insurance (ASHI). It was stated that this liability remains a potential risk to the Organization, as is common throughout the UN system, and that the Organization would need to secure funding for this growing liability in future triennia.

42.7 The President concluded his remarks by stating that the ability for the Organization to effectively fulfil its mission and responsibilities under the Chicago Convention relies on the continuing support and commitment of Member States in providing adequate levels of funding.

42.8 The Secretary of the Commission stated that the Assembly was invited to note the Council's message and to approve the Budget of the Organization for 2020-2021-2022 as presented in the draft Assembly Resolution. The proposed budget, it was reiterated, was the product of a long and involved consultative process between the Council, the Finance Committee and the Secretariat. The Secretary expressed appreciation for the work of the Chairperson of the Finance Committee, Mr. Victor Aguado, for facilitating the discussions on the Budget.

42.9 A presentation was delivered by the Secretary of the Commission on the proposed Budget of CAD 322.7 million as presented in A40-WP/34, AD/5. A breakdown of the budget by Strategic Objectives and Supporting Strategies was presented highlighting that 73% of resources were dedicated to Strategic Objectives while 13% of resources were for Programme Support and another 14% was for Management and Administration. The Secretary stated that the proposed budget was based on the Operating Plan of the ICAO Business Plan and comprised the subset of activities which could be funded under the Regular Programme.

42.10 A summary of the funding sources was presented and it was highlighted that Member States' assessments were capped at a Zero Nominal Growth (ZNG) level based on 2019 assessments as decided by Council. The Secretary stated that in relation to the considerable increase from the Ancillary Revenue Generation Fund (ARGF), the Council had taken consideration of the associated risk and what measures the Secretariat will need to take in this regard.

42.11 The Programme highlights were reviewed such as the phased-in integration of priorities and posts, increased focus on aviation security, and resources for new/expanding activities such as CORSIA, RPAS, Trust Framework, Facilitation/TRIP and Sustainable Fuels. Also highlighted was the enhancement of Information Security Management, the integration of core posts (transferred from ARGF) as well as the enhancement of the Ethics Framework and the assurance of multilingualism.

42.12 Although there was unanimous consensus to support the Draft Budget as proposed, Delegations noted that the Budget does not cover all items in the Business Plan and stated that it was essential that the Organization carry out further reviews in order to prioritize activities and increase the efficiency and effectiveness of the Organization. This should include a review of the financial management systems, processes and reporting tools as stated in the Council's Message on the Budget which should improve financial management and efficiency and provide increased transparency on the budget. Some Delegations suggested the possibility in the future of sharing back office functions such as information technology, recruitment and ethics with other UN organizations to reduce costs. Delegations stated that the goal of these reviews and prioritization is that the Organization would be in a better position to manage the budget in a more efficient and transparent manner and to accord more accountability. Some Delegations also emphasized the need to prioritize Strategic Objectives over Administration and Support.

42.13 Two Delegations requested that the Assembly take particular note of and support the two priority initiatives contained in the Council's Message namely (1) the review of the financial management systems, processes and reporting tools, and (2) the enhancement of the current information security procedures and management both of which are currently unfunded.

42.14 Some Delegations recommended that the Secretariat further explore the optional programmes funding approach for priority activities in the Business Plan that could not be funded by the Regular Programme Budget and that it ensures clear identification of objectives and transparent management of the activities.

42.15 Several Delegations cautioned the Organization with regard to the continual triennial increases in budgets and warned that future increased budgets may not be supported. It was advised that the Organization take heed and be mindful of this in preparing future budgets. It was also requested that

the current methodology of using the third year of the triennium as a baseline in determining funding from assessments for the triennial budget be reviewed for future budget preparations.

42.16 One Delegation proposed that, since the activities resulting from Recommendation 7.3/1 h) of the Thirteenth Air Navigation Conference (AN-Conf/13) have not been incorporated in the Draft Budget, these activities should be included in the ICAO Business Plan and, taking into account existing priorities funded through the 2020-2022 Budget, that the necessary extra budgetary resources be found to fund this important activity. This proposal was supported by several other Delegations. The Commission also took note of the offer from the Netherlands for administrative support to assist ICAO with the activities resulting from this AN-Conf/13 Recommendation.

42.16 The Secretary General stated that this was a Results-Based Budget which was prepared with the full engagement and guidance of the Council. She fully agreed that further efforts to enhance efficiency and effectiveness are needed. She cited the fact that over the last three years the Organization, with great effort and with a ZNG budget, was able to address initiatives such as CORSIA which had not been included in the approved budget. This was done through a re-prioritization of resources according to needs. She stated that the Secretariat has initiated the review of the financial management systems and tools, and may take time due to infrastructure and current reporting system constraints. The Secretary General endorsed the use of optional programme funding, including the engagement of industries, and encouraged Member States to continue its provision of resources such as secondees and voluntary contributions, all of which will assist the Organization to further achieve the Strategic Objectives.

42.17 In conclusion, the Administrative Commission supports the Draft Budget and recommends that the Assembly adopt the following draft Resolution relating to the Indicative Budget Estimates of the Administrative and Operational Services Costs (AOSC) of the Technical Cooperation Programme and the Budget for the Regular Programme of the Organization for 2020, 2021 and 2022.

**RESOLUTION FRAMED BY THE ADMINISTRATIVE COMMISSION  
AND RECOMMENDED FOR ADOPTION BY THE ASSEMBLY**

**Resolution 42/1:**

**Budgets for 2020, 2021 and 2022**

A. *The Assembly*, with respect to the Budget 2020-2021-2022, *notes* that:

1. in accordance with Article 61 of the Convention, the Council has submitted and the Assembly has considered annual budget estimates [indicative estimates for the Administrative and Operational Services Costs of the Technical Co-operation Programme (AOSC)] for each of the financial years 2020, 2021 and 2022;

2. in accordance with Articles 49 (e) and 61 of the Convention, the Assembly approves the budgets of the Organization.

B. *The Assembly*, with respect to the Technical Cooperation Programme:

*Recognizing* that the AOSC are mainly financed by fees from implementation of projects assigned to ICAO for execution by external funding sources such as Governments, the United Nations Development Programme and other sources;

*Recognizing* that the Technical Cooperation Programme cannot be determined with a high degree of precision until such time as the Governments of donor and recipient countries have decided on the relevant projects;

*Recognizing* that due to the situation cited above, the annual AOSC net budget figures shown below in Canadian dollars (CAD) for the years 2020, 2021 and 2022 represent indicative budget estimates only:

	2020	2021	2022
Estimated Expenditures	10 520 000	10 680 000	10 830 000

*Recognizing* that technical co-operation is an important means of fostering the development and safety of civil aviation;

*Recognizing* the circumstances facing the Technical Co-operation Programme of the Organization and the necessity to take continuing measures; and

*Recognizing* that in the event that the AOSC operation for any given financial year ends in a financial deficit, such deficit should first be met from the accumulated surplus of the AOSC Fund and a call for support from the Regular Programme Budget would be the last resort.

*Resolves* that the Indicative Budget Estimates of the Administrative and Operational Services Costs of the Technical Co-operation Programme are hereby approved on the understanding that subsequent adjustments to the Indicative Budget Estimates shall be made within the framework of the annual AOSC Budget Estimates in accordance with the provisions of Article IX of the Financial Regulations.

**C. The Assembly, with respect to the Regular Programme:**

*Resolves* that:

1. separately for the financial years 2020, 2021 and 2022, the following amounts in Canadian dollars, requiring an outlay of funds, are hereby authorized for expenditure for the Regular Programme in accordance with the Financial Regulations, and subject to the provisions of this Resolution:

	2020	2021	2022	Total
<b>Strategic Objective (Programmes)</b>				
SAFETY	31,590,000	32,459,000	33,218,000	97,267,000
AIR NAVIGATION CAPACITY AND EFFICIENCY	19,747,000	20,569,000	21,396,000	61,712,000
SECURITY AND FACILITATION	13,844,000	14,530,000	15,433,000	43,807,000
ECONOMIC DEVELOPMENT OF AIR TRANSPORT	5,111,000	5,104,000	5,096,000	15,311,000
ENVIRONMENTAL PROTECTION	5,165,000	5,539,000	6,539,000	17,243,000
<b>Programme Support</b>	12,898,000	13,303,000	14,919,000	41,120,000
<b>Management &amp; Administration</b>	14,957,000	15,442,000	15,856,000	46,255,000
<b>TOTAL PROPOSED APPROPRIATION</b>	<b>103,312,000</b>	<b>106,946,000</b>	<b>112,457,000</b>	<b>322,715,000</b>
Operational	102,324,000	106,336,000	111,754,000	320,414,000
Capital	988,000	610,000	703,000	2,301,000

2 the separate annual Total Authorized Appropriation be financed as follows in Canadian dollars, in accordance with the Financial Regulations:

	2020	2021	2022	Total
a) Assessments on States	91,970,000	95,577,000	101,058,000	288,605,000
b) Reimbursement from AOSC Fund	1,202,000	1,202,000	1,202,000	3,606,000
c) Transfer from ARGF Surplus	9,649,000	9,648,000	9,649,000	28,946,000
d) Miscellaneous Income	491,000	519,000	548,000	1,558,000
<b>TOTAL:</b>	<b>103,312,000</b>	<b>106,946,000</b>	<b>112,457,000</b>	<b>322,715,000</b>

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