

BUDGET
OF THE ORGANIZATION
2008 – 2009 – 2010

APPROVED BY THE
THIRTY-SIXTH SESSION OF THE ASSEMBLY

MONTRÉAL, SEPTEMBER 2007



Published by authority of the Secretary General

INTERNATIONAL CIVIL AVIATION ORGANIZATION

BUDGET OF THE ORGANIZATION FOR 2008, 2009 AND 2010

TABLE OF CONTENTS

	Page
MESSAGE ON THE BUDGET OF THE ORGANIZATION FOR 2008-2009-2010	1
RESOLUTION A36-29 RELATING TO BUDGETS 2008, 2009 AND 2010	5
ABBREVIATIONS	7
FRAMEWORK OF THE 2008-2009-2010 BUDGET	9
FUNDING OF THE 2008-2009-2010 BUDGET	13
ORGANIZATIONAL REALIGNMENT	14
 PROGRAMME: STRATEGIC OBJECTIVES	
Strategic Objective A: SAFETY – <i>Enhance global civil aviation safety</i>	
1 Enhanced resolution of safety issues by ICAO through implementation of a safety management process in ICAO	17
2 Enhanced safety of international civil aviation through implementation of Safety Management System (SMS) in each Contracting State and the industry.	18
3 Enhanced oversight capabilities of States through the conduct of comprehensive safety oversight audits.	19
4 Enhanced resolution of safety deficiencies through coordinated assistance to States and sharing of safety information.	22
 Strategic Objective B: SECURITY – <i>Enhance global civil aviation security</i>	
1 Enhanced implementation of ICAO security Standards through effective security management and assistance.	23
2 Enhanced compliance with facilitation Standards concerning border-crossing, including those relating to Machine Readable Travel Documents	25
3 Enhanced oversight capabilities of States and improved airport security through the conduct of aviation security audits.	26
 Strategic Objective C: ENVIRONMENTAL PROTECTION – <i>Minimize the adverse effect of global civil aviation on the environment</i>	
1 The environmental effects of aviation are properly identified, reasonably quantified and appropriate measures to address these effects are developed.	28
2 ICAO is recognized as the leader organization to address environmental issues related to international aviation.	30

Strategic Objective D: EFFICIENCY – *Enhance the efficiency of aviation operations*

1	Operational services in support of a performance-based air navigation system.	32
2	Technology and infrastructure in support of a performance-based air navigation system.	34
3	Implementation framework in support of the transition to the operational concept.	36
4	Liberalization of air transport regulation and efficiency of infrastructure management.	37

Strategic Objective E: CONTINUITY – *Maintain the continuity of aviation operations*

1	Prevention and minimization of disruptions to aviation operations.....	39
---	--	----

Strategic Objective F: RULE OF LAW – *Strengthen law governing international civil aviation*

1	Preparation and promotion of ratification of international air law instruments, depository and dispute-settlement functions related thereto, registration of aeronautical agreements and preparation of model legislation.	40
---	---	----

PROGRAMME SUPPORT

Assembly and Council Secretariat; Language and Publications	45
External Relations	47

MANAGEMENT AND ADMINISTRATION

Executive Management (Office of the Secretary General)	51
Budget and Financial Management	52
Human Resources Development	54
Information Technology	56
Infrastructure	58
Oversight and Evaluation	60
Legal Services	61

EXTRA-BUDGETARY

The Ancillary Revenue Generation Fund	65
Technical Co-operation Programme	68
Joint Financing Activities	70

ANNEXES

ANNEX 1:	THE RESULTS BASED BUDGET MODEL	71
ANNEX 2:	MAPPING OF BUDGET RESULTS TO THE STRATEGIC OBJECTIVES AND SUPPORTING IMPLEMENTATION STRATEGIES OF ICAO (approved as per C-DEC 173/13)	75
ANNEX 3:	REGULAR PROGRAMME BUDGET BY MAJOR PROGRAMME AND OBJECT OF EXPENDITURE	81
ANNEX 4:	INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS	91
ANNEX 5:	ITEMIZED LIST OF CAPITAL ASSETS	93
ANNEX 6:	ORGANIZATIONAL CHART	95
ANNEX 7:	REPORT OF THE ADMINISTRATIVE COMMISSION ON THE BUDGET FOR 2008, 2009 AND 2010	97

TABLES

TABLE 1:	BUDGET 2008-2010, SUMMARY BY RESULTS	11
TABLE 2:	BUDGET 2008-2010, SOURCES OF FUNDS	13
TABLE 3:	BUDGET POSTS BY CATEGORY AND LOCATION	14
TABLE 4:	SUMMARY OF 2008-2010 BUDGET BY MAJOR PROGRAMME AND OBJECT OF EXPENDITURE	84
TABLE 5:	BUDGET POSTS BY CATEGORY AND MAJOR PROGRAMME	86
TABLE 6:	SUMMARY OF BUDGET 2008-2009-2010 BY LOCATION	88

FIGURES AND CHARTS

CHART 1:	REPRESENTATION OF ICAO'S RESULTS BASED BUDGET MODEL	73
CHART 2:	BUDGET 2005 -2007 APPROVED, PERCENT BY MAJOR PROGRAMME	85
CHART 3:	BUDGET 2008 -2010 APPROVED, PERCENT BY MAJOR PROGRAMME	85

(this page intentionally left blank)

MESSAGE¹ ON THE BUDGET OF THE ORGANIZATION FOR 2008-2009-2010

1. INTRODUCTION

1.1 In accordance with Article 61 of the *Convention on International Civil Aviation*, the 36th Session of the Assembly approved ICAO's Budget for the financial years 2008-2009-2010.

1.2 ICAO, as a specialized agency within the United Nations system, has set for itself a wide range of aims and objectives that cover almost every aspect of civil aviation. These are defined in Article 44 of the Convention and further elaborated by Assembly Resolutions. The ever changing technological, economic and political environment in which global civil aviation operates gives rise to new opportunities and challenges, which the Organization has to continually meet in order to satisfy the aspirations of Contracting States and to remain relevant. In December 2004, following a decision by the 35th Session of the Assembly, the Council of ICAO approved six Strategic Objectives for 2005-2010: 1) Safety; 2) Security; 3) Environmental Protection; 4) Efficiency; 5) Continuity; and 6) Rule of Law. These provided the framework for the development of the Business Plan of the Organization and the associated financial requirements for the Organization to implement its operational plans. The Business Plan for the coming three years will be adjusted to the funding envelope approved for the 2008-2010 triennium.

1.3 For the first time, a Budget for ICAO was prepared in a result-based budget (RBB) approach in compliance with a decision of the Council (C-DEC 178/14). The new RBB format is smaller in size and more strategic than previous budget documents. It focuses on high-level deliverables by which the Council and the Assembly can monitor the objectives and outcomes of all ICAO activities. The advantages of RBB include i) a more transparent representation of the elements of the budget since resource requirements are tied to expected results; ii) a better understanding of the Organization's strategy through the budget; and iii) enabling a more strategic dialogue between the Organization and its Governing Body because the focus is on achieving results through the allocated resources rather than focusing on budgetary inputs. This Budget introduces the distinction between "Programme", "Programme Support" and "Management and Administration" expenditures, while retaining the Bureau/Organizational structure. The Budget covers the resources of the whole Organization, thus including the assessed amounts for the Regular Budget, together with the indicative planning figures for the Technical Cooperation Programme, and other extra-budgetary funds.

1.4 The Council commenced its consideration of the budget issues during its 177th Session in February 2006. Several issues were initially taken up: the new Results Based Budget format; the impact of the implementation of the International Public Sector Accounting Standards (IPSAS); the establishment of a Ancillary Revenue Generation Fund (ARGF); the integration of the Aviation Security Plan of Action (AVSEC) into the Regular Budget; and mitigation of foreign exchange risk.

1.5 Overall, the framework for this Budget is the set of recommendations reflected in paragraph 3 of this message. These recommendations reflect the Council's strategy for the 2008-2010 Budget, in particular the need to a) contain the increase in appropriations *vis-à-vis* the 2005-2007 Budget; b) increase the share of resources in support of Strategic Objectives; and c) reduce the impact of adverse currency fluctuations on the Budget.

¹ This message is based on the Council's Message on the Budget 2008, 2009 and 2010 and reflects the decisions of the 36th Session of the Assembly.

2. BUDGET PROPOSALS

2.1 On 15 February 2007, the Secretary General submitted for Council's consideration, the Draft Budget of the Organization for 2008, 2009, and 2010 totalling USD236.0 million², prepared in RBB format.

2.2 The draft Budget proposal was referred to the Finance Committee (FIC) for consideration during the 180th Session of the Council. It considered the proposal a number of times both in formal and informal settings. Based on its review, the FIC requested the Secretariat to submit two Budget scenarios capped at USD197.0 million and USD213.5 million, equivalent to a Zero Nominal Growth (ZNG) in United States dollars and split United States dollar and Canadian dollar assessment, respectively.

2.3 As a result, during the 181st Session, the Secretariat was requested to submit a new budget proposal based on a number of recommendations reflecting *inter alia* a) a funding envelope capped at USD213.5 million; b) a reallocation of resources to increase the share of resources budgeted for Strategic Objectives up to 60 per cent by 2010; and c) integration– within the funding envelope available – of as much as possible of the Aviation Security Plan of Action (AVSEC) budget with 50 per cent being the minimum integration target.

2.4 On 22 May 2007, the Secretariat submitted a new Draft Budget proposal which focused on meeting as many as possible of the recommendations mentioned in paragraph 2.3. Accordingly, it totals USD213.5 million of which the share in support of Business Plan activities for the Programme's strategic results is 59.6 per cent by 2010.

2.5 Upon discussing the second proposal, a broad agreement on a comprehensive package of recommendations was reached and brought before the Council for endorsement.

2.6 Strategic investments incorporated in this Budget translate in volume increases of USD30.0 million. These increases are more than offset by a) the establishment of an Ancillary Revenue Generation Fund (ARGF), b) a net reduction of 111 posts (52 of which are moved to ARGF) and c) the introduction of a vacancy rate of 2.2 per cent for all posts.

3. COUNCIL DISCUSSIONS AND DECISIONS

3.1 The Council focused on the criteria underpinning the new Draft Budget proposal. These include the establishment of a funding cap - due to the objective constraints faced by a number of Contracting States in supporting any proposal in excess of a ZNG budget; the reallocation of resources to increase the share of funds for Strategic Objectives; accordingly, a reduction of the budget for Supporting Implementation Strategies to be achieved through reductions across the board but particularly in the Language and Publications Branch (LPB), Information and Communications Technology Section (ICT) and Human Resources Branch (HRB) of the Bureau of Administration and Services; and the need to ensure that appropriate strategies be adopted (and related measures identified) to improve the current level of efficiency of the Secretariat.

3.2 Council discussions also focused extensively on the issue of identifying measures to protect the budget from exchange rate fluctuations and examined in depth the option of migrating to a budget in Canadian dollars. Thus far, the budget of the Organization has always been established in United States dollars, while nearly 75 per cent of the actual expenditures are directly or indirectly impacted by the Canadian dollar and currencies other than the United States dollar used in Regional Offices. Since the 2005-2007 triennium, the general depreciation of the U.S. dollar has resulted in a substantial increase in costs when valued in U.S. dollars.

² Equivalent to CAD 271.4 million at an exchange rate of 1.15.

3.3 On the issue of translation, several Council Members expressed concern on the aggressive increase in the outsourcing of services recommended in the area of languages, particularly with respect to the risk to quality, timeliness and confidentiality. The Secretariat highlighted in the Budget documents submitted to the Council that – given the level of cuts in LPB resources – efforts will be required to ensure the present level of quality and timeliness of services to the governing bodies.

3.4 Some delegations recalled that the linguistic regime of the Organization should be based on United Nations standards and expressed the view that languages are part of the Strategic Objectives of the Organization, inherent to Safety, Security, Environment and Efficiency.

3.5 Ultimately, the Council concluded its discussions by reaching consensus that the following recommendations should be endorsed as a comprehensive package:

- a) Funding envelope of USD213.5 million;
- b) Inflationary adjustments to be absorbed within the funding envelope;
- c) To mitigate the risk of possible future erosion of budget appropriations due to adverse exchange rate fluctuation, establishment of a Canadian Dollar (CAD) budget based on the funding envelope specified in a) above, converted at the exchange rate of 1.15 equivalent to a budget in CAD of 245.5 million. A few Council Members stated in this respect that - while they supported the consensus recommendations in principle - additional information would still be required to ensure the support of their governments;
- d) Reallocation of resources between Strategic Objectives and Supporting Implementation Strategies within the agreed funding envelope to increase the share of resources budgeted for Strategic Objectives up to 60 per cent by 2010. Cuts and efficiency gains greater in “Programme Support” and “Management and Administration”, particularly in Information Technology (IT), Human Resources (HR) and Languages. Resources to be reallocated in favour of Strategic Objectives “Safety”, “Security”, “Environment”, “Efficiency” and the Regional Offices;
- e) On the matter of outsourcing/off shoring, the following proposals were agreed to by the Council:
 - Languages: Secretary General to set goals for outsourcing of translation up to 60 per cent in the triennium without compromising quality and timeliness;
 - Information Technology: Consolidation and rationalization of IT activities and increased outsourcing of activities;
- f) Within the funding envelope available, integration in the 2008-2010 budget of as much as possible of AVSEC, with 50 per cent being the minimum integration target. Council members are cognizant that the actual 48.1 per cent in the Budget was as close as possible due to the funding cap;
- g) Support to Regional Offices, Strategic Objectives, and, without delay, the Comprehensive Regional Implementation Plan for Aviation Safety in Africa (AFI Plan) to be provided through additional funding mechanisms including i) earmarking part of the 2007 carry forward; and ii) using the balance of the Incentive Scheme for Long-Term Arrears account. These resources would be reserved in a dedicated fund totalling approximately USD6.0 million;

- h) Further efficiencies in travel to be sought through the implementation of revised travel policies;
- i) Establishment of a Working Group for the purpose of reviewing Regional Offices, their present location, terms of reference, effectiveness and efficiency;
- j) Post reduction to be managed as follows:
 - i) posts that are becoming vacant due to natural attrition;
 - ii) required competencies to be kept on board, in particular, positions linked to Strategic Objectives should be capably staffed and not left vacant;
 - iii) process to be monitored to ensure that it is handled equitably and fairly in accordance with the ICAO Service Code; and
 - iv) training to minimize job loss by enhancing redeployment opportunities;
- k) Ancillary Revenue Generation Fund (ARGF) net revenues should be maximized, whenever possible, through the following strategies:
 - i) Improve revenue sharing on ICAO intellectual property through licensing and collection of royalties;
 - ii) ICAO Journal to be self-sustainable or replaced by a less costly website publication; and
 - iii) Secretariat to explore which “core” activities could be included in ARGF thereby increasing revenue without adversely affecting the Organization’s focus on meeting its strategic goals.
- l) Council to consider options for more efficient proceedings, as these would reduce funding requirements of the Secretariat.

4. **CONCLUSION**

4.1 The Organization is clearly aware that the funding contained in this Budget reflects a fundamental change in how ICAO conducts its affairs. However, by increasing the funding available to support the Strategic Objectives and the Regional Offices, ICAO will be better placed to deal with existing and emerging needs in the areas of Aviation Safety, Security and the Environment. Contracting States will recognize that ICAO’s success, in meeting its strategic results, will depend on their support for the Regular Budget. To ensure the fiscal strength of the Organization, Contracting States should pay their assessed contributions as early in the ICAO financial year, which starts on 1 January each year, as possible.

Resolution A36 - 29

Budgets for 2008, 2009 and 2010

A. *The Assembly*, with respect to the Budget 2008-2009-2010, *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 2008, 2009 and 2010;

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 Co-operation 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 Co-operation 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 for the years 2008, 2009 and 2010 represent indicative budget estimates only:

2008	2009	2010
9,723,000	9,827,000	10,328,000

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, provided that the overall requirements shall not at any time exceed the funds placed at the disposal of the Organization for this purpose.

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

Resolves that:

1. for the financial years 2008, 2009 and 2010, there are hereby authorized for expenditure in accordance with the Financial Regulations, and subject to the provisions of this Resolution, the following amounts in Canadian dollars for the Regular Programme, **separately** for the years stated:

	2008	2009	2010
Programme			
A - SAFETY	14,415,000	15,014,000	16,185,000
B - SECURITY	5,019,000	6,532,000	8,778,000
C - ENVIRONMENT	1,674,000	1,672,000	1,755,000
D - EFFICIENCY	20,640,000	21,436,000	21,304,000
E - CONTINUITY	1,951,000	2,114,000	2,046,000
F - LAW	607,000	658,000	790,000
Management & Administration	18,670,000	18,582,000	19,638,000
Programme Support	14,086,000	14,001,000	14,871,000
Organizational realignment	2,889,000	76,000	140,000
TOTAL AUTHORIZED APPROPRIATION	79,951,000	80,085,000	85,507,000
Operational	79,386,000	79,692,000	85,371,000
Capital	565,000	393,000	136,000

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

	2008	2009	2010
a) by Assessments on Contracting States in accordance with Resolution on the Scale of Assessments	74,184,000	74,060,000	79,204,000
b) by Miscellaneous Income	1,916,000	1,917,000	1,917,000
c) Ancillary Revenue Generation Fund Surplus	3,851,000	4,108,000	4,386,000
TOTAL	79,951,000	80,085,000	85,507,000

3. the Council shall review the method of assessing Contracting States, consistent with Financial Regulation 6.6, in order to determine whether the Secretary General should routinely seek contributions in more than one currency beginning in 2008, given the need to manage exchange rate risk effectively and also avoid imposing inordinate administrative burdens on either Contracting States or the Secretariat.

ABBREVIATIONS

ACAC	Arab Civil Aviation Commission
ACR	Audit Coordination and Reporting Section
ADB	Administration and Services Bureau
AFCAC	African Civil Aviation Commission
AFDD	Audit Findings and Differences Database
ANB	Air Navigation Bureau
ANC	Air Navigation Commission
ANIP	Air Navigation Integrated Programme
ANP	Air Navigation Plans
ANSP	Air Navigation Service Provider
AOSC	Administrative and Operational Services Costs
AP/AR/GL	Accounts Payable/Accounts Receivable/General Ledger
APAC	Asia and Pacific
ARGF	Ancillary Revenue Generation Fund
ARRB	Audit Results Review Board
ASA	Aviation Security Audit Section
ATB	Air Transport Bureau
ATC	Air Transport Committee
ATM	Air Traffic Management
AVSEC	Aviation Security
CAD	Canadian dollars
CAEP	Committee on Aviation Environmental Protection
CNS	Communications, Navigation, and Surveillance
COPMOP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
CSD	Commission on Sustainable Development
DEN/ICE	Denmark and Iceland
DG	Dangerous Goods
DGCA	Directors General of Civil Aviation
EAO	Programmes Evaluation, Audit and Management Review
ECAC	European Civil Aviation Conference
EGR	Equitable Geographical Representation
EPO	External Relations and Public Information
ERMS	Electronic Records Management System
ERP	Enterprise Resource Planning
ESAF	Eastern and Southern African
EUR/NAT	European and North Atlantic
FAL	Facilitation
FIC	Finance Committee
FIN	Finance
FSIX	Flight Safety Information Exchange
GASP	Global Aviation Safety Plan
GS	General Service Category
HQ	Headquarters
HRB	Human Resources Branch
IBD	ICAO Business Plan Database
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
ICT	Information and Communication Technology
IPCC	Intergovernmental Panel on Climate Change
IPSAS	International Public Sector Accounting Standards
ISO	International Organization for Standardization

IT	Information Technology
JSC	Joint Support Committee
KPA	Key Performance Areas
KPI	Key Performance Indicator
LACAC	Latin American Civil Commission
LEB	Legal Bureau
M&A	Management and Administration
MET	Aeronautical Meteorology
MID	Middle East
MP	Major Programme
MRP	Machine Readable Passport
MRTD	Machine Readable Travel Document
NACC	North American, Central American and Caribbean
OAG	Official Airline Guide
OPMET	Operational Meteorological
P	Professional Category
PACE	Performance and Competency Enhancement
PANS	Procedures for Air Navigation Services
PCO	Planning and Global Coordination Office
PIRG	Planning and Implementation Regional Group
PS	Programme Support
RAO	Regional Affairs Office
RBB	Results-based Budgeting
RBM	Results-based Management
SADIS	Satellite Distribution System
SAM	South American
SARPs	Standard and Recommended Practices
SBSTA	Subsidiary Body for Scientific and Technological Advice
SIS	Supporting Implementation Strategies
SMS	Safety Management Systems
SOA	Safety Oversight Audit
SSA	Safety and Security Audits Branch
STP	Standardized Training Packages
TCB	Technical Co-operation Bureau
TCC	Technical Co-operation Committee
TI	Technical Instructions
UIC	Committee on Unlawful Interference
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
USAP	Universal Security Audit Programme
USD	United States dollars
USOAP	Universal Safety Oversight Audit Programme
USP	Unified Strategy Programme
WACAF	Western and Central African
WAFS	World Area Forecast System
WTO	World Trade Organization
ZNG	Zero Nominal Growth
ZRG	Zero Real Growth

FRAMEWORK OF THE 2008-2009-2010 BUDGET

1. In accordance with Article 61 of the Convention on International Civil Aviation, the 36th Session of the Assembly approved the Budget of the International Civil Aviation Organization (ICAO) for the 2008-2010 triennium.
2. This Budget was developed keeping in mind the set of recommendations endorsed by the Council reflecting the strategy for the 2008-2010 Budget, in particular the need to
 - Contain the increase in appropriations *vis-à-vis* the 2005-2007 Budget;
 - Increase the share of Budget resources in support of Strategic Objectives;
 - Mitigate the risk of currency fluctuations adversely affecting the Budget.
3. The Budget totals Canadian dollars 245.5 million which reflects the funding envelope of USD213.5 million of the Budget converted at the exchange rate of CAD1.15 to USD1.00.
4. The deliberation to shift to a Canadian dollar Budget is the outcome of the Council's focus on identifying measures to defend from exchange rate fluctuations a budget established in United States dollars, but directly or indirectly impacted by the Canadian dollar and currencies other than the United States dollar. The estimated expenditures in the 2005 - 2007 Regular Budget are 31 per cent Canadian dollar, 47 per cent US dollar and the balance of 22 per cent other currencies. This makes the ICAO Budget, when denominated in US dollars, vulnerable to fluctuations between the Canadian and US dollars.
5. After consultations with the International Civil Service Commission (ICSC), which is the United Nations body which oversees the UN system of common salaries and entitlements, it was determined that International Professional staff at Headquarters in Montreal could be paid in Canadian dollars with no impact on their take-home pay. Further, it was determined that the new Enterprise Resource Planning (ERP) would be able to accommodate a change to Canadian dollar accounting and payroll. If staff members at Headquarters are paid in Canadian dollars and ICAO also changes the currency of the Regular Budget and Financial Statements to the same currency, the impact of the Canadian - US exchange rate will be reduced as much as is possible.
6. With respect to its content, the Budget includes the following strategic investments:
 - An increased focus on Safety and Security achieved through the integration under Regular Budget of a substantial proportion of the Aviation Security Plan of Action (AVSEC) (CAD9.9 million);
 - Continued effort towards upgrading Information Technology (IT) and furthering automation (CAD3.3 million), for which, inter alia, the establishment of four systems specialist posts in support of the seamless functioning of the ERP is planned;
 - Improved training initiatives and policy development in the area of Human Resources (HR), with a particular focus on increased staff accountability to be achieved, inter alia, through further investments in the Performance and Competency Enhancement (PACE) System (CAD2.7 million);

- The provision of resources (CAD11.1 million) in support of outsourcing of activities previously in-sourced, particularly in the area of Languages, Information Technology and services to be provided by the Ancillary Revenue Generation Fund (ARGF) (see paragraph 8 below);
- The provision from the Budget of part of the total resources required for terminations of Regular Budget posts envisaged in the framework of this Budget (CAD3.1 million).

7. It should also be noted that particularly in light of funding restrictions, the Budget for 2008-2010, when compared to the one approved for 2005-2007, goes in the direction of complying with the recommendations of the United Nations and the directives of the ICAO Assembly and Council as regards the furthering of gender at ICAO. Resources budgeted are targeted *inter alia* to support UN system-wide gender initiatives such as the *WomenWatch* website, outreach activities to women's groups and associations and participation in *fora* pertaining to gender equity and equality.

8. To meet the funding cap recommended by the Council, in this Budget volume increases are more than offset by volume reductions which include:

- The establishment of the ARGF to consolidate activities for which the expectation is that they will generate sufficient resources to cover their operating costs (CAD17.2 million);
- An organizational realignment consisting – besides the integration of AVSEC (+28 posts) and the establishment of ARGF (-52 posts) - in a further net reduction of 86 regular posts (CAD27.3 million);
- The establishment of a vacancy rate of 4.2 per cent for all posts - which in effect reduces the scope for hiring temporary assistance and consultants in lieu of posts when these are not filled (CAD7.5 million);
- Increased efficiency in travel which ICAO plans to achieve through amendments to existing policies.

9. ICAO managers have advised that the funding cap on the funding envelope and the associated post reductions would not allow implementing in full the ICAO Business Plan which includes the activities required to meet the Strategic Objectives approved by the Council for 2005-2010. Although this is ICAO's first Results Based Budget, it should also be noted that - with the establishment of a funding cap - the process followed does not entirely comply with a results based budgeting framework whose basic principle is the full funding of an approved Strategic Framework. While there is obviously pressure for ICAO to deliver more with less, there is a threshold for efficiency increases beyond which effectiveness is compromised. As a result, ICAO's Business Plan for 2008-2010 will be adjusted to the funding envelope.

10. Table 1 shows the breakdown of resources between results – before taking into account one-time Organizational Realignment costs to the Budget. Of total resources in support of Business Plan activities of CAD242.4 million, 58.8 per cent is for the strategic results of the "Programme", while "Programme Support" and "Management and Administration" represent 17.8 per cent and 23.4 per cent, respectively.

TABLE 1: BUDGET 2008-2010 SUMMARY BY RESULTS (thousands of CAD)

		2008	2009	2010	TOTAL	% of Total
STRATEGIC OBJECTIVES						
Programme	Strategic Objective A - SAFETY					
	1 Enhanced resolution of safety issues by ICAO through implementation of a safety management process in ICAO.	3,487	3,479	3,779	10,745	4.4
	2 Enhanced safety of international civil aviation through implementation of Safety Management System (SMS) in each Contracting State and the industry.	3,282	3,525	3,444	10,251	4.2
	3 Enhanced oversight capabilities of States through the conduct of comprehensive safety oversight audits.	3,360	3,488	4,451	11,299	4.7
	4 Enhanced resolution of safety deficiencies through coordinated assistance to States and sharing of safety information.	4,286	4,522	4,511	13,319	5.5
	<i>Sub-total</i>	<i>14,415</i>	<i>15,014</i>	<i>16,185</i>	<i>45,614</i>	<i>18.8</i>
	Strategic Objective B - SECURITY					
	1 Enhanced implementation of ICAO security Standards through effective security management and assistance.	1,502	1,616	2,354	5,472	2.3
	2 Enhanced compliance with facilitation Standards concerning border-crossing, including those relating to Machine Readable Travel Documents.	1,216	1,329	1,666	4,211	1.7
	3 Enhanced oversight capabilities of States and improved airport security through the conduct of aviation security audits.	2,301	3,587	4,758	10,646	4.4
	<i>Sub-total</i>	<i>5,019</i>	<i>6,532</i>	<i>8,778</i>	<i>20,329</i>	<i>8.4</i>
	Strategic Objective C - ENVIRONMENTAL PROTECTION					
	1 The environmental effects of aviation are properly identified, reasonably quantified and appropriate measures to address these effects are developed.	1,089	1,088	1,139	3,316	1.4
	2 ICAO is recognized as the leader organization to address environmental issues related to international aviation.	585	584	616	1,785	0.7
	<i>Sub-total</i>	<i>1,674</i>	<i>1,672</i>	<i>1,755</i>	<i>5,101</i>	<i>2.1</i>
	Strategic Objective D - EFFICIENCY					
	1 Operational services in support of a performance-based air navigation system.	3,158	3,150	3,292	9,600	4.0
	2 Technology and infrastructure in support of a performance-based air navigation system.	2,079	2,069	2,217	6,365	2.6
	3 Implementation framework in support of the transition to the operational concept.	13,352	14,298	13,950	41,600	17.2
	4 Liberalization of air transport regulation and efficiency of infrastructure management.	2,051	1,919	1,845	5,815	2.4
	<i>Sub-total</i>	<i>20,640</i>	<i>21,436</i>	<i>21,304</i>	<i>63,380</i>	<i>26.2</i>
Strategic Objective E - CONTINUITY						
1 Prevention and minimization of disruptions to aviation operations.	1,951	2,114	2,046	6,111	2.5	
Strategic Objective F - RULE OF LAW						
1 Preparation and promotion of ratification of international air law instruments, depository and dispute-settlement functions related thereto, registration of aeronautical agreements and preparation of model legislation.	607	658	790	2,055	0.8	
SUB-TOTAL: STRATEGIC OBJECTIVES	44,306	47,426	50,858	142,590	58.8	
SUPPORTING IMPLEMENTATION STRATEGIES						
Management & Administration	Human Resources Development	4,204	4,025	4,427	12,656	5.2
	Budget and Financial Management	2,916	2,793	2,892	8,601	3.5
	Information Technology	5,758	5,840	6,064	17,662	7.3
	Infrastructure	4,421	4,516	4,722	13,659	5.6
	Oversight and Evaluation	855	864	923	2,642	1.1
	Legal Services	222	241	297	760	0.3
	Executive Management	294	303	313	910	0.4
	SUB-TOTAL: SIS - Management & Administration	18,670	18,582	19,638	56,890	23.4
Programme Support	Assembly-Council Secretariat and Language-Publications	13,257	13,171	13,979	40,407	16.7
	External Relations	829	830	892	2,551	1.1
	SUB-TOTAL: SIS - Programme Support	14,086	14,001	14,871	42,958	17.8
TOTAL	77,062	80,009	85,367	242,438	100.0	
Strategic Objectives		57.5%	59.3%	59.6%	58.8%	
Supporting Implementation Strategies		42.5%	40.7%	40.4%	41.2%	
Operational		76,497	79,616	85,231	241,344	
Capital		565	393	136	1,094	
Operational Organizational Re-alignment		2,889	76	140	3,105	
TOTAL RESULTS BASED BUDGET		79,951	80,085	85,507	245,543	

11. Within Programme, “Safety”, “Security”, “Environmental Protection” and “Efficiency” account for a total combined resources of CAD134.4 million or 55.5 per cent of total budget available for Business Plan activities.

12. Under Management and Administration, “Information technology” accounts for CAD17.7 million or 7.3 per cent, reflecting the fact that systems upgrades and automation at ICAO remain a priority.

13. Under Programme Support, “Assembly-Council Secretariat and Language-Publications” accounts for CAD40.4 million or 16.7 per cent of the total budget.

14. As mentioned above, this is ICAO’s first RBB budget (for more details on this topic, see Annex 1). Results templates have been included in the mid section of this document for “Programme”, “Programme Support” and “Management and Administration” and include the following information:

- A brief overview of issues and challenges related to the achievement of a given result;
- A description of the strategic approaches that managers have chosen - amongst the spectrum of available ones - to achieve a given result;
- Expected outputs i.e. concrete deliverables that stem directly from the planned strategies;
- Key Performance Indicators required to track progress towards the delivery of the expected outputs;
- Resources required for the triennium in support of the result. These resources - in Canadian Dollar - are broken down between “Regular Budget” and “Other Sources”. In turn, regular resources are broken down between “operational” and “capital” (see Annex 4 on implications of IPSAS and Annex 5 on details on the items capitalized in this budget).

15. A results based budget is only the first step of an Organization’s transitioning to a results focused framework. RBB literature throughout the UN System and beyond concurs that this transition requires setting into place several RBB “building blocks” beyond the budget document itself. These blocks include:

- A planning-budgeting cycle with the former preceding the latter and actual budget information providing data in support of the design of subsequent planning-budgeting cycles;
- A performance assessment system required for the establishment of a full accountability framework;
- Adequate IT Systems;
- Measurable and time bound indicators. In this respect, it should be noted that a number of the measures included in this Budget will be improved over time both with respect to baseline data and target values. This will require, in turn, an Organizational investment in developing the required statistics.

16. It should be noted that this being the first ICAO budget in Canadian dollars and the first budget prepared in a results framework, comparative data for 2005-2007 are not displayed in the tables as the budget for the 2005-2007 triennium was an input budget in United States dollars.

FUNDING OF THE 2008-2009-2010 BUDGET

17. The Budget is financed by Assessments on Contracting States, Miscellaneous Income and ARGF surplus. The Miscellaneous Income for 2008-2010 is estimated at CAD5.8 million, mostly from interest income, while the surplus forecast for ARGF is CAD\$12.3 million. Thus, the total resource requirements from Contracting States for the 2008-2010 triennium totals CAD\$227.4 million (Table 2).

TABLE 2: BUDGET 2008-2010 SOURCES OF FUNDS			
(in thousands of Canadian dollars)			
Source of Funds			
	2008-2009-2010	% 2005-2007	% 2008-2010
Regular Programme	242 438	100.0%	98.7%
Organizational Realignment	3 105	0.0%	1.3%
Total	245 543	100.0%	100.0%
Summary of Resources for Regular Programme			
	2008-2009-2010	% 2005-2007	% 2008-2010
Assessments of States	227 448	91.2%	92.6%
Miscellaneous Income	5 750	8.3%	2.4%
Ancillary Revenue Generation Fund Surplus	12 345	0.0%	5.0%
Incentive Scheme Account	-	0.5%	0.0%
Total	245 543	100.0%	100.0%

ORGANIZATIONAL REALIGNMENT

18. As mentioned in paragraph 8, this budget is one of marked reductions in the number of budgeted posts. The gross reduction is of 149 posts, while the net reduction (that is the reduction net of post increases) is 110³. Between the last year of the 2005-2007 Budget and the last year of the 2008-2010 new Budget the total reduction in posts is 17.9 per cent from 613 to 503.

19. The net reduction of 110 Regular Budget posts between 2005-2007 and 2008-2010 by category is as follows: 22 Professionals (P) and 88 General Service (GS) (Table 3).

20. At Headquarters, the drop in posts is 111 while in Regional Offices the number of posts would increase by 1. The ratio of GS to P staff would improve from 1.3 in 2005-2007 to 1.0 for 2008-2010.

Posts by location	Approved Budget 2005-2007				Changes			Approved Budget 2008-2010				
	Year 2007				Increase/Decrease (net)			Year 2010				
	P	GS	P+GS	% of Total	P	GS	P+GS	P	GS	P+GS	% of Total	
Headquarters												
AVSEC					14	11	25					
Other					(31)	(53)	(84)					
ARGF					(5)	(47)	(52)					
Total HQ	202	268	470	77%	(22)	(89)	(111)	180	179	359	71%	
Regional Offices												
AVSEC					3	-	3					
Other					(3)	1	(2)					
Total Regional Offices	67	76	143	23%	-	1	1	67	77	144	29%	
TOTAL	269	344	613	100%	(22)	(88)	(110)	247	256	503	100%	
Ratio G/P				1.3							1.0	

21. The reduction in posts associated with the implementation of C-DEC 181/12 translates into material termination costs of CAD4.0 million. Resources budgeted for staff termination were reduced by maximizing opportunities for internal staff redeployment and by focusing cuts on those post for which incumbents will be retiring in 2007-2010. Table 1 highlights that in spite of this effort, CAD3.1 million will be required from the Budget for staff early termination packages.

22. In order not to adversely affect substantive activities any further, it is herewith envisaged that the total termination requirements will only partially be funded from the 2008-2010 Budget and the balance will be covered by earmarking part of the 2007 carry forward.

³ Following Council's approval of the USD213.5 million budget scenario (CAD245.5 million), the Secretary General reviewed the list of posts impacted by the reduced level of funding and decided to reinstate one General Service post to augment support to the priority area of Oversight and Evaluation, which could be absorbed within this funding envelope. Also, in External Relations the proposed deletion of a Professional post was reversed and a General Service cut reinstated.

PROGRAMME: STRATEGIC OBJECTIVES

(this page intentionally left blank)

Strategic Objective A: Safety – Enhance global civil aviation safety

Result A .1 Enhanced resolution of safety issues by ICAO through implementation of a safety management process in ICAO

ISSUES AND CHALLENGES

- There is a shift from a prescriptive and reactive approach to the management of safety towards a proactive, performance based one.
 - There is a lack of defined Acceptable Levels of Safety.
 - Due to limited resources, there is a need for an effective prioritization of ICAO Safety tasks, but the current prioritization system is not sufficiently data driven.
 - Performance criteria for each ICAO safety action are not clearly defined and there is no effective monitoring system to ensure that the action is achieving its set objectives.
 - Limited emphasis is given to the implementation of safety related standards.
 - Need to align of the work of the Panels and Study Group with the new work programme
- While ICAO plays a leading, facilitation and enabling role within the aviation community, the realization of advancements in International Civil Aviation ultimately lies with States, industry and other stakeholders. To that end the following indicators are designed to measure the collective progress towards the common outcomes that address the issues and challenges identified above:*
- Safety indicators, designed to monitor progress in addressing critical safety risks, show statistically significant improvement
 - Increased number of States that have set acceptable levels of safety relevant to the most important risks to safety as determined by ICAO

STRATEGIC APPROACHES

- Development of a safety analysis function providing easy access to safety information in ICAO;
- Development and maintenance of an improved Global Aviation Safety Plan (GASP);
- Manage hazards and risks;
- Maintain co-operation and transparency with the industry and other stakeholders.

EXPECTED OUTPUTS

- Safety data and information necessary to identify, assess and monitor risks to safety is accessible
- Best practices in the GASP are maintained up-to-date
- Responses to hazards and risks are made effectively

KEY PERFORMANCE INDICATORS

- Percentage of identified risks for which the mitigation plans have been prepared
- Amendments to GASP are proposed annually
- Reduced response time to implement specific action for an identified risk

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	3,487	0		3,487
	2009	3,479	0		3,479
	2010	3,779	0		3,779

Result A .2 Enhanced safety of international civil aviation through implementation of Safety Management System (SMS) in each Contracting State and the industry

ISSUES AND CHALLENGES

- Lack of knowledge of Safety management principles and lack of experience in implementing Safety Management Systems.
 - States need to develop their internal resources to become self-sufficient in implementing and maintaining activities related to Safety Management Systems (SMS), including but not limited to the certification and oversight of operators and service providers.
 - Need to develop SMS data collection, analysis and exchange capabilities within States.
 - States need to develop measures to protect safety data acquired through SMS activities from purposes other than for those for which it was collected.
 - SMS is necessary to support the current evolutionary transition from prescriptive safety regulations (regulations that prescribe what the safety requirements are and how they are to be met) to performance based safety regulations (regulations that specify the safety requirements to be met, but provide flexibility in terms of how safety requirements are met).
- While ICAO plays a leading, facilitation and enabling role within the aviation community, the realization of advancements in International Civil Aviation ultimately lies with States, industry and other stakeholders. To that end the following indicators are designed to measure the collective progress towards the common outcomes that address the issues and challenges identified above:*
- Increased percentage of International Civil Aviation Traffic that is covered by SMS
 - Decreased level of difference filed with ICAO on safety management programmes and systems SARPs
 - Increased level of attendance in ICAO SMS train the trainers course by resources involved with assisting the implementation of SMS

STRATEGIC APPROACHES

- Develop appropriate provisions, guidance material, a blueprint outlining a manageable series of steps and provide assistance to States and industry through global, regional and sub-regional efforts for a consistent, harmonized global approach to the concepts and implementation of Safety Management Systems.
- Develop guidance material and provide assistance to states in the implementation of performance-based safety regulations.
- Develop means for States to collect, analyze and exchange safety data collected through SMS, and network the SMS data with ICAO.

EXPECTED OUTPUTS

- Harmonized ICAO SARPs and guidance material on safety management programmes and systems
- Training on SMS implementation
- ICAO performance based safety provisions developed

KEY PERFORMANCE INDICATORS

- Decreased time to produce SARPs and guidance material published by ICAO
- Train the Trainers courses given by ICAO per year
- SMS implementation training courses given per year
- Per cent of Safety SARPs transferred to a performance base

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	3,235	47		3,282
	2009	3,505	20		3,525
	2010	3,438	6		3,444

Result A.3 Enhanced oversight capabilities of States through the conduct of comprehensive safety oversight audits

ISSUES AND CHALLENGES

- The Universal Safety Oversight Audit Programme (USOAP) has evolved over the last ten years from a voluntary confidential assessment programme to a mandatory comprehensive safety oversight audit programme encompassing 16 of the 18 ICAO Annexes. Audit reports are available to all Contracting States and summarized information is available to the public. Mandatory safety oversight audits and the transparency of the audit results have demonstratively contributed to improving aviation safety around the world, placing a greater awareness on States of their obligations to implement ICAO provisions.
- The USOAP will continue emphasizing the elements that have been most effective in promoting the implementation of SARPs and strengthening national safety oversight systems. These include: conducting mandatory safety oversight audits, the training of Civil Aviation Administration personnel on States' oversight responsibilities, and the promotion of a performance-based monitoring approach for optimum results.
- The Directors General of Civil Aviation (DGCA) Conference held in March 2006 recommended that the transparency of the audit programme be increased by making available safety oversight audit results to the public, including a mechanism to identify significant safety concerns when performing an audit. These new activities amplify the importance for the USOAP to adhere to its established principles and to maintain its quality system as called for in Assembly Resolution A35-6. In addition, the programme will continue to work with relevant Bureaux to address the issue of States that are not responding effectively to the audit process.
- Budgetary restrictions are likely to impact the availability of audit reports in all of the ICAO languages and may result in a reduction in the number of seminars and training courses, in the number of audits completed as well as in the volume of communication of USOAP information to the public.

STRATEGIC APPROACHES

- Ensure the continued co-operation and participation of Contracting States in audit activities;
- Maintain public confidence in the safety of international civil aviation by identifying and addressing critical safety areas and providing timely and accurate data on the status of safety oversight;
- Encourage the implementation of the eight critical elements of a safety oversight system and enable the development of more effective safety provisions, guidance material and assistance;
- Provide the Assembly, Council, States and the relevant Bureaux and Offices within the Secretariat with objective data on the level of States' safety oversight capabilities as a foundation for devising effective remedial assistance strategies and priorities, and developing provisions and guidance material for the safety of international civil aviation;
- Maintain ISO 9001-2000 certification of the USOAP; and
- Support the Audit Results Review Board (ARRB) in addressing the issue of States that are not responding effectively to the audit process.

EXPECTED OUTPUTS

KEY PERFORMANCE INDICATORS

<ul style="list-style-type: none"> • Evaluation of the level of States' safety oversight capabilities through regular and comprehensive audits. 	<ul style="list-style-type: none"> • Number of States evaluated, with the audit cycle to be completed by 2010. • Number of State Aviation Activity Questionnaires (SAAQ) submitted by States and reviewed by SOA. • Number of compliance checklists submitted by States identifying levels of implementation of ICAO Annex provisions and reviewed by SOA. • Number of Final Safety Oversight Audit Reports produced and provided to audited States and simultaneously published on a secure website accessible to all Contracting States. • State audit results and statistical data residing in the Audit Findings and Differences Database (AFDD) made available to Contracting States on the secure website in accordance with Assembly Resolution A35-6. • Published graphical results of a State's level of implementation of the eight critical elements on the ICAO public website, including any subsequent updates provided by the State.
<ul style="list-style-type: none"> • Evaluation of the progress made by States on the level of implementation of the eight critical elements of a safety oversight system. 	<ul style="list-style-type: none"> • Number of corrective action plans submitted by States for review, including comments on the audit reports. • Levels of improvement as determined by monitoring the level of implementation of State corrective action plans in coordination with the Regional Offices and through correspondence with States. • Referrals to the Audit Results Review Board (ARRB), as necessary, on States not responding effectively to the audit process.
<ul style="list-style-type: none"> • Comprehensive analysis and reporting of audit results on State, regional and global levels. 	<ul style="list-style-type: none"> • Statistical data provided to other ICAO bureaux, offices, regional and international entities, as applicable, as well as Contracting States to provide a foundation for remedial assistance strategies and training activities.
<ul style="list-style-type: none"> • Application of harmonized, objective and consistent criteria for evaluating States' safety oversight capabilities. 	<ul style="list-style-type: none"> • Deliverables achieved through maintaining ISO-9001-2000 certification of the SOA Section. • Number of approved auditors. • State audit feedback forms that provide for the continuous improvement of the USOAP. • Mission reports completed by team leaders and team members that provide feedback on technical and administrative aspects of the audit process. • Continuous improvement of auditor training courses and seminars/workshops provided to Contracting States.
<ul style="list-style-type: none"> • Evaluation of the adequacy and sufficiency of ICAO SARPs and guidance material. 	<ul style="list-style-type: none"> • Number of SARPs and guidance material identified through the audits that require review.
<ul style="list-style-type: none"> • Seminars and training to support implementation. 	<ul style="list-style-type: none"> • Number of safety oversight seminar/workshops conducted, aimed at assisting States, and number of experts trained. • Number of approved auditors. • Number of auditor training courses conducted in order to maintain an adequate number of approved auditors located throughout the ICAO regions, sufficient to support the programme.

EXPECTED OUTPUTS

<ul style="list-style-type: none"> • Evaluation of the effectiveness of ICAO assistance programmes.
<ul style="list-style-type: none"> • Establishment of appropriate cooperative arrangements with international and regional entities to ensure efficiencies and best use of resources.

KEY PERFORMANCE INDICATORS

<ul style="list-style-type: none"> • Average level of compliance in audited States that have been provided assistance through ICAO programmes.
<ul style="list-style-type: none"> • Number of cooperative arrangements with international and regional entities and efficiencies achieved as a result.

RESOURCES (CAD thousand)

		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	3,360	0		3,360
	2009	3,488	0		3,488
	2010	4,451	0		4,451

Result A.4 Enhanced resolution of safety deficiencies through coordinated assistance to States and sharing of safety information

ISSUES AND CHALLENGES

- A number of States continue to experience difficulties in implementing Standards and Recommended Practices (SARPs) and maintaining adequate levels of safety oversight. A limited number of these States authorize aviation activities, which are not commensurate with their safety oversight capability and that are taking place for the most part in other States.
- A number of Contracting States do not have a level of activity that is sufficient to sustain, on their own, an effective oversight system.
- Assistance to States is often done in an uncoordinated way, leading to duplication of efforts
- Critical Safety information, that may have an impact on the safety of international civil aviation, are not always shared between States and other stakeholders.

While ICAO plays a leading, facilitation and enabling role within the aviation community, the realization of advancements in International Civil Aviation ultimately lies with States, industry and other stakeholders. To that end the following indicators are designed to measure the collective progress towards the common outcomes that address the issues and challenges identified above:

- Increase in number of regional or sub-regional safety oversight organizations/systems
- Increased percentage of States starting implementation of viable action plans one year after they submit their request for assistance
- Increased percentage of States that have met the conditions for receiving assistance
- Increased level of resources made available by Industry to projects aimed at resolving safety-related deficiencies
- Increased number of formal agreements of co-operation between industry and USP

STRATEGIC APPROACHES

- Identify and address the safety related air navigation deficiencies through PIRGs
- Investigate, foster and promote means to assist States through global, regional and sub-regional efforts in implementing an effective safety oversight capability
- Develop Partnership Alliances with the industry to support efforts aiming at resolving safety deficiencies

EXPECTED OUTPUTS

- Assistance provided to States, upon their request, in the resolution of safety-related deficiencies.
- Development and maintenance of the Flight Safety Information Exchange (FSIX) web site.
- Development of a coordinated and expanded framework to match donors with requirements.

KEY PERFORMANCE INDICATORS

- Five States assisted per year.
- Three feasibility assessments for the implementation of Regional Safety Oversight Organizations completed annually.
- Increased percent of regional air navigation deficiencies for which resolution is successfully achieved through PIRGs
- Annual needs assessment for information on the Flight Safety Information Exchange web site completed.
- Generic Memorandum of Understanding between ICAO and donors finalized by 2008.
- Increased number of donors.

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	4,238	48		4,286
	2009	4,501	21		4,522
	2010	4,506	5		4,511

Strategic Objective B: Security – Enhance global civil aviation security

Result B.1 Enhanced implementation of ICAO security standards through effective security management and assistance

ISSUES AND CHALLENGES

- There is a need to minimize the number of incidents of unlawful interference and other security related events with civil aviation.
- Global threats to aviation security continue to become more complex, organized and technologically sophisticated, requiring new and cooperative approaches to countering them.
- Efficient management of high volumes of air passenger and cargo traffic calls for innovative security management measures and systems to maintain the efficiency of air transport operations.
- Security management measures and systems developed in ICAO and adopted by States must be globally interoperable.
- Many Contracting States lack sufficient capacity and require assistance in order to meet the standards of a global aviation security system.

STRATEGIC APPROACHES

- Maintain currency and relevance of Annex 17 and promote its worldwide implementation.
- Enable States to have ready access to data and vital information on unlawful interference and of global trends; based on analysis of acts of unlawful interference.
- Develop ICAO training programme to Provide States with updated training packages that take account of emerging threats, technological changes and the requirements of new-generation aircraft and airports for more effective security management
- Develop an electronic library providing links to appropriate information on aviation security and facilitation subject matter available at ICAO (Convention & Annex provisions, guidance material, etc.).
- Foster capacity-building and promote development of sustainable aviation security programmes at the Regional level.
- Assist States to remedy their aviation security deficiencies and to address new and emerging threats including through new guidance materials and recommendations to respond to new threats.

EXPECTED OUTPUTS

- Amendments to Annex 17 as necessary; timely introduction of provisions to counter new or perceived threats to civil aviation. Maintain updated information on implementation of Annex 17.
- Updated *Security Manual for Safeguarding Civil Aviation Against Acts of Unlawful Interference* (Doc 8973)
- New and updated aviation security standardized training packages (STPs) developed and workshops held according to established schedule.
- Electronic library and associated database.

KEY PERFORMANCE INDICATORS

- Amendment 12 of Annex 17 presented to Council for adoption by the end of 2009.
- Per cent analysis completed of differences to Annex 17 SARPs, target 100% by the end of 2010.
- Convey information to States on status of implementation of Annex 17 including Amendment 12 on annual basis with completion by 31 December 2010.
- Update of the Seventh Edition (2007) of the Security Manual by 31 December 2010
- New courses published (4 by end of 2008)
- Courses updated (3 by end 2008)
- 42 courses on 6 different subjects taught each year.
- Two workshops conducted in the regions each year.
- The electronic library and associated database developed and made available to States and other users by the end of 2008.

<ul style="list-style-type: none"> • Assistance in the implementation of Annex 17 provisions and to address regional concerns 	<ul style="list-style-type: none"> • Two seminar/workshops a year to assist in the implementation of Annex 17 provisions • One Regional Conference each year in support of the Aviation Security Global Initiative • An international aviation security conference to be held every other year starting in Oct. 2007
<ul style="list-style-type: none"> • Responses to assistance requests from States on the basis of USAP findings to help remedy identified deficiencies. 	<ul style="list-style-type: none"> • Up to two assistance mission per month (total 24 per year) of approximately one-week duration to be provided to States requiring assistance with resolving identified deficiencies.

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	1,502	0		1,502
	2009	1,616	0		1,616
	2010	2,354	0		2,354

Result B.2 Enhanced compliance with facilitation Standards concerning border-crossing, including those relating to Machine Readable Travel Documents

ISSUES AND CHALLENGES

- Identity theft, illegal migration, trafficking and smuggling, and international health emergencies continue to pose major challenges worldwide to national security programmes and call for improved measures for security of travel documents, cargo and passengers.
- Ever-increasing volumes of air passenger and cargo traffic in a dangerous world call for upgraded measures and systems to manage the security challenges in border controls and airport processes, in order to maintain the efficiency of air transport operations.
- Regarding travel document security, many States lack sufficient capacity to bring their systems and documents up to ICAO Standards and require assistance.

STRATEGIC APPROACHES

- Increase the coverage, range and quality of manuals and guidance materials related to security and facilitation. Ensure that States have tools necessary to enhance security while facilitating border formalities.
- Maintain currency and relevance of Annex 9 to promote its level of implementation through the adoption of SARPs.
- Maintain currency of Doc 9303, Parts 1, 2, and 3, (specifications for MRTDs) and related systems to promote its implementation and assist States to implement ICAO-standard MRTDs and to improve their existing travel document issuance systems, including the provision of technical support for the development of PKD-related provisions.
- Endeavour that security systems and travel documents developed in ICAO for adoption by States are standardized and globally interoperable.

EXPECTED OUTPUTS

- Guidance materials made available to States to implement security and facilitation standards
- Tools for States to determine level and progress of implementation of Annex 9 and MRTD standards
- Assistance related to MRTDs to States requesting it
- Workshops on MRTDs and biometrics
- Up-to-date specifications to issue modern, secure travel and identity documents

KEY PERFORMANCE INDICATORS

- New FAL manual to be made available by the end of 2008.
- Annex 9 SARPs relevant to aviation security to be included in Aviation Security Audits, by end 2008.
- Ten States provided with assistance each year
- Two workshops in Regions each year.
- Specifications for e-Visas to be developed in 2008 with implementation of MRP specifications occurring by the end of 2010.

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	1,216	0		1,216
	2009	1,329	0		1,329
	2010	1,666	0		1,666

Result B.3 Enhanced oversight capabilities of States and improved airport security through the conduct of aviation security audits

ISSUES AND CHALLENGES

- Operational since 2002, the ICAO Universal Security Audit Programme (USAP) is on a five-year cycle with the initial audits of all Contracting States expected to be completed by December 2007. Audit follow-up visits are also being conducted in the second year following the date of an initial audit in order to validate the implementation of State corrective action plans.
- Commencing in 2008, a second cycle of audits will be initiated under the USAP in accordance with principles agreed upon by the Council. This includes the introduction of a scheduling/frequency model to help determine the priority of the audits and frequency of visits to States, and an increased emphasis on a State’s capability to provide appropriate national oversight of its aviation security activities. In this regard, a flexible “two-tier approach” for the conduct of future audits will be introduced, whereby the scope of the audits will be adjusted to the prevailing oversight situation in each audited State. In addition, the Council directed that future audits under the USAP be expanded to include the relevant security-related provisions of Annex 9 – *Facilitation*.
- Budgetary restrictions will affect the level of integration of USAP into the Regular Budget. Additional voluntary contributions will be required.

STRATEGIC APPROACHES

- Ensure the continued co-operation and participation of Contracting States in audit activities;
- Develop a scheduling/frequency model and standardized audit methodology for security oversight audits and for expansion of the programme to include relevant security-related provisions of Annex 9;
- Provide recommendations to States on achieving better implementation and global harmonization of aviation security measures;
- Provide the Assembly, Council, States and relevant Bureaux and Offices within the Secretariat with data on the level of compliance with ICAO security Standards, as a foundation for developing effective remedial assistance strategies and priorities, and developing provisions and guidance material for the security of international civil aviation;
- Achieve ISO-9001-2000 certification of the USAP; and
- Support the Audit Results Review Board (ARRB) in addressing the issue of States that are not responding effectively to the audit process.

EXPECTED OUTPUTS

- | |
|---|
| <ul style="list-style-type: none"> • Evaluation of the level of implementation of ICAO security Standards in all Contracting States. |
| <ul style="list-style-type: none"> • Evaluation of the progress made by States in correcting deficiencies identified through the audits. |
| <ul style="list-style-type: none"> • Comprehensive analysis of levels of implementation of ICAO security Standards at State, regional and global levels. |

KEY PERFORMANCE INDICATORS

- | |
|---|
| <ul style="list-style-type: none"> • Number of States audited. • Number of audit reports submitted to States. • Levels of implementation of ICAO security Standards. |
| <ul style="list-style-type: none"> • Number of corrective action plans submitted by States for review. • Number of audit follow-up visits conducted to verify implementation, in coordination with the Regional Offices. • Levels of improvement in the implementation of ICAO security Standards. • Referrals to the Audit Results Review Board (ARRB), as necessary, on States not responding effectively to the audit process. |
| <ul style="list-style-type: none"> • Statistical data used to drive remedial assistance projects and to prioritize the review of SARPs and guidance material. |

EXPECTED OUTPUTS

<ul style="list-style-type: none"> • Application of harmonized, objective and consistent criteria for evaluating State compliance.
<ul style="list-style-type: none"> • Training to support implementation.
<ul style="list-style-type: none"> • Evaluation of the adequacy and sufficiency of ICAO security-related SARPs and guidance material.
<ul style="list-style-type: none"> • Evaluation of the effectiveness of ICAO assistance programmes.
<ul style="list-style-type: none"> • Establishment of appropriate cooperative arrangements with international and regional entities to ensure efficiencies and best use of resources.

KEY PERFORMANCE INDICATORS

<ul style="list-style-type: none"> • Application of quality assurance measures. • Number of certified auditors and continuous improvement of auditor training materials. • Development of standardized audit methodology. • State audit feedback forms that provide for the continuous improvement of the USAP. • Mission reports completed by team leaders and team members that provide feedback on technical and administrative aspects of the audit process.
<ul style="list-style-type: none"> • Number of certified auditors. • Number of auditor training courses conducted in order to maintain a roster of certified auditors located throughout the ICAO regions, sufficient to support the programme.
<ul style="list-style-type: none"> • Number of SARPs and guidance material identified through the audits that require review.
<ul style="list-style-type: none"> • Average level of compliance in audited States that have been provided assistance through ICAO programmes.
<ul style="list-style-type: none"> • Number of cooperative arrangements with international and regional entities and efficiencies achieved as a result.

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	2,300	1		2,301
	2009	3,586	1		3,587
	2010	4,757	1		4,758

Strategic Objective C: *Environmental Protection – Minimize the adverse effect of global civil aviation on the environment*

Result C.1 The environmental effects of aviation are properly identified, reasonably quantified and appropriate measures to address these effects are developed

ISSUES AND CHALLENGES

- Demand for air travel is driving traffic growth globally and there is a need to maintain an appropriate balance between the increase in air transport and environment protection. While technological progress continues, the rate of traffic growth might result in a net increase in aviation emissions and aircraft noise.
- The increasing awareness of climate change is motivating the public to demand that authorities take appropriate action. Airports are recognized as potential sources of air pollutants and community noise to which the public reacts.
- Individual states have different views on how to address aviation environmental matters. There is a need to find a way to accommodate and harmonize them towards worldwide approaches.
- Although research is increasing, to date there are no viable substitutes for commercial aviation fuel that will reduce emissions. For a large proportion of commercial air traffic, there is no viable alternative transport mode.
- The quality, accuracy and availability of aviation environmental data needs to be improved.

STRATEGIC APPROACHES

- Promote a better understanding of the environmental effects of aviation
- Develop appropriate Standards and recommended practices, guidance and policy recommendations.
- Disseminate information on ICAO's work in the field of aviation environmental protection including estimates of future impacts.
- Facilitate the dissemination and exchange of environmental aspects of aviation and the sustainable development of air transport.
- Enhance the collection, generation, analysis, harmonization, exchange and dissemination of aviation-related environmental data.

EXPECTED OUTPUTS

- Quantification of International Aviation's contribution to environmental effects e.g:
Climate effects;
Community noise; and
Local air quality.
- Up to date SARPs maintained in Annex 16 to reflect technological developments, which improve environmental performance.

KEY PERFORMANCE INDICATORS

- Assessments to assure quantification are initiated in the CAEP/8 round – February 2010.
- Standards that address aircraft engine noise and emissions are modified to reflect CAEP developments.
- Proposed amendments to Annex 16, Volumes I and II are envisaged for applicability on 20 November 2008.
- New SARPS to be proposed by March 2010.

- Access to data describing and quantifying the environmental effects of global aviation and to information on possible measures to address them.

- Existing information regarding aviation's environmental effects and guidance on possible measures and best practice to address them are disseminated timely.
- Publications scheduled for mid-year 2008,2009 and 2010
- ICAO to host an international environmental symposium in spring 2010.
- ICAO environmental report published in summer 2010

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	1,089	0		1,089
	2009	1,088	0		1,088
	2010	1,139	0		1,139

Result C.2 ICAO is recognized as the leader organization to address environmental issues related to international aviation

ISSUES AND CHALLENGES

- ICAO leadership on aviation environmental protection issues requires co-operation with and active and authoritative participation in various international environmental fora. In particular, ICAO must maintain a close harmonious relationship with the Intergovernmental Panel on Climate Change (IPCC) and other organizations involved in the definition of aviation's contributions to environmental problems.. Also, many organizations are involved in policy-making in this field, for example, the United Nations Framework Convention on Climate Change, that has the broad mandate to address climate change on a global basis, which requires active ICAO participation to assure that such policies will take into account a proper representation of aviations requirements.
- International aviation is recognized as one of the fastest growing sectors consuming fossil fuels. Therefore, although currently a small contributor of about 2-3% of total manmade CO2, it is expected to grow in relation to other sources, which are stable or declining. The scientific uncertainty that affects understanding in several key areas limits the ability to accurately estimate aviation impacts on climate. Reliable information on the state of science, dedicated research and technology prospects, is needed to help the understanding of aviation's impact on climate change and the development of possible means to address it.

STRATEGIC APPROACHES

- Work closely with other organizations on environmental issues to which global aviation contributes, assuring accurate comprehension of the unique nature of aviation, its capabilities and limitations, the role it plays in the global economy and the leadership of ICAO in this regard.
- Obtain the necessary scientific information in co-operation with States, International Organizations and Scientific Bodies to enable ICAO to substantiate its work in the field of aviation environmental protection.
- Encourage research on aviation's impact on the environment in specific scientific areas where knowledge is still limited and high uncertainty exists, such as the impact of aviation contrails on cirrus clouds.
- Participate in the activities of the Intergovernmental panel on Climate Change (IPCC), and in particular in its work related with aviation contribution to climate change by providing relevant aviation-related information and data as necessary.
- Provide updated information on ICAO's activities and relevant aviation data to main fora of the UN and, in particular, to meetings related with the UNFCCC process.
- Develop relevant aviation environmental indicators that can be used in other UN fora.
- Facilitate the dialogue within the aviation community on measures to address aviation's impact on climate change.

EXPECTED OUTPUTS

- Active and facilitation role in meetings related with the UNFCCC managed process.
- Review, produce, provide and disseminate information and reports dealing with the environmental impact of aviation

KEY PERFORMANCE INDICATORS

- ICAO required contributions are finalized and approved at least 2 weeks prior to the meetings.
- Results of the meetings and analysis of implications to ICAO will be prepared and communicated within 2 weeks of their being communicated officially.
- Reports for ICAO information and use are finalized in May and November 2008, 2009 and 2010
- IPCC reports and assessments scheduled in compliance with the IPCC process and within 30 days of official publication by IPCC.
- Guidelines for reporting aviation emissions developed by March 2010.

EXPECTED OUTPUTS

- Develop methodologies and tools to assess aviation's impact on the environment
-
- Consult and exchange views with aviation community

KEY PERFORMANCE INDICATORS

- Framework for interdependencies initiated by 1 June 2010.
 - Fuel consumption information by 1 September 2010.
 - Three-year Noise and emissions trends by 1 December 2010.
-
- Updated information shared on web.
 - Relevant materials are posted within 2 weeks of final production.

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	585	0		585
	2009	584	0		584
	2010	616	0		616

Strategic Objective D: Efficiency – Enhance the efficiency of aviation operations

Result D.1 Operational services in support of a performance-based air navigation system

ISSUES AND CHALLENGES

- The global air traffic management (ATM) operational concept reflects the ICAO vision of an integrated, harmonized and globally interoperable air navigation system up to and beyond 2025. The technical work programme supports transition to the operational concept in a focused way via coordinated planning processes, which operate at local, regional and global levels.
- Major challenges are associated with the rapid evolution of aviation and the burden this places on the planning process. The planning framework therefore, must be flexible and recognize that within a long planning horizon, technology continually changes.
- While ICAO plays a leading, facilitating and enabling role within the aviation community, the realization of advancements in international civil aviation ultimately lies with States, industry and other stakeholders. To that end, key performance areas (KPAs) drawn from the Global ATM Operational Concept, were endorsed by the Eleventh Air Navigation Conference and are being used as the basis for all performance related activities within the aviation community to measure the collective progress, beyond what is under the direct influence of ICAO. These KPAs, related to efficiency, will be used to measure the following dimensions of the air navigation system: access; capacity; efficiency; flexibility; global interoperability; and cost-effectiveness.
- Budgetary restrictions are likely to result in the industry taking the lead role in the development of specifications and guidance material to allow optimized ATS route networks.

STRATEGIC APPROACHES

- Coordinate a technical work programme that facilitates a uniform transition to the air navigation system envisioned in the concept
- Facilitate the integration of global and regional work programmes through an Air Navigation Integrated Programme
- Maintain and update the Global Air Navigation Plan and Regional Air Navigation Plans (ANPs) as the planning framework for achieving near and medium term benefits
- Provide technical assistance in the implementation of planned improvements
- Maintain and update global provisions to support uniformity and interoperability
- Create and maintain a set of interactive planning tools will assist with the analytical process.
- Collect and analyze data then develop Standards, Recommended Practices, guidance material, and regional plans to support the implementation of the concept components: Airspace Organization and Management; Demand and Capacity Balancing; Aerodrome Design and Operations; Traffic Synchronization; Conflict management; Airspace User Operations.

EXPECTED OUTPUTS

- Performance-based navigation

KEY PERFORMANCE INDICATORS

- Adoption/approval of ICAO SARPS and PANS and development of guidance material for performance-based navigation by 2008
- Regional Air Navigation Agreements reached or associated work programmes established in the ANIP in a timely manner and Regional ANPs updated
- Holding of seven regional seminars on Performance-Based Navigation by 2009

EXPECTED OUTPUTS

<ul style="list-style-type: none"> • Civil/military agreements leading to an increase in airspace available for civil use
<ul style="list-style-type: none"> • Collaborative decision making processes
<ul style="list-style-type: none"> • SARPS and guidance material on aerodrome and heliport design and facilitate regional implementation
<ul style="list-style-type: none"> • Procedures and technology to allow all weather operations at aerodromes
<ul style="list-style-type: none"> • Global data collection and analysis capability covering key areas that support the planning for the Strategic Objective of Efficiency
<ul style="list-style-type: none"> • Demand and capacity balancing processes on a regional basis
<ul style="list-style-type: none"> • ICAO provisions to allow airborne separation processes
<ul style="list-style-type: none"> • WAFS.
<ul style="list-style-type: none"> • MET information for ATM.
<ul style="list-style-type: none"> • OPMET messages

KEY PERFORMANCE INDICATORS

<ul style="list-style-type: none"> • Guidance material on civil/military co-operation completed by 2009 • Model civil/military agreements drafted by 2008 • Holding of regional seminars on civil/military co-operation
<ul style="list-style-type: none"> • Develop Guidance Material on collaborative decision-making by 2010
<ul style="list-style-type: none"> • Adoption/approval of ICAO SARPS and availability of Guidance Material taking into account new large airplanes and modern helicopters and airplanes
<ul style="list-style-type: none"> • Regional seminars on all weather operations
<ul style="list-style-type: none"> • Availability of relevant data in the data base and planned forecasts generated within agreed time frames • Provision of peak-period traffic density and airspace capacity analysis tools
<ul style="list-style-type: none"> • Adoption/approval of ICAO SARPS and PANS and development of guidance material on air traffic flow management (ATFM) by 2010 • Regional seminars on demand
<ul style="list-style-type: none"> • Adoption/approval of ICAO SARPS and PANS and availability of Guidance Material on airborne separation
<ul style="list-style-type: none"> • Adoption/approval of ICAO SARPS and PANS and development of guidance material on WAFS • Holding of regional seminars on WAFS regional air navigation agreements reached in Regional ANPs
<ul style="list-style-type: none"> • Adoption/approval of ICAO SARPS and PANS and development of guidance material on the provision of MET services to ATM
<ul style="list-style-type: none"> • Adoption/approval of ICAO SARPS and PANS and development of guidance material on OPMET • Holding of regional seminars on OPMET

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	3,158	0		3,158
	2009	3,150	0		3,150
	2010	3,292	0		3,292

Result D.2 Technology and infrastructure in support of a performance-based air navigation system

ISSUES AND CHALLENGES

- Greater benefits in terms of interoperability and seamlessness will be obtained when technology, infrastructure and procedures are planned and agreed to on a system-wide basis, preferably at the global level and on the basis of a global planning framework in support of the operational concept. The application of available technologies will improve system operational performance without compromising safety.
- While current technology may mitigate some infrastructure gaps, the challenge is early identification of areas and time frames where new technology and infrastructure are required for airspace and aerodrome infrastructures that have reached or are reaching their peak operational levels. In some cases, there will be a need to develop or finalise SARPS and procedures. The introduction of new technologies will need to be evaluated in terms of cost benefit equity to both the user and provider.
- Radio frequency spectrum is a finite resource that is continually being encroached upon by non-aeronautical services. An aeronautical spectrum usage and allocation plan needs to be validated and sustained.
- Budgetary restrictions are likely to increase the risk of proliferation of non-uniform procedures and aircraft equipage requirements; affect activities pertaining to the protection of aeronautical electromagnetic spectrum and; affect ICAO's leadership with respect to the transition of quality assured Aeronautical Information in a dynamic digital environment. Also at risk ICAO's ability to meet obligations to support the common ICAO/IMO manual for the harmonization and coordination and improvement in the ability of States to provide Search and Rescue.

STRATEGIC APPROACHES

- Align infrastructure requirements to support the transition towards a performance based air navigation system and focus the work programmes on the following key infrastructure components: ATM service delivery management; Communication; Meteorological Information; Navigation; Situational Awareness and Aeronautical Information Management.
- Identify and resolve gaps in the requirement for harmonized provisions and guidance material related to the key infrastructure components.
- Provide assistance in the implementation of planned global and regional improvements to the infrastructure components.

EXPECTED OUTPUTS

- Technology and infrastructure deployed to support the operational concept by taking advantage of aircraft capabilities
 - Regional infrastructure harmonized and aligned to support the transition to a performance based air navigation system (ANS)
-
- Adequate spectrum to support existing and planned operational capabilities.

KEY PERFORMANCE INDICATORS

- Per cent of adoption/approval of the requisite of ICAO SARPS and guidance material on technical requirements in support of key infrastructure components identified in the gap analysis. Target 100% by 2009
 - Per cent of Regional Air Navigation Agreements reached or associated ANIP work programmes established to support the transition to a performance based ANS. Target 100% by 2009
 - Per cent of ANIP work programmes completed supporting the transition to a performance based ANS. Target 100% by 2009
-
- All current aeronautical spectrum allocations are retained following the completion of the ITU World Radio Conferences 2007 and 2010 (WRC-07 / 10)

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	2,079	0		2,079
	2009	2,069	0		2,069
	2010	2,217	0		2,217

Result D.3 Implementation framework in support of the transition to the operational concept

ISSUES AND CHALLENGES

- In accordance with the Global Air Navigation Plan, planning is focused on specific performance objectives, supported by a set of “Global Plan Initiatives”. These initiatives are options for ATM improvements that support the regional planning process. States and regions choose initiatives that meet performance objectives. A set of interactive planning tools assists with the analytical process. Supporting documentation and ICAO planning mechanisms include the ATM System Requirements Document aimed at standards-making bodies and panels; performance based transition guidance and the Air Navigation Integrated Programme (ANIP), which supports the Business Plan by facilitating integration of the Global Plan with regional plans and work programmes.
- Major challenges are associated with the fact that there are SARPS, PANS and guidance material in place for global uniformity and interoperability and in support of new technologies that would alleviate many of the capacity and efficiency problems that exist today. However, many systems have evolved to levels that are able to sustain their individual requirements, but now struggle or fail to meet the user expectations of global efficiency, harmonization and interoperability. Therefore, the driver for change must be ATM user expectations, within a framework of safety and business cases, and cost/benefit analysis.
- Budget restrictions will affect leadership and technical direction to regional planning groups, which might result in a non-cohesive regional infrastructure.

STRATEGIC APPROACHES

- Develop and maintain the Global Air Navigation Plan and Regional Air Navigation Plans (ANPs);
- Develop a set of interactive online planning tools and planning processes to assist global and regional planning efforts;
- Develop and maintain an air navigation integrated programme that aligns resources with priorities based on what is needed.

EXPECTED OUTPUTS

- Up-to-date Global Air Navigation Plan (ANP); Regional ANPs; Regional Supplementary Procedures; and Air Navigation Integrated Programme (ANIP)
- ANP data base integrated with similar Eurocontrol data bases
- Up-to-date set of interactive global planning tools
- Workshops for ICAO regional officers on use of the planning tools
- Business case and economic analysis support provided to support States in above implementation

KEY PERFORMANCE INDICATORS

- Acceptance/Approval by Council of amendments to: the Global Plan; Regional ANPs; Regional Supplementary Procedures
- Letter of understanding signed with Eurocontrol
- Report to Air Navigation Commission submitted annually
- Number of workshops held and level of satisfaction
- Support provided on low priority status

RESOURCES (CAD thousand)

		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	13,163	189		13,352
	2009	14,217	81		14,298
	2010	13,926	24		13,950

Result D.4 Liberalization of air transport regulation and efficiency of infrastructure management

ISSUES AND CHALLENGES

- The present trends in the air transport industry and the evolution of the regulatory framework, with globalization, liberalization and regional air services agreements, will increase the demand on ICAO's leadership role in supporting States in the air transport liberalization process. There is a particular need to enhance the awareness of States and the industry regarding the relationship between liberalization and safety and security responsibilities. At the same time, the increasing interest and involvement of other international bodies in air transport, such as the World Trade Organization (WTO-OMC), may challenge the leading role of ICAO.
- With the commercialization and privatization of airports and air navigation services, there is a risk of less awareness of ICAO's policies and guidance material in the economic field, which may lead to diverging approaches to user charges and taxation and may make it more difficult for some States to fulfil their obligations under the Chicago Convention.
- The increased efficiency and improved cost-effectiveness accomplished by the airline industry and the consequential pressure to achieve similar improvements by airports and air navigation services providers (ANSPs) under Article 44 of the Convention will make it necessary for ICAO to continue to develop and provide guidance to States on key aspects associated with efficient infrastructure management.
- The implementation of the future air traffic management (ATM) operational concept will require the availability of a uniform policy on route charges.
- Budget restrictions will affect seminars, workshops and training courses. Also, the production of liberalization materials will be significantly reduced.

STRATEGIC APPROACHES

- Follow the development of key issues related to the economic regulation of air transport that have an impact on the efficient and orderly development of international civil aviation.
- Improve and promote ICAO's policies on user charges and related economic guidance material, based on experiences from the commercialisation and privatisation process of airports and ANSPs.
- Monitor compliance with Articles 15 and 24 of the Chicago Convention and the application of ICAO's policies on user charges and taxation of international air transport.

EXPECTED OUTPUTS

- General reports and/or guidance material on key regulatory issues, incl. safety/security aspects, ownership and control, competition rules, bloc negotiations, protection of consumer interests, etc.
- Reports on industry and regulatory trends and development
- Based on the conclusions and recommendations of the Economic Conference in September 2008, revised Economic policy and guidance material for airports and ANSPs, incl. economic regulation, performance management, co-operation providers/users and environmental protection
- Current databases of States' implementation of ICAO's policies on charges and taxation
- Guidance and limited support as relates to air transport economic matters provided to States, PIRGs

KEY PERFORMANCE INDICATORS

- One report on key regulatory issues in 4th quarter 2008, 2009 and 2010.
- Status report on industry and regulatory trends in 1st quarter 2008, 2009 and 2010.
- Policy guidance in Doc 9082 presented to the Council by December 2008 and revised guidance material in the manuals Doc 9562 and Doc 9161 developed by December 2010.
- Database for charges updated by December 2008 and database for taxation by December 2010.
- Complete response to requests from States, 70% within 30 days, 100% completion within 120 days

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	2,050	1		2,051
	2009	1,918	1		1,919
	2010	1,844	1		1,845

Strategic Objective E: Continuity – Maintain the continuity of aviation operations

Result Prevention and minimization of disruptions to aviation operations

ISSUES AND CHALLENGES

- Resolution of disagreements that create impediments to air navigation
- Mitigation of the effect of natural or human events that may disrupt international aviation operations
- Prevention of the spread of serious communicable diseases by air transport, in co-operation with other international organizations.

STRATEGIC APPROACHES

- Promote and facilitate implementation of harmonized regional air navigation plans
- Develop a catalogue of potential natural and human events that may result in disruption of air navigation
- Support PIRGs in establishment of regional contingency plans in coordination with States
- Assist States in structuring a model national contingency plan and encourage States to utilize it in the formulation of their contingency plans
- Optimize the provision of relevant meteorological information
- Identify, with the assistance of other international organizations, serious communicable diseases with the potential to spread by means of air transport
- Exchange information with States and other international organizations on the subject of such diseases and develop guidelines to assist States with preparedness planning.
- Monitor progress of States in implementing measures to help prevent the spread of communicable diseases by air transport.

EXPECTED OUTPUTS

- Harmonized regional air navigation plans
- Model national contingency plan
- Guidance material on prevention of spread of communicable diseases by air transport.

KEY PERFORMANCE INDICATORS

- 100% of regional air navigation disagreements resolved by December 2010
- 80% of States developed national contingency plans by December 2010
- 100% of States developed national contingency plans by December 2012
- Per cent completion of plan to develop guidance material –target 100% by 2009

RESOURCES (CAD thousand)

		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	1,919	32		1,951
	2009	2,100	14		2,114
	2010	2,042	4		2,046

Strategic Objective F: Rule of Law – Strengthen law governing international civil aviation

Result Preparation and promotion of ratification of international air law instruments, depository and dispute-settlement functions related thereto, registration of aeronautical agreements and preparation of model legislation

ISSUES AND CHALLENGES

- The way in which ICAO seeks to promote a wide range of international air law instruments and influence national laws and regulations pertaining to civil aviation has an impact on the development of civil aviation in a safe and orderly manner and on the effectiveness of air transport systems.
- The increasing complexity of international relations among States and between States and intergovernmental organizations, new developments in their relations with the private sector and the evolving trend to economic liberalization and privatization of activities related to States’ responsibilities arising out of international air law instruments put additional pressure on the Organization.
- Budget restrictions with respect to the cut in legal meetings might result in the General Work Programme of the Legal Committee not being delivered in a timely manner.

STRATEGIC APPROACHES

- To maximize the positive impact of international air law instruments and national laws and regulations on the development of civil aviation and air transport systems by developing and updating international air law instruments in light of the evolving needs of the international civil aviation community. To encourage the ratification of international air law instruments by States.
- Make readily available up-to-date information to States and interested private parties on registration of aeronautical agreements and depository actions related to international air law instruments.
- Facilitate the settlement of civil aviation disputes and minimize the potential for disagreements between States concerning civil aviation issues.
- Promote the harmonization of national laws and regulations by providing guidance.

EXPECTED OUTPUTS

- Draft international air law instruments, in accordance with the findings and deliberations of the Legal Committee and other intervening bodies of ICAO, and facilitation of their adoption.
- Data on registration of aeronautical agreements and depository actions related to international air law instruments.
- Civil aviation disputes between States are prevented or mediated.
- National civil aviation laws and regulations are harmonized through facilitation.

KEY PERFORMANCE INDICATORS

- International law instruments developed in accordance with the work programme of the Organization in the legal field
- Data compiled and disseminated within four months of receipt
- 80% of civil aviation disputes brought before ICAO during the triennium for which the resolution is successful
- 80% of requests for legal guidance entertained

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	607	0		607
	2009	658	0		658
	2010	790	0		790

(this page intentionally left blank)

PROGRAMME SUPPORT

(this page intentionally left blank)

Assembly and Council Secretariat; Language and Publications

ISSUES AND CHALLENGES

- Plan, supervise and coordinate support relating to Council meetings, involving the preparation of decisions, minutes and action sheets; provide verbatim transcripts for these meetings; and prepare other Council documentation and reports.
- Provide adequate language services related to translation, interpretation, publications, in times of budget restraints.
- Ensure timely issuance of working papers for the Governing bodies and meetings on the basis of simultaneous distribution in the six ICAO languages.
- Improve the use of Arabic and Chinese within appropriated resources.
- Increase percentage of outsourcing of translation without compromising quality and timeliness. Although all external contractors will be subject to testing for quality, due to limited internal resources, outsourced documentation will be published as received (no internal revision or editing will be possible).
- Budget restrictions will reduce internal translation capacity by 50 per cent. Strict implementation of the length of working papers will have to be enforced.
- Governing Bodies may prioritize their work programme and reduce by one third their yearly requirements for interpretation and translation. Only in this case, provision of language services to the Governing Bodies could be handled by the reduced level of internal language resources at the current level of quality, timeliness and confidentiality.

STRATEGIC APPROACHES

- Operate in a transparent manner and communicate effectively both externally and internally.
- Comply with new deadlines introduced in the 2006 revised Rules of Procedure for the Council.
- Enhance the use of information and communication technology integrating it into work processes at the earliest opportunity.
- Disseminate information on the policies and activities of the Council and Assembly by maintaining records of proceedings, decisions taken and resolutions adopted; monitor their implementation by providing a link between the Council and the appropriate offices of the Secretariat.
- Improve efficiency, productivity and quality standards without increasing costs or human resources inter alia through the application of new technology.

EXPECTED OUTPUTS

- Issuance of Council-related decisions, minutes and action sheets
- Preparation of verbatim transcripts for meetings of the Council and for meetings of other bodies, as requested
- Preparation of other documents and reports
- Working papers for the governing bodies, meetings and saleable publications in the six languages of the Organization
- Interpretation into/from the six languages of the Organization for the governing bodies and other meetings

KEY PERFORMANCE INDICATORS

- Completion of transcripts within the established timeframe
- Submission of documentation and reports by the date requested
- All documents completed within the established deadlines
- Meetings of governing bodies and other meetings are provided with high-quality translation and interpretation services as required

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	13,257	0		13,257
	2009	13,171	0		13,171
	2010	13,979	0		13,979

External Relations

ISSUES AND CHALLENGES

- The ICAO Business Plan stresses that the Organization’s ability to effectively carry out its mandate rests in part on being recognized and accepted as the global authority on regulatory matters.
- Requests for information and services from an ever-wider range of external and internal sources, often with tight deadlines, are increasing.
- Limited staff resources need to constantly improve and refine their work methods, particularly through the use of information technology and other cost effective means, to efficiently respond to the growing number of requests and promote the organization.
- Due to budgetary limitations there will be an impact on Familiarization Courses.

STRATEGIC APPROACHES

- Promote amongst all stakeholders knowledge about and understanding of the six strategic objectives of the Organization, its initiatives, programmes and activities.
- Maintain contact with information sources inside and outside the organization to ensure access to relevant and up-to-date information, including contact information on national civil aviation administrations.
- Maintain close coordination and co-operation with the United Nations system with a view to avoiding duplication, ensuring consistency between activities and programmes of the system, while ensuring that ICAO policies, expertise and interests are duly taken into account by the appropriate bodies.
- Identify and exploit new, innovative and cost reducing communications channels.

EXPECTED OUTPUTS

- Awareness among all targeted audiences of ICAO programmes, activities and issues.

- Roll out of a Public Information Strategy.

KEY PERFORMANCE INDICATORS

- Number of requests for ICAO’s participation/viewpoint in various international fora and meetings.
- Number of requests from outside groups, including the news media, for information and visits.
- Per cent implementation against plan of Public Information Strategy – target completion 2009

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	829	0		829
	2009	830	0		830
	2010	892	0		892

(this page intentionally left blank)

MANAGEMENT AND ADMINISTRATION

(this page intentionally left blank)

Executive Management (Office of the Secretary General)

ISSUES AND CHALLENGES

- Trade off between the request for increase in budget in order to meet the results stated in the Business Plan and the need to limit budget growth.
- At the 2005 World Summit, leaders committed themselves to strengthening the United Nations through a series of management reforms. Member States made pledges to support:
 - Leadership
 - People
 - Accountability
 - Information and Communications Technologies
 - Results-based Management and Budgeting (RBM and RBB)
 - Improved transparency and increased ethics,
 - More rigorous monitoring, evaluation and oversight
 - Focus on delivery of core services
- Adequate support to Strategic Objectives in spite of budgetary constraints.

STRATEGIC APPROACHES

- Provide support and advice to the Council in their budget deliberations
- Promote and implement the UN Management Reform initiatives at ICAO

EXPECTED OUTPUTS

- Sustainable funding for the budget triennium.
- The UN Management Reforms in place in ICAO

KEY PERFORMANCE INDICATORS

- Budget for 2008-2010 consistent with Business Plan
- ICAO is seen as an employer of choice in the UN
- Managers are held to account for achieving results in this budget
- Furthering of business intelligence at ICAO
- Results-based Management and Budgeting (RBM and RBB) in place
- Transparent performance reporting across programme, support and administration in place
- Translation and printing provided in most cost effective way leading to administrative cost savings

RESOURCES (CAD thousand)	Regular Budget		Other sources	All funds
	Operational	Capital		
TOTAL 2008-2010				
	2008	294	0	294
	2009	303	0	303
	2010	313	0	313

Budget and Financial Management

ISSUES AND CHALLENGES

- Sound internal controls need to be in place to promote accountability and minimize the risk of fraud. Controls need to be balanced to provide managers with the flexibility they require to deal with unforeseen circumstances that might affect their ability to achieve planned results
- Budgeting at ICAO is transitioning from input based to results based in order to more clearly tie the financial requirements of the Organization to specified results. There is a need for improved exchange-rate protection to be achieved within budget appropriation.
- The organization’s transition to new accounting standards (IPSAS) will have implications on how receivables and expenditures are accounted for but also on the way the budget is presented and prepared.
- There is an urgent need for a robust ERP system that supports all of these requirements.
- Risks linked to exchange rate fluctuations, even with the move to Canadian dollar accounting.

STRATEGIC APPROACHES

- Development and roll out of an ERP to replace existing legacy systems.
- Ensure compliance to IPSAS accounting standards.
- Updating of relevant policies and regulations to support efficient, effective financial operations, a sound accountability framework, for all sources of funds and at all levels of the Organization.
- Minimize financial risk to organization by providing accurate and timely financial reporting.
- Shift from a US dollar Budget to a Canadian dollar Budget.

EXPECTED OUTPUTS

• Financial modules of the ERP in place
• IPSAS implemented
• Audited financial statements
• Expenditure Management in place
• Regulations and policies
• Payroll
• Funds of the Organization invested within acceptable liquidity to maintain the required cash flow and maximize investment potential. Investment funds placed with an external investment firm.
• Improved protection from exchange-rate fluctuations
• Financial reports issued to Managers

KEY PERFORMANCE INDICATORS

• Implementation of the core Financial modules (AP/AR/GL) -target 100% by end of 2008
• Move to full IPSAS compliance by Dec 2008
• Unqualified audit opinion by External Auditors, each year
• Budget expenditures in compliance with Financial Regulations and within approved appropriations
• Complete revised regulations and policies –target 100% by January 2010 to support new, streamlined functions in an ERP context under IPSAS
• 5% reduction in payroll errors compared to previous triennium
• Investment earnings compared to Bank of Canada’s 10-year bond average
• Budget in Canadian dollars deployed
• Monthly financial reports issued by 5th day of each month (No customized or ad hoc reporting allowed, due to staff and resource constraints)

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	2,906	10		2,916
	2009	2,790	3		2,793
	2010	2,891	1		2,892

Human Resources Development

ISSUES AND CHALLENGES

- Identify staff competencies and skills for the next triennium.
- Enhance career opportunities for staff.
- Improve efficiency of HRB work processes and information delivery.
- In line with the United Nations Human Resources Management reform efforts, pursue the simplification and harmonization of approaches to human resources management, including proposed reforms to the pay and benefits system.

STRATEGIC APPROACHES

- Improvement of people-management capabilities, processes and systems to meet current and future human resources needs of the organization by aligning recruitment, performance management, staff development and succession planning strategies.
- Automation of HR functions through the development and implementation of a new Integrated Human Resources Management system, as part of the Enterprise Resource Planning (ERP).
- Comprehensive review of business processes and policies to provide advice and managerial support for HR functions at all levels in ICAO, paying attention to their responsiveness to the Organization's goals and priorities as well as to the needs of staff.
- Provision of strategic advice on Human Resources Management to the Secretary General, senior management, the Working Group on Human Resources and the Council and ensure effective HR contribution to ICAO's Business Plan and policy formulation and development.
- Budgetary constraints will affect: quality and timeliness of services; the development and implementation of new initiatives; support to managers on HR matters; and HRB's ability to advance strategic actions requested by ICAO's governing bodies.

EXPECTED OUTPUTS

- Selected components of integrated competency framework developed and implemented
- Integrated Competency Framework implemented
- Competency-based recruitment and succession planning strategy and timely. Timely recruitment of Professional and Higher Category posts right mix of staff, with right skills and competencies, taking into account consideration Equitable Geographical Representation (EGR) and), gender and age distribution.
- HR information management system enhanced
- Performance and Competency Enhancement (PACE) system and organization-wide strategy for staff and career development implemented

KEY PERFORMANCE INDICATORS

- Per cent development/implementation of competency framework for recruitment, performance management and staff development activities by 2010
- Identification of future skills and competencies during 2008-2010 triennium for implementation in 2011-2013 triennium
- Per cent posts subject to EGR filled by external candidates each year recruited from un-represented and below desirable level States - target 50%.
- Per cent of women represented in Professional and Higher Category posts
- Completion of integrated HR management module – target 100% by 2010
- Completion rate for PACE improved to over 80%, over 90% and close to 100% by 31-Dec. 2008, 2009 and 2010, respectively.
- Completion of organizational learning and training needs assessment and training programme established for the triennium
- Completion of group (occupational) learning and development action plans in response to requirements identified in PACE reports annually

EXPECTED OUTPUTS

- Provision of high quality HR services at Headquarters and Regional Offices.

KEY PERFORMANCE INDICATORS

- Employee satisfaction survey conducted by 30-Jun-2010.

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	4,199	5		4,204
	2009	4,022	3		4,025
	2010	4,426	1		4,427

Information Technology

ISSUES AND CHALLENGES

- There are challenges of setting up and maintaining the required physical infrastructure, and others related to the changes in organizational culture that will be needed in order for collaboration, knowledge sharing and consolidation to take place effectively.
- Challenges include ways: to address inequities in information systems area of the Organization; to create a uniform knowledge environment with common information exchange standards; to enable and empower communities of practice to create, share and apply knowledge more efficiently and effectively; and to improve the Organization's own system for delivery of the information needed for the effective and efficient management and administration of its programmes, including the Regional Offices.
- In the above context, issues of security (protection) and assurance (reliability and stability) of networks and related infrastructure are important.
- The planned IT cuts will affect the ICAO mission unless proper management of resources is put to bear to mitigate the risk. The Electronic Records Management System (ERMS) will not be implemented.

STRATEGIC APPROACHES

- Formulation of policies, strategies and standards to ensure that data and information captured, generated and shared are validated, of high quality and readily accessible;
- Establish an Organization-wide governance mechanism to guide and monitor strategic information and communication technology (ICT) plans, with phased development and delivery systems;
- Development and support of consolidation of all ICAO systems within ICT
- Provision of effective support to ensure an efficient infrastructure and collaborative environment, including communications systems, applications, user training and computer security;
- Promotion of innovation in collaborative workspaces to further integrate learning systems, work processes and information technology
- Transform legacy applications into modern platforms in a safe, secure, fast and cost-effective manner with the implementation of the ERP solutions and other Best Practices opportunities;
- To mitigate the risk caused by the IT cuts, the following steps will be required: complete consolidation, establishment of IT project governance management, extensive portfolio management analysis, identification of outsourcing and/or off-shoring opportunities.
- All IT expenditures, including outsourcing will be centrally managed by ICT.

EXPECTED OUTPUTS

- | |
|---|
| <ul style="list-style-type: none"> • Industry standards are used to unify information management and technology architecture at ICAO |
| <ul style="list-style-type: none"> • IT decision-making structure in place to meet the business requirements for guiding ICT investments |
| <ul style="list-style-type: none"> • Cost-effective provision of existing technologies to the Organization |
| <ul style="list-style-type: none"> • Align the Organization's IM strategy and IT to its corporate business plan |
| <ul style="list-style-type: none"> • ERP Implemented and all staff provided access to internet |

KEY PERFORMANCE INDICATORS

- | |
|--|
| <ul style="list-style-type: none"> • Key documents used by the Organization for decision-making that are captured, organized and stored electronically—target 100% by Jan 2009 • Degree of commonality of standards for information and communication infrastructure across all ICAO locations—target 100% by Jan 2009 |
| <ul style="list-style-type: none"> • Establish corporate governance for all IT systems by the end of 2010. |
| <ul style="list-style-type: none"> • Consolidate all systems and their support under ICT by the end of 2010. |
| <ul style="list-style-type: none"> • Proportion of staff who contribute to and benefit from Corporate systems—target 100% by Jan 2009 |
| <ul style="list-style-type: none"> • Fully operational ERP - target 100% by Jan 2009 |

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	5,544	214		5,758
	2009	5,601	239		5,840
	2010	5,975	89		6,064

Infrastructure

ISSUES AND CHALLENGES

- Manage and coordinate the provision of timely and cost effective office services support; telephone systems management, internal distribution; inventory control; building administration and safety
- Liaise with the Host Government in Montreal Headquarters on all facility related matters and management of leases for resident delegations, and manage all facilities rental operations including leases and the Organization’s contingency-related activities
- Manage records and mail service efficiently and effectively
- Provide efficient, effective, and secure web portal with ICAO information and multilingual documentation restricted to Contracting states and international organizations
- Collect ICAO publications and make them available to the Secretariat, National Delegations and the meeting participants
- Provide basic archival services and preservation of historical records for ICAO internal use
- Building services in Regional Offices

STRATEGIC APPROACHES

- Improve inventory and fixed assets management procedures for HQ as well as for Regional Offices.
- Improve office services including: stationery management; office space management; telephone/fax systems; and security operations.
- Improve overall effectiveness through increased use of proper automation and outsourcing
- Maintain and further develop ICAO websites as a main source of ICAO-related information and documentation

EXPECTED OUTPUTS

• Inventory
• Automation of office equipment
• Reduction of printed materials and improved transparency of the status of SARPS and ICAO policies
• Improved Safety of ICAO personnel
• Documentation related to ICAO governing bodies available on the ICAO-NET
• Library management
• Archive management
• Up-to-date collection of ICAO State letters (e.g. circular, individual, eBulletin) available on the ICAO-NET with email notification system in place

KEY PERFORMANCE INDICATORS

• Completion of new inventory management system – target 100% by 2008
• Completion of centralization of office digital senders to replace fax machines and reduction of communication expenditures by 2008
• 25% reduction of printed pages by 2010; wider implementation of SARPS and ICAO policies
• Proper screening of personnel and material entering the building
• All relevant Council, ANC, ATC, JSC, FIC, UIC, and TCC documentation available on the ICAO-NET
• ICAO publications available to National Delegations and the meeting participants
• Basic ICAO publications available in the archival collection
• State letters, in all languages available on the ICAO-NET

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	4,405	16		4,421
	2009	4,506	10		4,516
	2010	4,718	4		4,722

Oversight and Evaluation

ISSUES AND CHALLENGES

- With the implementation of the Organization’s business plan, results-based management, new accounting standards (IPSAS) and an enhanced management information system, ICAO needs to assure Contracting States that a system of cost-effective internal controls and accountability has been established to ensure compliance with policies, regulations, rules and administrative directives.
- It is essential that the Organization provide performance assessment, evaluation and follow-up to provide necessary feedback to support sound governance and to build programme improvements

STRATEGIC APPROACHES

- Ensure that a system of cost-effective internal controls have been established at all levels of the Organization for compliance with policies, regulations, rules and administrative directives; and accountability for the proper, efficient and economic use of resources, consistent with organizational objectives and applicable best practices.
- Promote the efficient and effective management of the Organization’s programmes and activities with due regard to the risks and their mitigation and to the efficient use of resources consistent with the overall objectives of the Organization and the established policy framework. Improve the capacity of managers to identify and manage risks.
- Encourage the implementation of an Organization-wide evaluation framework aimed at assessing the relevance, results and impact of programmes against plan and integrating the results thereof in future programme formulation and planning, resource allocation and management processes. Assure the Secretary General, Council and Contracting States by the use of in-depth evaluations and follow up of Regular Programme and Technical Co-operation activities concerning the achievement of objectives and effectiveness and efficiency of programmes.
- Enhance the implementation of best practices and lessons learned.

EXPECTED OUTPUTS

<ul style="list-style-type: none"> • Independent reports and recommendations of risk-based audits, evaluations, management reviews, performance assessments to the Secretary General, Council and Senior Management with a view to attain greater compliance with established policies, regulations rules and procedures.
<ul style="list-style-type: none"> • An Organization-wide risk management framework, aimed at assessing the risks and their impact on programmes and integrating risk mitigation strategies into programme formulation and planning.
<ul style="list-style-type: none"> • Follow up on the status of implementation of recommendations of EAO.
<ul style="list-style-type: none"> • Certification of annual Financial Statements for ECAC.

KEY PERFORMANCE INDICATORS

<ul style="list-style-type: none"> • 100% completion of planned oversight, evaluation, audit and review activities against annual plans with appropriate recommendations for implementation by management within the resources provided.
<ul style="list-style-type: none"> • Per cent implementation of Risk Management policy and process against implementation plan and their use by managers in their planning and reporting of operations. Full implementation targeted by the end of 2009.
<ul style="list-style-type: none"> • Increase percentage of implementation of recommendations of evaluation, audit and review activities undertaken each year. Targeted implementation of 100% of accepted/applicable recommendations within 2 years of reporting status.
<ul style="list-style-type: none"> • Certification within time requirements each year.

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	855	0		855
	2009	864	0		864
	2010	923	0		923

Legal Services

ISSUES AND CHALLENGES

- ICAO is a complex business like many others. It finds itself contracting for goods and services and providing space, security and safety for its employees. The challenge is that all of this activity requires legal support both in establishing the initial contractual basis and on occasion defending ICAO from liabilities or charges before the courts.
- The complex environment in which ICAO operates requires LEB to provide legal advice to substantive Bureaus who work on matters directly related to the Organization's strategic objectives.
- Increased litigation arising from ICAO's downsizing
- Budget constraints will affect volume and timeliness of legal services provided.

STRATEGIC APPROACHES

- Review and advise on contractual matters of significance and advise as requested on all others
- Advise senior management of their legal obligations regarding any actions taken by ICAO
- Facilitate the settlement of civil disputes and to minimize the potential for disagreements between ICAO and other stakeholders.

EXPECTED OUTPUTS

- All formal documentation has a legal basis for the action proposed within
- Civil disputes between ICAO and stakeholders mediated

KEY PERFORMANCE INDICATORS

- All policy, contracts and written agreements submitted to LEB for internal management of ICAO, are based on the rule of law applicable in Montreal
- 70% of disputes that are resolved between ICAO and the other parties through mediation

RESOURCES (CAD thousand)		Regular Budget		Other sources	All funds
		Operational	Capital		
TOTAL 2008-2010					
	2008	222	0		222
	2009	241	0		241
	2010	297	0		297

(this page intentionally left blank)

EXTRA-BUDGETARY

(this page intentionally left blank)

The Ancillary Revenue Generation Fund

ISSUES AND CHALLENGES

- The Ancillary Revenue Generation Fund (ARGF) has been created to consolidate revenues from ICAO's current revenue generating activities, strengthen these revenue streams and manage costs effectively in accordance with C-DEC 177/2. The goal of the ARGF is to maximise revenue generation opportunities from activities that do not directly contribute to ICAO's Strategic Objectives. One expected outcome over time is to contain the increase in assessments from ICAO Contracting States
- Develop business opportunities and partnerships that are aligned to support, and more effectively promote, ICAO's regular programme activities
- Determine and put in place the required governance framework to optimise results
- Identify and allocate all costs which are directly related to revenue generating activities
- Manage all ARGF revenues and costs more effectively
- Establish benchmarks for revenue and costs in each product area
- Maximise internal synergies and develop new revenue generating opportunities
- Prioritise areas of development and assess risks
- Protect ICAO's intellectual property and manage the ICAO brand
- Maximise licensing and partnership opportunities

STRATEGIC APPROACHES

Periodicals, Publications, special reports, ICAO Journal, agenda:

- Strengthen and coordinate marketing and promotional activities through a structured product management approach
- Expand sales of electronic publications (CD-ROMS, ASTP's) and plan the conversion of traditional publications to enhanced electronic applications
- Implement renewal processes and develop more subscription based publications to increase customer loyalty
- Improve use of ICAO website (ICAO eShop) to increase sales of ICAO publications
- Review the positioning of the ICAO Journal and overall editorial strategy to make it profitable
- Maximise advertising sales efforts for ICAO Journal, special reports and websites
- Increase advertising revenues of the ICAO Journal and reduce the deficit
- Optimally utilise ICAO media to promote and increase visibility of RP activities

Printing:

- Provide high quality profitable printing services to internal and external clients
- Improve processes, reduce costs and improve margins on external printing contracts

Events and Symposia:

- Manage, coordinate and support the delivery of high quality events that are closely linked to our RP activities
- Ensure the necessary resources and support framework to promote events
- Maximise revenue generation through innovative sponsorship programs
- Strengthen proven and already implemented solutions
- Develop and implement tools to facilitate event management for managers

Training:

- Continue to support development of training courses that enhance ICAO RP activities
- Develop training courses and materials in areas that will maximise return on investment

Licensing and Partnerships:

- Manage current agreements and ensure maximum visibility and promotion of services
- Identify and develop new opportunities to licence ICAO information and data
- Ensure that the ICAO intellectual property is protected

Dangerous goods

- Manage and expand the portfolio of (TI) Dangerous Goods products and services.
- Deliver to market the ICAO/OAG online DG data service
- Develop business initiatives and partnerships with key industry DG data users

<p>Conference services:</p> <ul style="list-style-type: none"> • Manage and deliver high quality profitable conference services • Ensure that all support services for events are up-to-date, of the highest quality and adapted to clients requirements. Provide highest quality customer service available.
--

EXPECTED OUTPUTS

<ul style="list-style-type: none"> • Review pricing policy for top-selling publications and revise sales agents commission rates
<ul style="list-style-type: none"> • Implement new promotional efforts, renewal programs and sales tactics
<ul style="list-style-type: none"> • Reduce number of traditionally printed publications and convert to electronic versions. • Launch new e-products
<ul style="list-style-type: none"> • Reduce the ICAO Journal deficit while enhancing editorial impact
<ul style="list-style-type: none"> • Increase revenue generating opportunities from special reports and editions
<ul style="list-style-type: none"> • Develop relationships with key industry partners and develop partnerships to maximise their visibility through ICAO media opportunities
<ul style="list-style-type: none"> • Develop, promote and deliver high quality events and Symposia to our different constituencies
<ul style="list-style-type: none"> • Ensure that event managers are satisfied with support activities for the delivery of their events
<ul style="list-style-type: none"> • Provide printing services to respond and meet all requirements of the organisation
<ul style="list-style-type: none"> • Expand external printing services to reduce overall printing section costs without adding new resources
<ul style="list-style-type: none"> • Manage current licensing agreements and ensure that at renewal of contracts, revenues increase for ICAO. • Identify new licensing and partnership opportunities.
<ul style="list-style-type: none"> • Deliver high quality conference services to internal and external clients
<ul style="list-style-type: none"> • Continue to grow current training programs and develop new ones in a cost effective manner

KEY PERFORMANCE INDICATORS

<ul style="list-style-type: none"> • Increased revenues
<ul style="list-style-type: none"> • Number of copies sold and total revenue increased. Number of customers and loyalty increased.
<ul style="list-style-type: none"> • Overall reduction of printing and distribution costs
<ul style="list-style-type: none"> • ICAO Journal advertising revenues increased and costs reduced
<ul style="list-style-type: none"> • Special reports developed and editions to reinforce ICAO Events and special activities
<ul style="list-style-type: none"> • Increase in advertising revenue for ICAO media. • ICAO’s dependency on outsourcing of advertising sales reduced
<ul style="list-style-type: none"> • Maintained and increased revenues from events and symposia. Sales from sponsorship programs and exhibitor space maximized.
<ul style="list-style-type: none"> • Framework to manage event activities and increase revenues set up
<ul style="list-style-type: none"> • High quality printing jobs on a timely and cost effective basis delivered. Optimal customer service
<ul style="list-style-type: none"> • External printing jobs which provide optimal profit margins contracted. Methods and tools to improve revenues and reduce costs implemented.
<ul style="list-style-type: none"> • On a yearly basis, new licensing and partnership opportunities that generate revenue developed. Current partnerships enhanced and new services developed
<ul style="list-style-type: none"> • High quality support and customer service without increasing costs. Support tools are up to date and respond to clients requirements
<ul style="list-style-type: none"> • Increased revenue from existing training programs. Implement plan to build up revenues from this area.

ARGF BUSINESS PLAN 2008-2010 (CAD thousands)

	Revenue	Expenditures	Surplus
Periodicals, publications printing and distribution	29,100	19,650	9,450
Events and symposia	1,832	946	886
Training	1,656	1,287	369
Licensing agreements	573	115	458
Partnerships in statistics	557	11	546
Dangerous goods	2,243	1,376	867
Conference services and Rental of Offices	4,386	4,051	335
ARGF governance ⁴	0	566	(566)
Total	40,347	28,002	12,345

⁴ Includes one P-2, Accounting Officer, and one G-7, Finance Assistant, for coordination and support of ARGF activities.

Technical Co-operation Programme

ISSUES AND CHALLENGES

- Contracting States increasingly call upon ICAO to assist them with the implementation of Standards and Recommended Practices (SARPs) and Air Navigation Plans (ANPs), as well as in the development of their civil aviation infrastructure and human resources, and expect, as do other stakeholders such as funding institutions and donors, expedient and effective project management and reporting as well as detailed and real time information on project activities and finances.
- In accordance with ICAO Financial Regulations, the ICAO Technical Co-operation Bureau (TCB) is self-financing through cost recovery.
- In view of the nature of the Technical Co-operation Programme, TCB requires operational flexibility to deal with issues such as the volatility in demand for technical support resulting in variances in the Programme size over the years.
- The basic cost structure for the Bureau includes expenditures related to, inter alia, a core staff necessary to cope with a minimum programme, as well as staff and other costs of the Regular Programme providing services to TCB. Additional temporary staff are hired, as required, based on the programme size.

STRATEGIC APPROACHES

- In order to meet its Strategic Objectives, within the framework of the Technical Co-operation Programme, ICAO continues to:
- Assist States in their achievement of self-sufficiency in the field of civil aviation;
 - Provide assistance in the implementation of ICAO SARPs and in the effective implementation of remedial actions for deficiencies identified;
 - Liaise with States as well as with regional and sub-regional organizations for the provision of technical co-operation including assisting in negotiations for project financing;
 - Endeavour to achieve the involvement of a greater number of States requiring technical assistance in regional/sub regional technical co-operation projects implemented by ICAO
 - Endeavour to expand the Technical Co-operation Programme on a worldwide basis for a decrease in the gap between the Programme size of the four geographical areas in the Technical Co-operation Bureau.

EXPECTED OUTPUTS

• Technical Co-operation Bureau responsive to the requirements of developing countries
• Technical Co-operation Programme implementation maximized
• Balance in the programme size by geographical region
• Funding obtained from non-traditional sources
• Technical co-operation activities based on the principle of cost recovery

KEY PERFORMANCE INDICATORS

• Level of satisfaction of the developing countries with the services provided by TCB
• Per cent increase of actual implementation compared with the approved programme
• Per cent increase in the Programme size of the Africa, Asia & Pacific, and the Europe & Middle East Regions
• Per cent increase in funds provided from non-traditional sources
• Balance between income and expenditures in year-end results

Notes: The following budgetary estimates for the Administrative and Operational Services Costs are for planning purposes and are indicative only. They will be reviewed annually and be submitted to Council for approval in conjunction with updated forecasts of programme levels for the coming year and revised, if required.

ESTIMATED TECHNICAL COOPERATION PROGRAMME IMPLEMENTATION (2007)
(In Thousands of US Dollars)

STRATEGIC OBJECTIVES		US\$	%
TCB Programme	Strategic Objective A - SAFETY	40,000	27%
	Strategic Objective B - SECURITY	42,000	28%
	Strategic Objective C - ENVIRONMENTAL PROTECTION	2,000	1%
	Strategic Objective D - EFFICIENCY	53,000	35%
	Strategic Objective E - CONTINUITY	11,000	7%
	Strategic Objective F - RULE OF LAW	2,000	2%
SUB-TOTAL: STRATEGIC OBJECTIVES		150,000	100.0%

ESTIMATED TECHNICAL COOPERATION PROGRAMME FOR 2008-2009-2010
EXPRESSED IN PERCENTAGE AS A FUNCTION OF 2007 ESTIMATED PROGRAMME IMPLEMENTATION

	Safety	Security	Environment	Efficiency	Continuity	Rule of Law
ESTIMATED FOR 2008-2009-2010	27%	28%	1%	35%	7%	2%

ESTIMATED ADMINISTRATIVE AND OPERATIONAL SERVICES COST (AOSC) FOR 2008-2009-2010
(In Thousands of Canadian Dollars)

SUPPORTING IMPLEMENTATION STRATEGIES				2008	2009	2010	TOTAL
	TCB MANAGEMENT & ADMINISTRATION			9,723	9,827	10,328	29,878

Joint Financing Activities

STRATEGIC OBJECTIVE D.: ENHANCE THE EFFICIENCY OF AVIATION OPERATIONS
STRATEGIC OBJECTIVE E: MAINTAIN THE CONTINUITY OF AVIATION OPERATIONS

ISSUES AND CHALLENGES

- Application of Chapter XV of the Convention and the possible development of additional joint financing or other cooperative arrangements in addressing the provision, maintenance and financing of air navigation facilities and services.
- Administering and updating the existing joint financing arrangements (DEN/ICE Agreements, Height Monitoring System Joint Financing Arrangement and SADIS Agreement).
- Familiarizing States and PIRGs with the joint financing concept as a means of financing air navigation facilities and services.
- Promoting new applications of the joint financing concept in situations where technical, economical and/or political reasons may warrant such types of multinational arrangements.

STRATEGIC APPROACHES

- Respond to technical and economic changes affecting the Joint Financing arrangements such as introduction of additional elements of CNS/ATM and substantial fluctuations in traffic.
- Update and develop the existing guidance material in the Joint Financing field.
- Provide all necessary assistance and individual advice to the States and PIRGs on Joint Financing matters, including evaluations, draft agreements, etc

EXPECTED OUTPUTS

<ul style="list-style-type: none"> • Provide effective administration of the Danish and Icelandic Joint Financing Agreements and update these and their Annexes as needed
<ul style="list-style-type: none"> • Administer efficiently the Arrangement on the Joint Financing of the North Atlantic Height Monitoring System and update this Arrangement as needed
<ul style="list-style-type: none"> • Provide effective support services for the administration of the Agreement on the Sharing of Costs of the Satellite Distribution System for information relating to Air Navigation (SADIS), on a cost-recovery basis.
<ul style="list-style-type: none"> • Provide necessary information and technical support within and outside ICAO (in particular Contracting States and PIRGs) on issues related to the joint financing of air navigation facilities

KEY PERFORMANCE INDICATORS

<ul style="list-style-type: none"> • Meeting the annual deadlines as per Treaty obligations and the satisfaction of the Contracting Governments, the provider States, the users, the members of the ICAO Council and the Joint Support Committee.
<ul style="list-style-type: none"> • The satisfaction of the Contracting Governments and the users.
<ul style="list-style-type: none"> • The satisfaction of the Contracting Governments concerned, including the provider State, and the percentage of collection on time of the SADIS cost shares from the Parties to the Agreement.
<ul style="list-style-type: none"> • The satisfaction of the recipients of such information and technical support as reflected by their comments, and the possible new applications of the joint financing concept.

Approved (CAD thousands)	
2008	892
2009	927
2010	953
Total	2,772

ANNEX 1: THE RESULTS BASED BUDGET MODEL

1. The basic principle of results based budgeting is to align the financial requirements of an Organization to its planned results. The advantages of a results based budget are numerous, and include:

- i) A more transparent representation of the elements of the budget since resource requirements are tied to expected results;
- ii) A better understanding of the Organization's strategy through the budget;
- iii) Increased delegation to managers in utilizing resources insofar that planned results are met;
- iv) Promotion of a dynamic approach to resources management – each planning and budget cycle is improved based on lessons learnt from the previous one; and
- v) Promotion of a more strategic dialogue between the Organization and its governing bodies in that the focus is on budget results rather than inputs.

2. The Budget for 2008-2010 has been prepared in accordance with C-DEC 178/14 on C-WP/12661 and report C-WP/12662 presented thereon by the Finance Committee whereby the Council approved the definitions of Programme Support and Management and Administrative Support, and retained the Bureau/Organizational structure and six major Strategic Objectives.

3. It should be noted that – in departing from a cost centre approach - the RBB format provides to respond to the question “what are resources for” rather than “where are resources located”.

“Programme” and “Programme Support”

4. Any expenditure relating to a strategic outcome is sub-divided into direct programme costs (Programme) and indirect programme costs (Programme Support).

From the Organizational standpoint, **Programme** includes units involved in managing activities upon which the achievement of the six Strategic Objectives is directly grounded. These units are listed in the following table:

Office of the Secretary General - Strategic Direction of the Organization
Air Navigation Bureau
Air Transport Bureau
Planning and Global Coordination Office (PCO)
Regional Offices (excluding financial, accounting and administrative posts)
Safety and Security Audits Branch
Legal Bureau: international law

These Organizational units contribute to one or more “Strategic Results”. The latter are outcomes that have been identified by Managers for each of the six approved Strategic Objectives of ICAO for 2005-2010 to simplify the Budget presentation which would have been otherwise either too detailed (if developed at the activity level) or condensed (if developed at the Strategic Objective

level). The detailed mapping of Strategic Results to the six approved Strategic Objectives is provided in Annex 2 to this document.

Post costs under Programme have been linked to Strategic Objectives through the apportionment of each post required for 2008-2010 up to a maximum of four Strategic Results. Costs stemming from requirements other than post have been tied to Strategic Results by pro rating them consistently with the apportionment of posts, unless clearly contributing to a Strategic Result (for instance, travel costs for Safety and Security audits). Apportioned costs are typically corporate ones such as rent, reimbursement to UN bodies for services provided, contribution to joint UN activities, staff safety, etc.

From the Organizational standpoint **Programme Support** (PS) includes those units whose primary function is to provide backstopping to the Programme on a logistical basis. The eight Supporting Implementation Strategies (SIS) have been looked into and remapped – whenever possible - in order to better define their functional profile (Annex 2). This remapping has led to the identification of the following functional entities under Programme Support (the Bureau or Branch they refer to is indicated in brackets):

Assembly and Council Secretariat; Language and Publication (ADB)
External Relations (EPO)

Functional entities under Programme Support do not contribute directly to strategic results but create the enabling environment within which Programme operates. Accordingly, the results for which these entities are accountable are functional, not strategic.

“Management and Administration”

5. From the Organizational standpoint **Management and Administration** (M&A) includes those units whose primary function is the maintenance of the identity, direction and operation of the Organization. The functional remapping of the eight SIS has led to the identification of the following functional entities under M&A (the Bureau or Branch they refer to is indicated in brackets, when applicable):

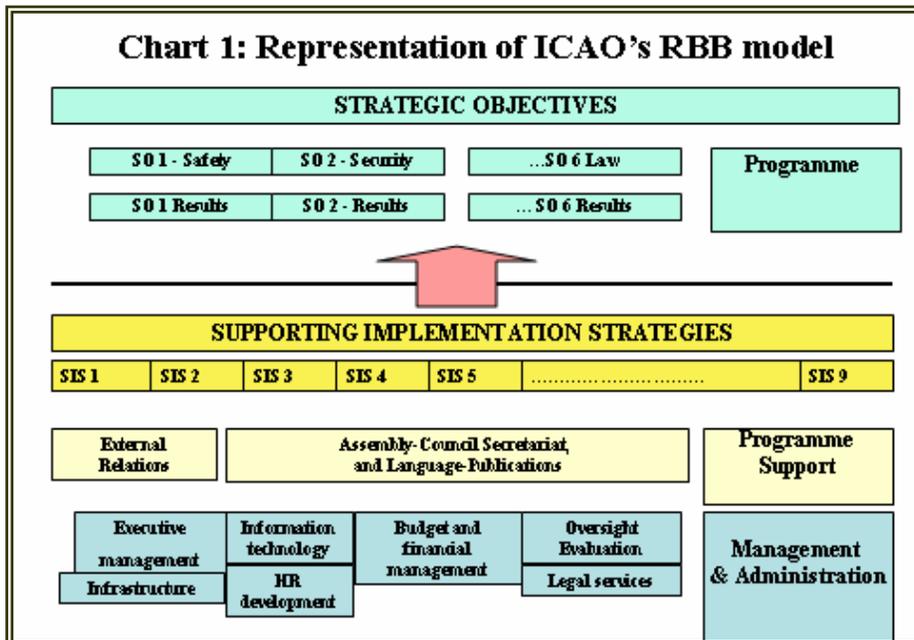
Executive Management (Office of the Secretary General)
Budget and Financial Management (FIN)
Human Resource Development
Infrastructure (Office Services, Registry, Web, Library, Archives [ADB])
Oversight and Evaluation (EAO)
Information Technology
Legal Services

- “Human Resource Development” includes the HR Branch, ADB, but encompasses all investments in Human Resources throughout the Organization. Thus, any such investment has been extracted from the cost centre (Bureau or Regional Office) where it will be physically spent and accounted for to capture the Organization’s overall investment in the area of HR.
- Similarly, “Information Technology” includes the ICT Branch, ADB, but encompasses also all other corporate investments in IT. Thus, to fully capture the Organization’s thrust in this area, any resource that contributes to furthering of IT at ICAO has been extracted from the Bureau or Regional Office where it will be spent and accounted for under “Information Technology”.

- In addition, in Regional Offices, the cost of any financial and accounting post has been accounted for under “Budget and Financial Management”. Similarly, costs of Regional Offices administrative and clerical posts have been attributed to one or a combination of the following based on a review of their main responsibilities: “Human resources development”; “Budget and financial management”; “Information technology” or “Infrastructure”.
- The “Office of the Secretary General (Executive Management)” represents the portion of the costs of the Office of the Secretary General that is attributed to the ongoing management of the Organization rather than its Strategic guidance and Leadership. The latter portion is accounted for under “Programme”.

6. The nine functional entities rolling under Programme Support and Management and Administration do not contribute directly to strategic results. They incorporate resources deployed toward results that are functional rather than strategic.

7. A representation of ICAO’s RBB model is provided in Chart 1.



8. For each of the 15 strategic results falling under Programme and each of the 9 functional entities falling under either PS or M&A, RBB templates similar in format to the ones provided in the Programme Budget of the World Health Organization have been established. They include the following:

- Issues and challenges: a brief overview of issues and challenges related to the achievement of the strategic result or the performing of support function;
- Strategic approaches that managers have chosen - amongst the spectrum of available ones - to achieve the strategic result or perform the support function;
- Expected outputs: concrete deliverables that stem directly from the planned strategies;
- Key performance indicators that allow Managers and stakeholders to keep track of the delivery of the expected outputs during the budget triennium;

- Resources: funds required for the triennium in support of the strategic result or support function. These resources are broken down between “Regular Budget” and “Other Sources”. In turn, regular resources are broken down between “operational” and “capital” (see Annex 4 on implications of IPSAS and Annex 5 on details on the items capitalized in this budget).

ANNEX 2: MAPPING OF BUDGET RESULTS TO THE STRATEGIC OBJECTIVES AND SUPPORTING IMPLEMENTATION STRATEGIES OF ICAO (approved as per C-DEC 173/13)

	Key activities as per C-DEC 173/13	Strategic Results as per Budget document
Strategic Objective A: SAFETY	# A1. Identify and monitor existing types of safety risks to civil aviation and develop and implement an effective and relevant global response to emerging risks.	A1. Enhanced resolution of safety issues by ICAO through implementation of a safety management process in ICAO.
	# A2. Ensure the timely implementation of ICAO provisions by continuously monitoring the progress toward compliance by States.	
	#A4. Develop global remedial plans that target the root causes of deficiencies	
	#A8. Support the implementation of safety management systems across all safety-related disciplines in all States.	A2. Enhanced safety of international civil aviation through implementation of Safety Management System (SMS) in each Contracting State and the industry.
	#A3. Conduct aviation safety oversight audits to identify deficiencies and encourage their resolution by States	A3. Enhanced oversight capabilities of States through the conduct of comprehensive safety oversight audits.
	# A5. Assist States to resolve deficiencies through regional remedial plans and the establishment of safety oversight organizations at the regional or sub-regional level	A4. Enhanced resolution of safety deficiencies through coordinated assistance to States and sharing of safety information.
	#A 6. Encourage the exchange of information between States to promote mutual confidence in the level of aviation safety between States and accelerate the improvement of safety oversight.	
	# A7. Promote the timely resolution of safety-critical items identified by regional Planning and Implementation Groups (PIRGs).	

	Key activities as per C-DEC 173/13	Strategic Results as per Budget document
Strategic Objective B: SECURITY	#B1. Identify and monitor existing types of security threats to civil aviation and develop and implement an effective global and relevant response to emerging threats.	B1. Enhanced implementation of ICAO security Standards through effective security management and assistance.
	# B2. Ensure the timely implementation of ICAO provisions by continuously monitoring the progress toward compliance by States	
	#B5. Develop and maintain aviation security training packages and e-learning.	
	# B6. Encourage the exchange of information between States to promote mutual confidence in the level of aviation security between States.	
	# B7. Assist States in the training of all categories of personnel involved in implementing aviation security measures and strategies and, where appropriate, the certification of such personnel.	
	# B8. Assist States in addressing security related deficiencies through the aviation security mechanism and technical co-operation programmes	
	#B1. Identify and monitor existing types of security threats to civil aviation and develop and implement an effective global and relevant response to emerging threats.	B2. Enhanced compliance with facilitation Standards concerning border-crossing, including those relating to Machine Readable Travel Documents.
	#B4. Develop, adopt and promote new or amended measures to improve security for air travellers worldwide while promoting efficient border crossing procedures.	
	# B6. Encourage the exchange of information between States to promote mutual confidence in the level of aviation security between States.	
	#B3. Conduct aviation security audits to identify deficiencies and encourage their resolution by States.	B3. Enhanced oversight capabilities of States and improved airport security through the conduct of aviation security audits.

Strategic Objective C: ENVIRONMENTAL PROTECTION	Key activities as per C-DEC 173/13	Strategic Results as per Budget document
	#C1 Develop, adopt and promote new or amended measures to:	C1. The environmental effects of aviation are properly identified, reasonably quantified and appropriate measures to address these effects are developed.
	- limit or reduce the number of people affected by significant aircraft noise;	
	- limit or reduce the impact of aircraft engine emissions on local air quality; and	
	- limit or reduce the impact of aviation greenhouse gas emissions on the global climate.	C2. ICAO is recognized as the leader organization to address environmental issues related to international aviation.
#C2. Cooperate with other international bodies and in particular the UN Framework Convention on Climate Change (UNFCCC) in addressing aviation's contribution to global climate.		

Strategic Objective D: EFFICIENCY	Key activities as per C-DEC 173/13	Strategic Results as per Budget document
	# D1. Develop, coordinate and implement air navigation plans that reduce operational unit costs, facilitate increased traffic (including persons and goods), and optimize the use of existing and emerging technologies.	D1. Operational services in support of a performance-based air navigation system.
	# D1. Develop, coordinate and implement air navigation plans that reduce operational unit costs, facilitate increased traffic (including persons and goods), and optimize the use of existing and emerging technologies.	D2. Technology and infrastructure in support of a performance-based air navigation system.
	# D1. Develop, coordinate and implement air navigation plans that reduce operational unit costs, facilitate increased traffic (including persons and goods), and optimize the use of existing and emerging technologies.	D3. Implementation framework in support of the transition to the operational concept.
	#D2 Study trends, co-ordinate planning and develop guidance for States that supports the sustainable development of international civil aviation.	D4. Liberalization of air transport regulation and efficiency of infrastructure management.
	#D3. Develop guidance, facilitate and assist States in the process of liberalizing the economic regulation of international air transport, with appropriate safeguards.	

Strategic Objective E: CONTINUITY	Key activities as per C-DEC 173/13	Strategic Results as per Budget document
	# E1. Assist States to resolve disagreements that create impediments to air navigation	E1. Prevention and minimization of disruptions to aviation operations.
	# E2. Respond quickly and positively to mitigate the effect of natural or human events that may disrupt air navigation.	
	# E3. Cooperate with other international organizations to prevent the spread of disease by air travellers.	

Strategic Objective F: RULE OF LAW	Key activities as per C-DEC 173/13	Strategic Results as per Budget document
	# F1. Prepare international air law instruments that support ICAO's Strategic Objectives and provide a forum to States to negotiate such instruments.	F1. Preparation and promotion of ratification of international air law instruments, depositary and dispute-settlement functions related thereto, registration of aeronautical agreements and preparation of model legislation.
	# F2. Encourage States to ratify international air law instruments	
	# F3. Provide services for registration of aeronautical agreements and depositary functions for international air law instruments.	
	# F4. Provide mechanisms for the settlement of civil aviation disputes.	
	# F5. Provide model legislation for States.	

SUPPORTING IMPLEMENTATION STRATEGIES	FUNCTIONAL ENTITIES PRIMARILY RESPONSIBLE		
#S1. operate in a transparent manner and communicate effectively both externally and internally	External relations	Executive Management	Oversight and evaluation
#S2. maintain the effectiveness and relevance of all documents and materials	Assembly-Council Secretariat and Language-Publications		Infrastructure
# S3. identify risk management and risk mitigation strategies as required	Oversight and evaluation	Executive Management	
# S4. continuously improve the effective use of its resources	Budget and financial management	Executive Management	Infrastructure
# S5. enhance the use of information and communication technology integrating it into its work processes at the earliest possible opportunity	Information technology	Executive Management	Budget and financial management
# S6. take into account the potential impacts on the environment of its practices and operations	Functional mapping not possible.		
# S7. improve its use of diverse human resources in line with the best practices in the UN system	Human resources development	Executive Management	
#S8. operate effectively with the highest standard of legal propriety.	Legal Services	Executive Management	

(this page intentionally left blank)

ANNEX 3: REGULAR PROGRAMME BUDGET BY MAJOR PROGRAMME AND OBJECT OF EXPENDITURE

1. This Annex provides an overview of ICAO's Budget requirements for 2008-2010 in the traditional format, by Major Programme. Because the 2005-2007 Budget was prepared in this format, this Annex allows some degree of comparison between budget resources approved for the 2005-2007 triennium and the ones for the 2008-2010 triennium, in spite of the 2008-2010 budget being in a different currency from the 2005-2007 one.

2. To facilitate the logical transition between the old Budget format and the new one, a description of the Organization's Bureaus, major Offices and their responsibilities is provided hereunder:

3. The Air Navigation Bureau develops recommendations for Standards and Recommended Practices (SARPS) and Procedures for Air Navigation Services (PANS) related to safety, regularity and efficiency of international civil aviation for adoption/approval by the Council. The Bureau conducts technical studies for the Air Navigation Commission and develops guidance material in support of safety and efficiency, including a Global Air Navigation Plan and a Global Aviation Safety Plan. As part of its Air Navigation Integrated Programme, the Bureau supports safety and efficiency initiatives worldwide, working closely with the regional offices on planning and implementation of a global air traffic management system, conducting safety management courses and coordination of a unified safety strategy. For the 2008-2010 triennium, the Bureau, through the Major Programme Air Navigation, will have the lead in meeting the Strategic Objectives of the Organization with regard to Safety (Objective A) and Efficiency (Objective D). In addition, the programme also provides support for other Strategic Objectives of the Organization, namely Security (Objective B), Environmental Protection (Objective C) and Continuity (Objective E). A major effort is underway to develop the means by which to measure the performance of the air navigation system. The programme will provide the information necessary to measure the performance of the Organization either through the High Level Indicators or at a programme level.

4. The Air Transport Bureau is responsible for the provision of expert assistance required by the Assembly, Council, Air Transport Committee (ATC), Committee on Unlawful Interference (UIC), Committee on Joint Support of Air Navigation Services (JSC), Committee on Aviation Environmental Protection (CAEP) and the specialized conference, divisional, panel and working group meetings that may be convened in the air transport field. The Bureau also provides environmental, economic and planning advice to other offices of the Organization. In addition, the Bureau promotes the implementation of ICAO Annexes, policy and guidance material developed under the air transport programme. It maintains and provides access to informational databases such as those on civil aviation statistics, bilateral air transport agreements, economic regulation and acts of unlawful interference; provides coordination between ICAO and the regional civil aviation organizations (ACAC, AFCAC, ECAC and LACAC) and performs liaison and provides input on air transport issues to the United Nations and other international organizations. For the 2008-2010 triennium, the Major Programme Air Transport has the lead in meeting the Strategic Objectives of the Organization with regard to Security (Objective B) and Environmental Protection (Objective C). In addition the programme also provides support for some of the other major objectives of the Organization, namely Safety (Objective A), Efficiency (Objective D) and Continuity (Strategic Objective E) as well as the necessary information to measure the performance of the Organization either through some of the High Level Indicators or at a programme level.

5. The Legal Bureau is responsible for the depositary functions of ICAO under several treaties, as well as the registration of agreements or arrangements pursuant to Articles 81 and 83 of the Chicago Convention. It provides advice and assistance to ICAO Member States on international air law. It performs research and studies in the field of private and public international air law and prepares

documentation for the Legal Committee, Diplomatic Conferences, Council, its subordinate bodies and the Assembly. It also provides advice and assistance to the Secretary General and through him to the various bodies of the Organization on administrative and procedural matters, commercial law, labour law and related matters. The functions of the Legal Bureau also include co-operation and coordination on legal activities with the United Nations and other international organizations.

6. Planning and Global Coordination Office: The focus of this Office is to provide support, coordinate and monitor the development and implementation of the organization-wide Business Plan and Key Performance Indicators (KPIs), as well as the harmonization of the regional work programme. In attaining this objective, the PCO is responsible for maintaining a web-based ICAO Business Plan database (IBD) and ensuring currency of information on all related Business Plan documents including the BP webpage. In terms of the Regional programme, PCO assists and monitors the activities of all the Regional offices, particularly in the formulation and harmonization of operational plans and regional planning activities of the multi-disciplinary Planning and Implementation Regional Groups (PIRGs).

7. Regional Structure: The present regional structure, as defined in Appendix 1 to the Directives to Regional Air Navigation Meetings and Rules of Procedure for their Conduct (Doc 8144-AN/874), comprises the following regions:

- Africa-Indian Ocean (AFI) Region
- Asia and Pacific (ASIA/PAC) Region
- Caribbean and South American (CAR/SAM) Region
- European (EUR) Region
- Middle East (MID) Region
- North American (NAM) Region
- North Atlantic (NAT) Region

Each of the seven Regional Offices (located in Paris, Dakar, Nairobi, Lima, Mexico, Bangkok and Cairo) is responsible for serving the Contracting States to which it is accredited and maintaining liaison with non-Contracting States and other territories in the areas of general responsibility, for the performance of air navigation, air transport, regional bodies, technical co-operation functions, legal, aviation security and other activities such as reporting on implementation by States of Assembly and Council resolutions.

8. The Bureau of Administration and Services is responsible for providing the administrative support required by the Organization relating to the following: human resources; conference and office services; information and communication technology; registry, distribution and sales; web, library and archives; languages and publications; and Assembly and Council Secretariat.

9. The Safety and Security Audits Branch: In 2005, the Council agreed that in order to streamline ICAO's audit functions, and in the interest of efficiency and economy, the ICAO Universal Safety Oversight Audit Programme (USOAP) and the ICAO Universal Security Audit Programme (USAP) should be administratively co-located in a single audit entity, outside the ANB and the ATB, respectively. Accordingly, in 2006, the two audit programmes were co-located in a new Safety and Security Audits (SSA) Branch within the Office of the Secretary General. The new SSA Branch comprises three Sections: a) the Safety Oversight Audit (SOA) Section manages the USOAP and is responsible for Strategic Result A3; b) the Aviation Security Audit (ASA) Section manages the Universal Security Audit Programme and is responsible for Strategic Result B3; c) and an Audit Coordination and Reporting (ACR) Section which embodies the administrative integration of USOAP and USAP and is responsible for a number of activities common to the two audit programmes, where opportunities for the sharing of resources have been identified. In supporting the SOA and ASA Sections, the ACR Section is related to Strategic Results A3 and B3. The SOA Section has been certified under ISO standard Quality Management Systems - Requirements: ISO 9001:2000 since 16 October 2002. ISO certification will be progressively extended to cover the entire SSA Branch.

10. Table 4 provides the breakdown of the Budget for 2008-2010 by Major Programme. Comparability with the 2005-2007 Budget is allowed by the percent columns displayed. Budgeted amounts are broken down by the following major objects of expenditure: Staff, Meetings, Travel, and Other Direct Costs. Also highlighted are the amounts budgeted for 2008-2010 reflecting the planned volume of ARGF services to be procured.

11. The table emphasizes:

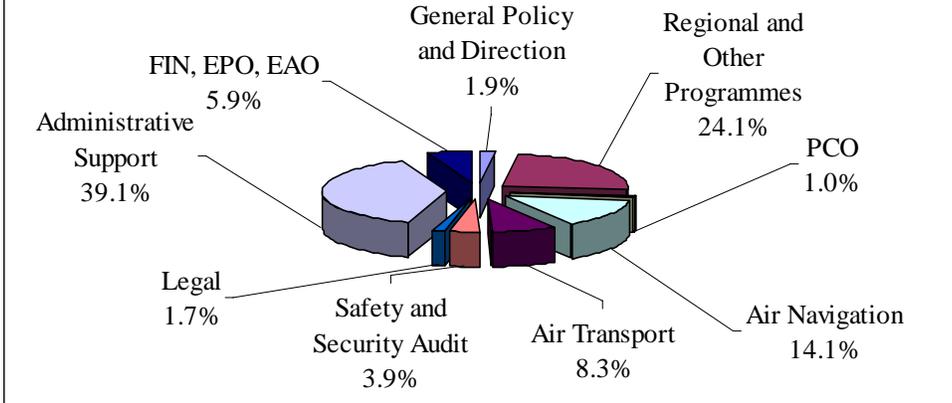
- The impact of the transition of a large portion of AVSEC Plan of Action into the Regular Budget with resources for MP VIII: Safety and Security Audits increasing from 3.9 per cent to 8.0 per cent;
- The increased share of budget resources for MP III: Air Transport from 8.3 per cent to 8.9 per cent;
- The reduced share of budget resources for MP VI: Administrative Support, from 39.1 per cent to 34.1 per cent and for MP VII FIN, EPO, EAO from 5.9 per cent to 5.0 per cent;
- The reduced incidence of staff costs on the Budget from 84.0 per cent in 2005-07 to 79.4 per cent for 2008-2010;
- The increase in resources for Travel, from 2.6 per cent to 3.6 per cent, attributable to the substantive requirements of MP VIII: Safety and Security Audits;
- The increase in resources for Meetings, from 1.4 per cent to 1.7 per cent; driven by substantive requirements of ATB;
- The establishment of provision totalling 2.8 per cent of the total Budget to cover for services previously in-sourced and to be provided in the future by the ARGF;
- The establishment of a provision totalling 1.3 per cent of the total Budget which represents the budgeted portion to total one-time Organizational realignment costs.

12. Pie charts 2 and 3, derived from Table 4, provide a more clear indication of the much increased focus of the budget on substantive activities with the combined share of Major Programmes VI: Administrative Support and VII: FIN, EPO, EAO decreasing by 5.9 per cent points from 45.0 per cent in the 2005-2007 budget to 39.1 per cent under the 2008-2010 budget, with the downsizing of “Administrative Support” being responsible for most of the decrease.

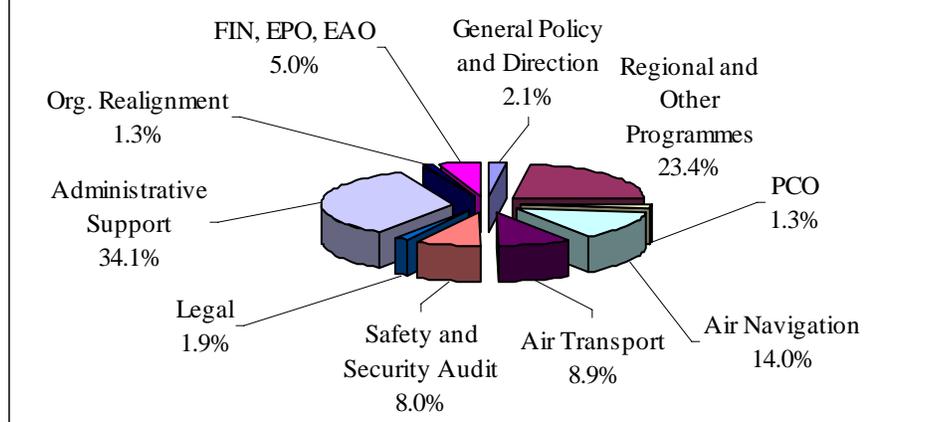
**TABLE 4: SUMMARY OF 2008-2010 BUDGET
BY MAJOR PROGRAMME AND OBJECT OF EXPENDITURE
(in thousands of Canadian dollars)**

	Budget 2008-2010				Percentage	
	2008	2009	2010	Total 2008-10	2005-2007	2008-2010
	(1)	(2)	(3)	(4)	(5)	(6)
				(1)+(2)+(3)		
I. General Policy and Direction						
Staff	1 309	1 344	1 388	4 041	1.5%	1.6%
Meetings	-	-	731	731	0.3%	0.3%
Travel	98	108	109	315	0.1%	0.1%
ARGF Services	47	45	46	138	0.0%	0.1%
Other Direct Costs	9	10	12	31	0.0%	0.0%
	1 463	1 507	2 286	5 256	1.9%	2.1%
II. Air Navigation						
Staff	10 080	10 526	10 805	31 411	13.4%	12.8%
Meetings	182	66	59	307	0.1%	0.1%
Travel	275	283	463	1 021	0.4%	0.4%
ARGF Services	423	400	412	1 235	0.0%	0.5%
Other Direct Costs	166	113	137	416	0.2%	0.2%
	11 126	11 388	11 876	34 390	14.1%	14.0%
III. Air Transport						
Staff	6 134	6 478	6 866	19 478	7.8%	7.9%
Meetings	386	331	331	1 048	0.2%	0.4%
Travel	147	148	152	447	0.2%	0.2%
ARGF Services	259	245	252	756	0.0%	0.3%
Other Direct Costs	79	79	84	242	0.1%	0.1%
	7 005	7 281	7 685	21 971	8.3%	8.9%
IV. Legal						
Staff	1 255	1 305	1 334	3 894	1.5%	1.6%
Meetings	-	128	383	511	0.2%	0.2%
Travel	23	23	23	69	0.0%	0.0%
ARGF Services	47	45	46	138	0.0%	0.1%
Other Direct Costs	70	13	13	96	0.0%	0.0%
	1 395	1 514	1 799	4 708	1.7%	1.9%
V. Regional and Other Programmes						
Staff	15 516	16 122	17 149	48 787	20.4%	19.9%
Meetings	489	497	508	1 494	0.6%	0.6%
Travel	696	726	760	2 182	0.9%	0.9%
ARGF Services	47	45	46	138	0.0%	0.1%
Other Direct Costs	2 693	2 689	2 525	7 907	3.2%	3.2%
	19 441	20 079	20 988	60 508	25.1%	24.7%
VI. Administrative Support						
Staff	20 729	21 031	21 663	63 423	31.7%	25.8%
Travel	71	69	70	210	0.1%	0.1%
ARGF Services	1 129	1 068	1 097	3 294	0.0%	1.3%
Other Direct Costs	5 609	5 599	5 638	16 846	7.3%	6.9%
	27 538	27 767	28 468	83 773	39.1%	34.1%
VII. FIN, EPO, EAO						
Staff	3 433	3 355	3 382	10 170	4.8%	4.1%
Travel	41	45	48	134	0.1%	0.1%
ARGF Services	164	156	160	480	0.0%	0.2%
Other Direct Costs	523	536	555	1 614	1.0%	0.6%
	4 161	4 092	4 145	12 398	5.9%	5.0%
VIII. Safety and Security Audit						
Staff	3 916	4 873	5 200	13 989	2.9%	5.7%
Travel	723	1 236	2 399	4 358	0.8%	1.8%
ARGF Services	236	223	229	688	0.0%	0.3%
Other Direct Costs	58	49	292	399	0.2%	0.2%
	4 933	6 381	8 120	19 434	3.9%	8.0%
Total	77 062	80 009	85 367	242 438	100.0%	98.7%
Summary						
Staff	62 372	65 034	67 787	195 193	84.0%	79.4%
Meetings	1 057	1 022	2 012	4 091	1.4%	1.7%
Travel	2 074	2 638	4 024	8 736	2.6%	3.6%
ARGF Services	2 352	2 227	2 288	6 867	0.0%	2.8%
Other Direct Costs	9 207	9 088	9 256	27 551	12.0%	11.2%
Total	77 062	80 009	85 367	242 438	100.0%	98.7%
Organizational Realignment	2 889	76	140	3 105	0.0%	1.3%
TOTAL	79 951	80 085	85 507	245 543	100.0%	100.0%

**Chart 2: Budget 2005-2007 approved,
by Major Programme (%)**



**Chart 3: Budget 2008-2010 approved,
by Major Programme (%)**



13. The post changes by Major Programme and Post category are displayed in Table 5. The Table highlights the increases due to AVSEC integration (28 posts added) and the reductions due to the establishment of ARGF (52 posts transferred). Besides AVSEC and ARGF, the post movement is as follows: 11 additions and 97 reductions. Overall, this moves into the Budget 39 new posts and out of the Budget 149 existing posts resulting in a net reduction in 110 regular Budget posts.

TABLE 5: BUDGET POSTS BY CATEGORY AND MAJOR PROGRAMME									
Major Programmes	Year 2007	Changes						Total Changes	Approved Budget Year 2010
		AVSEC Integration (+)	ARGF Transfers (-)	Other (+)	Other (-)	Transfers			
I. General Policy and Direction									
P	4	0	0	0	0	0	0	4	
GS	2	0	0	0	0	0	0	2	
Total P+GS	6	0	0	0	0	0	0	6	
II. Air Navigation									
P	48	0	0	0	0	-3	-3	45	
GS	42	0	0	0	-12	-1	-13	29	
Total P+GS	90	0	0	0	-12	-4	-16	74	
III. Air Transport									
P	27	4	0	0	-3	-2	-1	26	
GS	24	0	0	1	-2	0	-1	23	
Total P+GS	51	4	0	1	-5	-2	-2	49	
IV. Legal									
P	5	0	0	0	0	0	0	5	
GS	4	0	0	0	-1	0	-1	3	
Total P+GS	9	0	0	0	-1	0	-1	8	
V. Regional and Other Programmes									
P	70	3	0	1	-3	0	1	71	
GS	80	0	0	2	-2	0	0	80	
Total P+GS	150	3	0	3	-5	0	1	151	
VI. Administrative Support									
P	90	0	-4	4	-30	4	-26	64	
GS	161	0	-43	2	-34	0	-75	86	
Total P+GS	251	0	-47	6	-64	4	-101	150	
VII. FIN, EPO, EAO									
P	15	0	-1	0	-2	0	-3	12	
GS	21	0	-4	1	-5	0	-8	13	
Total P+GS	36	0	-5	1	-7	0	-11	25	
VIII SSA									
P	10	10	0	0	-1	1	10	20	
GS	10	11	0	0	-2	1	10	20	
Total P+GS	20	21	0	0	-3	2	20	40	
TOTAL P	269	17	-5	5	-39	0	-22	247	
GS	344	11	-47	6	-58	0	-88	256	
Total P + GS	613	28	-52	11	-97	0	-110	503	

14. The net reduction in regular Budget posts is of 8.2 per cent for International Professionals and of over a quarter - 25.6 per cent – for General Service staff. The only Major Programme for which an increase in posts is envisaged in 2008-2010 is MP VIII: Safety and Security Audits.

15. At the opposite end of the spectrum, MP VI: Administrative Support surrenders 40.2 per cent of the regular posts budgeted therein for 2005-2007 – and nearly half of its General Service posts. The table below provides a breakdown of net regular Budget posts reductions in the Administrative Bureau and highlights the effects of the Council recommendations:

- a) Downsizing of HRB;
- b) Downsizing and outsourcing of ICT (with respect to the latter, the net addition of three Professional posts is the result of five post cuts, four new posts and the transfer of four existing Systems Specialists posts to the ICT Section in the framework of consolidation of IT services);

- c) LPB reductions due to outsourcing of language services as well as to the transfer of the Printing Section to ARGF (1 Professional post and 23 GS posts);
- d) Transfer of portions of COS and posts from other sections of ADB to the ARGF.

ADB Branch/Section	Post category		
	P	GS	Total
HRB	-2	-7	-9
ICT	3	-3	0
LPB	-24	-44	-68
COS	-0.5	-7	-7.5
Other (RDS, WLA, ACS)	-2.5	-14	-16.5
TOTAL	-26	-75	-101

16. Pursuing the analysis by cost centre, Table 6 highlights the changes in relative distribution between HQ Montreal and Regional Offices of resources between the 2005-2007 and the 2008-2010 Budgets. The table indicates a slight reduction in the share of resources budgeted for regional offices – from 24.1 per cent to 23.4 per cent.

17. It should be noted – however – that the share for HQ is largely attributable to the 47.9 per cent integration of AVSEC Plan of Action into the Regular Budget of HQ. The circumstance that in Regional Offices the staff capacity for 2008-2010 will be maintained at the 2005-2007 level in spite of the considerable Organizational realignment at HQ is an indicator that Regional Offices' capacity to deliver will stay unaltered in the next triennium, pending a possible revision from 2011 onwards based on the recommendations of the Working Group on Regional Offices, the establishment of which was recommended by the Council.

TABLE 6: SUMMARY OF BUDGET 2008-2009-2010 BY LOCATION
(in thousands of Canadian dollars)

	Budget 2008-2010				Percentage	
	(1)	(2)	(3)	(4)	2005-2007	2008-2010
	(1)+(2)+(3) Total					
	2008	2009	2010	2008-2010		
Headquarters*	58 604	60 949	65 421	184 974	75.9%	75.3%
WACAF Office	2 252	2 331	2 591	7 174	3.3%	2.9%
EUR/NAT Office	3 821	3 968	3 964	11 753	5.3%	4.8%
APAC Office	2 770	2 836	3 114	8 720	3.6%	3.6%
MID Office	1 898	1 994	2 052	5 944	2.4%	2.4%
NACC Office	2 405	2 460	2 709	7 574	3.0%	3.1%
SAM Office	2 332	2 433	2 466	7 231	3.1%	2.9%
ESAF Office	2 433	2 481	2 483	7 397	2.7%	3.0%
Meetings of Regional Nature	349	355	361	1 065	0.5%	0.5%
SIP	198	202	206	606	0.2%	0.2%
Total Regional Offices	18 458	19 060	19 946	57 464	24.1%	23.4%
Organizational Realignment						
HQ	2 467	76	140	2 683		1.1%
RO	422	-	-	422		0.2%
Total	2 889	76	140	3 105		1.3%
Grand total	79 951	80 085	85 507	245 543	100.0%	100.0%

* Includes \$1 015 000 per annum (average) for the Planning and Global Coordination Office.

18. Hereunder is an overall description of what is included under the major objects of Expenditure:

Staff

19. Standard costs have been used for each category of post (Professional and General Service) both at HQ and in Regional Offices. Staff entitlements are in accordance with the Staff Regulations, which are approved by the Council and are based on rates that are established by the International Civil Service Commission (ICSC) for the United Nations common system.

20. In addition to annual salary increments, mandatory cost increases for posts are due to salary revisions resulting from inflationary and other factors determined by the United Nations International Civil Service Commission.

General Operating Expenses

21. Information Technology/Office Automation: The provisions under this item are for the acquisition and maintenance of information technology/office automation related hardware, software in respect of desktop computers, information technology infrastructure and major systems applications. The

provision for equipment is mainly intended to replace obsolete equipment. Provision for software includes annual licence and maintenance fees, upgrades and replacements and the acquisition of more contemporary software.

22. Buildings Rental, Maintenance and Security: This item includes building rental, maintenance and security costs of Headquarters premises in Montreal and the premises of the seven Regional Offices. In accordance with the Agreement with the Host Government, ICAO is required to pay the Government of Canada 25 per cent of the rental and operating costs of the Headquarters premises. The Government of Canada assumes, on a yearly basis, 75 per cent of the rent and of the operating costs and all of the property taxes. The rent of the premises has been fixed, but the operating costs are based on actual expenditures incurred by the Government of Canada. The budget is based on information received from the latter. Premises for APAC, MID, WACAF and part of the premises for EUR/NAT are provided free of rent by the respective host governments -, i.e. Thailand, Egypt, Senegal and France, respectively. The rental and maintenance costs of NACC and the SAM are partly subsidised by the Mexican and Peruvian governments, respectively.

23. Communications Telecommunications Distribution: includes provision for telephone services, long distance services, facsimile and data phone long distance charges.

24. Equipment, Furniture and Vehicles: includes provision for the purchase, rental and maintenance of non-IT office equipment such as photocopying and audio-visual devices, office furniture and fittings and vehicles. Most of the provisions relating to the purchases or rentals are for the replacement of obsolete and unserviceable items.

25. Office Supplies and Services: includes provision for photocopy, stationery and office supplies as well as internal printing in the Regional Offices.

26. Contributions to United Nations common services: ICAO participates in and benefits from certain services, which are jointly provided by United Nations System. The costs of these services are shared by all the participating organizations on the basis of mutually agreed cost-sharing formulae.

27. ARGF services: includes resources required by Major Programmes to procure services previously provided by Units that have been transferred to ARGF. The most material of these services is Printing.

28. Travel on official business includes:

- a) missions to Contracting States in connection with the implementation of the work programme, which include consultations, provision of advice and assistance, and work in connection with oversight audits;
- b) missions to meetings, governmental or non-governmental, on aviation subjects to present the ICAO viewpoint or to maintain contact with technical developments;
- c) missions to represent ICAO at relevant meetings of the United Nations, the Specialized Agencies and other international organizations.

29. With respect to travel, the Secretariat has engaged in a revision of its current policies, in order to reduce costs. As a result, it has been agreed to implement the following changes:

- Stop over policy:
 - i. 1 day after 10 hours travel: amend to 1 day after 16 hours travel;
 - ii. 2 days after 16 hours travel: eliminate entitlement;

30. Lump sum entitlements for Home Leave will be further looked into, to determine scope for further budgetary reductions in the area of travel.

ANNEX 4: INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

1. As reported to the Council in C-WP/12658, ICAO will adopt the IPSAS, effective 1 January 2008. A brief summary of the changes and impact on ICAO's budget is outlined below.

2. Revenue and Assets Recognition: IPSAS requires that revenue be recognized on an accrual basis. As a result, ICAO will continue to recognize assessments from Contracting States in support of the ICAO Budget as revenue on 1 January of each fiscal year. No impact is foreseen on the regular Budget as this is already the present practice. However, there will be variation in the revenue associated with the ARGF surplus since all revenue will be accounted for on an accrued basis rather than on a cash basis (present practice). In this regard, valuation of inventories for material used and produced for sales and office supplies not utilized at the end of a given year will be accounted for as inventory at year end⁵.

3. Expenditure and Liabilities recognition: IPSAS requires that expenditures be recognized on an accrual basis, based on the delivery of goods and services principle. As a result, ICAO will no longer record obligations as expenditures in its accounts. The major increases in expenditures for 2008-2010 to be accounted for to comply with IPSAS pertain to a) After Service Health Insurance (ASHI) benefits; b) depreciation/amortization; and c) services provided without charges to the Organization.

- a) After Service Health Insurance (ASHI), annual costs and accrued liability: Beginning in the 2008-2010 triennium, ICAO will have to record the full costs of ASHI benefits for its eligible staff both funded by the Regular Programme and voluntary contributions and trust funds. These costs relate to ICAO's after-service medical and dental insurance plan. Based on an actuarial valuation performed in 2007, annual costs are estimated in the range of CAD4.6 million while the accrued benefit obligation is projected to total CAD57.5 million by the end of 2007 and CAD69.0 million by the end of 2010. It is presently envisaged to begin the funding of annual costs only in 2010, from budget savings. As per the long term liability, for the 2008-2010 triennium it is proposed to create a separate Special Account/Fund that will take into account the related financial situation and operations. ICAO will continue to follow the on-going development of this matter in the framework of the UN System.
- b) Depreciation/amortization and Capital Appropriation: As reported in FI-WP/659, IPSAS also requires that assets of the organization be reflected in the accounts of the Organization. From an accounting point of view, this means asset acquisitions (tangible or intangible) are no longer treated as expenses in the accounts. From a budget point of view, funds are still required to purchase an asset, even if the expense is spread over several years in the financial statements (a process known as Depreciation). ICAO has established a threshold of CAD5,750 for the capitalization of assets. Accordingly, tangible assets such as equipment, in excess of this threshold are reported separately against each result and are included in appropriations. For 2008-2010, expenses will include depreciation on property, plant and equipment and on intangible assets such as capitalized costs for the modernization of the financial systems. It is estimated that the annual amount of depreciation/amortization will be in the range of CAD0.9 million⁶. Depreciation/amortization does not require funding since for the items capitalized, on which depreciation/amortization is calculated, this was funded at the time of purchase.

⁵ The value of inventory has still to be ascertained at this time and is one of the activities to take place in the framework of ICAO preparedness to IPSAS roll out.

⁶ Figure includes depreciation of all ICAO-owned assets regardless of funding source.

- c) Services and Goods Received without Charges. Expenses not requiring an outlay of funds include services or goods provided to the Organization without charges by contributors or donors. Contributions in kind and in cash include the financing by Governments/States in whole or in part of the rental of premises and other services amounting to approximately USD18 million per year⁷. Like the other expenses mentioned above, this expense is not included in an appropriation for funding purposes.

4. The above-mentioned expenses, not requiring funding under the 2008-2010 Budget, are not included in the budget appropriations for 2008-2010. They were presented to the Assembly for its consideration.

⁷ Based on 2006 Financial Statements.

ANNEX 5: ITEMIZED LIST OF CAPITAL ASSETS

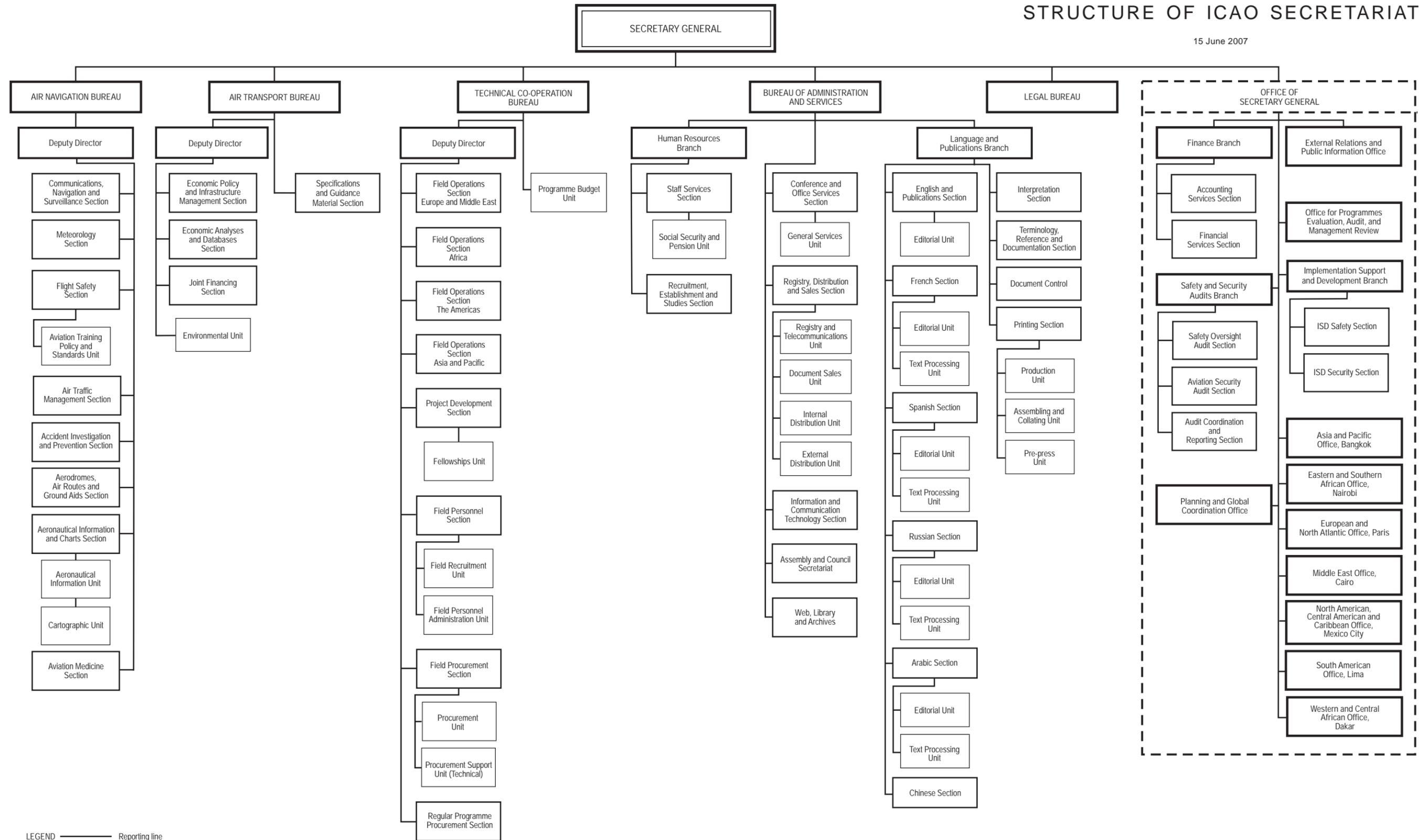
Itemized List of Capital Assets

Cost Centre	Amount (CAD '000)	Items
Information and Communication Technology Section	465.8	Servers, Network Equipment, Anti-virus software and appliances; Secure access; ISYS Web; Archiving; Storage, Backup and Firewall equipment.
ESAF Office	253.0	Renovation of conference room; Furniture; Sound Equipment; Official vehicle; Photocopier
SAM Office	103.5	Interpretation equipment; Official vehicle; Scheduled replacement of computer and office equipment; Firewall equipment
MID Office	89.7	Minibus; Scheduled replacement of computer and office equipment; Photocopiers; Fax machine
APAC Office	59.8	Utility vehicle; File server and equipment
EUR/NAT Office	88.6	Updating of conference room sound system
NACC Office	33.4	Official vehicle
TOTAL:	1093.8	

(this page intentionally left blank)

STRUCTURE OF ICAO SECRETARIAT

15 June 2007



LEGEND — Reporting line
 - - - - Reporting line for policy matters

(this page intentionally left blank)

ANNEX 7: REPORT OF THE ADMINISTRATIVE COMMISSION ON THE BUDGET 2008-2009-2010

Agenda Item 49: Budgets for 2008, 2009 and 2010

49.1 The Administrative Commission had before it working paper A36-WP/23, AD/1 related to the Draft Budget of the Organization for 2008, 2009 and 2010, submitted by the Council, and A36-DP-AD/2, on Protecting the Purchasing Power of the ICAO Budget.

49.2 At the first meeting of the Administrative Commission, held on 20 September 2007, the President of the Council presented the Draft Budget of the Organization for 2008, 2009 and 2010 (A36-WP/23, AD/1). The President provided an overview of the factors that influenced the formulation of the Draft Budget and recalled that the Council reached consensus on a comprehensive package of recommendations, including the shift to a Canadian dollar budget to mitigate the risk of adverse currency appropriations. He highlighted that the Budget proposal totalling Canadian dollars \$245.5 million has 60 per cent of total resources in support of Strategic Objectives by 2010. He mentioned the reductions in volume planned to be achieved through post reductions, the establishment of the Ancillary Revenue Generation Fund (ARGF) and outsourcing. Finally, he highlighted the advantages of the Results Based Budget format presented by ICAO for the first time.

49.3 Based on the statements made by various Delegations, the Chairperson of the Commission confirmed that the following three points would guide the proceedings of the Budget Working Group: 1) support to a funding package of Canadian dollars \$245.5 million; 2) Delegations' interest in the forthcoming proposal from one Delegation on split assessment; and 3) the budget proposal is a consensus on a comprehensive package resulting from extensive deliberations on the budget and such consensus should prevail at the Budget Working Group.

49.4 On the matter of the funding package, one Delegation emphasized that while the policy of their government was one of Zero Nominal Growth (ZNG) for United Nations agencies, it did not wish to upset the delicate consensus reached in Council.

49.5 The Budget Working Group, established by the Administrative Commission, was asked to review the draft Budget for 2008, 2009 and 2010 in accordance with its terms of reference, and to make recommendations to the Administrative Commission

49.6 At the first meeting the Budget Working Group discussed the following:

- a) the budget process, methodology, format and content, since this was the first Budget proposal in Results Based format;
- b) the issue of protecting the ICAO Budget from adverse currency fluctuations including a proposal by the Delegation referred to above in paragraph 49.3, that the Budget be assessed in Canadian and U.S. dollars, and specific text in this respect be added to the draft Resolution;
- c) the issue of outsourcing language services in the area of translation, which was previously managed in-house; and

- d) the issue of projected post terminations and appropriations in support of severance cost for affected staff.

49.7 Two Delegations expressed concerns with respect to the proposed post cuts in the area of translation highlighting that the strategy would limit the Organization's capacity to release documents in all languages which they argued not only is not consistent with the United Nations' recent provisions on the matter of languages but also undermines ICAO's effectiveness to achieve its Strategic Objectives.

49.8 After some discussion, the Budget Working Group reached a consensus to recommend that the Administrative Commission submit the proposed Budget of Canadian Dollars \$245.5 million as presented in A36-WP/23 AD/1 for adoption by the Assembly, with the addition to Draft Resolution 49/1 part C.

49.9 At its second meeting, the Secretariat informed the Working Group on questions raised at the first meeting, namely the number of envisaged early staff separations, the amounts appropriated in support of the same and the estimated amount of carry forward to 2008. The Group formally adopted its report reflected in A36-WP/305, AD/22 and agreed to submit it to the Administrative Commission.

49.10 The Administrative Commission approved the report of the Budget Working Group and recommends that the Assembly adopt the following draft Resolution 49/1 relating to the Indicative Budget Estimates of the Administrative and Operational Services Costs of the Technical Cooperation Programme and the Budget for the Regular Programme of the Organization for 2008, 2009 and 2010.

— END —

NOT FOR SALE
12/07, E/P1/765
Printed in ICAO