X. MAJOR PROGRAMME - TECHNICAL CO-OPERATION

According to ICAO Financial Regulations, Major Programme X presents budgetary estimates for the Administrative and Operational Services Cost (AOSC) budget. These estimates are for planning purposes and are indicative only. They will be reviewed annually in conjunction with updated forecasts of programme levels for the coming year and revised, if required. Some of the costs of Major Programme X are related to staff working for the Technical Co-operation Programme in the Regular Programme. Since the activities and output of staff in the Regular Programme are not controlled by the Technical Co-operation Bureau, the objectives related to those staff have been omitted from this Major Programme, but are provided under the substantive Major Programme.

TABLE X - MAJOR PROGRAMME COST BY PROGRAMMES TECHNICAL CO-OPERATION

		1999 Estimates	2000 Estimates	2001 Estimates
		(Expressed in thousands of US dollars)		
10.1	Management, Co-ordination and Support	963	1 066	967
10.2	Project Development and Implementation	1 153	1 153	1 316
10.3	Field Services Support	1 481	1 380	1 457
10.4	Project Budget Administration	186	191	195
6.3	Personnel	71	73	74
7.1	Finance	421	430	446
Total Technical Co-operation		4 275	4 293	4 455
10.5	Income from Technical Co-operation Programme	4 406	4 280	3 988
Surplus		131		
Income shortfall to be financed from the gains from forward purchase of Canadian dollars (if available) and the AOSC surplus			13	467

INTRODUCTION

1. In examining the Technical Co-operation Work Programme for the triennium, it has to be borne in mind that, as recognized by the Assembly at its 26th, 27th and 29th Sessions, the Technical Co-operation Programme cannot be determined with any degree of precision until such time as the governments of recipient countries and funding sources have decided, after due consideration of their priorities, on the amounts to be allocated to civil aviation projects. In view of these difficulties and the uncertainties related to the Technical Co-operation mechanism approved by the 31st Assembly (A31-14), the draft Programme Budget and the annual income estimates for the years 1999-2001 are by necessity of an indicative nature only.

2. The technical co-operation activities of ICAO and the functions of the Technical Co-operation Bureau derive from a series of resolutions adopted by the Economic and Social Council of the United Nations (ECOSOC), the UN General Assembly, the ICAO Assembly and the ICAO Council. The constitutional basis for ICAO's participation in technical co-operation activities rests essentially upon the following decisions: the ICAO Council's decision at its Eighth Session in December 1949 to endorse the UN ECOSOC Resolution 222 (IX), thereby approving ICAO's participation in the Expanded Programme of Technical Assistance (EPTA) for economic development; the 1950 ICAO Assembly's Resolution A4-20 ratifying the aforementioned decision of the Council; and the 1975 standard basic agreement between ICAO and UNDP concerning UNDP technical co-operation activities with Governments.

3. In exercising its functions, the Technical Co-operation Bureau will:

- implement field projects funded by UNDP, Trust Funds and Management Service Agreements;
- implement field projects funded under the Civil Aviation Purchasing Service (CAPS);
- implement field projects funded under ICAO's Objectives Funding Mechanism;
- liaise with UNDP and other funding sources;
- assist developing States in the preparation of project proposals;
- operate procurement and travel services for the Organization.

10.1 PROGRAMME: **MANAGEMENT, CO-ORDINATION AND SUPPORT**

a) **Objectives**: Plan, develop and supervise the development and implementation of the ICAO Technical Co-operation Programme and the administration of the Bureau.

SUMMARY FOR TOTAL PROGRAMME 10.1

AOSC BUDGET - RESOURCE REQUIREMENTS

YEAR	WORK MONTHS		TOTAL COST ($000)	DIRECT COSTS ($ 000)				
	P	GS		MEETINGS	STAFF [1]	GEN. OP. EXPENSES [2]	EQUIPMENT	OTHER [3]
1999	36	36	963	-	657	211	31	64
2000	36	24	1 066	-	752	215	32	67
2001	36	24	967	-	645	220	32	70

1 Includes the following:

a) Staff costs;
b) Staff training and welfare;
c) Retired staff medical insurance;
d) Provision for consultancies, income tax and General Service staff payments in lieu of accrued leave.

2 Includes the following:

a) Travel on official business;
b) Communication costs;
c) Software maintenance;
d) Miscellaneous sundry costs.

3 Computerization of Management Information Systems.

10.1.1 Sub-programme: **Programme Management**

a) **Objectives**: Plan, develop and supervise the overall activities for the development and implementation of the ICAO Technical Co-operation Programme. Provide administrative support for technical co-operation. Develop and promote new funding sources for Technical Co-operation by organizing and participating in meetings, workshops and conferences, and updating, revising and preparing brochures and pamphlets to reflect Technical Co-operation objectives and activities.

10.1.2 Sub-programme: **Technical Co-operation Programme Automation**

a) **Objectives**: Plan, develop and supervise the implementation and operation of the Technical Co-operation Programme Automation system. Co-ordinate the compatibility of the Technical Co-operation Programme Automation system with other systems of the Organization. Train Bureau staff in programme operation. Provide technical support and backstopping for the automation components in field projects.

10.1.3 Sub-programme: **Travel Arrangements**

a) **Objectives**: Oversee Travel Agent's compliance with in-plant contract and propose remedies in cases of breach. Check travel authorizations for correct entitlements. Verify Travel Agent's fare structure to ensure that lowest fares are applied. Check Travel Agent's billings, arrange for refunds, if any.

10.2 PROGRAMME: **PROJECT DEVELOPMENT AND IMPLEMENTATION**

a) **Objectives**: Plan, supervise and implement day-to-day activities associated with the development and implementation of ICAO Technical Co-operation Programme. Project Development and Implementation are carried out by the four geographic areas; namely, the Africa Section, the Americas Section, the Asia and Pacific Section and the Europe and Middle Eastern Section. The geographic areas work under the direct supervision of the Deputy Director. It is estimated that a total programme of $153 million would be developed for the triennium with an expected implementation of 80 per cent.

SUMMARY FOR TOTAL PROGRAMME 10.2

AOSC BUDGET - RESOURCE REQUIREMENTS

YEAR	WORK MONTHS		TOTAL COST ($000)	DIRECT COSTS ($ 000)				
	P	GS		MEETINGS	STAFF [1]	GEN. OP. EXPENSES	EQUIPMENT	OTHER [2]
1999	96	96	1 153	-	1 091	-	-	62
2000	96	96	1 153	-	1 090	-	-	63
2001	96	96	1 316	-	1 252	-	-	64

[1] Made up of the following work months and amounts ($000):

		Work Months P	Work Months GS	1999	2000	2001
a)	Africa Section	24	24	271	272	285
b)	Americas Section	24	24	272	272	283
c)	Asia and Pacific Section	24	24	269	275	280
d)	Europe and Middle Eastern Section	24	24	279	271	404

[2] Includes the following amounts ($000):

		1999	2000	2001
a)	Travel for project development	41	42	43
b)	Travel for project implementation	21	21	21

10.2.1 Sub-programme: **Programme Management**

a) **Objectives**: Plan, supervise and direct the overall activities associated with the development and implementation of the ICAO Technical Co-operation Programme.

10.2.2 Sub-programme: **Developing New Projects**

a) **Objectives**: Develop and secure funding for new Technical Co-operation projects. Develop contacts with funding sources and maintain information on their funding procedures. Develop and maintain guidance material to assist in project development.

10.2.3 Sub-programme: **Project Activities Administration**

a) **Objectives**: Administer the daily activities of field projects. Co-ordinate project activities with funding sources. Brief and debrief field staff. Edit field reports. Maintain up-to-date data in the programme budget data base.

10.3 PROGRAMME: **FIELD SERVICES SUPPORT**

a) **Objectives**: Plan, supervise and implement day-to-day activities associated with the provision of support services for field projects. Field Services Support is provided by the Field Personnel Section, the Procurement Section and the Fellowship Unit. The Sections work under the direct supervision of the Deputy Director and the Unit works under the direct supervision of the Assistant to the Director of the Bureau.

SUMMARY FOR TOTAL PROGRAMME 10.3

AOSC BUDGET - RESOURCE REQUIREMENTS

YEAR	WORK MONTHS		TOTAL COST ($000)	DIRECT COSTS ($ 000)				
	P	GS		MEETINGS	STAFF [1]	GEN. OP. EXPENSES	EQUIPMENT	OTHER
1999	72	288	1 481	-	1 481	-	-	-
2000	72	288	1 380	-	1 380	-	-	-
2001	72	288	1 457	-	1 457	-	-	-

[1] Includes the following work months and amounts ($000):

		Work Months P	Work Months GS	1999	2000	2001
a)	Field Personnel Section	48	120	697	691	750
b)	Procurement Section	24	132	684	586	596
c)	Fellowship Unit	-	36	100	103	111

10.3.1 Sub-programme: **Field Personnel Administration**

1. **Field Personnel Recruitment**

a) **Objectives**: Develop and maintain the roster of candidates for field positions, select candidates and arrange for their recruitment for field positions.

2. **Field Personnel Movement**

a) **Objectives**: Prepare, award and administer contracts with field staff.

3. **Field Personnel Benefits**

a) **Objectives:** Maintain staff personnel records and approve payment of staff benefits.

10.3.2 Sub-programme: **Equipment and Services Procurement**

1. **Procurement**

a) **Objectives**: Select, procure and have delivered equipment and services for ICAO and its field projects. Resolve problems resulting from procurement actions. Maintain inventory records.

2. **Procurement Support - Technical**

a) **Objectives**: Provide technical support in the procurement of equipment and services. Maintain standard technical specifications, guidance material for field staff on costing of equipment and the procurement technical literature library.

10.3.3 Sub-programme: **Fellowship Awards and Management**

a) **Objectives**: Select and co-ordinate training and award fellowships and monitor their implementation. Maintain and publish information on civil aviation training.

10.4 PROGRAMME: **PROJECT BUDGET ADMINISTRATION**

a) **Objectives**: Plan, develop, supervise and exercise budgetary control of technical co-operation project budgets and the Administrative and Operational Services Costs (AOSC) budget.

SUMMARY FOR TOTAL PROGRAMME 10.4

AOSC BUDGET - RESOURCE REQUIREMENTS

YEAR	WORK MONTHS		TOTAL COST ($000)	DIRECT COSTS ($ 000)				
	P	GS		MEETINGS	STAFF	GEN. OP. EXPENSES	EQUIPMENT	OTHER
1999	12	36	186	-	186	-	-	-
2000	12	36	191	-	191	-	-	-
2001	12	36	195	-	195	-	-	-

10.4.1 Sub-programme: **Programme Management**

a) **Objectives**: Plan, develop and exercise budgetary control over field project and AOSC budgets. Provide advice to other TCB sections on financial rules and regulations, practices and procedures of ICAO, UNDP and other funding agencies. Develop budget reports.

10.4.2 Sub-programme: **Project and AOSC Budgets**

a) **Objectives**: Prepare and control UNDP, Trust Fund and AOSC budgets. Monitor budgetary and financial procedures and practices within TCB. Prepare periodic budgetary and managerial reports and statements. Co-ordinate with the Finance Branch on Accounting, Payroll and Treasury services which it provides to TCB.

10.5 INCOME FROM THE TECHNICAL CO-OPERATION PROGRAMME

10.5.1 ICAO earns income from the projects it executes in order to defray the cost to the Organization of their implementation. This income, depending on each particular project, is generally a fixed percentage of the total project cost. The total earned income for any one year is therefore directly related to the size of the implemented Technical Co-operation Programme funded by the United Nations Development Programme (UNDP), Trust Fund donors and other donors. For the reasons mentioned in paragraph 1 on page X-2 it is not possible to forecast with a high degree of accuracy, the magnitude of the Technical Co-operation Programme several years in advance. However, on the basis of the on-going and potential new projects, it is conservatively estimated that the Technical Co-operation Programme would be of the order of $53.6 million, $51.1 million and $48.3 million in each of the years 1999, 2000 and 2001. By way of comparison, the programme for 1996 and 1997 was $68.9 million and $72.5 million respectively and the estimated programme for 1998 is $70.8 million.

10.5.2 Payments to the Organization for the cost of administration and operation of Technical Co-operation Programme activities are made on the basis of a percentage of implemented programme, which is measured by the amount of expenditures incurred in respect of the constituent projects. The rate of reimbursement for projects financed by the UNDP, as established by the UNDP Governing Council, was 13% until 1996. However, this rate has been changed to 10% as of 1997 onward. The rate of 13% is applied to Trust Fund activities for the present time. The rate for Government Cash Counterpart Contributions to UNDP projects is 3.5% and that for Civil Aviation Purchasing Service (CAPS) is a variable and regressive rate which commences at 6% for purchase orders of US $10,000 to US $100,000, and which reduces thereafter with increases in the size of the purchase orders above US $100,000. Additional charges are also levied for other CAPS services such as inspection of equipment, the preparation of detailed specifications, etc. Variable rates with a minimum rate of 6% are applied to various components under Management Service Agreements.

10.5.3 The estimated income from the execution of field projects assumes a continued rate of implementation of 80% of the programme, the level achieved in previous years. The estimated income from investments is based on an interest rate of 4% per annum throughout the 1999-2001 triennium.

10.5.4 On the basis of the above-noted assumptions, it is estimated that income from the execution of field projects and from the investment of monies not required to meet immediate expenditures will not be sufficient to cover the AOSC budget estimates for the years 2000 and 2001. Therefore, it is proposed to use as additional support for covering the projected shortfall in income, the positive difference from the forward purchase of Canadian Dollars (if available) and the accumulated AOSC surplus which stood at $3 966 000 as at 1 January 1998 if the former proved inadequate.

10.5.5 The indicative AOSC budget estimates for the next Triennium are as follows:

	Actual	Actual	Estimated	Indicative Estimates		
	1996	1997	1998	1999	2000	2001
			(Expressed in thousands of US dollars)			
Income from execution of field projects	5 004	5 874	5 090	4 211	4 085	3 793
Travel Agent Fees	144	150	75	75	75	75
Income from investments	150	137	120	120	120	120
Total Income	5 298	6 161	5 285	4 406	4 280	3 988
Total Expenditures	5 044	4 899	5 165	4 275	4 293	4 455
Excess of Income over Expenditures	254	1 262	120	131		
(Excess of Expenditures over Income)					(13)	(467)
Income shortfall to be financed from the gains from the forward purchase of Canadian Dollars (if available) and AOSC Surplus					13	467

6.3 PROGRAMME: **PERSONNEL (AOSC)**

AOSC BUDGET - RESOURCE REQUIREMENTS

YEAR	WORK MONTHS		TOTAL COST ($000)	DIRECT COSTS ($ 000)				
	P	GS		MEETINGS	STAFF	GEN. OP. EXPENSES	EQUIPMENT	OTHER
1999	-	24	71	-	71	-	-	-
2000	-	24	73	-	73	-	-	-
2001	-	24	74	-	74	-	-	-

7.1 PROGRAMME: **FINANCE (AOSC)**

AOSC BUDGET - RESOURCE REQUIREMENTS

YEAR	WORK MONTHS		TOTAL COST ($000)	DIRECT COSTS ($ 000)				
	P	GS		MEETINGS	STAFF	GEN. OP. EXPENSES	EQUIPMENT	OTHER
1999	-	144	421	-	421	-	-	-
2000	-	144	430	-	430	-	-	-
2001	-	144	446	-	446	-	-	-