



WORKING PAPER

ASSEMBLY — 41ST SESSION

EXECUTIVE COMMITTEE

Agenda Item 22: Resource Mobilization and Voluntary Funds

REPORT ON RESOURCE MOBILIZATION AND VOLUNTARY FUNDS

(Presented by the Council of ICAO)

EXECUTIVE SUMMARY

In 2016, the 39th Session of the ICAO Assembly adopted Resolution A39-26: *Resource Mobilization*, setting the objectives in building resource mobilization capacities aiming to achieve adequate, predictable and sustainable voluntary contributions to realize the Organization's mission. In 2019, the 40th Session of the ICAO Assembly adopted Resolution A40-22: *Resource Mobilization*, as a revision to Resolution A39-26, to further facilitate its work with financial institutions, in support of the United Nations Sustainable Development Goals (SDGs) and the ICAO *No Country Left Behind* (NCLB) initiative. This paper provides a report on the progress related to resource mobilization, for consideration by the Assembly.

Action: The Assembly is invited to:

- a) express its appreciation for the voluntary contributions received from Member States, donors and relevant stakeholders; and
- b) urge Member States, international organizations, industry, donors, relevant stakeholders and financial institutions to continue to provide voluntary financial and in-kind contributions to ICAO in support of ICAO's mission and the achievement of the Strategic Objectives. Aim is to assist States in enhancing their air transport systems including the *No Country Left Behind* (NCLB) initiative, by contributing towards the 2023-2025 Business Plan's unfunded activities and the Transformational Objective, and as such, supplement ICAO's work programmes that are not covered or are under-funded by the Regular Budget.
- c) recognize the importance of partnerships in enhancing the capacities and resources of the aviation sector including ICAO.

<i>Strategic Objectives:</i>	This working paper relates to all Strategic Objectives and all Supporting Strategies.
<i>Financial implications:</i>	The ICAO activities referred to in this paper are expected to be undertaken within the resources available in the 2023-2025 Regular Budget and/or from extra-budgetary contributions as guided by the ICAO Business Plan 2023-2025.
<i>References:</i>	Resolution A40-22, <i>Resource Mobilization</i> ICAO Business Plan for 2023-2024-2025 ICAO Resource Mobilization Policy Doc 10140, <i>Assembly Resolutions in Force</i> (as of 4 October 2019) Policy on ICAO Implementation Support provided to States A41-WP/24, <i>ICAO's Technical Assistance Programme and Implementation Support</i>

1. **BACKGROUND**

1.1 Air transport is a key contributor to achieving the social and economic development objectives of countries and, in a global scale, to the achievement of the Sustainable Development Goals of the 2030 Agenda for Sustainable Development, the attainment of which will depend in part on the availability of fiscal resources. While ICAO through its normative work and implementation support activities contributes to sustainable development at national, regional, and international levels, its ability to mobilize resources and make effective use of financing contributions is central to its ability to deliver of its Strategic Objectives.

1.2 The ICAO Business Plan (BP) 2023-2025 reflects ICAO's commitment to achieving its mission to assist its 193 Member States in ensuring that international civil aviation is safe, secure, efficient, viable and sustainable, utilising multiple funding sources. ICAO's scope of work and its Triennial Operating Plan continues to expand, while the capacity of the ICAO Regular Budget (RB) remains limited and does not accommodate all the ICAO funding needs. Hence, contributions provided by States and other organizations on a voluntary basis are increasingly an important means to advance ICAO's mission. Such financial voluntary contributions to ICAO Voluntary Funds, in line with the ICAO Resource Mobilization (RM) Policy adopted by the Council in March 2016 (C-DEC 207/11 refers), complement the Regular Budget by financing unfunded activities of the ICAO Work Programme. This Working Paper includes a consolidated report on the financial contributions to the ICAO Voluntary Funds (VFs) for the years 2019-2020-2021 in Appendices A, B and C while a trends analysis is available in Section 2 of this paper.

1.3 In the context of the ICAO BP 2023-2025, ICAO introduced a Transformational Objective whose outputs will bring about increased efficiency and effectiveness in the achievement of the Organization's five Strategic Objectives. Such transformational changes pertain to the areas of Human Resources, Compliance and Values, Digital Transformation, Cybersecurity, Financial Management and Good Management (including e.g. Strategic Planning, enhanced partnerships and resource mobilization efforts). The Council has established a Transformational Fund in order to accept financial contributions towards implementation of the Transformational Objective.

1.4 The ICAO Council approved, during its 225th Session, a new Policy on ICAO Implementation Support provided to States aligning the management of the Technical Cooperation and Technical Assistance programmes, projects, activities, products and services. The main objective of the Policy is to strengthen the coordination and management of ICAO's implementation support activities to better serve the needs of the Member States. The Secretariat expects that its RM efforts should benefit, especially once the implementation of the Policy has advanced. Information on the Policy is presented separately under Agenda Item 25 (A41-WP/xx refers).

1.5 **Analysis of Voluntary Contributions Received**

1.5.1 ICAO wishes to express its gratitude to all its voluntary funding resource partners for their contributions during the 2019-2021 triennium. It should be underscored that voluntary contributions, which are not earmarked for a specific use, provide ICAO with greater flexibility to prioritize the utilization of funding based on the needs for activities in ICAO's Triennial Operating Plan that are partially funded or unfunded. For 2019-2021, all the ICAO voluntary funds cumulatively received contributions were in the amount of CAD 26.1 million, which represents a 43 per cent decrease from the

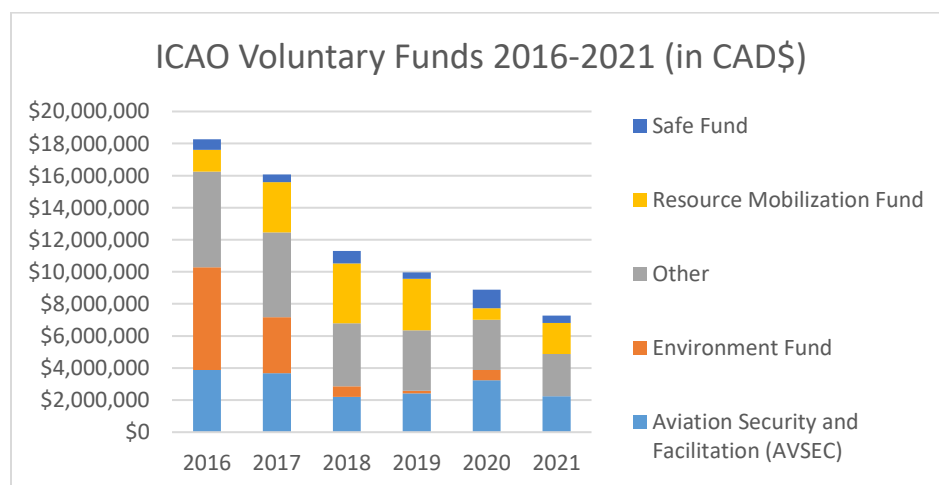
previous triennium 2016-2018¹ (CAD 45.6 million) and an 80 per cent increase from the 2013-2015 triennium (CAD 14.5 million). During 2019-2021, CAD 22.0 million (84%) was contributed by States and CAD 4.1 million (16%), by others. The top financial contributors to voluntary funds for 2019-2021 were the United States (CAD 6.9 million), China (CAD 6.4 million), European Commission (CAD 2.2 million), Republic of Korea (CAD 1.5 million) and Saudi Arabia (CAD 1.4 million).

1.5.2 ICAO is also very grateful for the invaluable in-kind contributions received from States between 2019 and 2021. During this period, Member States supported ICAO through the deployment of gratis personnel, including short or long term secondees, and/or the organization of conferences, events, summits, meetings and workshops. The top five States providing gratis personnel² during 2019--2021 were China (CAD 6.0 million), France (CAD 2.8 million), the United States (CAD 2.6 million), Singapore (CAD 2.6 million) and Turkey (CAD 1.4 million).

1.5.3 ICAO also wishes to thank all Member States who host ICAO Offices, from Headquarters to Regional and Sub-Regional Offices, namely Canada, China Egypt, France, Kenya, Mexico, Peru, Senegal and Thailand.

1.5.4 A list of voluntary financial contributions by donor and voluntary fund for 2019-2021 appears in Appendix A. Furthermore, a statement of income and expenses of contributions for the same timeframe by voluntary fund is in Appendix B and a list of gratis personnel provided from 2019-2021 in Appendix C. Lastly, Appendix D contains a description of each of the funds and their purpose for information. Programmatic updates are included in the TA paper (A41-WP on TA refers).

1.5.5 An analysis of voluntary financial contributions between 2016 and 2021 shows a general downward trend illustrated by a 60 per cent drop (CAD 7.3 million in 2021, down from CAD 18.3 million in 2016) for the total of ICAO voluntary funds received over the past 6 years. Despite the devastating financial effects of the COVID-19 pandemic to global civil aviation and international development funding budgets, the overall trend is alarming and reason for concerted action for its reversal.



¹ 2016 -2018 data posted on the Council website only included main voluntary funds; starting with 2019, all voluntary funds are included in the reports. To allow for an accurate trend analysis, the yearly contribution for 2016-2018 in this working paper includes all voluntary funds.

² Gratis personnel contributions equivalent in CAD

1.6 **Addressing the downward financial trend and COVID-19 pandemic effects**

1.6.1 The ICAO Secretariat is drafting an ICAO RM Strategy, the implementation of which aims to reverse the downward trend in receipt of voluntary financial contributions in the VFs and enhance the mobilization of quality, multi-year, flexible resources, from public and private sector donors, in a timely manner to meet the unfunded activity needs reflected in the ICAO Business Plan 2023-2025. It is anticipated that the Resource Mobilization Strategy will also beneficially impact the implementation support provided to States through the ICAO programmes. The RM Strategy will undergo a broad consultative process to ensure buy-in internally and externally with all relevant stakeholders and use as its cornerstone the Business Plan 2023-2025 and ICAO RM Policy.

1.6.2 The Secretariat will compile and consolidate a costed list of unfunded prioritized activities, as per the ICAO BP 2023-2025 and prepare short business cases and prospectuses. The ICAO RM Platform will host this information and the Secretariat will undertake related outreach for funding and other resources to potential donors and partnerships according to an advocacy plan.

1.6.3 Strengthening the ICAO RM function is imperative to support the implementation of the RM Strategy. Building trust with donors involves the establishment and nurturing of long-term partnerships, which ICAO can only manage through a robust RM function, comprised of sustainable human resources, as well as tools and processes. Under the chapeau of the BP 2023-2025 newly introduced Transformational Objective, ICAO is seeking to institutionalize the RM function, upgrade the RM Platform and RM Network and provide donors with a one-stop-shop to map their development priorities with ICAO and Member States priorities, as well as opportunities for recognition and visibility for their contributions.

1.6.4 Mobilizing resources for innovative ICAO programmes has facilitated the efforts of the Secretariat during the challenging COVID-19 pandemic financial circumstances. With donors' budgets constrained, ICAO focused much of its outreach into [Implementation Packages \(iPacks\)](#), the [Collaborative Arrangement for the Prevention and Management of Public Health Events in Civil Aviation \(CAPSCA\)](#) and other ICAO key programmes, coordinated via the ICAO COVID-19 RM Strategy, developed in 2020. The approach was met with strong interest of donors in financing iPacks, which could represent a new and complementary way to assist vulnerable States in reaching the United Nations Sustainable Development Goals (SDGs), as well as the ICAO No Country Left Behind initiative. Within nine months of the issuance of a State letter, marking the beginning of the Strategy's implementation, donors had already contributed close to CAD 0.9 million for the implementation of iPacks, benefiting dozens of States globally and representing close to 10 per cent of the ICAO RM request of CAD 9.7 million put forth in the State letter.

1.6.5 Diversification of the donor base is a necessity in an increasingly competitive donor environment, as Transport and Finance Ministries are reeling from the devastating effects of the COVID-19 pandemic. As the pandemic was unfolding in 2020, ICAO utilized the A40-22 Resolution on RM to work together with Member States, International Financial Institutions (IFIs) and Multilateral Development Banks (MDBs), securing in 2021 the first-ever financial contribution for iPacks from an MDB, for the benefit of an ICAO Member State. The Secretariat is planning to scale-up this tripartite arrangement to other IFIs/MDBs and expand it geographically, to ensure the availability of a variety of sources for its funding needs as per BP 2023-2025. Strong support by donor States in ICAO's outreach is critical for this endeavour, given that most IFI/MDB boards with decision-making power for contributions comprise of donor State representatives.

1.6.6 Management of voluntary funds in a transparent, ethical and efficient way is a prerequisite to make ICAO a partner of choice with donors that wish to allocate extra-budgetary resources

to ICAO's Work Programme. In 2020, the Office of Internal Oversight (OIO), then Evaluation and Audit Office (EAO), conducted an internal audit on the management of ICAO Voluntary Funds, which recommended areas for improvement. This resulted in the development of a management action plan in 2021 to address the recommendations; Secretariat coordination for the implementation of this management action plan is ongoing. This results-based management plan has an overall goal of increasing trust with donors to ICAO for the support of Member States in civil aviation matters.

1.6.7 Lastly, substantial improvement and expansion of the scope, quality and impact of collaboration with donors, including State and non-State, remains an important factor in achieving ICAO's overall vision for resource mobilization. The release of the ICAO Partnership Framework Secretariat Guidelines is a notable achievement that supports efficient engagement of ICAO with its partners, including those providing voluntary contributions to ICAO, while enhancing accountability, due diligence, prevention of conflicts of interest and good governance.

2. CONCLUSION

2.1 ICAO highly appreciates the voluntary financial and in-kind contributions made by States and other donors. The Secretariat is drafting an ICAO RM Strategy to reverse the downward trend in receipt of Voluntary Funds and further mobilize human and other flexible resources. Core components of the Strategy is creating a costed list of unfunded prioritized activities, as per BP 2023-2025, including the Transformational Objective and implementation support programmes and projects, while continuing to increase its RM capacity. ICAO encourages all donors to continue providing their voluntary financial and in-kind contributions to VFs and urges all Member States to support the ICAO outreach to IFIs and MDBs, aiming to diversify the ICAO donor base and support Member States in developing civil aviation systems.

APPENDIX A

VOLUNTARY CONTRIBUTIONS FUNDS RECEIVED FROM 2019 TO 2021 (in thousands Canadian Dollars)							
	Aviation Security and Facilitation ⁽¹⁾	Environment Fund	Resource Mobilization Fund	Safe Fund	Regional Sub- Office	Other Voluntary Contributions ⁽²⁾	TOTAL ⁽³⁾
MEMBER STATES							
Albania						17	17
Argentina						1	1
Australia						2	2
Bahrain						1	1
Belarus						1	1
Botswana						7	7
Brazil						51	51
Cabo Verde						35	35
Canada	67		54				120
Chile	13	9		13			36
China			3,273		2,180	991	6,444
Colombia						53	53
Dominican Republic						20	20
Ecuador						1	1
Eswatini						4	4
Finland						8	8
France						508	508
Germany							
Ghana						17	17
Guyana						5	5
India					14	8	22
Indonesia			22			244	266
Ireland							
Italy						160	160
Jamaica						2	2
Japan	390					379	769
Jordan						1	1
Kazakhstan						4	4
Lebanon						1	1
Luxembourg						10	10
Malaysia	67	133			34	71	304
Mauritius						41	41
Mexico						1,369	1,369
Mongolia						18	18
Morocco						1	1
Nepal						8	8
New Zealand						1	1
Pakistan				8			8
Paraguay						35	35
Peru							
Philippines				6			6
Portugal						23	23
Qatar			150			13	163
Republic of Korea	181		252	367	423	242	1,464
Romania						58	58
Russian Federation				316		4	320
Rwanda						24	24
Saudi Arabia			1,316			93	1,409
Serbia						5	5
Seychelles						4	4
Singapore				45		93	138
Slovenia						5	5
South Africa						26	26
Suriname						8	8
Switzerland				28			28
Thailand						79	79
Trinidad & Tobago						13	13
Tunisia						1	1
Ukraine						3	3
United Arab Emirates						36	36
United Kingdom	992						992
United States	5,648		782	459			6,889
Venezuela						12	12
OTHERS							
Airbus						82	82
ASECNA						10	10
Boeing				686		127	813
CAE				14			14
Concordia	11						11
European Commission		637				1,583	2,220
IATA				66			66
OHCHR			30				30
UNOCT	532						532
Others		24				270	294
TOTAL	7,900	803	5,877	2,009	2,651	6,886	26,126

Note(1): Includes AFI SECFAL Plan funds.

Note(2): Includes AFI Plan Fund, Human Resource Development Fund, Voluntary Air Transport Fund, ICAO Programme for Aviation Volunteers Fund, Edward Warner Award Fund, JPO, experts and other cost recovery and grant agreements.

Note(3): Certain financial contributions are intended to pay for the salaries of secondees (examples include certain US, UK and UNCCT contributions to the AVSEC/FAL fund).

Details may not add to totals due to rounding.

APPENDIX B

STATEMENT FOR VOLUNTARY CONTRIBUTION FUNDS

CONTRIBUTIONS/INCOME, EXPENSES FOR 2019 TO 2021
AND FUND BALANCE AS AT 31 DECEMBER 2021
(in thousands of Canadian dollars)

	Aviation Security and Facilitation ⁽¹⁾	Environment Fund	Resource Mobilization Fund	Safe Fund	Regional Sub-Office	Other Voluntary Contributions ⁽²⁾	Total
FUND BALANCE AS AT BEGINNING OF THE YEAR	10 536	6 552	3 753	3 722	1 157	5 476	31 196
Transfers (to) from other funds		17	(10)	5		198	209
Refund of contribution	(703)	(503)		(1 296)		(419)	(2 921)
CONTRIBUTIONS/INCOME							
Other revenue producing activities					3	719	722
Other voluntary contributions ⁽³⁾	7 900	803	5 877	2 009	2 651	6 886	26 126
Other income	471	249	150	103	105	865	1 944
TOTAL CONTRIBUTIONS/INCOME	8 371	1 052	6 028	2 112	2 759	8 470	28 792
EXPENSES							
Salaries, employee benefits and project personnel	4 675	1 487	496	38	978	4 691	12 363
Subcontracts, supplies and consumables		3 404			36	0	3 440
General operating expenses	165	101	234	268	1 146	917	2 831
Travel	1 513	73	439	87	65	1 189	3 365
Meetings	24	19	332	2	12	333	723
Administrative overhead charges	402	309	100	108	11	108	1 037
Other expenses	959	240	4 794	1 000	124	733	7 850
TOTAL EXPENSES	7 738	5 633	6 394	1 503	2 372	7 970	31 610
NET SURPLUS/(DEFICIT) FOR THE YEAR	633	(4 581)	(367)	609	387	499	(2 819)
FUND BALANCE AS AT END OF THE YEAR	10 467	1 485	3 376	3 040	1 545	5 754	25 666

Note (1) : Includes AFI SECFAL plan fund.

Note (2) : Includes AFI Plan Fund, Human Resource Development Fund, Voluntary Air Transport Fund, ICAO Programme for Aviation Volunteers Fund, Edward Warner Award Fund, JPO, experts and other cost recovery and grant agreements.

Note (3): Certain financial contributions are intended to pay for the salaries of secondees (examples include certain US, UK and UNCCT contributions to the AVSEC/FAL fund).

Details may not add to the totals due to rounding

APPENDIX C

Gratis Personnel Provided Without Charge From 2019 To 2021 (in thousands of Canadian Dollars)

	Air		Economic		Supporting Strategy	Total
	Safety	Navigation Capacity and Efficiency	Security and Facilitation	Development of Air Transport		
Gratis Personnel ⁽¹⁾						
China	1 938	1 336		339	2 400	6 013
France	1 223	698	838			2 759
United States	1 281	862			457	2 600
Singapore	1 104	1 054			402	2 560
Turkey	247	758		374		1 379
Brazil	532	327		349		1 208
Republic of Korea		362			663	1 025
Japan		504	508			1 012
Saudi Arabia	71	116	264		40	491
Dominican Republic	460					460
<i>States - Others</i>	766	1 525	594		248	3 133
<i>Non-States - Others ⁽²⁾</i>	928	578		18		1 524
Sub-total Others	1 694	2 103	594	18	248	4 657
Sub-total Gratis Staff	8 550	8 120	2 204	1 080	4 210	24 164

(1) Ten highest contributions

(2) Including contributions from private sector, international organizations, NGOs, etc.

APPENDIX D

VOLUNTARY FUNDS

Aviation Safety Fund (SAFE)

The SAFE fund has been used to assist a number of States facing challenges in building capacity, as well as rectifying imminent safety risks such as significant safety concerns (SSCs). All information on SAFE is available at <http://www.icao.int/SAFE>.

AFI Plan Fund (AFI PLAN)

The Comprehensive Regional Implementation Plan for Aviation Safety in Africa (AFI Plan) Fund supplements the existing ICAO regular budget in support of Regional Office Safety Team (ROST) missions and implementation of various projects with a view to assisting African States to improve their Effective Implementation (EI) of the critical elements in all safety-related areas, with priority given to resolving Significant Safety Concerns (SSCs). Detailed information is available at <http://www.icao.int/safety/afiplan/Pages/afiplan-fund.aspx>.

Aviation Security and Facilitation Fund (AVSEC/FAL)

Voluntary contributions to the Aviation Security and Facilitation (AVSEC/FAL) Fund are used primarily for aviation security technical assistance and training activities coordinated by the Implementation Support and Development – Security (ISD-SEC) Programme, and for the conduct of aviation security audits under the ICAO Universal Security Audit Programme Continuous Monitoring Approach (USAP-CMA). Such activities are undertaken in accordance with the Global Aviation Security Plan (GASeP) and the ICAO *No Country Left Behind* (NCLB) initiative. Additionally, voluntary contributions are used to cover ICAO Headquarters and Regional Office positions that are not funded under the Regular Programme Budget, as well as for assistance activities relating to the implementation of the security-related Standards of Annex 9— Facilitation and the Traveller Identification Programme (TRIP) Strategy. Voluntary contributions are also used to support Technical Co-operation Programme projects, such as the Cooperative Aviation Security Programmes in the Asia Pacific and Middle East Regions (CASP-AP and CASP-MID, respectively). Earmarked contributions to the Comprehensive Regional Implementation Plan for Aviation Security and Facilitation in Africa (AFI SECFAL) Plan that support its activities and missions are also managed under the AVSEC/FAL Fund by the ESAF Office.

Environment Fund (ENV)

The Voluntary Environment Fund (ENV) supports specific environmental protection activities arising from the decisions of the ICAO Assembly and/or the ICAO Council for which there has been no budget provisions to support these activities. Most of the ENV Fund is directed to support a specific project or initiative (i.e., funds are earmarked). Currently, funding source for specific assistance project by the European Union is on going, it is the Second Phase of the ICAO Assistance Project with the EU Funding on Capacity Building for CO2 Mitigation from International Aviation and the part under ICAO implementation received funding of 1.5M Euros for the development of Action Plans in 10 African States. Such a project is implemented with respect to the donors' rules on quality assurance and audits.

Human Resources Development Fund (HRDF)

The Human Resources Development Fund (HRDF) serves to support opportunities for capacity building in civil aviation in African States and to assist these States to better meet the human resources needs for operational efficiency and continuous implementation of ICAO Standards and Recommended Practices (SARPs) and other programme activities. Further information is available at <https://www.icao.int/annual-report-2014/Pages/supporting-implementation-strategies-human-resources-capacity-building-initiatives.aspx>.

Voluntary Air Transport Fund (TRAF)

The Voluntary Air Transport Fund (TRAF), was recommended by the Sixth Worldwide Air Transport Conference (ATConf/6) and serves to support ICAO's work in the air transport field in a consistent, transparent, efficient and timely manner. The Secretariat continues to seek contributions on an on-going basis through promotion of the Fund on-line and during events, and through cooperation with other international organizations and UN agencies. Detailed information can be found at <http://www.icao.int/sustainability/Pages/TRAF.aspx>.

ICAO Programme for Aviation Volunteers Fund (IPAV)

The ICAO Programme for Aviation Volunteers Fund (IPAV) provides a framework for the deployment of aviation professionals, working as volunteers, to respond to emergencies affecting the aviation system in a State; assist States in addressing shortcomings identified during ICAO safety and security audits (USOAP and USAP); assist States in achieving high levels of EI; develop capabilities in the implementation of ICAO SARPs; and foster self-reliance and growth. Detailed information can be found at <http://www.icao.int/secretariat/TechnicalCooperation/Pages/icao-programme-for-aviation-volunteers-ipav.aspx>.

Resource Mobilization Fund (RMF)

The Resource Mobilization Fund (RMF) was created in 2017 and is distinct from other funds in that it receives voluntary funds which cut across all Strategic Objectives (C-WP/14591 refers). Furthermore, it presents the only option for un-earmarked contributions towards the NCLB initiative.