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ASSEMBLY — 40TH SESSION
EXECUTIVE COMMITTEE

DRAFT TEXT FOR THE REPORT
ON
AGENDA ITEM 24

The attached material on Agenda Item 24 is submitted for consideration by the Executive Committee.

Agenda Item 24: Technical Cooperation - Policy and Activities

24.1 At its eighth meeting, the Executive Committee considered the subject of *Technical Cooperation – Policy and activities on technical cooperation* on the basis of A40-WP/66 presented by the ICAO Council and one Information Paper presented by the Interstate Aviation Committee (A40-WP/109).

24.2 In A40-WP/66, the Council provided an update on ICAO's policy and strategy for technical cooperation and technical assistance. The Report underscored that the Organization maintains, on the one hand, a Technical Assistance Programme which supports States with Regular Budget resources and contributions to ICAO Voluntary Funds allocated in accordance with established principles and priority criteria, concentrating mainly on remedying deficiencies identified through ICAO audits. On the other, the Technical Cooperation Programme supports States and other entities in the development and implementation of their civil aviation projects funded by governments themselves, donors, financing institutions and private sector entities on a cost recovery basis. Recalling that the Technical Cooperation Programme is a permanent priority activity of the Organization, the Report presented, in its Appendix A, an analysis of the Programme's financial and operational performance results in the 2016 to 2018 triennium, offering a comparison with the two preceding triennia, and provided the Administrative and Operational Services Cost (AOSC) Fund results for the reporting period in its Appendix B. This was complemented by a summary of achievements by Strategic Objective in Appendix C. The Report also provided information on significant developments within the Technical Cooperation Bureau (TCB) in the triennium which reinforced ICAO's commitment to continually improve the Bureau's role as a value-added service provider, including the successful transition of its Quality Management System to the ISO 9001:2015 Standard and the ongoing development of a Business Process Management System (BPMS) for process automation and optimization to facilitate the real-time monitoring of, and detailed reporting on, all ongoing projects. It also recalled the approval by the Council of the ICAO Vendor Sanction Policy, strengthening oversight over procurement activities, and reported on the development of a Talent Outreach Plan to address the existing shortfall of core competencies in aviation, and continued implementation of the ICAO Programme for Aviation Volunteers (IPAV). At the strategic level, the Report underscored the development of an enhanced Quality Assurance Process with the participation of relevant Bureaus and new outreach functions assigned to the Regional Offices, as a result of a holistic review of the existing institutional and administrative mechanisms governing the provision of technical cooperation and technical assistance in the Organization. The Report also informed on the Council's approval of the integration of the Global Aviation Training Office (GAT) into TCB's structure and the alignment of technical cooperation and technical assistance activities to be implemented by the end of 2020. Appendix D to the working paper proposed a slight update to Assembly Resolution A39-16 - *Consolidated Statement of ICAO Policies on Technical Cooperation and Technical Assistance*, to take into account required editorial changes, for adoption by the Assembly.

24.3 A40-WP/109, presented by the Interstate Aviation Committee (IAC), provided information on the technical cooperation project "Cooperative Development of Operational Safety and Continuing Airworthiness in the Commonwealth of Independent States" (COSCAP-CIS). It highlighted the results achieved in the last 20 years in the field of training through multilateral cooperation with Airbus, the Boeing Company, General Electric and Ilyushin in over 150 events, such as seminars, conferences and training courses for a total of around 11000 aviation experts from 20 States and ten international organizations. Training delivered under the project related to flight safety and airworthiness.

24.4 The Executive Committee noted that the ICAO Technical Cooperation Programme's performance in the 2016-2018 reporting period had enjoyed the continued interest of States, donors and private entities, with a total Programme delivery of USD 356.2 million and implementation of an average of 107 projects per year in over 138 States and ten organizations across all regions. On the operational side, the Programme played an instrumental role in supporting Member States with the deployment of 1061 international field experts, the recruitment of 2566 national experts, the provision of training to 19565 civil aviation personnel and the procurement of major civil aviation equipment in the amount of USD 217.3 million.

24.5 The Committee was encouraged by the efforts made by the Technical Cooperation Bureau in the triennium to enhance service delivery through greater transparency, accountability and the highest standard of quality for the benefit of Member States. Of particular relevance, this period saw the transition of the Bureau's Quality Management System to the 9001:2015 Standard and the establishment of a strengthened Quality Assurance Process for technical cooperation and technical assistance projects, with an enhanced scope, redefined roles and responsibilities, participation of key ICAO stakeholders and a new outreach role for the Regional Offices. The Committee was informed of the upcoming implementation of an online platform accessible to States which shall facilitate the real-time financial and operational monitoring of project milestones.

24.6 Recognizing the importance of information sharing, prioritization of needs and resource mobilization for capacity-building activities, the Committee recommended that the Assembly encourage States, international organizations and donors to join efforts in providing targeted regional or State support through collaborative initiatives such as the Aviation Safety Implementation Assistance Partnership (ASIAP), and supported a proposal for centralized coordination and oversight within ICAO.

24.7 Considering ICAO's standard-setting, auditing and technical support functions, the Committee recognized that further alignment between technical assistance and technical cooperation activities is required in order to ensure a harmonized, consistent and efficient approach amongst the various entities within the Organization involved in implementation support, thereby avoiding unnecessary duplication, conflict of interest and competition for limited resources.

24.8 The Executive Committee acknowledged that the priority remained to promote global harmonization of the implementation of ICAO Standards and Recommended Practices (SARPs), so that all States have access to the significant socio-economic benefits of safe, reliable and sustainable air transport. Enhanced efforts will be made by the Secretariat to provide support to developing countries through ICAO's Technical Cooperation Programme as part of the No Country Left Behind (NCLB) initiative. The Committee therefore recommended that the Assembly continue to support the Programme by recognizing its importance for cooperation and capacity-building activities centered on assisting States in the enhancement of their civil aviation systems and related infrastructure, as well as strengthening their human resource capabilities.

24.9 In light of its deliberations, the Executive Committee invites the Assembly to:

- a) remind Contracting States contemplating the development or enhancement of their civil aviation infrastructures, to consider the advantages of using the ICAO Technical Cooperation Programme for their civil aviation projects;

- b) urge Contracting States, when implementing civil aviation development projects through ICAO, to give priority to Universal Safety Oversight Audit Programme (USOAP) and Universal Security Audit Programme (USAP) findings and recommendations as well as other sources, such as the conclusions and decisions by Planning and Implementation Regional Groups (PIRGs) and Regional Aviation Safety Groups (RASGs), with a view to rectifying identified deficiencies, resolving Significant Safety and Security Concerns (SSCs and SSCes) and addressing opportunities for improvement in all civil aviation fields, while directly contributing to the achievement of all ICAO's Strategic Objectives;
- c) urge Contracting States, financing institutions, the aviation industry and other stakeholders to provide sustained financial and human resource support through the ICAO Programme for Aviation Volunteers (IPAV) to develop capabilities within beneficiary States in the implementation of ICAO SARPs, as well as fostering self-reliance and growth;
- d) request the Secretary General to continue to raise the awareness of States, private sector entities and donors as to the advantages of having recourse to ICAO for the implementation of capacity-building and infrastructure development projects in the civil aviation field; and
- e) request the Secretary General to improve coordination and alignment between technical assistance and technical cooperation activities in order to ensure a harmonized, consistent and efficient approach amongst the various entities within the Organization involved in implementation support, thereby avoiding unnecessary duplication, conflict of interest and competition for limited resources.

24.10 The Committee also agreed to submit, for adoption by the Plenary the following Resolution as presented by the Council in A40-WP/66 – *Consolidated Statement of ICAO Policies on Technical Cooperation and Technical Assistance*:

Resolution 24/X: Consolidated statement of ICAO policies on technical cooperation and technical assistance

Whereas new policies have been approved by the Council for technical support, in the form of technical assistance and technical cooperation and endorsed by the 38th Session of the Assembly;

Whereas “Technical Assistance” is any assistance provided by ICAO to States, which is funded by the Regular Budget and/or Voluntary Funds, and implemented through any Bureau/Office depending on the nature and duration of the project;

Whereas “Technical Cooperation” is any project requested and funded by States and/or Organizations and implemented through the Technical Cooperation Bureau on a cost-recovery basis, where all the direct and indirect costs related to the project are recovered;

The Assembly:

1. *Resolves* that the Appendices attached to this Resolution constitute the consolidated statement of ICAO policies on technical cooperation and technical assistance, as these policies exist at the close of the 40th Session of the Assembly;
2. *Declares that* this Resolution supersedes A39-16.

APPENDIX A

The ICAO Technical Cooperation and Technical Assistance Programmes

Whereas the growth and improvement of civil aviation can make an important contribution to the economic development of States;

Whereas civil aviation is important to the technological, economic, social and cultural advancement of all countries and especially of developing countries and their subregional, regional and global cooperation;

Whereas ICAO can assist States in advancing their civil aviation and at the same time promote the realization of its Strategic Objectives;

Whereas Resolution 222 (IX)A of 15 August 1949 of the United Nations Economic and Social Council, approved by the General Assembly in its Resolution of 16 November 1949 and endorsed by the ICAO Assembly in its Resolution A4-20, entrusted all Organizations of the United Nations system to participate fully in the Expanded Programme of Technical Assistance for Economic Development, and that ICAO, as the United Nations specialized agency for civil aviation, began the execution of technical cooperation and technical assistance projects in 1951 with funding from the United Nations Special Account for Technical Assistance, established pursuant to the above Resolution;

Whereas the large deficits experienced from 1983 to 1995 required the definition of a new policy on technical cooperation and technical assistance and a new organizational structure for the Technical Cooperation Bureau;

Whereas the implementation of the New Policy on technical cooperation and technical assistance, endorsed by the 31st Session of the Assembly, based on the progressive implementation of the core staff concept, the integration of the Technical Cooperation Bureau into the Organization's structure, and the establishment of the ICAO Objectives Implementation Funding Mechanism, as well as the new organizational structure for the Technical Cooperation Bureau implemented in the 1990s, significantly reduced costs and substantially improved the financial situation of the Technical Cooperation and Technical Assistance Programmes;

Whereas the objectives of the New Policy emphasized the importance of the Technical Cooperation and Technical Assistance Programmes in the global implementation of ICAO Standards and Recommended Practices (SARPs) and Air Navigation Plans (ANPs) as well as the development of the civil aviation infrastructure and human resources of developing States in need of technical cooperation or technical assistance from ICAO;

Whereas standardization and monitoring of SARPs implementation remain important functions of the Organization and emphasis has been placed on ICAO's role towards implementation and support to Contracting States;

Whereas A35-21 encouraged the Council and the Secretary General to adopt a structure and mechanism that would use commercially oriented practices to allow fruitful partnerships with funding partners and recipient States;

Whereas the Council agreed that greater operational flexibility should be accorded to the Technical Cooperation Bureau with the appropriate oversight and control over technical cooperation and technical assistance activities;

Whereas all technical cooperation activities of the Organization continue to be based on the principle of cost recovery and measures continue to be taken to minimize administrative and operational costs to the extent possible;

Whereas the Technical Cooperation and Technical Assistance Programmes and related Administrative and Operational Services Cost (AOSC) Fund income for the triennium and beyond cannot be estimated with precision and can vary substantially based on various factors outside ICAO's control;

Whereas the Council adopted a policy on cost recovery concerning the apportionment of costs between the Regular Budget and the AOSC Fund for services provided by the Regular Programme to the Technical Cooperation Bureau and for services provided by the Technical Cooperation Bureau to the Regular Programme.

The Assembly:

Technical Cooperation and Technical Assistance Programmes

1. *Recognizes* the importance of the Technical Cooperation and Technical Assistance Programmes for promoting the achievement of the Strategic Objectives of the Organization;
2. *Reaffirms* that the Technical Cooperation and Technical Assistance Programmes, implemented within the rules, regulations and procedures of ICAO, are a permanent priority activity of ICAO that complements the role of the Regular Programme in providing support to States in the effective implementation of SARPs and ANPs as well as in the development of their civil aviation administration infrastructure and human resources;
3. *Reaffirms* that, within the existing financial means, the ICAO Technical Cooperation and Assistance Programmes should be strengthened, at Regional Office and field level, in order to allow the Technical Cooperation Bureau to play its role more efficiently and effectively with the understanding that no increase in project costs will be incurred;
4. *Reaffirms* that the Technical Cooperation Bureau is one of the main instruments of ICAO to assist States in remedying their deficiencies in the field of civil aviation for the benefit of the international civil aviation community as a whole;
5. *Affirms* that improved cooperation and coordination of ICAO's technical cooperation and technical assistance activities should be achieved through clear delineation of each Bureau's mandate and activities to avoid duplication and redundancy;

6. *Reaffirms* 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, as a last resort, a call for support from the Regular Programme Budget;
7. *Requests* the Secretary General to implement greater efficiency measures leading to a gradual reduction of administrative support costs charged to technical cooperation and technical assistance projects;
8. *Reaffirms* that costs recovered by the Organization for support services provided to the Technical Cooperation Bureau must be directly and exclusively related to project operations in order to keep administrative support costs to a minimum;

ICAO as the recognized agency for civil aviation

9. *Recommends* to donor States, financing institutions and other development partners, including the aviation industry and the private sector, wherever appropriate, to give preference to ICAO for the identification, formulation, analysis, implementation and evaluation of civil aviation projects in the field of technical cooperation and technical assistance, and *requests* the Secretary General to continue communicating with such entities and with potential recipient States, with a view to allocating funds for the development of civil aviation, using ICAO as the executing agency;
10. *Recommends* to States receiving bilateral or other government-sponsored aid to consider the value of using the ICAO Technical Cooperation and Technical Assistance Programmes to support the implementation of their programmes related to civil aviation;

Expansion of ICAO Technical Cooperation and Technical Assistance Activities

11. *Reaffirms* that in adopting commercially oriented practices for the Technical Cooperation Bureau, there is a need to ensure that the good reputation of ICAO is maintained;
12. *Reaffirms* the need to expand the provision of technical cooperation and technical assistance by ICAO to the non-State entities (public or private) directly involved in civil aviation, in furtherance of ICAO Strategic Objectives, such cooperation and assistance to encompass, *inter alia*, those activities that were traditionally provided by national civil aviation administrations and are being privatized to some degree, where the State shall, nonetheless, continue to be responsible under the Chicago Convention for the quality of the services provided and their compliance with ICAO SARPs, and *requests* the Secretary General to inform the civil aviation authority concerned of the technical aspects of the project immediately upon the start of negotiations with non-State entities;
13. *Reaffirms* that ICAO should expand the provision of technical cooperation and technical assistance services, upon request, to non-State entities (public and private) that are implementing projects in Contracting States in the field of civil aviation which aim at enhancing aviation safety, air navigation capacity and efficiency, security and facilitation, environmental protection and economic development of international air transport, and *directs* the Secretary General to consider, on a case-by-case basis, the requests of such entities for ICAO cooperation and assistance in the traditional technical cooperation and technical assistance areas, with particular regard to project compliance with ICAO SARPs and, as applicable, to relevant national policies and regulations promulgated by the recipient State;

Technical Cooperation and Technical Assistance Agreements

14. *Reaffirms* that ICAO, within the framework of its Technical Cooperation and Technical Assistance Programmes, uses Trust Fund (TF) Agreements, Management Services Agreements (MSA), the Civil Aviation Purchasing Service (CAPS) and other framework agreements and funding arrangements as may be necessary to provide maximum cooperation and assistance to stakeholders implementing civil aviation projects; and

15. *Views with satisfaction* the initiative of States to make greater use of these arrangements to obtain technical cooperation and technical assistance in the field of civil aviation.

APPENDIX B

Funding of the Technical Cooperation and Technical Assistance Programmes

Whereas funds available for technical cooperation and technical assistance in the field of civil aviation are insufficient to meet the needs of civil aviation, especially in the developing countries;

Whereas the Technical Cooperation Programme, with few exceptions, is funded by developing countries providing funds for their own projects;

Whereas the Technical Assistance Programme is funded through ICAO Voluntary Funds and through the Regular Budget of the Organization;

Whereas civil aviation administrations of Least Developed Countries (LDCs) are, in particular, those needing the most support while, at the same time, relying mostly on financial institutions and sector industry to fund their technical cooperation projects;

Whereas UNDP funding is directed mainly to development sectors other than civil aviation, and its financial contribution to civil aviation activities has considerably decreased to a level where it represents less than one per cent of the ICAO Technical Cooperation and Technical Assistance Programmes, but UNDP continues to provide administrative support to ICAO at the country level;

Whereas rapid technical development in civil aviation requires from developing States substantial expenditures in aviation ground facilities to match that development, and continues to increase requirements for training of national aeronautical personnel that are beyond their financial resources and training facilities;

Whereas the Assembly introduced the ICAO Objectives Implementation Funding Mechanism with a view to mobilizing additional resources for technical cooperation and technical assistance projects identified as required to support the implementation of SARPs and the facilities and services listed in the ANPs, as well as the implementation of ICAO audit-related recommendations and the rectification of identified deficiencies;

Whereas funding institutions expect from those implementing the projects they finance, expedient and effective project execution as well as detailed and real-time information on project activities and finances;

The Assembly:

1. *Requests* that financing institutions, donor States and other development partners, including the industry and the private sector, give higher priority to the development of the air transport sub-sector in developing countries and *requests* the President of the Council, the Secretary General and the Secretariat to intensify their contacts with the United Nations, including UNDP, to increase their contribution to ICAO's technical cooperation and technical assistance projects;
2. *Draws the attention* of financing institutions, donor States and other development partners to the fact that ICAO is the Specialized Agency of the United Nations concerned with civil aviation and, as such, is accepted by the United Nations as the expert authority in carrying out technical cooperation and technical assistance for developing countries in civil aviation projects;
3. *Urges* Contracting States that are associated with funding sources to draw the attention of their representatives to these organizations towards the value of providing cooperation and assistance to civil aviation projects, particularly where these are necessary for the provision of ~~the~~ vital air transport infrastructure and/or the economic development of a country;
4. *Urges* Contracting States to give high priority to civil aviation development and, when seeking external cooperation and assistance for this purpose, to stipulate to financing institutions through an appropriate level of government that they wish ICAO to be associated as the executing agency with civil aviation projects which may be funded;
5. *Encourages* the actions of developing countries in seeking funds for the development of their civil aviation from all appropriate sources to complement funds available from national budgets, financial institutions, donor States and other development partners so that such development may progress at the maximum feasible rate;
6. *Recognizes* that extra-budgetary contributions from donors will allow the Technical Cooperation and Technical Assistance Programmes to expand their services to States in relation to aviation safety, air navigation capacity and efficiency, security and facilitation, economic development and environmental protection, thus further contributing to the achievement of the Strategic Objectives, in particular to the implementation of SARPs and the rectification of deficiencies identified by audits;
7. *Authorizes* the Secretary General to receive, on behalf of the ICAO Technical Cooperation and Technical Assistance Programmes, financial and in-kind contributions to technical cooperation and technical assistance projects, including voluntary contributions in the form of scholarships, fellowships, training equipment and funds for training, from States, financing institutions and other public and private sources and to act as an intermediary between States regarding the granting of scholarships, fellowships and provision of training equipment;
8. *Urges* those States which are in a position to do so to provide additional funds to the ICAO Technical Cooperation and Technical Assistance Programmes through the ICAO Voluntary Funds for the implementation of civil aviation projects;
9. *Encourages* States and other development partners, including the industry and the private sector, to contribute to the ICAO Objectives Implementation Funding Mechanism which allows them to participate in the implementation of ICAO's civil aviation projects; and

10. *Requests* the Council to advise and assist developing countries to secure the support of financing institutions, donor States and other development partners in implementing ICAO regional and subregional safety and security programmes, such as the Cooperative Development of Operational Safety and Continuing Airworthiness Programme (COSCAP) and Cooperative Aviation Security Programme (CASP).

APPENDIX C

Implementation of the Technical Cooperation and Technical Assistance Programmes

Whereas the aim of ICAO is to ensure the safe and orderly growth of international civil aviation throughout the world;

Whereas the implementation of technical cooperation and technical assistance projects complements the Regular Programme efforts towards the achievements of ICAO's Strategic Objectives;

Whereas Contracting States increasingly call upon ICAO to provide advice, technical cooperation and technical assistance to implement SARPs and develop their civil aviation through the strengthening of their administration, the modernization of their infrastructure and the development of their human resources;

Whereas, on an urgent basis, there is a need for effective follow-up and remedial action as a result of the ICAO Universal Safety Oversight Audit Programme/Continuous Monitoring Approach (USOAP/CMA) and Universal Security Audit Programme (USAP) audits in order to provide support to States in addressing identified deficiencies, including Significant Safety and Security Concerns;

Whereas extra-budgetary funding provided to the Technical Cooperation and Technical Assistance Programmes allows ICAO, through its Technical Cooperation Bureau, to provide initial support to States to address the deficiencies identified through the USOAP CMA, ICAO Coordinated Validation Missions (ICVMs) and USAP audits;

Whereas implementation of projects in compliance with ICAO SARPs by the Technical Cooperation Bureau or any other third party outside ICAO results in substantially enhanced safety, security and efficiency of civil aviation worldwide;

Whereas ex-post evaluations could constitute a valuable tool for establishing the impact of projects on aviation and for the planning of future projects;

Whereas non-State entities (public and private) implementing projects for Contracting States in the field of civil aviation increasingly call upon ICAO, through the Technical Cooperation Bureau, to provide advice, technical cooperation and technical assistance in the traditional technical cooperation and technical assistance fields and ensure project compliance with ICAO SARPs;

The Assembly:

1. *Draws the attention* of Contracting States requesting technical cooperation and technical assistance to the advantages to be derived from well-defined projects based on civil aviation master plans;
2. *Draws the attention* of Contracting States to the cooperation and assistance provided through subregional and regional projects executed by ICAO, such as COSCAPs and CASPs and *urges* the Council to continue to give high priority to management and implementation of such projects through the Technical Cooperation and Technical Assistance Programmes in view of the great benefit such projects represent;
3. *Urges* States to give high priority to the training of their national civil aviation technical, operational and management personnel through the development of a comprehensive training programme and *reminds* States of the importance of making adequate provision for such training and of the need to provide suitable incentives to retain the services, in their respective fields, of such personnel after they have completed their training;
4. *Encourages* States to concentrate their efforts upon the further development of existing training centres and to support Regional Training Centres which are located in their area for the advanced training of their national civil aviation personnel where such training is not available nationally, so as to promote a self-reliant capability within that region;
5. *Urges* States receiving technical cooperation and technical assistance through ICAO to avoid project implementation delays by ensuring timely decisions regarding experts, training and procurement components in accordance with the terms of the project agreements;
6. *Draws the attention* of Contracting States to the Civil Aviation Purchasing Service (CAPS), which is a facility provided by ICAO to developing countries to purchase high value items of civil aviation equipment and to contract for technical services, offering a complete procurement process;
7. *Requests* that Contracting States, in particular, developing countries, encourage fully qualified technical experts to apply for inclusion in ICAO's Technical Cooperation and Technical Assistance Programmes' roster of experts;
8. *Encourages* States to make use of the quality assurance services offered by the Technical Cooperation Bureau, on a cost-recovery basis, for the supervision of projects implemented by third parties outside the Technical Cooperation and Technical Assistance Programmes of ICAO, including the review of their compliance with ICAO SARPs; and
9. *Encourages* States and donors to include, and provide funding for, ex-post evaluations of their civil aviation projects as an integral part of project planning and implementation.