



ASSEMBLY – 35TH SESSION

EXECUTIVE COMMITTEE

Agenda Item 20: Increasing the effectiveness of ICAO

BUSINESS PLANNING

(Presented by South Africa)

SUMMARY

The External Auditor has encouraged ICAO to complete business planning for application on an organization-wide basis. In addition, it would be advantageous to introduce the concept of business development at this time, when ICAO's resources have been stretched to the limit, and in order to identify an additional funding mechanism. It is also proposed that the Council review and prioritize the core business of the Organization.

Action by the Assembly is in paragraph 3.

REFERENCES

Report of the External Auditor (Doc 9833)
C-WP/12220
C-WP/12284
Strategic Action Plan
A35-WP/20

1. INTRODUCTION

1.1 During the triennial budget review process through Council, it became evident that ICAO will have to establish a more business-like delivery of the products and services to the Contracting States, who are both the Organization's shareholders and primary clients. Safety remains the principal goal of ICAO, and emphasis has increased on the **implementation** of ICAO provisions versus the development of new Standards and Recommended Practices. This will require a major refocus and reassessment of priorities for the Organization in order to deliver the products and services on time and within the allotted budget and, in doing so, ensure the long-term success of the Organization.

1.2 During the review process on the implementation of Assembly Resolutions A31 2, A32 1 and A33 3 – *Increasing the effectiveness of ICAO* – the Council identified the development of a business plan for the Organization as a key element in the multi-phased process, which will link the major components of the ICAO planning and reporting cycle. It was recognized that a business plan can be used to map out how the Strategic Objectives of the Organization can be translated into action and to ensure a link between planned activities, organizational cost and performance. This will serve to guide ICAO's programmes and actions during the next triennium and beyond, keeping within available resources.

1.3 In the Report of the External Auditor, as contained in Doc 9833, it was highlighted that the idea of preparing a business plan for each of the Regional Offices began with a task force on regional activities that took shape in 1996. The task force's terms of reference included, *inter alia*, examining human resources requirements for core activities. In conclusion, the external auditor encouraged ICAO to complete business planning for organization-wide introduction and highlighted that in the dynamic global civil aviation environment, where ICAO's resources have been stretched to the limit, a discussion of expected results, threats and opportunities, especially at the regional level, can help the development of more realistic strategies and practical plans.

2. INTRODUCING A BUSINESS-LIKE APPROACH IN THE ORGANIZATION

2.1 As a first step, it will be necessary to begin at the Headquarters level and develop and implement a business plan for the Organization, and then provide the necessary guidance to the Regional Offices to complete their part of the plan in the given framework. The first step will require a close scrutiny of the wide range of activities currently conducted by ICAO to identify those that are related to the core goals of the Organization. This will focus the Organization towards achieving the set goals and align the Strategic Objectives contained in ICAO's Strategic Action Plan with a work plan that is linked to the triennium budget. This action will also provide a blueprint for long-term resource planning and performance measurement.

2.2 Most importantly, a business plan will prioritize and identify the resources required to meet the core goals of the Organization and guide the decision-making process in executing the work plan within the framework of the budget. A business plan will also clarify the relationship and working arrangements between ICAO and the regional civil aviation bodies. In addition, it will identify barriers to goal achievement and highlight the workload in each of the disciplines.

2.3 In a related development, the UN Secretary-General established a broad policy framework for cooperation with the business community and to provide the overall rationale for closer cooperation and partnership between the United Nations and non-State partners, including the business community. It is important to establish a business development process in ICAO to further improve and identify additional funding mechanisms and to provide guidance in this field, specifically to the regional offices.

2.4 The term *business development* is a robust concept that stretches beyond sales and marketing, enveloping strategies and initiatives, and is well tested globally. This will ensure that we should proceed in a way that will not merely transfer resources from the Regular Programme budget to miscellaneous income. As an example, the production of documents, including associated staff costs, are charged to the Regular Programme, whereas the proceeds from the sale of those documents are absorbed into the Miscellaneous Income budget line. The Organization must strive to develop new business-like working methods for the Organization and ensure that any cost-recovery or revenue-generating activities do not distort the Organization's prime purpose and responsibilities to States.

3. **ACTION BY THE ASSEMBLY**

3.1 The Assembly is invited to:

- a) instruct the Council to attach high priority to the development and introduction of business planning organization-wide; and
- b) instruct the Council to introduce a business development framework to identify new working methods for the Organization and, at the same time, ensure that any cost-recovery or revenue-generating activities do not distort the Organization's prime objectives.

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