



ASSEMBLY 35TH SESSION
ADMINISTRATIVE COMMITTEE

Item 39: Budgets
Item 39.1: Programme Budget for 2005, 2006, 2007

REGIONAL ARRANGEMENTS AND BUDGET DECENTRALIZATION

(Presented by the 21² member States of the
Latin American Civil Aviation Commission)

SUMMARY

This paper reflects the concern of LACAC member States about the centralization of functions at ICAO Headquarters and budget distribution, and requests the Council and the Secretariat to adopt the necessary measures to decentralize management, **without modifying the budget figure to be approved by the Assembly.**

1. INTRODUCTION

1.1 As established in the Preamble of the Chicago Convention, States agreed on principles and arrangements for the safe and orderly development of international civil aviation and the establishment of sound and cost-effective international air transport services based on equal opportunities.

1.2 This explains the interactive complementarity of the technical, economic, political and legal aspects of this important activity. Consequently, in functional and budgetary terms, ICAO should consider the aforementioned areas in an equitable and balanced manner.

1.3 Assembly Resolution A32-1, related to the improved efficiency of the Organization, among other things, requests the Council and the General Secretariat to continue with the task of ensuring that ICAO responds effectively to the challenges of the aeronautical sector, and proposes that a study be made on ways to eliminate obstacles to a greater efficiency of the Secretariat.

¹ English and Spanish versions are provided by LACAC

² Argentina, Aruba, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

AD/18

1.4 Resolution A33-8 charges the Secretary General with the adoption of a more flexible approach to the long-term implementation of safety matters, including the strengthening of Regional Offices.

2. ANALYSIS

2.1 LACAC member States are aware of the financial problems that the Organization is facing as a result of exchange rate, use of cash surpluses, growing demand for services, and increased costs.

2.2 Throughout the strategic planning process, ICAO should be seen as a whole in terms of both the financial programming and its programme organic structure. Thus the need to combine all of its activities, including those of the Regional Offices, in the programmes of the different areas, rather than considering them as separate functional and budgetary elements.

2.3 ICAO Regional Offices are of utmost importance for the States accredited to them, and they cannot provide adequate support to those States if they do not have suitable and sufficient personnel in all disciplines.

2.4 In the previous session, LACAC member States had expressed their concern about the weakening of Regional Offices, and a reduction of their operating capacity can be currently noted. As an example, the status of the Lima and Mexico Regional Offices is presented with respect to changes introduced since 1995.

2.5 Centralization of activities and transfer and/or elimination of staff from Regional Offices have a substantial impact on States, by reducing the support they would receive from ICAO, running the risk of service deterioration and compromising safety of air transport.

2.6 Budget reductions will result in a staff reduction by the end of the present triennium (2002-2004), in addition to the 19 professional and 25 general service positions that will be eliminated as proposed in the budget (2005-2007).

2.7 At the regional level, the proposed reductions will have serious consequences and a negative impact on operational management. The following table illustrates the human resource centralization trends in recent periods:

REGULAR PROGRAMME POSITIONS ACCORDING TO THE 1999-2007 BUDGETS						
	ICAO total			Regional Offices		
Year/ Period	P	GS	Total No. Positions	P	GS	Total Positions
1999	309,00	385,00	694,00	95,00	98,00	193,00
2000	309,00	385,00	694,00	95,00	98,00	193,00
2001	309,00	385,00	694,00	95,00	98,00	193,00
2002	319,00	396,00	715,00	95,00	98,00	193,00
2003	319,00	396,00	715,00	95,00	98,00	193,00
2004	319,00	396,00	715,00	95,00	98,00	193,00
2005	277,03	358,69	635,72	75,00	81,22	156,22
2006	274,08	352,64	626,72	72,58	79,22	151,80
2007	270,53	351,80	622,33	70,58	81,22	151,80
Variation 1999-2007	-12,45	-8,62	-10,33	-25,71	-17,12	-21,35

Sources: A35-WP/20, Doc 9787, Doc 9699

2.8 As can be seen, of the total of 694 positions that existed in 1999, there would be 622.33 in 2007, which represents a 10.33% reduction. While Regional Offices accounted for 27% of total human resources in 1999, they will account for 24% in 2007. Likewise, total ICAO professional staff (PS) in 1999 amounted to 309 officials, and it will be 270.53 in 2007--representing a 12.45% reduction. Regarding general services personnel (GS), there were 385 officials in 1999, and there would be 351.8 in 2007--an 8.62% reduction.

2.9 Regarding assignments to Regional Offices, professional staff was made up of 95 officials in 1999, while, in the year 2007, there would be 70.58, a 25.71% reduction. In that same period, general services personnel would drop from 98 to 81.22; that is, a 17.12% reduction; and, in terms of total positions, the reduction would be 21.35% for those same years.

2.10 If we consider the downward behaviour in Headquarters, and compare it to what has happened at the Regional Offices, assuming an average budget distribution of 75% and 25%, respectively, we note with concern that, throughout time, the reduction of personnel in the Regional Offices has been much higher than in Headquarters, in a ratio of 5 to 1 (21.35% in the Regional Offices and 4.4% in Headquarters). This shows the centralization trend that exists within ICAO management.

2.11 Centralization would be accentuated if the new concept of "regional desks" that would serve States from Headquarters were applied. In practice, costs would substantially increase when supporting States through missions, seminars, meetings, etc., and when mobilizing officials from Headquarters to travel long distances, if we take into account the transport and per diem policies applied in these cases within the United Nations system. This would hinder the possibility of assisting State civil aviation administrations more frequently.

2.12 With the new Draft Budget, regional bodies would also be affected, since there are plans to "reduce the support to LACAC and CAFAC" starting 31 December 2006. In this regard, LACAC member States feel that consideration has not been given to the important contribution of such bodies to the work of ICAO, through their management, support and productivity.

3. CONCLUSION

3.1 LACAC member States underline the important work carried out by the Regional Offices in support of the States, and reiterate that ICAO management needs to be decentralized, providing said Offices with adequate resources so that they may continue giving their support pursuant to the Chicago Convention and its Annexes.

4. DECISION BY THE ASSEMBLY

4.1 It is proposed that the Assembly request the Council and the General Secretariat that, **without modifying the budget to be approved by the Assembly:**

- a) A functional and budgetary redistribution be made, taking into account decentralization as the main element, and providing Regional Offices with professional personnel that meet the interests of member States.
- b) Necessary measures be adopted so that the budget may reflect the proposed decentralization, and coordination between Headquarters and the Regional Offices be optimized through a more horizontal and less pyramidal management.

APPENDIX

Lima Office:

- Freezing of the vacancy for Deputy Director of the Regional Office (P-5).
- Freezing of the vacancy for Human Resources and Personnel Training Official (P-4).
- Uncertainty as to the renewal of the contract for Technical Cooperation Official (P-4), which was included in the regular programme budget until March 2004. At present, it is a two-year contract financed with AOSC funds.
- Interruption of the last phase in the selection process for the Air Transport Official II (P-3). It was initially transferred to the Mexico Office and then cancelled.
- Elimination of an assistant (G-6) in the Technical Cooperation area.
- Uncertainty in the contract of the Automation Assistant (G-6).
- Elimination of a secretary (G-4) in the Technical Cooperation area.

Mexico Office:

- Elimination of the Technical Cooperation Official position (P-4) and transfer of its functions to Headquarters.
- Elimination of the vacancy for Regional ATM-SAR Official (P-4) and transfer of its functions to Headquarters. It is currently in the selection process.
- Transfer of the Air Transport Official position to Headquarters (P-4).
- Rescission of the contracts of three general services individuals to re-hire them on a part-time basis.

If the budget is approved under the conditions proposed in WP/20, the following would also occur:

- Elimination of the Air Transport Official position (P-5) starting 31 December 2006. At present, the Official is also acting as LACAC Secretary.
- The Deputy Director position (P-5) would remain frozen since this vacancy is being filled, on an interim basis, by the CNS Official (P-4). When the public summons is made to fill the vacancy, we do not know what will happen with the CNS Official vacancy (P-4).
- Transfer of the Regional Meteorology Official (P-4) from the Lima Office to the Mexico Office to serve both regions.
- Freezing of the Regional Safety Official position (P-4) of the Lima Office starting July 2005.
- Elimination of the functions of Regional Coordinator of the technical cooperation programme (P-4) starting April 2006, when the contract terminates (AOSC funds) .
- Elimination of the print shop operator position (G-3) starting March 2005.
- Elimination of the driver/messenger position (G-2) of the Lima Office starting December 2004.

- END -

¹ English and Spanish versions are provided by LACAC

² Argentina, Aruba, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.