

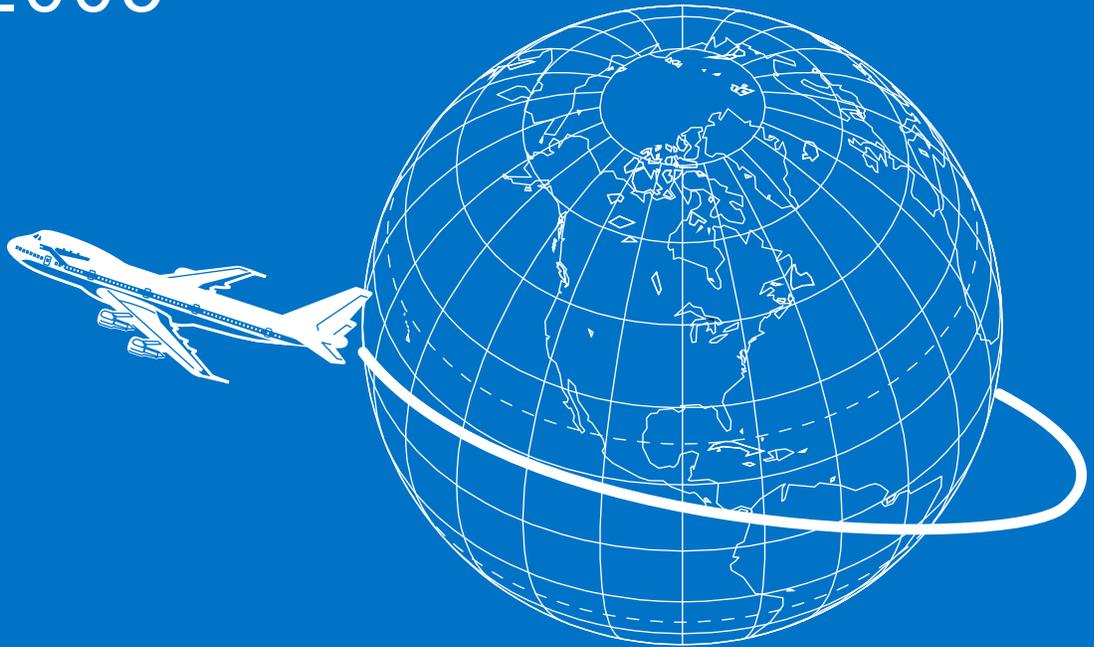
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Documentation for the session
of the Assembly in 2007

Annual Report of the Council

2005



International Civil Aviation Organization

VISION, MISSION AND STRATEGIC OBJECTIVES

ICAO works to achieve its vision of safe, secure and sustainable development of civil aviation through cooperation amongst its Contracting States. To implement this vision, the Council adopted the following Strategic Objectives for the period 2005-2010:

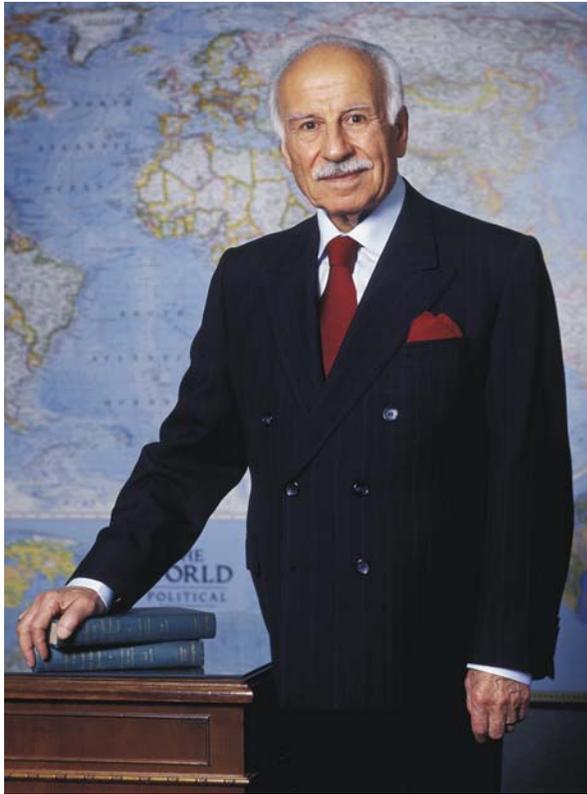
- Safety – Enhance global civil aviation safety
- Security – Enhance global civil aviation security
- Environmental Protection – Minimize the adverse effect of global civil aviation on the environment
- Efficiency – Enhance the efficiency of aviation operations
- Continuity – Maintain the continuity of aviation operations
- Rule of Law – Strengthen law governing international civil aviation

These objectives reflect the status, role and responsibilities of ICAO as the:

- leader in the development and promotion of SARPs and in auditing compliance to them;
- institution facilitating and assisting its Contracting States in the implementation of SARPs, Air Navigation Plans, and ICAO policies;
- promoter of global air transport policies for an efficient international civil aviation system;
- ultimate venue for crisis management in international civil aviation;
- body dealing with the development and diffusion of international air law and with the settlement of international civil aviation disputes; and
- central institution for global governance in civil aviation.

In addition, the six Strategic Objectives form the basis of the Strategic Positioning of the Organization as:

- the global driver of safety management systems designed to achieve measurable results in aviation safety;
 - the promoter and coordinator of performance-based security measures amongst States;
 - the leading international organization pursuing unified and coordinated measures to reduce civil aviation's impact on the environment; and
 - the key driver in the implementation of harmonized air traffic management systems and performance-based efficiency improvements.
-



**TO THE ASSEMBLY
OF THE
INTERNATIONAL CIVIL AVIATION ORGANIZATION**

I have the honour to transmit, at the direction of the Council, its Report for the year 2005 prepared in compliance with Article 54(a) of the Convention on International Civil Aviation. It constitutes documentation for the next regular Session of the Assembly, which will be convened in 2007, but it is being circulated to Contracting States now for their information. It will also be sent to the Economic and Social Council of the United Nations in pursuance of Article VI, paragraph 2 (a) of the Agreement between the United Nations and ICAO.

The Report was prepared by the Secretariat and circulated in draft form to the Representatives of Council Member States for their suggestions. The Council, as a body, did not formally examine or adopt it but, as in the past, delegated to its President authority to approve the final text after considering all the suggestions received.

The 2005 Annual Report of the Council is my last as Council President. Since first elected to the position in 1976, I have witnessed and been part of the extraordinary evolution of global air transport. I take this opportunity to share my views on the direction of civil aviation in the decades to come.

It is a fact that air transport brings tremendous benefits to humanity in terms of economic, social and cultural development. The industry currently employs 29 million people, directly or indirectly, and represents 8 per cent of the world's gross domestic product, or some US\$3 000 billion. Some 40 per cent of manufactured goods by value are shipped by air and many national economies are dependent on air transport, which also supports the world's largest industry — travel and tourism.

For air transport to contribute to the well-being of people in the years ahead, it must keep growing in a safe and orderly manner, as intended by the Convention on International Civil Aviation. Managing growth will then be the overarching challenge facing the world aviation community in the first half of the 21st century.

In fact, traffic has grown practically every year since the creation of ICAO in 1944. In 2005, passenger traffic on scheduled carriers of ICAO Contracting States reached the two billion mark for the first time. A long-term projected growth of 3.5 per cent annually would push that number to more than 2.5 billion by the year 2015. This translates into more than 30 million aircraft departures. Cargo traffic should also increase substantially at over 5 per cent annually, well above the anticipated economic growth worldwide. In 2005, some 38 million tonnes of cargo, representing approximately 40 per cent of manufactured goods by value, were shipped by air.

These numbers assume that we will have succeeded in keeping in check major impediments to sustained growth, such as airspace and airport congestion, threats to the security of airline operations, airports and critical ground installations such as air traffic control towers, as well as the negative impact of aviation on the environment.

ICAO's role will continue to be one of leadership and assistance to its Contracting States, according to the six strategic objectives established by the Council in 2004 and designed to enhance the safety and security of global civil aviation, minimize its adverse effect on the environment, enhance the efficiency and maintain the continuity of aviation operations, and strengthen law governing international civil aviation.

In terms of safety, this means promoting effective synergy between our Universal Safety Oversight Audit Programme (USOAP), our Unified Strategy and the growing application of Safety Management Systems (SMS) worldwide, three key elements of a global safety strategy based on transparency and sharing of information among States and the industry. Safety must become a way of life for everyone involved with civil aviation.

Our security strategy is based on the ICAO Plan of Action for Strengthening Aviation Security, adopted by the High-level Ministerial Conference of 2002, along with the Universal Security Audit Programme (USAP). Fundamental to the success of the Plan is the operational complementarities of USOAP, the ICAO Aviation Security (AVSEC) Mechanism and technical cooperation projects. In the long term, we must diligently assess new and emerging threats, particularly man-portable air defence systems (MANPADS); continually monitor and upgrade existing security processes to ensure they are commensurate with the level of threat identified; and expedite the clearance of passengers and cargo at airports while maintaining the highest level of security.

Environmental protection is a daunting task. Aircraft today are 70 per cent more energy efficient than they were in the 1970s, but in terms of noise and air pollution, the sustained growth in the number of flights may negate this otherwise phenomenal achievement. We must pursue our work diligently through the Council's Committee on Aviation Environmental Protection (CAEP), in close cooperation with the United Nations Framework Convention on Climate Change (UNFCCC) and other interested parties, so that ever fewer people are affected by aircraft noise and engine emissions.

The 11th ICAO Air Navigation Conference held in 2003 established the future direction for the development of a globally harmonized and seamless global air navigation system, with the Global ATM Operational Concept at its core. This blueprint aims at ensuring the safe and orderly development and implementation of global air traffic management that takes into account efficiency, regularity, cost-effectiveness and environmental protection.

ICAO's policy on air transport liberalization is contained in the Declaration of Global principles of the fifth Worldwide Air Transport Conference, also held in 2003. It aims to create an environment in which international air transport may develop and flourish in a stable, efficient and economical manner without compromising safety and security and while respecting social and labour standards. Our continued efforts at protecting the well-being of passengers and people on the ground from communicable diseases will also be a major consideration.

Finally, we must continue to maintain a unified global legal framework, in force and continually adapted to the requirements of international civil aviation.

A Business Plan, which was adopted in 2005, will translate the Strategic Objectives into action plans and will ensure a link between planned activities, organizational cost and performance assessment. Support mechanisms, such as the Technical Co-operation Programme and the International Financial Facility for Aviation Safety (IFFAS), will continue to provide assistance to States in meeting their obligations under the Chicago Convention.

As always, our best guarantee for meeting the strategic objectives, and thereby ensuring the safe and orderly growth of air transport well into the future, is to work in close cooperation with all members of the world aviation community.

It has been a privilege to be associated with this extraordinary Organization for 53 years. I was honoured to have been elected to 11 consecutive mandates as President of the Council. I leave ICAO in good hands, confident that the spirit of global consensus upon which it is built will always guide international civil aviation in helping to create and preserve friendship and understanding among nations and peoples of the world.

Assad Kotaite
President of the Council

CONTRACTING STATES

Afghanistan
Albania
Algeria
Andorra
Angola
Antigua and Barbuda
Argentina
Armenia
Australia
Austria
Azerbaijan
Bahamas
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Benin
Bhutan
Bolivia
Bosnia and Herzegovina
Botswana
Brazil
Brunei Darussalam
Bulgaria
Burkina Faso
Burundi
Cambodia
Cameroon
Canada
Cape Verde
Central African Republic
Chad
Chile
China
Colombia
Comoros
Congo
Cook Islands
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Cyprus
Czech Republic
Democratic People's Republic
of Korea
Democratic Republic of the
Congo
Denmark
Djibouti
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Ethiopia
Fiji
Finland
France
Gabon
Gambia
Georgia
Germany
Ghana
Greece
Grenada
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
Hungary
Iceland
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kazakhstan
Kenya
Kiribati
Kuwait
Kyrgyzstan
Lao People's Democratic
Republic
Latvia
Lebanon
Lesotho
Liberia
Libyan Arab Jamahiriya
Lithuania
Luxembourg
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Marshall Islands
Mauritania
Mauritius
Mexico
Micronesia (Federated
States of)
Monaco
Mongolia
Morocco
Mozambique
Myanmar
Namibia
Nauru
Nepal
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Norway
Oman
Pakistan
Palau
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Republic of Korea
Republic of Moldova
Romania
Russian Federation
Rwanda
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the
Grenadines
Samoa
San Marino
Sao Tome and Principe
Saudi Arabia
Senegal
Serbia and Montenegro
Seychelles
Sierra Leone
Singapore
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
Spain
Sri Lanka
Sudan
Suriname
Swaziland
Sweden
Switzerland
Syrian Arab Republic
Tajikistan
Thailand
The former Yugoslav Republic
of Macedonia
Timor-Leste
Togo
Tonga
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Uganda
Ukraine
United Arab Emirates
United Kingdom
United Republic of Tanzania
United States
Uruguay
Uzbekistan
Vanuatu
Venezuela
Viet Nam
Yemen
Zambia
Zimbabwe

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CHAPTER 1. FACTS ABOUT ICAO

what it is . . .

what it does . . .

how it works . . .

WHAT IT IS . . .

The International Civil Aviation Organization (ICAO) is a specialized agency of the United Nations and was created with the signing in Chicago, on 7 December 1944, of the *Convention on International Civil Aviation*. ICAO is the permanent body charged with the administration of the principles laid out in the Convention. It sets the standards for aviation safety, security, efficiency and regularity, as well as for aviation environmental protection, and encourages their implementation.

ICAO's membership comprises 189 Contracting States. Its headquarters are in Montréal and it has regional offices in Bangkok, Cairo, Dakar, Lima, Mexico City, Nairobi and Paris.

WHAT IT DOES . . .

The aims and objectives of ICAO, as contained in Article 44 of the Chicago Convention, are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport so as to:

- ensure the safe and orderly growth of international civil aviation throughout the world;
- encourage the arts of aircraft design and operation for peaceful purposes;
- encourage the development of airways, airports and air navigation facilities for international civil aviation;
- meet the needs of the peoples of the world for safe, regular, efficient and economical air transport;
- prevent economic waste caused by unreasonable competition;
- ensure that the rights of Contracting States are fully respected and that every Contracting State has a fair opportunity to operate international airlines;
- avoid discrimination between Contracting States;
- promote safety of flight in international air navigation; and
- promote generally the development of all aspects of international civil aeronautics.

HOW IT WORKS . . .

The constitution of ICAO is the *Convention on International Civil Aviation* to which each ICAO Contracting State is a party. The Organization has a sovereign body, the Assembly, and a governing body, the Council. The chief officers are the President of the Council and the Secretary General.

The Assembly, composed of representatives from all Contracting States, meets every three years, reviewing in detail the complete work of the Organization and setting policy for the coming years. It also decides on a triennial budget.

The Council, composed of representatives from 36 States, is elected by the Assembly for a three-year term and provides continuing direction to the work of ICAO. One of the major duties of the Council is to adopt international Standards and Recommended Practices (SARPs) and to incorporate these into the Annexes to the *Convention on International Civil Aviation*. The Council is assisted by the Air Navigation Commission, the Air Transport Committee, the Committee on Joint Support of Air Navigation Services, the Finance Committee, the Committee on Unlawful Interference and the Technical Co-operation Committee.

The Secretariat, headed by the Secretary General, has five main divisions: the Air Navigation Bureau, the Air Transport Bureau, the Technical Co-operation Bureau, the Legal Bureau, and the Bureau of Administration and Services.

ICAO works in close collaboration with other specialized agencies of the United Nations such as the International Maritime Organization, the International Telecommunication Union, and the World Meteorological Organization. The International Air Transport Association, the Airports Council International, the International Federation of Air Line Pilots' Associations, and other international organizations participate in many ICAO meetings.

Annexes to the Convention

Annex 1	Personnel Licensing
Annex 2	Rules of the Air
Annex 3	Meteorological Service for International Air Navigation
Annex 4	Aeronautical Charts
Annex 5	Units of Measurement to be Used in Air and Ground Operations
Annex 6	Operation of Aircraft
Annex 7	Aircraft Nationality and Registration Marks
Annex 8	Airworthiness of Aircraft
Annex 9	Facilitation
Annex 10	Aeronautical Telecommunications
Annex 11	Air Traffic Services
Annex 12	Search and Rescue
Annex 13	Aircraft Accident and Incident Investigation

Annex 14	Aerodromes
Annex 15	Aeronautical Information Services
Annex 16	Environmental Protection
Annex 17	Security — Safeguarding International Civil Aviation Against Acts of Unlawful Interference
Annex 18	The Safe Transport of Dangerous Goods by Air

ICAO PUBLICATIONS

The *Catalogue of ICAO Publications and Audio-visual Training Aids* provides titles, abstracts, language versions available, and ordering information and is issued yearly in hard copy. Supplements to the Catalogue list new publications and audio-visual training aids as they become available, as well as amendments, supplements, etc. Most ICAO publications are issued in English, French, Russian and Spanish; Arabic and Chinese are being introduced on a gradual basis. The publications produced in 2005 are listed in Appendix 6; information on Annexes and PANS is in Appendix 2.

The fastest way to order ICAO publications is online at <http://www.icao.int> (Publications — eCommerce, Online Ordering) using Visa or MasterCard. All transactions conducted on this eCommerce dedicated server are encrypted and secure. These services are currently available in English only; service in other languages is under development.

THE ICAO WEBSITE AT www.icao.int

ICAO's home page at www.icao.int offers a main window for the general public into the work, various activities and meetings of the Organization. The French version of the public website was launched.

The ICAO eSHOP at www.icao.int/eshop, a commercial website developed with the goal of selling publications over the Internet, offers online access to various sets of ICAO documentation for an annual fee. Subscriptions give access to the full texts of International Conventions and Protocols, Annexes to the *Convention on International Civil Aviation*, publications pertaining to Air Traffic Management and the Annual Reports of the Council. There are currently over one hundred subscribers.

The ICAO-NET is a restricted website featuring unique sets of ICAO documents, including all legal instruments and ICAO Annexes to the *Convention on International Civil Aviation*. President and Secretary General memoranda were added to the ICAO-NET. One hundred and eighty-four States, all resident National delegations and 77 international organizations have access.

The Organization's online presence and use of the Internet for dissemination of information and documentation are continually expanding; in 2005, over 8 300 new web pages were added, many of them in English, Arabic, Chinese, French, Russian and Spanish, and 10 000 existing pages were updated. The State letter electronic distribution system now includes individual State letters and a trilingual interface.

STRATEGIC OBJECTIVES AND BUSINESS PLAN

In June 2005, the ICAO Secretariat developed an ICAO Business Plan for the period 2005 to 2007 to support the implementation of the six Strategic Objectives:

Safety – Enhance global civil aviation safety

Security – Enhance global civil aviation security

Environmental Protection – Minimize the adverse effect of global civil aviation on the environment

Efficiency – Enhance the efficiency of aviation operations

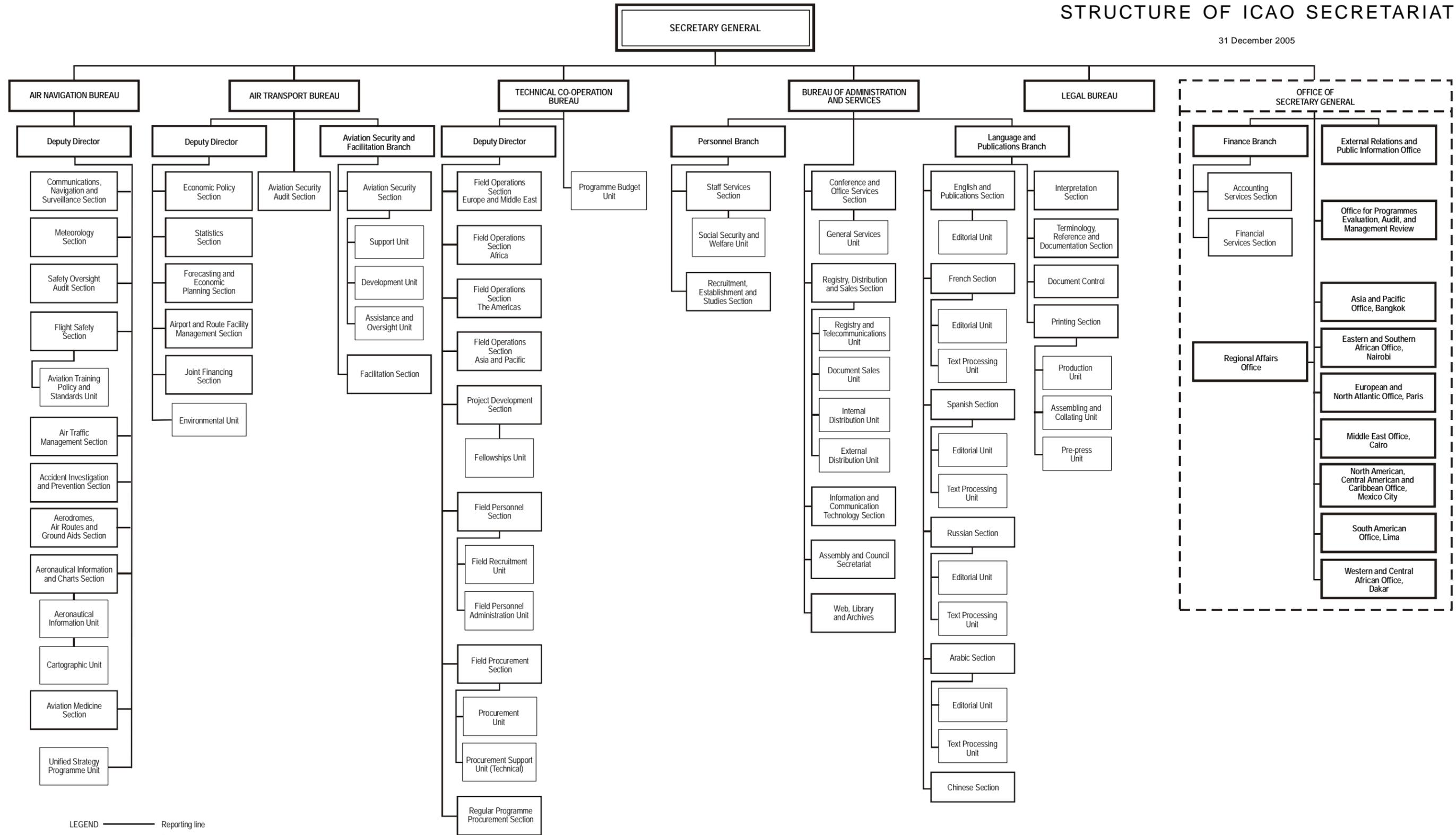
Continuity – Maintain the continuity of aviation operations

Rule of Law – Strengthen law governing international civil aviation.

The goals of the Business Plan, which integrates the programme activities of all Bureaus and Regional Offices, are to attain a requirements-driven, results-oriented Organization and to introduce new working methods by ensuring the optimal use of limited resources. Together the Strategic Objectives and the Business Plan provide the basis for a reporting framework that unites strategies, activities, funds and time frames into an effective means to monitor and evaluate outcomes.

STRUCTURE OF ICAO SECRETARIAT

31 December 2005



CHAPTER 2. THE ORGANIZATION

1. HIGHLIGHTS FOR 2005

In January, the minimum vertical distance between aircraft flying in the airspace of North, Central and South America and the Caribbean was reduced by half, from 2 000 to 1 000 ft. This initiative, referred to as reduced vertical separation minimum (RVSM), resulted in more efficient flight operations and related benefits for airlines, passengers and the environment. Similarly, RVSM was implemented in the airspace over Armenia, Azerbaijan, Georgia and the High Seas portion of the Russian Federation Rostov Flight Information Region.

In March, the Council unanimously adopted new Standards for nitrogen oxide (NO_x) emissions which are 12 per cent more stringent than the previous levels agreed to in 1999. These Standards will be applicable to new engines as of 2008.

On 18 April, the Protocol amending Article 56 of the Chicago Convention, adopted in 1989, entered into force. It provides for the increase in the Air Navigation Commission from 15 to 19 members.

An ICAO Runway Safety Toolkit on CD-ROM, produced by ICAO and Embry-Riddle Aeronautical University, was distributed to all Contracting States in June.

On 3 September, Timor-Leste became the 189th Contracting State of the Organization by virtue of its adherence to the Chicago Convention.

2. THE COUNCIL

On recommendations of the ANC, the Council adopted amendments to Annexes 1, 2, 6 (Parts I, II and III), 10, 11, 14 (Volume I), 16 (Volumes I and II), and 18. The Council also adopted amendments to Annexes 9 and 17. On behalf of the Council, the President of the Council approved amendments to the PANS-ATM and the *Regional Supplementary Procedures* in accordance with the established procedure.

Pursuant to United Nations General Assembly Resolution 42/112, ICAO observed 26 June as the International Day against Drug Abuse and Illicit Trafficking. In accordance with Assembly Resolution A27-12 (Role of ICAO in the suppression of illicit transport of narcotic drugs by air) and a related Council Resolution, ICAO remains strongly committed to continuing work on this subject with a high degree of priority.

Reports on the financial situation of the Organization were presented sessionally to the Council. In November, it was noted that, excluding the Working Capital Fund, the estimated cash balance of the Organization as at 28 October was equivalent to approximately one month's average expenditure. The President of the Council appealed to those States which were represented on the Council, and to all other Contracting States, which had not paid their contributions for 2005 or had not paid them in full to take the necessary measures to pay them in full as soon as possible.

The Council approved the assessment of Timor-Leste, which became a Contracting State of ICAO on 3 September, and approved a proposal made by Comoros for the settlement of arrears of contributions.

In the field of aviation safety, the Council approved procedures for the application of Article 54 j) of the *Convention on International Civil Aviation* in order to deal with States having significant compliance shortcomings with regard to ICAO safety-related Standards.

The Council adopted a new comprehensive systems approach to the Universal Safety Oversight Audit Programme (USOAP), with a view to helping States develop stronger internal processes to respond to safety threats. Complete final safety oversight audit reports will be made available to all Contracting States, with a view to encouraging concerted action on the implementation of corrective measures.

The Council approved the convening of a Conference of Directors General of Civil Aviation on a Global Strategy for Aviation Safety (ICAO Headquarters, 20 to 22 March 2006), which will assess the current status of aviation safety.

In the field of the environment, the Council adopted, for applicability in 2008, new oxides of nitrogen (NO_x) standards which are 12 per cent more stringent than the previous levels agreed to in 1999.

In the area of facilitation, the Council was provided with sessional reports on progress towards the establishment of a public key directory (PKD) under the aegis of ICAO to support the interoperability of the electronically enhanced machine readable passports currently under development in many Contracting States.

In the aviation security field, the Council reviewed reports on the implementation and evolution of the Universal Security Audit Programme (USAP); on strategies to improve assistance to States in establishing and maintaining viable and sustainable aviation security systems through a coordinated assistance and development programme; on the implementation, through voluntary contributions of States, of the ICAO Aviation Security Plan of Action; and on the progressive integration of the Aviation Security (AVSEC) Plan of Action into the Regular Programme during the 2005-2006-2007 triennium.

In June, the Council approved the ICAO position on items of interest to aviation which are on the agenda for the International Telecommunication Union (ITU) World Radiocommunication Conference (2007) (WRC-07), as well as an amendment to the ICAO policy statements included in the *ICAO Handbook on Radio Frequency Spectrum Requirements for Civil Aviation including statement of approved ICAO policies* (Doc 9718).



Security experts were certified as aviation security instructors following completion of a certification course at ICAO Headquarters on 17 June 2005

When considering matters related to the *Convention on International Interests in Mobile Equipment* (Doc 9793) and the Protocol thereto (Doc 9794), both signed at Cape Town on 16 November 2001, the Council confirmed a decision which it took in principle on 22 November 2000 that ICAO assume the functions of Supervisory Authority of the International Registry upon the entry into force of the two instruments. In November, when reviewing information on the forthcoming entry into force, on 1 March 2006, of the Cape Town Convention and Protocol, the Council decided to establish a Commission of Experts to assist it in the performance of its functions of Supervisory Authority.

The Council reviewed reports on progress made by the Special Group on the Modernization of the Rome Convention of 1952 at its First and Second Meetings, and agreed to convene a Third Meeting of the Group at ICAO Headquarters in February 2006.

In November, the Council reviewed reports on the development of an ICAO contingency plan in preparation for a potential avian influenza pandemic. It was emphasized that the Organization should closely follow the situation and should coordinate its actions with the World Health Organization (WHO), the International Air Transport Association (IATA), the Food and Agriculture Organization (FAO) and Airports Council International (ACI).

As part of the ongoing effort to increase the efficiency and effectiveness of ICAO, the Council reviewed progress reports on the further development of the Organization's Strategic Objectives and Business Plan. When reviewing the trends affecting international civil aviation and the Organization, the Council commented on the need to shift the Organization's focus towards implementing existing Standards, as opposed to developing new ones, as well as on the need for Standards to be clear

and concise. The need to accord a higher priority to facilitating implementation of Standards was also highlighted, as was the view that ICAO should look beyond the detection of deficiencies toward identifying remedies to help make the skies safer.

3. PERSONNEL

There were 707 posts in the Establishment in 2005: 299 in the Professional and higher categories and 408 in the General Service category; these totals included 75 Technical Co-operation funded posts. Compared to the 2004 Establishment, the total number of posts decreased by 87. There were 276 Professional category personnel in service on 31 December, 19 less than on 31 December 2004. The total figure includes 11 staff members whose posts are funded by regional civil aviation bodies, but excludes 2 Associate Experts funded by France and 1 Junior Professional Officer funded by Italy. Nineteen Trust Funds posts, funded by the Joint Financing Agreement (1), AVSEC Mechanism (9), France (3), United Kingdom (1), Republic of Korea (2) and the United States (3) are also excluded from the total of Professional category personnel. During the year, 25 Professional category personnel¹ left the service of the Organization, 4 staff members were reassigned to extra-budgetary posts and 10 new appointees from 7 Contracting States reported for duty. Since the last report, 1 nationality² represented in the Secretariat was lost through departure, 1 nationality³ represented in the Secretariat was gained through recruitment, so that on 31 December 2005 there were 79 nationalities⁴ represented, the same as at the end of 2004. At the close of 2005, there were 22 vacant posts.

The external appointments made to posts subject to equitable geographical representation (EGR) from non- and under-represented States exceeded the target set by Council. The distribution level of Professional posts was examined to ascertain whether some existing posts could be re-designated to a lower level in order to recruit professionals in the early stages of their career, without compromising the highest standards of efficiency, competency and integrity.

A number of steps were taken to enhance the affirmative action programme to improve the recruitment and status of women in ICAO. As a result, a positive trend was observed in the number of applications from women for posts subject to EGR as well as in the number of women occupying these posts in the Secretariat.

Following the example of the UN, ICAO considered and implemented family-friendly policies for both female and male staff. These included flexible working arrangements and family support services through the Employee Assistance Programme (EAP).

The United Nations (UN) integrated Human Resources Management (HRM) Framework was

1. Eighteen by retirement, 5 by resignation, 1 by expiry of contract, and 1 through secondment to a Technical Cooperation Project in Nigeria.

2. Iraq.

3. Iceland.

4. See Appendix 7.

adopted by ICAO to assist in the management of its human resources. A review of the existing Human Resources (HR) policies and practices was undertaken and a Confidential Employee Survey was conducted. As a result, a number of HR strategies were approved to address the issues identified for improvement. These strategies related to employment, career management, performance management, compensation and benefits and good governance.

Human capital assessment and strategic workforce planning were initiated. ICAO managers were requested to provide the future competencies/job profiles needed by the Organization for the next three triennia. Any gap identified between the current and future skills/competencies will serve as a basis for the development and implementation of HR strategies such as recruitment, training and succession planning. To assist in the assessment of current workforce skills and competencies, Employee Skills Profiles for all staff were completed, summarizing their education, experience and language qualifications.

4. FAMILIARIZATION COURSE

The 47th ICAO Familiarization Course, held at Headquarters from 14 to 29 July, was attended by 38 participants, 18 of whom attended at ICAO's expense, 14 at their Governments' expense and 6 as observers.

The purpose of the Course was to familiarize participants with the structure and functioning of ICAO. After the Course concluded in Montréal, a number of participants paid short visits to the Regional Offices accredited to their countries.

5. LANGUAGE SERVICES AND PUBLICATIONS

The Electronic Documents and Enquiry Network (EDEN) and the document management system, Hummingbird DM, were tested and implemented on a gradual basis throughout the Organization. These systems will increase the efficiency of the Organization by migrating from the manually intensive Document Control system to an ICAO-wide, multi-user, web-based network and will be instrumental in creating a paperless environment by allowing users to submit their documents electronically and to track them online. In addition, it will speed up the process of posting electronic documents on the ICAO-NET. There was also an increase in the number of Contracting States who have electronic access to documentation and publications through the ICAO-NET. Additional steps were taken to encourage electronic distribution and to reduce printing and distribution of hard copies. The publications produced in 2005 are listed in Appendix 6; information on Annexes and PANS is in Appendix 2.

The translation output for Headquarters and the Regional Offices decreased by 22.2 per cent and

the volume of interpretation decreased by 20.5 per cent. Comparative figures for the last 4 years are given below:

Year	Translation (in pages)	Interpretation (in staff days)
2005	27 765	2 238
2004	35 696	2 815
2003	38 518	2 735
2002	31 898	2 353

Due to increasing electronic distribution, the overall number of page impressions decreased from 88.1 million in 2004 to 63 million in 2005, a decrease of 28.5 per cent.

In 2005, the International Standard Book Number (ISBN), used by publishers, booksellers, libraries and others to expedite handling, inventory control, etc., was assigned to a total of 200 publications in all six working languages.

Digitalization of historical records continued, gradually making complete sets of Assembly documentation and ICAO Journals available on the ICAO website.

6. REGISTRY, DISTRIBUTION AND SALES

Following the positive outcome of a survey conducted in the year 2004 to review the internal distribution requirements of ICAO, with the aim of reducing the distribution and production of documents in paper format within the ICAO Secretariat, the survey was repeated in 2005 and also extended to cover the National Delegations. This has resulted in a further reduction of printed documentation, as well as achieving wider utilization of ICAO-NET services.

In an effort to broaden the use of information and communication technology, an upgraded web-based application of the Central Registry Information System Database (REGIS II) was made available to users within the Secretariat, thus improving the efficiency of the Organization's records management system.

Receipts from sales of publications in 2005 totalled \$4 493 590. Table 2-1 gives comparative figures for 2003, 2004 and 2005.

Table 2-1. Receipts from sales of ICAO publications

	2005 U.S.\$	2004 U.S.\$	2003 U.S.\$
Sales from Headquarters	3 457 489	3 294 127	3 232 391
Sales from or through Regional Offices	576 184	548 318	520 091
Sales through Sales Agencies	459 917	300 228	356 944
TOTAL	4 493 590	4 142 673	4 109 426

7. FINANCE

The budget appropriations for 2005-2006-2007 and the financing of the appropriations, as approved by the Assembly, are shown in Table 2-2.

As shown in Table 2-3, the final appropriation for 2005 was adjusted to \$60 707 231, as a result of:

- i) the deferral of \$1 978 299 from 2004 appropriations to 2005 in accordance with Financial Regulation 5.11;
- ii) the transfer of \$260 000 between Major Programmes in accordance with Financial Regulation 5.10;
- iii) the increase in appropriation of \$460 000 in accordance with Financial Regulation 5.2c); and
- iv) the carry-over of \$6 400 068 from 2005 appropriations to 2006 in accordance with Financial Regulation 5.6.

The actual expenditure for 2005 against the appropriation amounted to \$60 457 967.

Assessments for 2005 on Contracting States amounted to \$58 515 776 including an assessment of \$8 776 from one new Contracting State. Assessments for 2005 actually received by the year's end amounted to \$58 846 905, or 97.15 per cent as compared with 96.75 per cent at the end of 2004 and 95.27 per cent at the end of 2003. In addition, \$1 929 277 was received in respect of assessments for previous years. The total outstanding arrears of assessments as at 31 December 2005 amounted to \$12 529 636 compared with \$12 790 042 as at 31 December 2004.

Table 2-4 shows the financial position of the Organization, in terms of cash balances in the General and Working Capital funds, at the beginning of the year and at the end of each quarter, with the corresponding figures for 2004.

The above relates to operations under the Regular Programme of the Organization, financed by appropriations made by the Assembly. The operating expenditures of the Technical Co-operation Bureau are financed by the Technical Co-operation Administrative and Operational Services Cost Fund (AOSCF), while certain other support personnel and expenses are financed from other special Funds.

**Table 2-2. Appropriations for 2005, 2006, 2007
(Resolution A35-22)**

	2005 U.S.\$	2006 U.S.\$	2007 U.S.\$
Appropriations	64 669 000	65 820 000	66 511 000
To be financed by:			
Miscellaneous income	5 162 000	5 413 000	5 723 000
Assessments	58 507 000	60 407 000	60 788 000
Transfer from the Incentive Scheme for Long-Outstanding Arrears Account	1 000 000	—	—

Table 2-3. Revised appropriations for 2005

	Appropriations 2005 Res. A35-22 U.S.\$	Deferral from prior year U.S.\$	Supplementary (C 176/14) U.S.\$	Transfers between Major Programmes U.S.\$	Carry-over to following year U.S.\$	Revised appropriations U.S.\$	Actual expenditures U.S.\$
I. General Policy and Direction	1 082 000	50 000	—	—	-144 686	987 314	977 319
II. Air Navigation	9 024 000	53 000	400 000	200 000	-707 408	8 969 592	8 889 298
III. Air Transport	5 325 000	46 000	60 000	-50 000	-535 075	4 845 925	4 800 999
IV. Legal	1 163 000	—	—	60 000	-260 330	962 670	953 188
V. Regional and Other Programmes	16 966 000	12 000	—	—	-1 937 125	15 040 875	15 022 969
VI. Administrative Support	25 262 000	—	—	-130 000	-1 228 866	23 903 134	23 828 799
VII. Finance, External Relations/Public Information and Programmes Evaluation, Audit and Management Review	3 840 000	140 000	—	-80 000	-456 693	3 443 307	3 443 307
VIII. Universal Safety Oversight Audit Programme	2 007 000	1 677 299	—	—	-1 129 885	2 554 414	2 542 088
TOTAL	64 669 000	1 978 299	460 000	0	-6 400 068	60 707 231	60 457 967

Table 2-4. Financial position (cash balance) of the Organization

As at	2005			2004		
	General Fund U.S.\$	Working Capital Fund U.S.\$	Total U.S.\$	General Fund U.S.\$	Working Capital Fund U.S.\$	Total U.S.\$
1 January	12 526 224	5 994 780	18 521 004	10 324 853	5 994 780	16 319 633
31 March	9 884 040	5 994 780	15 878 820	7 449 699	5 994 780	13 444 479
30 June	13 674 940	5 994 780	19 669 720	3 570 206	5 994 780	9 564 986
30 September	21 491 451	5 994 780	27 486 231	9 938 795	5 994 780	15 933 575
31 December	16 616 392	5 992 179	22 608 571	12 526 224	5 994 780	18 521 004