

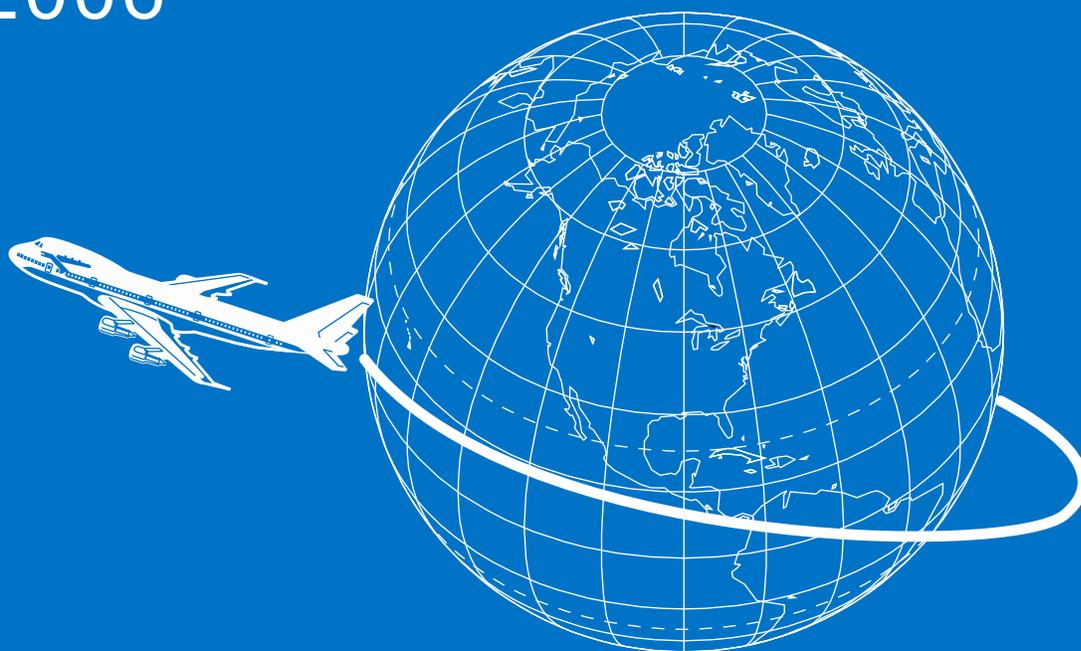
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Documentation for the session
of the Assembly in 2007

Annual Report of the Council

2006



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:

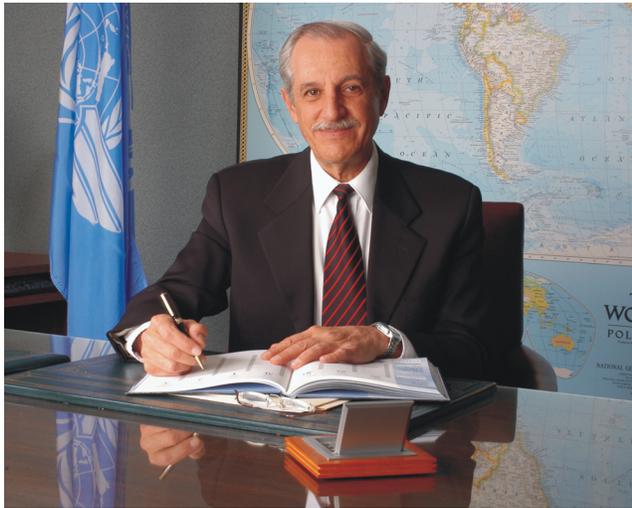
- Safety – Enhance global civil aviation safety
- Security – Enhance global civil aviation security
- Environmental Protection – Minimize the adverse effect of global civil aviation on the environment
- Efficiency – Enhance the efficiency of aviation operations
- Continuity – Maintain the continuity 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 2006 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 year 2006 was characterized by highly significant, if not historical, achievements in the four key areas of ICAO activities: safety, security, environmental protection and efficiency of operations.

Safety statistics published by ICAO confirm that the global air transport system is as safe as ever. Two major events will contribute to further enhancing safety in the coming years.

The first is the milestone decision taken at the Directors General of Civil Aviation Conference (DGCA/06) in March 2006. Participants unanimously agreed that the results of the ICAO Universal Safety Oversight Audit Programme (USOAP) audits would be placed on the ICAO public website, with the consent of States, as soon as possible but not later than 23 March 2008. As of May 2007, 87 States had consented. The vote of confidence in the principle of transparency should encourage States to more quickly correct outstanding deficiencies identified under USOAP and make it easier for States and donors to provide those in need with the required financial or human resources.

The other major development was the presentation to ICAO, in December, of the second and final part of the industry Global Aviation Safety Roadmap. The Roadmap marks the first time that governments and industry, in consultation with ICAO safety specialists, have jointly developed a unified and coordinated approach to reducing accident rates, particularly in developing regions of the world, in accordance with the Organization's Global Aviation Safety Plan (GASP).

As with safety, security statistics also point to a system that remains sound. The one major security threat, the alleged plot of August 2006 in the United Kingdom potentially involving liquids used as explosives, brought a swift response from ICAO and showed the determination of the Organization to deal with security issues in a rapid, proactive and cooperative manner. Within days of the event, the Organization brought together States concerned, law enforcement agencies and industry representatives to develop an effective response. Eventually, a series of interim measures on this new threat were issued, for implementation no later than 1 March 2007, with permanent guidelines and a revised list of items that may not be brought on board aircraft to be published by June 2007.

On the environmental front, the seventh meeting of Council's Committee on Aviation Environmental Protection (CAEP/7) took place in February 2007. This meeting was the prelude to discussions at the 36th Session of the Assembly for updating the consolidated statement of ICAO policies and practices related to environmental protection.

The CAEP/7 cycle was highly productive. Amongst other things, it initiated the establishment of the inter-dependencies modelling framework, providing greater analytical capability for CAEP in making recommendations.

It selected and analysed candidate models and databases that will enable a comprehensive assessment of options to address the impact of aviation on the environment. It laid the groundwork for future assessments of the evolution of noise and emissions emanating from aviation operations and established a process for formulating a long-term vision for NO_x goals. Novel solutions to address emissions from international aviation were considered and distinct approaches to deal with the impact of aviation on local air quality and on the global climate were proposed, making it possible to address these issues separately in the CAEP cycle. All of these initiatives and more support ICAO's resolve to provide much-needed leadership and guidance in moving towards a sustainable global air transport system.

In the area of efficiency of air transport operations, on 30 November the Council approved a revision to the Global Air Navigation Plan. The revised Plan represents a new benchmark in the implementation of a global air traffic management system that features interoperability and seamlessness across regions for all users during all phases of flight. It meets agreed levels of safety, provides for optimum economic operations, is environmentally sustainable, and reflects national security requirements. ICAO has integrated this work into its Business Plan, which stresses the implementation of harmonized air traffic management systems and performance-based efficiency improvements, as well as increased functional integration between ICAO Headquarters and Regional Offices.

The challenges for the next triennium and beyond will be to continue this work within the context of pressure exerted by the sustained growth of passenger and cargo traffic around the world. Based on the achievements described above and others contained in this Annual Report, ICAO and its 190 Contracting States can feel confident that they will once again be up to the task.

Roberto Kobeh González
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
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 2006 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 available at www.icao.int in English and French offers a main window for the general public into the work, various activities and meetings of the Organization.

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-six States, all resident National delegations and 78 international organizations have access.

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 and forty subscribers.

The Organization's online presence and use of the Internet for dissemination of information and documentation are continually expanding; in 2006, over 12 000 new web pages were added, many

of them in English, Arabic, Chinese, French, Russian and Spanish, and 10 000 existing pages were updated. Safety oversight audit reports of over 80 ICAO Contracting States were made available through the Flight Safety Information Exchange site. In addition to English and French, ICAO Annexes were made available in Spanish and Russian.

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

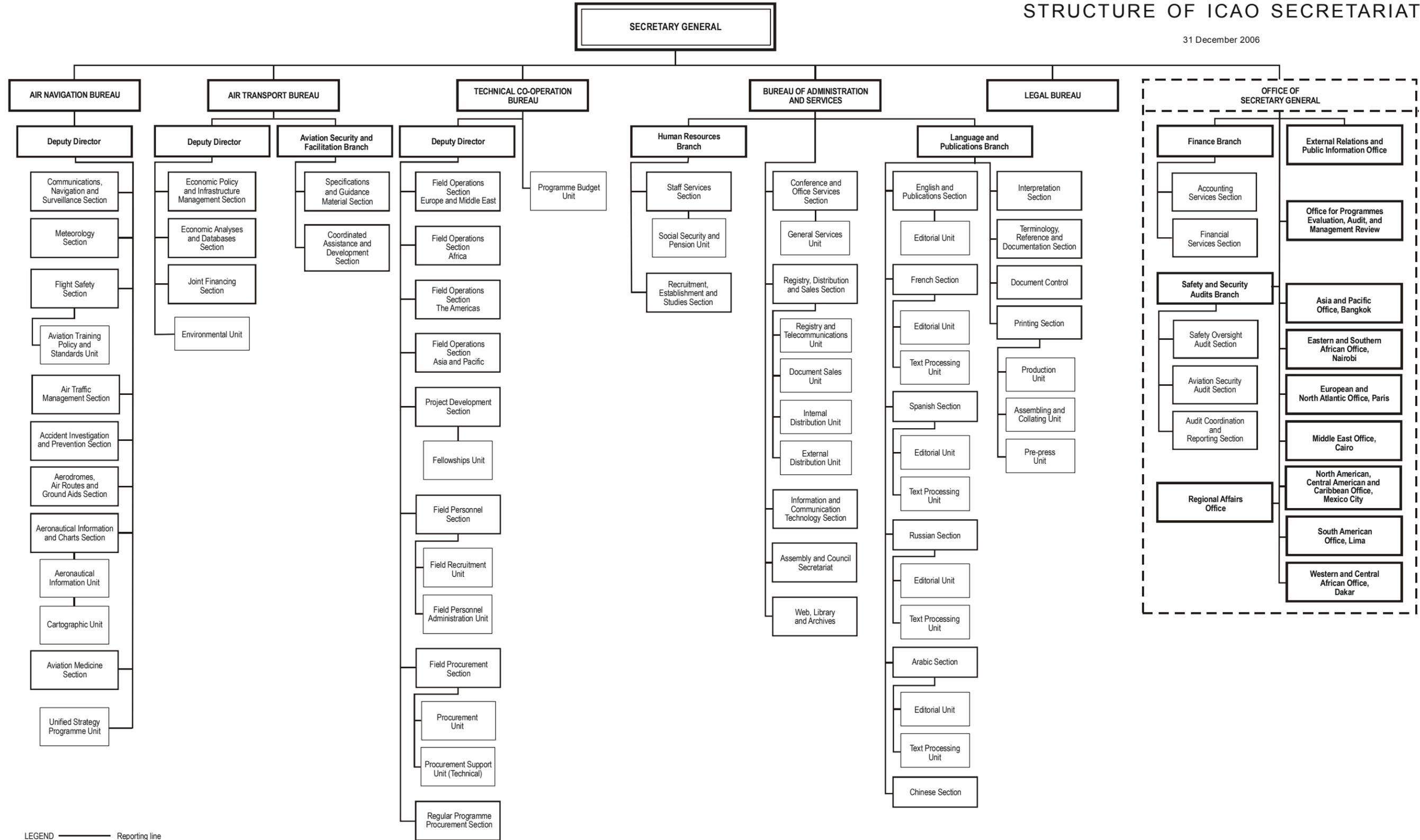
Continuity – Maintain the continuity of aviation operations

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 2006



LEGEND — Reporting line
 - - - - Reporting line for policy matters

CHAPTER 2. THE ORGANIZATION

1. HIGHLIGHTS FOR 2006

The Council of ICAO elected Roberto Kobeh González (Mexico) as its President, beginning 1 August 2006. He succeeded Dr. Assad Kotaite and will remain in that post until the President elected by the next Council in the Fall of 2007 takes office.

In March, legal guidance for the protection of safety information, encompassing all relevant safety data collection and processing systems (SDCPS), including certain accident and incident records, was adopted by the Council as part of Amendment 11 to Annex 13.

In March, the Directors General of Civil Aviation Conference on a Global Strategy for Aviation Safety (DGCA/06) was held to build consensus on a global strategy for aviation safety in the twenty-first century. There were a number of landmark decisions made by the Directors General, including a recommendation to post the results of ICAO's Universal Safety Oversight Audit Programme (USOAP) audits on the ICAO public website.

The Flight Safety Information Exchange (FSIX) website was unveiled for DGCA/06. The FSIX is a portal to existing safety-related websites and documents, as well as a forum for exchanging aviation safety information and submitting requests for information.

In November, the Council accepted an updated and revised version of the Global Air Navigation Plan for CNS/ATM Systems. This updated Plan, now titled the Global Air Navigation Plan, was developed on the basis of an industry road map and is aimed at bringing near- and medium-term benefits to the international civil aviation community.

Effective 1 August, a new Safety and Security Audits (SSA) Branch within the Office of the Secretary General was established to administratively manage the Universal Security Audit Programme (USAP) and the Universal Safety Oversight Audit Programme (USOAP). A high-level Secretariat Audit Results Review Board (ARRB) was established to serve as a necessary link between ICAO's safety, security and assistance programmes.



**Opening of the Directors General of Civil Aviation Conference (DGCA/06)
held in Montréal from 20 to 22 March**

2. THE COUNCIL

On recommendations of the ANC, the Council adopted amendments to Annexes 1, 2, 6 (Parts I, II and III), 10 (Volume I), 11, 13, and 14 (Volume I). The Council also adopted an amendment to Annex 9 and agreed on the text of a definition for the term “In-flight Security Officer” for inclusion in Annex 17 in its next amendment. On behalf of the Council, the President of the Council approved the first edition of the *Procedures for Air Navigation Services – Training* (PANS-TRG), the fifth edition of the *Procedures for Air Navigation Services – Aircraft Operations* (PANS-OPS), and amendments to the PANS-OPS 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 30 September was equivalent to less than three months' average expenditure. Contracting States with contributions due were urged to make every effort to urgently discharge their financial obligations to the Organization.

The Council approved a proposal made by Georgia for the settlement of arrears of contributions, as well as ICAO's proposal for the settlement of arrears of contributions of Guinea, Liberia and Sierra Leone, which involved the Roberts Flight Information Region (FIR) as an additional party.

Preparations for the 36th Session of the Assembly (18 to 28 September 2007) began with approval of the draft provisional agenda for that Session and the Assembly working paper dealing with the election of Contracting States to be represented on the Council.

In the field of aviation safety, the Council, pursuant to a recommendation made by the Directors General of Civil Aviation Conference on a Global Strategy for Aviation Safety (DGCA/06), approved a mechanism to deal with significant safety concerns identified during the conduct of safety oversight audits under the comprehensive systems approach. The Council also approved some consequential changes to the generic Memorandum of Understanding (MoU) on such safety oversight audits in order to address both increased transparency and the treatment of significant safety concerns.

In December, a conclusion of the report of the Fifteenth Meeting of the AFI Planning and Implementation Regional Group (APIRG/15) dealing with the need for a RAN meeting for the AFI Region was considered by the Council. The Council noted the need for such a meeting, which should be a checkpoint for assessing progress, and proposed that it be held early in the 2008-2009-2010 triennium. The Council agreed that ICAO should exert an increased leadership role in coordinating activities, initiatives and implementation strategies for sustained improvement of flight safety in the AFI Region. A comprehensive Regional Implementation Plan, including resource requirements, would be developed for the AFI Region within six months' time; the Regional Offices were charged with the follow-up of the implementation of the Regional Implementation Plan, with close support and guidance by Headquarters.

In the field of the environment, the Council agreed to the convening of the Seventh Meeting of the Committee on Aviation Environmental Protection (CAEP/7) in Montréal from 5 to 16 February 2007. When reviewing the results of the CAEP Steering Group Meeting, the Council acknowledged the substantial work being undertaken in preparation for CAEP/7. During its review of information provided by the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat on emissions trading, the Council provided some orientation on the guidance under development.

In the area of facilitation, the Council reviewed proposals for new health-related measures for Annex 9 – *Facilitation* and adopted Amendment 20 to that Annex.

The Council endorsed the final draft of a Memorandum of Understanding (MoU) regarding participation in the Public Key Directory (PKD) as the instrument to be signed by e-Passport-issuing States and other entities wishing to commence participation in the PKD.

In the aviation security field, the Council reviewed reports on the progressive integration of the Aviation Security (AVSEC) Plan of Action into the Regular Programme and on the execution of the Universal Security Audit Programme (USAP).

On 17 August, a special closed session of the Council was convened following the disclosure by the authorities in the United Kingdom of an alleged terrorist plot against international civil aviation. The plot involved liquid materials intended to be carried on board aircraft, disguised in various ways, to be assembled into an explosive device once on board. The Council requested the Aviation Security Panel to study this new threat with the highest priority; to address the threat posed by liquids, gels and aerosols; and to consider the full range of available information in order to advise the Council on necessary action to protect the security of civil aviation.

The Council reviewed reports on progress made by the Special Group on the Modernization of the Rome Convention of 1952 at its Third, Fourth and Fifth Meetings.

As part of the ongoing effort to increase the efficiency and effectiveness of ICAO, the Council conducted a review of its Rules of Procedure with the assistance of a working group established for that purpose.

3. HUMAN RESOURCES

There were 702 posts in the Establishment at the end of 2006: 297 in the Professional and higher categories and 405 in the General Service category; these totals included 75 Technical Co-operation-funded posts. Compared to the 2005 Establishment, the total number of posts decreased by 5. There were 274 Professional category personnel in service on 31 December 2006, 2 less than on 31 December 2005. The total figure includes 11 staff members whose posts are funded by regional civil aviation bodies. Twenty Trust Fund posts, funded by the Joint Financing Agreement (1), AVSEC Mechanism (8), France (3), United Kingdom (1), Republic of Korea (2), the United States (3), Austria (1) and Switzerland (1), are excluded from the total of Professional category personnel. During the year, 27 Professional category personnel¹ left the service of the Organization, 1 staff member was reassigned to an extra-budgetary post, 25 new appointees from 15 Contracting States reported for duty and 1 returned from secondment. Since the last report, 6 nationalities² represented in the Secretariat were lost through departure and 3 nationalities³ represented in the Secretariat

1. Eighteen by retirement, 5 by resignation, 3 by expiry of contract, 1 by abolition of post.

2. Angola, Ethiopia, Fiji, Mali, Sudan, Ukraine.

3. Azerbaijan, Nicaragua, Yemen.

were gained through recruitment, so that on 31 December 2006 there were 76 nationalities⁴ represented, 3 less than at the end of 2005. At the close of 2006, there were 18 vacant posts.

Specific measures were taken to assist in expediting the filling of posts, including the implementation of a six-month recruitment timeline and a reduction in the deadline for applications. These changes had a positive impact on the timeliness of recruitment procedures, with the majority of Professional posts being filled in under six months.

Efforts to improve the recruitment and status of women were intensified. An Advisory Body on Gender Equality and Gender Equity was established with a view to providing policy advice on gender to the Secretary General. Furthermore, the number of women on joint advisory and consultative bodies increased.

Human Resources (HR) initiatives aimed at streamlining ICAO HR practices and policies and aligning them with best practices in the United Nations system continued to be implemented. In this connection, the Organization's leave and family-friendly policies were modified and the revised Standards of Conduct for the International Civil Service were adopted and incorporated into the ICAO Personnel Instructions, thereby serving as a guide for the conduct of ICAO staff as international civil servants.

A new performance management system was developed, including all staff up to Director level posts. This new system focuses on the performance and competency enhancement of staff and is linked to the Strategic Objectives of the Organization.

An organization-wide training needs assessment was conducted. The technical, managerial and administrative training needs identified will serve as the basis for future annual and triennial staff development plans.

4. FAMILIARIZATION COURSE

The 48th ICAO Familiarization Course, held at Headquarters from 13 to 28 July, was attended by 40 participants, 17 of whom attended at ICAO's expense, 16 at their Governments' expense and 7 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.

4. See Appendix 8.



ICAO Familiarization Course held in Montréal from 13 to 28 July

5. LANGUAGE SERVICES AND PUBLICATIONS

The Electronic Documents and Enquiry Network (EDEN) and the document management system, Hummingbird DM, were fully implemented in 2006 throughout the Organization. These systems provide the Organization with an ICAO-wide, multi-user, web-based network instrumental in creating a paperless environment by allowing users to submit their documents electronically and to track them online. The full implementation of these systems has accelerated the process of posting electronic documents on the ICAO-NET and increased the types of documents available electronically to Contracting States. 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 2006 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 7.6 per cent and the volume of interpretation increased by 3.2 per cent. Comparative figures for the last four years are given below:

Year	Translation (in pages)	Interpretation (in staff days)
2006	25 655	2 310
2005	27 765	2 238
2004	35 696	2 815
2003	38 518	2 735

Due to increasing electronic distribution, the overall number of page impressions decreased from 63 million in 2005 to 60 million in 2006, a decrease of 4.7 per cent.

In 2006, 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 185 publications in all six working languages.

Digitalization of historical records continued. News releases and Assembly documentation were completed and posted on the ICAO public website.

6. REGISTRY, DISTRIBUTION AND SALES

Following the recommendations of the Study Group on Registry Services, a review of internal procedures for processing correspondence was completed and new General Secretariat Instructions for Records Management were approved. These new instructions will form an initial step towards a gradual introduction of the Electronic Records Management System which will improve overall efficiency and eventually eliminate paper record-keeping.

Efforts to reduce printed copies continued and the availability of electronic copies on the ICAO-NET increased.

Receipts from sales of publications in 2006 totalled \$4 228 035. In addition, ICAO received \$704 481 in royalties for the reproduction of ICAO publications by commercial publishers. Table 2-1 gives comparative figures for 2004, 2005 and 2006.

Table 2-1. Receipts from sales of ICAO publications

	2006 U.S.\$	2005 U.S.\$	2004 U.S.\$
Sales from Headquarters	3 591 760	3 457 489	3 294 127
Sales from or through Regional Offices	269 113	576 184	548 318
Sales through Sales Agencies	367 162	459 917	300 228
TOTAL	4 228 035	4 493 590	4 142 673

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 2006 was adjusted to \$63 284 815, as a result of:

- i) the carry-over of \$6 400 068 from 2005 appropriations to 2006 in accordance with Financial Regulation 5.6;
- ii) the transfer of \$1 088 000 between Major Programmes in accordance with Financial Regulation 5.10;
- iii) the increase in appropriation of \$1 030 000 in accordance with C-176/8 and C-176/14; and
- iv) the carry-over of \$9 965 253 from 2006 appropriations to 2007 in accordance with Financial Regulation 5.6.

The actual expenditure for 2006 against the appropriation amounted to \$63 118 355.

Assessments for 2006 on Contracting States amounted to \$60 443 244 including an assessment of \$36 244 from one new Contracting State. Assessments for 2006 actually received by the year's end amounted to \$50 944 497, or 84.28 per cent as compared with 97.15 per cent at the end of 2005 and 96.75 per cent at the end of 2004. In addition, \$1 626 070 was received in respect of assessments for previous years. The total outstanding arrears of assessments as at 31 December 2006 amounted to \$20 402 313 compared with \$12 529 636 as at 31 December 2005.

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 2005.

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 and 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 2006

	Appropriations 2006 Res. A35-22 U.S.\$	Carry-over from prior year U.S.\$	Supplementary (C-176/8 and 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	1 114 000	144 686		143 000	-321 785	1 079 901	1 079 901
II. Air Navigation	9 227 000	707 408		-169 000	-1 011 210	8 754 198	8 754 198
III. Air Transport	5 403 000	535 075	1 030 000	-254 000	-744 947	5 969 128	5 929 128
IV. Legal	1 119 000	260 330		-24 000	-488 189	867 141	867 141
V. Regional and Other Programmes	16 355 000	1 937 125		-312 000	-2 125 728	15 854 397	15 853 925
VI. Administrative Support	25 731 000	1 228 866		-329 000	-2 088 111	24 542 755	24 425 372
VII. Finance, External Relations/Public Information and Programmes Evaluation, Audit and Management Review	3 844 000	456 693		945 000	-1 813 965	3 431 728	3 431 728
VIII. Universal Safety Oversight Audit Programme	3 027 000	1 129 885			-1 371 318	2 785 567	2 776 962
TOTAL	65 820 000	6 400 068	1 030 000	0.00	-9 965 253	63 284 815	63 118 355

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

As at	2006			2005		
	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	16 616 392	5 992 179	22 608 571	12 526 224	5 994 780	18 521 004
31 March	14 666 712	5 992 179	20 658 891	9 884 040	5 994 780	15 878 820
30 June	12 039 418	5 996 859	18 036 277	13 674 940	5 994 780	19 669 720
30 September	17 291 621	5 996 859	23 288 480	21 491 451	5 994 780	27 486 231
31 December	11 999 500	5 996 859	17 996 359	16 616 392	5 992 179	22 608 571