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## **ASSEMBLY — 36TH SESSION**

### **REPORT OF THE EXECUTIVE COMMITTEE ON AGENDA ITEMS 19, 20 AND 21**

(Presented by the Chairman of the Executive Committee)

The attached report on Agenda Items 19, 20 and 21 has been approved by the Executive Committee. Resolution 20/1 is recommended for adoption by the Plenary.

*Note.— After removal of this covering sheet, this paper should be inserted in the appropriate place in the report folder.*

(13 pages)

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**Agenda Item 19: Technical cooperation — Activities and policy on technical cooperation provided under the United Nations Development Programme (UNDP) and through Trust Fund (TF) arrangements during the period 2004 - 2006**

19.1 At its sixth meeting, the Executive Committee considered A36-WP/49, which presented a report by the Council on technical cooperation activities implemented by ICAO during the years 2004 to 2006.

19.2 The Committee noted that with the decline in UNDP funding of ICAO technical cooperation projects, large annual deficits occurred from 1982 to 1995, which had to be financed through the accumulated funds that existed then in the Administrative and Operational Services (AOSC) Fund. The Council reported that it was only through the restructuring of the Technical Co-operation Bureau and the introduction by the 31st Session of the Assembly of a new policy on technical cooperation, providing the necessary flexibility for the Technical Co-operation Bureau to control its operating costs, that this trend was reversed. The Committee noted that the efficiency and effectiveness of the services provided by ICAO have since earned the confidence of States which today fund around 98 per cent of the Technical Co-operation Programme.

19.3 The Committee acknowledged that the cost of operating and administering the Technical Co-operation Programme is not financed through assessments to Contracting States but through administrative overheads charged to each project on the basis of the cost recovery principle. It was noted that the ICAO policy in this regard is to charge States and donors the minimum required, depending on the complexity of the service to be provided.

19.4 A review of the Technical Co-operation Programme activities for the past 10 years indicated that the implemented programme increased significantly. The report also provided a comparison of the programme implemented during the last two triennia by type of funding arrangement and by project component. Information on Programme income and expenditures demonstrated that a balance has been kept in the last decade and that small annual surpluses are being realized by ICAO.

19.5 The Committee noted that the nature of the support provided to States through ICAO technical cooperation projects during the triennium was very broad and covered various civil aviation disciplines, and took note of the information provided by the Council on the relevance of the 2004-2006 Technical Co-operation Programme for the achievement of the Strategic Objectives of ICAO.

19.6 In completing the consideration of Agenda Item 19, the Committee was invited to refer to the report presented in A36-WP/49 when considering A36-WP/48, EX/13 under Agenda Item 20, which provides an update of the ICAO Policy on Technical Co-operation.

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**Agenda Item 20: Transition to a new policy on technical cooperation**

20.1 At its sixth meeting, the Executive Committee considered the subject of the *Transition to a New Policy on Technical Co-operation* on the basis of A36-WP/48 presented by the ICAO Council, as well as four working papers presented by States and State Organizations (A36-WP/117, A36-WP/138, A36-WP/222 and A36-WP/223).

20.2 In A36-WP/48, the Council provided an update on the implementation of the ICAO policy on technical cooperation, focusing on the importance of the core staff concept, the measures proposed by the Secretary General to respond to the new challenges for the provision of implementation and support to States, the use made by donors of the ICAO Objectives Implementation Funding Mechanism, and on the provision of assistance to non-State entities. The paper also informed of the actions taken by the Council as a follow-up to Assembly Resolution A33-9 in regard to quality assurance of technical cooperation projects. It further reported on how the Technical Co-operation Programme supports the Strategic Objectives of ICAO and on the actions taken by the Secretary General for the apportionment of costs between the Administrative and Operational Services Cost (AOSC) Fund and the Regular Programme Budget. In Appendix A, the paper proposed a draft Consolidated Statement of ICAO Policies on Technical Cooperation for adoption by the Assembly.

20.3 In A36-WP/222, recalling that the implementation of a technical cooperation project is a shared responsibility between ICAO and the beneficiary State, Colombia suggested the systematic use of ex-post facto evaluations as a tool to measure a project's results and impact on safety and security and its compliance with planned objectives, and recommended the inclusion of a related Resolving Clause in the draft consolidated Assembly Resolution in A36-WP/48. It also suggested that the beneficiaries of the Technical Co-operation Programme use evaluation tools for measuring the benefits obtained through projects.

20.4 In A36-WP/223, Colombia proposed amendments to the proposed draft consolidated Assembly Resolution in regard to the commercial approach for technical cooperation activities with a view to involving the aeronautical authority whenever the beneficiaries of ICAO assistance are non-State entities. It also suggested the need for a Code of Ethics for ICAO and recommended that the importance of international advisory groups of experts be recognized as a useful instrument to assist States. Finally, Colombia proposed that Resolving Clauses 3 and 4 (Appendix C) of the draft consolidated Resolution form part of a separate Assembly Resolution on training and capacity building in view of the importance of the subjects addressed.

20.5 In A36-WP/117, the European Community, the European Civil Aviation Conference and EUROCONTROL made proposals to enhance the effectiveness and regional dimension of technical cooperation programmes implemented by ICAO, emphasising the importance of the appropriate institutional framework to ensure the sustainability of project results in beneficiary States. A draft Assembly Resolution was proposed which included the establishment of a quality control function, the introduction of an international pool of technical experts accredited by ICAO and support for the establishment of regional safety oversight organizations.

20.6 A36-WP/138 presented the opinion of the Latin American Civil Aviation Commission on the need for appropriate communication between civil aviation authorities and ICAO in regard to assistance provided to non-State entities. Amendments were proposed to Resolving Clauses 10 and 11 of the draft Consolidated Assembly Resolution in A36-WP/48 to ensure that the authorities are informed of the technical aspects of a project at the time ICAO initiates discussions.

20.7 Discussions by the Executive Committee on the enhanced role of ICAO towards implementation support and development concluded that standard setting shall remain an important function of the Organization, however with greater emphasis on performance standards for increased efficiency. The Committee expressed its appreciation of the importance of the Technical Co-operation Programme not only for developing countries but for the international civil aviation community as a whole, and recalled the satisfaction of Contracting States with the services provided by the ICAO Technical Co-operation Bureau. ICAO's role in coordinating and facilitating technical assistance was also emphasized.

20.8 The philosophy behind the principle of cost recovery was discussed. Recalling that the Technical Co-operation Programme, almost in its entirety, is funded by developing countries providing funds for its own projects, the Committee considered it essential that costs recovered by the Organization must be directly related to costs of implementing the projects in order to keep the administrative charges to States to a minimum.

20.9 The Committee expressed its support to the strengthening of the Programme at Regional Office level for increased efficiency, providing that this process did not result in increased costs to States. A proposal was made for such costs to be covered by the Regular Programme of ICAO.

20.10 Some States expressed support, in principle, to the proposal for the introduction of ex-post facto evaluations of technical cooperation projects. The importance of these evaluations was shared by the Secretariat which explained that, subject to funding availability, this useful tool could be included as an integral part of all ICAO technical cooperation projects. States and funds that have provided funds for projects would also have to agree to fund such ex-post evaluations.

20.11 The Committee acknowledged the importance of supporting States in their establishment of autonomous civil aviation authorities, as full benefits of assistance programmes and the sustainability of project results would be best achieved if beneficiary organizations were empowered and adequately funded. It was noted that the retention of qualified personnel continued to be a major issue for developing countries in many regions.

20.12 The Committee agreed with the recommendation that special effort should be made to support the establishment of regional safety oversight organizations (RSOOs). In this regard, the important role played by Co-operative Development of Operational Safety and Airworthiness Projects (COSCAPs) in ensuring regional/sub-regional representation, their contribution towards the harmonization and implementation of regulations, institution-building and self-sustainability, as well as the potential for their further expansion was recognized by the Committee.

20.13 A proposal was put forward for the establishment of an international pool of technical experts in order to provide direct assistance to States in the field of safety oversight upon their request. The Committee noted that a similar proposal had been considered by the Directors General Conference on Aviation Safety in 2006. Some States voiced their concerns that such a process might discourage the development of capacity building and should be used as a last resort. The Secretary General confirmed that results of a feasibility study in this regard are forthcoming.

20.14 The Committee noted that the issue of quality control raised in A36-WP/117 had already been discussed at length in Council as a follow-up to Assembly Resolution A33-9 and that a decision had been taken in this regard as reported in A36-WP/48.

20.15 In addressing the provision of ICAO assistance to non-State entities, it was the considered view that there is a need to maintain a continuous communication flow between ICAO and the civil aviation authority of the State concerned in respect of the technical aspects of the project, given due regard to the government's safety oversight responsibilities. It was further recognized that the civil aviation authority should be informed as soon as ICAO entered into negotiations with such entities.

20.16 In summarizing the discussion on this Agenda Item, the Chairperson requested the Secretary to reflect in the report all relevant comments made as well as proposed amendments to the draft consolidated Assembly Resolution receiving support of the Committee. The amended draft Consolidated Statement of ICAO Policies on Technical Co-operation recommended for adoption by the Plenary is reproduced below.

**Resolution 20/1: Consolidated Statement of ICAO Policies  
on Technical Cooperation**

*Whereas* measures towards a new technical cooperation policy have been applied and A33-21, reconfirmed by A35-20, directed the Council to prepare for its consideration a consolidated resolution regarding all technical cooperation activities and programmes;

*The Assembly:*

1. *Resolves* that the Appendices attached to this resolution constitute the consolidated statement of ICAO policies on technical cooperation, as these policies exist at the close of the 36<sup>th</sup> Session of the Assembly;

2. *Declares* that this resolution supersedes A16-7, A24-17, A26-16, A27-18, A27-20, A35-20 and A35-21.

## **Appendix A**

### **The ICAO Technical Co-operation Programme**

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

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

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

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

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

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

*Whereas* the objectives of the New Policy emphasized the importance of the Technical Co-operation Programme in the global implementation of ICAO Standards and Recommended Practices (SARPs) and Air Navigation Plans (ANPs) as well as the development of the civil aviation infrastructure and human resources of developing States in need of assistance from ICAO;

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

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

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

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

*The Assembly:*

*Technical Co-operation Programme*

1. *Recognizes* the importance of the Technical Co-operation Programme for promoting the achievement of the Strategic Objectives of the Organization;
2. *Reaffirms* that the Technical Co-operation Programme, implemented within the rules, regulations and procedures of ICAO, is a permanent priority activity of ICAO that complements the role of the Regular Programme in providing support to States in the effective implementation of SARPs and ANPs as well as in the development of their civil aviation administration infrastructure and human resources;
3. *Reaffirms* that, within the existing financial means, the ICAO Technical Co-operation Programme should be strengthened, at Regional Office and field level, in order to allow the Technical Co-operation Bureau to play its role more efficiently and effectively with the understanding that no increase in project costs will be incurred;
4. *Reaffirms* that the Technical Co-operation Bureau is one of the main instruments of ICAO to assist States in remedying their deficiencies in the field of civil aviation for the benefit of the international civil aviation community as a whole;
5. *Affirms* that improved coordination of ICAO's technical cooperation activities should be achieved through clear delineation of each Bureau's mandate and activities, and enhanced cooperation, as well as closer coordination of the Technical Co-operation Programme and other ICAO assistance programmes for the avoidance of duplication and redundancy;
6. *Reaffirms* that, in the event that the Administrative and Operational Services Cost (AOSC) operation for any given financial year ends in a financial deficit, such deficit should first be met from the accumulated surplus of the AOSC Fund and a call for support from the Regular Programme Budget would be the last resort;
7. *Requests* the Secretary General to implement greater efficiency measures leading to a gradual reduction of administrative support costs charged to technical cooperation projects;

*ICAO as the recognized agency for civil aviation*

~~7~~ 8. *Recommends* to donor States, financing institutions and other development partners, including the aviation industry and the private sector, wherever appropriate, to give preference to ICAO for the identification, formulation, analysis, implementation and evaluation of civil aviation projects in the field of technical assistance, and *requests* the Secretary General to continue communication with such entities and with potential recipient States, with a view to allocating funds for the development of civil aviation, using ICAO as executing agency;

~~8~~ 9. *Recommends* to Contracting States with bilateral or other government-sponsored aid programmes to consider the value of using the ICAO Technical Co-operation Programme in helping to implement their programmes of assistance to civil aviation;

*Expansion of ICAO Technical Co-operation Activities*

~~9~~ 10. *Reaffirms* that in adopting commercially oriented practices for the Technical Co-operation Bureau, there is a need to ensure that the good reputation of ICAO is maintained;

~~10~~ 11. *Reaffirms* the need to expand the provision of technical cooperation by ICAO to the non-State entities (public or private) directly involved in civil aviation, in furtherance of ICAO Strategic Objectives, such assistance to encompass, *inter alia*, those activities that were traditionally provided by national civil aviation administrations and are being privatized to some degree, where the State shall, nonetheless, continue to be responsible under the Chicago Convention for the quality of the services provided and their compliance with ICAO SARPs, and *requests* the Secretary General to inform ~~in~~ ~~advance~~ the civil aviation authority concerned ~~in such cases~~ of the technical aspects of the project immediately upon the start of negotiations with non-State entities;

~~11~~ 12. *Reaffirms* that ICAO should expand the provision of technical cooperation services, upon request, to non-State entities (public and private) that are implementing projects in Contracting States in the field of civil aviation ~~that~~ ~~which~~ aim at enhancing the safety, security and efficiency of international air transport, and *directs* the Secretary General to consider, on a case-by-case basis, the requests of such entities for ICAO assistance in the traditional technical cooperation areas, with particular regard to project compliance with ICAO SARPs and, as applicable, to relevant national policies and regulations promulgated by the recipient State;

*Technical Co-operation Agreements*

~~12~~ 13. *Reaffirms* that ICAO, within the framework of its Technical Co-operation Programme, uses Trust Fund Agreements (TF), Management Services Agreements (MSA), the Civil Aviation Purchasing Service (CAPS) and other framework agreements and funding arrangements as may be necessary to provide maximum assistance to stakeholders implementing civil aviation projects; and

~~13~~ 14. Views with satisfaction the initiative of States to make greater use of these arrangements to obtain technical and operational assistance in the field of civil aviation;

## Appendix B

### Funding of the Technical Cooperation Programme

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

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

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

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

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

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

*Whereas* the Assembly established the International Financial Facility for Aviation Safety to encourage voluntary contributions for projects aiming at the rectification of safety-related deficiencies;

*The Assembly:*

1. *Recognizes and encourages* the action taken by the Council in the field of technical cooperation, which has been effectively provided with the limited funds available and making use of all available appropriate funding sources and facilities;

2. *Requests* financing institutions, donor States and other development partners, including the industry and the private sector, to give higher priority to the development of the air transport sub-sector in developing countries and *requests* the President of the Council, the Secretary General and the

Secretariat to intensify their contacts with UNDP to increase its contribution to ICAO's technical cooperation projects;

3. *Draws the attention* of financing institutions, donor States and other development partners to the fact that ICAO is the Specialized Agency of the United Nations concerned with civil aviation and, as such, is accepted by the United Nations as the ~~specialist~~ expert authority ~~for~~ in carrying out technical cooperation ~~to~~ for developing countries in civil aviation projects;

4. *Urges* Contracting States that are associated with funding sources to draw the attention of their representatives to these organizations ~~to~~ towards the value of providing assistance to civil aviation projects, particularly where these are necessary for the provision of the vital air transport infrastructure and/or the economic development of a country;

5. *Urges* Contracting States to give high priority to civil aviation development, and, when seeking external assistance for this purpose, to stipulate to financing institutions through an appropriate level of government that they wish ICAO to be associated as executing agency with civil aviation projects ~~that~~ which may be funded;

6. *Encourages* the actions of developing countries in seeking funds for the development of their civil aviation from all appropriate sources to complement funds available from national budgets, financial institutions, donor States and other development partners so that such development may progress at the maximum feasible rate;

7. *Recognizes* that extra-budgetary contributions from donors will allow the Technical Co-operation Programme to expand its services to States in relation to safety, security and efficiency in civil aviation, thus further contributing to the achievement of the Strategic Objectives, in particular to the implementation of SARPs and the rectification of deficiencies identified by audits;

8. *Authorizes* the Secretary General to receive, on behalf of the ICAO Technical Co-operation Programme, financial and in-kind contributions to technical cooperation projects, including voluntary contributions in the form of scholarships, fellowships, training equipment and funds for training, from States, financing institutions and other public and private sources and to act as an intermediary between States regarding the granting of scholarships, fellowships and provision of training equipment;

9. *Urges* those States which are in a position to do so to provide additional funds to the ICAO Technical Co-operation Programme for the provision of civil aviation fellowships in cash or in kind;

10. *Encourages* States and other development partners, including the industry and the private sector, to contribute to the ICAO Objectives Implementation Funding Mechanism which allows them to participate in the implementation of ICAO's civil aviation projects;

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

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## Appendix C

### Implementation of the Technical Cooperation Programme

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

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

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

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

*Whereas* extra-budgetary funding provided to the Technical Co-operation Programme allows ICAO, through its Technical Co-operation Bureau, to provide initial support to States requiring assistance to address the deficiencies identified in the USOAP and USAP audits;

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

*Whereas* ex-post facto evaluations could constitute a valuable tool for establishing the sustainability of projects already implemented and for the planning of future projects;

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

*The Assembly:*

1. *Draws the attention* of Contracting States requesting assistance to the advantages to be derived from well-defined projects based on civil aviation master plans;

2. *Draws the attention* of Contracting States to the assistance provided through sub-regional and regional projects executed by ICAO, such as COSCAPs and CASPs and *urges* the Council to continue to give high priority to management and implementation of such projects through the Technical Co-operation Programme in view of the great benefit such projects represent;

3. *Urges* States to give high priority to the training of their national civil aviation technical, operational and management personnel through the development of a comprehensive training programme and *reminds* States of the importance of making adequate provision for such training and of the need to provide suitable incentives to retain the services, in their respective fields, of such personnel after they have completed their training;

4. *Encourages* States to concentrate their efforts upon the further development of existing training centres and to support Regional Training Centres which are located in their area for the advanced training of their national civil aviation personnel where such training is not available nationally, so as to promote a self-reliant capability within that region;

5. *Urges* States receiving assistance through ICAO to avoid project implementation delays by ensuring timely decisions regarding experts, training and procurement components in accordance with the terms of the project agreements;

6. *Draws the attention* of Contracting States to the Civil Aviation Purchasing Service (CAPS), which is a facility provided by ICAO to developing countries to purchase high value items of civil aviation equipment and to contract for technical services;

7. *Requests* that Contracting States, in particular, developing countries, encourage fully qualified technical experts to apply for inclusion in ICAO's Technical Co-operation Programme roster of experts; ~~and~~

8. *Encourages* States to make use of the quality assurance services offered by the Technical Co-operation Bureau, on a cost-recovery basis, for the supervision of projects implemented by third parties outside the Technical Co-operation Programme of ICAO, including the review of their compliance with ICAO SARPs; ~~and~~

9. *Encourages* States and donors to include, and provide funding for, ex-post evaluations of their civil aviation projects as an integral part of project planning and implementation.

— END —

**Agenda Item 21: Assembly resolutions to be consolidated or to be declared no longer in force**

21.1 At its sixth meeting, the Executive Committee examined Appendix A of A36-WP/28, which had been referred to it by the Plenary under Agenda Item 9. The Committee noted that there were no resolutions on Constitutional and General Policy Matters, Technical Co-operation and Unlawful Interference to be declared no longer in force within the context of this Agenda Item.

— END —