2024 Annual Report

January 2025

Contents

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Version	Date	Updates	Author
V0.1	24 December 2024	Draft for review	Laura Anderson
V0.2	9 January 2025	Draft submitted for approval	Laura Anderson
V1.0	10 January 2025	Report approved by Secretary General	Laura Anderson

1. Foreword

As ICAO celebrates the 80th Anniversary of the Chicago Convention at the end of the second year of the Transformational Objective, significant progress has been made in its ambitious 3-year transformation journey. The foundation laid in the first year has proven robust, enabling us to accelerate implementation across all aspects of the Organization. This year's achievements, in the areas of People & Culture, Digital, and Operational Transformation, reflect the shared commitment and unwavering dedication of the ICAO community.

Transformation is a shared challenge that demands adaptability, continuous learning, and resilience from our personnel. I am inspired daily by the way our colleagues have risen to the occasion, balancing their responsibilities while embracing innovation and change. This spirit underscores the strength and resolve of the ICAO Secretariat.

I also wish to express my heartfelt gratitude to the Assembly, Council, and President, as well as to Member States for their indispensable guidance and support, including voluntary financial contributions and expert secondees. My deepest appreciation goes to my Secretariat colleagues, whose ideas, energy, and hard work have driven our collective progress.

Looking ahead, ICAO is poised to build on these achievements as we strive to shape the future of global aviation. Guided by our new 2026-2050 Strategic Plan, we aim to make air travel safer, more sustainable, and accessible to all. We continue to transform ICAO from multiple angles: modernizing our processes, advancing our culture, analyzing our organizational design, and strengthening our Partnership Policy and Accountability Framework - all while continuing to invest in our people.

Our Digital Transformation has been a key enabler, delivering an enhanced Enterprise Resource Planning (ERP) system, improved information security, and new digital tools for better collaboration and data management. Together, these provide a strong foundation for increased efficiency and future readiness.

An important endeavor now is ensuring ICAO is fit for future through the establishment of an Enterprise Portfolio Management Office (EPMO), and more effective organizational structure aligned with the new Strategic Goal. I also look forward to sharing the successes of the Transformational Objective at the 42nd session of the Assembly in September 2025.

This transformation is about more than operational improvements; it is a journey toward innovation, sustainability, and global leadership. As we look to the opportunities ahead, I remain confident that by working together, we will continue to deliver excellence and make a lasting impact for Member States and the global aviation community.

As our pivotal final year of the Transformational Objective begins, it brings the realization of the transformation we have been working towards, cementing ICAO's position as a leader in global international civil aviation.

Upon completion of the Transformational Objective at the end of 2025, the legacy of Continuous Organizational Improvement will remain as a high-priority enabler throughout my second term, supporting the commitments I made in my response to the Charter Letter.

I remain committed to leading the ICAO Secretariat with initiatives that aim to transform ICAO into a modern, digital, adaptive, and collaborative organization demonstrating operational excellence.

Juan Carlos Salazar
Secretary General

2. Executive Summary

As Chief Transformation Officer, I am pleased to present an overview of the progress achieved upon completion of the second year of ICAO's Transformational Objective.

The Transformational Objective is a significant undertaking for ICAO and following the approval of the Business Plan 2023-2025 and regular budget, the Transformational Objective developed into 3 core Pillars of work to achieve the Transformational Objective Outcomes and Transformation Vision as laid out in the Transformation Secretariat Strategy.

As we start the final year of the Transformational Objective journey, it is prudent to reflect on the evolution and remind ourselves of the 2027 Transformation Vision and the 4 key Outcomes for this triennium, and the Transformational Objective as shown in figure 1.

The Evolution of The Transformational Objective
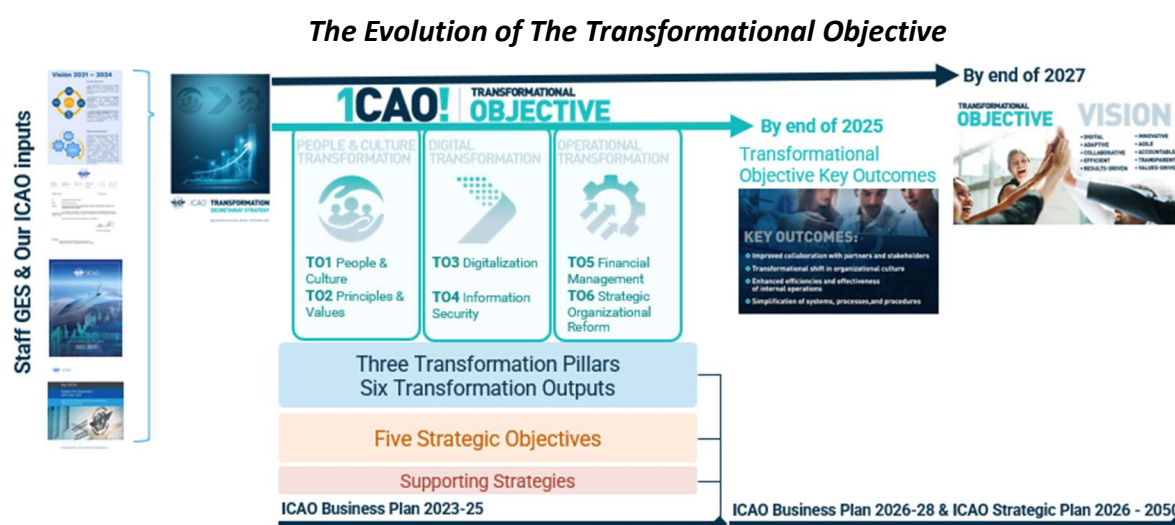
Figure 1

Unlike the first year, which was primarily focused on laying the foundation, the second year has been defined by implementation and tangible advancements in our 3 core Transformation Pillars. At this time, I am pleased to report that the implementation of the Transformational Objective Portfolio of Programmes and Projects is on schedule, within budget, and on target to be completed by the end of the triennium in December 2025.

This year has been about turning our Transformation Vision into action and addressing the complexities inherent in organizational change. Guided by the ICAO Transformation Secretariat Strategy, we have focused efforts on achieving the 4 key Outcomes.

Transformational Objective Outcomes

Improved collaboration with stakeholders and partners	A transformational shift in organizational culture
Enhanced efficiencies and effectiveness of internal operations	Simplification of systems, processes, and procedures

Figure 2

The Transformation Vision Statement for the Transformational Objective remains our North Star, and through the hard work and dedication of ICAO colleagues across the Bureaus and Offices, I am delighted to see the strides ICAO is making towards achieving this.

Transformational Objective Vision Statement

By 2027, our ICAO will have transformed into a modern, digital, adaptive and collaborative organization demonstrating operational excellence. ICAO will be a results driven organization focused on its people with a transparent, accountable, efficient, and values driven culture that applies an innovative and agile approach, in collaboration with key partners and other stakeholders, to deliver an enhanced service for Member States.

Figure 3

One of the distinctive aspects of Year 2 has been the role of governance. By streamlining and optimizing existing ICAO Secretariat governance structures, we have ensured clarity and alignment with results-based management principles. Moreover, we have adopted an agile approach to governance, adapting frameworks and processes where necessary to respond effectively to evolving challenges and opportunities. We have actively built on our lessons learned from the first year and taken steer from the Council, Office of Internal Oversight (OIO), external auditors and the External Audit and Advisory Committee (EAAC); I am grateful for their ongoing guidance and support.

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The dedicated Transformation Team has been instrumental in driving these efforts forward, working closely with over 120 colleagues who contributed to the 6 Transformation Outputs. Of the 37 Projects initiated, 21 are currently at the implementation phase and 15 have already been successfully completed and closed. Progress has also been made on significant cross cutting initiatives such as the Strategic Organizational Model (SOM) and Enterprise Business Process Management (EBPM) Framework.

Year 2 has also been about resilience and commitment. The achievements so far highlight not only progress but the collective dedication of ICAO personnel. The Transformational Objective is more than an operational initiative; it represents a unique development and learning opportunity for ICAO, with impacts that will be felt long after the conclusion of this 3-year transformation journey. As we prepare for Year 3 we anticipate realizing the full potential of the Transformation Vision by delivering the transformation. This will not only secure ICAO's readiness for future opportunities and challenges, but also redefine how we better serve our Member States. Feedback, engagement, and participation from across the Organization remain vital as we approach this milestone.

All are invited to engage with the Transformational Objective, and I encourage and welcome feedback and questions which may be sent to transformation@icao.int.

Michiel Vreedenburgh
Chief Transformation Officer

3. Transition State 2

The Transformational Objective implementation plan is being managed in a consecutive series of Transition States representing the preparation period as Transition State 0 leading up to the start of the Transformational Objective followed by 3 further Transition States representing the 3-year implementation period as part of the Business Plan 2023-2025.

The implementation plan for the Transformational Objective is aligned to these Transition States ensuring delivery of the Transformational Objective deliverables and results.

The purpose of Transition States is to articulate the transformational milestones, measure progress and celebrate success.

Transition State 1 focussed on foundational work upon which ICAO built upon in Transition State 2; in 2024, ICAO saw the Transformational Objective implementation progress at pace. ICAO has seen its culture starting to transform, and through its inclusive transformation approach, the implementation to date has focussed on meeting the needs of colleagues. The wider positive impact on Member States will be fully realized towards the end of the Transformational Objective in 2025, and beyond.

The Transformational Objective structure and governance is providing focussed and concerted effort to modernize working methods at ICAO, with the level of service provided to Member States directly correlated to the internal effectiveness and efficiency of the Organization which will be improved.

All elements of Transition State 0 were achieved before the Transformational Objective commenced in January 2023. At the end of the first year, Transition State 1 was fully achieved in both People & Culture Transformation and Digital Transformation, with Operational Transformation only partially achieved with delayed progress in some Projects.

At the end of 2024, Transition State 2 has been partially achieved in People & Culture with both the Formal and Informal Conflict Resolution Projects showing delays in implementation. Other Projects in People & Culture Transformation are on track with all initiatives underway, and significant progress demonstrable in Ethical Enablement. The plan for 2025 to achieve Transition State 3 is robust and risk of further delay is effectively mitigated.

For Digital Transformation, Transition State 2 has been fully achieved with core Project deliverables on track to achieve all elements of Transition State 3 as intended.

In Operational Transformation, Transition State 2 has been partially achieved with delays continuing in the Results Based Management (RBM) Project to embed RBM practices fully and build capacity effectively. The Accountability Framework has been approved, however not yet implemented and adopted as intended. Other Projects in Operational Transformation have progressed as planned, with the Results Based Budgeting Project and Partnerships Project delivering earlier than intended and closing in 2024.
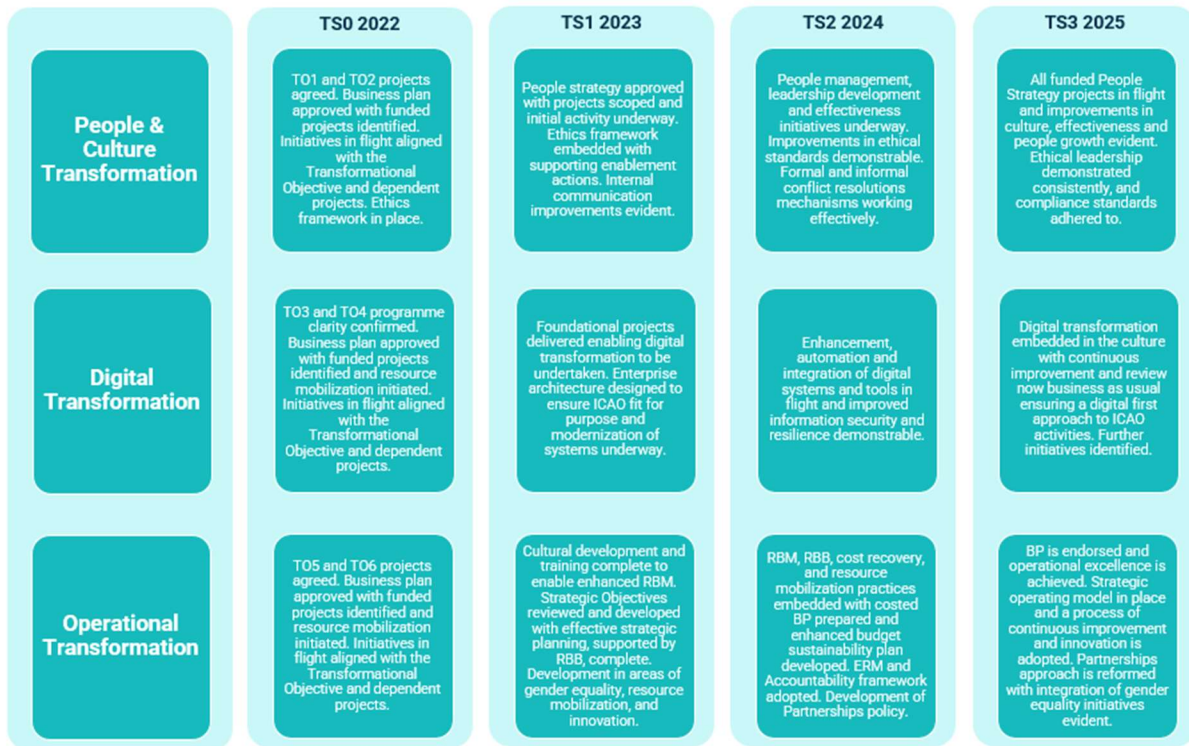
Transformational Objective Transition States

	TS0 2022	TS1 2023	TS2 2024	TS3 2025
People & Culture Transformation	TO1 and TO2 projects agreed. Business plan approved with funded projects identified. Initiatives in flight aligned with the Transformational Objective and dependent projects. Ethics framework in place.	People strategy approved with projects scoped and initial activity underway. Ethics framework embedded with supporting enablement actions. Internal communication improvements evident.	People management, leadership development and effectiveness initiatives underway. Improvements in ethical standards demonstrable. Formal and informal conflict resolutions mechanisms working effectively.	All funded People Strategy projects in flight and improvements in culture, effectiveness and people growth evident. Ethical leadership demonstrated consistently, and compliance standards adhered to.
Digital Transformation	TO3 and TO4 programme clarity confirmed. Business plan approved with funded projects identified and resource mobilization initiated. Initiatives in flight aligned with the Transformational Objective and dependent projects.	Foundational projects delivered enabling digital transformation to be undertaken. Enterprise architecture designed to ensure ICAO fit for purpose and modernization of systems underway.	Enhancement, automation and integration of digital systems and tools in flight and improved information security and resilience demonstrable.	Digital transformation embedded in the culture with continuous improvement and review now business as usual ensuring a digital first approach to ICAO activities. Further initiatives identified.
Operational Transformation	TO5 and TO6 projects agreed. Business plan approved with funded projects identified and resource mobilization initiated. Initiatives in flight aligned with the Transformational Objective and dependent projects.	Cultural development and training complete to enable enhanced RBM. Strategic Objectives reviewed and developed with effective strategic planning, supported by RBB, complete. Development in areas of gender equality, resource mobilization, and innovation.	RBM, RBB, cost recovery, and resource mobilization practices embedded with costed BP prepared and enhanced budget sustainability plan developed. ERM and Accountability framework adopted. Development of Partnerships policy.	BP is endorsed and operational excellence is achieved. Strategic operating model in place and a process of continuous improvement and innovation is adopted. Partnerships approach is reformed with integration of gender equality initiatives evident.

Figure 4

4. Scope & Progress

The Transformational Objective was designed as a 3-year Portfolio of work with specific deliverables in each of the Transformation Outputs. Therefore, the Transformation Outputs are running in parallel, however maturity of individual Programmes and Projects does not align with staggered initiation and implementation prioritized across the Portfolio. They are however being delivered in a coherent and structured order to manage the dependencies and pace of change for ICAO. This includes regular prioritization and assessment of transformation Projects to ensure urgent and emerging business needs are met to enable an enhanced service to Member States.

Transformational Objective Pillars and Outputs

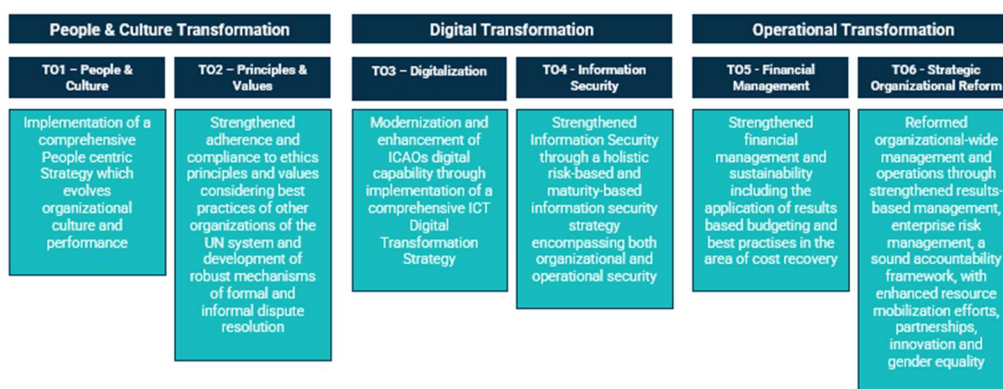| People & Culture Transformation		Digital Transformation		Operational Transformation	
TO1 – People & Culture	TO2 – Principles & Values	TO3 – Digitalization	TO4 - Information Security	TO5 - Financial Management	TO6 - Strategic Organizational Reform
Implementation of a comprehensive People centric Strategy which evolves organizational culture and performance	Strengthened adherence and compliance to ethics principles and values considering best practices of other organizations of the UN system and development of robust mechanisms of formal and informal dispute resolution	Modernization and enhancement of ICAOs digital capability through implementation of a comprehensive ICT Digital Transformation Strategy	Strengthened Information Security through a holistic risk-based and maturity-based information security strategy encompassing both organizational and operational security	Strengthened financial management and sustainability including the application of results based budgeting and best practises in the area of cost recovery	Reformed organizational-wide management and operations through strengthened results-based management, enterprise risk management, a sound accountability framework, with enhanced resource mobilization efforts, partnerships, innovation and gender equality

Figure 5

At the start of the transformation journey, 42 Projects were scoped to realize the Transformation Vision, with a further 3 initiatives under consideration to enhance the Portfolio further. Following prioritization and agile assessment of available resources, together with some consolidation to realize synergies, and the descoping from the Transformational Objective and postponement to the next triennium 2026-2028 of a few projects, the Transformational Objective now includes 37 defined Projects.

Further evolution in the second year has also resulted in including the establishment of an EPMO and a thorough Organization Design Assessment within the scope of the Fit For Purpose Organization (FFPO) Project; this will be implemented in 2025.

The previously identified gap in ICAO's knowledge and process management is also now being addressed through the establishment of an EBPM Framework.

At the end of the second year the status update on the 37 Projects, as determined by the four phases – not started, initiation, implementation and closed - is shown in figure 6 with active Projects highlighted.
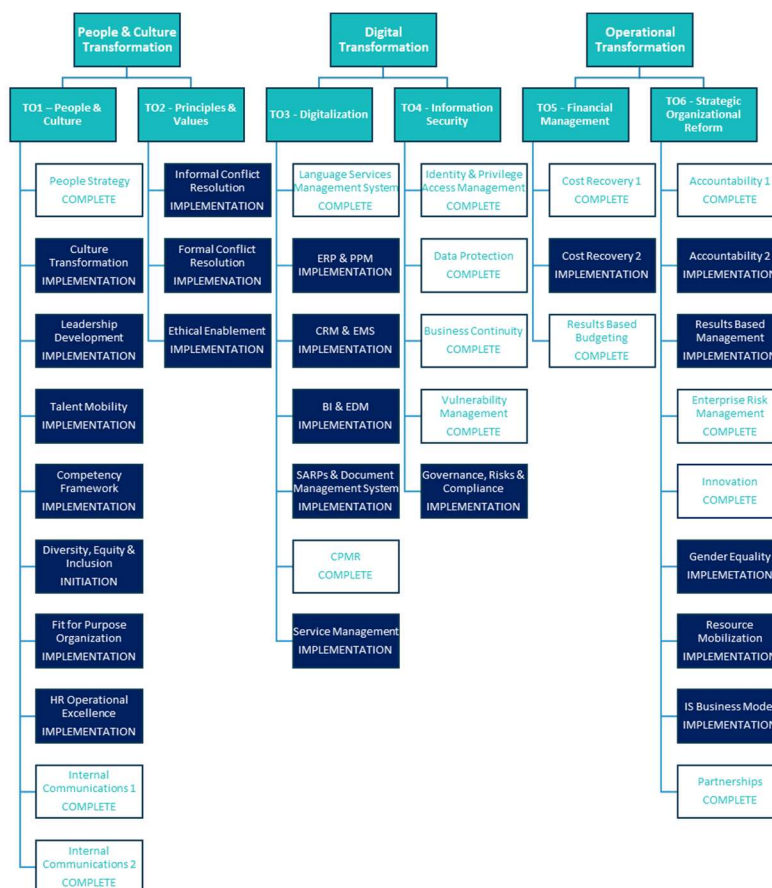
Transformational Objective Project Status

Figure 6

4.1 People & Culture Transformation (TO1 & TO2)

The first year of the People & Culture Transformation Output (TO1) culminated in the development of the ICAO People Strategy, the fulcrum from which the rest of the TO1 Projects would stem from. Following its approval, and initiation of many of the initiatives proposed in the People Strategy, Year 2 has progressed with increased activity.

As a flagship project of the People Strategy, and indeed of the Transformational Objective, the Culture Transformation Project started with the engagement of an external partner to support ICAO with a culture diagnostic, leading to the development of a roadmap for ICAO's future culture state.

Three culture shifts have been identified and are presented in the ICAO culture blueprint.

ICAO VISION: A safe, secure and sustainable global aviation system that connects the world for the benefit of all nations and people

BUSINESS STRATEGY: Every Flight is Safe and Secure; Aviation is Environmentally Sustainable; Aviation Delivers Seamless, Accessible, and Reliable Mobility for All; No Country Left Behind; The International Civil Aviation Convention and other Treaties, Laws and Regulations address all Challenges; The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All

CULTURE VISION: Transformational Objective Vision Statement

CULTURE SHIFTS: ALIGNING CULTURE TO STRATEGY

ACCOUNTABILITY	COLLABORATION	PEOPLE FOCUS
FROM Inconsistent and silent expectations TO Consistent and clear standards	FROM Us vs them TO One ICAO	FROM Just do TO Mindful action

BEHAVIORS: THE WAYS OF WORKING

• Say no to things we know we can't deliver on • Deliver on what we say we're going to do • Make feedback giving standard practice so it becomes second nature • Recognize each other for excellent contribution & performance and directly address poor performance • Empower individuals and teams to make the decisions they are best qualified to make	• Understand one another's needs and work cooperatively towards shared objectives • Think One ICAO. Think bigger than oneself. • Base decisions on an "One ICAO" first mindset • Create a free flow of information between layers that accelerates decision making and reduces time to action • Admit mistakes and learn from them	• Regularly reprioritize to ensure people's well being • Make more direct connections between what motivates people and ICAO's goals • Engage meaningfully with input from all colleagues, regardless of level • Take advantage of learning opportunities grounded in the skills needed for the future • Create greater clarity on goals and objectives

Figure 7

2024 culminated in the development of 17 Culture Change Accelerators (CCAs) and the establishment of Culture Change Ambassadors to help lead and operationalize the culture shifts through implementation of the roadmap in 2025.

Training and leadership development continued in strength this year with further cohorts established to participate in the rich and diverse courses offered through the UN System Staff College (UNSCC). Complimenting this is the development of an ICAO People Managers course that will be offered to all managers and team leaders. The suite of self-service courses available through the Blue-Line training platform which is available to all personnel was maintained, with increasing levels of use.

Another priority for this year was the development of talent mobility. Under this Project, five key achievements are worth highlighting. A Talent Mobility Framework was developed and approved, laying the foundation for the remainder of the Project. Two new mobility pathways (Temporary Duty Assignments & Internal Short-Term Assignments) were initiated and are currently being tested in a pilot exercise that will be completed in 2025. A third highlight was the launch of the Career INSPIRE series; a set of events featuring internal and external experienced speakers providing practical advice on career development. In parallel, the Career Development Portal, offering tools and guidance documents was also established to support staff in their career management plans. The Talent Mobility Project also launched a new ICAO Mentoring Programme to leverage the wealth of experience available from seasoned peers who can guide and mentor other colleagues.

The final Project in TO1 to be initiated this year is the Human Resources (HR) Operational Excellence Project, which has objectives to analyze and improve HR processes using ICAO's newly established EBPM Framework. The staff recruitment process was the first HR process to be overhauled under this Project, and, upon completion of its kaizen, has attained a 59% improvement to the average staff recruitment process time. The Project is currently assessing the consultants' recruitment process and expects to achieve similar results. Additional HR processes will be reviewed and improved in 2025, with prioritization of these key to the impact for ICAO.

Closing out the undertakings stemming from the People Strategy in 2024, is the Fit For Purpose Organization Project, which will assess ICAO's organizational design to help shape the Organization for current and future challenges; specifically, this Project targets alignment of ICAOs structure with the 2026-2050 Strategic Plan. As with the Culture Transformation Project, this is being delivered in partnership with an experienced external supplier. It started in November 2024 and expects to run until mid-2025, at which point ICAO will be able to implement the key recommendations from this Project ahead of the next triennium.

Accomplishments in the Principles & Values Transformation Output (TO2) include the continuation of 3 ethics focused trainings under the Ethical Enablement Project this year. Furthermore, the Informal Conflict Resolution Project progressed with the onboarding of a newly appointed full time Ombudsperson, and the development of the Trustful Workplace Ambassadors initiative that will roll out in 2025. Finally, the Formal Conflict Resolution Project continues its work in the transition to the UN Dispute Tribunal (UNDT) that is expected to be completed by 2025.

4.2 Digital Transformation (TO3 & TO4)

The Digitalization Transformation Output (TO3) in 2024 has been marked by significant progress and numerous achievements across various Projects. Building on the successes of previous years, TO3 has made substantial strides in key areas, including Service Management, Enterprise Resource Planning & Portfolio Project Management (ERP & PPM), Business Intelligence & Enterprise Data Management (BI & EDM) and the Corporate Performance Monitoring & Reporting (CPMR) tool.

In partnership with the UN Development Programme (UNDP), the Quantum ERP & PPM Project saw the successful completion of Release 1 in July 2024 and Release 1.5 in August 2024.

The key features of the ERP system are shown in figure 8.
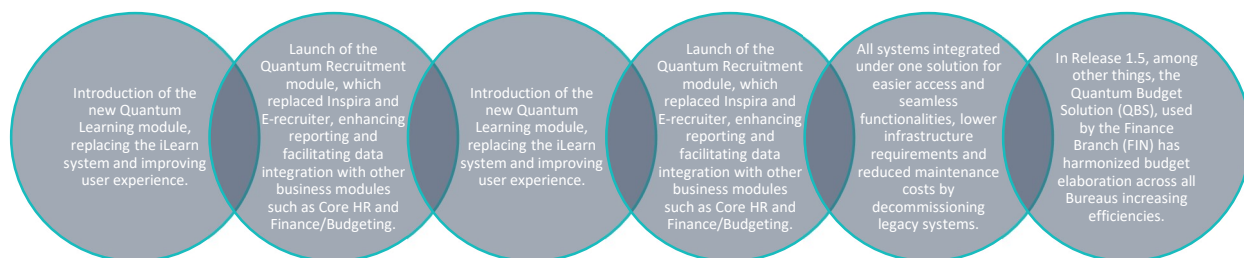
Key Features of Quantum Enterprise Resource Planning

Introduction of the new Quantum Learning module, replacing the iLearn system and improving user experience.

Launch of the Quantum Recruitment module, which replaced Inspira and E-recruiter, enhancing reporting and facilitating data integration with other business modules such as Core HR and Finance/Budgeting.

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All systems integrated under one solution for easier access and seamless functionalities, lower infrastructure requirements and reduced maintenance costs by decommissioning legacy systems.

In Release 1.5, among other things, the Quantum Budget Solution (QBS), used by the Finance Branch (FIN) has harmonized budget elaboration across all Bureaus increasing efficiencies.

Figure 8

The Human Capital Management (HCM) Project was consolidated into the ERP & PPM Project in 2024 to realize synergies and has resulted in the release of new, and currently operational, recruitment and learning modules offering better integration and the decommissioning of legacy systems.

The Service Management Project has made significant progress in creating a one-stop shop for staff, whether ordering a laptop, requesting information from HR, or requesting an office nameplate. With the launch of Phase I, ICAO now has ServiceNow, an industry leading cloud-based Service Management solution. Key advantages include UNALL portal access for State Delegations, UN based system and processes integrated with new Quantum ERP, access to comprehensive knowledge base, and the decommissioning of a legacy system replaced by a cost-effective model. The launch of the new system has been extremely successful with over 2,400 incidents submitted and over 270 service requests at the end of 2024.

Notable achievements in the BI & EDM Project include the establishment of a data governance body for representative and strategic data governance across the Organization through the launch of the Data Management Group (DMG), together with the Enterprise Data Architecture and Data Catalogue. A new Data Warehouse was also created and put into production containing all historical data from Agresso, USOAP, eRecruiter and iLearn. This has set a solid foundation for data analysis and visualization, Business Intelligence, Artificial Intelligence (AI) and data projects. Reporting and dashboards have already been created for the CPMR tool, with more are envisioned for 2025.

After moving to implementation this year, the Standards and Recommended Practices & Documents Management System (SARPS & DMS) Project has taken steps to procure an external partner to implement the detailed scope for the project. Key milestones have been achieved, including the selection of a global industry leading partner, the launch of Copilot AI across the organization enhancing work efficiencies, availability of the ICAO Annex Manager System (IAMS) to staff and Air Navigation Commission members, and a new and improved ICAO-Net State Letter page facilitating navigation and processing of information.

The migration of Electronic Documents & Records Management System (EDRMS) data from SharePoint on-premise to SharePoint online and the initial phases to replace the legacy State

Letter System (SLS) with the cloud-based Microsoft Dynamics Customer Relationship Management (CRM) have also progressed, reducing the number of systems in use and improving current processes.

An AI pilot was also completed allowing the Organization to retrieve, interpret, and validate information in ICAO Annexes.

The Customer Relationship Management & Event Management System (CRM & EMS) Project aims to provide a 360-degree view of the profile and driving engagement with ICAO's Member States, customers, donors, partners, and stakeholders as well as increase customer engagement on sales, marketing, and customer service while simultaneously modernizing ICAO's infrastructure through cloud migration.

Key achievements in 2024 include the migration of the EMS to the cloud, enabling streamlined event management, enhanced system scalability, and improved accessibility for ICAO staff and external stakeholders. The CRM Sales & Business Development Module initial development was also completed focused on sales pipeline configuration and support for lead generation as well as the establishment of several requirement gathering workshops across several key stakeholder sections across the Organization.

Throughout 2024, several closed projects continue to bring added value to the Organization. The CPMR tool resulted in streamlined processes and automation capabilities allowing for enhanced collaboration, improved scalability as well as better reporting, business intelligence and decision making.

The Language Services Management System (LSMS), currently entering its second year of operation, has resulted in new tools which increased automation and reduced manual intervention, streamlined various processes, providing significant efficiencies in operations, established a more efficient system for organizing, integrating, and managing translation, interpretation, editorial, text processing, printing, distribution, posting, and other associated services across ICAO and reduced processing time, improved service quality, and ensured alignment with UN standards.

The Information Security Transformation Output (TO4) in 2024 delivered the successful deployment of the Business Continuity Plan for ICAO's HQ and Regional Offices. This enterprise plan ensures that ICAO remains operational, providing essential services during unforeseen disruptions. The Organization has also taken important steps to identify potential vulnerabilities within computational resources and protect sensitive data.

The Governance, Risks & Compliance Project progressed immensely in 2024, with the preparation for the ISO 27001 certification – the best practice standard of information security governance. Into 2025, ICAO is ready to be audited and certified to complete the final milestone in the Information Security Roadmap.

The Digital Transformation Pillar in 2024 has achieved remarkable milestones, significantly enhancing the resilience and efficiency of ICAO's infrastructure, services, solutions, and networks. The successful completion of key projects and the commencement of new initiatives underscore the Organization's commitment to continuous improvement and innovation. As we move into 2025, ICAO remains dedicated to driving further advancements and achieving even greater success in the digital transformation.

4.3 Operational Transformation (TO5 & TO6)

In 2024, ICAO continued to advance its operational transformation in financial management and strategic organizational reform enhancing accountability, efficiency, and results-based practices.

The Financial Management Transformation Output (TO5) delivered the implementation of the Quantum Budgeting Solution (QBS) through the ERP & PPM Project representing a significant milestone to enable results-based budgeting. In turn this ensures resource allocation is aligned with ICAO's Strategic Goals. The preparation of the regular budget for the Business Plan 2026-2028 is well underway in this regard, utilizing a zero-based budgeting methodology as one scenario to promote an outcome-oriented approach. Additionally, progress continued to implement the new Cost Recovery Policy, with a draft Administrative Instruction now prepared for implementation in 2025.

The Strategic Organizational Reform Transformation Output (TO6) delivered several transformative achievements. In the RBM Project, ICAO made significant enhancements in the preparation of the Business Plan 2026-2028, including updates to the Triennial Operating Plan (TOP) and the Performance Monitoring Framework (PMF). These improved tools provide a strong foundation for results-based planning and monitoring. Further work on RBM will continue through 2025 with a focus on developing the RBM strategy and capacity building for staff.

To support enhanced governance and accountability, ICAO's first Accountability Framework was approved by the Council, laying the groundwork for improved transparency and clearer roles and responsibilities. Work has commenced on operationalizing the framework, to ensure its principles are well embedded into ICAO's culture, processes, and systems.

Further progress was made with the preparation and Council approval of an updated ICAO policy on interaction with external parties and a due diligence framework, and associated administrative instructions, which strengthen ICAO's approach to partnerships, and facilitate the formulation and implementation of cooperative arrangements between ICAO and external parties in a manner that ensures the integrity and independence of ICAO.

In addition, amendments to the Resource Mobilization (RM) Policy streamline governance of ICAO Voluntary Funds, improving resource mobilization, fund management, and sustainable funding. An upgrade of the RM Platform is also included in the scope of the TO3 CRM & EMS Project to be delivered in 2025. This will enable real-time monitoring of contributions, enhancing transparency, accountability, and efficiency, and supporting a programmatic approach to activities.

In advancing gender equality, ICAO celebrated International Women's Day (IWD), continued the roll out of the Gender Equality Programme and Implementation Plan through its Core Group, and made progress on the 'Gender Analysis in Technical Sectors: Aviation' in partnership with UN Women. The establishment of State Gender Focal Points strengthened advocacy, while preparations for establishing a Gender Equality, Diversity and Inclusion (GDI) Global Ambassadors Programme are underway to promote inclusivity and equality in aviation.

UN Women confirmed in the latest ICAO UN-SWAP 2.0 report card that ICAO met or exceeded the requirements for 9 out of 16 applicable performance indicators showing great progress.

These collective efforts in 2024 underscore ICAO's commitment to becoming a results-driven, accountable, and inclusive Organization that meets the evolving needs of its Member States and the global aviation community.

4.4 Cross Cutting

The Transformational Objective has a defined lifecycle and will complete at the end of this triennium in December 2025. However, it is recognized that to maintain and embed the change there is a need for ongoing continuous improvement in the respective business areas.

The Chief Transformation Officer has continued to contribute significantly to the Strategic Plan 2026-2050 development this year to ensure Programmes and Projects of this nature are included in ICAO's long term strategic planning.

Following the approval of the Strategic Plan 2026-2050, it is confirmed that these are now captured in the High Priority Enabler: Continuous Organizational Improvement which will build on the achievements of the Transformational Objective.

The Transformation Team remain engaged and active participants in complementary initiatives outside the scope of the Transformational Objective and are vigilant to any synergies or efficiencies that can be explored. In 2024 this included work on AI and innovation, support for establishing Business Plan Prioritization methodology, together with facilitation and leadership of various Bureau and Office events and activities as required.

In the 2023 Annual Report, ICAO confirmed that two additional core cross cutting initiatives referenced in the ICAO Transformation Strategy would progress at pace in 2024. These are the SOM and the EBPM Framework, which have both progressed as detailed later in this section.

The successful implementation of several Transformational Objective Project and initiative deliverables contribute to a fit for future Organizational Structure, including the SOM and EBPM. The establishment of an EPMO is also crucial to maximise efficiency and synergy. Figure 9 details the specific relevant deliverables highlighting dependencies and shows how these key elements interact to deliver success.

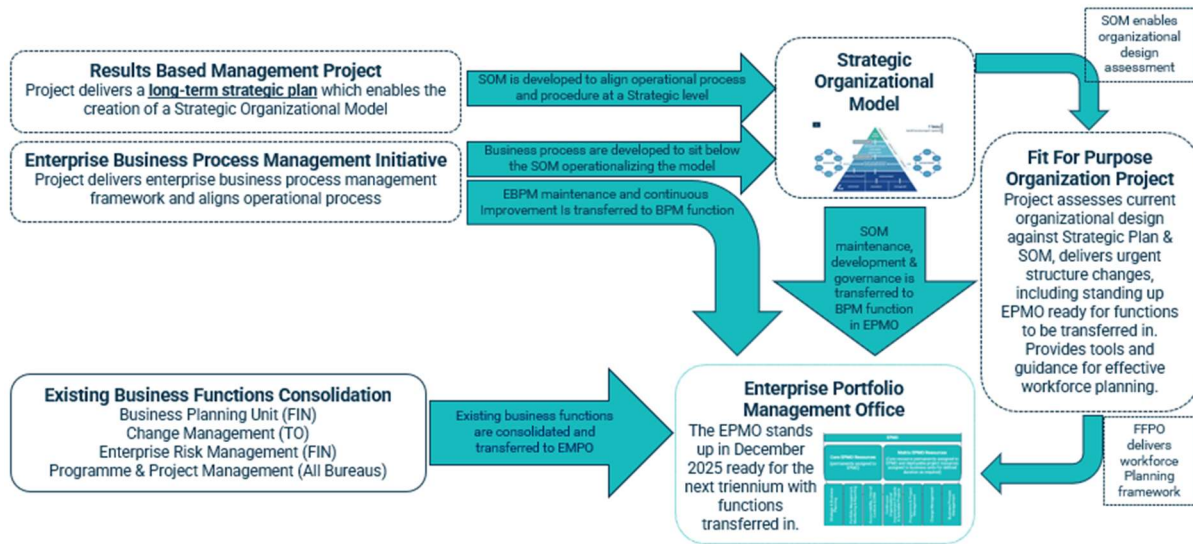***Transformational Objective Implementation Dependencies***

Figure 9

4.4.1 Strategic Organizational Model (SOM)

The SOM has been developed during 2024 and is now published for the Secretariat as an interactive platform on the ICAO Intranet. The SOM is a visual representation of how ICAO will operate strategically by the end of the Transformational Objective. It is presented based on current planned work aligned with the deliverables of all relevant Transformational Objective Projects to aid understanding and engagement.

The SOM will continue to evolve throughout the Transformational Objective lifecycle and ownership will transfer to the EPMO at the start of the next triennium in January 2026.

The SOM provides the mechanism to coordinate core processes aligning business and work processes of ICAO for ease of reference; this will ensure functional alignment enabling effective implementation.

It is shown at 3 levels, which aligns people, systems, and processes ensuring core operations and processes work from end to end. It complements, and will in time fully integrate with, the EBPM Framework.

Level 1 is shown in figure 10 for illustration.
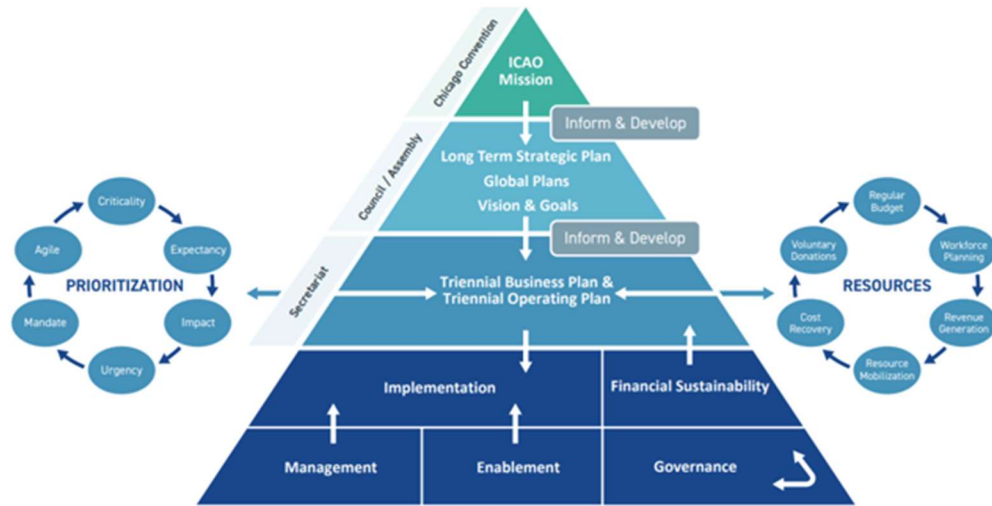
Strategic Organizational Model Level 1

Figure 10

4.4.2 Enterprise Business Process Management (EBPM) Framework

The EBPM Framework is an initiative with the objective to deliver a structure to conduct Business Process Management within ICAO and to build internal capacity to enable teams to identify, maintain, standardize, measure, analyze and ultimately improve processes.

Initiated in January 2024, following approval for implementation in December 2023, the work is well underway and progress against the milestones as shown in figure 11.

Enterprise Business Process Management Progress

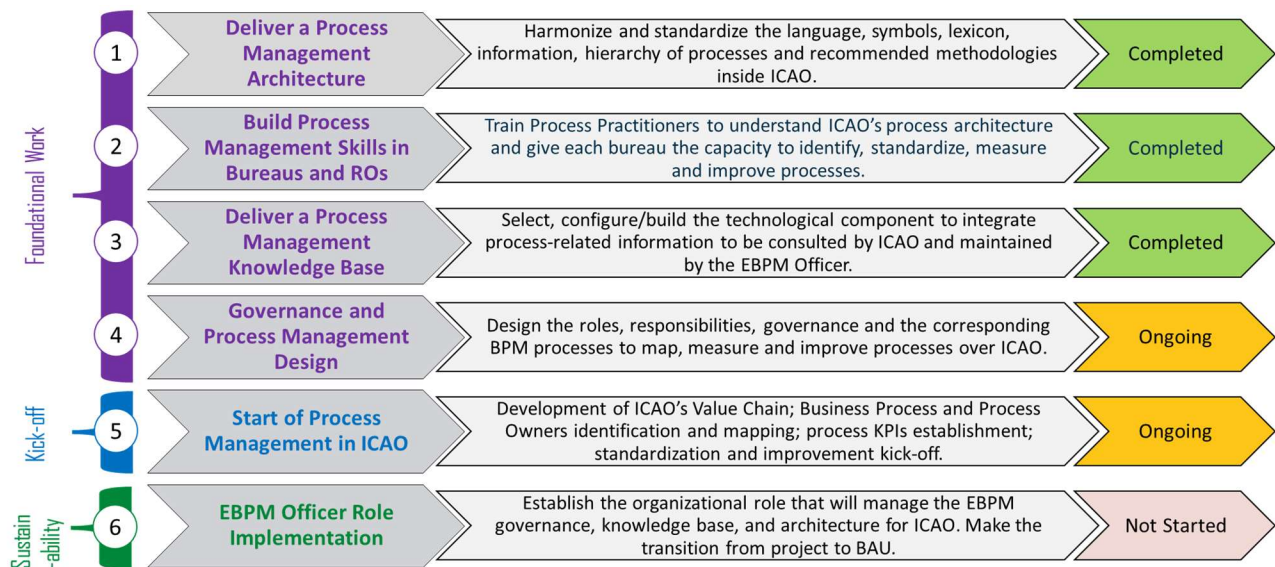|			
Foundational Work	1	Deliver a Process Management Architecture	Harmonize and standardize the language, symbols, lexicon, information, hierarchy of processes and recommended methodologies inside ICAO.	Completed
	2	Build Process Management Skills in Bureaus and ROs	Train Process Practitioners to understand ICAO's process architecture and give each bureau the capacity to identify, standardize, measure and improve processes.	Completed
	3	Deliver a Process Management Knowledge Base	Select, configure/build the technological component to integrate process-related information to be consulted by ICAO and maintained by the EBPM Officer.	Completed
	4	Governance and Process Management Design	Design the roles, responsibilities, governance and the corresponding BPM processes to map, measure and improve processes over ICAO.	Ongoing
Kick-off	5	Start of Process Management in ICAO	Development of ICAO's Value Chain; Business Process and Process Owners identification and mapping; process KPIs establishment; standardization and improvement kick-off.	Ongoing
Sustain-ability	6	EBPM Officer Role Implementation	Establish the organizational role that will manage the EBPM governance, knowledge base, and architecture for ICAO. Make the transition from project to BAU.	Not Started

Figure 11

The first four milestones comprise the foundational work needed to initiate process management for ICAO. Of the four foundational milestones, three were delivered in 2024.

The effective introduction of Business Process Management in ICAO will be implemented by the fifth milestone, building on the foundational work. The delivery of this milestone is currently ongoing and is planned to finalize before mid-2025, when the process governance will also formally commence.

The sixth and last milestone will ensure the Process Management Structure being delivered will be maintained after the initiative is completed.

The benefits of an EBPM Framework are shown in figure 12.

Benefits of an Enterprise Business Process Management Framework

Improved Efficiency	Improved Quality & Consistency	Enhanced Transparency	Improved Collaboration	Client Satisfaction
Streamlined processes, reducing redundancy and ensuring that tasks are completed in the most efficient way.	Standardized processes to ensure consistent quality of products and services.	Provides better visibility to processes, making it easier to monitor performance, identify bottlenecks, and make data-driven decisions.	Fosters better communication and collaboration across Bureaus and Offices by providing a clear understanding of each team's roles and responsibilities within the process.	Streamlined processes to lead to faster service delivery and less defective products, enhancing client satisfaction.

Figure 12

4.4.3 Enterprise Portfolio Management Office (EPMO)

One of the key components to ensure ICAO realizes its Transformation Vision, is to structure the Organization to be fit for future. Among the important changes ICAO will introduce is the establishment of an EMPO as a workstream of the FFPO Project.

Design work of the EPMO started in 2024, with a target date of December 2025 for this to be operational in time for implementing the next triennium Business Plan.

An effective EPMO holds several key functions, with the specific defined structure and transition plan to be agreed upon completion of the Organizational Design Assessment. Building from the lessons learned from the Transformational Objective implementation and governance, ICAO will equip itself with a modern EMPO; the envisaged responsibilities are shown in figure 13.

Enterprise Portfolio Management Office Envisaged Responsibilities

Setting, implementing and monitoring the standards, governance and practices to effectively deliver the Strategic Plan and Business Plan activities.	Continuous improvement and change projects in the Secretariat to enhance efficiency and productivity.	Enterprise Business Process & Change Management
Strategic planning, business planning and operating plan prioritization to achieve the Organization's outcomes and outputs.	Achievement of the Strategic Goals as determined by the Strategic Plan.	Assurance that accountability and risk standards and policies are maintained and adhered to, and to provide analysis and reporting across all elements of the Portfolio of work.

Figure 13

5. Measuring the Benefits

Realizing the benefits of the Transformational Objective in a measurable and effective way is essential to demonstrate success.

5.1 Delivering Benefits for Member States

Much of the focus of the ICAO Transformation Strategy is to improve the ICAO Secretariat to better deliver on its core mandate and provide enhanced services to Member States. The key benefits for Member States are stated in figure 14.

Benefits for Member States
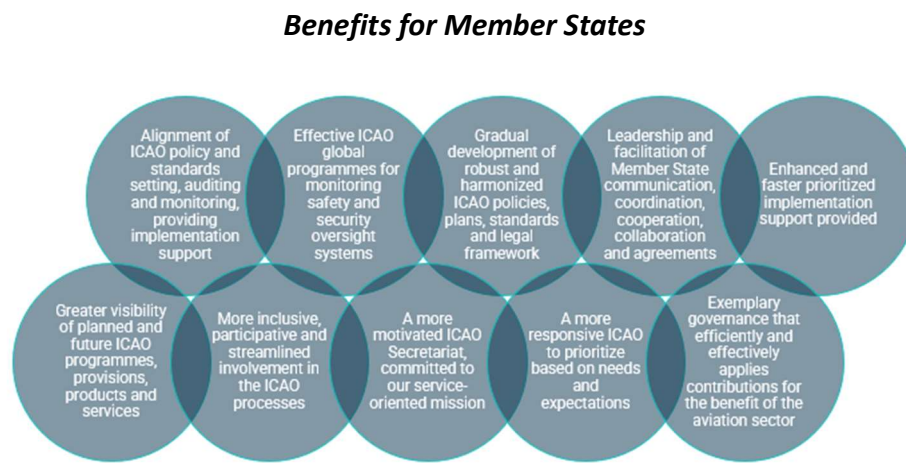
Figure 14

A selection of projects have specific and direct impacts on Member States:

- Standards and Recommended Practices & Document Management System Project
- Implementation Support Business Model Project
- Partnerships Project
- Gender Equality Project
- Culture Transformation Project
- Results Based Management Project
- Governance, Risk & Compliance Project

5.2 Outcomes & KPIs

The 4 Outcomes of the Transformational Objective, to support the One-ICAO approach to working, were committed at the start of the transformation journey, with corresponding KPIs as shown in figure 15 agreed thereafter.

Transformational Objective Outcomes & KPIs

Figure 15

The status for each outcome at the end of the second year measured through the associated KPIs is shown in figure 16, noting that some KPIs are only measured triennially.

Transformational Objective Outcome KPI Status

Outcome	KPI	Baseline 1/1/23	Actual 31/12/23	Actual 31/12/24	Target 31/12/25
Improved collaboration with partners and stakeholders	Accountability JIU Level 3	-	-	2	3
	Innovation capability 90%	80%	-	-	90%
	40% efficiency enhancement in SARPs Development	0%	0%	0%	40%
	83% Member States in active partnerships	78%	78%	80%	83%
Transformational shift in organizational culture.	Engagement 72%	67%	-	-	72%
	Culture & Values 60%	55%	-	-	60%
	Ethical Behaviour 60%	55%	-	-	60%
	Senior Management 60%	55%	-	-	60%
Enhanced efficiencies and effectiveness of internal operations	CMMI Level 2.5	1.7	3.38	4.25	2.5
	ICT Technological Maturity Level 4	2.2	2.36	2.36	4
	Risk Maturity Model Level 3	2	2	3	3
	RBM Maturity Level 3	2	-	2	3
Simplification of systems, processes and procedures	20% reduction in ICT applications	222	222	208	178
	80% Digitalization of Processes	34%	34%	45%	80%
	Enterprise Business Process Management Maturity	15%	15%	33%	40%
	Consolidation of 5% of role duplication/ redundancy.	0%	0%	0%	5%

Figure 16

The status for each output at the end of the second year measured through the associated KPIs is shown in figure 17, noting that some KPIs are only measured triennially.

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Transformational Objective Output KPI Status

Outcome	KPI	Baseline 1/1/23	Actual 31/12/23	Actual 31/12/24	Target 31/12/25
TO1	Engagement 72%	67%	-	-	72%
	Culture & Values 60%	55%	-	-	60%
	Senior Management 60%	55%	-	-	60%
	Career Development 58%	53%	-	-	58%
TO2	95% of all ethics training courses completed by the due date	30%	82%	77%	95%
	95% of formal conflict and misconduct cases processed within the SLA.	-	-	-	95%
	Ethical Behaviour 60%	55%	-	-	60%
TO3	40% efficiency enhancement in SARPs Development	0%	0%	0%	40%
	90% of 18 identified Enterprise systems and platforms enhancements implemented and fully operational.	10%	27%	56%	90%
	Cloud adoption complete for 90% of all 94 identified ICT applications.	10%	48%	48%	90%
	20% reduction in ICT applications	222	222	208	178
	80% Digitalization of Processes	34%	34%	45%	80%
	ICT Technological Maturity level 4	2.2	2.36	2.36	4
TO4	2.5 CMMI maturity level achieved	1.7	3.38	4.25	2.5
	100% of ISO 27001 controls implemented	47%	71%	100%	100%
TO5	90% of TOP projects/activities costed by during the Zero-Based Budgeting - full Business Plan (ZBB-BP) costing exercise.	0%	0%	93%	90%
TO6	UN Risk Maturity Model (RMM) Level 3	2	2	3	3
	90% innovation readiness capability & 80% innovation culture readiness	80% capability 67% culture	- -	- -	90% 80%
	Accountability JIU Level 3	-	3	2	3
	Results Based Management Maturity Level 3	2	2	2	3
	83% Member States in active partnerships	78%	78%	80%	83%
	11 of 16 UN SWAP indicators achieved	7 of 16	9	9	11

Figure 17

5.3 Efficiency & Effectiveness Gains

In addition to KPI measures, for the Outcome *Enhanced efficiencies and effectiveness of internal operations*; there are also Organizational efficiency and effectiveness benefits. Many of these will be fully realized towards the end of the Transformational Objective lifecycle, and some will be achieved in the next triennium emphasising the lasting impact of the Portfolio of work. They are highlighted here under each of the Transformation Outputs.

5.3.1 People & Culture Transformation (TO1 & TO2)

Through the implementation of the People Strategy, HR is leveraging the opportunity to embrace continuous improvement and simplify its processes and procedures by utilizing the new EBPM Kaizen methodology. The FFPO Project will provide additional efficiency enhancements as ICAO

reviews its organizational design to ensure it is fit for purpose and in doing so will remove duplication and realize synergies enhancing ways of working through enterprise portfolio management and effective workforce planning.

The embedding of the ICAO Principles and Values through the Ethical Enablement Project, to improve colleague experience, has already demonstrated a marked increase in colleague engagement which we will also see reflected in the Ethical Behaviour metric measured at the next Global Engagement Survey (GES).

5.3.2 Digital Transformation (TO3 & TO4)

The focus on modernization and enhancement of ICAO's digital capacity has already been seen through the increase of the ICT Technological Maturity Level. This, together with the targeted reduction in ICT applications, will improve quality, efficiency and effectiveness by removing duplication complemented by enhanced cloud adoption. The implementation of the LSMS, the CPMR tool, and the ERP System all contribute significantly to savings in both staff time through increased automation and efficient processes, and cost reduction and cost savings due to system consolidation. Efficiencies are also being maximized through consolidation of ICT platforms.

Information Security will be strengthened resulting in a significant cost avoidance. The Capability Maturity Model Integration (CMMI) target level has already been exceeded and ICAO expects to achieve the ISO27001 certification in 2025.

5.3.3 Operational Transformation (TO5 & TO6)

Strengthened financial management and sustainability, including the application of results based budgeting and best practices in cost recovery, delivers quality improvement in financial sustainability leading to cost savings, specifically regarding people costs.

Collectively, the focus on strengthened RBM, enterprise risk management (ERM), a sound Accountability Framework, with enhanced resource mobilization efforts, partnerships, innovation and gender equality initiatives reduce the administrative burden and simplify processes for colleagues thereby creating efficiency of internal operations and improved workforce planning. This will be demonstrated and measured through improved JIU benchmark levels for RBM, ERM and Accountability as examples.

5.3.4 Cross Cutting

The EBPM Framework will create an annual plan that will include continuous improvement targets for processes to reduce lead time, save staff hours, reduce rework, failure rates, and achieve other general process quality improvements. As an example of the potential of this initiative, the pilot improvement on the staff recruitment process was completed in 2024 and is on target to achieve a 40% reduction in the process lead time, potentially freeing more than 1,600 staff hours per year to be used in more meaningful work.

5.4 Monitoring & Reporting

The Transformational Objective, as a core element of the Business Plan 2023-2025, is monitored and reported as per ICAO's procedures in the CPMR. This enables the Transformational Objective status to be reported aligned with other elements of the Business Plan.

To enhance this further and building from the work done in the first year, the Transformational Objective Dashboard was enhanced in 2024 with reports and Key Performance Indicator (KPI) data to support the monitoring and oversight of the portfolio.

In particular, an automated report that provides the status of all Projects in each Transformation Pillar is now available on demand with content updated real-time. This report is used in the Transformation Pillars Programme Boards information pack provided monthly prior to each meeting, or distributed by email as applicable, as well as included in the monthly Portfolio update disseminated to the Transformational Objective community.

This concise overview of each Output and Project enables the Portfolio dependencies, linkages and synergies to be managed more effectively across the Pillars. The Pillar Status Report is completed by individual Project Status Reports.

Figure 18 provides an illustrative example of these reports.

Transformational Objective Status Report Example
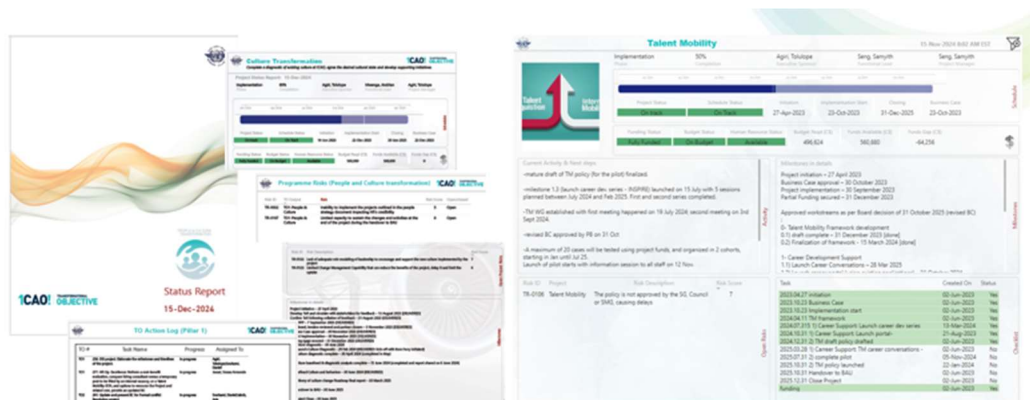
Figure 18

Another key development in 2024 was the creation of the KPI report, which highlights the KPIs at the Outcome, Output, and Project levels. Figure 19 provides an illustrative example of these reports as available on the Transformational Objective Dashboard.

Transformational Objective KPI Report Example

Figure 19

The Transformational Objective Dashboard is available on the Council portal, ICAO Intranet and the ICAO public website.

6. Structure, Approach & Governance

The Transformational Objective is being delivered in a structured programmatic way with the Transformational Objective considered a Portfolio and each Transformation Output a Programme made up of contributory Projects.

The strategic functions of the Transformational Objective are being delivered by the ICAO Transformation Team consisting of internal colleagues, secondees and consultants.

A cross functional ICAO Transformation Working Group, with specific teams as required, provides expert business partnering services and support. A Functional Unit Team provides a focal point in key Bureaus and Offices to support Projects with their requirements on Finance, Procurement, and Human Resources for example.

This structure is defined in figure 20, and has been updated for 2025 to include Continuous Organizational Improvement in preparation for the transition to the EPMO at the end of the triennium.

Transformational Objective Working Structure
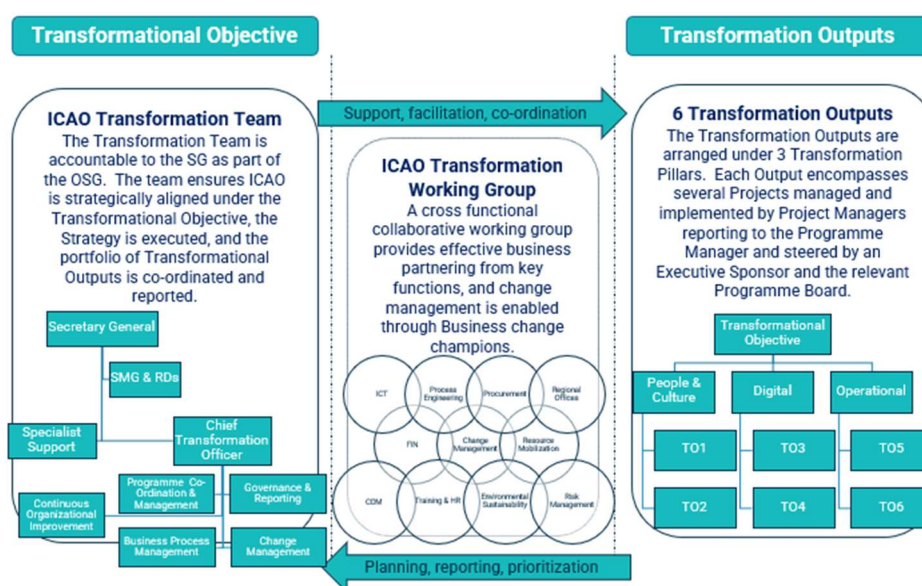
Figure 20

Aligned with the Business Plan 2023-2025, the Transformational Objective and associated Transformation Outputs adopt a RBM approach. Frameworks are designed to be flexible to allow practical and pragmatic application with synergies and efficiencies maximised across the Transformational Objective. Duplication is actively avoided with clear Outputs, synergies and KPIs defined to ensure achievement of desired results.

The governance of the Transformational Objective has been designed to leverage existing mechanisms. The Transformational Objective is set up as a Portfolio, with clear accountability

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and escalation routes, with the Secretary General holding ultimate accountability for the delivery of the Transformational Objective.

Transformational Objective Governance Structure
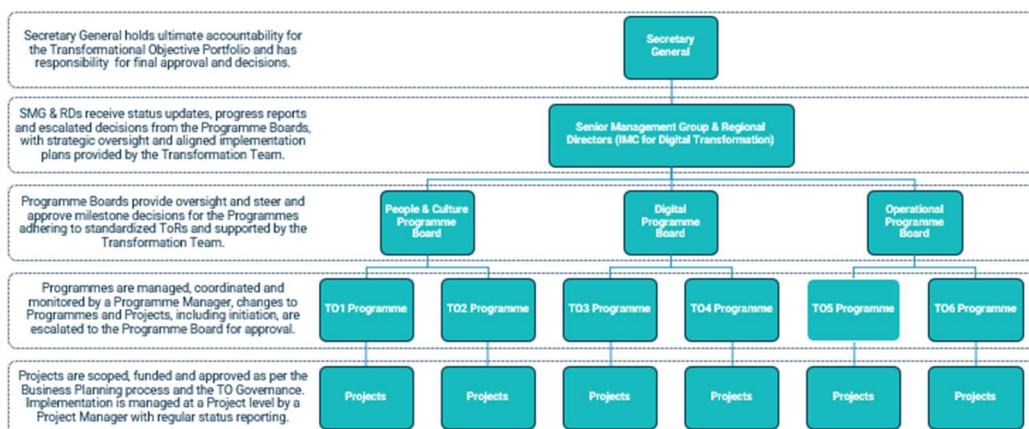
Figure 21

Each Transformation Output is a Programme with an Executive Sponsor accountable for ensuring effective implementation of the Programme. This role usually closely aligns with the Executive Sponsors' individual Director accountability, however, is not discreet.

Each Transformation Output is governed through one of 3 Transformation Pillar Programme Boards chaired by the Chief Transformation Officer; People & Culture (TO1 & TO2), Digital (TO3 & TO4), and Operational (TO5 & TO6). The Programme Boards meet quarterly as a minimum, with additional meetings convened where interim decisions are required.

Each Transformation Output also has Business Sponsors. The Business Sponsors are members of the Full Senior Management Group (FSMG) who act as the independent conscience of the business and change management lead.

The governance model defined for the Transformational Objective is temporary governance applicable to the implementation of the Transformational Objective Portfolio for the triennium; all core business delivered either as a Strategic Objective or as a Supporting Strategy, or an enabler to this work is considered core business as usual work and, although dependencies are highlighted, existing governance structures for this work are utilized and remain unchanged.

The Transformational Objective is defined in the Business Plan 2023-2025 and supported by the Triennial Operating Plan and Annual Work Plans to define the specific deliverables and activities. These are established working documents and will be updated as appropriate in line with the Transformational Objective governance structure with any changes.

The structure and approach have served ICAO well during the first 2 years of the Transformational Objective and have delivered an enhanced level of accountability and oversight of the Transformational Objective Portfolio. To complement the governance, terms of references, tools

and templates have been established and launched together with a Programme and Project Managers handbook documenting operational processes.

There are some challenges ranging from capacity of Output and Project Executive Sponsors to capability in Project Teams, and this has continued into 2024. The Transformation Team has adopted an enhanced partnering role to the Programmes and Projects to accelerate progress as required. The governance has remained steadfast, however the application of it has been more agile and pragmatic to deliver quicker results.

7. Project Prioritization

7.1 The Requirement for Project Prioritization

At the establishment of the Transformational Objective, all Transformational Objective Programmes and Projects were given a category A priority (highest priority status) in the Business Plan 2023-2025 Triennial Operating Plan. This priority status for all Transformational Objective Programmes and Projects has been re-iterated though the Transformational Objective being one of the Priority Focus Areas (PFAs) agreed by the Council in 2024.

A funding prioritization approach was established, documented as a workflow, and has been applied throughout the first and second year of the Transformational Objective. This approach was designed to enable effective decision making when multiple requests for Project funding and resources were required at the same time from the budget available.

The experience gained in the first year of the Transformational Objective indicated that although this approach worked effectively in a reactive manner, a more proactive approach was required moving forward. It was evident at the end of 2023 that there would be a funding gap, and so it was essential to ensure resources were applied to the most important and urgent Projects to achieve the Transformational Objective Outcomes.

The Transformation Strategy articulated that Transformational Objective Projects would defer to the ICAO Prioritization methodology to be defined as a deliverable of the RBM Project. An ICAO Prioritization methodology has now been defined and applied to the Business Plan 2026-2028, however an interim and bespoke methodology was required for the Transformational Objective more urgently and, as indicated in the 2023 Annual Report, was therefore established and applied for Transformational Objective Projects in early 2024.

7.2 Methodology & Application

A simple and pragmatic methodology was created, accounting for the limited application and the remaining timeline of the Transformational Objective lifecycle.

The methodology therefore focused on partially funded and unfunded Projects and each of these Projects was subject to a minimum viable product (MVP) Project review which aimed to establish the key deliverables required. In doing so, some deliverables were de-scoped enabling Projects to move to the fully funded category.

All de-scoped deliverables and some descoped Projects have been captured under the Continuous Organizational Improvement High Priority Enabler and Programme for prioritization and implementation in the Business Plan 2026-2028.

Descoped Projects in 2024 were People First Kaizens Project, Employee Engagement Project and the Enterprise Risk Management Platform Project.

Remaining partially funded and unfunded Projects were then prioritized based on binary scoring of 3 criteria:

- **Criticality** – Project is critical; it is core to the Transformational Objective, has several linked dependencies and without implementation the Transformational Objective cannot meet its intended Outcomes. *Assessed by Transformation Team*
- **Expectancy** – Project is expected; due to expectations or steer from Council, Secretary General or Staff to implement Project under the Transformational Objective, and/or Project is at least partially funded by a voluntary contribution from a Donor (funding or secondee). *Assessed by Secretary General*
- **Viability** – Project is highly viable; it is reasonable to assume funding and resources can be allocated and the Project can be fully implemented by the end of the triennium. *Assessed by the corresponding Output Executive Sponsor*

The Prioritization Methodology is agile and can be applied as required; 2 further cycles were completed in 2024. The December 2024 result led to the de-scoping of the ERM Platform Project in TO3 which will now be planned for the next triennium. At the end of December 2024, a funding gap of less than CAD 1M remains with no unfunded Projects, and only 3 partially funded Projects.

8. Change Management, Communication & Engagement

Change management continued to be a critical component of the successful implementation of the Transformational Objective in 2024, ensuring changes are effectively embedded to deliver sustained results. The approach has remained light, flexible, and pragmatic, emphasizing adaptability and colleague engagement.

Building on the methodological foundations established in 2023 (a PROSCI methodology adapted to suit ICAO's unique requirements), the focus for 2024 continued to be on empowering colleagues through training and engagement. The Change Management Framework has been further integrated into all Transformational Objective Programmes and Projects, with tools and resources tailored for specific needs. Additionally, workshops and consultative sessions have been made available to all Projects and Programmes to ensure a harmonized approach. The Portfolio is also seeing increased maturity, with more Projects incorporating a Change Management plan as a standard part of their Project work.

In 2024, we continued to focus on enhancing capacity and capability in the Transformational Objective. Efforts were made to increase the change management capacity, including hiring a second full-time Change Manager, dedicated to the ERP & PPM Project, as well as increasing the necessary skills in Project Managers through workshops and training. These efforts will continue with additional training planned for Project Managers, a Change Management component planned for the upcoming People Managers course, the continued promotion of existing relevant courses available to staff, and the offering of the UNSSC course on sponsoring change to all Executive Sponsors of the Transformational Objective.

Progress has been made towards fostering an inclusive and harmonized approach to communication, training, and overall change management activities across all Projects. This includes a holistic Change Management plan, as well as a detailed overview of activities by Transformation Pillar.

Communication remains at the heart of the Transformational Objective efforts. In 2023, the bi-monthly Transformational Objective Snapshot newsletter was established and has continued into 2024 with an ever-expanding audience. In addition, the Transformation Team and Project Teams have enhanced their regular Viva Engage posts and expanded the Transformational Objective intranet site to include subsites for various Projects.

In 2023, and continuing into 2024, engagement with senior leaders has been a cornerstone of success. Quarterly FSMG meetings and workshops, monthly reports to the Senior Management Group & Regional Directors (SMG & RDs), and the consistent inclusion of escalated decisions as per the governance structure have all ensured ongoing dialogue. The Secretary General has seized every opportunity through staff Town Halls and other events to engage with colleagues and through ICAO regional and bilateral meetings with Member States regarding the Transformational Objective.

To adopt and embed best practice from the UN, the Transformation Team are active participants in the United Nations System Staff College (UNSSC) UNLOCK network. During 2024 this has enabled effective peer exchange with other UN Agencies and development opportunities for the Chief Transformation Officer and Output Executive Sponsors.

The Chief Transformation Officer also maintained regular meetings with the ICAO Staff Association Executive Committee in 2024, which was also seen by several Projects as an important stakeholder, reinforcing the importance of collaboration and staff engagement at every level.

9. UN 2.0

In response to the publication of UN 2.0, an impact assessment of the Transformational Objective was undertaken in 2023 to better understand alignment and congruence between the Transformational Objective and UN 2.0; specifically, to identify how the Transformational Objective Portfolio of work contributes to the UN 2.0 ambition.

It was concluded that there is no requirement to re-scope the Transformational Objective work following this assessment, nor does the Transformational Objective fully deliver any specific element of UN 2.0. However, there are recognized synergies and so this impact assessment now serves as a reference for future consideration to ensure ICAO maximizes synergies, opportunities and efficiency when planning the strategy and associated actions as required under the UN 2.0 Accelerator recognizing that the Transformational Objective contributes significantly in all areas, except Behavioural Science.

ICAO has nominated focal points and participates in UN initiatives across the Quintet for Change, including contributing towards the UN2.0 Action Plan and regular progress reporting.

10. Funding Status

The Transformational Objective is funded by the regular budget, voluntary contributions, ARGF reserve, AOSC efficiency and effectiveness Fund, Operational Reserve and unutilized regular budget (carry over) funds.

Figures 22 and 23 below show the total required budget against available funds and expenditure at the end of 2024; this highlights the current gap of CAD 0.5M.

The Transformational Objective total cost ceiling was frozen at CAD 54M on 1 January 2024. As the Projects progressed, they refined their cost needs. Through diligent management and the application of a MVP approach, key Project components were delivered and the total Project cost has been revised down to CAD 42.5M. This significant reduction has also greatly mitigated the key risk of a funding gap.

Total Project Required Funds v Available Funds v Spent Funds

Figure 22

	TO1	TO2	TO3	TO4	TO5	TO6	TT
TOTAL Estimate	$3,939,339	$3,773,569	$17,760,687	$12,353,024	$447,951	$1,672,311	$2,528,449
TOTAL AVAILABLE	$3,968,517	$3,773,569	$17,302,931	$12,353,024	$453,451	$1,550,311	$2,609,680
TOTAL SPENT	$1,286,090	$1,567,768	$8,015,625	$6,189,795	$229,451	$832,746	$1,571,177
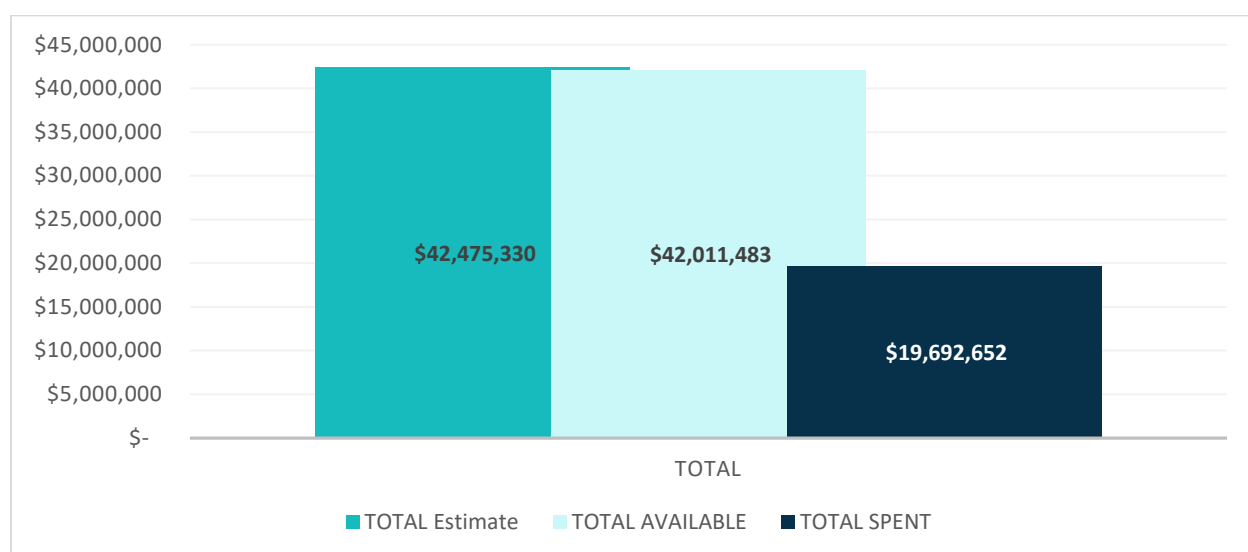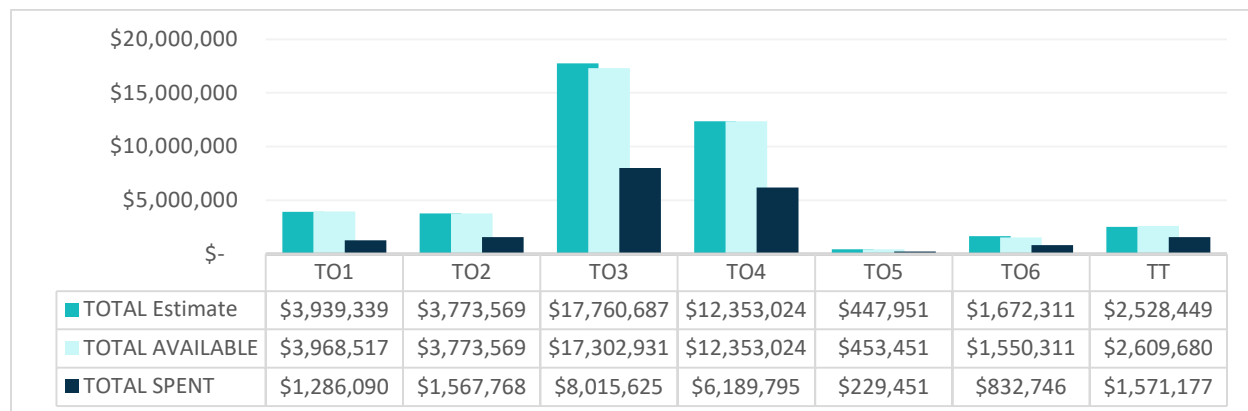
Figure 23

The following assumptions should be noted in reference to figures 22 and 23:

- Includes Human Capital Management Project (Inspira) costs since 2020.
- Includes Information Security costs since 2021.
- All other Transformation Objective costs are since 2022/2023.
- Includes Regular Budget funded staff costs for TO2, TO3 and Transformation Team costs.
- Include 2020-2022 triennium budgets associated with Transformational Objective Projects (e.g. TO4 Projects, LSMS, HCM, RBM, Ethical Enablement), which started before the 2023-2025 triennium, establishing the Transformation Team, and preparing for the Transformational Objective implementation in the 2023-2025 triennium.

Voluntary contributions shown in figure 24 have been made by Member States, for which ICAO is very grateful.

Summary of Voluntary Contributions to the Transformational Objective

Donor	Earmarking	Amount (CAD)	Available (less 7%)	Allocated	Balance (CAD)
Austria	Transformational Objective	43,777	40,713	21,000 (Business Process Management)	21,713
Canada	Gender Equality	30,000	27,900	27,900 (Gender Equality Programme)	0
NORDICAO States	OSG TT Change Management	100,000	93,000	93,000 (Change Management Lead)	0
Qatar	Transformational Objective	133,358	124,023	$93,264 (Gender Equality Prog & DEI)	30,759
Republic of Korea	Digital Transformation	400,000 (additional 200,000 pledged)	372,000	372,000 (Service Management)	0
Singapore	Transformational Objective	100,000	93,000	93,000 (Fit For Purpose Organization)	0
United Kingdom	OSG TT People Strategy Implementation Gender Equality	1,184,034	1,101,152	102,000 (Transformation Advisor) 300,000 (Culture Transformation) 200,000 (Leadership Development) 486,980 (Gender Equality)	12,172

Figure 24

In 2023 and 2024, the Transformational Objective was also delighted to welcome the support via secondments from Brazil, Canada and the United States for the Transformation Team, Gender Equality Project and SARPS & DMS Project, respectively.

11. Risk Management

The Transformation Team assumed responsibility for coordinating and monitoring risk management for the Transformational Objective.

A risk register, aligned with ICAO's ERM and Internal Control Framework is in place to manage risks at Portfolio, Programme and Project levels with updates on high risks at a Portfolio level provided regularly to the Secretary General and the SMG & RDs, which is aligned with the Transformational Objective governance, and two corporate risks reported to the Council.

Every Programme and Project is also required to manage and mitigate risks via the risk register with updates provided at the Programme Boards.

Standardized actions, issues and decisions logs are also managed to provide effective audit and control across the Portfolio.

In 2024, 96 new risks were identified. By the end of 2024, a total of 11 Portfolio risks, 9 Programme risks and 72 Project risks have been captured with monthly reporting and updates on status, mitigation, likelihood and impact. A total of 138 risks have been closed in the first 2 years of the Transformational Objective.

Two Portfolio risks were added to the Corporate Risk Register as approved by the ERM Reference Group in December 2023.

Transformational Objective Portfolio Risks added to the Corporate Risk Register

Insufficient budget to implement all the planned Transformational Objective Projects resulting in a reduced or limited achievement of the full Transformational Objective, Outcome(s) and Output(s) as per the Business Plan 2023-2025 and ICAO Transformation Secretariat Strategy.

Insufficient Cultural shift at ICAO achieved, during the Transformational Objective triennium period by the end of 2025, diluting the benefits and positive impact of Transformational Objective Projects and Programmes implementation success and increasing the risk on not sustaining new ways of working upon completion of the Transformational Objective.

Figure 25

12. OIO Assessment & EAAC Review

During 2024, the EAAC reviewed the Transformational Objective Portfolio implementation in both meetings. Executive Sponsors also met with EAAC on specific Transformation Output Programmes and Projects.

In addition, there was a Mid-term Assessment of the implementation of Transformational Objective completed by the OIO in March 2024. The final report highlighted the achievements made in governance, agility, Project Management capabilities, capacity development, ERM application, tools development, change management and self-assessment.

There were 6 conclusions highlighted in the report:

Despite the Transformational Objective being a complex and ambitious enterprise-wide portfolio, several achievements were made at the mid-point of the Transformational Objective:

Conclusion 1: implementation of an enterprise-wide Portfolio governance mechanism to manage the Transformational Objective, which was a significant undertaking, considering that the degree of Project Management discipline was new to ICAO; including improved transparency of decision-making through the respective Programme Boards.

Conclusion 2: the Transformation Team helped introduce an enhanced enterprise-wide Project Management discipline to ICAO, such as the establishment of the Programme, and demonstrated mature Project Management capabilities in Project governance and in capacity development among personnel.

Conclusion 3: an ERM Framework was applied to the Transformational Objective with an up to date and effective risk register reviewed and maintained at a Portfolio, Programme and Project level.

Based on the results and findings, OIO concluded the following to serve as a catalyst in achieving the Transformational Objective, including its link to the overall strategy of the Organization:

Conclusion 4: business cases should be drafted and approved for all Projects not started and for ongoing Projects with at least 4 months remaining for completion and a total budget greater than CAD 200,000 to support transparency and accountability; and business cases should have an accurate assessment of benefits to be realized and well-defined clear KPIs, before Projects are approved by the respective Programme Boards for initiation/ implementation.

Conclusion 5: a reprioritization of the remaining Transformation Objective Projects should be reperformed with a focus on those Projects that can significantly contribute towards achieving transformation, including what is attainable within the time limit of the Transformational Objective, and develop a revised plan. This plan should clearly distinguish between transformational Projects and those Projects that are strategic or operational; and

Transformational Objective Projects should have a clear phase out strategy to sustain the realized benefits after the Transformational Objective Project ends.

Conclusion 6: the Transformation Team in close coordination with the Business Owners/Executive Sponsors and Programme Managers should update and clarify how Project interdependencies will be managed to enable the implementation of high priority key transformation Projects.

A Management Action Plan was established to address conclusions 4, 5 and 6 with the following actions approved by the Secretary General.

Conclusion 4 (i): Any Transformational Objective Project requiring Programme Board approval to commence implementation or a significant change in Project scope, milestones, timelines, budgets or risks will require a new or updated Transformational Objective template business case to be approved by the Programme Board. These business cases will have clear benefits to be realized and KPIs with targets.

Conclusion 5 (i): The Transformation Team will coordinate with the Programme Managers to update the Project interdependencies and follow-up their management.

Conclusion 6 (i): The Transformation Team will co-ordinate the review and repeat of the Transformational Objective Project prioritization by applying the agreed methodology after 6 months.

Conclusion 6 (ii): The Transformation Team will report against all Outcome and Output KPIs until the completion of the TO, and ensure continued monitoring thereafter is handed over to bureaus and offices, or an EPMO if established, to realize the 2027 Transformation Vision Statement by the appropriate business units.

Conclusion 6 (ii) will be monitored until the end of the Transformational Objective lifecycle; all other actions were completed in 2024.

Pending at the end of 2024 is the report on the OIO audit of the LSMS digital transformation Project. This report is expected to be issued in early 2025.

In addition to the good results from the OIO assessment, there has been positive feedback from EAAC, both on the approaches adopted and regarding the agility of the Transformation Team to apply lessons learned, evolve, and refine ways of working. The EAAC appreciated the positive findings made by OIO in its Mid-term Assessment.

In the Secretariat Action Plan to implement the recommendations of the EAAC for the period 2021-2022, the EAAC had made the recommendation shown in figure 26.

The EAAC Recommendation

EAAC is concerned about the significant number of organizational change Projects and the impact on capacity and encourages ICAO to ensure prioritization and prudence in the delivery of the transformation, with clear Project milestones, cost control and Project oversight by a team dedicated to Programme and Project oversight and control.

Figure 26

This recommendation was addressed by the Transformation Team and subsequently closed by EAAC in 2024. The ICAO Transformation Team in the Office of the Secretary General is now well established and effective under the guidance and management of the Secretary General and Chief Transformation Officer. Through both the published 2023 Annual Report and 2024 OIO Assessment it is evidenced that the Transformational Objective continues to evolve and adapt to enable effective implementation, and through the Transformation Pillar Programme Boards, SMG & RDs and Information Management Committee (IMC) roles in the Transformational Objective governance, and regular FSMG engagement, adequate oversight and steer is in place.

A Transformational Objective Project Prioritization methodology has been established and was applied in May 2024 leading to some re/de-scoping, Project enhancements, and a significant reduction in the funding gap. This defers some of the planned work to the next triennium enabling effective management of the workload and mitigating the risks captured in this recommendation regarding capacity and resources.

Furthermore, the external auditors have undertaken performance audits on various Secretariat operations and initiatives related to the Transformational Objective, including:

- Implementation of the ICT Strategy and Action Plan 2022-2025
- New ERP System implementation
- Consultants at ICAO Headquarters
- Safety and Security Oversight Audit Programmes

The Transformation Team has benefitted from the EAAC, OIO and the external auditor inputs on various elements at Portfolio, Programme and Project levels, and welcomes the continued support into 2025. In this regard, OIO has planned the following Transformational Objective related activities in 2025:

- Audit of a Digital Transformation Project (exact Project to be determined)
- Limited Review of Internal Control System (including Quantum and other components for end-to-end risk and control mapping), and continuous audit on segregation of duties in the ERP
- Audit of ICAO Information Security (and its alignment with ICT Strategy)
- Evaluation of the ICAO Gender Equality Programme
- Audit of Events Management and Conference Services

- Audit of Organizational Resilience Management

13. Implementation Plan

The Transformational Objective implementation plan is managed in a consecutive series of Transition States representing the preparation period as Transition State 0 leading up to the 2023-2025 triennium followed by 3 further Transition States representing the 3-year Business Plan triennium period.

The implementation plan for the Transformational Objective is aligned to these Transition States ensuring delivery of the Transformational Objective Outcomes and Outputs, and a dependency map is maintained to ensure the critical path is established and managed effectively.

13.1 Implementation Plan

The implementation plan in figure 27 shows the implementation timeline for all Transformation Projects from the point of implementation to close.

Transformational Objective Implementation Plan
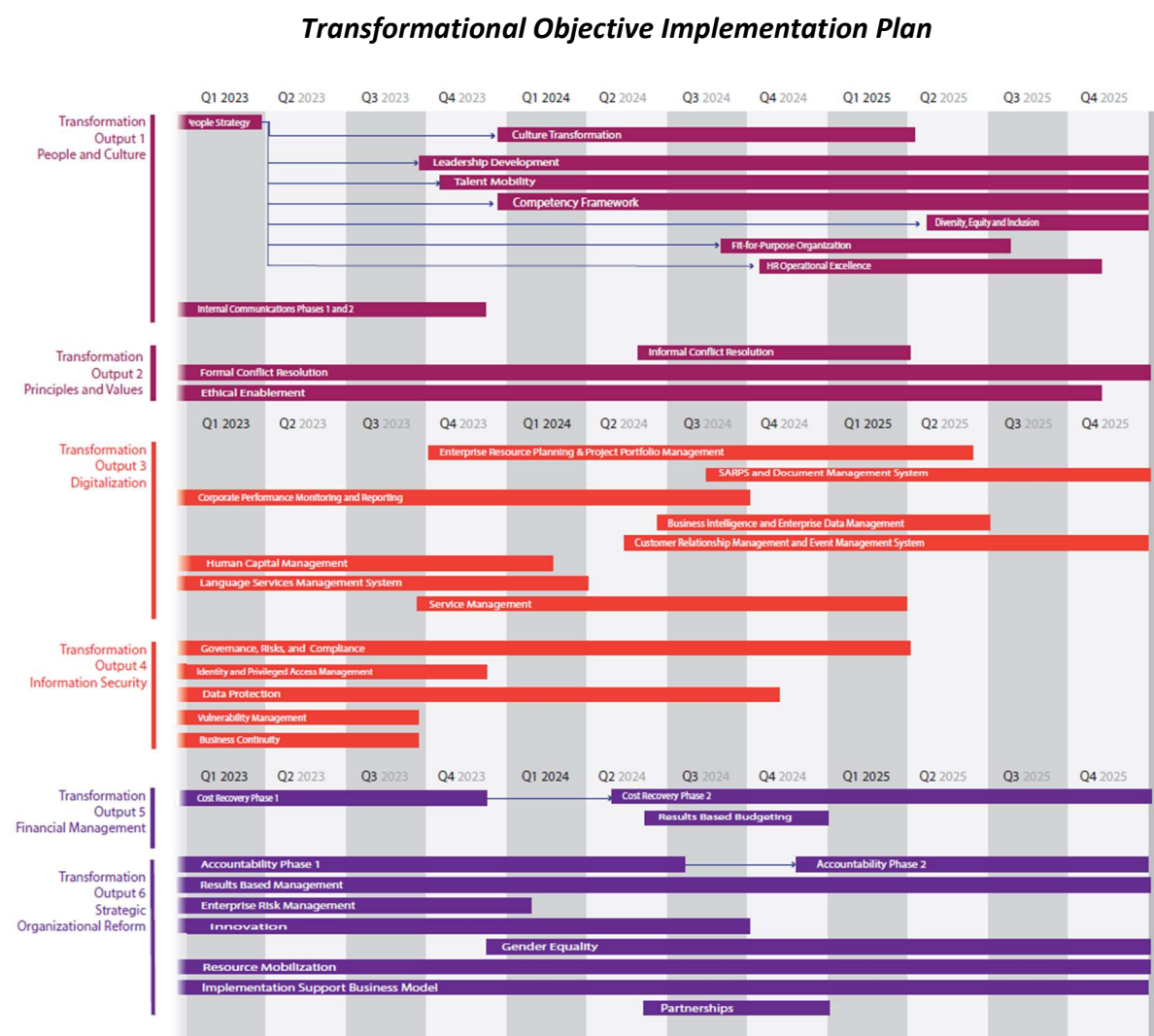
Figure 27

13.2 Dependency Map

The dependency map in figure 28 shows the key Project dependencies on the Transformational Objective critical path.
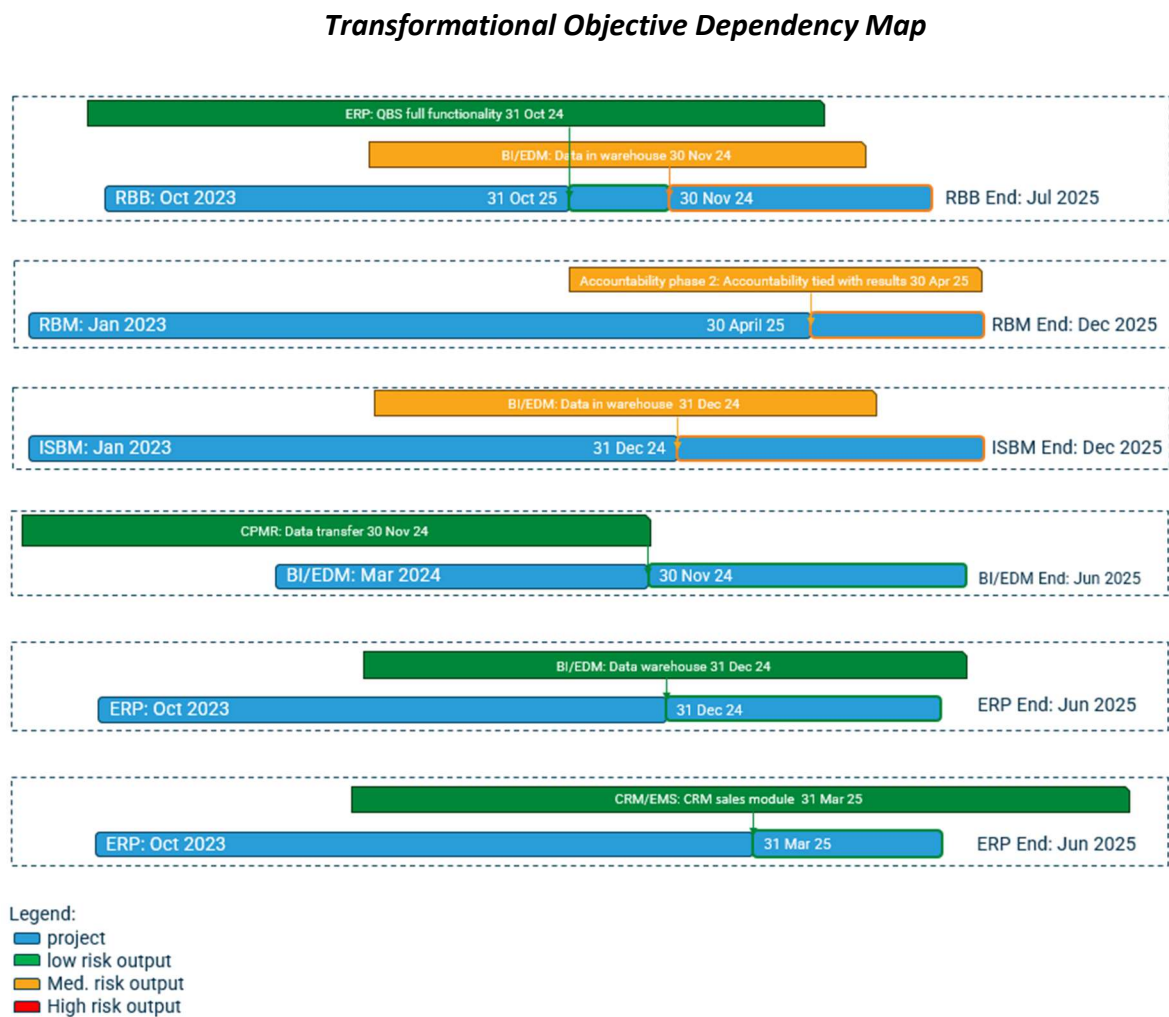
Transformational Objective Dependency Map

Figure 28

14. Lessons Learned So Far

During the course of the first 2 years of the Transformational Objective, there have been several lessons learned. Some lessons have enabled ongoing improvements to the implementation of the Transformational Objective, and several have been gathered to ensure effective transition to the EPMO at the end of the Transformational Objective lifecycle.

14.1.1 Programme & Project Management Capacity & Capability

The insufficient Programme and Project Management capacity and capability in ICAO, and the absence of centralised guidance and support and a standardised approach and methodology, has proven a challenge for the Transformational Objective. At a Portfolio level, there is a dependency on external expertise recruited as consultants for the Transformational Objective lifecycle. At Programme and Project levels, it has been challenging to secure sufficient proficient resources to manage the Projects effectively, with many Project Managers responsibilities overlapping with their core work, and inadequate professional change and leadership capability. Support tools such as the Programme and Project Managers Handbook, Project planning and Change Management training have been provided by the Transformation Team, however there is inconsistency in Project Management expectations set by the Output and Project Executive Sponsors, leading to gaps in effective planning specifically, and the capacity to effectively balance responsibilities. The Transformation Team have tackled each of these elements during the first 2 years, and significant improvements have been made. However, to effectively manage Programmes and Projects in the future for ICAO, enhanced and aligned expectations, training and support are required together with consistency of approach, which is planned to be provided in the future with the establishment of the EPMO.

14.1.2 Project Planning

Gaps in Project Management capability has led to some gaps in effective Project planning and robust business cases. Also, several Projects commenced before the Transformational Objective with little review of Project planning or the requirement for a business case. This was identified early in the Transformational Objective journey with a template now in place and Programme Boards responsible for approval of business cases and any subsequent material changes in Project scope, timeline and budget. Some Projects are not true change Projects and are simply business as usual improvements or enhancements for which the Transformational Objective governance is too heavy. Project scope definition is key as insufficient clarity can lead to inadequate accountability. It is also important to ensure clear milestones, deliverables, resources, KPIs, risk mitigation, benefits and efficiency gains for each Project. This is a key lesson for the EPMO to take forward when initiating a new Project with an approval mechanism and stage-gating in place ensuring only Projects which provide significant benefits to ICAO, and deliver a change, are initiated.

14.1.3 Effective Governance

A relatively simple and pragmatic governance structure has worked well for the Transformational Objective, however embedding this fully remains a challenge with the occasional lapses in application observed. There can be conflict for Output and Project Executive Sponsors' level of authority with a culture of accountability not fully embedded. There is a default to hierarchical decision making rather than deferring to the correct governance mechanism action, with instances of individual actors taking decisions outside their authority. None of the breaches experienced have caused a negative impact to the Transformational Objective implementation, nor has there been widespread deliberate disregard for the governance. The level of intervention from the Chief Transformation Officer to ensure the Programmes adhere to the governance has been beyond expectations, albeit there is steady improvement evident. Beyond the Transformational Objective, and upon full implementation of the Accountability Framework and establishment of the governance framework, there will be further enhancement with centralized monitoring of adherence through the EPMO.

14.1.4 Project Prioritization

To effectively manage the Portfolio, it became apparent very quickly that Project prioritization was required. This was key for several reasons; the funding gap was too large for ICAO to have confidence it could adequately resource all planned activity; the impacts of business as usual and ICAO operations resulted in some Project delays; lack of Project management capability led to poor Project and resource planning in some instances. In addition, the Council, the EAAC, OIO and external auditors insisted the prioritization of Projects was essential to communicate the rationale and justification for the decisions taken in terms of Project funding allocation and implementation. The Transformational Objective established a Prioritization Methodology, and an enterprise-wide agile methodology is essential for effective Project and workload management in the future, to be institutionalized beyond the Transformational Objective through the planned EPMO.

14.1.5 Finance & Funding

The funding for the Transformational Objective was set up using existing budget appropriation, allocation and transfer mechanisms, and was secured from multiple funding sources confirmed at different times in an incremental manner during the first 2 years. This created the need for significant manual effort for financial planning and reporting, and the coordination with several allotment holders of the various budgets utilized for Transformational Objective funds. For Portfolio management to be effective, and to ensure good budget planning and allocation, centralized budget management is essential. This also enables transparent governance, accountability and budget reporting. It is proposed that the planned EPMO manage the future Continuous Organizational Improvement Programme of Projects.

14.1.6 Change Management

The importance of good change management was identified at the start of the Transformational Objective and specific resources were assigned to this, albeit these were secured too late due to the absence of this expertise internally in ICAO, constraints in securing budget to contract external support, and challenges experienced in attracting and recruiting expert consultants with the required qualifications and experience. Embedding good change management practises at a Programme and Project level is an ongoing effort, and proactively managing change fatigue is an essential part of this. Coordinated change management at every level has worked well, and moving forward a concentrated effort in this area must continue. The future EPMO plans to incorporate change management within its functions to support the whole organization.

14.1.7 Sustaining the Benefits

The effectiveness of the Transformational Objective will be measured beyond the implementation lifecycle, and so ensuring mechanisms are in place to sustain the benefits achieved is important to articulate and manage effectively. At Project closure, relevant handovers to business units are complete and there will be a continued measurement of achievement of KPIs until the end of the Transformational Objective lifecycle. To sustain the benefits fully however, accountability for management, continuous improvement and reporting should sit with the relevant business units and individuals as an element of their annual objectives.

15. 2026 and Beyond

In the 233rd session of the Council, ICAO's Strategic Plan 2026-2050 was approved. In this key document, ICAO's Vision, Mission, Values, and Strategic Goals are presented for the next 25 years.

The Strategic Plan 2026-2050 also introduced High Priority Enablers (HPE) to support the Organization achieve its Mission. These enablers are critical cross-cutting factors that underpin the successful implementation of the Strategic Goals and ensure that the benefits of aviation are realized across all strategic areas. The HPEs focus on key areas which are essential for addressing the complex challenges facing the aviation industry. By prioritizing these enablers and integrating them into the implementation of the Strategic Goals, ICAO aims to create a more resilient, sustainable, and inclusive international civil aviation system.

Among the HPEs, is the ICAO Continuous Organizational Improvement (COI) Output and Programme, which is focused on enhancing organizational efficiency to ensure the greatest possible efficiency and effectiveness in the operations of ICAO to meet the Strategic Goals, including Human Resources Management, Digitalization, Financial Management, Multilingualism, Governance & Accountability, and Business Operations and process management.

The COI will be managed as a Programme, with various initiatives under COI implemented as Projects. The COI will be the legacy of the Transformational Objective and will continue to oversee the execution of Projects that are designed to achieve the Transformation Vision.

The COI will be managed by the EPMO, where responsibility will also sit to monitor the ongoing effectiveness, sustained benefits and KPIs of the closed Transformational Objective Projects.

16. Reference Documents

The Annual Report is complemented and aligned with several Transformational Objective documents and material.

- ICAO Transformation Secretariat Strategy
- ICAO Business Plan 2023-2025
- Triennial Operating Plan 2023-2025
- Performance Monitoring Framework
- Transformational Objective Dashboard
- Transformational Objective Projects Summary
- ICAO Public Website Transformational Objective page
- ICAO People Strategy 2023-2025
- ICT Strategy & Action Plan 2022-2025
- ICAO Secretariat Strategy on Innovation 2022
- Information Security Strategy & Implementation Roadmap
- Resource Mobilization Strategy of Voluntary Contributions
- ICAO Partnerships Policy
- ICAO Strategic Plan 2026-2050
- ICAO Business Plan 2026-2028
- Transformational Objective 2023 Annual Report