



| ICAO |

**TRANSFORMATIONAL
OBJECTIVE**

2023 Annual Report
January 2024

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1.Foreword

At the end of a phenomenal year, which marked the first phase of ICAO's ambitious three-year transformation journey, it is evident that so much has been achieved with important foundations laid for transformation across our Organization. The achievements in the areas of People & Culture, Digital as well as Operational Transformation represent the collective passion, hard work, and dedication to the Transformational Objective Vision.

I recognize that embracing change is never easy. This transformation journey has asked a lot from ICAO personnel. It demands taking on additional responsibilities, continuous learning, and sometimes, stepping out of comfort zones. Seeing how colleagues have risen to these challenges fills me with immense pride.

I also wish to acknowledge the valuable guidance and support received from the Assembly, Council and the President, Member States, in particular those which have contributed voluntary contributions of funds and secondees, and most of all my Secretariat colleagues who have contributed their ideas and efforts, towards the implementation of the Transformational Objective, for which I am immensely grateful.

Looking ahead to year two, ICAO is poised to accelerate its efforts by embracing changes across all areas of the Organization, from new technological capabilities to important culture work. These changes will bring exciting opportunities for growth, innovation, and personal development.

Transformation is a journey of discovery, and having set the foundations this year, ICAO will now build upon them by carrying forward the spirit of collaboration and excellence that defines the Organization, wherever personnel are stationed working for ICAO serving our Member States.

Juan Carlos Salazar
Secretary General

2.Executive Summary

Since the endorsement of the ICAO Business Plan 2023-25 and approval of the regular budget, the Transformational Objective has developed into three core Transformation pillars of work to achieve the Transformational Objective Outcomes and Vision. ICAO started 2023 with the publication of the ICAO Transformation Secretariat Strategy which set the expectations for this journey and confirmed our Vision Statement for the Transformational Objective:



Figure 1.

The Transformational Objective aims to deliver this through the achievement of four key outcomes:

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

Streamlined governance for the implementation of the Transformational Objective was established at the start of 2023 leveraging on existing ICAO Secretariat governance groups and committees, and aligned with results-based management. Over one hundred and twenty ICAO colleagues have actively contributed to one of the six Transformation Outputs or one of the forty-two established projects. The transformation work is supported by a Transformation Team established by, and reporting to, the Secretary General ensuring ICAO is strategically aligned under the Transformational Objective, the ICAO Transformation Strategy is executed, and the implementation of the Portfolio of Transformation Outputs is coordinated and reported.

The remarkable achievements of the first year are a result of colleagues' continuous motivation, commitment, hard work, support and engagement. 2024 is filled with anticipation and enthusiasm as the exciting transformation journey progresses towards building an ICAO Fit for Future.

This first 2023 Annual Report gives an overview of the progress so far, lessons learned and a look ahead to 2024. It is prepared to showcase the evolving nature of the Transformational Objective and celebrate the successes. All are invited to engage with the Transformational Objective, and I encourage and welcome feedback and questions to transformation@icao.int.

Michiel Vreedenburgh
Chief Transformation Officer

3. Transition State 1

At the start of the transformation journey, ICAO was considered to be overloaded, stressed, and inefficient with a growing mandate but limited resources. The Transformational Objective was agreed and included in the Business Plan 2023-25 and is fundamentally about transforming the Secretariat to enable ICAO to deliver an enhanced service to its Member States. In doing so, the Organization, has committed to enhancing its culture, technology, systems, people procedures and operational processes.

Member States and stakeholders expect and deserve enhanced, relevant, faster, and more agile support from ICAO; ICAO must transform to be able to meet future industry needs effectively.

The journey is underway with Transition State 1 focussed on foundational work upon which ICAO can now build. The urgency for transformation remains with improvements across the Secretariat beginning to land, and an evolution of enhancements underway. This is starting to transform the ICAO culture and its inclusive approach ensures the deliverables meet the needs of colleagues. An organizational culture shift at the heart of this is necessary with a specific focus on transitioning from some siloed working to full collaborative engagement. The wider positive impact on Member States however will not be fully evident until the final year of the Transformational Objective in 2025.

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 is fully achieved in both People & Culture Transformation and Digital Transformation. Operational Transformation has only partially achieved Transition State 1 with delayed progress in some Projects.

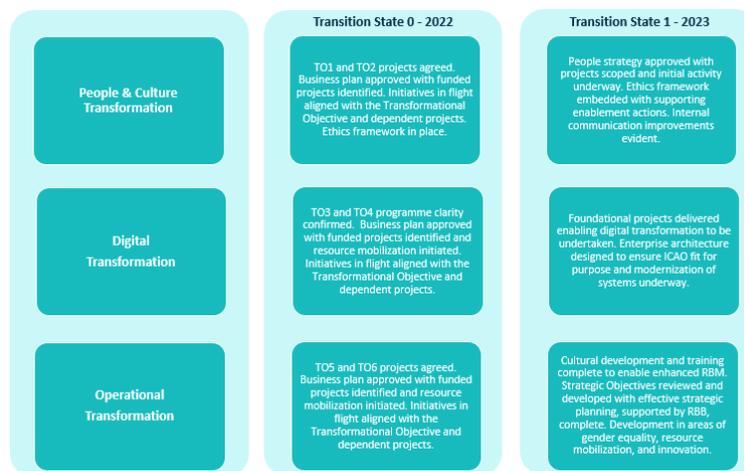


Figure 2.

4.Scope & Progress

The Transformational Objective is a three-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.

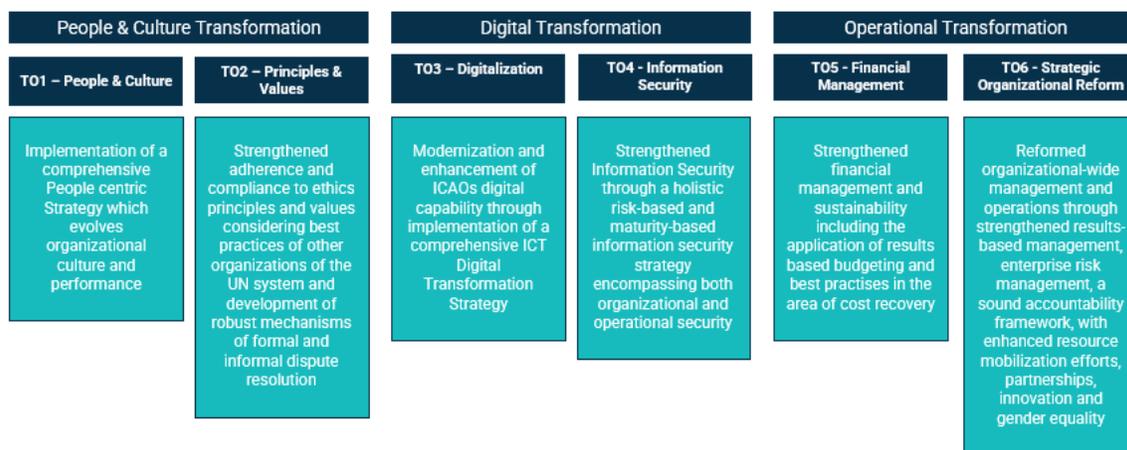


Figure 3.

At the start of the journey, forty-two Projects were scoped to realize the vision with a further three under consideration to enhance further.

Some transformation Programmes and Projects were already underway, and implementation of some foundational elements was already complete. In developing the ICAO Transformation Strategy it was recognised that the Programmes were at varying stages of maturity and accepted that remedial work would only be required by exception.

At the end of the first year the status update on the forty-two Projects, as determined by the four phases – not started, initiation, implementation and closed - is as follows with active Projects highlighted:

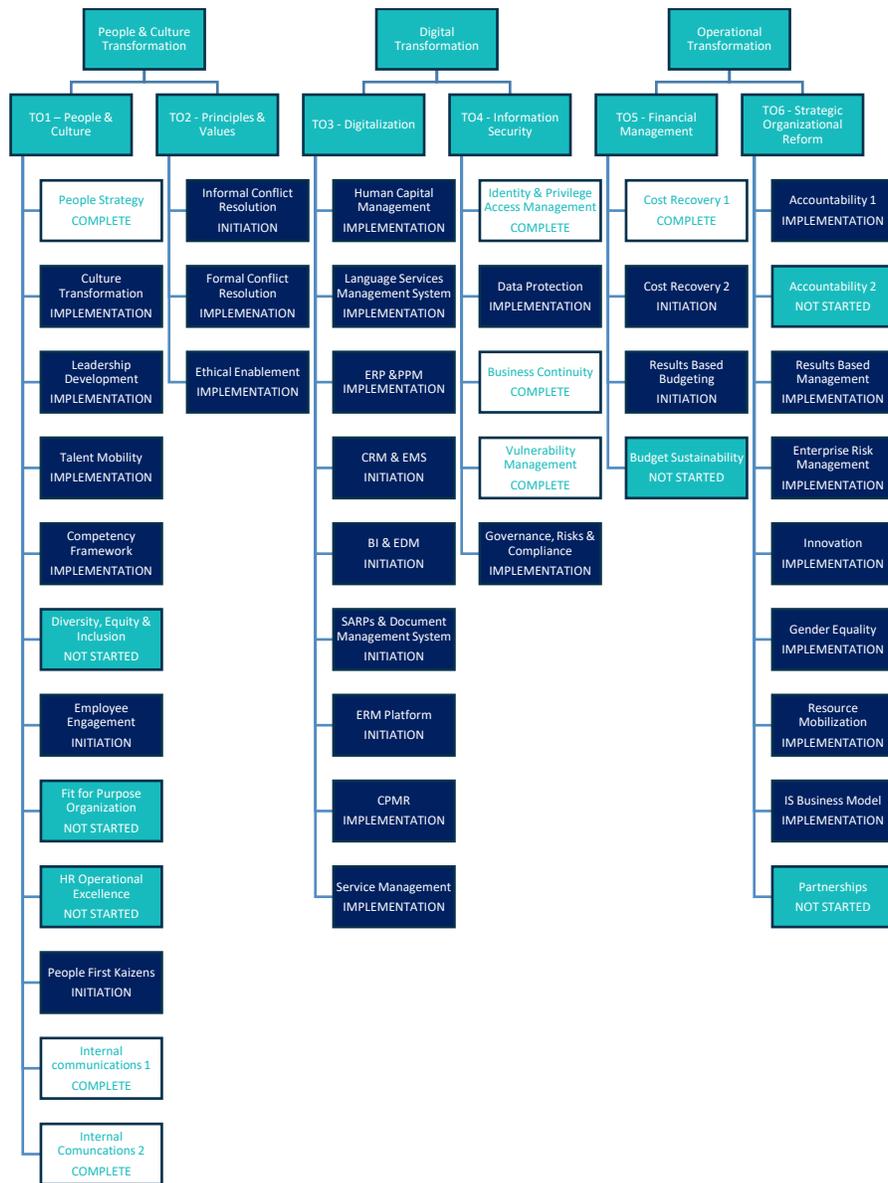


Figure 4.

It is important to note that there are imminent phase decisions on five Projects which will be presented to the relevant Programme Boards in Quarter 1 2024:

- Human Capital Management has partially completed, with a proposal to consolidate remaining scope and budget to the Enterprise Resource Planning & Portfolio Project Management Project to create efficiency.
- Language Services Management System will be presented for approval to close with completion of the Project milestones.
- Budget Sustainability has not yet started, but it is proposed to address budget sustainability in the Results-Based Budgeting, Partnerships and Resource Mobilization Projects to enhance alignment and therefore this Project will be removed with the scope consolidated into other Projects.

- Enterprise Risk Management will be presented for approval to close with completion of the Project milestones.
- Partnerships will be presented for approval to initiate.

An assessment has also been completed of the three potential additional Projects identified as follows:

- Effective Programme Management – There is a need to ensure effective Programme Management is in place to fully realize the benefits of Results-Based Management and effectively operationalize the new Enterprise Resource Planning & Portfolio Project Management system. The recommended way to do this is to establish an Enterprise Portfolio Management Office and this will be submitted for decision to initiate as a new Project in 2024.
- Organizational Structure – the Organizational Structure requirements are impacted by the Results-Based Management Project deliverables and, with the delivery of various people focused projects in TO1, there will be a better opportunity to design a structure fit for ICAOs purpose. During scoping of TO1 Projects and following the approval of the People Strategy, this work has been absorbed into the Fit for Purpose Organization Project scope under TO1.
- Knowledge and Process Management – There is a widely accepted need in ICAO for more effective knowledge and process management and through assessment of the current gaps and potential solution, a proposal for an Enterprise Business Process Management Framework has been agreed in principle by the Secretary General and will initiate in 2024 as a cross-cutting initiative delivered by the Transformation Team.

4.1 People & Culture Status

The first major achievement in the People & Culture Transformation was the development, approval and publication of a new ICAO People Strategy. Named 'People First', this strategy signifies ICAOs renewed prioritization of its People. In summary, People First aims to position ICAOs People as the most important influence in ICAOs value chain by creating an enabling environment where the growth of our people is prioritized, inspired and encouraged, while reinforcing the efficiencies of the Organization.

The People Strategy sets out a bold and ambitious programme of work which is now underway under TO1.

In a bid to optimize learning processes, TO1 introduced a streamlined learning and development process encompassing revised learning needs analysis, a fresh set of mandatory and technical training, and enhancements to the existing learning cycle. Especially noteworthy is the launch of the new online Leadership Development Platform, Blueline, offering leadership development courses to all ICAO colleagues. In addition, a new grade-based Leadership Development Programme started this year with Cohort I. This programme focuses on furnishing leaders across different grades with fundamental leadership skills. Into 2024, this will be enhanced further

through the launch of 360 feedback and leadership coaching. Both of these initiatives are undertaken in partnership with UN Systems Staff College (UNSCC).

ICAO has also been delighted to support the Women in Aviation initiative in partnership with McGill University with 15 ICAO colleagues participating so far.

TO1 was also the catalyst for the significant strides made in transforming internal communications. Under the Transformational Objective a new Intranet as well as a comprehensive effective communication training programme, available to all staff, were launched. Leaders across ICAO attended training in Spring 2023, and internal communications online training was launched. Furthermore, the implementation of a state-of-the-art Customer Relationship Management system has not only streamlined external outreach but has also fostered a more seamless flow of information within the Organization.

Talent mobility was a priority topic at the People Strategy consultation events and work has now started on a new and improved talent mobility framework and policy to address the current challenges and concerns raised by colleagues. To complement this work, a career conversations toolkit is also being developed and will be launched early 2024.

A cultural shift is fundamental to the success of the transformation and ICAO is already seeing the positive changes created by the momentum of the Transformational Objective. In 2024, the Culture Transformation Project under the leadership of the Deputy Director Human Resources will launch a deeper cultural diagnostic where all colleagues will participate in evaluating our current culture and help to shape the future culture.

Colleagues are also delighted to see the progress in enhancing ethical behaviour standards as ICAO embeds the framework which was launched in 2022 through a series of ethical enablement training courses. Four have been launched so far with a further six planned under the Ethical Enablement Project.

In 2024, following the approval by the Council in November 2023, the Organization will transition its administration of justice to the UN Dispute Tribunal (UNDT) and is also looking at ways to better support colleagues in ICAO in all matters relating to principles and values. The recruitment of a new ICAO Ombudsperson is underway.

4.2 Digital Transformation

This year witnessed 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 even during unforeseen disruptions. In addition, the Organization took important steps to identifying potential vulnerabilities within computational resources and protecting sensitive data. This proactive approach safeguards against malicious attacks that might jeopardize data or other critical resources and gives complete visibility of ICAO's vulnerability points.

Working in partnership with UNICC, this year was also significant in laying the basis for ICAO's journey towards technological sophistication and efficiency. One of the most pivotal decisions was the partnership with the UN Development Programme (UNDP) led consortium, Quantum. After a thorough evaluation and selection process, ICAO chose Quantum to support the new Enterprise Resource Planning & Portfolio Project Management Project system and Service Portal. The Enterprise Resource Planning & Portfolio Project Management Project system will form the backbone of the Information Technology infrastructure. With this important decision the Organization has also laid the foundation for streamlining and integrating processes across all Bureaus.

Furthermore, the Language Service Management System launched this year enhances efficiency and integration across the language workflows, with more features to come in 2024.

Equally significant is the newly introduced Corporate Performance Monitoring and Reporting (CPMR) tool to monitor progress against the Business Plan and provide valuable insights. This empowers ICAO to refine strategies consistently, ensuring it stays aligned with the Strategic Objectives and Supporting Strategies in the years to come. Work will continue on the CPMR in 2024 to further enhance functionality.

Into 2024, ICAO is progressing Digital Transformation to achieve ISO 27.001 Information Security Certification, completing the enhanced language service system as well as a new service management proposition creating a one stop shop for staff whether ordering a laptop, requesting information from HR or requesting an office name plate. ICAO will also see the Enterprise Resource Planning & Portfolio Project Management system implementation starting with a streamlined staff experience on people processes such as recruitment, training and performance evaluations.

The Standards and Recommended Practices & Documents Management System Project initiated this year with its first step to procure a partner to define the detailed scope for the Project. While scoping and refinement of the deliverables of the Project continue, significant progress will be evident in 2024 for this important work.

The Customer Relationship Management & Event Management System Project will commence in 2024, with the purpose of increasing customer engagement on sales, marketing, and customer service, while simultaneously modernizing our infrastructure through cloud migration.

The Business Intelligence & Enterprise Data Management Project will also commence in 2024, with the Administrative Instruction for Enterprise Data Management and the Data Assets Catalogue delivered in 2023 as an enabler to this work.

4.3 Operational Transformation

In the area of financial management, ICAO has successfully developed a new Cost Recovery Policy which was approved by Council in November 2023 and will be implemented in 2024. This

complements the next stages of work in TO5 on results-based budgeting which will also progress in 2024.

This links seamlessly on ICAO's journey to become a results-based organization and the Results-Based Management project is progressing well with the development of the long-term strategic plan. Education on results-based management started in 2023 with an all-colleague webinar and will continue into 2024. Progress has been delayed on this Project for varying reasons and the roadmap and project plan are currently under review to be presented in February 2024 to the Operational Transformation Programme Board for assessment and steer.

To support effective implementation of results-based management, progress has also been made on enterprise risk management with further training launched early 2024. A new Accountability Framework has also been developed and will be presented to Council in 2024.

A new Resource Mobilization Strategy and Implementation Support Policy are now both in place streamlining work in these areas and progress continues on innovation following the completion of the UNSCC independent assessment on innovation in 2023.

Progress on gender equality has gained increasing momentum after the Global Aviation Gender Summit in Madrid in 2023 and is now focused on engaging across all Bureaus and Offices through a series of focal points to drive this important work forward. In addition, ICAO will be promoting equality in aviation with the launch of a Gender Equality, Diversity and Inclusion (GDI) Global Ambassadors Programme before the end of the triennium.

4.4 Cross Cutting

The Transformational Objective has a defined lifecycle and will complete at the end of this triennium. However, it is recognized that to maintain and embed the change there will be a need for ongoing continuous improvement in the respective business areas. The Chief Transformation Officer has contributed significantly to the Strategic Plan development this year to ensure Programmes of this nature are included in ICAO's long term strategic planning.

There are an additional two core cross cutting initiatives referenced in the ICAO Transformation Strategy which will progress at pace in 2024.

The Strategic Operating Model work has commenced. This relies on the agreement of the new Strategic Plan which is a deliverable of the Results-Based Management Project. The first draft of this has been developed and it is on track to be delivered at a strategic level in 2024 as planned. Evolution of this will continue for the remainder of the triennium and beyond.

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

Enterprise Business Process Management will also progress at pace in 2024 with the introduction of a standardized process architecture, methodologies and governance. This initiative will build capacity inside ICAO for it to keep track, communicate, measure, analyze and most importantly improve internal processes in a sustainable way to endure after the completion 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. This includes work on artificial intelligence and innovation.

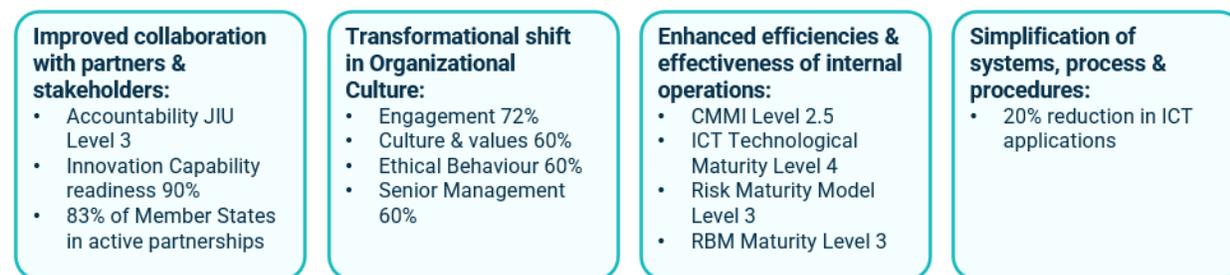
5.Outcomes & KPIs

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

Projects which have specific and direct impacts on Member States are as follows:

- **Standards and Recommended Practices & Document Management System Project:** aiming to digitally transform the development and lifecycle management of ICAO's Standards and Recommended Practices for governments around the world, expanding the space for more collaborative and innovative ways of working.
- **Implementation Support Business Model Project:** focused on designing and implementing a dynamic and responsive new operating model that creates new and integrated services and products for Member States, that are more effective and efficient.
- **Partnerships Project:** seeking to transform ICAO's approach to working in more open, coherent and collaborative ways, both with our core partners and new ones.
- **Gender Equality Project:** ICAO is making gender equality a central priority through programmatic work and services to support Member States in mainstreaming gender equality in the aviation sector, as well as throughout ICAO operations and ways of working.
- **Culture Transformation Project:** in stepping up to one of the most challenging aspects of change in any organization, ICAO is investing in designing a holistic and strategic plan of actions that will empower everyone across the Organization to contribute to and benefit from a more inclusive, innovative and adaptive working culture for decades to come.

The four outcomes of the Transformational Objective, to support the One-ICAO approach to working, were committed at the start of the journey. For each outcome, there are now a defined set of KPIs which were developed in 2023:



Four additional KPIs will be added in 2024, proposed as follows:

Improved collaboration with partners & stakeholders:

- Percentage efficiency enhancement in SARPs development

Simplification of systems, process & procedures:

- Percentage simplification of people processes
- Percentage simplification of financial processes
- Percentage simplification of key support processes (travel and procurement)

As these new KPIs link directly to the Standards and Recommended Practices & Document Management Systems and the Enterprise Resource Planning & Portfolio Project Management Projects, they require further analysis, including baselining before they are committed, and this will happen naturally as the Projects mature.

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 was also established in 2023 to provide 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 5.

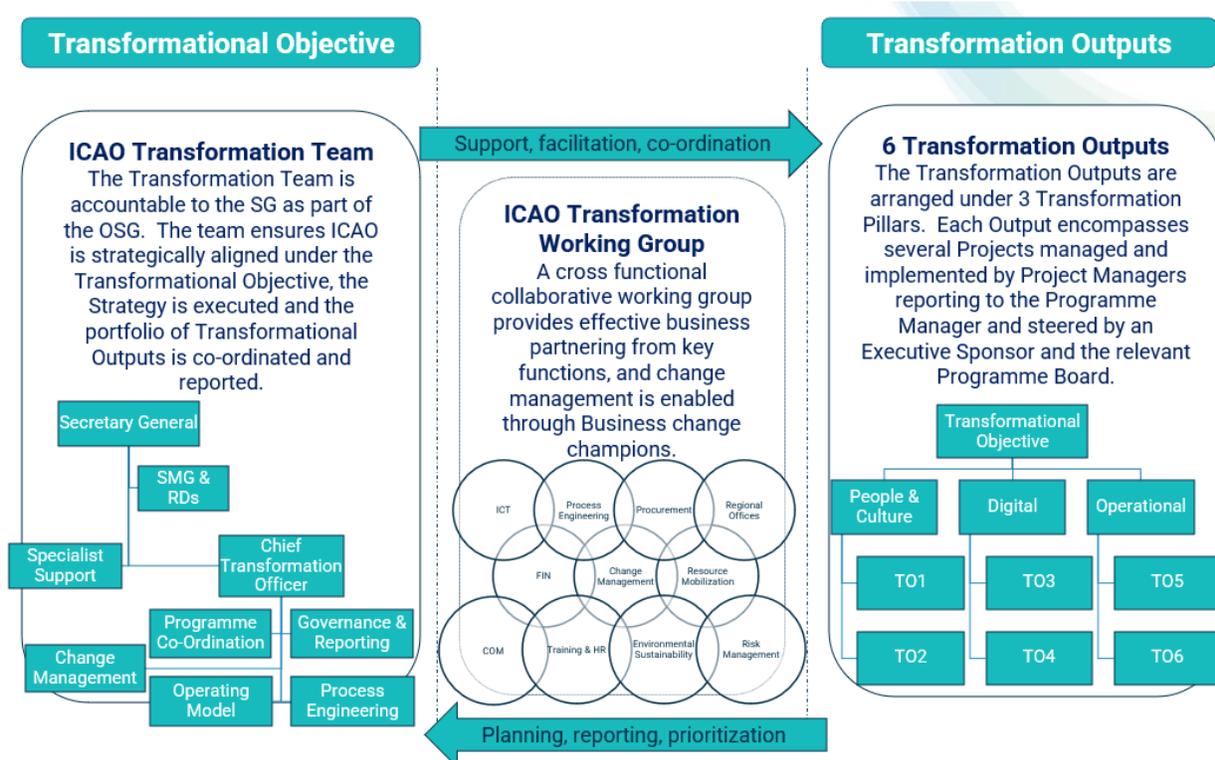


Figure 5.

Aligned with the Business Plan 2023-25, the Transformational Objective and associated Transformation Outputs adopt a results-based management 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 and escalation routes, with the Secretary General holding ultimate accountability for the delivery of the Transformational Objective.

Transformational Objective Governance Structure

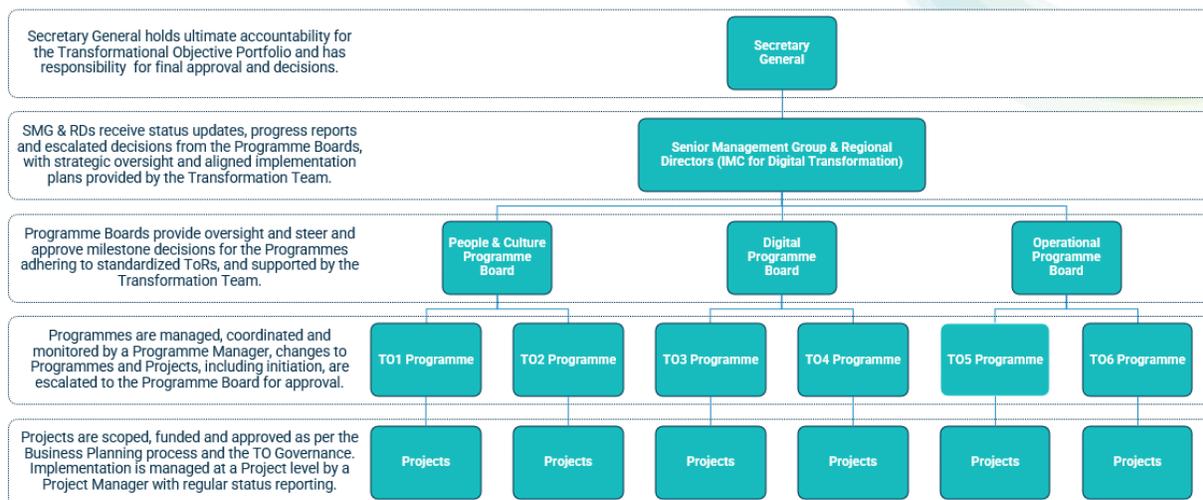


Figure 6.

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, but, it is not discreet.

Each Transformation Output is governed through one of three Transformation Pillar Programme Boards chaired by Chief Transformation Officer; People & Culture (TO1 & TO2), Digital (TO3 & TO4), and Operational (TO5 & TO6).

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

The governance model defined for the Transformational Objective is temporary governance applicable to 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 2023-25 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 2023 and have delivered an enhanced level of accountability and oversight of the Transformational Objective Portfolio. To complement the governance, terms of references, tool 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 Executive Sponsors to capability in Project Teams, and so into 2024, the Transformation Team will adopt an enhanced partnering role to the Projects to accelerate progress. The governance is not changing, however the application of it will be more agile and pragmatic to deliver quicker results.

7. Project Prioritization

A defined prioritization approach was established and has been applied with recommendations presented to the Programme Boards to inform decision making and ensure good governance. 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 same source.

The experience gained in the first year of the Transformational Objective indicates however that although this approach can work effectively reactively, a more proactive approach is required moving forward and that often Project prioritization becomes irrelevant when donors wish to support a specific Project or deliverable.

Prioritization of Business Plan Outcomes and Outputs is the responsibility of the Strategic Planning, Coordination & Partnerships Office and so the Transformation Output Programmes intended to defer to the latest guidance provided throughout the triennium to ensure alignment of approach and methodology. In this regard the Transformational Objective has been defined as a Priority Focus Area, however the current ICAO methodology does not generate a detailed prioritization of Transformational Objective Projects.

On reflection by the Transformation Team, and on advice of the Chief Transformation Officer and EAAC, it is evident that a specific Transformational Objective prioritization is required by Project mapped to resource and funding requirements. This will be established and published in Q1 2024.

8. Change Management, Communication & Engagement

Change management is an important part of the successful implementation of the Transformational Objective and crucial if the changes are to be embedded and deliver sustained results.

The PROSCI method was chosen as a simple and pragmatic approach to change management to be adopted by ICAO for the Transformational Objective focused on colleague engagement, training, and adoption of new ways of working with a light and flexible approach, versus a rigorous or heavy process, encouraged.

It has been lightly adapted to meet ICAO's requirements, with the implementation of a Change Management Framework, training and tools for all Transformational Objective Programmes and Projects.

Capacity and capability in the Transformational Objective increased through the appointment of a Change Management Lead ensuring ICAO has the expertise to implement the entirety of the Transformational Objective through effective change management.

Change management is not yet effective, with varying degrees of understanding and commitment to delivering the changes effectively. This is an area of great importance and focus in 2024 being driven personally by the Secretary General and Chief Transformation Officer.

However, positive strides towards the intended inclusive approach to communication and engagement have been made.

The Transformational Objective has embraced positive changes to communicate with colleagues, engaging with colleagues through a series of nine roadshows throughout 2023 both held in Headquarters and Regional Offices. The Programme and Projects are delighted to be supported on the transformation journey by twenty-seven colleague volunteers who collectively make up the Transformers and work across various aspects of our Projects as active change agents.

The bi-monthly snap-shot newsletter, Yammer engagement and the launch of the Transformational Objective Intranet site and dashboard have kept colleagues up to date on progress every step of the way, and the first annual communications survey has been completed which has provided valuable feedback to shape the communications strategy for 2024.

The key highlights from the responses of this survey are as follows:

- Majority of staff feel well or very well informed about the Transformational Objective.
- Well established and or Secretary General related communication channels are most effective.
- Significant interest in the TO1 and TO6 over other Transformation Outputs.
- Many colleagues voice the wish for communication on tangible changes and impacts on their daily work.

- Colleagues request more communication from senior and middle management directly via cascade to complement other channels.

The Transformational Objective dashboard is also now available on the Council portal and complemented by the launch of our new intranet site and the public website which are all maintained to give the latest Transformational Objective news.

Engagement with senior leaders is crucial to the success of the Transformational Objective and in 2023 quarterly FSMG workshops were conducted and a monthly report to the Senior Management Group & Regional Directors, including escalated decisions as per the governance structure, was provided.

Every opportunity has been taken by the Secretary General via town halls to engage with colleagues on the Transformational Objective, and at ICAO events to engage with Member States and delegations as appropriate also.

The Chief Transformation Officer has also met quarterly with the ICAO Staff Association, and this is planned to continue in 2024.

9.UN 2.0

In response to the publication of UN 2.0, an impact assessment of the Transformational Objective was undertaken 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 by the Strategic Planning, Coordination & Partnerships Office who lead on UN 2.0 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.

10.Funding Status

The Transformational Objective is funded by the regular budget, voluntary contributions, ARGF reserve and unutilized regular budget (carry over) funds.

Figure 7 below shows the total required budget against available funds and expenditure at the end of year one; this highlights the current gap of CAD 16M.

The Transformational Objective total cost ceiling has been frozen at CAD 54M on 1 January 2024, and whilst some Projects are still scoping and refining costs, the key risk for the implementation of the Transformational Objective is the funding gap. It is intended to continue to generate funding through resource mobilization with an assessment at the end of year two as to the available funding and subsequent viability of the remaining unfunded Projects at that time.



Figure 7.

The breakdown by Transformation Output is shown in figure 8 below.

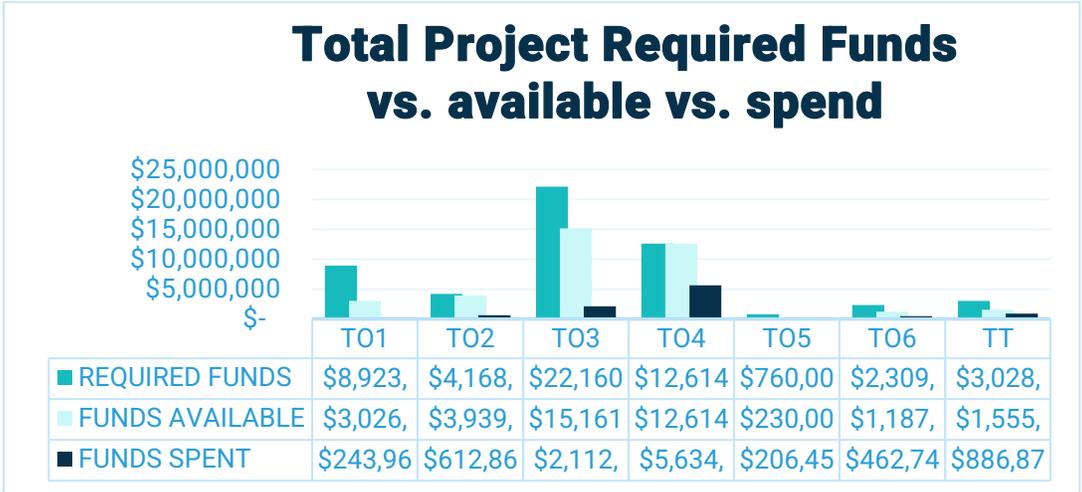


Figure 8.

The following assumptions should be noted in reference to figures 7 and 8:

- Includes Human Capital Management Project (Inspira) costs since 2020.
- Includes Information Security costs since 2021.
- All other Transformation Objective costs are since 2022/2023.
- Regular Budget funded staff costs for TO2, TO3 and Transformation Team are included.

Voluntary contributions have been made by Member States as follows, for which ICAO is very grateful.

Donor	Earmarking	Amount (CAD)	Available (less 7%)	Allocated	Balance
Austria	Transformational Objective	40,000 (Pledged)	37,200	N/A	N/A
NORDICAO States	OSG TT Change Management	100,000	93,000	93,000 (Change Management Lead)	0
Republic of Korea	Digital Transformation	200,000 (additional 400,000 pledged)	186,000	186,000 (Service Management)	0
Singapore	Transformational Objective	100,000	93,000	TBD	93,000
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 9.

In 2023, the Transformational Objective was also delighted to welcome the support via secondments from Brazil and the United States for the Transformation Team and Standards and Recommended Practices & Document Management Systems 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 Enterprise Risk Management and Internal Control Framework is in place to manage risks at a Portfolio, Programme and Project level with updates on high risks at a Portfolio level provided regularly to the Secretary General and the Senior Management Group & Regional Directors; which is aligned with the Transformational Objective Governance.

Every Output Programme and Project are 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.

During 2023, a total of nineteen Portfolio risks, fourteen Programme risks and seventy-four Project risks have been captured with monthly reporting and updated on status, mitigation, likelihood and impact.

Two Portfolio risks have now been added to the Corporate Risk Register as approved by the Enterprise Risk Management (ERM) Reference Group in December 2023 as follows:

- 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 2023-25 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.

During 2023, the Transformation Team engaged with EAAC on two occasions to discuss the Transformational Objective Portfolio. Various Executive Sponsors have also met with EAAC on specific Transformation Outputs and Projects.

There has been positive interaction with EAAC and good feedback from Office of Internal Oversight throughout 2023, both on the approaches adopted and regarding the agility of the Transformation Team to apply lessons learned, evolve, and refine ways of working. The planned assessment by Office of Internal Oversight of the Transformational Objective in 2024 is welcome.

The Transformational Objective has welcomed input from EAAC, Office of Internal Oversight and the external auditor on various elements at a Portfolio, Programme and Project level; most

notably, the support of SFAO on Digital Transformation, and the Enterprise Resource Planning & Portfolio Project Management Project specifically, has been invaluable.

12.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 three further Transition States representing the three-year Business Plan. The implementation plan for the Transformational Objective is aligned to these Transition States ensuring delivery of the Transformational Objective outcomes and outputs.

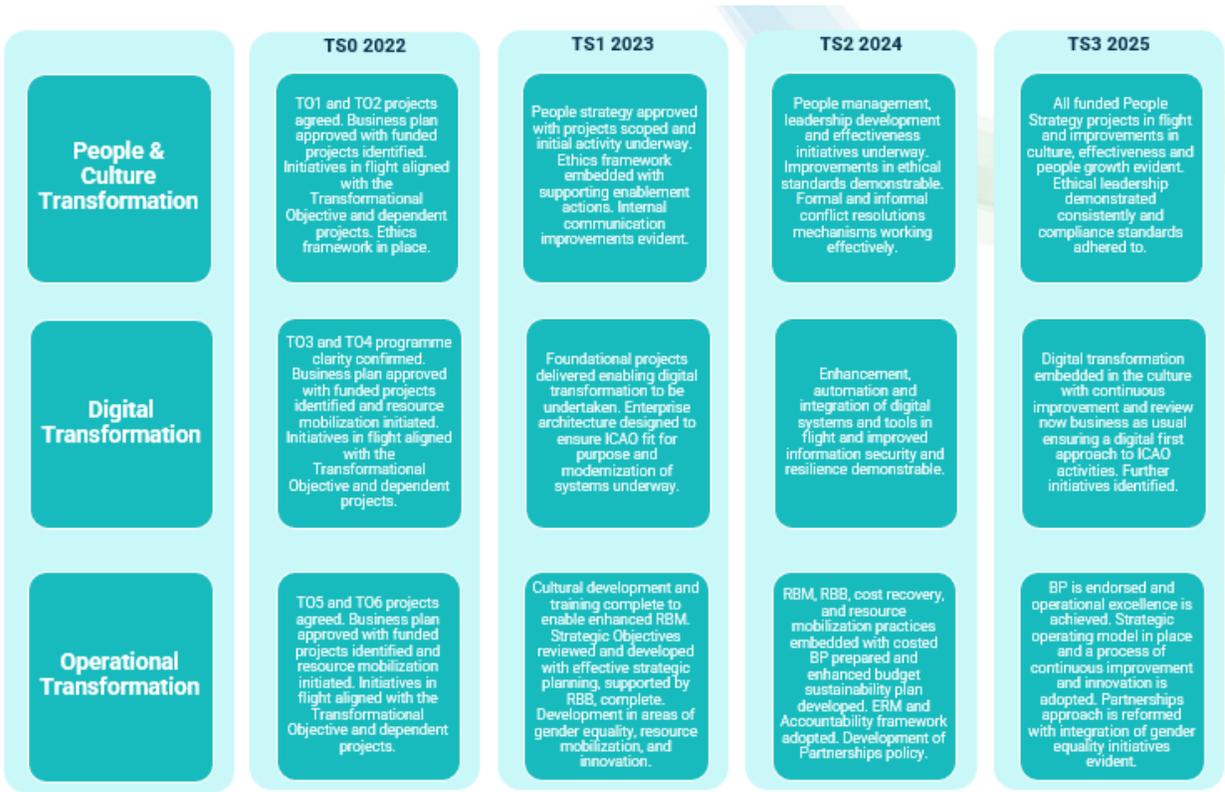


Figure 10.

Moreover, a detailed implementation plan showing the schedules of all Transformational Objective Projects is maintained and governed through the Programme Boards and is available on the Transformational Objective dashboard.

13. 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
- Resource Mobilization Strategy of Voluntary Contributions
- ICAO Partnerships Framework