REVIEW OF MANAGEMENT AND ADMINISTRATION AT THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)

Prepared by

Victor Vislykh

Joint Inspection Unit

Geneva 2007

United Nations

REVIEW OF MANAGEMENT AND ADMINISTRATION AT THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)

Prepared by

Victor Vislykh

Joint Inspection Unit

United Nations, Geneva 2007

EXECUTIVE SUMMARY

Review of management and administration at the
International Civil Aviation Organization (ICAO)
JIU/REP/2007/5

Main findings and conclusions

- Given the importance of the external outreach function, a cross-functional team should be established to develop a strategy for a proactive external outreach programme for the International Civil Aviation Organization (ICAO).

- More proactive results-based policies are needed to facilitate equitable geographical representation; to improve age distribution among staff through the recruitment of more junior professionals; and to promote succession planning, the transfer of knowledge and institutional memory.

- The personnel policy should be revised to include a limited number of non-renewable contracts for highly technical expertise so as to facilitate regular inflow of the best expertise to the Organization.

- The information and communication technology (ICT) operations at ICAO are still fragmented and are not all covered/managed by the Information and Communication Technology Section. A comprehensive ICT strategy should be elaborated and should include fully computerized conference services taking full advantage of any relevant new technologies, including electronic voting and e-conferencing equipment and services.

- Language and Publications account for 21.5 per cent of the budget. The high cost of conference services may be linked to the high number of meetings held annually. ICAO should consider aligning itself with best practices of other United Nations organizations by having the Council and its subordinate bodies meet less frequently and by holding the Assembly meeting every two years.

Recommendations for consideration by legislative organs

Recommendation 1

The Council should request the Secretary General to engage independent external expertise to perform a comprehensive needs assessment of the human and financial resources of the Organization, including regional offices. Such an assessment would be opportune in the light of the Organization's ongoing efforts toward reform and its current financial constraints that demand greater effectiveness and efficiency.

Recommendation 2

Taking into consideration the best practices of other United Nations organizations the Council should:

a) establish a long term plan for convening the Assembly every two years for a period of not more than three weeks, in line with other United Nations system organizations, to facilitate effective decision-making and governance in ICAO;

b) adopt a biennial budget to enhance planning, in the context of a change to a biennial Assembly; and

c) streamline the number of meetings of the Council and subordinate bodies so that the overall administrative burden on the secretariat relating to meetings is reduced.

Recommendation 3

The Council should undertake measures to ensure that the division of responsibilities between governance and executive management are fully adhered to in practice and that the Secretary General is authorized to recruit and promote against approved posts at all levels in the Organization without seeking prior Council advice.

Recommendation 4

Pending the outcome of the needs assessment, the Council should encourage the assumption of greater responsibilities by Member States and regional groups for activities within their respective regions.

Recommendation 9

The Council should allocate realistic financial resources for training, at least 1 per cent, preferably two to three per cent of the regular budget. Emphasis should be placed on management and IT training to facilitate the current and future needs of the Organization.

Recommendation 13

The Council should increase the resources allocated to the Office for Programme Evaluation, Audit and Management Review and ensure the financial independence of the Office.

Recommendation 14

The Council should expedite the elaboration of the terms of reference for the oversight board in accordance with the standards outlined in the JIU report 'Oversight lacunae in the United Nations system' (JIU/REP/2006/2).

CONTENTS

ABBREVIATIONS

EAO	Office for Programmes Evaluation, Audit, and Management Review
EGR	Equitable Geographical Representation
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
ICT	Information and Communication Technology
ILO	International Labour Organization
IMO	International Maritime Organization
IPSAS	International Public Sector Accounting Standards
IRIS	Integrated Resources Information System
IT	Information Technology
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
RBB	Results-Based Budgeting
RBM	Results-Based Management
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UPU	Universal Postal Union
WIPO	World Intellectual Property Organizations

I. INTRODUCTION

1.   The International Civil Aviation Organization (ICAO) can trace its origins to the 1944 Chicago Conference where 52 States signed the Convention on International Civil Aviation. The Organization officially came into existence in 1947 with States officially agreeing to work together to secure international cooperation and the highest possible degree of uniformity in regulations, standards and procedures regarding all aspects of civil aviation. Over the years, the primary focus of the Organization has evolved from the development of standards to include greater focus on aviation oversight, safety, security and environmental protection. This evolution brings to the fore the need to reassess ICAO's programmes and constitutional mandates to ensure relevance and consistency with reality as well as efficient use of resources and effective delivery of services.

2.   Having considered that a 'review of management and administration of the International Civil Aviation Organization' would be timely, the Joint Inspection Unit (JIU) decided to include this review in its programme of work for 2006. This review is part of the series of reviews of management and administration at participating organizations undertaken by the Unit.

3.   The objective of the review is to identify areas for improvement in the administration and management of ICAO, notably regarding the implementation of results-based management in governance; planning, programming and budgeting; human resources management; information management; and oversight mechanisms. The review covers administration and management practices throughout the Organization and takes into account recent management initiatives undertaken within the Organization.

4.   In view of resource limitations, this report focuses on the regular programme (assessed contributions) of ICAO. Other areas such as technical cooperation, joint funds and voluntary contributions, while important to the work of the Organization, are not fully considered here.

5.   In accordance with the internal standards and guidelines of JIU and its internal working procedures, the methodology followed in preparing this report included a preliminary review, questionnaires, interviews and in-depth analysis. A detailed questionnaire was sent to ICAO and on the basis of the responses received the Inspector conducted interviews with officials at ICAO headquarters as well as at the European and North Atlantic Office.

6.   In the preparation of this report the Inspector sought to benchmark best practice in other organizations of the United Nations system, but remained mindful of the unique aspects of ICAO among the organizations of the United Nations common system.

7.   Comments on the draft report have been sought from the secretariat of ICAO and taken into account in finalizing the report. In accordance with article 11.2 of the JIU statute, this report has been finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.

8.   To facilitate the handling of the report and the implementation of its recommendations and the monitoring thereof, annex I contains a table indicating whether a specific recommendation requires a decision by the governing body or can be acted upon by the Secretary General.

9.   The Inspector wishes to express his appreciation to all who assisted him in the preparation of this report, and particularly to those who participated in the interviews and so willingly shared their knowledge and expertise.

II.   GENERAL STATE OF THE ORGANIZATION

10.   ICAO is a United Nations system organization offering pertinent aviation support, techniques, planning and development opportunities to Member States. The Organization has accomplished much in the development of standards, principles and techniques of international air navigation and in the development and planning of international air transport. However, it has not fully kept pace with other United Nations system organizations in terms of administration and management reforms. This is especially evident in the areas of information and communication technology and conference and language services.

11.   The Inspector believes that an in-depth headquarters review and needs assessment would be useful to propel the Organization forward to a level where its administration and management culture, policies and practices are on a par with other United Nations system organizations. While audits have been regularly conducted by the internal and external auditors of ICAO concerning aspects of the work of the secretariat, a comprehensive review of the resource needs of the secretariat has never been undertaken. Such an assessment would be timely in the light of the Organization's ongoing efforts toward reform and its current financial constraints that demand greater effectiveness and efficiency.

12.   A secretariat-wide assessment would help to clarify financial and human resources needs; consolidate strategies to facilitate high-level performance despite financial limitations; and ensure that the main pillars for the development of a solid results-based management (RBM) system[1] are adequately reflected in the Organization's reform initiatives.

13.   Several United Nations specialized agencies have recently undertaken similar comprehensive reviews and needs assessments either on their own initiative or based on a recommendation from JIU. Such a recommendation was made to the World Intellectual Property Organization (WIPO) in 2005 and the assessment by an independent consultancy firm is underway.[2] The Council of the International Maritime Organization (IMO), on its own initiative, invited the Secretary-General in 2001 to arrange for a review of the secretariat with the view to assessing its overall effectiveness and efficiency.[3]   An independent review was conducted and the recommendations were used to advance the reform process in IMO.[4]

14.   Major stakeholders in ICAO should be interested in having an objective external comprehensive review of the state of affairs of the Organization, highlighting areas where changes could be made toward modernization and the more efficient use of resources. JIU lacks the necessary resources to undertake such an exercise but would recommend that a consultancy company, specializing in United Nations organizations, be selected through a competitive bidding process to conduct the comprehensive needs assessment.

15.   The Inspector believes that the review and needs assessment should be undertaken urgently to rationalize existing human resource needs, processes and systems at ICAO headquarters and that consideration should be given to extending the review to ICAO regional

---

[1] In the JIU report, 'Overview of the series of reports on managing for results in the United Nations system', the Inspectors identified the process of planning, programming, budgeting, monitoring and evaluation; delegation of authority and accountability; and staff performance management and contracts as the main pillars for the development of a solid RBM system (JIU/REP/2004/5).
[2] JIU/REP/2005/1.
[3] Challenges, Opportunities and Evolution: Review of the Secretariat of the International Maritime Organization, Mannet, Switzerland, March 2001.
[4] IMO document: C 88/12(a) Note by the Secretary-General: 'Implementation of the reform programme: Progress report', 26 March 2002, and document C 86/9/Add.1 Annex 'Responses of the Secretary-General to the Mannet Report', 12 June 2001.

offices. Overall, the review should be designed to strengthen the Organization and to address how ICAO can best position itself to deal with its current shorter- and longer-term financial and human resources challenges. The assessment should include a review of positions and functions as well as expenditure and income requirements with the view to modernizing management and administration processes. This should be done in the context of the RBM benchmarking framework outlined in the JIU report 'Overview of the series of reports on managing for results in the United Nations system' (JIU/REP/2004/5).

16.   In order to expedite the process, independent external expertise should be selected through an international bidding process, based on detailed terms of reference, to conduct a wide-ranging human and financial resources review. The review should be completed as soon as possible.

17.   The implementation of the following recommendation is expected to improve the effective use of resources.

Recommendation 1

The Council should request the Secretary General to engage independent external expertise to perform a comprehensive needs assessment of the human and financial resources of the Organization. The needs assessment should include the regional offices.

III. GOVERNANCE AND EXECUTIVE MANAGEMENT

A. The Assembly

18.   The Convention on International Civil Aviation provides that the Organization shall be made up of the Assembly, the Council and a secretariat. The Assembly, which is composed of representatives from all Contracting States, is the sovereign body of ICAO. The Assembly is convened every three years, for approximately two weeks, to review the work of the Organization, set policy, and establish the triennial budget.

19.   Against the background of fast-paced technological and systemic developments in the aviation industry, the present three-year interval between meetings of the Assembly appears to be a limitation to effective decision-making, especially given that the Council, which governs in the interim, has limited powers to establish budgets or approve appropriations. The three-year periodicity of the Assembly is at variance with the large majority of the other United Nations system organizations, which convene their supreme legislative bodies either annually or biennially. Furthermore, the Assembly, meeting only once every three years and then only for approximately two weeks, has a heavy workload related to the substantive issues confronting ICAO.

20.   While the Inspector notes that an extraordinary meeting of the Assembly may be held at any time upon the initiative of the Council or at the request of not less than one-fifth of the total number of Contracting States, he is of the view that the Organization should establish a long term plan to have meetings of the Assembly held every two years to facilitate effective decision-making and governance in ICAO.

21.   Should ICAO consider adopting a biennium cycle, some important considerations need to be taken into account such as changes to the Convention on Civil Aviation. The meeting and election cycle of the Council would also need to be considered as part of a change to a biennium cycle. Furthermore, changes to the programme planning cycle of the secretariat would also have to be revised. For these reasons, it is recommended to establish a gradual and methodical long-term plan in full consultation with all stakeholders before any change is undertaken. Any long-term plan should have an appropriate timetable and benchmarks to gauge progress.

22.   In many United Nations agencies, the ruling body of the organization is not permanent or resident and meets for a maximum of two sessions a year. Should ICAO consider adopting a biennium cycle, the Organization should also consider a gradual streamlining of the number of meetings of the Council and subordinate bodies so that the overall administrative burden on the secretariat relating to meetings is reduced. ICAO should review the best practices of other United Nations organizations when considering such a change.

23.   The current three-year Assembly cycle also means that the budget is approved on a triennial basis, as it is the Assembly that adopts the budget and determines the financial arrangements of the Organization.[5]

24.   During interviews the Inspector learned that there are concerns regarding the fact that the Organization operates on a triennial budget. It was noted that realistic projections and programme planning is difficult in a three-year budget cycle. The period was considered too long for a realistic projection of changes in rates and costs for the purchase of items. It was

---

[5] Doc 7515/12.

suggested that a shorter cycle would improve programme planning and facilitate a more pragmatic projection of income and expenditure.

25.   The trend among United Nations system organizations is to adopt a biennial budget cycle. For example, among the specialized agencies that recently adopted a biennial budget is the Universal Postal Union (UPU). The main aim in this regard was for UPU to come into line with the practice of other United Nations specialized agencies and to allow greater flexibility in programme and budget execution.[6] The adoption of a biennial budget has facilitated the execution of the objectives, strategies and tactics that make up the strategic plan of the Union.

26.   ICAO remains the only organization within the system that maintains a triennial cycle.[7] The Inspector notes that the Organization considers the budget as three one-year budgets approved as a group of three rather than as a triennial budget, and prefers to maintain the present budgetary procedures. However, he is of the view that a change to a biennial budget would help the Organization to better assess resource needs and projected income. A change to a biennial Assembly should be accompanied by a change to a biennial budget. This should be considered in the context of the International Public Sector Accounting Standards (IPSAS) which will be adopted by ICAO in the next two years, and which will have a significant impact, inter alia, on budgeting, funding and financial management in the Organization.[8] The best practices of other United Nations organizations should be taken into consideration in this regard.

27.   The implementation of the following recommendation is expected to enhance efficiency.

Recommendation 2

The Council should consider:

  a) **establishing a long term plan for convening the Assembly every two years for a period of not more than three weeks, in line with other United Nations system organizations, to facilitate effective decision-making and governance in ICAO;**

  b) **streamlining the number of meetings of the Council and subordinate bodies so that the overall administrative burden on the secretariat relating to meetings is reduced; and**

  c) **adopting a biennial budget to enhance planning.**

---

[6] UPU Congrès-Doc 20. Annexe 7 Beijing 1999.
[7] CEB/2003/HLCM/21.
[8] C-WP/12657.

B. Responsibilities of executive management

28.   The Inspector recognizes that some of the management and administration concerns of ICAO arise, at least in part, from historical challenges within the Organization regarding the issue of the division of labour and allocation of responsibilities between governance and executive management.

29.   The ICAO Council is one of the few governing bodies in the United Nations system that is a permanent body. Based on information gleaned during interviews there is an apparent tendency for the Council to become involved in matters traditionally within the purview of executive management. The benchmarking model outlined in the JIU 'Series on managing for results in the United Nations system'[9] highlights the importance of clearly defining the respective roles and responsibilities of the main parties involved in the governance of United Nations system organizations in the context of a results-based management system. Further, an active interaction is needed among the parties, through clearly established tools, mechanisms and procedures. This would enhance accountability and avoid negative implications on the process.

30.   As noted in the JIU 'Series on managing for results in the United Nations system: delegation of authority and accountability', acceptance of an RBM approach presupposes full administrative empowerment of the Secretary General.[10] To facilitate this process, the Inspector believes that the Secretary General should be given full authority, with appropriate accountability, for the appointment and termination of all staff of the Organization. The Council currently participates in the appointment of Professional staff[11] at the Director (D-2) level, but a working group of the Council recently put forward a recommendation that the Council should also participate in the appointment of staff at the level of Principal Officer, which is the equivalent of a D-1 in the United Nations. This recommendation would essentially allow the Council to enter even further into management responsibilities that would be clearly beyond its mandate.

31.   The Inspector is of the view that when vacancies in the approved staffing table occur at the level of Director and Principal Officer, the Secretary General should be able to fill the vacancy, within the framework of the staff regulations and rules, without advice from the Council. This practice of Council involvement limits the authority of the Secretary General, dilutes his accountability and is inefficient for the effective running and management of the Organization. The practice of allowing executive heads of United Nations organizations to appoint their own staff has been recommended and introduced in a number of organizations within the system, most recently in WIPO.[12]

32.   The implementation of the following recommendation is expected to enhance efficiency.

---

[9] JIU/REP/2004/6.

[10] JIU/REP/2004/7.

[11] Article 4.8 of the ICAO Service Code (Doc 7350/8) provides that the Secretary General shall appoint the staff of the Organization subject to approval by the President of the Council in respect of the positions in the Director and Principal Officer category and of ICAO Regional Directors. The Council has established a Commission for the Processing of Applications for Posts at the Director Level (COPAD) to provide advice to the Secretary General on applications for positions of Directors of Bureaux.

[12] JIU/REP/2005/1.

Recommendation 3

The Council should undertake measures to ensure that the division of responsibilities between governance and executive management are fully adhered to in practice. In this context, the Council should authorize the Secretary General to recruit and promote against approved posts at all levels in the Organization, including the levels of Director and Principal Officer, without seeking prior Council advice, in keeping with standards accepted by United Nations system organizations as an integral part of RBM.

IV. STRATEGIC, FINANCIAL AND OPERATIONAL PLANNING

A.   Regional offices

33.   Reviews of the structure of ICAO have been considered over the years, and the governing bodies have confirmed that the concept of dividing the world into air navigation regions should continue; the latest of these studies was conducted in 2003 at the request of the Finance Committee.[13]

34.   The current regional structure includes seven regional offices: one for Asia and the Pacific; one for Europe and the North Atlantic; one for the Middle East and North Africa; two for the other regions of Africa; and two for Latin America and the Caribbean.[14] The size of the regional offices varies considerably, the largest being the Europe and North Atlantic Office, which has 27 Professional staff. The Middle East and North Africa Office is the smallest of the regional offices and has only 11 professionals on staff. Given the recent financial constraints of the Organization, the number of staff in the regional offices has been reduced, particularly in Dakar, Nairobi and Paris.[15]

Size and coverage of regional offices[16]

	Asia and Pacific Region	Europe and North Atlantic Region	Eastern and Southern Africa Region	Western and Central Africa Region	Middle East and North Africa Region	North and Central America and the Caribbean Region	South America Region
Headquarters	Bangkok	Paris	Nairobi	Dakar	Cairo	Mexico	Lima
Accredited States	35	53	23	24	19	20 States and 12 Territories	13
Posts: Professional (P) General Service (GS)	P: 14 GS: 15	P: 27 GS: 30	P: 15 GS: 09	P: 18 GS: 21	P: 11 GS: 09	P: 13 GS: 08	P: 15 GS: 14

35.   While there has been significant support for the strengthening of the regional offices,[17] through, for example, the adoption of resolutions in this regard, adequate resources have not been forthcoming. The Regional Offices Manual outlines the detailed list of responsibilities assigned to these offices and the Business Plan highlights the core activities envisaged for these offices. However, it is difficult to see how these functions can be effectively undertaken given the limited financial and human resources available and the general financial constraints of ICAO.

36.   The Inspector notes that ICAO is again assessing its structure in terms of relevance and the way forward for the future. Among the structural matters under consideration are the

---

[13] A35-WP/133 EX/53, AD/15.
[14] ICAO Compendium of Information on Regional Offices 2004.
[15] A35-WP/133 EX/53, AD/15.
[16] ICAO Compendium of Information on Regional Offices 2004.
[17] C-WP/11334, A35-WP/127, Assembly Resolutions A31-2 and A33-15.

relevance of the regional offices, and the need to reduce and/or streamline them. However, consensus on the issue of the relevance of the regional offices is still pending.

37. The Organization may wish to consider streamlining the regional offices in a gradual manner, taking into account proper human resources planning of the Organization as well as budgetary and work programme requirements.

38. The Inspector notes the trend for some Member States or regional groups to undertake greater responsibility for activities within their geographical regions with limited cost to the Organization. This should be encouraged in the light of the Organization's current financial constraints. The governing body should review this issue to determine how reliance on Member States to undertake regional activities could be enhanced to avoid further extension of the regular budget on regional activities.

39. The Inspector welcomes initiatives, introduced in 2006, to review the structure and organization of the secretariat, including the Regional Affairs Office, which coordinates the regional programmes. The Structure and Organization of the Secretariat Team (SOS Team) was appointed to make proposals in this regard.[18] The recommendations include proposals to: create a Planning and Global Coordination Office, which would replace the current Regional Affairs Office; combine the administrative functions of the Technical Cooperation Branch (TCB) with similar functions in the Regular Programme (human resources and finance); develop mechanisms to ensure that the Cooperative Development of Operational Safety and Continuing Airworthiness Programmes (COSCAP) and Civil Aviation Security Programmes (CASP) receive technical direction and oversight from headquarters; and create a functional reporting relationship with regional officers to receive technical oversight from the appropriate Headquarters Technical Office.

40. It is expected that these initiatives would involve the consolidation of responsibilities and accountability, and the integration of technical activities, within the context of an RBM approach. These initiatives should also enhance communication and coordination between headquarters and the regional offices and clarify concerns regarding the continuing relevance of the regional structure of ICAO, which is currently challenged by, inter alia, resource limitations.

41. Member States are the best equipped to lend expertise at a local level, and therefore ICAO should, in conjunction with the States in the various regions, devise a methodology to combine Headquarters expertise and local expertise in the field of air transport in the regions. In the context of ongoing initiatives to facilitate change and better rationalize the work of the Organization, the Inspector would wish to see Member States taking on more responsibility for regional activities with fewer burdens placed on the regular budget of the Organization.

The implementation of the following recommendation is expected to improve planning.

Recommendation 4

Pending the outcome of the needs assessment, the Council should encourage the assumption of greater responsibilities by Member States and regional groups for activities within their respective regions.

---

[18] C-WP/12813.

B. **Distribution of tasks within the secretariat**

42. Regarding the ongoing efforts to examine the structure of the Organization and relevance of programmes, the Inspector expects that the apparently artificial split of some programmes and activities that are generally established under one department in other United Nations system organizations, would be reviewed. The Inspector notes, for example, that the Bureau of Administration Services has been split into three - the Human Resources Branch, Conference and Office Services Section, and Language and Publications Branch. This creates a number of high-level posts within the Organization that cannot be easily justified.

43. While the Inspector is aware that the Legal Bureau and the External Relations and Public Information Office generally work in close cooperation, he is concerned about the limited involvement by the Legal Bureau with regards to relations with the host countries. The External Relations and Public Information Office provides policy guidance and advice on matters relating to the privileges and immunities granted to the Organization, national representatives and staff of the secretariat. The office also acts as the focal point for relations with the host country, both for headquarters and for the regional offices. The Inspector wishes to point out that in most United Nations system organizations, legal issues and relations with the host country are normally the responsibility of a single department. There is a need to assess the roles of these two departments and the effectiveness of the current structure.

44. It is expected that the needs assessment proposed in Recommendation 1 of this report, would help ICAO to better rationalize the structure and relevance of its programmes and the distribution of tasks within the secretariat, particularly as regards the consolidation of administrative functions.

45. The implementation of the following recommendation is expected to enhance efficiency.

Recommendation 5

Pending the outcome of the needs assessment, the Secretary General should review the structure of programmes and the distribution of tasks within the secretariat with the view to ensuring better rationalization and avoiding overlap and duplication.

External relations

46. The External Relations and Public Information Office is responsible for reviewing, advising on and coordinating the relationship of ICAO with Contracting and non-Contracting States, the Organizations of the United Nations common system and with other international organizations. It is also responsible for promoting a positive image of ICAO globally to mass and specialized media, to the specialized civil aviation public and to the general public, by means of networking with the news media and by preparing and disseminating news releases, feature articles, audio-visual productions, exhibits, publications and other informative presentations on the activities of the Assembly, the Council and the secretariat. The office also produces the *ICAO Journal*.[19]

47. In December 2006, the Secretary General presented to the Council of ICAO a communications strategy to increase the visibility and outreach of the Organization with all its

---

[19] ICAO Website <http://www.icao.int/icao/en/osg/epo/> accessed 15 May 2007.

key audiences. Implementation in the first six months of 2007 has led to organizational changes designed to revitalize the ICAO website, Journal and other communications activities in a cost-effective manner.

48.   While the office appears to be fulfilling its public relations mandate, there is a need for a more proactive external outreach programme. To this end, a comprehensive strategy should be established relating to the communication and promotion of issues of relevance to stakeholders, including for resource mobilization. The use of the Internet and other advanced information technology for external outreach should be actively pursued. Given the importance of the external outreach function, the Secretary General should establish a cross-functional team to develop, within the next three to six months, a draft strategy for a more proactive external outreach programme for ICAO.

49.   The implementation of the following recommendation is expected to promote awareness of the work of the Organization.

Recommendation 6

The Secretary General should establish a cross-functional team to develop a strategy for a more proactive external outreach programme for ICAO. The team should include staff of the External Relations and Public Information Office.

V. HUMAN RESOURCES MANAGEMENT

50.   ICAO follows the United Nations common system in the area of human resources management and has implemented the United Nations Integrated Framework for Human Resources Strategies. However, the Organization falls short of the United Nations common system in several areas related to human resources management: salary scales are not consistent with the common system; personal promotions are still awarded and are based primarily on seniority; geographical representation, gender equality and age distribution are unsatisfactory; and training needs to be given a higher priority.

A.   Salary scales

51.   There is a concern regarding the recruitment and retention of technical staff, both in the field and at headquarters. The Inspector learned that this is partially linked to a distortion in the system regarding salaries and employment packages. It is not uncommon that different packages are offered to staff functioning at the same level and under the same circumstances. This is because the system is linked to the salary scales of national governments. Moreover, there is also a system of gratis personnel that allows for the secondment of staff from national governments,[20] especially in the area of aviation safety. Under this system, the governments pay a lump sum to ICAO for staff on secondment, and ICAO pays the monthly salary of the staff member. Such discrepancies in employment packages for staff functioning at the same level and tasked with the same responsibilities is an anomaly in the United Nations common system, and should be addressed to avoid a negative impact on staff morale and ensure fairness in the system.

52.   The Inspector notes that there are some differences in the salary scale between ICAO and the United Nations common system. For example, in ICAO, the General Service salary scale goes all the way up to G-9 while in most United Nations system organizations the scale stops at G-7. The Inspector notes that G-9 posts in ICAO are reserved for personal promotions and that efforts are underway to eliminate these posts. The current practice is that once a staff member on a G-9 post retires the post is closed. The Inspector welcomes this and other initiatives to align ICAO salary scales with the United Nations common system

B. Personal promotions

53.   ICAO has a limited personal promotion policy based mainly on seniority and proximity to retirement age. Under the new human resources strategy, it is envisaged that the personal promotion policy would be revised so as to base it on merit rather than seniority, within the concept of broad banding of grade levels, and to move from a culture of entitlement to a culture of performance, based on the United Nations approach.[21]

54.   In keeping with recent JIU recommendations concerning personal promotions,[22] the Inspector believes that the practice should be eliminated at ICAO. The scheme is contrary to the standards of fairness and transparency in the system of recruitment and promotion. It distorts the principle that promotion is recognition of past, exceptional, performance and the expectation of future performance at a higher level. It deviates from common system practices.

55.   In 1994 the International Civil Service Commission (ICSC) stated that it had earlier "reaffirmed the possible use of personal promotions in certain specific circumstances. It did

---

[20] The ICAO Service Code Doc 7350/8.
[21] C-WP/12418 A-1 (Appendix A).
[22] JIU/REP/2005/1.

not, however, in general advocate the use of personal promotions, and felt that the introduction of reward and recognition programmes could reduce the need for personal promotions".[23]

56.   As indicated in the JIU Review of Management and Administration in WIPO,[24] the Unit is aware of at least four other United Nations specialized agencies that had at one point introduced the personal promotion scheme; the United Nations Educational, Scientific and Cultural Organization (UNESCO), International Labour Organization (ILO), International Telecommunication Union (ITU), and the International Atomic Energy Agency (IAEA). In its Review of the Administration and Management at UNESCO, JIU recommended that the scheme be eliminated and this recommendation was subsequently implemented.[25] Since 1994, the policy in ILO has been implemented on a severely restricted basis and ITU has suspended the practice.[26] WIPO has recently excluded the practice from its new guidelines on promotions.[27]

C. Representation and equality issues

Geographical representation

57.   The Inspector is aware that measures have been taken to improve geographical representation and that a resolution has been adopted on the principle of equitable geographical representation (EGR). In this context, it is noted that the Human Resources Branch regularly updates the Council on the status of efforts to facilitate EGR and that EGR is among the main criteria considered by the Appointments and Promotions Board.

Gender equality

58.   Some progress has been achieved in promoting gender equality in the secretariat.[28] An affirmative action programme for gender, along the lines of EGR was also developed. In 2006, an Advisory Body to the Secretary General on Gender Equality and Gender Equity was established. It presented a Policy Framework on Gender Equality and Gender Mainstreaming, which contained a number of recommendations and was circulated to Council Members.

59.   The total number of women in the Professional and higher categories increased from 78 in 2004 to 83 in 2006. Female staff members were from 22 States in 2004 and 23 in 2006. The number of female candidates appointed to Professional and higher category positions also increased from 9 in 2004 to 17 in 2006. The number of female candidates appointed to technical posts increased from 2 in 2004 to 6 in 2006.

60.   Efforts to improve the status of women in the Secretariat included the implementation of gender mainstreaming throughout ICAO, seeking the collaboration of Contracting States in the identification of qualified women, as well as outreach activities to organizations whose members are women in the field of aviation.

---

[23] International Civil Service Commission, A/39/30, 1984, para. 222 and A/49/30, 1994, para. 338.
[24] JIU/REP/2005/1.
[25] UNESCO Report by the Director-General on the reform process, Part 1, Staff policy, 164/EX/5, 26 April 2002, para. 21.
[26] ITU service order No. 04/19, "Suspension of the personal promotion scheme", 22 December 2004.
[27] Progress report on the follow-up of the Joint Inspection Unit's recommendations as contained in its report "Review of management and administration In WIPO: budget, oversight and related issues" (JIU/Rep/2005/1), since the 2005 session of the Assemblies of WIPO Member States, A/42/10.
[28] C-WP/12990.

61.   The Inspector encourages such initiatives, including a proactive search for qualified female candidates, as a means of facilitating a higher percentage of female staff in senior positions in the secretariat.

Distribution of total professional staff by gender and grade as at 1 December 2004, 2005 and 2006[29]

Level	2004			2005			2006		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
SG	1	0	1	1	0	1	1	0	1
D	5	0	5	5	0	5	3	0	3
PO	15	1	16	15	1	16	15	2	17
P-5	43	7	50	42	8	50	39	9	49
P-4	119	31	150	108	33	141	111	34	145
P-3	36	23	59	32	19	51	26	21	48
P-2	11	16	27	10	17	27	12	17	29
P-1	0	0	0	0	1	1	0	0	0
Totals	230	78	308	213	79	292	207	83	290
%	74.68	25.32	100	72.95	27.05	100	71.38	28.62	100

Age distribution and succession planning

Age of staff[30]	Number of staff	Percentage
<25 years	2	0
25-34 years	52	7
35-44 years	162	21
45-54 years	345	44
>55 years	227	29

62.   The Inspector notes that the Human Resources Branch is considering a review of all vacant posts in the Organization with the view to filling some of them at the lower grades (P-3 or P-2) so as to increase the number of young professionals recruited and ensure that they gain the required inside experience for future promotions.[31] In the light of the small number of junior professionals currently on the staff at ICAO, this initiative is welcomed. It is expected that the introduction of more young professionals with fresh ideas and enthusiasm would address the current concern of the Organization regarding age distribution among staff.

63.   Given the technical nature of the Organization and the need for certain high-level expertise, it is not surprising that there is a significant number of experienced older staff. However, the fact that almost 30 per cent of the staff members are beyond the age of 55 years puts the Organization in a difficult position. Given that such a large percentage of the staff are

---

[29] C-WP/12990. The methodology used to determine female representation in the Professional and higher categories takes into account all staff members in the Secretariat in these categories, except those occupying Trust-funded posts and Junior Professional Officers made available to the Organization by certain Contracting States.
[30] C-WP/12557.
[31] C-WP/12557.

approaching retirement in the next five to seven years, ICAO should have in place a well developed succession planning policy to, inter alia, ensure the effective transfer of knowledge and sustain the institutional memory of the Organization.

64.   The following recommendation is expected to improve planning.

Recommendation 7

The Secretary General should submit, for the approval of the Council, more proactive results-based action plans to effectively facilitate equitable geographical representation; improve age distribution among staff through the recruitment of more junior professionals; and promote succession planning to ensure the transfer of knowledge and institutional memory, particularly given the large number of staff approaching retirement.

D. Training

65.   The need to address training was highlighted in the results of the 2005 Confidential Employee Survey conducted at ICAO.[32] The survey was intended to assess the level of satisfaction and motivation of staff and, inter alia, to assist in identifying human resources management strategies and policies which could be streamlined or developed to ensure the highest level of productivity in the Organization. A total of 519 staff, approximately 80 per cent,[33] successfully completed the survey - 29 per cent indicated that they need training to meet the requirements of their job and 34 per cent said that they need training to advance their career.[34]

66.   Because of the technical nature of the Organization and new developments in the field of aviation and air navigation, there is an increasing demand for training and retraining of personnel. Some efforts have been made to introduce management and IT training, which are important for reform, modernization, capacity building and efficient management within the secretariat. However, ICAO has generally not been able to keep up with the demand for training of engineers and other technical staff.

67.   The Human Resources Branch has requested that the amount currently allocated for training be doubled to US$300,000, which is less than one per cent of the budget. The Inspector is of the view that in order to be meaningful, training would require at least two to three per cent of the annual budget. The trend in United Nations system organizations is to increase the amount allocated to training, focusing on management and IT. For example, the details of the 'investing in people' proposals of the Secretary-General of the United Nations[35] included a doubling of the training budget, placing emphasis on management training, from US$10 million to US$20 million (representing an increase from one to two per cent of staff costs).[36] During discussions at ICAO, it was suggested by some officers that in order to ensure a meaningful training programme, at least four to five per cent of the annual budget must be allocated. This goal has generally been unattainable in United Nations system

---

[32] C-WP/12557.
[33] Programme Budget of the Organization 2005 − 2006 − 2007, Doc. 9842.
[34] C-WP/12557.
[35] Investing in the United Nations: for a stronger Organization worldwide, Report of the Secretary-General, A/60/692.
[36] CEB/2006/HLCM/12.

organizations and it is unlikely that it would be achieved in ICAO, especially given the Organization's current financial concerns. Despite this, efforts must be made to increase the amount currently allocated for training.

68. The idea of having on-the-job training is recognized in organizations that are committed to the principle of career service for their staff. Those organizations with highly technical non-career staff, and that cannot afford to undertake regular on-the-job training, should consider adopting a personnel policy of limiting the terms of contract for those staff.

69. In this context, ICAO may wish to reconsider its personnel policy with the view to providing contractual arrangements of not more than five to seven years for a certain number of professional staff with highly technical expertise, to ensure that there is a regular inflow of advanced skills for designated technical posts. This personnel practice has been adopted at IAEA, another highly technical and scientific United Nations system organization that requires significant technical expertise.

70. The following recommendations are expected to enhance efficiency and effectiveness in the Organization.

Recommendation 8

The Secretary General should review and submit, for the approval of the governing bodies, a revised personnel policy that includes a limited number of non-renewable term contracts of not more than five to seven years for highly technical expertise, so as to facilitate regular inflow of the best expertise to the Organization.

Recommendation 9

The Council should allocate realistic financial resources for training, at least 1 per cent, preferably two to three per cent of the regular budget. Emphasis should be placed on management and IT training to facilitate the current and future needs of the Organization.

VI. CENTRAL SUPPORT SERVICES

A.   Information and communication technology

71.   The information and communication technology (ICT) operations at ICAO are still fragmented and are not all managed by the Information and Communication Technology Section. For example, the Integrated Resources Information System (IRIS) is handled by Finance. While there have been several audits on this issue the Organization continues to lag behind in the area of information technology. Centralization, licensing control and standardization remain key ICT concerns for ICAO.

72.   The ICT arrangements and equipment at regional offices are generally not compatible with ICT at headquarters. There are duplicate systems and software packages in use and no possibility of communicating between them. About two years ago a standard infrastructure was introduced at ICAO with the view to ensuring that the same license-controlled system was used throughout headquarters.

73.   Recognizing the concerns in the area of ICT, the Council has requested that all ICT operations be consolidated. As an initial step, the Senior Management Group has directed the Chief of the Information and Communication Technology Section to complete service level agreements with each bureau and regional office, as well as a risk assessment of all decentralized ICT projects. Efforts are in progress to improve ICT in conference servicing. ICT was scheduled to replace the somewhat obsolete conference registration system during the first quarter of 2007. Moreover, the manual voting system was also scheduled to be replaced at the same time with an electronic system to avoid the current lengthy voting process. Consideration is also being given to e-conferencing. The Inspector is of the view that timelines should be clearly established for the full computerization of conference services.

74.   The Inspector notes that efforts are underway to centralize and modernize ICT practices in ICAO. In this context, the Inspector also notes the appointment of a new IRIS project team mandated, inter alia, to submit recommendations on a strategy to sustain the new financial system. He further notes that there is an e-strategy outlined in the Business Plan, which is intended to achieve a more effective delivery of information and documentation services and more efficient internal and external communications. However, additional efforts are needed to bring ICAO on a par with other United Nations system organizations, in terms of ICT development and reform. Operational systems and office applications at headquarters and in regional offices should be compatible and should facilitate access by all users. In reforming their ICT systems, technical specifications should be taken into consideration to ensure cost effectiveness. Best practices of other United Nations organizations should be explored in this regard.

75.   The following recommendation is expected to facilitate the efficient use of resources.

Recommendation 10

The Secretary General should submit to the Council a comprehensive ICT strategy focusing on centralization, compatibility, standardization, and licensing control to be approved and implemented within one year; and establish timelines for the full computerization of conference services, including the introduction of e-conferencing equipment and services.

B. Language and Publications Branch

76.   Like most United Nations system organizations, ICAO has six official languages. The Organization also has six working languages that are used for all official meetings. This places a significant resource burden on language and publications services as all documents must be translated and prepared and interpretation must be available in each of the six languages for most meetings. The Inspector notes that interpretation is provided in six languages for the Assembly, Council, Air Traffic Control, Air Transport Conferences or Diplomatic Conferences and some Symposia. Committee on Aviation Environmental Protection is held in five languages; Chinese is not included. The Council Committees are held in four languages, as well as the Air Navigation Council and most Panels. Some Panels are held in three languages only, depending on their membership.

77.   The Programme Budget of ICAO for the period 2005-2007 amounts to US$197 million, and Language and Publications accounts for US$42.5 million or 21.5 per cent. The high cost of conference services may be linked to the high number of meetings of the Council and its subordinate bodies, which require significant conference service support.

78.   The 2005 Annual report provides that there were 46 meetings of the Council in 2005. Adding the meetings of the other subordinate bodies increases the total to approximately 190 meetings for the year.[37] This figure includes meetings of the Council, the Air Navigation Commission and various other subordinate bodies such as the Finance Committee. The figure does not include informal briefings that are provided to the Council, which also require interpretation and language services. ICAO may wish to consider a change in its working methods to align itself with best practices of other United Nations organizations by having the Council and its subordinate bodies meet less frequently and by holding the Assembly meeting every two years. It is suggested that such an arrangement be gradually put into place so as not to disrupt the governance cycle.

79.   In a majority of United Nations system organizations, concern has been expressed about the high percentage of the budget allocated to conference services, including, for example translations, documents storage and distribution, and publications. Many organizations have tried to reduce the cost of conference services by reducing the volume of documents distributed and limiting the steps involved in the processing of documents, taking into account developments in information technology. In this context, a committee on conferences was established in the United Nations to, inter alia, find solutions to reduce expenditure on conference services. A similar initiative in ICAO would be useful, particularly in the light of the significant amounts currently allocated to conference services.

---

[37] Annual Report of the Council 2005 (DOC 9862).

80.   The Inspector recognizes that some efforts have been made in ICAO to limit the cost of translations and language services, including through the introduction of outsourcing in the draft budget proposal for the next triennium. However, he is of the view that more could be done. The Inspector believes that all future reform proposals of the Secretary General of ICAO should attach high priority to reducing the cost of conference services, with due regard to the principle of multilingualism.

81.   The implementation of the following recommendation is expected to facilitate the efficient use of resources.

Recommendation 11

The Secretary General should study best practices of other United Nations system organizations with the view to submitting for the consideration of the governing bodies a comprehensive strategy to reduce the cost of language services.

VII. OVERSIGHT

A. External oversight

82. Article XIII of the ICAO Financial Regulations provides for the appointment of an External Auditor who is to be the Auditor General of a Contracting State. The term of appointment of the External Auditor is determined by the Council and confirmed by the Assembly. The Auditor General of Canada is the External Auditor of ICAO and has been since 1952. The current term of office of the External Auditor ends on 31 December 2008. The Inspector notes that Member States have taken the decision to rotate the external audit function. This is consistent with best practices in United Nations system organizations.

83. The External Auditor makes independent audits of the funds, assets and accounts of the Organization annually or as deemed necessary. The Inspector was informed that the External Auditor may also make observations regarding the efficiency of the financial procedures, the accounting system, the internal financial controls, and in general, the administration and management of the Organization. However, it was observed that while the External Auditor has delivered value for money audits in conformity with accepted accounting practices, no management audits have been undertaken. The External Auditor indicated that, although a part of the problem of management may stem from the structure of the Organization, it is not within the mandate of the External Auditor to review such issues. Restructuring of the Organization is considered to be within the purview of the Assembly, and therefore has not been addressed in the External Auditor's reports. Best practices of other United Nations system organizations should be considered in this regard.

B. Office for Programme Evaluation, Audit and Management

84. Article XI of the ICAO Financial Regulations provides that the secretariat should maintain an internal audit office within the Office of the Secretary General. The mandate for internal audit is vested in the Office for Programmes Evaluation, Audit, and Management Review (EAO), which is responsible for all internal oversight functions.

85. The Inspector notes with concern that EAO has been undertaking additional functions and tasks that do not strictly fall within the Office's mandate including, for example, the review of sealed tender. To promote the independence and efficiency of EAO, this practice should be discontinued. EAO should not be involved in matters that are the responsibility of administration and management as this could jeopardize the independence of the Office.

86. The Inspector notes that the financial constraints of the Organization over the past several trienniums have led to the reduction of staff and the reorganization of the work of EAO. The 2002-2004 Programme Budget for EAO included four professional and four General Service staff. While the 2005-2007 Programme Budget provided for one Chief (Principal Officer/D-1) two Professional officers and three General Service staff, presently the office has a Chief and one Professional Officer and one GS staff. The office envisages hiring one additional officer and one GS in the near future. The Inspector is of the view that these resources are inadequate for EAO to effectively carry out the internal oversight functions of the Organization. The Office should be strengthened in budgetary terms and granted greater independence in developing its own budgetary needs.

87. Furthermore, it is expected that the work of EAO will be affected by the implementation of results-based budgeting, as envisaged in the reform process. The Organization may wish to consider how the monitoring, review and evaluation of results-based budgets would be integrated into the work, and achieved with the current resources, of EAO.

88. The following recommendations are expected to enhance efficiency and encourage the sharing of best practices.

Recommendation 12

The Secretary General should ensure that the mandate of the Office for Programme Evaluation, Audit and Management is strictly adhered to so as to avoid jeopardizing the independence of the Office.

Recommendation 13

The Council should increase the resources allocated to the Office for Programme Evaluation, Audit and Management and ensure the financial independence of the Office.

C. Oversight board

89. Reference is made to the JIU report entitled "Oversight lacunae in the United Nations system".[38] The report recommended that legislative bodies of United Nations system organizations each establish an independent external oversight board to: review audited financial statements, risk assessments and internal controls; and to evaluate the overall efficiency and effectiveness of the external auditor and the internal oversight service. The Inspector notes that the ICAO Council is in the process of studying the establishment of an oversight board[39] and determining the terms of reference of that board, as recommended in the JIU report.

90. The Inspector further notes that efforts are being made to ensure the independence of the board and the oversight expertise of its members. The proposed terms of reference take into account the recommendations from the JIU report. The proposed broad functions of the board include the review of audited financial statements; risk assessment processes and internal controls; and the evaluation of the efficiency and effectiveness of the external auditor and internal oversight services. The Inspector welcomes this initiative, and encourages the continuation of this process in line with JIU recommendations.

91. The following recommendation is expected to enhance effectiveness.

Recommendation 14

The Council should expedite the elaboration of the terms of reference for the oversight board in accordance with the standards outlined in the JIU report 'Oversight lacunae in the United Nations system' (JIU/REP/2006/2).

---

[38] JIU/REP/2006/2.
[39] Council Decision C-DEC 181/3.and C-WP/12856

Annex I
Overview on action to be taken by participating organizations on JIU recommendations
JIU/REP/2007/5

Report		United Nations and its Funds and Programmes											Specialized Agencies and IAEA												
		United Nations*	UNCTAD	UNODC	UNEP	UN-Habitat	UNHCR	UNRWA	UNDP	UNFPA	UNICEF	WFP	OTHERS	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	UNWTO	IAEA
	For action	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐
	For information and review	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☐	☒	☒	☒	☒	☒	☒	☒	☒	☒
Recommendation 1																	L									
Recommendation 2																	L									
Recommendation 3																	L									
Recommendation 4																	L									
Recommendation 5																	E									
Recommendation 6																	E									
Recommendation 7																	E									
Recommendation 8																	E									
Recommendation 9																	L									
Recommendation 10																	E									
Recommendation 11																	E									
Recommendation 12																	E									
Recommendation 13																	L									
Recommendation 14																	L									

Legend: **L:**   Recommendation for decision by legislative organ
            E: Recommendation for action by executive head
            ▨ **:**   Recommendation does not require action by this organization

* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-Habitat, UNHCR, UNRWA.