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

Prepared by

Nikolay Lozinskiy

Joint Inspection Unit

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United Nations

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EXECUTIVE SUMMARY

Review of management and administration in the International Civil Aviation Organization (ICAO)

JIU/REP/2019/1

In its programme of work for 2018, the Joint Inspection Unit (JIU) included the review of management and administration in the International Civil Aviation Organization (ICAO) as one of a series of reviews of JIU-participating organizations.

The objective of the review was to provide an independent assessment of the management and administration in ICAO, focusing on: governance; organizational structure, including regional presences; executive management; financial management; results-based management; human resources management; support services, including information and communications technology (ICT); and oversight and accountability mechanisms. The review serves as a follow-up to the previous JIU report (JIU/REP/2007/5), which the Council of ICAO considered in 2007 at its 182nd session. Some of the findings of that report are still valid and were taken into account as appropriate. Attention was paid to the particular business model of ICAO, its efforts towards improving operational efficiency and effectiveness and the overall strategic purpose, vision and mission of the organization.

ICAO is a United Nations specialized agency, established by States under the Convention on International Civil Aviation (the Chicago Convention) to manage the administration and governance of international civil aviation. With the Convention's 192 States parties, as well as industry groups, the organization works to adopt international civil aviation treaties, standards and recommended practices and policies in support of a safe, efficient, secure, economically sustainable and environmentally responsible civil aviation sector.

Since the issuance of the previous JIU report, the organization has undertaken a number of reform initiatives aimed at enhancing its administrative and management processes. Among others, it has developed a comprehensive organization-wide business plan, implemented a corporate performance and risk management system, updated the Charter of the Evaluation and Internal Audit Office and established the Evaluation and Audit Advisory Committee. Measures aimed at improving human resources management, ICT, language and conference services, technical cooperation activities and the functioning of its regional offices have also been undertaken. ICAO is currently updating its Framework on Ethics and establishing an investigation function, and has initiated a review of its organizational structure.

The report contains five recommendations, one of which is addressed to the ICAO Assembly, two to the ICAO Council and two to the ICAO Secretary General. In addition, it contains 22 informal recommendations, in the form of suggestions to improve management and administration policies and practices.

Main findings and conclusions

Governance

ICAO is one of the oldest organizations in the United Nations system, and the Chicago Convention has been serving ICAO since 1944. Looking into aviation of the future, the anticipated doubling of air aviation traffic every 15 years and the emerging trends and dynamic environment in which the organization operates, it should not be forgotten that, for those purposes, it is essential for ICAO to be a modern, efficient and effective organization

that is ready and fit for purpose and with clear governance where each part is performing its role.

One of the key issues to review is where to draw the line between governance and management in the functioning of ICAO. In practice, the Council at times functions as an executive body rather than a governing body, also due to the specific nature of ICAO, notably the triennial Assembly and the permanent and resident Council, the provisions of the Convention and the developed practices. There is also at times no full clarity as to where governance begins and management starts in the day-to-day operations and functioning.

A lack of clarity as to the distribution of roles and responsibilities among the Council and secretariat, the Secretary General and the President of the Council creates accountability issues and impacts on effectiveness, and may lead to inefficiencies and additional costs for the organization.

A clear understanding as to where governance ends and management starts would leverage the role of the Council and member States, allowing them to focus on the unique and key role they play in providing high-level strategic guidance and direction and oversight to ICAO, instead of diverting their efforts, expertise and capacity on issues that may be more suitably done by the secretariat.

It may serve the organization well to review the existing arrangements and practices with a view to streamlining them and to being more responsive and agile to act on and address emerging trends and developments in a rapidly evolving air aviation industry.

To that end, the Assembly is invited to establish a panel of eminent persons to review the governance structure of ICAO, including the delineation and allocation of responsibilities between the secretariat and the Council and the Secretary General and the President of the Council, and also to review the triennial cycle of the Assembly and budget of the organization, and the role, operating mode, workload and working methods of the Council and its committees and working groups and other related issues (**recommendation 1**).

Oversight

ICAO has many important elements of the oversight framework in place, except for a professional investigation function. Following the 2007 JIU report, progress has been made in strengthening the organization's oversight structure, including by establishing the Evaluation and Audit Advisory Committee, increasing the capacity of the Evaluation and Internal Audit Office and updating its Charter in 2017, and adopting the ICAO Framework on Ethics that became effective in 2012 and the appointment of an Ethics Officer.

A number of suggestions to further strengthen the oversight framework and functions have been made, including improving the timing of the sessions of the Evaluation and Audit Advisory Committee to better coordinate work and share information between the Committee and External Auditor, and the need to speed up the implementation of oversight recommendations.

The ICAO Framework on Ethics, including the investigation function, was under review at the time of preparing the present report. In line with a decision taken by the Council in June 2018 (C DEC 214/11), proposals have been made to amend the pertinent provisions of the ICAO Service Code, i.e. the Framework on Ethics and the terms of reference of the Evaluation and Audit Advisory Committee. The new arrangements should be operated for

a trial period of one year, and progress on their implementation should be reported to the Council.

Having reviewed the current proposals, it is recommended that the Council ensure, when reviewing and updating in 2019 the ICAO Framework on Ethics, that the Chief Investigator or head of the investigations function prepares an annual report to the Council and has access to the Evaluation and Audit Advisory Committee to raise, as necessary, any issues related to the work of the investigation function, notably concerning its independence or impediments to its mandate (**recommendation 2**).

The Council should ensure when reviewing and updating in 2019 the ICAO Framework on Ethics that the advisory and oversight mandate of the Evaluation and Audit Advisory Committee extends to all oversight matters, including those pertaining to the investigations and ethics functions. The terms of reference of the Committee should be amended accordingly (**recommendation 3**).

ICAO management should review all outstanding oversight recommendations and implement them in a timely manner and in line with the guidance provided by the Evaluation and Audit Advisory Committee, Evaluation and Internal Audit Office and the External Auditor.

Management

Progress has been made in strengthening the organization's assurance and internal control framework and risk management process. ICAO has adopted a risk register, and statements of internal control are prepared and contained within the annual financial statements and reports of the External Auditor. The corporate management and reporting tool has been improved continuously to monitor risks and performance. The tool is managed by the newly established Strategic Planning, Coordination and Partnership Office, in cooperation with the heads of bureaus and offices.

While ICAO has made progress in risk management, the review shows that further measures are needed to strengthen the enterprise risk management. The risk assessment process is being applied at headquarters level only, and regional offices do not participate in identifying the risks specific to their regions. The concept of enterprise risk management and internal control is still in its initial stage at ICAO, and the risk register is incomplete and is missing some key risks. Furthermore, ICAO does not have a designated chief risk officer, which has an impact on the quality of the risk management process and compliance with professional standards and dilutes responsibilities and accountability for the risk management process. To ensure compliance with professional standards, it is suggested that a senior manager should be designated as chief risk officer to lead the organization's enterprise risk management programme. The Secretary General should conduct, by the end of 2020, a comprehensive risk assessment in ICAO covering both headquarters and regional offices (**recommendation 4**).

ICAO has made progress in the implementation of results-based management, notably through the preparation of the business plan, programme budget and operating plans and introduction of the corporate management and reporting tool. Further enhancements are envisaged, including implementing more effective ways to monitor and track the organization's performance and better analysis of past performance that will help to improve the preparation of the budget and business plan based on actual data and evidence. A framework of measurable strategic objectives for the regional offices should be developed

in line with the specific objectives and sub-objectives of each regional office, and subsequently monitored, including through the tool.

ICAO has started a review of its organizational structure. The secretariat prepared a study with proposals for consideration by the Council that are expected to provide an opportunity to create greater efficiency and cost-effectiveness through the co-location of compatible functions and eliminating duplicated activities. ICAO needs to adapt and be able to provide services in a fast-changing and dynamic air aviation environment in order to remain relevant and provide added value and expected support to its member States. It is therefore necessary to further streamline its organizational structure, remove duplications through the co-location of compatible functions and improve the integration of normative and implementation activities and the activities of the regional offices.

Human resources management

ICAO follows the United Nations common system in the area of human resources management and has implemented the framework for human resources management developed by the International Civil Service Commission. Approximately 78 per cent of the current budget relates to the costs of human resources.

ICAO has made progress in human resources management, including by implementing a number of pertinent recommendations made by the JIU in its 2007 review. Still, further improvements are needed with respect to workforce and succession planning, employment of non-staff, equitable geographical representation and gender equality. ICAO would benefit from adopting a comprehensive human resources management strategy in order to address strategically and holistically the aforementioned issues.

ICAO employs a significant number of non-staff, such as consultants/contractors and secondees. Their total number both at headquarters and in regional offices was 341 in 2017 (246 consultants/contractors and 95 secondees), increasing on average by 17 per cent per year over the previous three years. Consultants/contractors and secondees made up roughly 33 per cent of the entire ICAO workforce. This was a significant increase compared with 2010, when 18 per cent of the total workforce were non-staff. The overreliance on non-staff has been identified as an issue. Care should be exercised to ensure that the short-term benefits are not outweighed by the long-term adverse effects, notably on institutional memory and workforce planning. Compliance with ICAO policies on consultants and contractors as well as core United Nations principles for engaging non-staff must be ensured.

Although measures have been taken to improve equitable geographical representation within the organization, it is worth noting that the majority of contracting States (55 per cent) remain unrepresented within the ICAO secretariat.

Gender equality in the Professional and higher categories remains a concern, with women occupying only 30 per cent of the professional posts as at December 2017. More needs to be done towards achieving gender equality in the Professional categories, including through the continuation and expansion of outreach programmes, and increased consideration for internal female candidates.

About 10 per cent of ICAO staff will retire by the end of 2019, 22 per cent by 2022 and 34 per cent by 2025. Workforce trend analysis, recruitment and outreach, development of competency profiles and other measures need to be sped up.

ICAO has a particular workforce composition and faces a number of human resources management challenges in terms of equitable geographical representation, gender equality, succession planning and knowledge retention. While it has addressed the respective issues and developed and started implementing corresponding programmes, policies and practices, the organization is missing a strategic and holistic approach to human resources management. ICAO should therefore develop and adopt a comprehensive human resources management strategy by putting all those elements together under one umbrella. Such a measure would help to address the related risks and ensure strategic alignment of the ICAO workforce to the organization's needs **(recommendation 5)**.

The Technical Cooperation Bureau has a high degree of independence, including separate experts, budget, procurement and recruitment standards. While progress has been made through the revision of the Bureau's field staff rules and the introduction of declaration of interest statements, further steps are needed, notably the update of the project administrative instructions manual for special service agreements and service contracts, in order to decrease exposure to operational and reputational risks.

ICAO has a limited personal promotion policy based on performance, seniority and proximity to retirement age. That practice deviates from the common practices in the United Nations, and most international organizations have already eliminated it. In the interest of fairness and transparency regarding recruitment and promotion, the Secretary General should discontinue the practice of granting personal promotions at ICAO.

Support services

The overall budget allocated for conference and language services has been reduced from 16.7 per cent in the budget for the triennium 2008–2010 to 13.6 per cent in that of 2017–2019. Still, language services remain by far the largest expenditure for the organization in terms of programme support.

Various measures to reduce operational costs with regard to printing, distribution and interpretation services have been implemented, including automation and modernization of equipment, a focus on a paperless environment and outsourcing. The Secretary General should continue her efforts to reducing the cost of language and publication services while ensuring expected levels of quality of services.

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Recommendations

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Recommendation 1

The Assembly is invited to establish at its fortieth session a panel of eminent persons to review the governance structure of ICAO and its capacity for more effective, accountable and transparent decision-making, including the delineation and allocation of responsibilities between the secretariat and the Council and the Secretary General and the President of the Council, and also to review the triennial cycle of the Assembly and budget of the organization, and the role, operating mode, workload and working methods of the Council and its committees and working groups. The panel should submit its report through the Council to the Assembly at its forty-first regular session.

Recommendation 2

The Council should ensure, when reviewing and updating in 2019 the ICAO Framework on Ethics, that the Chief Investigator or head of the investigations function produces an annual report to the Council and has access to the Evaluation and Audit Advisory Committee to raise, as necessary, any issues related to the work of the investigations function, notably any constraints as to the independence of the function or impediments in fulfilling its mandate.

Recommendation 3

The Council should ensure, when reviewing and updating in 2019 the ICAO Framework on Ethics, that the advisory and oversight mandate of the Evaluation and Audit Advisory Committee extends to all oversight matters, including those pertaining to the investigations and ethics functions. The terms of reference of the Committee should be updated accordingly.

Recommendation 4

The Secretary General should conduct by the end of 2020 a comprehensive risk assessment in ICAO, covering both headquarters and the regional offices. The risk register should be updated accordingly, including the envisaged mitigation measures.

Recommendation 5

The Secretary General should develop and adopt by the end of 2020 a comprehensive human resources management strategy that includes geographical representation, gender equality, career development and training, succession planning and knowledge retention, and report periodically to the Council on its implementation.

CONTENTS

ANNEXES

ABBREVIATIONS

ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
ICT	Information and communications technology
IPSAS	International Public Sector Accounting Standards
ITU	International Telecommunications Union
JIU	Joint Inspection Unit
UNIDO	United Nations Industrial Development Organization
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UPU	Universal Postal Union
WFP	World Food Programme

I. INTRODUCTION

1.   In its programme of work for 2018, the Joint Inspection Unit (JIU) included the review of management and administration in the International Civil Aviation Organization (ICAO) as one of a series of similar reviews of United Nations system organizations in accordance with its revised strategic framework (A/66/34, annex I).

A.   Objective and scope

2.   The objective of the report is to provide an independent assessment of the management and administration in ICAO, focusing on the following areas: governance; organizational structure, including regional presences; strategic planning; executive management; financial management; human resources management; ICT management; and oversight and accountability mechanisms. Attention is paid to the particular business model of ICAO, its ongoing efforts towards improving operational efficiency and effectiveness and the overall strategic purpose, vision and mission of the organization.

3.   The review serves also as a follow-up to the previous JIU report conducted in the period 2006 to 2007 (JIU/REP/2007/5), which the Council of ICAO considered in 2007 at its 182nd session.[1]

4.   The assessment focuses on the regular programme activities (assessed contributions) of ICAO and covers both its headquarters and its regional offices. The technical cooperation programme and projects of ICAO, which are important activities of the organization and self-funded by contributions from Governments and other donors, were not reviewed in depth, but examined in conjunction with the assessment of regular programme activities, where appropriate.

B.   Background

5.   ICAO is a United Nations specialized agency, established by States under the Convention on International Civil Aviation (the Chicago Convention) to manage the administration and governance of international civil aviation.

6.   ICAO works with the 192 States parties of the Convention and industry groups to adopt international civil aviation treaties, standards and recommended practices and policies in support of a safe, efficient, secure, economically sustainable and environmentally responsible civil aviation sector.

7.   The organization is made up of the Assembly, Council and secretariat.

8.   The Assembly, which is composed of representatives from all 192 contracting States, is the supreme body of ICAO and meets not less than once every three years. It establishes the worldwide policy of the organization for the upcoming triennium. Assembly outcomes are then provided to the other bodies of ICAO and to its member States, in order to guide their continuing and future work, as prescribed in article 49 of the Convention.

9.   The Council is a permanent body of the organization and reports to the Assembly.[2] It is composed of 36 member States elected by the Assembly for a three-year term.[3] The Council has numerous functions, including notably: to carry out the directions of the Assembly; to discharge those duties and obligations that are given to it under the Convention; and to administer the finances of ICAO. As one of the two governing bodies of ICAO, the Council gives continuing guidance to the work of the organization.

10.   The secretariat is not assigned any specific duties under the Convention. Its primary role as executive body is to implement the decisions of the Assembly and the Council. It carries out the work programmes of the organization.

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[1] See working paper C-WP/13034.
[2] See article 50 (a) of the Convention on International Civil Aviation.
[3] At its thirty-ninth session, the Assembly approved expanding the membership to 40.

11.   The budget for the triennium 2017–2019 of ICAO amounts to $Can 302 million. The regular programme of ICAO is complemented by the technical cooperation programme, managed by the Technical Cooperation Bureau. Technical cooperation projects are financed through extrabudgetary and voluntary contributions. The financial resources for technical cooperation projects totalled $Can 131.4 million in 2017.[4] The total revenue of ICAO amounted to $Can 272.4 million in 2017. There is a significant reliance on extra resources received through revenue-generating activities, which amounted to $Can 22.5 million or 8.3 per cent of total revenue in 2017.

12.   Since the issuance of the previous JIU report on management and administration in ICAO, the organization has undertaken a number of reform initiatives aimed at enhancing its administrative and management processes. Among others, it developed a comprehensive organization-wide business plan and a results-based budget, introduced a corporate performance management and corporate risk management system, updated the Charter of the Evaluation and Internal Audit Office and established the Evaluation and Audit Advisory Committee. It has updated the organization's Framework on Ethics, its information management, its human resources management, including performance management, and the regional office manual.

13.   The Council and its committees and working groups, notably the Working Group on Governance and Efficiency, have reviewed and made progress in further enhancing various management processes and policies, including the ICAO assurance framework, the ICAO business plan and results-based budget, the ICAO policy formulation process, the Framework on Ethics, the Charter of the Evaluation and Internal Audit Office, the terms of reference of the Evaluation and Audit Advisory Committee, human resources management, ICT and document management, all aimed at further improving the efficiency and effectiveness of the organization.

14.   A number of changes to its organizational structure have been made since 2007, including strengthening of the regional offices, establishing a regional suboffice in Beijing and creating the Strategic Planning, Coordination and Partnership Office, in charge of coordinating high-level and cross-cutting strategies and priorities among the different bureaus and offices, including the regional offices. In 2018, ICAO initiated a review of its organizational structure, which was still under way at the time of preparing the present review.

15.   At its 182nd session, the Council of ICAO considered the 2007 JIU report and reviewed all 14 recommendations.[5] The majority of the recommendations were accepted and implemented, some of which only partially. Two recommendations (recommendations 2 and 3) were neither accepted nor implemented by ICAO, as the organization maintained a different view. The present review provides an assessment of the status of implementation and the impact achieved, and reference is made to the pertinent recommendations of the 2007 JIU report in the relevant context.

16.   In 2019, ICAO will commemorate its seventy-fifth anniversary. In 2018, the fifth Council off-site strategy meeting was held under the theme "Aviation of the future". At the meeting, the potential impact of rapid technological changes in civil aviation was examined and strategies were discussed that might be needed to ensure that ICAO maintains its global leadership.[6] As concluded at the meeting, the organization will need to find new ways of working to adapt to the rapid pace of technological development and the ever-increasing needs of the member States.[7] The present report, which provides an independent assessment of the functioning of the organization, is aimed to support ICAO in those efforts.

C.   Methodology

17.   In accordance with JIU internal standards and guidelines and its working procedures, the methodology used to prepare the present report included a preliminary desk review, a corporate questionnaire, interviews and in-depth analysis. Interviews were conducted with ICAO officials both at headquarters and in two regional

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[4] See working paper C-WP/14748, addendum No.1, p. I-12.
[5] See working paper C-WP/13034.
[6] See working paper C-WP/14794.
[7] Ibid.

offices (the Eastern and Southern Africa Office and the Europe and North Atlantic Office), with 15 representatives of the Council of ICAO, the President of the Council, the Chair of the Working Group on Governance and Efficiency, the current and former Chairs of the Finance Committee, the Chair of the Human Resources Committee, the Secretary General of ICAO, the ICAO External Auditor, the Chair of the Evaluation and Audit Advisory Committee, the Ethics Officer, the Chief of the Evaluation and Internal Audit Office, the Ombudsman, two regional directors and their deputies, and staff representatives. Comments from ICAO on the draft report were sought and taken into account.

18.   In accordance with article 11, paragraph 2, of the JIU Statute, the present report was finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.

19.   To facilitate the handling of the report and the implementation of its recommendations and the monitoring thereof, the table in annex V indicates those recommendations that require a decision by ICAO governing bodies and those addressed to the Secretary General.

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

II. GOVERNANCE

21.   The Assembly is the supreme body of ICAO. One of the duties specifically assigned to it under the Convention, which also include electing the Council members and approving the organization's budget, is the power to deal with any other matters within the sphere of the organization that are not specifically assigned to the Council under the Convention. The resolutions adopted by the Assembly are implemented by the Council, the secretariat and other ICAO bodies. In some cases, resolutions call for action by the secretariat, including indirectly through the Council. The Assembly meets once every three years, in accordance with the Convention, for a duration of two weeks.

22.   The Council is a permanent body that reports to the Assembly. Its mandatory functions are laid out in article 54 of the Convention, and include the appointment of a chief executive officer, i.e. the Secretary General. The Council elects its President in accordance with article 51 of the Convention, which also sets out the duties of the President, in particular that he or she: (a) convenes meetings of the Council, the Air Transport Committee and the Air Navigation Commission; (b) serves as a representative of the Council; and (c) carries out on behalf of the Council the functions that the Council assigns to him or her.

23.   The Council typically holds three sessions per year, according to its existing rules of procedures. Each session lasts about six weeks, including three weeks for committee meetings and three weeks for the Council session. The Council is a permanent and resident body, and offices of the Council members are co-located on the premises of the secretariat.

24.   The ICAO secretariat is headed by the Secretary General and consists of five bureaus: the Air Navigation Bureau, the Air Transport Bureau, the Technical Cooperation Bureau, the Legal Affairs and External Relations Bureau, and the Bureau of Administration and Services, as well as other offices. ICAO directors, heads and chiefs of the bureaus and offices at headquarters and the seven Regional Directors report to the Secretary General.

25.   The Council sets out the priorities of the secretariat in a charter letter to the Secretary General at the beginning of his or her term of office. It also guides the business plan and approves the regular budget. According to the charter letter, the most recent of which was dated 5 April 2018, the Secretary General is "the chief executive officer (CEO) in terms of Article 54(h) of the Convention, who is accountable to the Council" and as such is "responsible for the general direction of the work of the Secretariat, for developing the organization's business plan and preparing budget proposals, for implementing the work program, and ensuring the sound financial management of the organization in accordance with the Financial Regulations and Rules with such duties, responsibilities and reporting obligations as are described in attachment to the charter letter." The Secretary General reports periodically to the Council on progress regarding the activities, duties and responsibilities outlined in the charter letter.

A.   Key issues

26.   The ICAO governance structure is unique in that the Assembly operates under a triennial cycle and a triennial programme budget, and the permanent Council and its various committees, working groups and subgroups are in session practically year-round. It should be emphasized that ICAO remains the only organization within the United Nation system that maintains a triennial cycle.

27.   In its previous report on ICAO, JIU reviewed those governance aspects and recommended that the Council consider 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; and adopting a biennial budget to enhance planning. In its recommendation No. 2, it also suggested that the Council should consider streamlining the number of meetings of the Council and its subordinate bodies in order to reduce the overall administrative burden on the secretariat relating to meetings.

28.   In that report, JIU noted that, against the background of fast-evolving technological and systematic

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 has restricted powers to establish budgets and approve appropriations. Furthermore, it considered that realistic projections and programme planning were difficult in a three-year budget cycle. JIU found that a shorter cycle would improve programme planning and facilitate a more pragmatic projection of income and expenditures. 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 (see JIU/REP/2007/5, paras. 19–24).

29.   The Council considered the JIU report and decided not to implement recommendation 2 (a) and (c) therein, concerning the adoption of a biennial Assembly and budget (C DEC 183/3). Alternative options were considered but not pursued. The Assembly had indicated in its decision A16-13 that "the triennial arrangements of ordinary sessions of the Assembly should be regarded the normal practice of the organization".

30.   With regard to recommendation 2 (b), the Council included discussions on ways to improve the efficiency and effectiveness of its working methods and those of the subsidiary bodies as an ongoing agenda item. Among others initiatives, it began work: (a) to review its draft work programme and that of its committees and the ICAO programme of meetings by identifying topics that could be consolidated; (b) to defer topics that were not ready for discussion; and (c) to delete topics that no longer required consideration. The Council, through the Working Group on Governance and Efficiency, examined corporate policy and governance issues of the organization in diverse areas. In particular, efforts were undertaken in the review of the ICAO policy formulation process. Furthermore, it was decided that working papers relating to implementation and assistance matters — including the "no country left behind" initiative, regional office reports, aviation training and resource mobilization activities — would be reviewed by the Implementation, Strategy and Planning Group prior to consideration by the Council, in order to facilitate discussions. The Council also reviewed ways to improve the overall structure of the preparatory work for the Assembly.[8]

31.   Another key concern raised in the 2007 JIU report was the issue of the division and allocation of responsibilities between governance and executive management. Recalling that the Council was a permanent and resident body, the JIU noted in the report that, based on the information gleaned during interviews, there was an apparent tendency for the Council to become involved in matters traditionally within the purview of executive management. It highlighted the importance of clearly defining the respective roles and responsibilities of the main parties involved in the governance of United Nations system organizations. This would enhance accountability and avoid negative implications in the process (see JIU/REP/2007/5, paras. 28–31).

32.   In that context, JIU suggested that 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. The Council reviewed that recommendation but maintained the practice whereby appointments to posts at the D-1 and D-2 levels required the Secretary General to seek the advice of the Council's Human Resources Committee and the approval of the Council and/or its President.

33.   The present review found that those challenges still persisted. As indicated by a number of interviewees (officials of the ICAO secretariat and Council members), in practice the Council at times functioned as an executive body rather than a governing body, owing to, inter alia, the specific nature of ICAO, notably the triennial Assembly and the permanent and resident Council, the provisions of the Convention and the developed practices. There was also at times no full clarity as to where governance began and where management started in the day-to-day operations and functioning.

34.   In addition to the Senior Management Group, Full Senior Management Group and the other senior management committees composed of senior secretariat managers, there are a number of committees and

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[8] See working paper A39-WP/75, paras. 2.2.1–2.2.3.

working groups established by the Council and composed of Council members that are mandated to discuss and decide on policy issues and provide overall high-level and strategic guidance, but also, to some extent, on issues of a more managerial or operational nature. It is difficult in practice to draw a clear line between those policy issues on one hand and the more managerial and operational issues on the other, and at times the lines become blurred.

35.   The Committee on Cooperation with External Parties reviews and approves all proposed ICAO memorandums of understanding and similar arrangements with external parties, including with member States, United Nations agencies and other international organizations, as well as more administrative arrangements, such as secondments offered by ICAO member States. Pursuant to the policy on interactions with external parties, the Committee is composed of four representatives on the Council and submits its reports to the Council President for decision.

36.   The Committee on Cooperation with External Parties, subject to certain specified exemptions, examines and pre-assesses all arrangements with external parties, including those with other ICAO member States and United Nations organizations, and those of administrative nature. The Committee's reports are then transmitted to the President of the Council, who makes the final decision of approval and determination as to who can sign the specific memorandum of understanding. Considerable resources and time, beyond budget scope, are required by the secretariat to support the Committee's work, including its weekly meetings; to review all memorandums of understanding and other arrangements and determine the above-mentioned signatory authority; and to make recommendations to the Council President regarding approval and determining signatory authority. While intended to streamline the systematic review of ICAO interaction with external parties, the above-mentioned policy and its implementation has in practice introduced further constraints on the exercise of the executive functions in the organization and is not in line with the practices of other United Nations system organizations. The policy has a wider scope than the Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector. Having the Secretary-General as "chief executive officer" of the organization and the Committee on Cooperation with External Parties, which exercises functions of operational and managerial nature related to the engagement of external parties, creates ambiguities and inefficiencies.

37.   The Human Resources Committee of the Council has some authorities, together with the President of the Council, concerning the appointments of posts at the D-1 and D-2 levels, as set out in the ICAO Service Code. While, subject to the availability of funds, the establishment of new positions (funded both through regular budget and extrabudgetary resources) to meet the needs of the regular programme and the business plan is within the authority of the Secretary General, appointments at those levels continue to be subject to the approval of the Council and/or its President. Consistent with regulation 4.12 of the Service Code, the Committee reviews the selection reports for those posts to ensure that the shortlisted candidates meet the selection criteria and that those rejected are treated fairly. The practice of submitting such appointments for the approval of the Council and/or its President deviates from common United Nations human resources management practices. The Secretary General should be given full authority, with appropriate accountability, to appoint and terminate all staff of the organization, as suggested in the previous JIU report. The involvement of the Council limits the authority of the Secretary General, dilutes his or her accountability and is not efficient for the running and management of the organization (JIU/REP/2007/5, para. 31).

38.   There are a number of working groups and subgroups established by the Council and composed of Council members, such as the Working Group on Governance and Efficiency and its subgroups, as well as the Implementation, Strategy and Planning Group, that deal on the one hand with policy and governance issues, such as policy formulation process, effectiveness of the Council and its committees, while adopting key policies (e.g. the Service Code and Framework on Ethics), and on the other hand are also closely involved in drafting new policies and discuss and review details of those policies and closely monitoring their implementation. Some of the tasks in this situation are managerial in nature and would be better handled by the secretariat, which would typically do the preliminary work then report to those groups and subgroups with detailed information, on the basis of which the working groups (and then the Council) would engage in high-

level and strategic debate, make decisions and provide overall guidance.

39.   The Council sets out the priorities for the secretariat in a charter letter to the Secretary General at the beginning of his or her term of office, which differs from the practices in other United Nations system organizations. High-level strategic direction and guidance and oversight by member States is usually provided through other instruments, such as decisions and resolutions, and requested by the governing bodies in accordance with the provisions of the organization's charter, statute or convention and the rules of procedures of its governing bodies. Detailed and specific prescriptions through a charter letter without clearly defining at the same time the delegated authority and the line where governance ends and management begins presents an inherit risk of blurring the line between governance and management and diffuses accountability.

40.   Furthermore, the work of the Secretary General can be and is eventually affected by the prerogatives given historically to the President of the Council, which can cause difficulties where there should be cooperation. For example, during interviews it was noted that at times it was not clear who formally should represent ICAO externally — the Secretary General and/or the President of the Council. Council members need to review and reconsider the standing instructions and delegated authorities that have been given in the past.

41.   The Council meets three times per year for approximately six weeks each session, with additional and frequent meetings of its committees, working groups and subgroups throughout the year. This places additional strain on administrative and human resource costs. As some interviewees indicated, a clearer division of responsibilities concerning the work of the Council and its committees would be useful. The ICAO secretariat and/or the respective secretariats of the committees and working groups could do more of the preparatory work so that the Council and the members of the working groups could focus more on the strategic and policy issues rather than having protracted discussions on technical details or operational matters. With a lack of clarity in the distribution of roles and responsibilities, accountability may also be lacking. This situation may result in "micro-management", inefficiencies and additional costs for the secretariat, the Council and members of the committees and working groups.

42.   Taking into consideration the above, it is evident that the problems with the division of responsibilities between governance and management need to be resolved.

B.   Consideration and conclusion

43.   ICAO is one of the oldest organizations in the United Nations system, and the Chicago Convention has been serving ICAO since 1944, but as it appears that some provisions of the Convention and other statutory documents relating to governance and executive management may need to be updated, amended, modified or even re-formulated.

44.   As underlined in 2018 by the participants of the fifth Council off-site strategy meeting, ICAO will need to be proactive in its approach to aviation of the future and should lead in the development of regulatory framework to facilitate the implementation of emerging technologies related to air transport.[9]

45.   Air transport today plays a major role in driving sustainable economic and social development. It directly and indirectly supports the employment of 56.6 million people, contributes over US$2.2 trillion to global gross domestic product and carries more than 2.9 billion passengers and US$5.3 trillion worth of cargo annually. Global air traffic has doubled in size every 15 years since 1977 and will continue to do so. This growth occurs despite broader recessionary cycles and helps to illustrate how aviation investment can be a key factor supporting economic recovery.[10]

46.   Looking into the aviation of the future, it should not be forgotten that, for those purposes, it is essential

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[9] See oral report of the Implementation, Strategy and Planning Group dated 28 June 2018, Rev. 1, para. 4.
[10] See ICAO, *Global Air Navigation Plan: 2013–2028* (Montreal, Canada, 2013), pp. 8–9.

that ICAO be a modern, efficient and effective organization that is ready and fit for emerging challenges, with clear governance where each part is performing its role.

47.   In order to meet those challenges, ICAO would benefit from changes in its governance structure and executive management. It may serve the organization well to review the existing arrangements and practices with a view to streamlining them in order to be more responsive and agile to act on and address emerging trends and developments in a rapidly evolving air aviation industry. In that context, the organization's specific mandate and structure as set out by the Chicago Convention should be taken into consideration.

48.   One of the key issues to review is where to draw the line between governance and management in the operation and functioning of ICAO. A lack of clarity in the distribution of roles and responsibilities among the Council and secretariat, the Secretary General and the President of the Council, creates accountability issues and impacts on effectiveness and may lead to inefficiencies and additional costs for both the secretariat and Council.

49.   The Assembly should meet more often than once every three years. The three-year cycle of meetings of the Assembly deviates from practices in other United Nations system organizations, which convene their supreme legislative bodies either annually or biennially, and the budgets in most United Nations system organizations are usually biennial or annual. The United Nations, for example, took the decision to have an annual budget. At ICAO, the preparation of the new triennial budget commences more than one year prior to its adoption and, hence, in practice budget forecasts and estimates need to be made up to four years in advance, which makes it difficult to provide realistic financial estimates and take into consideration any emerging or changing priorities or needs. In the opinion of the Inspector, in the case of ICAO, a two-year cycle of meetings of the Assembly would facilitate effective decision-making and governance and, inter alia, would allow States not members of the Council, which make up the majority of the member States, to participate in the decision-making process more often than once every three years. This would contribute to the responsiveness and agility of the organization.

50.   In most if not all other United Nations agencies, the governing body of the organization, i.e. its council, is not permanent and meets at most for two sessions a year. The ICAO Council, as its governing body, should focus on governance and oversight over the secretariat and not on operational or management issues. This would allow member States to focus on their key role of providing overall strategic direction and guidance to the secretariat (in line with Assembly resolutions) and continue to be of the best value to the member States. The duration of the Council sessions should also be reconsidered. For instance, it is suggested that the number of annual sessions should be reduced to two instead of three, and their length reduced to three or four weeks instead of six, which would also result in cost savings and additional efficiencies.

51.   A clearer delineation of responsibilities between the secretariat and Council, and the Secretary General and the President of the Council, would, in addition to reducing potential duplication of work and improving inefficiencies, enhance accountability and transparency. If the roles and responsibilities are not clear, accountability may be compromised.

52.   A clear understanding as to where governance ends and management starts is essential and would leverage the role of the Council and member States by allowing them to focus on their unique and key role of providing overall high-level strategic guidance, direction and oversight to ICAO, instead of diverting its efforts, expertise and capacity on issues that may be more suitably undertaken by the secretariat.

53.   The Inspector is cognizant that the proposed shift to a biennial cycle of the Assembly and budget of the organization would also require some changes in the meeting pattern and election cycle of the Council members, as well as in the setting, composition and working methods of its subsidiary bodies.

54.   Governance is a prerogative of member States. Since a comprehensive review of that kind would have to take into account possible changes to the Convention and would require extensive consultations with all stakeholders, it is suggested that the Assembly should establish a panel of eminent persons to review the governance structure of ICAO and related issues, including those outlined above. In terms of the composition

of the panel, its members should possess the necessary qualifications to address the aforementioned issues, and equitable geographical representation should be considered.

55.	The following recommendation is expected to enhance governance, management and the effectiveness of the ICAO.

Recommendation 1

The Assembly is invited to establish at its fortieth session a panel of eminent persons to review the governance structure of ICAO and its capacity for more effective, accountable and transparent decision-making, including the delineation and allocation of responsibilities between the secretariat and the Council and the Secretary General and the President of the Council, and also to review the triennial cycle of the Assembly and budget of the organization, and the role, operating mode, workload and working methods of the Council and its committees and working groups. The panel should submit its report through the Council to the Assembly at its forty-first regular session.

III. OVERSIGHT

A.   Oversight framework

56.   Member States have the overall responsibility for oversight at ICAO. They delegate some authority for oversight to the ICAO secretariat, including the Evaluation and Internal Audit Office, External Auditor, the Evaluation and Audit Advisory Committee, Ethics Officer and Ombudsman.

57.   ICAO has many important elements of the oversight framework, except for a professional investigation function. Following the 2007 JIU report, progress has been made in strengthening the organization's accountability framework, including: (a) the establishment of the Evaluation and Audit Advisory Committee; (b) increasing the capacity of the Evaluation and Internal Audit Office and updating its Charter in 2017; (c) the adoption of the ICAO Framework on Ethics, which became effective in 2012; and (d) the appointment of an Ethics Officer. The External Auditor of ICAO has focused on auditing the financial statements and financial management, but has also conducted a number of performance audits, which is in line with good practices of other United Nations system organizations. The reports of the External Auditor include a statement of internal control by the Secretary General, which is in line with good practices, such as the framework of the Committee of Sponsoring Organizations of the Treadway Commission.

58.   ICAO is also subject to oversight by JIU, which, as an independent external oversight body of the United Nations system organizations, is mandated to provide an independent view through inspections and evaluations aimed at improving management and achieving greater coordination between United Nations system organizations. Despite the progress made, there are a number of areas that require further enhancement.

B.   Cooperation between the Evaluation and Audit Advisory Committee, External Auditor and the Evaluation and Internal Audit Office

59.   While there is in principle good cooperation between the Evaluation and Audit Advisory Committee, External Auditor and the Evaluation and Internal Audit Office, they noted that their communication could be further improved. Internal and external oversight functions could do more to share annual audit plans and information on their work to avoid any potential overlaps and oversight fatigue in the organization. For instance, the Committee indicated that it was not able to review the organization's financial statements and External Auditor report for 2017 before they were approved by the Secretary General. The Committee therefore suggested that it would welcome more substantive discussions on preliminary findings and observations of the External Auditor report before they are presented to the Council for consideration, which has not always been possible in view of the internal procedures and practices of the External Auditor.[11]

60.   **The Inspector suggests that the timing of the sessions of the Evaluation and Audit Advisory Committee should be reviewed in consultation with the External Auditor and the Evaluation and Internal Audit Office and coordinated accordingly, including by using videoconferencing facilities as appropriate and possible, so as to allow for better coordination of work and sharing of information between the Committee and the External Auditor, including the reports of the External Auditor and the financial statements of the organization.**

C.   Terms of appointment of members of the Evaluation and Audit Advisory Committee

61.   The Evaluation and Audit Advisory Committee reports to the Council, which also appoints its members. Members of the Committee are not reimbursed for their travel expenses or provided with a daily subsistence allowance, unlike in most other United Nations system organizations. All costs are borne by the Committee members' sponsoring Governments. As conveyed to the Inspector, this arrangement has an impact on the pool

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[11] See reports of the Evaluation and Audit Advisory Committee for 2017–2018 (working paper C-WP/14815), pp. 5–7; and for 2016–2017 (C-WP/14679), para. 5.1.

of candidates for the Committee, and on the composition and expertise of the body. For instance, for the 2017 selection, there were seven candidates for six member positions.

62. This issue has been also reviewed by the subgroup of the Working Group on Governance and Efficiency recently on the ICAO Framework on Ethics, which noted that, in maintaining the current practice, the Council understood that, in accordance with the existing terms of reference of the Evaluation and Audit Advisory Committee, the members would act in a personal capacity and were independent of the secretariat, Council members, the External Auditor and any other body that might be perceived as a conflict of interest, and that, pursuant to article 63 of the Chicago Convention, the nominating States were obligated to pay for their respective candidate's travel expenses.[12]

63. The Subgroup noted that this was a cross-cutting issue with far-reaching consequences affecting appointments other than members of the Evaluation and Audit Advisory Committee. With that in mind, the subgroup recommended that the topic be given further consideration, guided by the analysis of the secretariat, including the advice of the Legal Affairs and External Relations Bureau, on whether article 63 of the Chicago Convention might allow for exceptions to the general rule that would apply to the special case of Committee members, in order to safeguard their independence.[13]

64. **The Inspector suggests that this issue should be reconsidered, bearing in mind the independence of the Evaluation and Audit Advisory Committee and its members, as well as its budget constraints and the provisions of article 63 of the Chicago Convention.**

65. Currently, the Evaluation and Internal Audit Office provides secretariat support to the Evaluation and Audit Advisory Committee. This arrangement could create potential conflicts of interest and is also an additional burden on the Office, which has scarce resources. That support could instead be given to management, for example under the Assembly and Council support services.

D. Revision of the ICAO Framework on Ethics and investigation function

66. At the time of preparing the present report, the ICAO Framework on Ethics[14] was under review. In that context, the investigation function at ICAO was also being considered, as the organization did not have an investigation function or a professional investigator at that time.

67. In June 2018, at its 214th session, the Council considered the report of the Working Group on Governance and Efficiency on the ICAO Framework on Ethics and decided, among other items:[15]

➢ To establish a new position in the secretariat with the title of Chief Investigator;
➢ To approve the establishment of an Investigations Committee that would have the authority to initiate an investigation comprising three individuals (Ethics Officer, Chief Investigator and a professional-level officer from either the Legal Affairs and External Relations Bureau or an externally engaged officer from another entity of the United Nations system, on the understanding that the final decision in this regard would take into account resourcing implications and that the Chief of the Evaluation and Internal Audit Office would play no role in the process);
➢ That the ethics function would be distinct from the investigation function with both office holders reporting separately to the Secretary General and with each office-holder being recruited for a single, non-renewable seven-year fixed term contract to take effect as from future recruitment against both positions;

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[12] See report of the subgroup on the ICAO Framework on Ethics to the Working Group on Governance and Efficiency, 9 March 2018, para. 4.
[13] Ibid.
[14] The ICAO Framework on Ethics is currently set out in annex 1 to the ICAO Service Code, doc. 7350/9. This framework, approved by the Council at its 6th meeting during its 193rd session, became effective on 1 January 2012.
[15] See C-DEC 214/11, para. 8.

➢ That, while the Ethics Officer would continue to be the focal point to receive and undertake a preliminary review and evaluation of all allegations of general misconduct and retaliation, the said Investigations Committee would decide, based on a majority, on how to process the different nature of allegations and whether to initiate an investigation;

➢ That, while all personnel of the organization would be subject to the revised Framework on Ethics, special procedures and arrangements should be adopted to handle allegations of misconduct involving the Secretary General;

➢ That the Evaluation and Audit Advisory Committee would be excluded from any role in the investigation process in cases of misconduct involving the Secretary General, the Ethics Officer or the Chief Investigator and that, accordingly, with regards to ethics matters, the Committee would maintain the current oversight and advisory function to the Council.

68.   Also in that decision, the Council requested the Working Group on Governance and Efficiency to complete a review of the implications of the above decisions concerning the subgroup's proposed amendments to the current texts in the ICAO Service Code — including the ICAO Framework on Ethics and the terms of reference of the Evaluation and Audit Advisory Committee — and to submit the outcome of that review to the President for circulation to representatives. The Council agreed that the new arrangements should be operated for a trial period of one year and requested the Working Group to submit to it at its 215th session a progress report on the implementation of the decisions.[16]

69.   The updated version of the Framework on Ethics was approved by the Council and the document was in the internal clearance process at the time of preparing the present report. After clearance, it will be published and annexed to the Service Code. The Human Resources Committee requested that the proposed post of Chief Investigator be put on hold until there is more information on the workload involved. In the meantime, all investigations will be outsourced as suggested by the Committee.[17]

70.   The Inspector welcomes the progress made in updating and enhancing the organization's Framework on Ethics, which will further increase the oversight and accountability mechanisms in the organization. The planned establishment of an investigation function is an important step towards a more robust oversight framework. At the same time, in comparing the proposed amendments with the practices in the United Nations system organizations and in the light of the recommendations contained in pertinent JIU reports, he wishes to provide the observations below.

71.   The updated Framework on Ethics, which establishes the structure of a separate, single post of Chief Investigator reporting to the Secretary General, differs from the arrangements in most United Nations system organizations. Typically, investigators are part of the internal oversight function (equivalent of the Evaluation and Internal Audit Office at ICAO), notably because the internal oversight functions are bound by a recognized professional framework where independent decisions are made in line with professional standards and subject to quality assurance and review processes, and where authorities and reporting lines to senior management and the legislative bodies are clear and well established.[18] Establishing a full-time investigator for an organization the size of ICAO is also uncommon. The proposal to designate the Ethics Officer to conduct the preliminary review of allegations and reports of misconduct differs from the practice of other United Nations system organizations.

72.   The proposal to establish an investigations committee that would have the authority to initiate investigations is unusual in the United Nations system organizations, which have a dedicated investigation function. In those organizations, the investigation function, and ultimately the head of investigations, traditionally has the responsibility and authority to initiate an investigation in accordance with the rules,

[16] Ibid.

[17] See Evaluation and Audit Advisory Committee, minutes of the 21st meeting, held in Montreal, Canada, on 13 and 14 November 2018, para. 5.

[18] See also working paper C-WP/14815, annual report of the Evaluation and Audit Advisory Committee for the period 2017–2018, para. 2.5.

policies and procedures for investigations and without the approval of the executive head. The independence of the investigation function, in terms of reporting lines, operational and also budgetary requirements, needs to be guaranteed.

73.   While the Chief Investigator will report directly to the Secretary General, no access to the Evaluation and Audit Advisory Committee is foreseen in the revised Framework on Ethics. To ensure independence of the investigation function, the head of investigations should produce an annual report to the Council and be able to bring up any issues affecting the investigation function to an independent body that could provide objective and independent advice and elevate the issues further to the appropriate bodies, as necessary.

74.   The recommendation below is expected to enhance the oversight framework and the effectiveness of the investigation function.

Recommendation 2

The Council should ensure, when reviewing and updating in 2019 the ICAO Framework on Ethics, that the Chief Investigator or head of the investigations function produces an annual report to the Council and has access to the Evaluation and Audit Advisory Committee to raise, as necessary, any issues related to the work of the investigations function, notably any constraints as to the independence of the function or impediments in fulfilling its mandate.

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75.   It has been noted with concern that, in accordance with the above-mentioned decision of the Council, the updated Framework on Ethics excludes the Evaluation and Audit Advisory Committee from any role in the investigation process in cases of misconduct involving the Secretary General, the Ethics Officer or the Chief Investigator.[19] This provision is unusual and not in line with United Nations or JIU best practices. As noted above, access by the Chief Investigator or head of the investigations function to the Committee is essential to ensure that any issues pertaining to or affecting the investigation function, notably issues that could have an impact on the independence of the function, can be raised with the Committee, as necessary.

76.   The recommendation below is expected to enhance the oversight framework of the organization.

Recommendation 3

The Council should ensure, when reviewing and updating in 2019 the ICAO Framework on Ethics, that the advisory and oversight mandate of the Evaluation and Audit Advisory Committee extends to all oversight matters, including those pertaining to the investigations and ethics functions. The terms of reference of the Committee should be updated accordingly.

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77.   In terms of the intake mechanism for allegations and complaints, the revised Framework on Ethics suggests, as noted above, that allegations and reports of misconduct should be addressed to the Ethics Officer, who also conducts the preliminary review of all allegations and reports. This differs from the practice in most other United Nations system organizations, where the investigation function is mandated to receive allegations of misconduct while the ethics office handles those related to retaliation and harassment. **This provision should be reviewed in the light of the common United Nations practices. The investigation function should be entrusted to receive allegations of misconduct, and procedures should be established for cross-referrals to the ethics office and vice versa.**

78.   In view of bringing the investigation function into line with United Nations practices and ensuring that common investigation standards and procedures are complied with, **it is important to develop and adopt investigation procedures covering the intake mechanism, the conduct of the investigation and the process of following up on the outcomes of the investigation once it is finalized. Reference is made in this**

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[19] See C-DEC 214/11, para. 8, (g).

regard to JIU reports on the investigation function, ethics function, fraud prevention and whistleblower policies (see JIU/REP/2010/3, JIU/REP/2011/9, JIU/REP/2016/4, and JIU/REP/2018/4).

79. The Inspector concurs with the proposal that there should be special procedures and arrangements for handling allegations of misconduct by the Secretary General. **There should also be special procedures and arrangements for handling alleged misconduct by the heads of the oversight function, i.e. the Chief Investigator, the head of the Evaluation and Internal Audit Office and the Ethics Officer, for the same reasons. Those procedures and arrangements should take into account any risks of potential conflict of interest that could affect the investigation process.**

80. In many United Nations system organizations, the investigation function is typically placed under the internal oversight services, which include audit, inspection, evaluation and investigation. Such an arrangement provides the advantage that issues can be elevated to the head of the internal oversight office, who, in accordance with the oversight charter or terms of reference, is independent, reports directly to the executive head and has access to the audit and oversight advisory body and governing body of the organization. Another advantage is that it allows for administrative and substantive support and synergies, since staff of the internal oversight office are bound by similar professional standards, such as objectivity, impartiality, professionalism and confidentiality requirements, and it hence could leverage the function, especially in small agencies with limited resources available for the investigation function.

E.   Other issues

Charter of the Evaluation and Internal Audit Office

81. The Charter of the Evaluation and Internal Audit Office was revised by the Council in 2017. While the Office and the Evaluation and Audit Advisory Committee were consulted during the process, not all of the suggestions made were taken on board. This led to a final document that does not fully comply with the Institute of Internal Auditors standards or United Nations Evaluation Group norms and standards for evaluation. One key concern is that, in accordance with its amended Charter, when there is a necessity to change the Office's annual workplan, it should request the approval of the Council. That provision may jeopardize the independence of the Office.

82. **It is suggested that, in the process of any future revision or update of the Charter of the Evaluation and Internal Audit Office, terms of reference of the Evaluation and Audit Advisory Committee, Framework on Ethics or other oversight-related policies, the relevant entities — notably the Committee, the Evaluation and Internal Audit Office, Ethics Officer and the Legal Affairs and External Relations Bureau — should be consulted and their comments and suggestions taken into consideration to ensure compliance with the Institute of Internal Auditors, the United Nations Evaluation Group and other accepted standards and good practices.**

Implementation of oversight recommendations

83. According to the Evaluation and Audit Advisory Committee, the number of overdue recommendations remains high. As at June 2018, 25 recommendations were overdue (i.e. 35 per cent of the total number of outstanding recommendations). The Committee stressed the importance that managers critically review the recommendations for which they are accountable and the relevance of existing overdue recommendations and, where necessary, explain the reasons for the delay and how they will proceed to implement the agreed actions.[20]

84. The long clearance process for audit and evaluation reports has been criticized repeatedly by the Evaluation and Audit Advisory Committee. The Evaluation and Internal Audit Office has now developed a standard operating procedure that has raised the awareness of roles, responsibilities, procedures and timelines

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[20] See 2017 report of the Evaluation and Audit Advisory Committee, para. 2.4.5.

among ICAO managers. An effective audit function requires that management implement recommendations promptly.[21]

85.   Similarly, the External Auditor has expressed concerns that some of its recommendation have been closed by management without the assessment or verification by the External Auditor. It is the External Auditor's prerogative to assess whether management action is sufficient and adequate and to decide on closing oversight recommendations issued by it.

86.   **The Inspector concurs with the concerns raised by the Evaluation and Audit Advisory Committee and External Auditor and suggests that ICAO management should review carefully all outstanding oversight recommendations and implement them in a timely manner and in line with the guidance provided by the Committee, the Evaluation and Internal Audit Office and External Auditor.**

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[21] Ibid., para. 2.4.8.

IV. MANAGEMENT

A.   Executive management

87.   The ICAO secretariat is headed by the Secretary General, who is "chief executive officer". ICAO directors, heads or chiefs of the bureaus and offices at headquarters and the regional directors manage the ICAO bureaus and offices of headquarters or regional offices in line with their delegated authority. They report directly to the Secretary General.

88.   The Senior Management Group is established by the Secretary General with the aim of ensuring strategic coherence and direction in the work of the organization by allowing senior managers to plan together, share information, pool efforts, coordinate activities, avoid duplication and work towards common objectives. It is composed of the Secretary General, the five Bureau Directors (D/ADB, D/ANB, D/ATB, D/LEB, D/TCB) and the Chiefs/Heads of Offices under the Office of the Secretary General (C/EAO, H/SPCP and C/FIN). Bureau deputy directors may be invited to participate when items are discussed that require specific expertise.

89.   In addition to the Senior Management Group, there is the Full Senior Management Group, which includes the members of the former, as well as all regional directors, and which typically meets twice per year. The decisions of the Senior Management Group are shared in the minutes of its meetings, and follow-up reporting on the status of the action taken is expected at the next meeting of the Group. The outcomes of the Group's meetings, as appropriate, are shared with staff at the Bureau and Office levels. Management briefs staff on a regular basis on the outcomes of meetings of the Senior Management Group and Full Senior Management Group, as appropriate and as required.

90.   There are a number of other executive/senior management committees at ICAO that deal with managerial issues, notably the Revenue Generation Governance Board, the Information Management Committee and the Project Review Committee.

91.   In addition to the management committees or groups composed of senior secretariat managers, there are a number of committees and working groups established by the Council and composed of Council members, such as the Human Resources Committee, the Committee on Cooperation with External Parties and the Working Group on Governance and Efficiency, which are mandated to discuss and decide on policy issues but also, to some extent, on managerial issues, although it is difficult to draw a clear line between policy and managerial issues. Reference is made in this regard to chapter II and recommendation 1 above.

B.   Financial management

92.   ICAO has been subject to a zero nominal growth budget for more than three triennia. It should be noted, however, that zero nominal growth has been applied to the member States' assessments and referred to the last year of the previous triennium, and that the organization's budget has actually been growing by approximately 1.9 per cent per year. The regular budget programme for the triennium 2017–2019 amounts to $Can 302,053,000 (see table 1).

Table 1
ICAO regular budget programme from 1999 to 2019[22] (in thousands of Canadian dollars)

Triennium	Appropriation	Average annual increase (per cent)
1999–2001	242 276	0.9
2002–2004	269 166	2.7
2005–2007	260 040	4.2
2008–2010	245 543	-1.9
2011–2013	280 616	4.8
2014–2016	286 538	0.7
2017–2019	302 053	1.8

Source: C-WP/14789, p.3

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[22] Note: Assessments for the triennia from 1999 to 2007 were in United States dollars and have been converted into Canadian dollars.

93.   More than 90 per cent of the budget is funded from assessed contributions (for the triennium 2017–2019, assessed contributions amount to 93 per cent),[23] and the remaining part is funded through other sources, mainly from transfers from the Ancillary Revenue Generation Fund, surplus (6 per cent) and reimbursement from the Technical Cooperation Administrative and Operational Services Costs Fund (1 per cent). The collection rate of assessed contributions has been about 92 per cent in recent years.[24]

94.   The Regular Programme of ICAO is complemented by the organization's Technical Cooperation Programme, managed by the Technical Cooperation Bureau, which is a priority activity of ICAO that supports member States in their implementation of ICAO regulations, policies and procedures in accordance with Assembly resolution A36-17. The resources allocated to technical cooperation projects amounted to $Can 121.4 million in 2016 and $Can 131.4 million in 2017.[25]

95.   In 2017, the total revenue of ICAO totalled $Can 272.4 million. Contributions for project agreements ($Can 130.4 million) and assessed contributions ($Can 101.0 million) were the two biggest sources of revenue, representing 47.9 per cent and 37.1 per cent of total revenues, respectively (see table 2).[26]

Table 2
ICAO revenue and expenses from 2010 to 2017 (thousands of Canadian dollars)

Revenue	2010	2011	2012	2013	2014	2015	2016	2017
Contributions for project agreements	122 847	104 776	105 132	132 667	139 596	136 300	121 490	130 370
Assessed contributions	77 483	80 679	84 205	83 120	89 785	92 393	106 915	101 031
Other revenue producing activities	13 173	13 401	13 133	14 949	15 607	19 061	21 019	22 479
Other voluntary contributions	5 976	8 339	6 755	8 215	12 442	10 912	14 996	13 281
Administrative fees		16	211	182	182	307	959	2 160
Other	3 798	3 122	2 014	5 008	6 074	13 280	2 560	3 115
Total	**223 277**	**210 333**	**211 450**	**244 141**	**263 686**	**272 253**	**267 939**	**272 436**
Expenses								
Staff salaries and employee benefits	137 359	126 016	133 575	140 539	143 280	159 504	157 256	174 316
Supplies, consumables and others	67 796	63 133	53 579	74 150	78 677	66 932	59 909	53 308
General operating expenses	17 098	16 989	17 189	16 734	17 598	20 057	21 123	17 911
Travel	7 940	8 442	8 657	8 626	9 828	11 994	12 104	15 297
Meetings	2 128	865	1 162	2 273	1 894	1 774	2 339	1 611
Training	1 173	1 020	2 553	2 083	3 269	3 294	2 857	2 944
Other	1 595	1 498	2 241	2 516	3 867	6 248	4 850	5 798
Total	**235 089**	**217 963**	**218 956**	**246 921**	**258 413**	**269 803**	**260 438**	**271 185**

Source: ICAO financial statements and reports of the external auditor

96.   ICAO implemented IPSAS in 2010. The External Auditor has not identified any major issues concerning ICAO financial statements. However, the External Auditor drew attention to the fact that the statement of financial position for 2017 showed a negative net asset ($Can - 65.7 million), mainly owing to the impact of $Can 146.7 million in non-current liabilities relating to long-term employee benefits, in particular after-service health insurance ($Can 129.3 million in 2017), recorded in the financial positions and recognized on the financial statements since 2010 with the application of IPSAS.[27]

97.   Management has undertaken efforts to address those issues and is monitoring them closely. The External Auditor presented a performance audit report in 2016 to the Council on the effectiveness of the measures taken by ICAO management to reduce after-service health insurance liabilities. The report included three recommendations, of which one was accepted and the other two were implemented according to management. However, the External Auditor still considers those two recommendations open and ongoing. The External

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[23] It amounted to 93 per cent for the triennium 2014–2016, and 91 per cent for the triennium 2011–2013.
[24] See C-WP/14748, Add. 1, p. I-6.
[25] See Financial Statements and Reports of the External Auditor for the Financial Year Ended 31 December 2016, pp. 1–12. Available at www.icao.int/publications/Documents/10089_en.pdf.
[26] See report of the External Auditor International Civil Aviation Organization, Audit of the financial statements for 2017, 18 May 2018, p. 24.
[27] See working paper C-WP/14748, Add. 1, pp. I-2 and II-4; and report of the External Auditor International Civil Aviation Organization, Audit of the financial statements for 2017, 18 May 2018, pp. 9 and 19–23.

Auditor continues to monitor the impact of the proposed measures. As of January 2018, new IPSAS 39 entered into force and should replace IPSAS 25. The question of how to fund the after-service health insurance liability is still under the consideration by the Council.[28]

98.   IPSAS 20, paragraph 34 (a), requires that distinction be made between the individuals at the head of an organization and the directors reporting to them. However, the ICAO financial statements and reports of the External Auditor for the financial year ending 31 December 2017 did not make such a distinction. In accordance with note 7.1 of the ICAO financial statements and reports, key management personnel includes members of the Senior Management Group of the secretariat, which comprises the Secretary General, Directors at headquarters, the Chief of Finance and the Chief of the Evaluation and Internal Audit Office. Key management personnel also include the President of Council and other key officers who can influence decisions made by senior management. A number of United Nations entities, for instance UPU, UNIDO and WFP, provide further details in their financial statements in line with IPSAS 20, i.e. information on the different classes of key management personnel such as elected officials and other senior managers. JIU considers this a good practice. **It is recommended that ICAO follows this practice concerning the implementation of the IPSAS 20 rule when preparing future financial statements.**

99.   Technical cooperation programmes and projects managed by the Technical Cooperation Bureau are an important activity of the organization. The Bureau is a self-financed bureau with a separate structure. Some interviewees noted that the Bureau in practice is not subject to the same level of financial oversight and control as the regular funded activities and it therefore would merit a comprehensive review. A review of the organizational structure of the secretariat has been initiated (see section F below), which contains proposals for improved integration of implementation and technical cooperation activities into the regular budget activities of the ICAO. **In the opinion of the Inspector, issues of adequate control and oversight concerning technical cooperation activities and the Technical Cooperation Bureau should be included in the abovementioned review.**

100.   There is a strong reliance on resources received through revenue-generating activities, which amounted to $Can 22.5 million in 2017 or 8.3 per cent of the organization's total revenue. It was indicated by a number of interviewees that reliance on such activities comes with risks and could prove dangerous to the financial situation of organization in the future. According to the views expressed, the organization should shift its focus more on its core mandate and activities and should not engage too extensively in revenue-generating activities, which create inefficiencies and may distract from core activities. Some areas and aspects of revenue-generating activities have been reviewed by the Evaluation and Internal Audit Office, for example, the publication services and the Administrative and Operational Services Costs Fund. **Financial and operational risks stemming from revenue-generating activities should be taken into account, as appropriate, in the context of the organization's risk management process and risk register.**

101.   A comprehensive guidance framework for partnerships is being developed, under the purview of the Strategic Planning, Coordination and Partnership Office, in line with the ICAO policy on interactions with external parties. This includes an organization-wide database, updates to the general secretariat instructions on agreements, memorandums of understanding and similar arrangements, and specific guidance on modalities for interaction with partners, reporting on results and outcomes, and building on lessons learned. These initiatives are expected to help strengthen and leverage strategic partnerships that support the ICAO business plan and strategic objectives.

C.   Assurance and internal control framework

102.   ICAO has adopted the "three lines of defence" model developed by the Institute of Internal Auditors. Those three lines include, in order: (a) the operational management that owns the risk; (b) the functions that

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[28] See report of the External Auditor International Civil Aviation Organization, Audit of the financial statements for 2017, 18 May 2018, pp. 9 and 19–23; and working paper C-WP/14748, Add. 1, pp. I-17 and II-4.

oversee or specialize in risk management, such as compliance; and (c) the functions that provide independent assurance, namely, the internal audit.

103.   The Senior Management Group is responsible for establishing the control environment and providing the discipline and structure for the achievement of the primary objectives of the system of internal control. The group collaborates with the subgroup on the ICAO corporate risks register and assurance framework, under the direction of the Working Group on Governance and Efficiency, created by the Council to provide guidance to the secretariat on how to address the adequacy of the ICAO corporate risks register and assurance framework in the future and also on how to identify, assess and monitor the risks associated with implementing the programmes and projects and the overall operations of the organization.[29]

104.   According to a report issued by the above-mentioned subgroup, the development and maintenance of an assurance framework is currently being "undervalued" at ICAO.[30] The resources and activities dedicated to the assurance framework are seen more as a cost than as a means to managing key risks and maintaining a robust internal control and assurance framework that ensures the appropriate levels of accountability and transparency.[31]

105.   ICAO has adopted a statement on internal control, contained in the financial statements and reports of the External Auditor. The statement provides valuable information covering the status of internal controls, the exposures to risk as identified by both internal and external audits, and the measures being taken by management to mitigate the noted weaknesses.[32] The overall responsibility of all outputs of the ICAO secretariat rests with the Secretary General. The Strategic Planning, Coordination and Partnership Office supports the Secretary General in that task.

106.   While the adoption of the "three lines of defence" model is a step in the right direction, it has been noted, including in previous reports of the Evaluation and Audit Advisory Committee, that overall governance could be improved through a better understanding of how those three lines operate in practice. **In that connection, it is suggested that management should organize an information session on the three lines of defence in ICAO, for instance in the context of a full meeting of the Senior Management Group, to outline how the "three lines of defence" model is designed, owned and operated at ICAO.**

D.   Risk management

107.   As mentioned above, ICAO has adopted a risk management process in line with the "three lines of defence" model. The Senior Management Group is responsible for establishing the control environment and providing the discipline and structure to achieve the primary objectives of the internal control system. The Strategic Planning, Coordination and Partnership Office is responsible for coordinating with bureaus regarding inputs and changes to the corporate risk register. It is also the owner of the risk management process and responsible for ensuring that it works effectively.

108.   The risk register is maintained on the corporate management and reporting tool and is treated as a living document that is reviewed regularly. Its stated risks are intended to reflect both internal and external changes along with emerging issues, and any major changes to it are reported through the Secretary General's sessional progress reports, which are submitted to the Council and also maintained on the tool.

109.   The Council's role as regards risk management is to oversee and comment on the outcomes of the work and the quality of mitigations, and address risks escalated to it for consideration. The final list of corporate risks is approved by the Council.

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[29] See Financial Statements and Reports of the External Auditor for the Financial Year Ended 31 December 2016, p. I-15. Available at www.icao.int/publications/Documents/10089_en.pdf.
[30] Working Group on Governance and Efficiency subgroup on the ICAO corporate risk register and assurance framework V5.
[31] Ibid.
[32] Ibid.

110.   The quality of the risk management process should be further improved. As noted by the Evaluation and Audit Advisory Committee, more evidence and assurance is required with respect to the quality of the regular risk register reviews and the interaction between corporate and bureau risk registers. For example, in the area of ICT-related risks, such as cybersecurity, the Evaluation and Internal Audit Office cybersecurity report is a good example of information technology control weaknesses that have created risks for the organization but have not been fully integrated in the organization's risk management process.[33]

111.   Another issue identified by the External Auditor was the uneven application of corporate risk standards and an absence of risk assessment processes in the regional offices.[34] At present, the risk assessment process is applied at headquarters only. The regional offices are aware of the existence of the risk registers but do not participate in identifying those risks specific to their regions, which might affect the implementation of their programmes. The External Auditor suggested that a comparable risk management process should be present in all regional offices to enable them to understand, predict and react to different risks and any potential damage that they might cause.

112.   The Secretary General, in view of those concerns, indicated her commitment to carry out comprehensive risk assessments in all regional offices and ICAO operations to ensure that total risk exposure over all ICAO activities are considered and management is held accountable.[35]

113.   Concerns have been raised regarding the top-down approach currently being used in the coordination of the risk register by the Strategic Planning, Coordination and Partnership Office. It has been recommended that bureaus and regional offices supply the Office with their individual risk registers in a common format to allow a focus group of the Office to evaluate the risks collectively, in order to organize them into "common risk themes" and prioritize those that are likely to have the most significant impact. [36]

114.   Concerning the overall distribution of roles and responsibilities between management and the Council for risk management, the Evaluation and Audit Advisory Committee expressed concern that, because the final list of risks is approved by the Council, the Strategic Planning, Coordination and Partnership Office remains unsure of its authority to remove those risks from the register that were previously agreed upon.[37]

115.   Additional concerns with regard to risk management were raised by a number of interviewees, who suggested that the concept of enterprise risk management was still in its initial stage at ICAO and that the risk register was incomplete and missing some key risks. The absence of mature enterprise risk management and the lack of a chief risk officer had an impact on the quality of the risk management process and on compliance with professional standards and diluted responsibilities and accountability for the risk management process.

116.   It was suggested that an external consultant with expertise in risk management should be engaged to guide and support the comprehensive risk assessment in ICAO, covering both headquarters and regional offices, as envisaged by the Secretary General, so as to assuring that professional standards were met. The risk register should be updated accordingly, including the envisaged mitigation measures. This would help to bring the organization's risk register into line with standard practices and give a more complete and accurate picture of the actual risk exposure of the organization.

117.   **To ensure compliance with professional standards, it is suggested that a senior manager should be designated as Chief Risk Officer to lead the organization's enterprise risk management programme. That additional responsibility should be included in the manager's job description or terms of reference.**

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[33] Ibid.
[34] See Financial Statements and Reports of the External Auditor for the Financial Year ended 31 December 2015, p. I-16. Available at www.icao.int/publications/Documents/10067_en.pdf. See also Financial Statements and Reports of the External Auditor for the Financial Year ended 31 December 2016, p. I-16–18.
[35] See 2017 report of the Evaluation and Audit Advisory Committee, para. 2.1.7.
[36] Ibid.
[37] See working paper C-WP/14815, 2018 annual report of the Evaluation and Audit Advisory Committee, p. 4.

118.   The following recommendation is expected to strengthen the organization's enterprise risk management programme.

Recommendation 4

The Secretary General should conduct by the end of 2020 a comprehensive risk assessment in ICAO, covering both headquarters and the regional offices. The risk register should be updated accordingly, including the envisaged mitigation measures.

E.   Results-based management

119.   Since the 2007 JIU report, ICAO has made progress in the implementation of results-based management, notably through the preparation of the business plan, programme budget and operating plans.

120.   Both the results-based budget and the business plan for the current triennium (2017–2019) follow the results-based management approach, integrating strategy, resources, processes and measurements to improve decision-making, transparency and accountability. That approach focuses on achieving results through a corporate performance management framework comprising all the components of the ICAO business plan, including the operating plans, corporate key performance indicators and risks registers, through which ICAO will continue to monitor and enhance its accountability and performance with respect to the implementation of the guidance of the Assembly, thus increasing the efficiency and effectiveness of ICAO.[38] The preparation of the business plan and programme budget for the triennium 2020–2022 is under way and follows the results-based management approach.

121.   The business plan for the triennium 2020–2022 is the seminal document for the organization and takes into consideration all of the mandated activities to be undertaken by ICAO, regardless of source of funding. It follows the results-based management approach and uses the same structure as the current business plan, i.e. building on the organization's vision, mission and five strategic objectives, as well as the corresponding 10 key priorities intended to advance the realization of the 15 expected results attributable to the strategic objectives, as well as 10 expected results attributable to the supporting strategies.

122.   Drawing from the ICAO business plan, the ICAO results-based programme budget is divided into the five strategic objectives and 10 supporting strategies, similar to the business plan. Each objective and strategy contains at least one expected result. Funding is allocated at the programme level for each objective and at the strategy level. The diagram in annex II to the present document captures the interface between the aforementioned components.

123.   ICAO has introduced the corporate management and reporting tool, which is used to monitor the status of implementation of the various strategic objectives and supporting strategies and reports those findings to the Council. This provides the Council and management with a performance overview for each objective and strategy. The tool and its components are managed and monitored by the Strategic Planning, Coordination and Partnership Office, which also coordinates efforts between headquarters and the regional offices by harmonizing their work plans assisting the regional directors in preparing reports to the Council so as to ensure consistency.

124.   Progress towards results-based management has also been made through the development of corporate key performance indicators. Those indicators constitute the highest level of desired outcomes outlined in the ICAO business plan and are intended to measure both the effectiveness of ICAO in terms of the strategic objectives (i.e. safety, air navigation capacity and efficiency, security and facilitation, economic development of air transport and environmental protection), as well as the organization's performance for the supporting strategies (i.e. human resources, finance, technical cooperation and assistance, language services and stakeholders management).[39]

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[38] See A39-WP/75, para. 2.6.2.
[39] See working paper C-WP/14787, p. 2.

125. To track the progress of the corporate key performance indicators, performance dashboards have been generated in the corporate management and reporting tool. In 2018, trend dashboards have been developed to show the evolution of the indicators on an annual basis over a five-year period, also presented in the tool. Furthermore, managers provide a self-evaluation for the performance of their respective programmes throughout the year providing updates on the status of their deliverables.[40]

126. In 2018, the Implementation, Strategy and Planning Group undertook an analysis of the corporate key performance indicators, as requested by the Council,[41] and recommended a series of measures for the Council's consideration on ways to refine the process and timelines for updates to the indicators and the performance dashboards. It suggested, among others, that: (a) a line of communication should be established between the Group and the Chairs of the Finance and Human Resources Committees and other committees, as needed, to facilitate the regular monitoring and assessment by the committees; (b) the indicators and their performance dashboards should be used as an important input during the formulation of the next triennial budget; (c) the indicators should be further reviewed and adjusted after the endorsement or review by the Council and the Assembly of the ICAO global plans; and (d) that tracking of the indicators should be performed in real-time at the frequency of update applicable for each indicator in the corporate management and reporting tool.[42]

127. **The Inspector supports those suggestions, as they will provide an effective way to monitor and track the organization's performance in line with results-based management principles. The analysis of past performance will also help to improve the preparation of future budgets and business plans based on data and evidence, establishing a feedback loop and facilitate the decision-making process of the Council.**[43]

128. Concerns have been raised by the External Auditor that the definition and monitoring of key performance indicators is currently not ideal for the regional offices. Specifically, the mandate of each regional office may vary in terms of specific objectives and subobjectives, which may require the establishment of more specific indicators. Current indicators for regional offices have been described as being too broad, only assessing the performance of a regional office on the basis of the average level of effective implementation of safety and security measures for each region as a percentage. Although the mission of a specific regional office will vary based on specific regional needs, a better framework of measurable strategic objectives should be established and agreed upon between headquarters and regional offices, and a subsequent internal procedure should be established on how to monitor those objectives through key performance indicators, and by whom. The monitoring of the indicators will require an independent office in charge of collecting quantitative and qualitative data on the achievement of the objectives assigned. **A framework of measurable strategic objectives for the regional offices should be agreed upon with headquarters and specific key performance indicators should be developed to be in line with the specific objectives and subobjectives of each regional office, and subsequently monitored, including through the corporate management and reporting tool.**

F. Organizational structure

129. The ICAO directors, heads and chiefs of the bureaus and offices of headquarters and the regional directors report directly to the Secretary General. The organizational chart contained in annex I to the present document illustrates the reporting and accountability lines at headquarters and regional offices.

130. Since the 2007 JIU review, a number of changes have been made to the ICAO structure, as reflected in the organizational structure. The Air Navigation Bureau and Air Transport Bureau were strengthened in 2013 with the establishment of three deputy director positions in each Bureau. The organization's External Relations Office has been integrated into the Legal Bureau. The Strategic Planning, Coordination and Partnership Office was established to coordinate high-level and cross-cutting strategies and priorities among the different bureaus

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[40] Ibid. 3.2.3.
[41] See Council decision C-DEC 213/3.
[42] See working paper C-WP/14787, pp. 3–4.
[43] See working paper C-WP/14592.

and offices, including the regional offices. ICAO regional offices have been strengthened and a regional suboffice has been established in Beijing. Synergies between Bureaus, including the Technical Cooperation Bureau, and the regional offices have been improved, including through the development of operating procedures for the regional office that provide guidance and coordination procedures related to technical assistance and technical coordination.

131.   One issue raised was the delineation of roles and responsibilities regarding the implementation of activities, notably between headquarters and regional offices. The regional offices are considered the implementing arm of ICAO in the regions, and their key mandate is the implementation and provision of support to the accredited States. They also represent the Secretary General at the regional level and maintain continuous communication with the States of the respective region. It was noted that, at times, the lines become blurred as some bureaus at headquarters also engage in implementation activities, for example, in the area of environmental issues. In principle, headquarters is entrusted to develop standards and guidance and regional offices conduct implementation activities and liaise with the States in the regions. Where to draw the line so as to avoid the duplication of efforts has been a long-standing and ongoing discussion. A number of interviewees at headquarters and in regional offices suggested that it would be useful to review and clarify the roles. Avoiding the duplication of roles and improving coordination in the implementation of programmes could free up resources, which could then be used to strengthen headquarters and regional offices.

132.   In that context, the issue was brought up as to the adequate level of capacity and resources of regional offices to deliver implementation and support activities to member States. For instance, being mandated to support more than 25 States on environmental or security issues while only having one or two experts for the respective area is a real challenge. Some member States have higher expectations than the regional offices can provide in support to them. There are other strong and well-resourced regional organizations that deal with air aviation issues, which creates an operationally and politically challenging and complex environment. While ICAO is the only organization that has a mandate in international civil aviation, there is a continuous discussion within the other regional associations and groups, some of which have very strong political positions about the role of the regional offices and the role of those offices in the regions in general. As noted, ICAO has to be ready to adapt and provide services in this fast-changing and dynamic environment to remain relevant and provide added value and expected services to its member States and other stakeholders in the regions.

133.   Cooperation with and integration of the Technical Cooperation Bureau into the overall programme delivery was also brought up. Progress has been made, including through the work of the Strategic Planning, Coordination and Partnership Office and the regional office update, which provides better and more detailed guidance. Still, there is a need to better integrate the Bureau into the secretariat structure, enhance cooperation and communication and better clarify the roles and responsibilities of bureaus and offices regarding implementation activities. As noted in an evaluation conducted in 2016, there is an issue with the "bureaucratic and silo culture" of the organization and competition for resources, which make collaboration and thus coordination across Bureaus less conducive.[44]

134.   The secretariat, at the request of the Council, prepared a report on the review of the structure of the secretariat, for discussion by the Council at its 215th session.[45] The study identified opportunities to streamline any functions that may be duplicated and to enhance the existing implementation support provided by the organization, through its technical cooperation and assistance activities. The proposals are expected to provide an opportunity to create greater efficiency and cost-effectiveness through the co-location of compatible functions and the elimination of duplicated activities.[46]

135.   The report proposed to group together all normative functions under a single standardization bureau, all activities pertaining to sustainability of air transport under a sustainable air transport bureau and all

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[44] EVA/2016/1, EAO, Report on the Evaluation of Member State needs and expectations, p. 8.
[45] See working paper C-WP/14786.
[46] Ibid., paras. 1.3–1.5.

implementation activities be grouped under an implementation bureau. It also suggested a combined aviation oversight and monitoring office that would report directly to the Secretary General.[47]

136.   The study suggested that an incremental shift of the secretariat structure, along the above-mentioned functional lines, would maximize the organization's resources through a matrix form of management that promotes a high-level coordination between directors and reduce the silo mentality. Such a shift would sustain stronger engagement and intraorganizational collaboration. Some administrative areas would also benefit from some adjustments in their organizational placement. This would result in a secretariat structure that is more coherent with the future delivery of the organization's mission to be a global forum for international civil aviation. The proposed revisions to the structure would provide greater flexibility to adapt to changing circumstances and facilitate better responsiveness to emerging issues. It would also help to focus on resource mobilization efforts to become responsive to the evolving needs of member States.[48]

137.   **Many of the aforementioned issues highlighted in the secretariat study were also brought up to JIU in its review, as outlined above. Notably, the need to clarify the roles and responsibilities among bureaus and offices but also between headquarters and the regional offices were mentioned as an area for further improvement. More clarity in that regard would support better integration of the Technical Cooperation Bureau and the regional offices in overall programme delivery, would enhance inter-organizational coordination and cooperation and generate efficiencies. It should be noted that, in its 2007 report, JIU had also suggested the ICAO organizational structure should be reviewed and streamlined based on a comprehensive assessment.**

G.   Other issues

138.   During the review, JIU was made aware that the secretariat had challenges in finding and allocating office space at the ICAO premises for new Council members, as a number of offices continued to be used by former members of the Council. The proposed increase of the number of Council members from 36 to 40 members was likely to exacerbate the situation.

139.   **The Inspector suggests that the Secretary General should prepare procedures for allocating office space to Council members for submission to and consideration by the Council.**

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[47] Ibid., paras. 3.2–3.7.
[48] Ibid., paras. 3.8–5.1.

V. HUMAN RESOURCES MANAGEMENT

140.   The workforce of ICAO is a key asset of the organization. Approximately 78 per cent of the current budget relates to the costs of human resources.[49]

141.   The organization follows the United Nations common system in the area of human resources management and the framework for human resources management developed by ICSC. The ICAO Service Code is aligned with the decisions of the United Nations General Assembly and ICSC conditions of service established and promulgated for the United Nations common system.

142.   In its 2007 review, JIU made a number of recommendations related to human resources management, notably on gender equality, equitable geographical representation, training, salary scales and personal promotions. Some have been implemented, such as aligning salary scales to the United Nations common system, and progress has also been made on the other issues.

143.   Despite the progress made, further improvements are needed, among others, in workforce and succession planning, employment of non-staff, geographical representation, gender equality, the recruitment process, personal promotions and staff development and training. ICAO would benefit from adopting a corporate human resources management strategy to address the aforementioned issues in a strategic and holistic manner.

A.   Human resources management strategy

144.   In 2017, ICAO had a workforce of 1,039 persons. There had been an overall increase of the workforce since 2010. The number of staff members had decreased from 723 in 2010 to 698 in 2017. At the same time, there had been a significant increase of the number of non-staff, from 163 in 2010 to 341 in 2017. In 2017, about one third of the staff members (178 staff) worked at the regional offices.[50]

145.   ICAO employs a significant number of non-staff, such as consultants/contractors and secondees. Their total number in headquarters and the regional offices was 341 in 2017 (246 consultants/contractors and 95 secondees), compared with a total of 246 in 2015 and 307 in 2016 (i.e., an average increase of 17 per cent per year) (see table 3).[51] The annual expenditures on consultants and contractors had accordingly risen to $Can 8,479,684, up from $Can 5,540,131 in 2015 and $Can 7,111,891 in 2016. Consultants/contractors and secondees make up roughly 33 per cent of the entire ICAO workforce. This is a significant increase compared with 2010, when 18 per cent of the total workforce were consultants/contractors (16 per cent) and secondees (2 per cent).

Table 3
ICAO workforce

Total workforce	2010	2011	2012	2013	2014	2015	2016	2017
Staff	723	700	698	675	676	676	684	698
Consultants/contractors	144	161	103	104	88	183	221	246
Secondees	19	28	28	25	42	63	86	95
Total	**886**	**889**	**829**	**804**	**806**	**922**	**991**	**1 039**

Source: A38-WP/76, Status of the ICAO Workforce (2010–2012); A39-WP/73, Status of the ICAO Workforce (2013–2015); C-WP/14754, Status of the ICAO Workforce (2015–2017).

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[49] See working paper C-WP/14789, p. 2.
[50] See working paper C-WP/14754, para. 2.2.
[51] The number of months worked by consultants and secondees has increased to 1,770 in 2017, up from 1,173 in 2015 and 1,483 in 2016.

Geographical representation

146. As at 31 December 2017, the total number of staff in posts subject to equitable geographical representation was 269 out of 698, or 38.5 per cent (see table 4). In total, 92 member States were represented in the ICAO secretariat (compared with 90 in 2015 and 87 in 2015 and 2016, respectively), of which 86 were in posts subject to equitable geographical representation.[52] Of the represented regional groups, the majority (25 per cent) of represented States were from the European region, with the next closest being from the North American and African regions (21 and 19 per cent, respectively). The proportion of underrepresented regions and States remained constant in the three years since 2015.[53]

147. Although measures have been taken to improve equitable geographical representation within the organization, it is worth noting that most contracting States (55 per cent) remain unrepresented within the ICAO secretariat. Additional efforts should be made to improve geographical distribution of professional posts within the secretariat.

Table 4
Overview of geographical distribution as at 31 December 2017

Posts subject to equitable geographical representation	*2015*		*2016*		*2017*	
	No.	*%*	*No.*	*%*	*No.*	*%*
Posts subject to equitable geographical representation	**252**		**256**		**269**	
Staff in posts	232		232		233	
Staff with non-career contracts in posts	162	70	161	69	162	70
No. of contracting States	*191*		*191*		*192*	
Unrepresented (A)	105	55	108	57	106	55
Represented*	86	45	83	43	86	45
(B) States underrepresented	16	8	17	9	20	10
(C) States at desirable level	45	24	40	21	36	19
(D) States above desirable level	25	13	26	14	30	16

Source: C-WP/WP14754, Appendix D

Gender equality

148. In the Professional and higher categories, women occupied 30 per cent (103 out of 339) of the posts as at 31 December 2017 (see table 5). In 2016 and 2015, the representation of women stood at 31 per cent. In the General Service category, as at 31 December 2017, women occupied 77 per cent (275 out of 359) of the posts, compared with 76 per cent in 2016 and 77 per cent in 2015.

149. The representation of women in the Professional and higher categories remains a concern, despite some progress having been made. Women employed in Professional technical posts were particularly underrepresented (18 per cent). In Professional legal posts and in sales and marketing posts, women represented 25 per cent. The situation was better in non-technical and language services posts (48 and 62 per cent, respectively). The number of applications received from women by occupational groups correlates closely to the distribution of women in professional positions at ICAO (see annex IV).

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[52] See working paper C-WP/14754, appendix D.
[53] Ibid., paras. 3.3.1–3.3.3 and appendix D.

Table 5
Distribution of staff by gender and classified level of post in the Professional and higher category

Gender statistics	2015			2016			2017		
Professional and higher category staff	322			327			339		
Total women in the Professional and higher category	No.	%		No.	%		No.	%	
	99	30.7		100	30.6		103	30.4	
No. and percentage of women by level	No.	Total	%	No.	Total	%	No.	Total	%
S-G	1	1	100	1	1	100	1	1	100
D-2	0	4	0	0	5	0	0	5	0
D-1	1	19	5	1	19	5	1	18	6
P-5	13	53	25	14	50	28	17	54	31
P-4	33	139	24	34	142	24	37	155	24
P-3	36	77	47	34	78	44	33	77	43
P-2	15	29	52	16	32	50	14	29	48
P-1	0	0	0	0	0	0	0	0	0

Source: C-WP/WP14754, Appendix E

150.   In 2016, the ICAO Assembly strongly reaffirmed its commitment to enhancing gender equality. In its resolution A39-30, the Assembly instructed the Secretary General to establish a gender equality programme with the primary aim of facilitating and coordinating targeted programmes and projects to enable progress toward the goal of achieving gender equality by 2030, especially in the Professional and higher levels of employment, within ICAO (and within States and the global aviation sector).

151.   In September 2017, in response to that request, the Secretary General launched the ICAO gender equality programme and implementation plan for operationalizing the programme. The gender equality programme aims to build capacity and enhance awareness of gender equality, and to enhance gender representation by striving to increase to 50 per cent the number of qualified women in the Professional and higher categories at all levels and to increase accountability, by making all ICAO staff in managerial positions responsible for ensuring the equal participation of women and men in all areas of work. The implementation plan contains specific components, including gender architecture and oversight, human resources, capacity-building, training, communications, the equal participation of women in ICAO activities, gender-responsive data, organizational culture, networking, role models and mentoring, funding and partnerships, as well as events to raise awareness of gender equality. The Advisory Committee on Gender Equality, chaired by the Secretary General and consisting of senior secretariat officials, was established to lead and guide the work on gender equality. The secretariat reports annually on the measures implemented and progress being made.

152.   Efforts and some progress have been made in achieving and promoting gender equality within ICAO. Nevertheless, gender equality in the Professional category remains an issue. Measures to improve the gender imbalance include the increased use of outreach programmes, for example by holding the Global Aviation Gender Summit in South Africa in August 2018 and support for development programmes such as the Young Aviation Professionals Programme or the aviation scholarship for women in aviation by ICAO and the International Aviation Women's Association. Despite steady improvements made in the past, the overall percentage of women in the professional category has seen a gradual decline over the past three years. In 2016, more female staff actually left the organization than joined (nine versus seven).

Percentage of women in professional posts for the period 1993–2017[54]
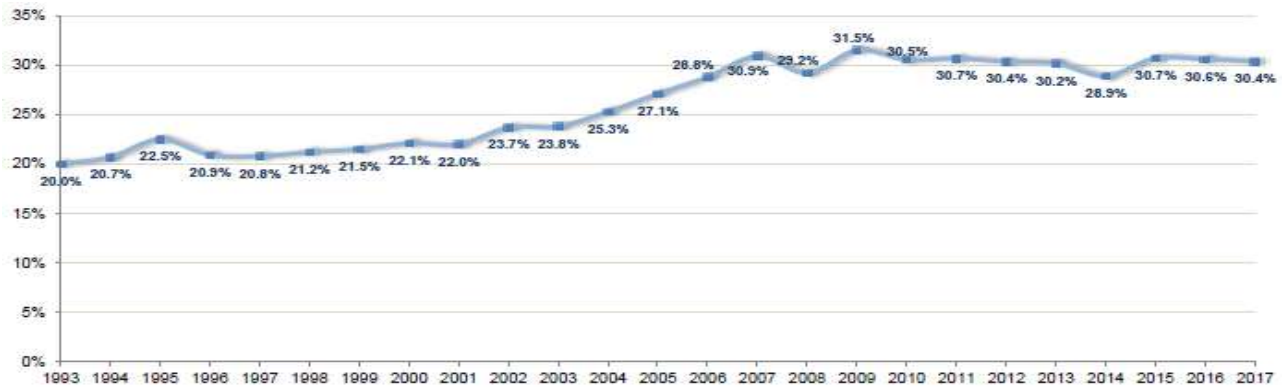
Source: C-WP/WP14754, Appendix E

153.   ICAO has acknowledged that the lack of female applicants for technical positions remains an issue. For example, only 15 per cent of applicants to technical positions in 2016 were female. Indeed, female underrepresentation is a phenomenon across all United Nations system organizations with a technical nature, such as the International Telecommunications Union and the International Atomic Energy Agency. It has been claimed that this is owing to the low representation of women in certain branches of natural sciences, engineering and technology, and also applies in the private sector and academia. This is also reflected in the 2016 report by UN-Women on the Status of Women in the United Nations System, which includes ICAO as an entity where women account for less than 40 per cent of staff at the Professional and higher categories.[55]

154.   Other challenges ICAO faces in its efforts to promote gender equality and gender mainstreaming include: (a) the existing workforce composition and historical culture at ICAO, where men have dominated technical and senior management positions in the secretariat, as well as the governing body and the standing committees; (b) the need to meet the two distinct but equally important corporate goals of enhancing overall geographic representation and gender in the appointment and promotion of staff at the Professional and higher category posts (staff regulation 4.1 of the ICAO Service Code); and (c) a lack of comprehensive programmes to foster coaching, training, mentoring and leadership development for women.

155.   Despite those challenges, more needs to be done on the issue of gender equality in terms of continuing and expanding outreach programmes, increasing consideration of internal female candidates and requesting that member States conduct their own outreach efforts and share vacancies. ICAO should continue its efforts, on a priority basis, towards achieving a more equal gender balance within its workforce, particularly at the Professional and higher categories.

Succession planning

156.   Over 30 per cent of total ICAO staff are 55 years old or above. Moreover, about 10 per cent of ICAO staff will be retiring by the end of 2019, 22 per cent by 2022 and 34 per cent by 2025, according to retirement projections (see table 6).

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[54] Statistics up to 2014 include secondment personnel (Trust Fund).
[55] See www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2016/status-of-women-in-the-united-nations-system-2016-en.pdf?la=en&vs=2511.

Table 6
Retirement projection of staff by category and location[56]

		2019		2022		2025	
		No	**%**	**No**	**%**	**No**	**%**
Headquarters	P-1 to D-1	26	4	54	8	84	12
	General Service	27	4	61	9	91	13
Total		53	8	115	17	175	25
Regional offices	P-1 to D-1	11	2	25	4	38	5
	General Service	2	0	10	1	22	3
Total		13	2	35	5	60	9
Total		**66**	**10**	**150**	**22**	**235**	**34**

Source: C-WP/WP14754, Appendix K

157.   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. That situation puts the organization in a difficult position in terms of workforce and succession planning.

158.   ICAO has taken measures to enhance succession planning, including by conducting workforce trend analyses, through recruitment and outreach and the development of competency profiles and key occupational groups, by ensuring accountability for knowledge-sharing and transfer, and through the expansion and improvement of its electronic human resources action plans tool. Efforts have also been made with the development of "knowledge transfer notes" questionnaires, which have been made compulsory for departing staff members in order to record knowledge systematically and facilitate a smooth and effective knowledge transfer and retention.

Use of non-staff (consultants, contractors and secondees)

159.   Non-staff (consultants/contractors and secondees) account for about 33 per cent of the total ICAO workforce. Their numbers have been growing steadily in the past years (see table 3 above).

160.   Employing a high number of non-staff benefits the organization, as it offers flexibility, access to special expertise and reduced exposure to long-term liabilities. At the same time, there are disadvantages, such as issues with continuity, impediments to developing the necessary technical expertise in-house, institutional memory and knowledge retention.

161.   ICAO has the framework and policies for engaging and managing non-staff. However, internal and external oversight auditors have made a number of observations and recommendations for improved compliance and for updating the policies to better respond to the organization's needs.

Secondees

162.   The number of secondees roughly quintupled, from 19 in 2010 to 95 in 2017. Secondees are expected to work at ICAO for terms that may vary from three to six years. Several secondees have been extended multiple times. There is a heavy reliance on secondees in some bureaus and offices, where they have represented between 38 and 70 per cent of total staff in certain sections and units, particularly within the Air Navigation Bureau.[57]

163. A number of documents governing the use of secondees are not adequately streamlined and insufficiently detailed, which increases the risk of non-compliance and undermines operational management. In June 2016, the Council approved the ICAO policy on secondment, which emphasized the importance of

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[56] The Secretary General and Directors of Bureau (D-2) are not included in these statistics. The figures reflected are cumulative. For example, the total number of staff due to retire by 31 December 2019 includes those scheduled to retire between 31 December 2017 and up to 31 December 2019.
[57] See internal audit report on the use of secondees, IA/2017/4.

transparency for secondment opportunities and ensured that secondments were driven by the needs of the organization. The administrative instructions on secondment that support the implementation of the policy, as approved by the Council, were revised in December 2017.

Consultants and contractors

164.   In addition to their high number (246 in 2017), many consultants and contractors are employed for extended periods of time. The continuous employment of consultants, beyond the provisions contained in the above-mentioned administrative instructions, has become standard practice at ICAO, particularly in the area of ICT.[58] Despite policies stipulating that consultants require a waiver to be employed for a period of more than 33 months, it was found that at least 59 of the 246 consultants employed in 2017 held contracts ranging from 36 to 72 months. This suggests that nearly 25 per cent of all consultants had been engaged for a cumulative duration of more than 33 months, an increase from 21 per cent as identified in the 2015 report of the Evaluation and Internal Audit Office.[59] Bringing non-staff on board to carry out the same functions and responsibilities as regular staff members is not in line with ICAO policies or the best practices of the United Nations system.

165.   The extensive use of consultants and contractors, frequent extension of their contracts and situations where they transition into regular staff roles have implications on the organization, including on the appropriate balance of staff and non-staff, the nature of work being assigned to non-staff, issues of recruitment and contract administration, knowledge management, continuity and risks of loss of institutional knowledge.[60]

166.   Issues have been raised regarding compliance with the mandatory cooling-off period for consultants when applying for staff posts. For instance, it was found that, of the 206 consultants employed in the period between January 2014 and May 2015, 23 had subsequently become staff members. In 19 of those cases, the consultants selected for the posts had not been required to observe a cooling-off period owing to a technicality concerning the date on which the post had been advertised.[61]

167.   **The Inspector suggests that standard procedures should be established to ensure that regular waivers and extensions of a consultant's contract, contrary to the stipulations laid out in the administrative instructions, do not become the norm. The administrative instructions on contracts of individual consultants/contractors should be updated to bring them into line with the human resources management policies and good practices.** Reference is also made to the JIU report on the Use of Non-Staff Personnel and Related Contractual Modalities in the United System organizations (JIU/REP/2014/8), which provides further useful suggestions in that regard.

Career development and training

168.   One of the concerns identified in the most recent employee survey was in the area of career advancement, where it was highlighted that many of the ICAO staff members were dissatisfied with the potential for career development and promotion within the organization.[62] The most common reason given for that dissatisfaction was the lack of available jobs pertinent to their qualifications, competencies and experiences, with another reason being a lack of cross-functional training opportunities.

169.   It has been suggested during discussions at ICAO that, although the overall funding for training programmes is relatively standard compared with other United Nations system organizations, more improvements could be made with regard to allocating resources for the purposes of staff development and training. Overall, the training budget is seen as adequate but not ideal, and this is reflected in the demands for

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[58] See internal audit report on the employment of individual consultants/contractors and secondees by ICAO headquarters, IA/2015/5, p. 2.
[59] Available from www.icao.int/secretariat/SecretaryGeneral/EvaluationAndInternalAuditOffice/Pages/annual-reports.aspx.
[60] See the internal audit report on the employment of individual consultants/contractors and secondees, IA/2015/5, p. 2.
[61] Ibid. p. 19.
[62] Confidential employee survey, 2017.

further improvements emanating from the staff.

170. Efforts have been made, in the context of workforce and succession planning, regarding the organization's learning and development programme. Providing staff with the required learning and development opportunities will enable them to upgrade their skills and competencies continually, to enable them to better perform in their current roles and gain new skills and competencies that will enable them to progress to new roles within the organization.

171. **The Inspector supports those endeavours and suggests that ICAO should allocate adequate financial resources for staff development and training, taking into account the organization's expenditure priorities and the resourcing practices of other United Nations system organizations.**

Strategic approach to workforce planning and human resources management

172. ICAO has a particular workforce composition, with a high number of non-staff. It is facing challenges concerning geographical representation, gender equality, succession planning and knowledge retention. While it has addressed the respective issues and developed and has started to implement corresponding programmes, policies and practices, e.g. the ICAO gender equality programme and implementation plan, the organization is missing a strategic approach to human resources management covering all of those different key areas.

173. ICAO requires a comprehensive human resources management strategy that puts all of those separate key elements together under one umbrella, including succession planning, gender equality, equitable geographical representation and use of non-staff. This would help to better understand the interdependence of the different policies and programmes, e.g. gender equality and geographical representation. It would ensure better and strategic alignment of the ICAO workforce with the organization's operational needs. It would help to mitigate associated risks. As pointed out by the Evaluation and Internal Audit Office,[63] overreliance on non-staff has been identified as a critical issue at ICAO. Care should be exercised to ensure that the short-term benefits are not outweighed by the long-term adverse effects, notably continuity, workforce composition, retention of expertise and knowledge and institutional memory.

174. The human resources management strategy should contain an implementation plan with specific and measurable actions, as it was for the ICAO gender equality programme. This would help to track progress and continuously review and update the strategy and its implementation. The periodic reports of the Council on the workforce composition should include information on the progress and implementation of the corporate human resources management strategy.

175. The following recommendation is expected to improve human resources management.

Recommendation 5

The Secretary General should develop and adopt by the end of 2020 a comprehensive human resources management strategy that includes geographical representation, gender equality, career development and training, succession planning and knowledge retention, and report periodically to the Council on its implementation.

B.   Other issues

176. There are a number of particularities of the human resources management-related regulatory framework and practices.

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[63] See internal audit report on the employment of individual consultants/contractors and secondees by ICAO headquarters, IA/2015/5, p. 21.

Appointments at the D-1 and D-2 level

177.   Within the budgetary resources, the Secretary General can decide on adjustments to the organizational structure and the distribution of posts to better meet priorities and emerging needs. Subject to the availability of funds, the establishment of new positions (funded both through the regular budget and extrabudgetary resources) to meet both regular programme needs and business plan needs is within the authority of the Secretary General. However, appointments at the D-1 and D-2 level continue to be subject to the approval by the Council and/or its President. Furthermore, consistent with regulation 4.12 of the Service Code, the Human Resources Committee of the Council shall review the selection reports of D-1 and D-2 level posts to ensure that the shortlisted candidates meet the selection criteria and that all those rejected by the process have been fairly treated.

178.   This practice of submitting D-1 and D-2 appointments to the approval of the Council differs from common United Nations human resources management practices. The Secretary General should be given full authority, with appropriate accountability, for the appointment and termination of all staff of the organization, as also suggested in the 2007 JIU report. This practice of Council involvement limits the authority of the Secretary General, dilutes his or her accountability and is inefficient for the effective running and management of the organization (see JIU/REP/2007/5, para. 31).

179.   **The Inspector would like to reiterate the recommendation 3 of the 2007 JIU report that the Council should authorize the Secretary General to recruit and promote against approved posts at all levels in the organization, including the level of Director, without seeking prior Council advice, in keeping with standards accepted by United Nations system organizations**. As the recent experience of the recruitment of the Chief Financial Officer shows, such involvement can lead to significant delays in recruitment and in filling key posts.

Technical Cooperation Bureau: field staff rules and recruitment of personnel

180.   Due to the nature of its field projects, there are specific requirements for field personnel of the Technical Cooperation Bureau. Following a comparative analysis of the Bureau field staff rules and the ICAO Service Code and Staff Rules, the field staff rules were revised, the recruitment procedures were reviewed and updated and a statement of conflict of interest was added. The process of updating the national personnel project manual and the project administrative instructions manual for special service agreements and service contracts is ongoing.

181.   As highlighted in a pertinent audit report of the Evaluation and Internal Audit Office,[64] the universal application of human resources policy across all sections of the organization is called into question when we consider that the Technical Cooperation Bureau has a high degree of independence, including separate experts, budget, procurement and recruitment standards. The Bureau apparently recruits hundreds of candidates using a different method from the rest of the organization, despite the fact that some of those candidates are then able to join the regular staff of ICAO during their careers.

182.   As the Evaluation and Internal Audit Office identified in that report, the Technical Cooperation Bureau relies almost solely on member States in the recruitment and selection process and does not itself seek or request any additional information into the candidate being recruited. The Bureau apparently makes only a token effort in screening an applicant beyond checking whether the candidate's resume matches the vacant job description and whether the budgetary funds are available for the appointment.

183.   Certain projects, such as regional projects or those providing assistance to member States in aviation matters, are not directly implemented and overseen by the Technical Cooperation Bureau. As at December 31 2015, only 39 national personnel were employed on a fixed-term contract and therefore directly responsible to the Bureau. The remaining national personnel were contractually employed using either special service

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[64]See report on the recruitment of experts and other personnel for Technical Cooperation Bureau projects, IA/2016/3.

agreements or service contracts, neither of which directly involve the Bureau under their respective schemes. Contractual changes were made by the Legal Affairs and External Relations Bureau to mitigate the risks of non-compliance with local employment laws, which may result in legal costs and additional work for the Bureau. Efforts have been made to emphasize the use of service contracts to reduce the contractual relationship between ICAO and the individual, and to link the individual employee with the project and not with ICAO.

184. Technical Cooperation Bureau projects that employ personnel not under the Bureau's direct management or control inevitably expose ICAO to an increased level risk. It is important therefore to ensure that those kinds of projects do not go on indefinitely and that there is a clear plan for transferring responsibility for staff management to the State authorities concerned.

185. **The Inspector suggests that the national personnel project manual and the project administrative instructions manual for special service agreements and service contracts should be updated in line with the recommendations of the related reports of the Evaluation and Internal Audit Office.**[65] **The Technical Cooperation Bureau should identify and implement additional checks in order to strengthen its oversight of the recruitment process for national project personnel, especially those who are given a fixed-term contract and are therefore considered to be ICAO staff.**

Regional office staff

186. Staff of the European Civil Aviation Conference, which is based in Paris and shares its premises with the ICAO Europe and North Atlantic Office, have ICAO contracts although they do not work for ICAO. This issue should be addressed.

187. It was also noted that the status of ICAO staff at some of the regional offices is different from the status of staff of other United Nations system organizations. For example, in accordance with the host country agreement for the Europe and North Atlantic Office, its staff is treated differently from staff employed by UNESCO or the Organization for Economic Cooperation and Development, in terms of residence, privileges and immunities. It may be useful to review the various host country agreements for ICAO regional offices to see if they are in line with current practice and that of other United Nations agencies.

Personal promotions

188. ICAO has a limited personal promotion policy based on performance, seniority and proximity to retirement age. This means that staff can be promoted without competition or changes in their responsibilities. Personal promotions have become an annual practice at the discretion of ICAO management, despite not explicitly being stated within the human resources policies of the organization.

189. In keeping with previous JIU recommendations concerning personal promotions, that practice should be discontinued at ICAO. It is not in line with United Nations system standards and practices on human resources management and promotions. The scheme is contrary to the standards of competitive process, transparency and fairness in the system of recruitment and promotion. It deviates from the United Nations common system practices, and most international organizations have already eliminated the practice.

190. **The Inspector suggests that, in the interest of fairness and transparency in the system of recruitment and promotion, the Secretary General should discontinue the practice of granting personal promotions at ICAO.**

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[65] Ibid.

VI. SUPPORT SERVICES

A.   Conference and language services

191.   The Languages and Publications Service of ICAO is responsible for the provision of language services and the production of ICAO documents and publications in all United Nations official languages, in accordance with the relevant quality standards. Their main responsibilities include: interpretations and translations; editing of publications; referencing, terminology research and outsourcing; and text processing and proofreading.

192.   Maintaining a commitment to multilingualism at ICAO is imperative from a political and operational standpoint. The organization deals with regulatory frameworks and rules in the field of civil aviation, and it is important that translations for various member States remain accurate. Interpretation services are provided in six languages for the meetings of the Assembly, Council, Air Navigation Commission, Air Transport Conferences, Diplomatic Conferences and Symposia.

193.   The overall budget allocated for conference and language services has been reduced since the previous JIU report. While the percentage allocated for language publications was 16.7 per cent in the budget for the triennium 2008–2010,[66] that figure has dropped to 13.6 per cent in the most recent budget, for the triennium 2017–2019.[67] This stands in contrast to the 21.5 per cent allocated in the budget for the triennium 2005–2007, as reported in the 2007 JIU report (JIU/REP/2007/5). Nevertheless, language services remain by far the largest expenditure for the organization in terms of programme support, with a total budget of $Can 4,691,000 for the triennium 2017–2019.

194.   Progress has been made with regard to support services, as reported in the current ICAO business plan for the triennium 2017–2019. Since 2008, ICAO has witnessed an increase in the volume of translation and interpretation services, despite cutting 24 Professional and 23 General Service posts. Quality enhancement training has been undertaken, and efficiency gains have been made by assigning interpreters to translation work when possible. Further efficiency gains are envisaged through the development of the language services management system project and by adopting new procedures to expedite short-term recruitments.[68]

195.   Operational costs were cut during the previous triennium with regards to printing, distribution and interpretation services. For printing, equipment automation and modernization, in combination with an increasingly paperless environment, led to savings of around $Can 350,000 per year during the previous triennium. A focus on a paperless environment also benefitted distribution costs, and the organization was projected to save around $Can 100,000 per year during the previous triennium.[69] Outsourcing has been used to accommodate the significant demands for translation and interpretation. In 2017, outsourced translations made up the majority of total output (52 per cent).[70] ICAO also has started using IT-supported language and translation tools and software. However, those efforts to reduce costs should be evaluated against any potential losses in quality assurance and institutional memory for the organization, especially considering the technical and precise nature of the material being translated.

196.   **It is suggested that the Secretary General should continue her efforts to reduce the cost of language and publication services while ensuring expected levels of quality of services.**

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[66] ICAO Budget of the Organization, 2008–2010, Doc 9895. Available from www.icao.int/publications/Documents/9895_en.pdf.
[67] ICAO Budget of the Organization, 2017–2019, Doc 10074. Available from www.icao.int/publications/Documents/10074_en.pdf.
[68] See www.icao.int/annual-report-2017/Pages/supporting-implementation-strategies-enhancing-efficiency-language-services.aspx
[69] See ICAO Business Plan, first edition (2016). Available from www.icao.int/Meetings/a39/Documents/Business%20Plan%202017-2019.pdf.
[70] Report on publications for 2017, working paper C-WP/14755.

B. Information and communication technology

197. Since the 2007 JIU report, ICAO has made progress in the area of information technology, including ICT governance and improving its ICT systems.

198. The Information Management Committee was created under the authority of the Secretary General as part of the information technology management framework to serve as the policy, oversight and action arm for matters concerning information management. It is responsible for policy guidance and overall governance of information management initiatives. ICAO is in the process of recruiting a Chief Information Security Officer.

199. One issue brought up by oversight reports is that ICAO suffers from unorganized, repetitive and even contradictory information security instructions, which number more than 60. While an ICT strategy is in place and updated every five years, oversight reports have highlighted problems associated with managing and properly implementing those instructions.[71]

200. The lack of an ICT strategy for cybersecurity has been another concern, according to the findings of a recent audit, noting that the ICT function is not compliant with ISO 27001 (standard on information security management systems) and without reasonable assurance against future cybersecurity risks.[72] ICAO requires a more robust information security management action plan, with the costs, schedules, organizational risks and assignments of responsibility are clearly defined.

201. A number of other ICT systems and tools have been introduced since the 2007 JIU report, which has led to efficiency gains, such as the roll-out in 2010 of the Agresso enterprise resource planning system, the corporate management and reporting tool and documents management system. Further improvements are envisaged, including the upgrade the Agresso system and the business process management solution for the Technical Cooperation Bureau.

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[71] Evaluation and Internal Audit Office, document IA/2018/1.
[72] Ibid.

Annex I
Structure of the ICAO secretariat

STRUCTURE OF ICAO SECRETARIAT
1 June 2017

Secretary General

Director, Legal Affairs and External Relations Bureau

Director, Air Transport Bureau

Deputy Director, Economic Development
- Aviation Data and Analysis Section
- Economic Regulatory Framework Section
- Joint Financing Section

Deputy Director, Environment
- Climate Change Section
- Environmental Standards Section

Deputy Director, Aviation Security and Facilitation
- Aviation Security Policy Section
- Aviation Security Audit Section
- Implementation Support and Development Security Section
- Facilitation Section

Director, Air Navigation Bureau

Deputy Director, Aviation Safety
- Accident Investigation Section
- Aviation Medicine Section
- Operational Safety Section
- Cargo Safety Section
- Implementation Planning and Support Section (Safety)
- Programmes Coordination and Implementation Section

Deputy Director, Air Navigation Capacity and Efficiency
- Airport Operations and Infrastructure Section
- Airspace Management and Optimization Section
- Global Interoperable Systems Section
- Integrated Planning Unit

Deputy Director, Monitoring and Oversight
- Safety and Air Navigation Oversight Audit Section
- Oversight Support Unit
- Integrated Aviation Analysis Section

Director, Technical Cooperation Bureau

Deputy Director
- Field Operations Section
- Procurement Section
- Field Personnel Section
- Business Support Section

- Staff Employment and Administration Section
- Policy, Organizational and Staff Development Section
- Recruitment, Classification and Post Management Section

Director, Bureau of Administration and Services

Deputy Director, Information Management and General Administrative Services
- Enterprise Technology and Services Section
- Business Technology and Services Section
- Conference, Security and General Services Section
- Revenue and Product Management Section
- Travel Unit
- Assembly and Council Support Unit

Deputy Director, Languages and Publications
- Interpretation Section
- French Translation Section
- Russian Translation Section
- Spanish Translation Section
- Arabic Translation Section
- Chinese Translation Section
- Document Management and Outsourcing Unit
- Editorial Unit
- Training, Administrative and Programme Support Unit

Regional Director Bangkok
Regional Sub-Office, Beijing
Regional Director Cairo
Regional Director Dakar
Regional Director Lima
Regional Director Mexico
Regional Director Nairobi
Regional Director Paris
Chief, Finance Branch
- Financial Services Section
- Accounting Services Section
Chief, Evaluation and Internal Audit Office
Chief, Global Aviation Training Office
Strategic Planning, Coordination and Partnerships Office
Ethics Officer
Communications Unit

Annex II
ICAO planning process

ICAO PLANNING PROCESS
- Is built on the RBM concept
- RBM integrates strategy, people, resources, processes and measurements to improve decision-making, transparency, and accountability.
- The approach focuses on achieving outcomes, implementing performance measurement, learning, and adapting, as well as reporting on performance.

ICAO BUSINESS PLAN
- Global Aviation Context
- Role of States
- Role of ICAO
- ICAO Strategic Objectives
- Priorities
- Expected Results

What?

How?

ICAO OPERATING PLAN
- Expected Results
- Key Outcomes
- KPIs
- Projects/Key Activities
- Deliverables

Progress

ICAO CPMFT
- Monitors & reports on progress to achieve expected results
- Monitors & reports on risks
- Will include C-DECs, Assembly Resolutions, Sessional Reports, Annual RO Reports
- Phase 1

ICAO RESULTS BASED BUDGET
- Identifies & allocates regular resources to implement the ICAO work programme & activities
- Budget formulation revolves around a set of predefined objectives and Expected Results
- Expected Results justify the resource requirements which are derived from and linked to outputs required to achieve such results;
- Actual performance in achieving results is measured by objective performance indicators.

Means

Annex III
Distribution of total posts and personnel[73]

1.   **Total number of posts and staff as at 31 December 2017[74]**

Distribution of total posts	*2015*		*2016*		*2017*	
	No.	*%*	*No.*	*%*	*No.*	*%*
Professional and higher - established regular programme and administrative and operational services costs	291	84	295	82	308	81
Professional and higher - supernumerary (all funds)	57	16	65	18	71	19
Subtotal		*348*		*360*		*379*
General Service - established regular programme and administrative and operational services costs	288	75	288	74	289	75
General Service - supernumerary (all funds)	94	25	100	26	95	25
Subtotal		*382*		*388*		*384*
Total:		**730**		**748**		**763**

Distribution of total staff	*2015*		*2016*		*2017*	
	No.	*%*	*No.*	*%*	*No.*	*%*
Professional and higher - established regular programme and administrative and operational services costs	265	82	262	80	268	79
Professional and higher - supernumerary (all funds)	57	18	65	20	71	21
Subtotal		*322*		*327*		*339*
General Service - established regular programme and administrative and operational services costs	260	73	257	72	264	74
General Service - supernumerary (all funds)	94	27	100	28	95	26
Subtotal		*354*		*357*		*359*
Total:		**676**		**684**		**698**

Vacant posts	*2015*	*2016*	*2017*
Professional and higher categories	26	33	40
General Service	28	31	25
Total	54	64	65

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[73] Status of ICAO workforce for 2017, working paper C-WP/14754.
[74] Excluding secondment personnel and consultants.

2. Number of consultants/contractors and seconded personnel as at 31 December 2017

Offices	2015			2016			2017		
	Consultants/ contractors	Seconded personnel (gratis)	Seconded personnel (trust fund)	Consultants/ contractors	Seconded personnel (gratis)	Seconded personnel (trust fund)	Consultants/ contractors	Seconded personnel (gratis)	Seconded personnel (trust fund)
Headquarters	**172**	**38**	**11**	**210**	**47**	**14**	**234**	**58**	**14**
Office of the Secretary General	-	-	-	1	-	1	1	2	1
Evaluation and Internal Audit Office	1	-	-	1	1	-	2	1	-
Finance Branch	4	-	-	3	-	-	6	-	-
Global Aviation Training	14	2	-	10	2	-	5	1	-
Air Navigation Bureau	20	20	2	33	24	5	44	30	5
Air Transport Bureau	36	11	8	39	14	7	35	18	8
Bureau of Administration and Services	91	5	-	114	5	-	130	4	-
Legal Affairs and External Relations Bureau	1	-	-	-	1	-	2	2	-
Technical Cooperation Bureau	5	-	1	9	-	1	9	-	-
Regional offices	**11**	**12**	**2**	**11**	**22**	**3**	**12**	**21**	**2**
Asia and Pacific Office	1	11	-	1	17	1	1	11	1
Eastern and Southern African Office	-	-	-	2	-	-	2	1	-
Europe and North Atlantic Office	2	1	-	2	4	-	2	3	-
Middle East Office	-	-	-	-	-	-	2	-	-
North American, Central American and Caribbean Office	2	-	1	-	1	1	1	1	-
South American Office	4	-	-	5	-	-	2	1	-
Western and Central African Office	2	-	1	1	-	1	2	4	1
Total	**183**	**50**	**13**	**221**	**69**	**17**	**246**	**79**	**16**
Gender									
Male	118	37	11	135	51	13	145	61	9
Female	65	13	2	86	18	4	101	18	7
Women (%)	36	26	15	39	26	24	41	23	44
Number of States represented	**40**	**12**	**7**	**47**	**12**	**9**	**47**	**21**	**9**
Number of months worked	**1 173**	**-**	**-**	**1 483**	**-**	**-**	**1 770**		
Annual expenditures on consultants/ contractors ($Can)	**5 540 131**	**-**	**-**	**7 111 891**	**-**	**-**	**8 479 684**		

3. Retirement projection of staff by category as at 31 December 2017

		2019		2022		2025	
		Number	Percentage	Number	Percentage	Number	Percentage
Headquarters	P-1 to D-1	26	4	54	8	84	12
	General Service	27	4	61	9	91	13
Total		53	8	115	17	175	25
Regional offices	P1 to D1	11	2	25	4	38	5
	General Service	2	0	10	1	22	3
Total		13	2	35	5	60	9
Total		**66**	**10**	**150**	**22**	**235**	**34**

Note: The Secretary General and Directors of Bureau (D-2) are not included in the above statistics. The figures reflected are cumulative. For example, the total number of staff due to retire by 31 December 2019 includes those due to retire between 31 December 2017 and 31 December 2019.

Annex IV

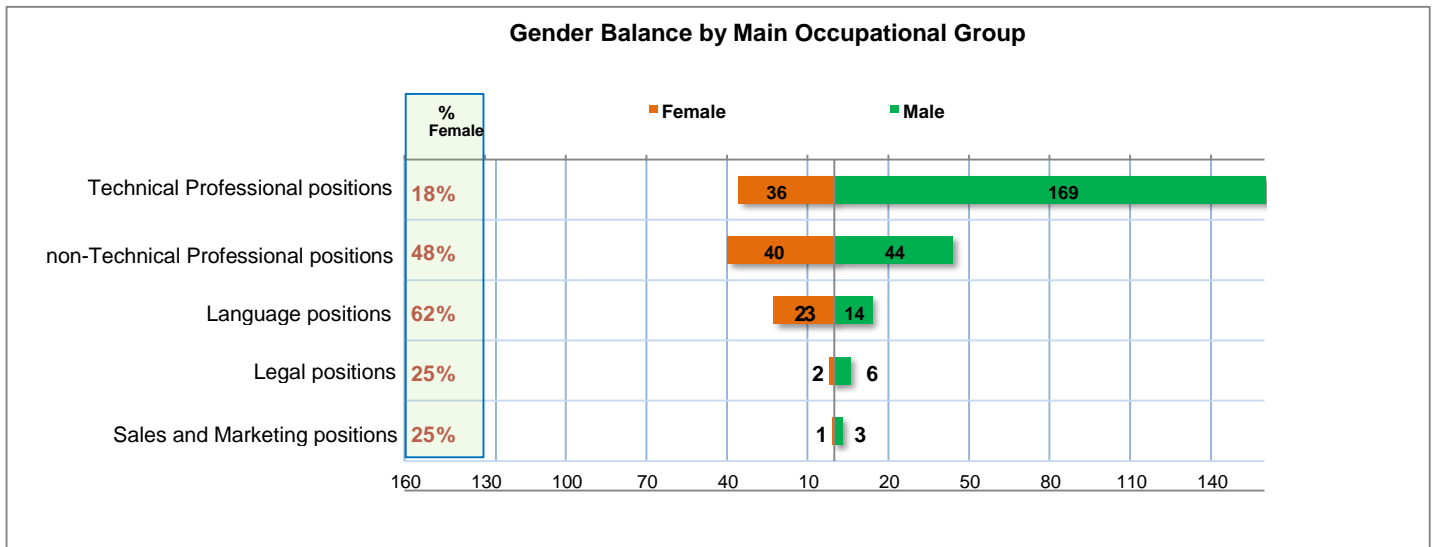**Gender and geographical representation[75]**

1.   Distribution of staff by gender and classified level of post

Gender Statistics	2015			2016			2017		
Professional and higher staff	322			327			339		
Total women (Professional and higher)	No.		%	No.		%	No.		%
	99		30.7%	100		30.6%	103		30.4%
No. and % of women by level	No.	Total	%	No.	Total	%	No.	Total	%
S-G	1	1	100	1	1	100	1	1	100
D-2	0	4	0	0	5	0	0	5	0
D-1	1	19	5	1	19	5	1	18	6
P-5	13	53	25	14	50	28	17	54	31
P-4	33	139	24	34	142	24	37	155	24
P-3	36	77	47	34	78	44	33	77	43
P-2	15	29	52	16	32	50	14	29	48
P-1	0	0	0	0	0	0	0	0	0
General Service staff	354			357			359		
Total men (General Service)	No.		%	No.		%	No.		%
	274		77.4%	273		76.5%	275		76.6%
No. and % of women by level	No.	Total	%	No.	Total	%	No.	Total	%
G-7	54	65	83	52	65	80	61	74	82
G-6	70	88	80	77	95	81	69	89	78
G-5	83	107	78	86	112	77	81	107	76
G-4	63	74	85	54	65	83	58	68	85
G-3	4	12	33	4	12	33	6	14	43
G-2	0	5	0	0	6	0	0	5	0
G-1	0	3	0	0	2	0	0	2	0

These statistics exclude secondment personnel

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[75] Status of ICAO workforce for 2017, working paper C-WP/14754.

2. Gender balance by main occupational group as at 31 December 2017

Gender Balance by Main Occupational Group

	% Female	Female	Male
Technical Professional positions	18%	36	169
non-Technical Professional positions	48%	40	44
Language positions	62%	23	14
Legal positions	25%	2	6
Sales and Marketing positions	25%	1	3

3. Overview of geographical distribution as at 31 December 2017

Posts subject to equitable geographical representation	2015		2016		2017	
	No.	*%*	*No.*	*%*	*No.*	*%*
Posts subject to equitable geographical representation	**252**		**256**		**269**	
Staff in posts	232		232		233	
Staff with non-career contracts in posts	162	70	161	69	162	70
No. of contracting States	**191**		**191**		**192**	
Unrepresented (A)	105	55	108	57	106	55
Represented*	86	45	83	43	86	45
(B) States underrepresented	16	8	17	9	20	10
(C) States at desirable level	45	24	40	21	36	19
(D) States above desirable level	25	13	26	14	30	16
Staff in posts subject to equitable geographical representation by region	**232**		**232**		**233**	
Africa	44	19	45	19	44	19
Asia-Pacific	32	14	29	13	32	14
Europe	56	24	57	25	59	25
Middle East	8	3	7	3	10	4
Latin America-Caribbean	34	15	36	16	38	16
North America	58	25	58	25	50	21
Regional status						
Africa	D		B		D	
Asia-Pacific	B		B		B	
Europe	B		B		B	
Middle East	B		B		B	
Latin America-Caribbean	D		D		D	
North America	D		D		D	

*The total number of States represented at the ICAO secretariat was 90, 87 and 92 in 2015, 2016 and 2017, respectively.

Annex V
Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit

JIU/REP/2019/1

		Intended impact	CEB	United Nations*	UNAIDS	UCTAD	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNHCR	UNICEF	UNODC	UNOPS	UNRWA	UN-Women	WFP	FAO	IAEA	ICAO	ILO	IMO	ITU	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO
Report	**For action**		☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	For information		☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
Recommendation 1		i																			L										
Recommendation 2		e																			L										
Recommendation 3		e																			L										
Recommendation 4		e																			E										
Recommendation 5		f																			E										

Legend: L: Recommendation for decision by legislative organ   **E:** Recommendation for action by executive head
▨ **:** Recommendation does not require action by this organization
Intended impact: a: enhanced transparency and accountability   **b:** dissemination of good/best practices   **c:** enhanced coordination and cooperation   **d:** strengthened coherence and harmonization   **e:** enhanced control and compliance   **f:** enhanced effectiveness   **g:** significant financial savings   **h:** enhanced efficiency   **i:** other.

* As listed in ST/SGB/2015/3.