
ICAO

International Civil Aviation Organization

COUNCIL — 197TH SESSION

Montréal, 29 October – 14 November 2012

SUMMARY MINUTES WITH SUBJECT INDEX



2013

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COUNCIL — 197TH SESSION**SUMMARY MINUTES OF THE FIRST MEETING****(THE COUNCIL CHAMBER, MONDAY, 29 OCTOBER 2012, AT 1430 HOURS)****OPEN MEETING**

President of the Council: Mr. Roberto Kobeh González

Secretary: Mr. Raymond Benjamin, Secretary General

PRESENT:

Argentina	— Mr. J. Gelso	Malaysia	— Mr. Y.-H. Lim
Australia	— Ms. K. Macaulay	Mexico	— Mr. D. Méndez Mayora
Belgium	— Mr. G. Robert	Morocco	— Mr. A. Boulmane
Brazil	— Mr. J. Taunay	Nigeria	— Dr. O.B. Aliu
Burkina Faso	— Mr. M. Dieguimde	Paraguay	— Mrs. A. Torres de Rodríguez
Cameroon	— Mr. E. Zoa Etundi	Peru	— Mrs. D.E. Sotomayor Yalán
Canada	— Mr. M. Allen	Republic of Korea	— Mr. Choi, D.
China	— Mr. Tao Ma	Russian Federation	— Mr. A.A. Novgorodov
Colombia	— Mr. A. Muñoz Gómez	Saudi Arabia	— Mr. T.M.B. Kabli
Cuba	— Mr. J.F. Castillo de la Paz	Singapore	— Mr. T.-C. Ng
Denmark	— Mr. K.L. Larsen	Slovenia	— Mr. A. Krapež
Egypt	— Mr. M.T. Elzanaty	South Africa	— Mr. L. Mabaso
France	— Mr. M. Wachenheim	Spain	— Mr. V.M. Aguado
Germany	— Mr. R. Monning (Alt.)	Swaziland	— Mr. D. Litchfield
Guatemala	— Mr. H.A. Rosales Salaverría	Uganda	— Mr. J. Twijuke
India	— Mr. P.N. Sukul	United Arab Emirates	— Mr. R. Al Kaabi (Alt.)
Italy	— Mr. E. Padula	United Kingdom	— Mr. M. Rodmell
Japan	— Mr. T. Koda	United States	— Mr. D. Woerth

ALSO PRESENT:

Dr. N. Luongo (Alt.)	— Argentina
Mr. J.C.F. da Silva (Alt.)	— Brazil
Mr. A. Rebouças (Alt.)	— Brazil
Mr. R. Oliveira de Carvalho (Alt.)	— Brazil
Mr. P. Pape (Alt.)	— France
Mr. A. Bardaro (Alt.)	— Italy
Mrs. D. Valle Álvarez (Alt.)	— Mexico
Mrs. L. Camacho Bueno (Alt.)	— Peru
Mr. Bae, J. (Alt.)	— Republic of Korea
Mr. J.L. Novak (Alt.)	— United States

SECRETARIAT:

Mr. D. Azema	— DC/OSG
*Mr. B. Djibo	— D/ATB
*Mr. R. Bhalla	— C/FIN
*Mr. J. Marriott	— C/AVSEC
*Mr. O. Myard	— C/EAO
*Mr. S. Berti	— C/SFP
*Mr. M. Siciliano	— SFP
*Mr. A. Doazan	— SFP
*Mr. D. Wilkinson	— ASA
Mr. A. Larcos	— ACS
Miss S. Black	— Précis-writer

*Mr. J. Moor, Chairperson, EAAC**Mr. C. Ross, EU (Obs.)*

*Part-time

Representatives to ICAO

Chile
Dominican Republic
Ethiopia
Greece
Iran (Islamic Republic of)
Lebanon
Turkey
Uruguay
Venezuela (Bolivarian
Republic of)

Minute of silence and condolences

1. The Council observed a minute of silence in memory of His Excellency John Evans Atta Mills, the President of Ghana, and His Excellency Meles Zenawi, the Prime Minister of Ethiopia, who had passed away on 24 July 2012 and 20 August 2012, respectively. It was noted that, on behalf of the Council and the ICAO Secretariat, the President of the Council and the Secretary General had sent letters of condolence to the Governments of Ghana and Ethiopia.

Welcome to new Representatives on the Council

2. The President of the Council extended a warm welcome to Mr. Alberto Muñoz Gómez, Mr. Héctor Augusto Rosales Salaverría, Mr. Prashant Narain Sukul, Mr. Enrico Padula and Mrs. Doris Elba Sotomayor Yalán, the newly-appointed Representatives of Colombia, Guatemala, India, Italy and Peru, respectively.

Subject No. 13: Work programmes of Council and its subsidiary bodies

Schedule for consideration of items during the 197th Session

3. The Council noted the meeting schedule for the 197th Session presented in the President's memorandum PRES RK/2088 Revised dated 17 August 2012, subject to the following changes:

- the addition of a meeting of the Committee on Unlawful Interference (UIC), which had taken place earlier in the day, i.e. on the morning of Monday, 29 October 2012;
- the addition of an informal briefing of the Finance Committee (FIC), to be convened on Tuesday, 30 October 2012 at 1000 hours; and
- the rescheduling of the informal briefing of the Council on a global market-based measures (MBM) scheme and framework from Tuesday, 30 October 2012 at 1430 hours to Friday, 2 November 2012 at 1500 hours (*cf.* PRES RK/2115 Revised dated 26 October 2012).

4. The Council also noted the schedule for the consideration of items during the 197th Session of the Council as set out in President's memorandum PRES RK/2108 dated 5 October 2012, on the understanding that:

- as indicated in Addendum No. 2 and Corrigendum to C-WP/13863 Revised, two supplementary items had been added to the Council's Work Programme for the 197th Session and would be tabled for consideration during the third week of the session (13 to 16 November 2012), *Amendment 13 to Annex 17 – Security* (C-WP/13917 Revision No. 2) and *Proposal for the establishment of a Standing Committee on Relations with the Host Country* (C-WP/13918), and one item had been deferred to the next (198th) session, *Report on the deliberations of the Tripartite Consultative Committee*; and

- the Secretary General will present an oral and not a written report on the status of negotiations on the Supplementary Agreement between ICAO and the Government of Canada regarding the Headquarters of ICAO.

Annual Report of the Evaluation and Audit Advisory Committee (EAAC)

5. The Council had for consideration: information paper C-WP/13888, in which the Chairperson of the Evaluation and Audit Advisory Committee (EAAC), Mr. J. Moor, presented the Committee's first Annual Report covering the period 2011-2012; and an oral report thereon by the Finance Committee (FIC).

6. The FIC had reviewed the Annual Report at its Second Meeting of the 197th Session on 27 September 2012. In his introduction thereof, the Chairperson of the EAAC had explained that the Annual Report included many issues already raised in the two interim reports submitted to the Council during the last year. The purpose of the present Annual Report was to highlight key observations made by the EAAC on which the Council could seek assurances from the Secretariat that the issues were being addressed. FIC Members had debated how best to take forward the various suggestions included in the Annual Report and invited the Council to make certain recommendations or decisions.

7. In endorsing the FIC's oral report, the Representative of Spain affirmed that the right procedure had been followed in tabling C-WP/13888 for discussion even though it was an information paper as the Annual Report contained a number of key points which necessitated action by the Council.

8. Referring to the FIC's recommendation that the Council consider whether the work of the Joint Inspection Unit (JIU) added value to ICAO, compared with the burden it represented for the Secretariat, the Representative of France averred that the latter was being treated as if it numbered 20 000 employees instead of about 700. In recognizing the burden that responding to all of the JIU reviews represented to the Secretariat, in particular the Finance Branch (FIN) and the Evaluation and Internal Audit Office (EAO), he expressed doubt that the benefits derived from the JIU's work were commensurate with the amount of time spent by the Secretariat.

9. In then noting the EAAC's Annual Report for 2011-2012 set forth in C-WP/13888 and the FIC's oral report thereon, the Council took the action proposed by the President of the Council in light of the FIC's recommendations and:

a) requested the External Auditor to:

- i) work together with the Secretariat to ensure that all issues, recommendations and actions raised in the said Annual Report were clearly understood and that, where a recommendation was agreed, clear, specific action steps were identified to address the audit finding and implemented as soon as possible; and
- ii) prioritize his recommendations in future;

b) requested the Secretary General to:

- i) note the FIC's recommendations that consideration be given to whether the work of the Joint Inspection Unit (JIU) added value to ICAO, compared with the burden it represented for the Secretariat, and that he raise any general concerns

about the number of JIU studies carried out each year and whether the process was sufficiently flexible to deal with differences in United Nations (UN) bodies at an appropriate forum or body of the UN Chief Executives Board for Coordination (CEB); and

- ii) report to the Council in the event of any resultant change in the relations between ICAO and the JIU; and
- c) requested the Secretary General to develop adequately a risk management culture throughout the Organization as suggested in paragraph 5.1.1 of the Annual Report.

Subject No. 18.7: Appointment of External Auditor

Appointment of the External Auditor of ICAO for the financial years 2014, 2015 and 2016

10. The Council considered this subject on the basis of: C-WP/13898 presented by the Secretary General, which contained a draft State letter inviting Member States to nominate the Supreme Audit Institution of their country to be considered for appointment as the External Auditor of ICAO for the financial years 2014, 2015 and 2016 (*cf.* Appendix A), as well as the terms of reference for the proposed Council Working Group which would review the nominations (*cf.* Appendix B); and an oral report thereon by the Finance Committee (FIC). It was noted that the reference made to the Advisory Group on Evaluation and Audit in the last sentence of paragraph 2.2 of the paper should be changed to the Evaluation and Audit Advisory Committee (EAAC).

11. The Council agreed to the following changes to the draft State letter recommended by the FIC in light of its review of the paper during its Second Meeting of the 197th Session on 27 September 2012: that the date specified for the submission of nominations and their receipt by the Office of the Secretary General be advanced from 31 March 2013 to 15 March 2013; and that text be added specifying the role of the External Auditor concerning performance audits and indicating that the number of performance audits should not exceed two within a calendar year.

12. Referring to the latter change regarding performance audits, the Representative of Mexico emphasized the need to keep in mind Rule 13.5 of *The ICAO Financial Regulations* (Doc 7515), which stipulated that “The External Auditor shall be completely independent and solely responsible for the conduct of all the Organization’s accounts and Funds.”. Maintaining the External Auditor’s independence was of paramount importance for the Organization. While agreeing, the President of the Council underscored that the Council had the authority to request a limit on the number of performance audits.

13. With regard to the Committee’s recommendation that an additional paragraph be added stating: “To ensure rotation, a time limit has been set to the mandate of the External Auditor to a maximum of six years, comprised of an initial term of three years with the possibility of one extension. The initial term will commence with the financial year 2014.”, the Council agreed that, as suggested by the Representative of the United Kingdom, the new paragraph should instead reflect the expectation that the External Auditor would serve six years, subject to a communication, by 30 September of the second year of his mandate, of his intention to continue or withdraw his candidacy from the second three-year term and subject to a satisfactory performance assessment of his first term.

14. The Council further agreed to the FIC's recommendation that the fifth bullet of paragraph 2.4 of the terms of reference for the proposed Council Working Group (cf. Appendix B) be amended to read "Use of English language".

15. In taking the action indicated in the executive summary of C-WP/13898, as amended by the President of the Council in light of the discussion, the Council:

- a) approved the draft State letter inviting nominations from Member States for the position of External Auditor of ICAO for the financial years 2014, 2015 and 2016 set forth in Appendix A to the paper, subject to the amendments recorded in paragraphs 11 and 13 above;
- b) agreed that a Council Working Group comprised of up to five Members be established for the review of nominations as outlined in the terms of reference set forth in Appendix B to the paper and amended in paragraph 14 above;
- c) delegated the responsibility of establishing the Council Working Group to the President of the Council, who would determine its composition after the deadline of 15 March 2013 for the submission and receipt of nominations, taking into account the principle of equitable geographical representation, and inform Representatives thereof by e-mail;
- d) requested the Evaluation and Audit Advisory Committee (EAAC), in accordance with paragraph 5.2 of its Terms of Reference, to provide advice on the proposed fees, terms or budget of the External Auditor and the latter's appointment and remuneration; and
- e) requested the said Council Working Group to present its recommendation for the appointment of a new External Auditor of ICAO for the financial years 2014, 2015 and 2016 to the Council, through the FIC, during the 199th Session in May/June 2013 in a paper by the Secretary General which would also contain a draft Assembly working paper on the appointment.

Subject No. 52: Unlawful interference with international civil aviation and its facilities

**Outcome of the High-level Conference on Aviation Security (HLCAS)
(Montréal, 12 to 14 September 2012)**

16. The Council had for consideration: C-WP/13875, in which the Secretary General presented a summary of the key recommendations adopted by the High-level Conference on Aviation Security (HLCAS) and proposed follow-up actions for their implementation; and an oral report thereon by the Committee on Unlawful Interference (UIC).

17. During its review of the paper at its First Meeting of the 197th Session on 3 October 2012, the Committee had commended the work of the Secretariat in the organization of the HLCAS, which had led to the successful conclusion of the event and the achievement of the desired outcomes in enhancing global aviation security. A Committee Member had expressed some concern with regard to action paragraph b) of the executive summary of C-WP/13875, which acknowledged budgetary implications associated with implementing the HLCAS recommendations. In that regard, the Secretariat had clarified that no additional resources would be required in the current triennium. Any financial implications of

HLCAS recommendations for the next triennium would be addressed through the regular budget process for all ICAO Strategic Objectives, in collaboration with the Council. Accordingly, the Committee had agreed to recommend that action paragraph b) be amended by adding the phrase “in the context of the overall budget discussions” after the word “Council”.

18. In view of the HLCAS recommendations that the Council consider the expedited adoption of new and amended Standards and Recommended Practices (SARPs) in order to mitigate risks to air cargo and to address the insider threat, and in recognition that such SARPs were also deemed to be operationally urgent, the UIC had unanimously agreed to recommend that the Council consider adopting Amendment 13 to Annex 17 – *Security* during the current 197th Session, using the fast-track procedure, instead of during the 198th Session as indicated in the Appendix to the paper. It was noted that the said Annex amendment would now be tabled for adoption during the third week of the present session (*cf.* paragraph 4 above).

19. The Representative of France endorsed the UIC’s oral report. In commenting on C-WP/13875, he averred that the status accorded to the global Risk Context Statement (RCS) in the executive summary and body of the paper went beyond what had been decided by the HLCAS. The Representative of France emphasized that the RCS should be considered only as a methodology that would be made available to States for possible use in further developing their own national risk assessments. It had not been intended that ICAO issue and maintain the RCS for global assessment purposes as the results would be highly contestable. While noting that proposed follow-up action 1) for Agenda Item 1: ICAO global Risk Context Statement (RCS) (“Disseminate the RCS to States in an appropriate format;”) was prudently-worded, the Representative of France still had questions regarding ICAO’s role and urged utmost caution in using the methodology.

20. In reiterating the need to closely monitor the financial and other implications of the transition of the Universal Security Audit Programme (USAP) to a continuous monitoring approach (CMA) for Member States and the Organization, the Representative of France suggested that annual progress reports be given to the Council on the status of the transition. This was noted for consideration during the Council’s discussion, under the next item on the order of business, of C-WP/13876 [with Revision No. 1 (Russian only)] on the evolution of the USAP beyond 2013.

21. Observing that the executive summary of the paper referred to HLCAS recommendations “aimed at ensuring sustainability and passenger facilitation”, the Representative of France maintained that the recommendations went beyond facilitation, which was primarily of interest to airlines, and dealt with the physical and economic well-being of passengers. Respect for passengers’ dignity was a fundamental right. The Representative of France also underscored that it was imperative that the current search for new aviation security measures include a cost containment study. While aware that it had not been possible to mention all of the subjects addressed by the HLCAS in the executive summary, the Representative of France further emphasized that reference should have been made to the protection of the public areas of airports.

22. While commending proposed follow-up action 4) for Agenda Item 6: Ensuring the sustainability of aviation security measures – equivalence (“Issue a State letter communicating guiding principles for sustainable aviation security measures;”), the Representative of France stressed that the guiding principles should explicitly include respect for passengers and cost containment and suggested that follow-up action 4) be amended accordingly.

23. Drawing attention to proposed follow-up action 2) for Agenda Item 8: Driving technology developments and innovation, the Representative of France suggested that it be amended to indicate that the

Aviation Security Panel (AVSECP) and the Technical Advisory Group on Next Generation Screening should take into account the discussions of the envisaged Symposium on Innovation in Aviation Security in further reviewing the Component Research Roadmap and that the latter would be presented to the Council for further consideration. He also suggested that the reference to issuing an electronic bulletin providing information on a framework for the development of next generation passenger screening be deleted as the framework had not yet achieved a sufficient level of maturity.

24. While understanding why the Appendix to the paper contained only a summary of the key recommendations adopted by the HLCAS, the Representative of France underscored that information was sometimes lost in summarizing and suggested that action paragraph a) in the executive summary be amended to refer to approval of the recommendations contained in the Report of the HLCAS rather than in the Appendix to the paper. The Representative of the United States supported this proposal.

25. Noting that the Secretariat agreed on the need to exercise utmost caution with respect to the new RCS, the Chief of the Aviation Security Branch (C/AVSEC) stressed that every effort would be made to ensure its confidentiality and appropriate use as a form of guidance material. The Secretariat would be pleased to provide an annual progress report on the evolution of the next stage of the USAP and the transition to a CMA.

26. With respect to the possibility of a cost containment study for new aviation security measures, C/AVSEC recalled that costs were already included in the AVSECP's analysis of such measures, which in turn led to the Panel's recommendations to the UIC and the Council. The Secretariat would be pleased to highlight the Council's interest in understanding more of the potential financial impacts of new measures to the AVSECP. With regard to the point raised regarding the protection of the public area of airports, C/AVSEC noted that the issue had not been an Agenda Item, although it had formed part of the overall discussions, and that it was featured in the HLCAS Report.

27. In highlighting the important role played by the regional conferences on aviation security, the Representative of Cuba underscored that they had laid the groundwork for the HLCAS recommendations. Averring that there had not been sufficient time during the HLCAS for the necessary policy discussions of certain issues, he indicated that this was one of the lessons to be drawn from the Conference. The Representative of Cuba emphasized, in this regard, that when States made such tremendous efforts to take part in such an event, assisting in the preparatory work and allocating financial resources for participation, it would be worthwhile to allow them the requisite time for discussion.

28. While recalling that the proposal to convene the HLCAS had been the subject of lengthy Council discussions and that it had been decided that the Conference's programme and two-and-a-half-day duration were appropriate, C/AVSEC indicated, with the benefit of hindsight, that it would have been beneficial to have another day or half-day. He agreed that this could be taken as a lesson learned for future conferences of this sort.

29. Referring to Agenda Item 7: The role of the Machine Readable Travel Documents (MRTD) Programme, Advance Passenger Information (API), and Passenger Name Record (PNR), recommendation b) on ePassports and the Public Key Directory (PKD), the Representative of Uganda noted that it called for States to consider issuing ePassports when, in fact, many States were already doing so. The proposed follow-up action 2) a., for the short-term (implementation by end-2012), was to issue a State letter to communicate ePassport-related recommendations, and the proposed follow-up action 2) d., for the medium-term (implementation by the end of the 2011-2013 triennium), was to issue new/revised guidance material on the introduction of ePassports. He recalled that the HLCAS had stopped short of

endorsing the development of a Standard for ePassports as it was considered premature to do so: many States might be left behind as they might not be in a position to implement such a Standard. Noting that surveys had shown that many ePassports did not conform to ICAO's specifications and to the PKD's requirements, which necessitated immediate action, the Representative of Uganda queried whether the issuance of the envisaged guidance material could be expedited. He underscored that it would be extremely difficult for States to dismantle their very expensive, non-conforming ePassport systems after the guidance material had become available. Observing that ePassports were the travel documents of the future, the Representative of Cuba emphasized the importance of guidance material thereon.

30. C/AVSEC indicated that the Secretariat considered that the specifications contained in Doc 9303 – *Machine Readable Travel Documents* provided sufficient guidance material, from a technical perspective, to support States in producing ePassports. It was the Secretariat's understanding that the guidance material that States were most in need of at the present time was on the process to become part of the ICAO PKD. The Representative of Uganda emphasized the importance of ensuring that States were aware of, and fully understood, the specifications for ePassports set forth in Doc 9303.

31. While noting the clarification provided by C/AVSEC, the Representative of Nigeria stressed the need for the envisaged State letter to provide adequate information on ePassport readers. He underscored that if the latter did not meet the required specifications, then ePassports would not be useful. In then referring to action paragraph b) in the executive summary of C-WP/13875, to which the UIC had proposed an amendment, the Representative of Nigeria suggested that it be further amended by deleting the phrase "to determine the most appropriate method of presenting such information to the 38th Session of the Assembly" as a draft Budget of the Organization for the 2014-2015-2016 triennium would be presented to the said Assembly. The Representatives of Japan, the United States, and Spain endorsed this proposal.

32. Recalling the comments made regarding the RCS, the Representative of the United Kingdom noted that the latter had arisen from the very clear instructions of the 37th Session of the Assembly that the AVSECP identify and develop a risk assessment methodology for aviation security and include a risk-based assessment with any AVSECP recommendations for the adoption of new or amended aviation security measures in Annex 17 – *Security* or in any other ICAO document (*cf.* Assembly Resolution A37-17, Appendix C, Operative Clause 13). Underscoring that the RCS was appropriately qualified, he noted that it made it clear that it did not attempt to infringe on the rights of Member States when it came to intelligence matters. Furthermore, it explicitly stated that it did not seek to substitute for the process of national risk assessment. It was essential that the requisite analytical tools exist in order for proposals for aviation security measures to be formulated on a risk basis. While agreeing on the need to be cautious in the promulgation of the RCS, as in all matters relating to aviation security, the Representative of the United Kingdom emphasized that in making progress with caution, it was necessary to ensure that caution did not prevent progress from being made.

33. Observing that one of the more important outcomes of the HLCAS was the strong endorsement that work on next generation screening be taken forward on the basis of the Component Research Roadmap referred to in follow-up action 2) to Agenda Item 8, the Representative of the United Kingdom expressed the hope that this would be done quickly. While it was a matter for judgement whether the proposed electronic bulletin was the most appropriate way of making progress, the essential point was to make progress on the said Roadmap before the Symposium on Innovation in Aviation Security. Use should be made of whatever measures and actions were available to ensure that this happened and that the momentum of the HCLAS was not lost.

34. Noting that aviation security was the most primitive component of the highly-technological aviation system, the Representative of Spain cited bottlenecks and the lack of mutual recognition of equivalent security measures as some of the problems associated therewith. Affirming that technological advances and innovations in aviation security were therefore essential, he stressed that the fact that the timeframes for the proposed follow-up actions for Agenda Item 8 were for the medium-term (implementation by the end of the 2011-2013 triennium) and long-term (implementation in the 2014-2016 triennium) did not mean that such advances and innovations could not be made in the very short-term. Ideally, the Component Research Roadmap defining the new security process towards next generation screening would be issued as soon as possible, after being further reviewed in light of developments, including the results of the Symposium on Innovation in Aviation Security.

35. The Representative of Colombia endorsed the comments made by the Representative of France, particularly with regard to the said Component Research Roadmap. Noting that the importance of striking a balance between security and facilitation had been frequently mentioned during the HLCAS, he emphasized that it should have been reflected more in the HLCAS Report, for example, under Agenda Item 6. The Representative of Colombia therefore suggested that the words “security and facilitation” be included in the title of Agenda Item 6. He also suggested that recommendation a) 2. (“improved passenger satisfaction”) for that Agenda Item be amended to refer to respect for human rights, an issue which had also been raised often. Averring that the discussion, under Agenda Item 3, of the issue of combating the insider threat had not been properly reflected in the HLCAS conclusions, the Representative of Colombia emphasized the need to ensure that, in future, conferences’ conclusions as set forth in their reports more precisely reflected the views expressed and proposals made.

36. While agreeing with the Representative of Spain on the importance of technological advances in aviation security, the Representative of Brazil stressed the need to ensure that screening processes did not have any harmful effects on passengers and non-passengers. Recalling the comment made by the Representative of Cuba, he affirmed that the duration of the Conference had been sufficient due to the excellent advance preparations.

37. In then taking the action indicated in the executive summary of C-WP/13875, as amended by the UIC and by the President of the Council in light of the discussion, the Council:

- a) approved the recommendations contained in the Report of the High-level Conference on Aviation Security (HLCAS) and the Secretariat follow-up actions contained in the Appendix to the paper, which would be amended in accordance with the comments made by Representatives;
- b) requested that the Secretary General quantify the resources needed to implement all of the HLCAS recommendations that required action in the next triennium and to work with the Council in the context of the overall budget discussions; and
- c) requested that the Secretary General present annual reports on the status of implementation of the recommendations of the HLCAS.

Subject No. 52.1: Universal Security Audit Programme

Evolution of the Universal Security Audit Programme (USAP) beyond 2013

38. The Council considered this subject on the basis of: C-WP/13876 [with Revision No. 1 (Russian only)] presented by the Secretary General; and an oral report thereon by the Committee on Unlawful Interference (UIC). The paper provided additional information on the proposed methodology for the Universal Security Audit Programme continuous monitoring approach (USAP-CMA), the concept of which the Council had approved in principle during the previous session (196/2). It also included the expected impact on Member States and the Organization, as well as a suggested transition plan with timelines, with the objective of full implementation of the USAP-CMA beginning in 2015.

39. During its review of C-WP/13876 at its First Meeting of the 197th Session on 3 October 2012, the UIC had expressed its appreciation for the information provided in the paper and during an informal briefing held on 2 October 2012, and had been supportive of the Secretariat's work in developing the transition plan to a USAP-CMA.

40. To certain reservations expressed concerning the impact of a USAP-CMA on Member States and the Organization, the Secretariat had clarified that requirements for the submission of information by States under the USAP-CMA would be comparable to requirements under the current audit cycle, as would be the associated administrative responsibility of States. While the overall cost for the Organization of the full implementation of a USAP-CMA was expected to be similar initially to the current cost of the Programme, costs might decrease over time as more States were identified for documentation-based audits. The Secretariat had offered to work closely with Committee Members to address specific concerns regarding the USAP-CMA.

41. The UIC had considered the Secretariat's intention not to use an online information-reporting framework similar to that being used by the Universal Safety Oversight Audit Programme (USOAP). The Secretariat had advised the Committee that there would be significant technical and financial challenges relating to the secure electronic transmission of sensitive security information over the Internet. However, the Secretariat envisaged making use of the audit and analysis software and tools developed for the USOAP by customizing them for USAP purposes.

42. Given the broad support expressed for the USAP-CMA, the Committee had recommended that the Council take the actions contained in the paper, formally approving the transition to a USAP-CMA and the proposed transition plan, which would allow the Secretariat to proceed with the development of the associated methodology and framework.

43. During the ensuing discussion, the Representative of Brazil suggested, and it was agreed, that the last sentence of paragraph 2.6 of the paper be amended by deleting the words “, but not necessarily be limited to,”.

44. While endorsing the UIC's recommendations, the Representative of France stressed the need for caution as it was not known what resources the Secretariat would have at its disposal to implement the USAP-CMA transition plan set forth in Appendix A to the paper. Averting that the Secretariat might need some flexibility in meeting the timelines for the completion of the various phases of the transition, he expressed doubt that the Council should approve the fine details of the plan. To the Representative's request for confirmation that the timelines' implementation would be subject to the availability of resources, the

President of the Council assured him that the Secretary General would never propose action that would be impossible to carry out.

45. Observing, from the overview of estimated resource requirements for States and for the ICAO Secretariat under a USAP-CMA given in Appendix B to the paper, that the overall costs during the transition period would be lower than current costs, the Representative of Nigeria emphasized the need for that to be reflected in the Draft Budget of the Organization for 2014-2015-2016, to be considered by the Council during its next (198th) Session.

46. The Council then took the action indicated in the executive summary of C-WP/13876, as recommended by the UIC, and:

- a) formally approved the transition to a USAP-CMA;
- b) approved the proposed transition plan to a USAP-CMA as described in paragraph 3 of the paper and illustrated in Appendix A thereto; and
- c) requested the Secretary General to continue to build the methodology and framework for the implementation of a USAP-CMA and to provide annual updates to the Council.

Subject No. 52: Unlawful interference with international civil aviation and its facilities

**Organization and Agenda for the Twenty-fourth Meeting
of the Aviation Security Panel (AVSECP/24)**

47. The Council considered the above subject on the basis of: C-WP/13877, presented by the Secretary General; and an oral report thereon by the Committee on Unlawful Interference (UIC).

48. During the UIC's review of the paper at its First Meeting of the 197th Session on 3 October 2012, a Committee Member, recalling a decision made at the Twenty-third Meeting of the AVSEC Panel (AVSECP/23), had suggested including a briefing by the Working Group on Threat and Risk on the global risk posed by terrorists to international civil aviation in the Agenda for AVSECP/24. The UIC had supported the proposal and requested the Secretariat to amend accordingly Agenda Item 1: Developments in aviation security since AVSECP/23.

49. While the UIC had recognized the merits of the broad nature of the proposed Agenda Items, some Committee Members had suggested that the inclusion of specific deliverables in future agendas of the AVSECP would be of benefit. The Secretariat had agreed to take these suggestions into consideration when drafting agendas for future AVSECP meetings.

50. In conclusion, the Committee had recommended that the Council approve the convening of AVSECP/24 from 8 to 12 April 2013, including the proposed Agenda contained in the Appendix to C-WP/13877, with the above-mentioned amendment to Agenda Item 1.

51. Observing that, in the explanatory notes for some Agenda Items, it was indicated that the AVSECP "will be advised" of activities, the Representative of France averred that the Panel was being given too passive a role. Emphasizing that it was expected to make proposals, he suggested that the first sentence of the explanatory note for Agenda Item 1 be amended to indicate that the Panel would also

examine and propose concrete ways in which to implement the recommendations of the High-level Conference on Aviation Security (HLCAS).

52. In agreeing on the need to specify deliverables under each Agenda Item for AVSECP/24, the Representative of Spain underscored that it was likewise necessary to amplify the agendas of the Organization's other panels and working groups so that there would be a clear indication of what work would be done, by whom and when. Recalling the Council's earlier approval of the proposed follow-up actions on the HLCAS recommendations as set forth in the Appendix to C-WP/13875 [cf. paragraph 33 a) above], he suggested that the AVSECP/24 Agenda be amended to reflect that the Panel, as well as the Technical Advisory Group on Next Generation Screening, would further review the Component Research Roadmap for next generation screening processes [cf. C-WP/13875, Appendix, Agenda Item 8, follow-up action 2)].

53. To a query by the President of the Council, the Chief of the Aviation Security Branch (C/AVSEC) confirmed that the UIC's suggestions could be taken into account in the Agenda for the upcoming AVSECP/24.

54. In taking the action indicated in the executive summary of C-WP/13877, as amended by the UIC and by the President of the Council in light of the discussion, the Council:

- a) agreed to the convening of the Twenty-fourth Meeting of the Aviation Security Panel (AVSEP/24) at ICAO Headquarters in Montréal from 8 to 12 April 2013; and
- b) approved the draft Agenda presented in the Appendix to the paper, subject to specific deliverables being added for each Agenda Item, and to Agenda Item 1: Developments in aviation security since AVSECP/23 being amended to refer to a briefing by the Working Group on Threat and Risk on the global risk posed by terrorists to international civil aviation.

Subject No. 15.4: Facilitation

Report of ATC – Update on the Machine Readable Travel Documents (MRTD) Programme

55. In providing an oral report on this subject, the Chairperson of the Air Transport Committee (ATC) noted that the Director of the Air Transport Bureau (D/ATB) and the Chief of the Aviation Security Branch (C/AVSEC) had presented an oral update on the Machine Readable Travel Documents (MRTD) Programme to the Committee at its First Meeting of the 197th Session on 5 October 2012.

56. ATC Members had confirmed the ongoing importance of the MRTD Programme and had supported the Secretariat's intention to submit a proposal for a new MRTD strategy to the Committee and the Council during the next (198th) session for approval. However, some ATC Members had stressed that, in order to obtain the necessary approval, the proposed strategy would need to be precisely expressed, including with respect to the intended Programme outcomes and potential cost impacts. It had been suggested that the Secretariat might wish to conduct an informal briefing on the proposed strategy prior to consideration of the matter by the Council.

57. ATC Members had been briefed on the new electronic United Nations (UN) laissez-passer for the UN staff worldwide and the participation of the UN in the ICAO Public Key Directory (PKD). The

ATC had highlighted the importance of the Secretariat's efforts in promoting ePassport specifications, the relevance of using the ICAO PKD and the proper reading of ePassports at borders.

58. The Council noted the above oral report by the Chairperson of the ATC. It was understood that the informal briefing on the issue of MRTDs to be given during the Committee phase of the next (198th) session pursuant to the Council's earlier decision (196/8) would address, inter alia, ePassports and the proposal for a new MRTD strategy.

Any other business

Subject No. 50: Questions relating to the environment

Appointment of a new Member and a new Observer on the Committee on Aviation Environmental Protection (CAEP)

59. In the absence of comments by 3 July 2012 to the President of the Council's e-mail dated 21 June 2012, Ms. Shona Rosengren has been appointed as the new CAEP Member nominated by Australia to replace Mr. David Southgate with effect from 4 July 2012.

60. Furthermore, in the absence of comments by 27 July 2012 to the President of the Council's e-mail dated 3 July 2012, Mr. Eugene Hoeven has been appointed as the new CAEP Observer nominated by the Civil Air Navigation Services Organisation (CANSO) to replace Mr. Ian Jopson with effect from 28 July 2012.

Subject No. 6.3: Election of Chairmen and Members of subsidiary bodies of the Council

Appointments to the Air Transport, Joint Support, Finance, Unlawful Interference, Technical Co-operation and Human Resources Committees (ATC, JSC, FIC, UIC, TCC and HRC)

61. With reference to his e-mail dated 23 July 2012, and in accordance with the *Rules of Procedure for Standing Committees of the Council* (Doc 8146), the President of the Council has appointed Mr. Alberto Muñoz Gómez (Colombia) to succeed Mrs. Gilda Rueda de Higuera as a Member of the ATC with effect from 23 July 2012.

62. In addition, in the absence of comments by 20 August 2012 to the President of the Council's said e-mail, Mr. Muñoz Gómez has been appointed to succeed Mrs. Rueda de Higuera as a Member of the TCC with effect from 17 September 2012.

63. With regard to his e-mail dated 3 August 2012, and in accordance with the said Rules of Procedure, the President of the Council has appointed Mr. Claudio Alejandro Espinoza Burgos (Paraguay) to succeed Mrs. María Teresa Faúndez del Hoyo and Mr. Gonzalo Francisco Ugarte Rodríguez as Alternate to Mrs. Aurora Torres de Rodríguez on the ATC and the TCC with effect from 31 July 2012.

64. With reference to his e-mail dated 9 August 2012, and in accordance with the *Rules of Procedure for Standing Committees of the Council* (Doc 8146), the President of the Council has appointed Mr. Alexey Anatolievich Novgorodov (Russian Federation) to succeed Mr. Karl Tikhaze as a Member of the ATC, and Mrs. Nadezhda Malikova as his Alternate on that Committee with effect from 9 August 2012. In addition, the President has appointed Mrs. Malikova as Alternate to Mr. Novgorodov on the JSC, FIC,

UIC and HRC, and Mr. Dmitry V. Shiyan as his Alternate on the HRC, with effect from 17 September 2012.

65. Furthermore, in the absence of comments by 6 September 2012 to the President of the Council's said e-mail, Mr. Novgorodov has been appointed to succeed Mr. Tikhaze as a Member of the UIC with effect from 17 September 2012.

66. With reference to his e-mail dated 14 September 2012, and in accordance with the *Rules of Procedure for Standing Committees of the Council* (Doc 8146), the President of the Council has appointed Mr. Prashant Sukul (India) to succeed Mr. Arun Mishra as a Member of the ATC with effect from 14 September 2012.

67. In addition, in the absence of comments by 20 September 2012 to the President of the Council's said e-mail, Mr. Sukul has been appointed to succeed Mr. Mishra as a Member of the FIC and the TCC with effect from 17 September 2012.

Subject No. 14.1.1: International Standards and Recommended Practices (SARPs)

Council Decision 195/5, Adoption of Amendment 36 to Annex 6, Part I

68. In the absence of comments by 3 October 2012 to the President of the Council's memorandum PRES RK/2091 dated 5 September 2012 on the above subject, it is considered that revised Standard 4.3.6.5 to Annex 6 — *Operation of Aircraft, Part I — International Commercial Air Transport — Aeroplanes* presented in the attached memorandum dated 13 August 2012 from the President of the Air Navigation Commission (ANC) has been agreed to by the Council. The rectified text will be distributed to States and international organizations in the form of a corrigendum to State letter AN 11/1.3.25-12/10 dated 4 April 2012 on the adoption of Amendment 36 to Annex 6, Part I and will be reflected in the replacement pages incorporating Amendment 36 which will be sent to States.

Subject No. 24.2: Assembly agenda and documentation

Procedure for approval of Assembly documentation

69. In the absence of comments by 21 September 2012 to President's memorandum PRES RK/2100 dated 17 September 2012, it is considered that the Council wishes to process the papers for the 38th Session of the Assembly in the manner described therein.

Subject No. 16: Legal work of the Organization

**Fifth Meeting of the Commission of Experts of the
Supervisory Authority of the International Registry (CESAIR)**

70. In the absence of objections by 3 October 2012, the President of the Council will convene the Fifth Meeting of CSAIR at ICAO Headquarters from 17 to 18 December 2012 as proposed in President's memorandum PRES RK/2102 dated 5 September 2012. The meeting will be conducted in the official languages of ICAO, as required.

Subject No. 14.3.17: Carriage of dangerous goods by aircraft**Proposed amendments to the 2011-2012 Edition of the *Technical Instructions for the Safe Transport of Dangerous Goods by Air* (Doc 9284) and its Supplement (Doc 9284SU) with respect to the transport of lithium batteries contained in equipment in the mail**

71. In the absence, by 19 October 2012, of comments on the proposed amendments to the 2011-2012 Edition of the *Technical Instructions for the Safe Transport of Dangerous Goods by Air* (Doc 9284) and its Supplement (Doc 9284SU) with respect to the transport of lithium batteries contained in equipment being sent in the mail, which was presented in the attachments to President's memorandum PRES RK/2113 dated 4 October 2012, or in the absence of a request to bring the said amendments before the Council for formal action, it is considered that they are agreed by the Council.

Subject No. 10: ICAO relations with the United Nations, the Specialized Agencies and other international organizations**Request from the European Union (EU) to participate as Observer in closed meetings of the Council on aviation security**

72. In the absence of comments by 12 October 2012 to the President of the Council's e-mail dated 28 September 2012, Mr. Christopher Ross, Head of Office, Office of the European Union (EU) in Montréal, has been invited, in accordance with Rules 32 a) and 38 of the *Rules of Procedure for the Council* (Doc 7559), to participate as Observer on behalf of the EU during the current (197th) Council's consideration, in closed session, of all items related to aviation security.

Council working papers presented for information

73. As the President of the Council has not received any requests to have the following information papers tabled for consideration, it is considered that the Council has noted the information provided therein:

- **C-WP/13909** — *Resolutions of the 66th Session of the United Nations General Assembly* — circulated under cover of PRES RK/2094 dated 31 July 2012 with a deadline of 28 August 2012 for comments
- **C-WP/13907** — *Financial situation of the Organization and Level of the Working Capital Fund* — circulated under cover of PRES RK/2105 dated 12 September 2012 with a deadline of 10 October 2012 for comments.

Free access to public parking at Montréal's Pierre Elliott Trudeau International Airport

74. The Secretary General reassured Representatives that they would continue to benefit from free access to public parking at Montréal's Pierre Elliott Trudeau International Airport after 1 November 2012, the date on which they were to have been required to pay the applicable parking rates pursuant to a Note dated 15 October 2012 issued by Aéroports de Montréal on behalf of the Official Visits Division of Foreign Affairs and International Trade Canada (DFAIT).

75. The Secretary General noted that ICAO had taken immediate action to address the situation by contacting the Deputy Chief of Protocol and Director Diplomatic Corps Services of the Government of Canada by a letter dated 22 October 2012 from the Acting Director of the Legal Affairs and External Relations Bureau (A/D/LEB), a copy of which had been sent to Representatives. In light of the short period in which to react to the Aéroports de Montréal's said Note, the Secretary General had contacted directly its President, whom he knew personally, and asked if there were any action that the latter could take to give ICAO more time. The Secretary General had subsequently appointed a Legal Officer from LEB to discuss this matter with the Aéroports de Montréal and would keep Representatives informed of any developments.

Subject No. 14: Subjects relating to air navigation

Endorsement by ICAO of Instrument Procedure Design Organizations

76. Further to questions raised by the Representative of Belgium regarding the endorsement by ICAO of Instrument Procedure Design Organizations announced at the recent Performance-based Navigation (PBN) Symposium (Montréal, 16-19 October 2012), the Secretary General indicated that he would post some information thereon on the Council website. A more detailed informal briefing on that issue would be given to the Council during the Committee phase of the next (198th) session.

Subject No. 50: Questions relating to the environment

Submission of an Action Plan on Emissions Reduction for Civil Aviation

77. It was noted that the Government of China had submitted its Action Plan on Emissions Reduction for Civil Aviation to ICAO, a copy of which would be provided to Council Members by the Representative of China.

Subject No. 18.14: Other finance matters for consideration by Council

Financial situation of the Organization

78. A suggestion by the Representative of Mexico that consideration be given to ways to reduce the incidence of late payment of assessed contributions by Council Member States was noted by the Secretary General. It was understood that updated information on the status of contributions to the ICAO Regular Budget was posted on the Council website.

79. The meeting adjourned at 1630 hours.

COUNCIL — 197TH SESSION

SUMMARY MINUTES OF THE SECOND MEETING

(THE COUNCIL CHAMBER, WEDNESDAY, 31 OCTOBER 2012, AT 1000 HOURS)

OPEN MEETING

President of the Council: Mr. Roberto Kobeh González

Secretary: Mr. Raymond Benjamin, Secretary General

PRESENT:

Argentina	— Mr. J. Gelso	Malaysia	— Mr. Y.-H. Lim
Australia	— Ms. K. Macaulay	Mexico	— Mr. D. Méndez Mayora
Belgium	— Mr. G. Robert	Morocco	— Mr. A. Boulmane
Brazil	— Mr. J. Taunay	Nigeria	— Dr. O.B. Aliu
Burkina Faso	— Mr. M. Dieguimde	Paraguay	— Mrs. A. Torres de Rodríguez
Cameroon	— Mr. E. Zoa Etundi	Peru	— Mrs. D.E. Sotomayor Yalán
Canada	— Mr. M. Allen	Republic of Korea	— Mr. Choi, D.
China	— Mr. Tao Ma	Russian Federation	— Mr. A.A. Novgorodov
Colombia	— Mr. A. Muñoz Gómez	Saudi Arabia	— Mr. T.M.B. Kabli
Cuba	— Mr. J.F. Castillo de la Paz	Singapore	— Mr. T.-C. Ng
Denmark	— Mr. K.L. Larsen	Slovenia	— Mr. A. Krapež
Egypt	— Mr. M.T. Elzanaty	South Africa	— Mr. L. Mabaso
France	— Mr. M. Wachenheim	Spain	— Mr. V.M. Aguado
Germany	— Mr. U. Schwierczinski	Swaziland	— Mr. D. Litchfield
Guatemala	— Mr. H.A. Rosales Salaverría	Uganda	— Mr. J. Twijuke
India	— Mr. P.N. Sukul	United Arab Emirates	— Mr. R.A. Al Kaabi (Alt.)
Italy	— Mr. E. Padula	United Kingdom	— Mr. M. Rodmell
Japan	— Mr. T. Koda	United States	— Mr. D. Woerth

ALSO PRESENT:

Mr. J.C.F. da Silva (Alt.)	— Brazil
Mr. A. Rebouças (Alt.)	— Brazil
Mr. R. Oliveira de Carvalho (Alt.)	— Brazil
Mrs. D. Valle Álvarez (Alt.)	— Mexico
Mrs. L. Camacho Bueno (Alt.)	— Peru
Mr. Bae, J. (Alt.)	— Republic of Korea
Mr. K. Ferjan (Alt.)	— Slovenia
Mr. J.L. Novak (Alt.)	— United States

SECRETARIAT:

Mr. D. Azema	— DC/OSG
*Ms. N. Graham	— D/ANB
*Mr. I. Galán	— D/TCB
Mr. R. Bhalla	— C/FIN
*Mr. P. Noad	— DD/TCB
*Mr O. Myard	— C/EAO
*Ms. A. Andrade	— ADTC
Mr. A. Larcos	— ACS
Miss S. Black	— Précis-writer

*Part-time

Representatives to ICAO

Chile
Dominican Republic
Ethiopia
Greece
Iran (Islamic Republic of)
Lebanon
Turkey
Uruguay
Venezuela (Bolivarian Republic of)

Subject No. 42: Technical cooperation

Management Plan for the Technical Co-operation Programme

1. The Council considered: information paper C-WP/13882, in which the Secretary General presented the Management Plan for the Technical Co-operation Programme for the period 2013-2015, including an update on the action taken to date to implement ongoing Action Plans; and an oral report thereon by the Technical Co-operation Committee (TCC).

2. The TCC had reviewed the paper during its First Meeting of the 197th Session of the Council on 21 September 2012. It had been recalled that, as an integral part of the ICAO Business Plan, the Management Plan for the Technical Co-operation Programme was aligned with the Rolling Business Plan process adopted for the Regular Programme, and that a Plan focusing on the next three years on a rolling basis was presented to the TCC for information during each Fall Session.

3. The Committee had been informed that, since its consideration of the 2012-2014 Management Plan (195/3), the Secretariat had undertaken an in-depth reassessment of all on-going Action Plans, including the actions planned to be taken within the next three years. Among several new initiatives reflected in the updated version of the Management Plan, the Secretary had highlighted the following as most relevant for the achievement of the objectives set for the triennium and the continuous quality improvement of the Technical Co-operation Bureau (TCB):

- a) central coordination of ICAO assistance activities, including the establishment of the Monitoring and Assistance Review Board (MARB);
- b) development of a management reporting system, including dashboards;
- c) establishment of a quality assurance mechanism for technical assistance projects;
- d) enhanced coordination between TCB and the Regular Programme;
- e) trend towards a reduction in costs funded by TCB's Administrative and Operational Services Cost (AOSC) Fund;
- f) introduction of an electronic centralized filing system, in connection with the ISO9001 implementation;
- g) development of a marketing plan for the Technical Co-operation Programme; and
- h) full implementation of the e-Recruiter System.

4. The Committee had reviewed the evolution of the Technical Co-operation Programme and AOSC Fund results of operations in the last ten years, which was depicted in Section 3 of the Management Plan, and had welcomed the signs of recovery, noting that an increased Programme volume in the order of USD 137.0 million was expected to be implemented in 2013. In this regard, it had been recalled that the Committee would consider, during the current session, a separate progress report on the development of the Technical Co-operation Programme, as well as an update of the AOSC budgetary estimates, in a joint meeting with the Finance Committee (FIC). The Secretary had confirmed that related dashboards were available on the Council secure portal.

5. Furthermore, the Committee had recalled that during this session, the Council was also expected to take a final decision on the issue of cross-funding between the AOSC Fund and the Regular Budget, which would impact on the Management Plan.

6. In conclusion, the Committee had expressed full support for the actions planned to be taken by TCB Management and had therefore invited the Council to endorse the Management Plan for the period 2013-2015. It was clarified by the President of the Council that as C-WP/13882 was an information paper, no such action was required on the part of the Council.

7. In the absence of further comments, the Council noted the information provided in C-WP/13882, as well as the oral report thereon by the TCC. The President of the Council expressed appreciation to the Committee for its good work.

Policy on technical assistance

8. The Council had for consideration: C-WP/13880, in which the Chair of the Council Working Group on Technical Assistance and Technical Co-operation reported on the Working Group's conclusions and recommendations arising from its meetings on 29 July 2012 and 7 September 2012; and an oral report thereon by the Technical Co-operation Committee (TCC). The Working Group had been established pursuant to the decision taken by the Council during its review (196/3) of C-WP/13850 (Policy on technical assistance) and mandated to review the definitions of the terms "technical assistance" and "technical cooperation" to draw a clear distinction between those activities and to establish a policy thereon, if necessary.

9. The TCC had reviewed C-WP/13880 at its First Meeting of the 197th Session of the Council on 21 September 2012. In considering the conclusions and recommendations put forward by the Working Group, the Committee had agreed that, overall, there was an evident need to clarify the lines of responsibility and coordination for ICAO's Programmes of Technical Assistance and Technical Co-operation and to distinguish between their respective funding mechanisms, which could only be achieved on the basis of commonly-agreed, unequivocal definitions for those activities. There had been general consensus on the appropriateness of the definitions proposed by the Working Group as expressed in paragraph 3.1 a) of the Report.

10. The Committee had concurred with the Working Group's recommendation that resource requirements for technical assistance must be established within the Regular Budget for the triennium, and supplemented by voluntary contributions from donors. In that regard, it had been the general view that the use of voluntary funds from Member States or other stakeholders should be governed by the principles established in the ICAO *Policy on Voluntary Contributions* adopted by the Council (192/5).

11. Above all, the Committee had agreed with the conclusion advanced by the Working Group as to the flexibility needed for the Secretary General to manage how assistance would be provided to States and organized within the Secretariat in order to achieve optimum results. Such flexibility would, however, be subject to the criteria for the allocation of funds recommended by the Working Group in Appendix A to the Report.

12. It had been pointed out, however, that the rectification of environmentally-related deficiencies should not be reflected as a criterion in paragraph c), given that environmental issues were not covered by ICAO audits. It had also been suggested that paragraph c) should refer simply to deficiencies

identified through any tool available to the Organization, such as the rectification of air navigation-related deficiencies identified through ICAO Planning and Implementation Regional Groups (PIRGs) and/or Regional Aviation Safety Groups (RASGs). As to the latter suggestion, the Secretary had pointed out that the expansion of the criteria to include air navigation-related issues would likely cause confusion over the delineation of technical cooperation and technical assistance activities. This view had been subsequently shared by the majority of the Committee Members. Following these discussions, the Committee had generally agreed with the proposed criteria as presented.

13. Regarding Appendix B, some Members would have been more comfortable with the alternative illustration of the lines of coordination and funding which had been proposed to the *Ad Hoc* Working Group by the Representative of Paraguay. Since the document had not been part of the Report tabled for consideration, the Committee had acknowledged that it was not in a position to decide on the issue.

14. In conclusion, the Committee had been satisfied with the recommended delineation between technical assistance and technical cooperation activities as expressed in the definitions tabled by the *Ad Hoc* Working Group and had further agreed that a new policy in that regard for adoption by the Assembly was not required.

15. On the basis of its deliberations, the Committee had invited the Council to review the Report of the *Ad Hoc* Working Group in C-WP/13880 and: agree with the conclusions of the Report as stated in its paragraph 2; agree on the definitions of the terms “technical assistance” and “technical cooperation” provided in paragraph 3.1 a) of the Report; and adopt the recommendations provided in paragraph 3 of the Report and its related Appendices A and B, subject to paragraph 3.1 d) being amended to read as follows: “the use of Voluntary Funds for technical assistance activities should be in accordance with the ICAO *Policy on Voluntary Contributions* and, where applicable, coordinated with and approved by a particular donor; and”.

16. The Chair of the *Ad Hoc* Working Group, the Representative of Slovenia, endorsed the TCC’s oral report, including the recommended amendment to paragraph 3.1 d). He noted that it had been agreed with the Representative of Paraguay that her alternative illustration could be posted on the relevant website for the Secretariat’s information. Maintaining that there was no need to include PIRGs and RASGs in paragraph c) of the proposed criteria as their views were reflected by the Monitoring and Assistance Review Board (MARB) referred to in paragraph b), the Chair of the Working Group suggested that the criteria be adopted in the form presented in Appendix A to the paper.

17. In expressing appreciation for the Working Group’s efforts, the Secretary General underscored that in only two meetings the latter had been able to arrive at a very workable conclusion that would provide him with the flexibility he required to carry out his mission. Affirming that the delineation between technical assistance and technical cooperation and the criteria for the allocation of resources for technical assistance activities were clearly set forth in the Working Group’s report, he averred that Appendix B (Lines of coordination and financing for technical assistance and technical cooperation) was unnecessary and could be excluded from the Council’s decision.

18. The Representatives of Uganda, the United States, Argentina, Australia, France and Cameroon were of the same view. Maintaining that Appendix B was very useful, the Representative of the Russian Federation voiced preference for retaining it as it would facilitate the understanding of the coordination and funding of technical assistance and technical cooperation by future Council Representatives and others who might be unfamiliar with the matter. The Representative of Colombia, on

the other hand, advocated including the Representative of Paraguay's alternative illustration in the Council's decision, while the Representatives of Mexico, Nigeria and Uganda spoke in favour of posting it on the relevant website for information purposes as indicated by the Chair of the Working Group.

19. The Representatives of the United States, Japan, Spain, Malaysia, Paraguay and France, endorsed the Working Group's recommendations as presented in C-WP/13880, with the Representative of Paraguay also endorsing the TCC's oral report.

20. While likewise voicing support for the Committee's oral report, the Representative of Mexico suggested that paragraph 3.1 d) of C-WP/13880 be further amended by deleting the phrase "and, where applicable, coordinated with and approved by a particular donor" as it was redundant, being already covered in paragraph 8.3 of the ICAO *Policy on Voluntary Contributions*. The Representatives of Nigeria, Uganda, Australia, Paraguay, Cameroon and the Russian Federation expressed support for this proposed change, which was then agreed by the Council.

21. The Representative of Nigeria recalled the suggestion made during the TCC's meeting that the criterion given in paragraph c) of Appendix A be amended to refer simply to deficiencies identified through any tool available to the Organization, such as the rectification of air navigation-related deficiencies identified through the ICAO PIRGs and/or RASGs. He underscored that the said groups addressed not only infrastructural deficiencies but also systemic deficiencies which gave rise to the three major classes of aviation accidents, namely, loss of control, controlled flight into terrain (CFIT) and runway safety. The Representative of Nigeria considered that rectifying such systemic deficiencies was more critical than remedying environmentally-related deficiencies as far as the provision of assistance to States was concerned. He emphasized that such assistance would often be provided not only through the Technical Cooperation Bureau (TCB) but also through the Air Navigation Bureau (ANB).

22. In averring that not so much focus should be placed on the method of identifying deficiencies, the Representative of Uganda maintained that any tool that could help determine what assistance was required should be acceptable. He noted that once a significant safety- or security-related deficiency was identified, whether through the USOAP, the USAP, a PIRG or a RASG, it was considered by the MARB, which was referred to in paragraph b) of Appendix A. Stressing the need to retain flexibility in the identification of deficiencies, the Representative of Uganda underscored that if they warranted the provision of technical assistance, then they should be considered irrespective of the means by which they were identified.

23. The Representative of the United States expressed confidence that, by following the proposed definitions of the terms "technical assistance" and "technical cooperation", the Secretariat would be able to distinguish between systemic deficiencies that necessitated technical assistance funded through the Regular Budget and Voluntary Funds and infrastructural deficiencies that necessitated technical cooperation funded by the recipient State and executed through the Technical Cooperation Programme.

24. The Representative of Spain emphasized the need for flexibility in determining technical assistance and technical cooperation projects. In also concurring that ICAO should assist States in rectifying the said systemic deficiencies which were the main causes of aviation accidents, he noted that the top criterion for the allocation of budgetary and voluntary funds for technical assistance activities was that the project fell within the framework of ICAO's Strategic Objectives, one of which was safety. ICAO was thus clearly able to provide technical assistance to States in addressing such causes of aviation accidents.

25. The Representative of Malaysia stressed the need for the Secretariat to have clear instructions if there was a requirement for technical assistance.

26. In agreeing with the Representatives of Nigeria and Uganda, *inter alia*, that information on safety- and security-related deficiencies could be obtained from sources other than ICAO's audit processes, the Representative of Australia indicated that there was scope to consider whether reference to those particular processes, USOAP and USAP, should continue to be mentioned in paragraph c) of Appendix A. She did not, however, have a strong view thereon.

27. Observing that PIRGs and RASGs continued to play an important role at the regional level in the implementation of Annex provisions, the Representative of Cameroon emphasized that it was only natural that those groups be cited in paragraph c) as sources of information on safety- and security-related deficiencies.

28. The Representatives of the Russian Federation and Colombia agreed that PIRGs and RASGs should be considered as sources of such information. The latter Representative underscored that reports from the ICAO Regional Offices should likewise be regarded as a source of information as the Regional Directors and Officers were the ones who attended the PIRG and RASG meetings and who were most familiar with the situation in the field.

29. Although he endorsed the Working Group's recommendations, the Representative of Argentina proposed that paragraph c) of Appendix A thereto be amended by deleting the words “, or environmentally-related deficiencies”. He reiterated the view that he had expressed during the TCC's meeting that the rectification of such deficiencies should not be reflected as a criterion as environmental issues were not covered by ICAO audits. While agreeing that currently such audits were carried out to identify only safety- and security-related deficiencies, the Representative of Denmark indicated that he could accept paragraph c) either in the form presented or as amended.

30. The Representative of Australia noted that if it was agreed that safety- and security-related information could be obtained from sources other than USOAP and USAP audits, then the argument for excluding environmentally-related deficiencies from the criteria was not as strong. While considering that such deficiencies were still worthy of being retained in the criteria, she underscored that the rectification of safety- and security-related deficiencies would take precedence over the rectification of environmentally-related ones.

31. It was agreed to amend paragraph c) of Appendix A as proposed by deleting the words “, or environmentally-related deficiencies”.

32. Noting that under Item 12 of the revised draft Provisional Agenda for the 38th Session of the Assembly (C-WP/13874), to be considered later in the current meeting, that the Council was to report on the agreed definitions for the terms “technical assistance” and “technical cooperation” within the context of the Organization, including the lines of responsibility, coordination and funding of those activities, the Representative of Spain affirmed that it would be good for all ICAO Member States to be informed of the progress made. In further observing that Assembly Resolution A36-17 (*Consolidated statement of ICAO policies on technical cooperation*) used the two terms interchangeably, he recommended that the Secretary General review it to determine if any changes were necessary in light of the agreed definitions which made a clear distinction between the two.

33. The Representatives of the Russian Federation and France supported this recommendation, with the latter underscoring that Assembly Resolution A36-17 made reference to the International Financial Facility for Aviation Safety (IFFAS), which had since been dissolved.

34. In then taking the action recommended by the TCC, as amended by the President of the Council in light of the discussion, the Council:

- a) agreed with the conclusions of the Council Working Group on Technical Assistance and Technical Co-operation as stated in paragraph 2 of C-WP/13880;
- b) agreed on the definitions of the terms “technical assistance” and “technical cooperation” recommended by the Council Working Group in paragraph 3.1 a) of the paper and reproduced below:
 - i) “technical assistance” is any assistance provided by ICAO to States, which is funded by the Regular Budget and/or Voluntary Funds, and implemented through any Bureau/Office depending on the nature and duration of the project;
 - ii) “technical cooperation” is any project requested and funded by States and/or organizations and implemented through the Technical Co-operation Bureau on a cost-recovery basis, where all the direct and indirect costs related to the project are recovered; and
- c) subject to the amendments recorded in paragraphs 20 and 31 above, adopted the Council Working Group’s other recommendations provided in paragraph 3.1 of C-WP/13880 and reproduced below and the criteria for the allocation of the approved Regular Budget for technical assistance and Voluntary Funds to ICAO technical assistance activities set forth in Appendix A thereto:
 - i) resource requirements for technical assistance should be established within the triennial Regular Budget approved by the Assembly and disbursed annually through the appropriate mechanism;
 - ii) the use of resources within the approved Regular Budget for technical assistance or Voluntary Funds in the development or implementation of technical assistance projects should be governed by the provisions in Appendix A to the paper, as amended;
 - iii) the use of Voluntary Funds for technical assistance activities should be in accordance with the ICAO *Policy on Voluntary Contributions*; and
 - iv) for governance purposes, detailed reports on the implementation of the ICAO Technical Assistance Programme should be presented to the Council during the Spring Session.

35. It was understood that the Secretary General would review Assembly Resolution A36-17 (*Consolidated statement of ICAO policies on technical cooperation*) in light of some editorial changes required and would inform the Council accordingly.

36. On behalf of the Council, the President commended the *Ad Hoc* Working Group and the TCC for their excellent work. In inviting States to provide voluntary contributions for ICAO's technical assistance activities, he expressed the hope that, with such generous contributions and the funds allocated from the Regular Budget, the Secretary General would be able to meet all of the States' requirements for technical assistance projects that fell within the framework of the Organization's Strategic Objectives.

Subject No. 18.14: Other finance matters for consideration by Council

Proposal for transfer of indirect costs

37. The Council considered: C-WP/13881, in which the Secretary General presented an analysis of possible alternatives for providing support services to the Technical Co-operation Bureau (TCB) through the outsourcing, insourcing or offshoring of service delivery, as well as an indication of the potential impact of those options on the Regular Programme staff currently providing such support services, the Regular Budget and the Administrative and Operational Services Cost (AOSC) Fund; and a joint oral report thereon by the Technical Co-operation Committee (TCC) and the Finance Committee (FIC).

38. The TCC and the FIC had reviewed the paper during their first joint meeting of the 197th Session of the Council on 26 September 2012. Their deliberations had been based on the underlying premises outlined in Section 1 of the report that the integration of the Technical Co-operation Bureau (TCB) into the Organization's structure had been a decision by the Assembly, and that in accordance with the Assembly's interpretation of the principle of cost-recovery, costs to be recovered by the Organization from projects must be directly related to the implementation of those projects.

39. From the outset, the Committees had agreed with the conclusions that outsourcing and offshoring were not viable alternatives to the in-house support services provided by Regular Programme staff to TCB. Discussions had therefore focused on the following options:

- a) the reverse-insourcing or reintegration of certain functions and costs into TCB as described in paragraph 2.4 of the report and depicted in its Appendix A; and
- b) the *status quo* scenario (i.e. same functional arrangement), whereby current support services would continue to be provided in-house by Regular Programme staff, as illustrated in its Appendix B.

40. Impacting on both options, the Committees had been informed that there had been a reduction of approximately CAD 237 000 in expenditures related to basic services, given that registry services were no longer provided to TCB since January 2012.

41. With regard to the reintegration option, the Committees had noted that it was expected that TCB would realize savings in expenditures in the order of CAD 695 000 with the transfer of certain Finance Branch (FIN) functions to TCB, including savings due to the discontinuation of registry services. That amount would be offset by expenditures of approximately CAD 265 000. In the end, TCB would incur net savings of CAD 430 000 on a yearly basis and the Regular Programme would recover, under current conditions, approximately CAD 980 000 from the AOSC Fund, compared to the previously-approved amount of CAD 1 675 000.

42. The Committees had then noted that under the *status quo* option in Appendix B, which was based on the results of the 2011 survey, costs to be recovered by the Regular Programme from the AOSC

Fund for support services directly related to project operations would amount to CAD 1.202 million, while costs for basic services in the order of CAD 236 000 would stay in the Regular Programme, and identified as technical cooperation costs.

43. While some Members of the Committees had considered the proposed reintegration of functions to be the preferable option for the cost-recovery issue, the Committees had concluded that the proposal would need further refining with a view to determining the timeframe required for its implementation and establishing, with more certitude, its impact on the Regular Budget, as well as on the Regular Programme staff currently providing these services in terms of reshuffling of duties or elimination of posts.

44. The Committees had therefore agreed that, in the meantime, it was in the best interest of the Organization as a whole that the Regular Programme continue to provide the current support services to TCB, and had recommended that the apportionment of costs between the Regular Budget and the AOSC Fund be determined in accordance with Appendix B.

45. The Committees had further agreed with the amount of CAD 1.2 million to be recovered annually by the Regular Programme from TCB for support services directly related to projects, which should be maintained for the remainder of the 2011-2013 triennium. However, given that those were variable indirect costs, the Committees had recommended that a mechanism be developed for the Council's consideration in 2013, establishing parameters to determine a methodology for updating or reconfirming the charges for the next triennium.

46. In the absence of comments, the Council took the action recommended by the TCC and the FIC and:

- a) agreed that support services to TCB continue to be provided in-house by the Regular Programme;
- b) agreed that the apportionment of costs between the Regular Budget and the AOSC Fund be determined in accordance with Appendix B (Cost recovery survey 2011) to C-WP/13881;
- c) approved the amount of CAD 1 202 117 to be recovered annually by the Regular Budget from the AOSC Fund for Regular Programme support directly related to projects for the remainder of the 2011-2013 triennium (i.e. 2012 and 2013), and the amount of CAD 235 678 to remain in the Regular Budget;
- d) requested the Secretary General to develop a methodology for updating the amount to be recovered from the AOSC Fund in the next triennium, and to report thereon in the Fall Session of 2013; and
- e) requested the Secretary General to consider further studying the option of reintegrating certain functions and costs into TCB as described in paragraph 2.4 of the paper and depicted in its Appendix A with a view to determining the timeframe required for its implementation and establishing its impact on the Regular Programme and Budget.

47. Noting that this decision constituted another big step forward in TCB's activities, the President of the Council thanked the Secretary General, the Secretariat, the TCC and the FIC for their efforts.

Subject No. 42: Technical cooperation

Report on Technical Co-operation Programme development and 2013 Administrative and Operational Services Cost (AOSC) budget estimates and update of the Budget for 2012

48. The Council considered information paper C-WP/13883, in which the Secretary General reported on the financial and operational performance results of the Technical Co-operation Programme for the period 1 January to 31 July 2012, the revised 2012 Programme forecast and the Administrative and Operational Services Cost (AOSC) Fund budgetary estimates, and the Programme and budgetary estimates for 2013; and a joint oral report thereon by the Technical Co-operation Committee (TCC) and the Finance Committee (FIC).

49. During their review of the paper at their first joint meeting of the 197th Session of the Council on 26 September 2012, the Committees had noted that the Technical Co-operation Programme had had a total implementation of USD 48.1 million as at 31 July 2012. Total AOSC income had amounted to CAD 4.21 million and expenditures to CAD 4.51 million, for a shortfall of income over expenditure of CAD 0.30 million.

50. Attention had been drawn to the significant variance between forecasted implementation in the preceding year and actuals shown in Table 1 of the Report, given that only one third of the projected Programme had been executed as at 31 July 2012. The Committees had been informed, however, that as at the most recent reporting period of 31 August 2012, the Technical Cooperation Bureau (TCB) had already equaled all of 2011's total implementation of USD 70.0 million with an estimated surplus of AOSC income over expenditure of CAD 0.30 million, and that the outlook for the remainder of the year remained positive.

51. With regard to the updated Programme forecast for 2012, it had been noted that USD 133.9 million was expected to be implemented out of a total Programme of USD 281.9 million. The Committees had been informed that while TCB's Programme or total portfolio of projects had increased, the implementation forecast for 2012 had remained relatively the same due to the insufficient time remaining in the year necessary to execute, at times, complex deliverables. It had also been clarified that a large portion of the Programme and the corresponding funds would be available and forwarded to the following year.

52. The Committees had noted that the updated AOSC Budget for 2012 showed an estimated surplus of CAD 101 000, with an estimated AOSC income of CAD 7.98 million against estimated expenditures of CAD 7.88 million.

53. It had also been noted that USD 137.2 million out of USD 245.0 million total Programme was expected to be implemented in 2013, with an estimated AOSC income of CAD 8.30 million and expenditures of CAD 8.27 million for a balanced budget.

54. In conclusion, the Committees had acknowledged that the measures put in place in 2011 to increase revenue while reducing expenditures had led the Secretariat to expect positive results that represented significant improvement from the year before.

55. Endorsing the above joint oral report, the Representative of Spain noted that the Technical Co-operation Programme was clearly on a positive trend for 2012 and that its prospects for 2013 were much more favourable than had been originally anticipated. He recalled that during the joint TCC/FIC meeting the Secretary General had been requested to include in his next report on this subject data on the Programme's backlog at the end of 2012, on hiring during that year and on the Programme's execution. Noting that the backlog might have originated in previous years and might continue into the coming years, the Representative of Spain emphasized that it would be beneficial for the Council to have a clearer picture thereof. The Representative of Morocco concurred.

56. Responding to a request by the Representative of Spain for updated information, the Chief of the Finance Branch (C/FIN) indicated that at the end of September 2012, total AOSC income was CAD 6.7 million against total AOSC expenditures of CAD 5.8 million, yielding a surplus of some CAD 400 000. Compared with the same period in 2011, AOSC income was CAD 1.8 million greater, and AOSC expenditures CAD 1.2 million less, with the surplus thus being some CAD 3 million greater than in the previous year. At the same time in 2011, an AOSC loss of CAD 2.6 million had been reported, compared to the current AOSC surplus of approximately CAD 400 000. The accumulated AOSC surplus at the end of September 2012 was CAD 1.2 million.

57. With regard to the Programme's backlog, C/FIN noted that it had been CAD 142 million as at 1 January 2012 and was approximately the same, CAD 140 million, as at the end of September 2012. He underscored that the backlog was dynamic, changing on a daily basis as projects were implemented and funds were received. It was projected that at the end of December 2012 the backlog would be approximately CAD 150 million, if the anticipated funds were received.

58. The Director of TCB (D/TCB) further indicated that implementation of the Programme as at 30 October 2012 was some USD 81 million, almost double what had been reported at the end of July 2012, USD 48.1 million. The projections made in the paper for the rest of the year remained valid.

59. The Representatives of Denmark, Brazil, Malaysia, Morocco, the United States, Slovenia and Saudi Arabia expressed appreciation to the Secretary General, TCB and FIN for their efforts to put the Programme on a more sustainable footing.

60. Referring to paragraph 2.1 of the paper, the Representative of Morocco noted that Programme delivery in the Americas was considerably higher than in other regions and sought information on Programme delivery in Africa. Stressing the need to ensure that there was no duplication in the execution of technical cooperation projects in a given State or region, he underscored that ICAO itself should audit their outcomes.

61. D/TCB clarified that the difference in regional programme delivery was due to the varying levels of States' interest in having ICAO execute their technical cooperation projects. He noted that since 2011 the Secretary General and TCB had focused efforts on increasing programme delivery over the medium-term in regions such as Africa.

62. The Representative of the United States recalled that for almost half a decade the AOSC accumulated surplus had dissipated. Following a loss of some CAD 2.8 million in 2011, the accumulated surplus had only been CAD 800 000 at the beginning of 2012, which had caused concern. That course had been unsustainable. Emphasizing that the turnaround had come just in time, the Representative of the United States noted that the perilously thin surplus of CAD 400 000 had resulted from efforts to control costs. He expressed the hope that this positive trend would continue.

63. The Council then noted the information provided C-WP/13883, as well as the joint TCC/FIC oral report thereon. In so doing, it also acknowledged, with satisfaction, that the measures put in place in 2011 to increase revenue while reducing expenditures had let the Secretariat to expect positive results that represented significant improvement from the year before.

Subject No. 24: Sessions of the Assembly

Revised draft Provisional Agenda for the 38th Session of the Assembly (2013)

64. The Council had for consideration: C-WP/13874, whereby the President of the Council and the Secretary General presented the revised draft Provisional Agenda for the 38th Session of the Assembly, which incorporated the comments of the Air Navigation Commission (ANC) and the Committees to which various Agenda Items had been referred during the Council's preliminary consideration of the draft Provisional Agenda (C-WP/13838; 196/3); and an oral report thereon by the Working Group on Governance and Efficiency (WGGE).

65. The WGGE, in expanded form, had reviewed the paper at its Second Meeting of the 197th Session of the Council on 24 October 2012. With regard to Item 20 (Proposal to hold Assembly sessions every two years) of the revised draft Provisional Agenda (Appendix A), the Working Group had recommended that the Council reaffirm its previous decision (187/3; C-WP/13344) not to recommend the holding of Assembly sessions every two years and the gradual adoption of a two-year budget and that the Assembly be informed accordingly.

66. With regard to Item 21 [Proposal to amend Article 50(a) of the Chicago Convention so as to increase the membership of the Council to 39], the Working Group had noted that any Contracting State had the right to make a proposal to the Council for the amendment of the Chicago Convention in accordance with the procedure set out in Operative Clause 8 of Assembly Resolution A4-3 (*Policy and programme with respect to the amendment of the Convention*) and Rule 10 d) of the Standing Rules of Procedure of the Assembly (Doc 7600).

67. The WGGE had recommended the following changes to the revised draft Provisional Agenda, to which the Council agreed:

- with regard to Item 28 (*Aviation Safety — Standardization*), that the last sentence of the first paragraph of the explanatory note be amended by replacing the words “anticipated amendments to the new Annex” with the words “future enhancements”;
- with regard to Item 29 (*Aviation Safety — Monitoring and Analysis*), that a fourth paragraph be added to the explanatory note stating that the Council will also present a progress report on the protection of safety information and the sharing of safety information;
- with regard to Item 31 (*Aviation Safety — Emerging Issues*), that the second sentence of the explanatory note be amended to read as follows: “These issues, such as increased automation in the cockpit and its effect on human performance are contributing factors to accident types accounting for a predominant percentage of fatalities over the past several years, for example, loss of control and controlled flight into terrain.”;

- that an acronym for “Global Air Navigation Plan” be provided wherever it appears more than once under Item 32 (*Air Navigation — Policy*) and Item 34 (*Air Navigation — Monitoring and Analysis*); and
- that the words “(AFI Plan)” be added at the end of the sentence of the explanatory note for Item 37 [*Progress on Implementation of the Comprehensive Regional Implementation Plan for Aviation Safety in Africa (AFI Plan)*].

68. The Council also endorsed the WGGE’s recommendation in respect of matters discussed in paragraphs 1.2 and 1.3 of the paper that the title of the Global Air Navigation Plan (GANP) be retained and not be changed to “Global Air Navigation Capacity and Efficiency Plan (GANCEP)” and that any changes be considered after the Twelfth Air Navigation Conference (AN-Conf/12) (Montréal, 19-30 November 2012).

69. Referring to Item 20, the Representative of Japan voiced support for the Council’s earlier decision (187/3) not to recommend the holding of Assembly sessions every two years and a gradual adoption of a two-year budget as they would place a big burden on both the ICAO Secretariat and Member States. He underscored that the Council’s report to the Assembly thereon, to be considered during the next (198th) Session, should reflect that decision.

70. With regard to Item 21, the Representative of Japan stressed that the Council should be cautious when it considered, during the upcoming session, the proposal to increase its membership to 39 as it was not only a political issue. It was an issue that would impact the Council’s efficiency, as well as the Regular Budget due to an increased demand on ICAO’s facilities and services. He emphasized the need to include realistic information on such impacts in the Council’s report to the Assembly.

71. Recalling the comments he had made during the Council’s earlier discussion of C-WP/13880 (Policy on technical assistance) (*cf.* paragraph 32 above), the Representative of Spain indicated that the explanatory note for Item 12 (*Technical Cooperation – Policy and activities on technical cooperation and assistance*) might have to be amended if the Secretary General determined that Assembly Resolution A36-17 (*Consolidated statement of ICAO policies on technical cooperation*) needed to be revised in light of the agreed definitions for the terms “technical assistance” and “technical cooperation”. Noting that the Council would be considering a policy document related to assistance to aircraft accident victims and their families during the next (198th) session, he indicated that it would be appropriate to inform the 38th Session of the Assembly thereof in light of Operative Clause 5 of Assembly Resolution A32-7 (*Harmonization of the regulations and programmes for dealing with assistance to victims of aviation accidents and their families*), in which the Council had been requested to report on the progress achieved to the next session of the Assembly.

72. The Representative of India agreed with the Representative of Japan that some of the proposals to be considered by the Executive Committee of the Assembly needed to be carefully considered by the Council beforehand. He expressed a wish for documents on other issues that were to be considered by the Economic Commission but which might come up before the Assembly in view of developments throughout the world, particularly in the areas of the economic development of air transport, the economic regulation of international air transport, the economics of airports and the very sustainability of the aviation sector. The Representative of India also emphasized the need to be prepared for the discussion, under

Item 17, of environmental protection, an issue which he considered would take on greater proportion than was reflected in the revised draft Provisional Agenda.

73. The President of the Council noted that, while there was always the possibility of including new items in the said Provisional Agenda, it was difficult to decide, at the present time, on additional items such as assistance to aircraft accident victims and their families as work was still in progress and it was necessary to await the outcome in order to determine if the Assembly should be informed thereof. Any additional items or changes that were agreed by the Council in the future would be incorporated into the revised draft Provisional Agenda by means of an addendum/corrigendum.

74. Subject to the amendments recorded in paragraph 67 above, the Council then approved, for transmission to Member States, the revised draft Provisional Agenda for the 38th Session of the Assembly set forth in the Appendix to C-WP/13874.

Subject No. 13: Work programmes of Council and its subsidiary bodies

Work programme of the Evaluation and Internal Audit Office (EAO) for the year 2013

75. Tabled for the Council's consideration was C-WP/13887, in which the Secretary General presented the work programme of the Evaluation and Internal Audit Office (EAO) for the year 2013 and proposed amendments to the EAO Charter to reflect administrative changes which had occurred since the Council's approval of the latter in 2009 (187/11). The suggested amendments had been agreed with the Members of the Evaluation and Audit Advisory Committee (EAAC). A linguistic point raised by the Representative of Mexico regarding the Spanish translation of the phrase "misconduct of a financial nature" used in the second paragraph of Section C in paragraph 4 of the EAO Charter was noted for appropriate action.

76. Responding to a query by the Representative of Mexico regarding EAO's establishment, the Chief of EAO (C/EAO) clarified that a P-5 Senior Internal Audit Officer had been recruited in 2012 pursuant to the Council's earlier decision to reinforce EAO's resources. As that new post had been filled by an internal applicant from EAO, the P-4 post of Internal Audit Specialist had become vacant. The person who had subsequently been recruited to fill that post would not be available before February 2013, however. A P-4 Evaluations Specialist had joined EAO in mid-October 2012, filling a post recently established by the Secretary General.

77. To concern expressed by the Representative of Mexico that paragraph 27 of the revised EAO Charter no longer referred to an annual EAO status report to the Council on the progress made in implementing the External Auditor's agreed recommendations, C/EAO noted that whereas his Office had traditionally presented an annual report thereon to the Council, the current External Auditor had decided to report himself, beginning in June 2012 and ending in June 2013. It was for that reason that the formulation of paragraph 27 had been amended. If, however, the new External Auditor appointed for the 2014-2016 triennium were to decide to change his reporting activities, then EAO would resume its previous practice.

78. C/EAO recalled, in this context, that in July 2012 he had initiated quarterly bilateral meetings with the members of the Senior Management Group (SMG) to review all outstanding recommendations of the External Auditor and EAO and verify what action had been taken to implement them. He underscored that in that first round of meetings it had been possible to close 11 out of 25 outstanding recommendations of the External Auditor and 26 out of 72 outstanding EAO recommendations. Some progress could thus be made on a regular basis in implementing outstanding recommendations.

79. The Representatives of Spain and Nigeria shared the concern voiced by the Representative of Mexico, with the Representative of Spain emphasizing that if the responsibility for reporting annually on the implementation of the External Auditor's recommendations was being transferred from EAO to the latter, then it would have to be made explicit in the External Auditor's Letter of Engagement. The Representative of Brazil concurred. C/EAO considered, however, that it was implicit in the External Auditor's terms of reference. In underscoring the need for clarity in the terms of reference of both the External Auditor and EAO, the Representative of Nigeria stressed that they should not be changed based on the whims and caprices of either of those two Offices.

80. Referring to paragraph 3.2 of the paper on the areas selected for audit in 2013, the Representative of Belgium emphasized that the highest priority should be accorded to the compliance audit on the implementation of ICAO's *Policy on Contracts of Individual Consultants/Contractors* [cf. paragraph a)] given the increase in the number of consultants working for ICAO. He recalled, in this regard, the request made by the Human Resources Committee (HRC) (194/1) for a report on the implementation of that policy, including the results of the EAO annual audit thereof as well as a practical recommendation with regard to the maximum duration of contracts for individual consultants/contractors. Noting that the compliance audit had been included pursuant to the decision taken by the Council when reviewing EAO's work programme for the year 2012 (194/5; C-WP/13771), C/EAO confirmed that it was his Office's first priority for 2013.

81. The Representative of the Russian Federation observed that the said compliance audit intersected with the evaluation of ICAO's human resources (HR) succession planning process to be carried out in 2013 [cf. paragraph 4.2 b) of the paper]. He stressed the need for ICAO, as a Specialized Agency, to be governed by the best practices of the United Nations (UN) common system, particularly with regard to the use of consultants/contractors. Confirming that such best practices served as a benchmark for EAO audits and evaluations, C/EAO indicated that that was the reason why his Office participated in the meetings and working groups of other relevant UN bodies.

82. Affirming that the planned IT audit on Agresso security and access controls [cf. paragraph 3.2 d)] would be useful, the Representative of Spain enquired whether it would be carried out by external consultants given that it was a highly-specialized type of audit. C/EAO replied in the affirmative.

83. To a point then raised by the Representative of China, C/EAO indicated that as his Office sometimes had to call upon external consultants, it was necessary to have a budget for their stipends. For 2013, CAD 64 000 had been so budgeted (cf. paragraph 2.1 of the paper).

84. The Representative of China underscored that, while that was not a large sum of money for EAO consultancies, it was also necessary to pay the salaries of the seven EAO staff members, which required a substantial amount of resources. In addition, it was necessary to pay the External Auditor's total annual audit fee. The Representative of China stressed the need for a stricter policy governing the use of consultancy fees to ensure that Member States' financial contributions would be used more effectively in future.

85. The Representative of France shared this concern about the optimization of what were very limited resources.

86. C/EAO clarified, in this regard, that for the conduct of the said IT audit his Office had the choice of either recruiting a full-time professional, which seemed to be more than what was necessary, or using an external consultant on a case-by-case basis, due to the small size of the budget.

87. While noting the comments made by the Representatives of China and France, the Secretary General underscored that it was a matter of safeguarding a small amount of money in case it was necessary to hire external consultants for technical or otherwise specialized EAO audits and evaluations and that such funds would not necessarily be spent.

88. Responding to a question by the Representative of Nigeria regarding paragraph 20 of the revised EAO Charter, C/EAO indicated that the practice regarding individual internal audit reports had been more restrictive than that for evaluation reports to the extent that the Council had only received a summary thereof once a year. This had been due to the fact that internal audit reports were for the Secretary General, whereas evaluation reports were for the Council. It had been decided in 2012 to make the practice more flexible by making internal audit reports available to Council Representatives to consult on a read-only basis in EAO following receipt of a written request addressed to C/EAO. It would be sufficient for interested Council Representatives to contact him informally, by e-mail, to set up a meeting in EAO where they could read the relevant internal audit report and ask questions thereon. The Representative of Nigeria noted that this explanation suggested some sensitivity about Council Representatives having copies of internal audit reports. He underscored that whereas the EAAC, an advisory Committee of the Council, was provided with copies of all of EAO's reports pursuant to paragraph 7 of the revised EAO Charter, the Council was not.

89. A request by the Representative of Spain that a list of available internal audit reports and their dates be posted on the Council website was noted.

90. To further queries by the Representatives of Nigeria and Malaysia regarding paragraph 4, Section C. Investigations, of the revised EAO Charter, C/EAO recalled that until the end of 2011, his Office had been the only focal point for investigations. That had changed with the introduction of an Ethics Officer at the beginning of 2012. All allegations of misconduct were now systematically submitted to the Ethics Officer, who determined their nature and, in a report to the Secretary General, recommended a given body within ICAO for the conduct of the investigation. If the misconduct were of a financial nature, then EAO would be requested to carry out the investigation. C/EAO stressed that the proposed amendments to Section C did not change the scope of the investigations that could be conducted within ICAO.

91. Responding to a point raised by the Representative of France regarding the planned financial and compliance audit on the financial procedures, internal controls and business procedures in the Mexico Regional Office [cf. paragraph 3.2 c) of the paper] and possible overlap with the functions and activities of the External Auditor, C/EAO underscored that his Office coordinated its work programme with the latter's to avoid all duplication. EAO was required to audit the full complement of seven Regional Offices every four or five years. It thus visited one or two Regional Offices per year, coordinating with the External Auditor to avoid visiting the same ones. EAO had gone over the list of Regional Offices that had been reviewed in the last few years, as well as the External Auditor's work programme for the next year, and had observed that all of the Regional Offices had either been visited recently or would be visited in 2013 with the exception of the Mexico Regional Office. C/EAO underscored that his Office's reports were provided to the External Auditor, who took them into account.

92. To a question by the Representative of France regarding paragraph 10 of the revised EAO Charter relating to managerial interference, C/EAO emphasized that there were professional standards to be

complied with. In order to be a credible tool of internal audit for the Secretary General, EAO had to be completely independent in determining its work programme and in carrying out its work. That was what was meant by “EAO shall be free from managerial interference”. EAO established its work programme in a fully independent manner on the basis of its consultations with SMG members. EAO might, however, be asked to undertake additional activities. If it were not possible for EAO to carry out such activities without negatively impacting its established work programme, then it would request extra resources.

93. In light of the discussion, the President of the Council suggested that paragraph 27 of the revised EAO Charter be amended by adding, at the end, a phrase along the lines of: “and will present an annual report to the Council on the implementation of recommendations made by the External Auditor except if the latter has presented this information to the Council”. This was agreed.

94. The Council then took the action indicated in the executive summary of C-WP/13887 and:

- c) noted the work programme of EAO for the year 2013; and
- d) subject to the additional amendment recorded in paragraph 93 above, approved the revised EAO Charter set forth in the Appendix to the paper.

Any other business

Subject No. 6.3: Election of Chairmen and Members of subsidiary bodies of the Council

Appointment of an Alternate on the Air Transport, Joint Support and Unlawful Interference Committees (ATC, JSC and UIC)

95. As indicated in his e-mail dated 29 October 2012, and in accordance with the *Rules of Procedure for Standing Committees of the Council* (Doc 8146), the President of the Council has appointed Mr. Ronald Geirhovd (Denmark) to succeed Mr. Samuli Vuokila as Alternate to Mr. Kurt Lykstoft Larsen on the ATC, JSC and UIC with effect from 29 October 2012.

96. The meeting adjourned at 1300 hours.

COUNCIL — 197TH SESSION

SUMMARY MINUTES OF THE THIRD MEETING

(THE COUNCIL CHAMBER, FRIDAY, 2 NOVEMBER 2012, AT 1000 HOURS)

OPEN MEETING

President of the Council: Mr. Roberto Kobeh González

Secretary: Mr. Raymond Benjamin, Secretary General

PRESENT:

Argentina	— Mr. J. Gelso	Malaysia	— Mr. Y.-H. Lim
Australia	— Ms. K. Macaulay	Mexico	— Mr. D. Méndez Mayora
Belgium	— Mr. G. Robert	Morocco	— Mr. A. Boulmane
Brazil	— Mr. J. Taunay	Nigeria	— Dr. O.B. Aliu
Burkina Faso	— Mr. M. Dieguimde	Paraguay	— Mrs. A. Torres de Rodríguez
Cameroon	— Mr. E. Zoa Etundi	Peru	— Mrs. D.E. Sotomayor Yalán
Canada	— Mr. M. Allen	Republic of Korea	— Mr. Choi, D.
China	— Mr. Tao Ma	Russian Federation	— Mr. A.A. Novgorodov
Colombia	— Mr. A. Muñoz Gómez	Saudi Arabia	— Mr. T.M.B. Kabli
Cuba	— Mr. J.F. Castillo de la Paz	Singapore	— Mr. T.-C. Ng
Denmark	— Mr. K.L. Larsen	Slovenia	— Mr. A. Krapež
Egypt	— Mr. M.T. Elzanaty	South Africa	— Mr. L. Mabaso
France	— Mr. M. Wachenheim	Spain	— Mr. V.M. Aguado
Germany	— Mr. U. Schwierczinski	Swaziland	— Mr. D. Litchfield
Guatemala	— Mr. H.A. Rosales Salaverría	Uganda	— Mr. J. Twijuke
India	— Mr. P.N. Sukul	United Arab Emirates	— Miss A. AL Hamili
Italy	— Mr. E. Padula	United Kingdom	— Mr. M. Rodmell
Japan	— Mr. T. Koda	United States	— Mr. D. Woerth

ALSO PRESENT:

Dr. N. Luongo (Alt.)	— Argentina
Mr. J.C.F. da Silva (Alt.)	— Brazil
Mr. A. Rebouças (Alt.)	— Brazil
Mr. R. Oliveira de Carvalho (Alt.)	— Brazil
Mr. Chunyu Ding (Alt.)	— China
Mr. P. Pape (Alt.)	— France
Ms. M. Furuhashi (Alt.)	— Japan
Mrs. D. Valle Álvarez (Alt.)	— Mexico
Mrs. L. Camacho Bueno (Alt.)	— Peru
Mr. Bae, J. (Alt.)	— Republic of Korea
Mr. K. Ferjan (Alt.)	— Slovenia
Mr. J.L. Novak (Alt.)	— United States

SECRETARIAT:

Mr. D. Azema	— DC/OSG
Dr. Fang Liu	— D/ADB
Mr. J. Wan	— DD/IAS-ADB
Dr. T. Abeyaratne	— SLO
Mr. J.P. Mercier	— A/C/ICT
Mr. M. Leitgab	— AD/ADB
Ms. O. Bondareva	— LEB
Mr. A. Larcos	— ACS

*Dr. E.M.A. Ibrahim Commissioner,
Infrastructure and Energy, African
Union*