



C-DEC 230/4  
8/11/23

## COUNCIL — 230TH SESSION

### FOURTH MEETING

(COUNCIL CHAMBER, MONDAY, 6 NOVEMBER 2023, AT 1430 HOURS)

### SUMMARY OF DECISIONS

#### OPEN MEETING

##### **Amendments to the *Policy on Revenue-Generating Activities***

1. The Council resumed its consideration of this item on the basis of C-WP/15507, as well as the updated proposal presented by the President of the Council with respect to paragraph 3.1 e) of the revised *Policy on Revenue-Generating Activities* (C-DEC 230/3, refers), which had been circulated to all Representatives by e-mail, prior to the current meeting.

2. Following consideration, the Council agreed to amend the text of paragraph 3.1 e), as follows:

*“3.1 Revenue-generating activities shall be governed by the following principles:*

*[...]*

*e) Revenue-generating activities shall be pursued in a transparent way and in accordance with the principles outlined in paragraph 3.1 b) above. They may be conducted in cooperation with Member States, international organizations, national and international non-governmental organizations, the private sector and general public, in full compliance with the Policy on Interactions with External Parties. Revenue-generating activities involving the private sector and general public shall be subject to full transparency, oversight and periodic review by the Council.”*

3. The Council noted that the consolidated, agreed text of the revised *Policy on Revenue-Generating Activities*, as modified by the COG, and the Council over the course of its deliberations, would be appended to the present Council decision.

##### **Proposal for a new quality management approach in the Capacity Development and Implementation Bureau**

4. The Council considered this item on the basis of C-WP/15504, which presented a proposal for a new quality management approach for the Capacity Development and Implementation (CDI)

Bureau. The Council also had for consideration an oral report thereon from the Technical Cooperation and Implementation Support Committee (TCC).

5. Following consideration, the Council:

- a) took note of the additional clarifications provided by the Secretariat in response to the issues highlighted by the TCC in paragraph 7 of its oral report, as circulated by the Secretary General to the Council, in his e-mail dated 30 October 2023;
- b) acknowledged that the ISO audit would be addressed by the Secretariat during the current month of November 2023, with the consequent ISO certification being valid throughout the period covering 2024;
- c) in light of the clarifications in a) and b), above, endorsed in principle the proposed approach for a new CDI Quality Management System (QMS), as presented in C-WP/15504; and
- d) requested the Secretariat to proceed with the implementation of the proposed transition plan of the CDI QMS process, on the understanding that an analysis of the outcomes and lessons learned from the process would be presented for consideration by the Council during the 233rd Session, along with any recommendations concerning the proposed new QMS.

#### **Convening of the 39th Session of the Legal Committee**

6. The Council considered this item on the basis of C-WP/15527 and its Corrigendum No. 1, which presented a proposal for the convening of the 39th Session of the Legal Committee.

7. Following consideration, the Council:

- a) approved the convening of the 39th Session of the Legal Committee from 25 to 28 June 2024, at ICAO Headquarters;
- b) further approved the Provisional Agenda for the 39th Session, as set out in Appendix A to C-WP/15527;
- c) agreed that the invitation to attend the 39th Session be extended to all non-Contracting States, as well as those international organizations set out in Appendix B to C-WP/15527;
- d) recalled that certain issues emerging from the work related to lessons learned from the 41st Session of the ICAO Assembly, would potentially require the advice of the Legal Committee, and would be communicated as appropriate, in due course; and
- e) expressed concern over the fact that there has been no developments in the past years with respect to the work on Item 6 of the Work Programme of the Legal Committee relating to the study of international legal issues relating to global satellite systems and services supporting international air navigation services, and in that connection, encouraged the Legal Committee to review the work previously done on this item with

a view to accelerating progress and to consider concrete proposals that may come from States.

### **Administration of Justice in the ICAO Secretariat**

8. The Council considered this item on the basis of C-WP/15528, which presented a proposal for the Organization to accede to the jurisdiction of the United Nations Dispute Tribunal (UNDT) as ICAO's first instance level of justice. The Council also had for consideration an oral report thereon from the Committee on Governance (COG).

9. Following consideration, the Council:

- a) agreed to accept the jurisdiction of the United Nations Dispute Tribunal (UNDT) as ICAO's first instance level of justice for employment related disputes, recognizing that doing so could help to foster a greater level of confidence by staff members in the independent nature of the justice system, in lieu of the current system of an internally administered Appeals Board;
- b) on the basis of a) above, requested the Secretariat to conclude the related administrative and financial arrangements, and in that connection, requested the Secretariat, in consultation with the ICAO Staff Association, to continue to explore potential arrangements to provide ICAO staff members with access to legal representation through the UN Office of Staff Legal Assistance (OSLA);
- c) further requested the Secretariat to submit the required revised regulatory framework, including transitional arrangements to the Council for its approval, as soon as practicable, and taking into account the recommendations of the COG in this regard, as contained in its oral report; and
- d) invited the Secretariat to consider options that would provide greater granularity of the information contained in the Annual Litigation Reports to Council, while preserving the confidentiality of any individual cases.

### **Budget and Operating Plan for the Ancillary Revenue Generation Fund (ARGF) for 2024 to 2026**

10. The Council considered this item on the basis of C-WP/15505, which pursuant to the *Policy on Revenue-Generating Activities*, presented the Ancillary Revenue Generation Fund (ARGF) budgetary estimates for the years 2024 to 2026, and the associated operating plan. The Council also had for consideration an oral report thereon from the Finance Committee (FIC).

11. Following consideration, the Council:

- a) noted, with satisfaction, the information presented in C-WP/15505, and in doing so, welcomed the good performance of the ARGF, including in particular, the current and projected operating surplus for the ARGF for 2023; and
- b) endorsed the ARGF budget and operating plan for the year 2024, and noted for planning purposes the budget and operating plan for 2025 and 2026.

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## APPENDIX

### REVISED POLICY ON REVENUE-GENERATING ACTIVITIES

#### POLICY ON REVENUE-GENERATING ACTIVITIES

##### PREAMBLE

The Regular Budget of ICAO is mainly financed by assessments from Member States. In order to ensure programme delivery, the generation of additional revenues is required to supplement the funding sources for the Regular Budget of the Organization.

Revenue-generating activities generate funds from the intellectual property of the Organization ~~in order to~~ and other activities supporting the Strategic Objectives and ICAO programmes.

#### 1. OBJECTIVES

1.1 The objectives of revenue-generating activities are, inter alia:

- a) Develop and promote products and services which protect and augment the intellectual property of the Organization ~~and or~~ which facilitate the implementation of Strategic Objectives of ICAO;
- b) Support unfunded activities in the ICAO Business Plan; and
- c) Identify and explore potential revenue-generating opportunities which invest in the aims and objectives of the Organization.

#### 2. SCOPE OF ACTIVITIES

2.1 Revenue-generating activities can be categorized into two types:

- a) Those activities and assets that are required in order to implement and add value to the Organization's Strategic Objectives or to sustain and ensure quality of Work Programme support (such as publications, training, symposia and seminar events, licensing and other forms of knowledge sharing); and
- b) Those activities that are related to maximizing the use of assets of the Organization, such as renting out conference facilities and unused space, or providing support services to other UN organizations.

2.2 Some activities mentioned in paragraph 2.1 above are conducted on a cost-recovery basis, including but not limited to the operation of the Commissariat, rental of office space to Delegations on the Council, provision of conference facilities and services to accredited resident National Delegations, and training activities provided to officials of Member States.

2.3 Revenue-generating activities beyond the scope of paragraph 2.1 shall ~~will~~ be presented to the Council for endorsement.

### 3. PRINCIPLES

3.1 Revenue-generating activities shall be governed by the following principles:

- a) Revenue-generating activities shall be consistent with ICAO Strategic Objectives and the regulatory role of ICAO; Bureaus and Regional Offices support sharing and growing intellectual property;
- b) Revenue-generating activities shall be pursued in accordance with ICAO Assembly resolutions and Council decisions. Revenue-generating activities shall comply with the ICAO Framework on Ethics, the *Policy on Interactions with External Parties*, relevant regulations, rules and policies as well as all applicable laws, and relevant host state agreements;
- c) ICAO personnel shall not receive any benefits for involvement in revenue-generating activities;
- d) The surplus from revenue-generating activities shall be used to supplement the Regular Budget of ICAO for an amount established ~~in the Regular Budget~~ by the Assembly;
- e) Revenue-generating activities shall be pursued in a transparent way and in accordance with the principles outlined in paragraph 3.1 b) above. They may be conducted in cooperation with Member States, international organizations, national and international non-governmental organizations, the private sector and general public, in full compliance with the *Policy on Interactions with External Parties*. Revenue-generating activities involving the private sector and general public shall be subject to full transparency, oversight and periodic review by the Council.”

### 4. GOVERNANCE

4.1 The Council shall approve the policy and its future amendments.

4.2 The Council shall provide general direction, guidance, monitoring and oversight to the Ancillary Revenue Generation Fund (ARGF).

4.3 The Secretary General shall establish and publish internal governance structures that ensure the efficient and effective management of the ARGF in the form of Administrative Instructions, Terms of Reference and Rules of Procedure consistent with the ICAO Accountability Framework to ensure adherence to principles described in paragraph 3.

### 5. RESPONSIBILITY

5.1 The Secretary General shall be responsible for directing the coordination of the overall

business planning and revenue-generating activities across the Organization, as well as for monitoring performance and reporting results.

5.2 The Secretary General ensures compliance and facilitates oversight of the policy by the Council.

5.3 The Secretary General shall further develop procedures to implement this policy.

5.4 The Secretary General may delegate such of the Secretary General's functions and powers under the policy as the Secretary General may consider necessary or advisable for the efficient discharge of responsibilities.

## 6. FINANCIAL ASPECTS

6.1 The ARGF was established by the ICAO Council for the purpose of centrally managing and reporting income earned and related expenditures from self-financing and revenue-generating activities.

6.2 Financial data related to the ARGF shall be segregated, analyzed and reported separately.

6.3 An operational reserve from ARGF revenues shall be set at 25 per cent of the three-year average gross revenues of the ARGF.

6.4 In the event of a deficit at the end of a financial year, the deficit shall be funded by the accumulated ARGF surplus, or, if not sufficient, by the ARGF operational reserve.

6.5 In the event of a surplus above the amount established in the Regular Budget, the Secretary General may allocate an amount up to twenty percent of the established amount resources for unfunded ICAO Business Plan priority activities or activities to further enhance revenue generation and report on such allocations to the Council.

## 7. OVERSIGHT

7.1 In compliance with Financial Regulation 7.3 c), ARGF budgetary estimates, showing income, expenditure and estimated transfers to finance the Regular Budget shall be approved by the Council on a triennial basis. Thereafter, an annual budget and operating plan for the ARGF shall be presented to the Council. Any decrease in revenue or increase in costs for the year in excess of 10 per cent over the amount approved by the Assembly, or previously approved by the Council, shall be presented to the Council for review and endorsement. ~~An annual budget and operating plan for the ARGF shall be presented to the Council for review and endorsement.~~

7.2 Financial results shall be reported periodically to the Council in a transparent and timely manner no less than quarterly by activity and no less than annually for key performance indicators as set out in the annual Operating Plan.

7.3 The financial results of the ARGF shall be subject to audited annually as part of ICAO's external audit as part of the annual external audit of ICAO's financial statements, and periodical internal audits, as appropriate.

8. COMING INTO EFFECT AND AMENDMENT

8.1 This policy ~~may be amended from time to time and~~ shall come into effect upon approval by the Council.

8.2 This policy may be amended from time to time, with any such amendments being subject to approval by the Council.

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