

FINANCING THE DEVELOPMENT OF AVIATION INFRASTRUCTURE

Concluding Communiqué: Financing the Development of Aviation Infrastructure

Third ICAO World Aviation Forum

1. The International Civil Aviation Organization (ICAO) convened the third World Aviation Forum (IWAF/3) from 20 to 22 November 2017 in Abuja, Nigeria to address the challenge of financing and creating an enabling environment at all levels for the development of aviation infrastructure in the spirit of global partnership and in support of the ICAO *No Country Left Behind* (NCLB) initiative and the United Nations (UN)' *Transforming our World: 2030 Agenda for Sustainable Development*, including the Sustainable Development Goals (SDGs).
2. We, the IWAF participants representing Member States, international and regional organizations, the industry, the donor community, as well as multi-lateral development banks and other financial institutions, recognize the significant impacts of aviation activities on economic and social development. Aviation contributes to increasing consumer benefits and choices, creating jobs, stimulating tourism and trade, etc. The increased connectivity that it delivers leads to further re-investment in aviation, creating a healthy cycle of aviation development and economic prosperity in those countries and regions which set out suitable planning and investment commitments. We share a common interest in maximizing aviation benefits, and reaffirm our commitment towards creating an enabling economic environment, and raising political willingness to mainstream and reflect the priorities of the aviation sector in the global, regional and national agenda.
3. We acknowledge the strong growth of air traffic achieved since 2010 in facing the challenging global macroeconomic conditions and despite the security and health concerns raised in different parts of the world. The future outlook also remains positive. According to ICAO's long-term forecasts, air traffic volumes will double in the next 15 years, characterized by a 4.6 per cent annual growth rate for passenger traffic and a 4.4 per cent for freight traffic.
4. We understand that the rapidly-expanding air traffic and enhanced air connectivity can only be sustained with continued development in aviation infrastructure, capacity and technology, supported by a globally harmonized regulatory framework. Our top priority is to ensure that air traffic growth is managed safely, securely and efficiently, with due respect for our sector's concrete environmental commitments, while fully capturing and realizing potential economic benefits to be generated from the increasing traffic.
5. We recognize the need to make substantial investments over the long term in the development and modernization of quality aviation infrastructure (including capacity, technology and essential service needs) commensurate with the level of predicted traffic growth, and based on ICAO's Global Plans. Quality aviation infrastructure should enable more efficient access and mobility; improve safety, reliability and resilience; respond to the diversified needs of providers, users and consumers; enhance environmental performance; and ultimately support the on-going transformation to a more sustainable aviation sector. Mobilizing long-term financial resources, however, has become more difficult and represents a great challenge for many States, especially given the strain on public finances and cost factors attributed to borrowing that exists in many developing countries.
6. We reiterate that the first and most obvious pre-condition to developing and modernizing aviation infrastructure is to improve the effective implementation of ICAO's global aviation standards and policies, plans and programmes by States. To fulfil this pre-condition, ICAO continues to play a key role in fostering effective partnerships between donors, investors and needful States; facilitating the mobilization of resources; and under its NCLB initiative, identifying, coordinating and providing assistance to States in need.

7. We underline that addressing financing challenges facing aviation infrastructure and capacity development requires both ambition and credible means of planning and implementation. We aspire to the goal of "no constraints of infrastructure capacity, technology and financial resources for aviation development". The attainment of this goal, were it to occur, would be well-aligned with States' ultimate policy objectives.
8. We call for a comprehensive, holistic and transformative approach with respect to the means of planning and implementation, which should be underpinned by coherent policies and good governance at all levels. The primary step taken by States is to develop national and/or regional aviation infrastructure programmes and plans in cooperation with international and regional organizations, the industry, the donor community, as well as multi-lateral development banks and other financial institutions. These programmes and plans should have strategic infrastructure targets that are consistent with ICAO's Global Plans and according to national and regional needs.
9. We stress the importance of conducting a robust business case analysis, a gap analysis between forecasted demand and current capacity, and a full life cycle analysis in developing aviation infrastructure programmes and plans, as well as strategic infrastructure targets. In this vein, we welcome the progress of ICAO's work to enhance and develop tools, analyses and services to identify the deficiencies in aviation and infrastructure gaps; prepare business cases with clearly defined returns for their major aviation infrastructure projects; and visualize disaggregated aviation data with mapping solutions.
10. We acknowledge that each State has the primary responsibility for its own aviation development and reiterate that the role of national development plans and strategies cannot be overemphasized. We call on States to commit to aligning and integrating their aviation infrastructure programmes and plans with an appropriately-balanced development of transport modes, including multi-modal and urban planning initiatives; and linking them with national and/or regional development plans and strategies. Such planning and development efforts also need to be harmonized with the international economic and financial frameworks, and supported by economic cooperation and, when needed and as appropriate, international assistance for development.
11. We underscore that coherent and coordinated public policies and the mobilization and efficient use of domestic resources, supplemented by international assistance, as appropriate, are central to our common pursuit of quality aviation infrastructure development. In this respect, we request States to enhance policy coherence by harmonizing regulatory frameworks in balancing the benefits of aviation, tourism and trade sectors; consolidate infrastructure planning and development efforts in these economic sectors, whenever possible; and promote cooperation and compatible decision-making among transport authorities and other ministries in charge of related portfolios, including finance, economic planning, energy, environment, trade and tourism.
12. We support the establishment of good governance – the institutional, legal and regulatory frameworks in which air transport is designed, implemented and managed – which can address the dynamic and rapid transformations shaping the aviation sector and reconcile objectives and needs with responsibilities and resources, often in the face of competing, and/or conflicting priorities. The creation of the enabling institutional, legal and regulatory frameworks provides a strong impetus to boost investment in the aviation sector, particularly through private sector participation, and in the handling of the complex nature of project finance transactions.
13. We stress that the investments in quality aviation infrastructure development and modernization worldwide must be directed to well-managed projects with dedicated accountability, transparency and quality assurance. To this end, States should establish monitoring and evaluation frameworks using a data-driven approach. Adequate and quality data is key for setting baselines and benchmarks, as well as for measuring performance and tracking and monitoring progress. We will continue to promote the collection, analysis and, wherever possible, the sharing of relevant data for well-informed investment decision making.
14. We recognize that aviation infrastructure projects are very large in scope and have a long timeframe from planning to completion, usually with multiple adjustments to the original plan along the way. They are also complex due to the involvement of a wide variety of stakeholders and revenue resources. For successful project

delivery, the long-term uncertainty for infrastructure investment should be balanced with the need to adjust in accordance to short-term priorities and funding constraints.

15. We acknowledge that, unlike other modes of transport, the aviation industry has been paying for a vast majority of its own infrastructure costs, rather than being financed through taxation, public investment or subsidies. Infrastructure costs are covered through payments of user charges, most of which are added to airfares. However, revenue raised can be outweighed by the relinquished economic benefits as a result of damped demand for air travel and air cargo shipments. We, therefore, urge States and service providers to observe *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) and *ICAO's Policies on Taxation in the Field of International Air Transport* (Doc 8632).
16. We reiterate our call on States to take pragmatic measures to build a transparent, stable and predictable investment climate to support aviation development, for example, by engaging multi-stakeholders, diversifying funding sources and elevating the role of private sector, including through private investment, business reform, private finance initiatives, public-private partnership (PPP) and various incentive schemes. International private capital flows, particularly foreign direct investment, along with a stable international financial system, are also vital complements to domestic public and private resources.
17. We remain concerned on the limited volume of international public finance and assistance for development, which is currently available for aviation infrastructure projects despite aviation's cross-cutting nature and multiple links to other economic sectors. International public finance and assistance can be used to unlock additional finance through blended or pooled financing and risk mitigation for infrastructure. In addition, it can catalyse additional resource mobilization from other sources, public and private. For States with limited access to investment finance, it is critical to include major aviation infrastructure projects in the priority list of international public finance and assistance for development. We will strengthen our dialogue to enhance our common understanding, respond to the business imperatives, and increase all forms of international public finance and assistance for development, including official development assistance (ODA) and South-South cooperation.
18. We reaffirm the role of ICAO's Technical Cooperation and Assistance Programmes, which are designed to assist States in monitoring and carrying out the implementation of aviation related-projects. We also welcome the willingness expressed by ICAO to provide technical advice to States and financial institutions prior to the implementation of aviation-related projects for optimum use of financial resources and to ensure technical compliance and enhance access to capacity building and technology transfer. States, financial institutions and other development partners, including the aviation industry and private sector, are encouraged, wherever appropriate, to give preference to ICAO for the identification, formulation, analysis, implementation and evaluation of aviation-related projects, including through its Technical Cooperation and Assistance Programmes.
19. We are more determined than ever to boost international support and establish multi-stakeholder partnerships for implementing effective and targeted capacity building with focus on investment in "soft infrastructure" and in nurturing and integrating technology and innovation. Human and institutional capacity development should address the specific needs and conditions of States/regions, especially for States in special situations, reflecting their national development strategies and priorities, and including the next generation of aviation professionals. To improve our investment preparation, prioritization and execution processes while maximizing value for money (VFM), we will redouble our ongoing efforts to help States build on their analytical capability and sharing of information, knowledge, experience and best practices with sound structural statistics and data tools.
20. Today we have adopted the *Declaration and Framework for a Plan of Action for Development of Aviation Infrastructure in Africa*. The African Union Commission is requested to submit this Declaration to the next Assembly of Heads of State and Government of the African Union for consideration and endorsement. We welcome, in particular, the commitment made by African States and Regional Economic Communities to ensuring the inclusion of more well-defined aviation projects in the Programme for Infrastructure Development in Africa (PIDA) and the next cycle of its Priority Action Plan for 2020 – 2030, as well as forging-African economic

cooperation and international assistance platforms. To strongly support the implementation of the PIDA in a coordinated way, we will deepen as well as broaden economic and financial cooperation with African States in line with the Single African Air Transport Market (SAATM) and the African Union's Agenda 2063 and in support of the ICAO NCLB initiative and the SDGs of the UN *2030 Agenda for Sustainable Development*.

21. We pay close attention to the creation of value both for investors, relative to overall infrastructure development costs, and for users and other customers. Value creation not only helps generate returns but also elevates the future availability of capital to fund operations and innovations. For example, many airports have dedicated themselves to delivering a stellar customer experience. Promoting a culture of continuous service improvement has become a matter of gaining a competitive advantage in building business confidence and in optimizing non-aeronautical revenue performance.
22. We remain committed to fostering an informed and engaged public as a crucial partner through public awareness campaigns and education programmes to raise business confidence, obtain buy-in from the wider audiences, accelerate the implementation of the ICAO NCLB Initiative, and advance sustainable air transport solutions in support of the SDGs of the UN *2030 Agenda for Sustainable Development*. In this regard, we welcome the work of the Industry High Level Group (IHLG) and its *Aviation Benefits Report* to better showcase the socio-economic benefits of aviation to the public.
23. We urge all stakeholders to pledge the highest level of commitment to maximizing the benefits of aviation in a sustainable manner that is safe, affordable, accessible, efficient, resilient and environmentally responsible, and continue to seek new, innovative, sustainable air transport solutions. Aviation is a means of allowing people to access what they need. We also continue to promote aviation's crucial role to stimulate economies, employment, trade, tourism and other economic sectors through improved air connectivity at the national, regional and international levels in order to ensure that aviation's benefits are maximized for all.
24. We reaffirm our commitment to taking all necessary actions to further align our work with the universal implementation of, inter alia, the UN *Transforming our World: 2030 Agenda for Sustainable Development*; the *Addis Ababa Action Agenda* on financing for development; the *Ashgabat Statement on Commitments and Policy Recommendations of the Global Sustainable Transport Conference*; the *Recommendations for Mobilizing Sustainable Transport for Development* made by the UN Secretary-General's High-Level Advisory Group on Sustainable Transport; and the *Ministerial Declaration on Governance of Transport* adopted at the International Transport Forum's 2017 Summit. We also re-emphasize the strong links between ICAO's Strategic Objectives with the 17 UN SDGs, and support the role of ICAO as the custodial agency responsible for collecting and sharing data for the global indicator (passenger and freight volumes by mode of transport) of the SDG target 9.1 – Develop quality, reliable, sustainable and resilient infrastructure with a focus on affordable and equitable access for all.
25. We are committed to strengthening our long-term collaborative partnerships and cooperation among Member States, international and regional organizations, the industry, the donor community, as well as multi-lateral development banks and other financial institutions to commensurate the scale of actions and financing to develop quality aviation infrastructure, capacity building and essential service needs. With the support from future ICAO World Aviation Forums, we will regularly follow-up on the progress of our commitments and ensure active engagement by working collaboratively towards the development of sustainable aviation.
26. We thank Nigeria for hosting a successful IWAF/3, and look forward to meeting again at IWAF/4 in 2018.

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