



WORKING PAPER

FOURTEENTH AIR NAVIGATION CONFERENCE

Montréal, Canada, 26 August to 6 September 2024

Agenda Item 1: Update on the ICAO 2023-2025 Business Plan and long-term strategic planning
1.2: Strategic alignment of global plans for performance improvement

CREATING REGULATORY HARMONIZATION

(Presented by Costa Rica)

EXECUTIVE SUMMARY

This paper offers perspectives on achieving regulatory harmonization, which can bring real benefits to the aviation community but which sometimes exists only in theory.

Action: The Conference is invited to adopt Recommendation 1.2/x – Proposals for creating effective regulatory harmonization.

1. INTRODUCTION

1.1 Regulatory harmonization in the air transport sector is essential for the efficient and competitive development of the industry at the global level. The aim is to align regulations and practices across different jurisdictions so as to facilitate cooperation and mutual recognition of certifications and safety standards.

1.2 The International Civil Aviation Organization (ICAO) has been actively promoting harmonization under the Convention on International Civil Aviation (the Chicago Convention) and in various Assembly resolutions, highlighting the importance of adopting Standards and Recommended Practices (SARPs) that enable a common regulatory framework.

1.3 When put into practice, such policies not only benefit the civil aviation authorities (CAAs) by reducing the administrative burden and streamlining operations, they also optimize resources for air operators and service providers by eliminating duplications and redundancies.

1.4 Regional collaboration through entities such as regional safety oversight organizations (RSOOs) has greatly furthered the development of common regulatory frameworks, with the goal of uniformly regulating operations and provision of air services.

¹ Spanish version provided by Costa Rica.

2. DISCUSSION

2.1 Although there is a strong theoretical framework for regulatory harmonization, few real-world tangible benefits have been achieved. This disconnect is most apparent in the modern business models of the aviation industry, which extend across physical borders between States.

2.2 It is increasingly the case that, although a harmonized regulatory framework exists, these business models are subject to multiple but mostly identical certification procedures that waste time and resources, and create unnecessary barriers for the CAAs in managing air operations. This goes to show that regulatory harmonization has not been effectively implemented on a practical level.

2.3 Another critical aspect is that audits of State CAAs by ICAO and other bodies are based on SARPs as well as guidance material and other resources for auditors, which do not always reflect changes and advances in the latest business models.

2.4 This strictly prescriptive approach, in some cases together with uneven implementation of guidance by the auditors, can give rise to findings that value compliance on paper over actual safety performance. States are therefore reluctant to adopt and apply harmonized processes since the audits, rather than evaluating the State's capacity to ensure safety and efficiency, tend to penalize innovative business models that generate economies of scale and that are founded on collaborative strategies such as RSOOs.

2.5 In order to move toward effective regulatory harmonization, it is essential for ICAO to act in accordance with its strategic objectives and policies that promote regional cooperation and collaboration, for example by revising and updating the SARPs, guidance material and the Universal Safety Oversight Audit Programme (USOAP) Protocol Questions. The appendix to this working paper contains a specific proposal to amend Annex 6 — *Operation of Aircraft*, Part I — *International Commercial Air Transport — Aeroplanes*, to adapt it to the needs and realities of the aviation sector of today.

2.6 Effective implementation of regulatory harmonisation also requires States to establish and/or enhance the necessary mechanisms for effective risk management and safety performance measurement, for the purpose of developing safeguards and controls to ensure that the safety standards are acceptable to all stakeholders.

3. CONCLUSION

3.1 Comprehensive and systematic regulatory harmonization is necessary to create an enabling environment for innovation and the sustainable development of air transport.

3.2 It should be recognized that the proposal in the appendix pertains to one specific element, and other relevant documentation should be revised and updated in order to achieve the desired effects.

3.3 In providing a coherent update in line with its strategic objectives and policies, ICAO can create the right environment for real regulatory harmonization that fosters safety, efficiency and competitiveness in the global aviation sector.

3.4

The Conference is invited to adopt the following recommendation:

Recommendation 1.2/x – Proposals for creating effective regulatory harmonization

That States:

- a) update their regulations and procedures to reflect advances in aviation business models, eliminating redundancies and maximizing the benefits of regulatory harmonization;
- b) establish or improve their mechanisms for effective risk management and safety performance measurement, ensuring the maintenance and oversight of safety standards that are acceptable to all stakeholders; and;
- c) continue working collaboratively, and use available regional cooperation arrangements, for the sustainable development of civil aviation systems at the global level and for more robust safety oversight systems;

that ICAO:

- d) revise and update its Standards and Recommended Practices (SARPs), taking into consideration the proposal set forth in the appendix to this working paper, so as to incorporate regional safety oversight organizations (RSOO) collaborative processes and current practices, and thus foster the development of new and efficient business models in the aviation industry;
- e) in accordance with (d) above, update associated guidance material, the Protocol Questions, guidance for auditors, and the Universal Safety Oversight Audit Programme (USOAP) methodology, to give States the confidence to implement policies oriented toward harmonization and performance that are in step with the development and growth of the aviation sector;
- f) see that auditors apply uniform criteria based on guidance material, so as to reduce the interpretative/subjective component of the State audits;
- g) continue promoting and facilitating cooperation and collaboration among States and regions, supporting the creation of common regulatory frameworks and the mutual recognition of certifications, authorizations, approvals, specific approvals and licenses by means of programs and platforms for the sharing of information and best practices.

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APPENDIX
PROPOSAL FOR AN AMENDMENT
TO INTERNATIONAL STANDARDS AND RECOMMENDED PRACTICES
OPERATION OF AIRCRAFT
PART I – INTERNATIONAL COMMERCIAL AIR TRANSPORT – AEROPLANES
ANNEX 6 TO THE CONVENTION ON INTERNATIONAL CIVIL AVIATION

INITIAL PROPOSAL
ADDITION OF A RECOMMENDATION
CHAPTER 4. – FLIGHT OPERATIONS

CHAPTER 4. FLIGHT OPERATIONS

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4.2 OPERATIONAL CERTIFICATION AND SUPERVISION

4.2.1 The air operator certificate

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4.2.1.9 **Recommendation.**- When an air operator has obtained an approval from a State, other States that issue certificates to the same operator may recognize or accept said approval, so long as the requirements met are equivalent to or more stringent than those specified in this Annex.

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