



WORKING PAPER

**SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE
(ATCONF/7)**

Montréal, HQ, 16 to 20 November 2026

Agenda Item 3: Strengthening regulatory and institutional frameworks

3.2: Enhancing air connectivity through progressive economic and regulatory aviation frameworks for international air transport

STRENGTHENING CONNECTIVITY, RESILIENCE AND SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH DIVERSE AND COMPLEMENTARY FORMS OF AIR TRANSPORT

(Presented by Equatorial Guinea, Nigeria, the International Business Aviation Council (IBAC), Aviation Services Association (ASA World), International Council of Aircraft Owner and Pilot Associations (IAOPA), &
the International Coordinating Council of Aerospace Industries Associations (ICCAIA))

EXECUTIVE SUMMARY

The international air transport system continues to evolve in response to changing economic, technological and societal needs. Alongside scheduled commercial air services, diverse and complementary forms of air transport — including regional and community air services, business and general aviation, charter and all-cargo operations, and emerging Advanced Air Mobility (AAM) — play important roles in supporting connectivity, facilitating trade and investment, strengthening resilience, and enabling sustainable economic development.

A comprehensive and resilient international air transport system depends upon these diverse forms of aviation activity, each serving different markets, operating under different business models, absorbing different shocks and generating distinct economic and social benefits. Collectively, they enhance connectivity and operational resilience, while providing access to communities, regions and industries that may not otherwise be effectively served. Regulatory and economic policy frameworks that implicitly apply a single operating model across the sector risk constraining connectivity, undermining resilience, and slowing sustainable development, particularly for smaller communities, developing States, and remote or island economies.

As international aviation continues to evolve, future international air transport policy should recognize these differing operational realities. The International Civil Aviation Organization (ICAO) is well placed to assist States through policy guidance that promotes proportionate, fit-for-purpose economic and regulatory approaches, supports operational access and enabling infrastructure, and encourages balanced future-ready policy frameworks that allow diverse forms of aviation activity to contribute effectively to connectivity, resilience and sustainable economic development, in line with ICAO's Strategic Plan 2026-2050, and the No Country Left Behind (NCLB) initiative.

¹ English, Arabic, Chinese, French, Russian and Spanish versions provided by IBAC

Action: The Conference is invited to: a) recognize, in the development of future international civil aviation policies, that a comprehensive international air transport system relies on diverse and complementary forms of air transport to strengthen connectivity, resilience and sustainable economic development; b) request that ICAO, when developing policy guidance, promotes proportionate, fit-for-purpose economic and regulatory policy approaches that reflect the differing operational characteristics of scheduled and non-scheduled aviation; and c) in the spirit of NCLB request that ICAO develop guidance for States that encourages operational access, enabling infrastructure and regulatory frameworks that strengthen connectivity, resilience and sustainable economic development.	
<i>Strategic Goal:</i>	This working paper relates to Strategic Goal: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.</i>
<i>Financial implications:</i>	Nil
<i>References:</i>	ATConf/6-WP/64; Report of the Sixth Worldwide Air Transport Conference (ATConf/6) (Doc 10009)

1. INTRODUCTION

1.1 International civil aviation has evolved into an increasingly diverse ecosystem of complementary forms of air transport. While scheduled commercial air services remain central to global connectivity, regional and community air services, business and general aviation, charter and on-demand operations, all-cargo services, and emerging Advanced Air Mobility (AAM) make significant contributions to connectivity, regional development, trade, emergency preparedness, and economic growth.

1.2 These forms of air transport serve different markets and users, operate under different business models and respond to distinct operational, commercial and societal requirements. Together, they form a comprehensive and mutually reinforcing international air transport system, strengthening connectivity, accessibility, resilience and sustainable economic development, particularly for communities, regions, and industries that may otherwise remain underserved.

1.3 The importance of this diversity is not new. At the Sixth Worldwide Air Transport Conference (ATConf/6), the Conference recognized business aviation as an emerging issue of interest to States and aviation stakeholders, and called on the International Civil Aviation Organization (ICAO) to develop relevant guidance. The Conference also recognized business aviation as an important component of a comprehensive international air transport system. Subsequent operational disruptions and market evolution have further demonstrated the value of sector diversity as a vital source of economic growth, connectivity, and system resilience.

1.4 As international aviation continues to evolve, future international air transport policy should reflect the differing characteristics and contributions of these complementary forms of air transport. The Conference is invited to consider how ICAO policy guidance can support proportionate, fit-for-purpose and forward-looking economic and regulatory approaches, while facilitating the operational access, infrastructure and regulatory conditions necessary for diverse forms of aviation to contribute fully to connectivity, resilience, and sustainable economic development.

2. COMPLEMENTARY ROLES IN INTERNATIONAL AIR TRANSPORT SYSTEM

2.1 The international air transport system comprises a broad range of complementary operations that collectively support States' economic, social, and development objectives. While scheduled passenger airlines provide the high-capacity, high-frequency backbone of the global network, a diverse ecosystem of non-scheduled and specialized aviation — including regional air services, business and general aviation, all-cargo carriers, charter, and fractional ownership programmes — extends connectivity to markets, communities, and cargo flows that scheduled networks cannot efficiently serve. Rural, remote, and landlocked communities often rely on these diverse operating models for their only meaningful air connectivity, while the sector simultaneously serves as a vital incubator for cultivating, qualifying, and developing skilled aviation professionals across the broader ecosystem. Emerging AAM concepts and services further expand these opportunities to improve urban and regional accessibility.

3. STRENGTHENING CONNECTIVITY AND OPERATIONAL RESILIENCE

3.1 Business and general aviation — and soon Advanced Air Mobility operators — provide connectivity to a substantially broader network of destinations than scheduled air services, including many smaller and regional airports not traditionally served by scheduled airlines. As AAM operators begin commercial services, low-noise electric and hybrid aircraft will enable new landing locations and vertiport nodes, extending sustainable air connectivity into previously inaccessible communities.

3.2 A diversified air transport system is significantly more resilient to global shocks, including economic downturns, public health emergencies, and natural disasters. As demonstrated during the COVID-19 pandemic, non-scheduled operators were key to maintaining connectivity, critical infrastructure, essential supply chains, the timely movement of key workers, and providing vital medevac and humanitarian relief when scheduled networks were disrupted. Framing these diverse models as "community connectors" highlights their unique operational resilience and underscores their strategic role in ensuring system-wide air transport resilience and continuity during crises.

4. PROMOTING SUSTAINABLE ECONOMIC DEVELOPMENT

4.1 Diverse forms of air transport support sustainable economic development in complementary ways. While scheduled aviation drives large-scale tourism, business and general aviation act as "economic drivers" and "job creators," facilitating investment and trade in underserved regions. Industry data identifies the sector as a significant employer and a catalyst for high-value economic activity. Furthermore, this sector serves as a "technology incubator" and early adopter of sustainable solutions, such as winglets and, more recently, the adoption of Sustainable Aviation Fuel (SAF), while exploring alternative propulsion systems, which is critical to reaching global net-zero goals.

5. THE NECESSITY OF PROPORTIONATE AND FIT-FOR-PURPOSE POLICY

5.1 The diversity of international air transport necessitates regulatory approaches that are proportionate to differing operational characteristics. Non-scheduled aviation encompasses a range of models — including non-commercial owner-operated business aviation, fractional ownership programmes, as well as commercial on-demand and charter operators — each with distinct operational and commercial characteristics, but typically distinguished by their flexible, on-demand nature, use of smaller aircraft, and requirement for timely operating clearances.

5.2 Applying economic regulatory frameworks designed for high-capacity scheduled services to all forms of aviation risks imposing disproportionate costs and delays without a corresponding benefit to safety, security, or fair competition. Recognizing these differences supports the development of

fit-for-purpose policies that achieve common objectives while reflecting differing operational realities in a truly inclusive system. Fit-for-purpose approaches are not intended to diminish regulatory outcomes; rather, they recognize that equivalent safety, security, competition, and public-policy outcomes may be achieved through different regulatory mechanisms better suited to the characteristics of the operation.

6. ENSURING OPERATIONAL ACCESS AND ENABLING INFRASTRUCTURE

6.1 Realizing the benefits of a diversified system requires appropriate access at transport nodes and the inclusion of business and general aviation airports, heliports, vertiports, and Fixed-Base Operators (FBOs) in National Development Investment Plans. Framing these facilities as vital, resilient transport nodes helps mobilize private capital, public-private partnerships (PPPs), and development bank financing without seeking public subsidies. Additionally, modernizing *Ownership and Control* rules and formally recognizing *Fractional Ownership* as a distinct business model will facilitate the international investment and cross-border flexibility needed for an inclusive air transport system.

7. BUILDING ON THE FOUNDATION OF ICAO LEADERSHIP

7.1 ICAO has already established a foundation for this work through its previous guidance on the classification of aviation activities and the economic treatment of the diverse operating models encompassed within business aviation, including commercial and non-commercial operations. This existing body of work provides a basis for ICAO to lead the development of cross-cutting guidance that:

- a) Promotes proportionate economic and regulatory approaches;
- b) Identifies and shares international best practices for non-scheduled operations;
- c) Encourages the development of enabling infrastructure and streamlined, digital permitting processes to reduce operational approval times; and
- d) Ensures future policy explicitly recognizes the contribution of diverse and complementary forms of air transport to sustainable economic growth.

8. CONCLUSIONS

8.1 The diversity of international civil aviation collectively enhances connectivity, operational resilience, and economic development, particularly for communities and industries not effectively served by scheduled airlines. Policy development must encompass the full spectrum of operations to support balanced, performance-based, and future-ready regulatory frameworks.

8.2 ICAO is uniquely positioned to provide the policy leadership and guidance needed to assist States in implementing proportionate, fit-for-purpose policies that foster an economically viable, competitive, accessible, safe, secure, efficient, and sustainable air transport system for all.

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