ATConf/7-WP/215
19/11/26

# SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF/7)

**Montréal, HQ, 16 to 20 November 2026**

**Agenda Item 3: Strengthening regulatory and institutional frameworks**
**3.1: Strengthening regulatory oversight and evolving institutional frameworks**

## DRAFT REPORT

(2 pages)

**Agenda Item 3: Strengthening regulatory and institutional frameworks**

**Agenda sub-item 3.1: Strengthening regulatory oversight and evolving institutional frameworks**

## 3.1.1 DOCUMENTATION

3.1.1.1 In WP/4, the Secretariat examined the need to strengthen States' regulatory oversight capacity and institutional frameworks to support safe, secure, efficient and sustainable international air transport, with particular emphasis on sustainable funding for civil aviation authorities (CAAs). The paper identified key priorities, including modernizing legal and regulatory frameworks, strengthening institutional governance and independence, developing the workforce and digital capabilities, improving stakeholder coordination, establishing stable and diversified funding mechanisms, and promoting regional cooperation. It also highlighted ICAO's ongoing support through guidance, capacity building, technical assistance and work on developing sustainable funding mechanisms. The Conference was invited to consider recommendations aimed at strengthening resilient and effective aviation regulatory oversight and institutional capacity, ensuring sustainable funding for CAAs, and enhancing ICAO's support through targeted assistance, up-to-date guidance, capacity building initiatives and the development of innovative funding mechanisms.

3.1.1.2 In WP/89, Algeria highlighted the growing importance of strengthening the economic regulatory oversight capacity of CAAs to support the effective implementation of international air transport policies and agreements, including air services negotiations, competition oversight, consumer protection and data-driven policymaking. Noting the absence of a dedicated global capacity-building mechanism for economic regulation comparable to those in the safety and security domains, the paper proposed that ICAO undertake a voluntary stocktaking of States' economic regulatory oversight capacities and needs and, within existing Capacity Development and Implementation (CDI) and *No Country Left Behind* (NCLB) frameworks, develop and coordinate a structured multi-year programme based on voluntary peer support and twinning arrangements between CAAs. The paper also encouraged participation by States and regional organizations in supporting and facilitating the initiative and contributing to its continued development.

3.1.1.3 In WP/85, Brazil supported by 18 Latin American Civil Aviation Commission (LACAC)[1] Member States, addressed the implementation of paragraph 15 of Assembly Resolution A42-26, which calls for the systematic integration of air transport economic development considerations across ICAO's activities and programmes. The paper emphasized the cross-cutting nature of economic development and its linkages with areas such as safety, security, air navigation, facilitation, environmental protection, innovation and implementation support. It proposed a "One-ICAO" approach to strengthen policy coherence, implementation support and coordination within ICAO, including Regional Offices and technical bodies, while enhancing capacity-building, partnerships with development and financing institutions, and support for the NCLB goal. The paper also proposed periodic monitoring and reporting on progress in implementing paragraph 15 of Assembly Resolution A42-26.

3.1.1.4 WP/88, presented by Brazil and supported by 17 LACAC Member States[2], proposed extending ICAO's existing governance assessment initiative for civil aviation authorities in the South American (SAM) region to the ministries responsible for aviation policymaking. Using Brazil's Conectar

[1] Belize, Bolivia (Plurinational State of), Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of)

[2] Belize, Bolivia (Plurinational State of), Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru and Uruguay

Agenda as a pilot, the paper emphasized the importance of transparent, evidence-based and coordinated policymaking across government institutions to improve air connectivity, regulatory stability and economic outcomes. It proposed a voluntary pilot in 2027–2028, led by the ICAO SAM Regional Office, to assess governance practices without auditing States' policy choices or ranking their performance. The Conference was invited to encourage ICAO to consider extending the governance assessment approach to aviation policymaking, evaluate the pilot's results, and explore its application in other States and regions, supported by voluntary contributions and partnerships.

3.1.1.5 WP/132, presented by Chile and supported by 17 LACAC Member States[3], highlighted short-term aircraft leasing arrangements, known as interchange agreements, as a means of improving fleet utilization and maintaining international connectivity, particularly where individual markets cannot sustain frequent long-haul services. Under these arrangements, two or more operators in different States use the same aircraft successively, each operating under its own Air Operator Certificate (AOC), crew and traffic rights. The paper emphasized that safety oversight can be maintained when responsibilities are clearly defined and the transfer of operational control is formally documented. The Conference was invited to recognize interchange agreements as a legitimate operational tool, encourage States to expressly authorize them in air services agreements, and request ICAO to develop guidance on determining and documenting the transfer of operational control. It also called on States to avoid imposing foreign-operator certification requirements beyond those established in ICAO Annex 6, where applicable ICAO guidance is followed.

3.1.1.6 WP/160, presented by Costa Rica and sponsored by five LACAC Member States[4], highlighted the urgency of strengthening the institutional governance frameworks of CAAs in Latin America. The paper identified key challenges, including political interference, limited financial autonomy, difficulties retaining qualified technical personnel, and rigid regulatory processes. It also raised concerns about non-compliance with *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082), particularly the diversion of aviation-related revenues to general government funds, which could undermine regulatory capacity and safety oversight. The paper proposed strengthening CAA institutional autonomy, promoting performance-based regulation, and facilitating innovation through regulatory sandboxes. The Conference was invited to request ICAO to develop a global guide on CAA governance and autonomy models, urge States to implement ICAO's policies on charges in Doc 9082, including the direct reinvestment of aviation-generated revenues in the sector, and promote regional cooperation to support innovation and regulatory capacity.

3.1.1.7 WP/108, presented by the Dominican Republic, proposed a progressive approach to integrating unmanned aircraft systems (UAS) and emerging air operations, linking the expansion of operational complexity to demonstrable regulatory, institutional, technological and oversight capabilities. Drawing on its experience in reviewing the draft Aeronautical Regulation on UAS Operations, the paper highlighted the need to strengthen oversight capacity, personnel competency, cybersecurity, remote identification, unmanned aircraft traffic management (UTM) and coordination with conventional air traffic management (ATM). It proposed a four-stage integration roadmap, progressing from readiness and controlled operations to coordinated and advanced integration, based on verifiable safety and performance criteria. The Conference was invited to encourage States to adopt risk-based integration roadmaps and recommend that ICAO develop supplementary guidance on readiness and transition criteria to support the safe integration of increasingly complex UAS operations.

[3] Argentina, Belize, Bolivia (Plurinational State of), Brazil, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru and Uruguay

[4] Chile, Dominican Republic, Guatemala, Peru, and Venezuela (Bolivarian Republic of)

3.1.1.8 WP/155, presented by El Salvador and supported by 18 LACAC Member States[5], proposed harmonizing States' regulatory approaches to the technical acceptance of aircraft documentation under interchange agreements to promote mutual trust and regulatory efficiency while preserving States' safety oversight responsibilities. The paper highlighted that, in the absence of consistent ICAO guidance, some States require repeated national approvals of technical documents, creating additional compliance costs, operational delays and administrative burdens without necessarily improving safety. These requirements can constrain fleet flexibility, weaken regional connectivity and divert civil aviation authorities' resources from direct safety oversight. The Conference was invited to recommend that ICAO develop standardized guidance in *Manual of Procedures for Operations Inspection, Certification and Continued Surveillance* (Doc 8335) on technical acceptance under Annex 6, Part I, paragraph 6.1.3; compile best practices, develop model tools and provide technical training to support implementation; and harmonize relevant Universal Safety Oversight Audit Programme (USOAP) assessment criteria.

3.1.1.9 WP/167, presented by Peru and endorsed by 17 LACAC Member States[6], highlighted the importance of institutional continuity and knowledge management in negotiating and implementing air services agreements. The paper noted that staff turnover without adequate succession planning, handover procedures and secure records management can lead to delays, duplicated efforts and inconsistencies in States' negotiating positions. It proposed strengthening staff training, mentoring, multidisciplinary teams, documented handovers and secure repositories of official negotiation records. The Conference was invited to encourage States to establish appropriate mechanisms for knowledge transfer and records management, and to request ICAO to consider developing practical guidance and tools to support institutional continuity and capacity-building in air transport regulation and negotiations.

3.1.1.10 Through WP/23, the International Air Transport Association (IATA) presented the importance of proportionate and responsive economic regulation in supporting air connectivity, competitiveness and economic development. The paper argued that well-designed regulation can encourage innovation and investment, whereas policy interventions that are not supported by robust analysis, impact assessment and stakeholder engagement may not achieve their intended objectives. It recalled ICAO's Good Regulatory Practices as a framework for effective policy design and development and argued that additional practical tools are needed to support their implementation by States. The paper requested the Conference to reaffirm support for the Good Regulatory Practices, request ICAO to develop a practical toolkit to facilitate their implementation, establish a multidisciplinary group involving States and industry to support its development, and explore capacity-building programmes for States requiring assistance in applying the guidance and toolkit.

### 3.1.2 DISCUSSION

3.1.2.1 The Conference recognized the importance of strengthening regulatory oversight capacity and institutional frameworks to support the effective implementation of international air transport policies and the sustainable development of the aviation sector. Broad support was expressed for strengthening civil aviation authorities (CAAs) through enhanced regulatory capabilities, capacity-building, technical assistance and implementation support. Several delegations emphasized that effective oversight requires adequate institutional resources, sustainable financing arrangements and governance structures that reflect national circumstances. The importance of maintaining flexibility regarding institutional models while promoting effective and independent regulatory oversight was also highlighted. Some delegations noted

[5] Argentina, Belize, Bolivia (Plurinational State of), Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of)

[6] Belize, Bolivia (Plurinational State of), Brazil, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Uruguay and Venezuela (Bolivarian Republic of)

that ICAO should avoid prescribing a single institutional model and should take account of differing national governance arrangements.

3.1.2.2 Sustainable funding for CAAs was recognized as a critical enabler of effective regulatory oversight. Many States emphasized the need for stable, adequate and predictable funding frameworks, including diversified funding models, appropriate cost-recovery mechanisms and regional cooperation arrangements, consistent with relevant ICAO policies, including Doc 9082. The Conference noted ICAO's ongoing work, through the Airports Economics Panel-Air Navigation Services Economics Panel (AEP-ANSEP), to examine existing funding practices and explore additional guidance and mechanisms for financing States' safety, security and economic oversight functions. The role of regional cooperation and implementation support mechanisms was also noted. Some delegations stressed that funding arrangements should be in line with States' national priorities and incorporate appropriate safeguards to ensure transparency, proportionality and the avoidance of duplication or cross-subsidization.

3.1.2.3 The Conference noted that effective economic regulation was essential to translating liberalization commitments into improved connectivity, fair competition and consumer benefits. Support was expressed for voluntary peer support, preserving institutional knowledge and drawing on existing ICAO mechanisms and regional cooperation, including through Regional Safety Oversight Organizations. Delegations supported integrating air transport economic development across ICAO's work. Delegations also noted that staff turnover, gaps in succession planning and inadequate records management could lead to a loss of institutional memory and undermine continuity in the negotiation and implementation of air services agreements. While delegations supported the application of ICAO's good regulatory practices, views differed on the need for a new toolkit, a multidisciplinary group and additional capacity-building programmes, particularly in light of existing guidance and resource constraints.

3.1.2.4 The Conference discussed regulatory oversight and governance issues relating to aircraft interchange arrangements and the technical acceptance of aircraft documentation. Delegations recognized the potential operational benefits of interchange arrangements, including increased flexibility, resilience and improved aircraft utilization. At the same time, concerns were raised regarding safety oversight responsibilities, operational control, continuing airworthiness, technical acceptance procedures, labour protection and the implications of interchange arrangements for traffic rights. There was general agreement on a need for a common definition of aircraft interchange, while views differed on the need for and scope of ICAO guidance: several delegations and industry representatives supported further work to promote consistent implementation and reduce unnecessary administrative burdens, whereas others called for the relevant ICAO panels to examine the issue, including its definition, before any guidance was developed.

3.1.2.5 Regarding UAS and emerging aviation activities, the Conference noted the need for regulatory and institutional frameworks to evolve in response to the increasing complexity of unmanned aircraft systems (UAS) operations. Many delegates emphasized that progression to more complex operations, including those requiring integration between ATM and UTM, should be based on demonstrated readiness assessed against risk- and performance-based criteria, while maintaining safety, security and effective oversight. Some delegations also emphasized that States should retain flexibility in determining their readiness and noted that ICAO could support national assessments through guidance and exchange of experience. A view was expressed that there was no clear international need for additional ICAO criteria.

3.1.2.6 In considering the various proposals, the Conference emphasized the importance of building upon existing ICAO policies, guidance and capacity-building mechanisms, while avoiding duplication of efforts. The need to take into account States' different priorities, implementation capabilities and available resources was also highlighted. Continued cooperation among States, regional organizations, industry stakeholders and relevant ICAO bodies was considered important in strengthening regulatory and institutional frameworks.

3.1.2.7 The following information papers were noted by the Conference: WP/126 presented by the Dominican Republic and 18 LACAC Member States[7], WP/61 presented by Indonesia, WP/121 presented by Rwanda on behalf of 54 AFCAC Member States[8], WP/122 presented by Oman, ASA World, IFALPA, IFATCA and ITF, WP/33 presented by IATA and WP/191 presented by ITF.

## 3.1.3 CONCLUSION

3.1.3.1 As a result of the documentation considered and ensuing discussion under agenda item 3.1, the Conference concluded that:

a) States should strengthen their legal, regulatory and institutional frameworks to ensure effective aviation oversight;

b) States should ensure adequate and sustainable funding for civil aviation authorities, while ICAO should develop practical guidance on funding mechanisms;

c) States should strengthen their economic regulatory capacity through good regulatory practices, capacity-building, knowledge management and regional cooperation, with support from ICAO and Regional Safety Oversight Organizations (RSOO);

d) ICAO should examine and provide appropriate guidance on the issue of aircraft interchange through appropriate panels;

e) States should ensure adaptable institutional frameworks and economic oversight capacities to support the safe, secure and progressive integration of UAS and emerging technologies; and

f) ICAO should ensure that air transport economic development is consistently addressed across its programmes, Regional Offices and technical bodies and periodically report on progress.

## 3.1.4 RECOMMENDATION

**Recommendation 3.1/1 — Strengthening regulatory oversight and evolving institutional frameworks**

**The Conference recommends that:**

a) States should take coordinated and sustained action to strengthen and modernize their legal, regulatory and institutional frameworks, for effective regulatory oversight, in compliance with the *Convention on International Civil Aviation* (Chicago Convention) and relevant ICAO Standards, policies and guidance;

[7] Belize, Bolivia, Brazil, Chile, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Peru, Paraguay, Uruguay and Venezuela

[8] Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Príncipe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe

b) States should ensure adequate and predictable funding for their CAAs, including diversified funding models and appropriate cost-recovery mechanisms consistent with ICAO policies;

c) States should consider the need to adapt institutional frameworks and economic oversight capacities to support the safe, secure and progressive integration of UAS and emerging technologies;

d) ICAO should continue to provide practical guidance, technical assistance, capacity-building and implementation support to States in strengthening their regulatory oversight and institutional capacity, including in establishing sustainable funding mechanisms, exploring innovative funding and financing approaches and leveraging regional cooperation, in particular through RSOOs and exchange of good practices; and

e) ICAO should ensure that the economic development of air transport is addressed consistently across its programmes, Regional Offices and technical bodies.

— END —