



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

**PUTTING CONNECTIVITY, COMPETITIVENESS AND ECONOMIC
DEVELOPMENT AT THE HEART OF REGULATORY FRAMEWORKS**

(Presented by International Air Transport Association (IATA))

EXECUTIVE SUMMARY

This paper discusses how to ensure that policy interventions in the aviation sector, such as rules and regulations or investment, are effective and contribute to achieving the International Civil Aviation Organization's (ICAO) strategic goals, including enhancing air connectivity and delivering economic prosperity and societal wellbeing for all.

Ensuring safe and affordable air connectivity for all requires a sustainable and competitive aviation sector, including a dynamic airline market that supports a range of business models offering choice and value to consumers and connectivity for economies.

Achieving these high-level strategic goals requires proportionate and responsive regulation underpinned by rigorous analysis and robust evidence to ensure that benefits justify the costs. In 2016, ICAO adopted a set of Good Regulatory Practices to assist States in their efforts to this end. The principles underpinning the Good Regulatory Practices approach have been incorporated in the *Manual on the Regulation of International Air Transport* (Doc 9626).

This paper proposes a way forward to ensure that all States can apply the Good Regulatory Practices approach in developing and implementing economic regulation affecting air transport.

Action: The Conference is invited to:

- a) reaffirm support for the ICAO *Good Regulatory Practices*;
- b) request that ICAO develop a practical toolkit to assist States in applying the *Good Regulatory Practices*;
- c) request that ICAO establish a multidisciplinary group with the participation of States and industry in order to assist ICAO in developing the *Good Regulatory Practices Toolkit*; and
- d) request ICAO to explore the development of capacity building programs for States that need support in applying the guidance and accompanying toolkit, in order to support the goal of No Country Left Behind.

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

<i>Strategic Goals:</i>	This working paper relates to Strategic Goals: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All and No Country Left Behind.</i>
<i>Financial implications:</i>	There will be financial implications on development of the toolkit and establishment of the multi-disciplinary group, as well as in development of the capacity building program
<i>References:</i>	Convention on International Civil Aviation (Doc 7300) Assembly 39th Session, Economic Commission Report (Doc 10078, A39-EC) A39-WP/140

1. INTRODUCTION

1.1 The Preamble to the Convention on International Civil Aviation (Chicago Convention) recognizes the importance of a regulatory environment, based on “certain principles and arrangements” so that “international air transport services may be... operated soundly and economically”.

1.2 This text is as valid now as it was in 1944. A commercially and financially sustainable and vibrant aviation sector that continues to attract the investment required to accommodate continued growth necessitates a dynamic airline market that supports a range of business models offering choice and value to consumers and connectivity for economies.

1.3 These high-level policy objectives require proportionate and responsive regulation underpinned by rigorous analysis and robust evidence to ensure that the benefits of intervention justify the costs of regulation. The International Civil Aviation Organization’s (ICAO) role in setting a consistent global framework for such regulation is critical to delivering a consistent and harmonized level playing field for a global sector.

1.4 Ensuring that all States have access to the necessary resources and tools to implement proportionate and responsive regulation is critical. To the extent that technical capacity building efforts may be needed, these are reflected in the current paper.

2. DISCUSSION

2.1 Where it is well designed and well implemented, economic regulation can act as an important enabler of development by creating a clear and consistent regulatory environment that encourages and facilitates much-needed innovation and investment while ensuring that the legitimate interests of different stakeholder groups are protected.

2.2 However, where effective economic regulation and oversight are absent or where policy development is not based on robust analysis and informed by stakeholder engagement, policy choices may not be aligned with the stated goals of economic development or improving societal well-being.

Good Regulatory Practices

2.3 The 39th Session of the ICAO Assembly (27 Sep - 7 Oct 2016, Montreal) expressed general support for the adoption of a set of good regulatory practices covering policy design and development. The principles are as follows:

Policy Design Principles

2.4 Consistency and coherence – Regulations should be consistent with existing (and planned) rules and practices that are applicable to regulated activities so that there are no overlaps and contradictions (nationally or internationally). They should also be predictable and applied with clear oversight responsibility and without discrimination against those being regulated.

2.5 Proportionality – Regulations should be used only when their necessity is demonstrated and should be proportionate to the problems identified so that the costs of compliance are minimized by pursuing the most cost-effective solution.

2.6 Targeted at risk – Regulations should have specific and well-defined objectives that respond directly to the problems identified. Whenever appropriate, flexibility should be given to those being regulated to meet defined objectives.

2.7 Fair and non-distortive – Regulations should be applied fairly and not create discriminatory burdens on any group/s in particular.

2.8 Clarity and certainty – Audiences subject to regulatory compliance need to clearly know the regulations that will apply, what is expected of them, and have sufficient time to be able to comply with new requirements.

Process Principles

2.9 The objective of the regulation should be identified based on sound evidence and available alternatives; and should be considered to select the most appropriate solution.

2.10 There should be an assessment of the impacts from the regulation prior to implementation; and should be regularly monitored.

- The drafting of the regulation should involve those who are potentially affected; the decision-making process should be transparent and objective.
- The process of developing the regulation should allow for regular and systematic review (and subsequent modification, if needed) to ensure that the regulation is still appropriate.
- There should be clear procedures to respond to adjudications and appeals and to revise the regulation if necessary.

2.11 The principles of this "good regulatory practices" approach have been incorporated in the *Manual on the Regulation of International Air Transport* (Doc 9626). Understanding the importance of ensuring that all States can implement the Good Regulatory Practices, this paper proposes a set of practical and actionable next steps.

Towards a Good Regulatory Practices Toolkit

2.12 Recognizing the importance of well-designed and implemented aviation policy and of ensuring that aviation acts as an enabler of economic development or improved societal well-being in all States, a practical toolkit would be an important resource to support States in implementing the Good Regulatory Practices.

2.13 Such a toolkit should incorporate guidance on cost-benefit analysis and impact assessment, adapted to the specific context of the air transport sector, and including:

- A methodology for assessing the impact of policy interventions on connectivity and competitiveness.
- Stress tests for resilience to: shocks (on both demand and supply side); optimism bias; and future proofing for the emergence of new technologies, entrants or business models.
- Good practices for stakeholder consultation and ex post evaluation and review.

3. CONCLUSION

3.1 Considering the discussion above, the following may be concluded:

- a) achieving the goal of safe and affordable air connectivity for all requires a competitive and dynamic aviation industry, where air carriers are able to compete, innovate and differentiate their service offerings;
- b) a proportionate and responsive regulatory framework can act as an important enabler of the development of aviation. The Good Regulatory Practices provide some tried and tested principles to assist States in policy development; and
- c) to ensure that all States are able to implement the Good Regulatory Practices effectively, a practical toolkit developed and endorsed by ICAO would be a valuable complement to the existing principles.

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