



WORKING PAPER

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

Montréal, HQ, 16 to 20 November 2026

Agenda Item 3: Strengthening regulatory and institutional frameworks

3.1: Strengthening regulatory oversight and evolving institutional frameworks

**GOVERNANCE ONE LEVEL UP: EXTENDING AN ESTABLISHED SOUTH AMERICAN
(SAM) GOVERNANCE INITIATIVE TO THE AVIATION POLICY-MAKING FUNCTION**

(Presented by Brazil, and supported by 17 LACAC Member States¹)

EXECUTIVE SUMMARY

Since 2022, at the International Civil Aviation Organization's (ICAO) request, the Organisation for Economic Co-operation and Development (OECD) has applied its Indicators on the Governance of Sector Regulators to civil aviation authorities in the ICAO South American (SAM) and North American, Central American and Caribbean (NACC) regions. The ICAO SAM Regional Office has carried this work forward through the Region's own Meeting of Civil Aviation Authorities (RAAC): at RAAC/18 (São Paulo, February 2025), the Secretariat presented a second phase, aimed at strengthening the independence, accountability and transparency of civil aviation authorities of the region, with Brazil's National Civil Aviation Agency (ANAC) featured as the region's reference case. That initiative, by design, reaches the regulator; it does not reach the policy-making bodies whose decisions on taxation, fuel policy, concession design and market access shape the same connectivity outcomes.

This paper proposes extending, voluntarily and one level up, the same governance logic already validated for the regulator to the ministry responsible for aviation policy-making. Brazil offers, as the pilot object, the Conectar Agenda — a multi-year State policy for air connectivity, built jointly by two ministries with the support of ANAC and the Department of Airspace Control (DECEA) and of thirty-six private entities, and closely aligned with the OECD's 2022 competition assessment of Brazilian air transport — at a moment in which six States of the region have demonstrated, through the Memorandum of Understanding establishing the basis for a SAM Air Transport Liberalization Agreement (ALAS), their own capacity to build aviation policy collectively. A further and welcome effect of this extension is that, because ministries of this kind shape decisions in the field of economic regulation, observing their governance also reaches, for the first time in a monitored way, a domain in which ICAO's own economic guidance has otherwise relied on voluntary uptake.

Action: The Conference is invited to:

- a) recognize that the SAM region's governance initiative for civil aviation authorities, conducted through RAAC in cooperation with the OECD, is by design limited to the regulator, while a growing share of connectivity outcomes is shaped by the policy-making bodies that stand alongside it;

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

	b) invite the Council to consider extending the same voluntary governance logic to the aviation policy-making function, building on the RAAC initiative and its ongoing guidance work for civil aviation authorities; c) invite the ICAO SAM Regional Office to conduct, in 2027–2028 and at the invitation of the State concerned, a voluntary pilot application of that extended logic, observing the execution of Brazil's Conectar Agenda and its inter-institutional governance architecture, and to report the results to the Council; d) note that, as a further effect of this extension, observing the governance of the policy-making function also reaches the domain of economic regulation, where ICAO's economic guidance today relies on voluntary uptake by States; e) invite the Council to consider, in the light of the pilot, the extension of the modality to other interested States and regions, and its incorporation into ICAO's analytical work on the economic development of air transport; and f) invite multilateral development banks and other partners to consider supporting the pilot and the analytical work it would observe — indicator platforms, regulatory studies and impact evaluation — under existing partnership and resource mobilization arrangements.
<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>	No additional assessed contributions are required. The activities proposed would be undertaken within the existing work programme of the SAM Regional Office and financed through voluntary contributions, partnerships and technical cooperation.
<i>References:</i>	ICAO Strategic Plan 2026–2050 Assembly Resolution A42-26 ICAO SAM Regional Office, RAAC/18-WP/20 (São Paulo, February 2025) ICAO SAM Regional Strategy 2035 OECD (2022), <i>The governance of civil aviation authorities in Latin American countries</i> OECD (2022), <i>Competition Assessment Reviews: Brazil</i> Conectar Agenda (Brazil, 2025) Brasília Consensus (2023) Memorandum of Understanding establishing the basis for ALAS (Asunción, 2026) ATConf/7-WP/92 (Brazil) — <i>A State Policy for Air Connectivity: National Planning, Cross-Government Coordination and Market Contestability in Brazil's Conectar Agenda</i>

1. INTRODUCTION

1.1 The Seventh Worldwide Air Transport Conference (ATConf/7) convenes under a theme that places connectivity, economic development and resilience at the centre of the international air transport agenda. Agenda Item 3.1 invites States to share experiences and good practices on evolving institutional frameworks. Brazil offers one such experience, together with a proposal for building upon it collectively.

1.2 The central proposition of this paper is that the governance initiative the International Civil Aviation Organization (ICAO) already conducts for civil aviation authorities in the South American (SAM) region can be extended, voluntarily, one level up — to the aviation policy-making function whose decisions increasingly shape the same connectivity outcomes — with the observation of economic regulation as a further and welcome effect of that extension, rather than as its rationale.

1.3 The arrangement described here is also relevant to Agenda Item 2.1, on the integration of civil aviation into national development and investment plans and cross-government coordination. The policy offered as the pilot object, including its line of work on connectivity in low-density and remote regions, is described in the information paper presented by Brazil under that item; the present paper addresses only the governance of the function that produces such policies. The connection matters in practice: policies of this kind rest on analytical work — indicator platforms, regulatory studies, impact evaluation — whose financing is itself a condition of their continuity, and which multilateral development banks are well placed to support.

2. THE SAM REGION'S GOVERNANCE INITIATIVE, AND ITS PRESENT LIMIT

2.1 Since 2022, at ICAO's request, the Organisation for Economic Co-operation and Development (OECD) has applied its Indicators on the Governance of Sector Regulators to civil aviation authorities in the ICAO SAM and North American, Central American and Caribbean (NACC) regions, assessing independence, accountability and scope of action. The ICAO SAM Regional Office has carried this work forward through the Region's own Meeting of Civil Aviation Authorities (RAAC): at RAAC/18 (São Paulo, February 2025), the Secretariat presented a second phase, aimed at producing practical guidance to strengthen these same attributes among civil aviation authorities of the region.

2.2 Brazil's civil aviation authority (ANAC) features in that initiative as the region's reference case, with its regulatory agenda, regulatory impact analysis practice and continuous market monitoring cited as good practice for the region.

2.3 This initiative, consistent with ICAO's institutional relationship with States, is anchored in the civil aviation authority. A growing share of the decisions that shape connectivity, however, is taken one level up: fuel taxation, tax reform as it applies to air services, concession design, essential air service schemes and consumer protection are typically settled by policy ministries, finance and trade authorities and legislatures — outside the exclusive competence of the civil aviation authority, and outside the scope RAAC's initiative today observes.

2.4 The same logic that has already validated ANAC as a regional reference is, for this reason, equally relevant one level up, where decisions increasingly concentrate. Extending it there is not a departure from the RAAC initiative but its natural continuation into a layer that stands besides, yet outside, the regulator it already observes whether a State maintains a documented public policy agenda, whether its decisions rest on evidence, whether they are evaluated and consulted, and whether sectoral data are public — attributes observable without prescribing any policy outcome.

2.5 Because RAAC convenes civil aviation authorities, it does not by itself hold the convening reach to bring a ministry into the same exercise. Extending the initiative to the policy-making function is therefore a natural matter for consideration at this Conference, whose mandate reaches the wider institutional architecture of air transport.

2.6 A further and welcome effect follows from where policy-making bodies operate. Because their decisions touch taxation, market access and industrial policy, observing their governance also reaches, for the first time in a monitored way, the domain of economic regulation — an area in which ICAO's own economic guidance has otherwise relied on voluntary uptake by States. This is a positive externality of the extension, not its motivating rationale: the case for observing governance one level up stands on its own, as a driver of connectivity and of the conditions for investment in air transport.

3. THE BRAZILIAN EXPERIENCE: THE CONECTAR AGENDA AS A STATE POLICY

3.1 Brazil offers as the object of observation the Conectar Agenda, a State policy for air connectivity comprising thirty-eight measures in three axes — market contestability, reduction of operating costs, and regulatory stability and legal certainty. It was built jointly by the Ministry of Ports and Airports and the Ministry of Development, Industry, Trade and Services, with the support of ANAC and the Department of Airspace Control (DECEA), and of thirty-six private entities representing operators, airports, industry, tourism and academia. Its content is described in the information paper presented by Brazil under Agenda Item 2.1; the account below is confined to the attributes the proposed pilot would observe.

3.2 Its diagnosis and its three axes stand in close proximity to the OECD's 2022 Competition Assessment Review of Brazilian air transport, which reviewed the sector's regulatory stock and issued recommendations across five areas, and converge as well with a separate 2025–2026 public consultation conducted by the Ministry of Finance. Two independent diagnoses of different natures and instances, reaching the same priorities as the Agenda later built by the sector's own institutions, is itself an indicator of the evidentiary discipline the pilot would examine.

3.3 The Agenda is, in this sense, a larger-scale counterpart to the regulatory agenda already noted in Section 2 as ANAC's own good practice — but interinstitutional in scope, spanning taxation, financing, economic regulation, legal certainty, cargo and infrastructure. Its co-authorship by the Ministry of Development, Industry, Trade and Services places air connectivity within the national agenda for competitiveness and regulatory quality, rather than treating it as a sectoral matter confined to transport policy — the integration of civil aviation into wider economic planning that Agenda Item 2.1 addresses.

3.4 The Agenda is anchored in a Technical Cooperation Agreement between the two proposing ministries, with a term of seventy-two months. It establishes a governance perspective for monitoring its own evolution at two levels: a strategic inter-ministerial committee on the public side, and a consultative forum on the private side. This architecture — fixed duration, annexed content revisable only by formal collective deliberation, and dual public–private monitoring — is what legitimizes the Agenda as a public policy document of State, meant to be carried out over the years ahead, rather than a programme of a single administration.

3.5 That is precisely why it is a well-suited object for a governance pilot: a multi-year policy of this kind depends for its results on continuity across government transitions, which is the very attribute the proposed framework is designed to observe. ANAC and DECEA — the institutions with which ICAO maintains its established relationship — participate in this structure; the layer that convenes them and reconciles aviation policy with fiscal, industrial and trade policy is not, at present, within reach of international observation. Brazil offers the Agenda not as a model to be replicated, but as an object from which method may be learned.

4. WHY THE SAM REGION, AND WHY NOW

4.1 A pilot conducted from the SAM Regional Office is timely for a further reason. Building on the 2023 Brasília Consensus, under which the twelve SAM States committed to work progressively towards a Single SAM Aviation Market, a Memorandum of Understanding establishing the basis for a SAM Air Transport Liberalization Agreement (ALAS) was signed in Asunción on 14 July 2026 by Argentina, Brazil, Chile and Paraguay, and was joined by Bolivia and Uruguay on 22 July 2026, bringing to six the number of participating States. That objective is also the first policy pillar of the Conectar Agenda.

4.2 That process demonstrates that the States of the region are able to construct aviation policy collectively when the framework and the convening capacity are in place. A governance pilot conducted by the same Regional Office would build directly on that demonstrated collective capacity and on the convening role the Office has already exercised.

5. A PROPOSED VOLUNTARY PILOT

5.1 The pilot would proceed in three steps: co-design with ICAO of a reference framework of governance attributes, adapted from the same OECD indicators underlying the RAAC initiative; a baseline observation during 2027; and a second observation during 2028 measuring their evolution. Its outputs would be a good practice note and a transferable methodology, published with the agreement of the State concerned.

5.2 Certain safeguards are constitutive of the proposal. The exercise would be voluntary and conducted only at the invitation of the State. It would not constitute an audit, would produce no finding of compliance or non-compliance, and would generate no ranking. It would not examine the substance of any State's policy choices, a sovereign prerogative, but only the institutional quality of the process by which such choices are formed, evidenced and sustained.

5.3 Financing arrangements are already under discussion. Brazil has presented a concept note to a regional development bank setting out a portfolio of initiatives under the Conectar Agenda requiring both financial support and specialized technical capacity: the Conectar Observatory and its public indicator platform; the technical studies underpinning the SAM common aviation market; connectivity in low-density regions, with particular reference to the Brazilian Amazon; and regulatory improvements for airport cargo processing. Observing governance quality has value only where the evidence base exists, and it is that base which most needs multilateral support.

5.4 Brazil records, for clarity, that this is the only request for multilateral financing support it makes at this Conference. The proposals Brazil presents under other agenda items are framed as contributions of experience, data and regulatory practice, and are designed to require no additional resources from existing contributors.

5.5 Extension is naturally sequenced — to other interested States of the region, thereafter to other regions, and, in due course, to consideration by the Council of a permanent place for this dimension within ICAO's analytical work.

6. CONCLUSION

6.1 The governance initiative ICAO already conducts for civil aviation authorities in the SAM region can be extended, voluntarily, one level up, to the function that increasingly shapes the same connectivity outcomes. Brazil proposes that this be tested through a pilot conducted by the ICAO SAM Regional Office, observing the execution of the Conectar Agenda as a multi-year State policy whose results depend on continuity across government transitions — at a moment in which States of the region have shown, through the process leading to ALAS, that they can build aviation policy together. A further and welcome effect of this extension is that it also reaches, for the first time in a monitored way, the domain of economic regulation.