



**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 ECONOMIC REGULATORY OVERSIGHT  
CAPACITY IN CIVIL AVIATION AUTHORITIES: A VOLUNTARY  
PEER-SUPPORT AND TWINNING PROGRAMME**

(Presented by Algeria)

**EXECUTIVE SUMMARY**

The Seventh Worldwide Air Transport Conference (ATConf/7) has identified the advancement of economic regulatory frameworks, the mobilization of financing, the strengthening of workforce and consumer-protection resilience, and the shaping of data-driven policy foundations as core objectives for the decade ahead. Each of these objectives places new and growing demands on the economic regulatory function of Civil Aviation Authorities (CAAs): the capacity to assess traffic rights requests against objective criteria, to monitor competition and market conditions, to negotiate and interpret bilateral and plurilateral air services agreements, and to use data-driven tools in policy design. Unlike safety and security oversight, which benefit from a mature, universal capacity-support architecture built around Universal Safety Oversight Audit Programme (USOAP)/Universal Security Audit Programme (USAP), technical cooperation missions and the International Civil Aviation Organization (ICAO) TRAINAIR PLUS training network, economic regulatory oversight has no equivalent dedicated mechanism. Strengthening this capacity is a challenge common to all States, and the practical implementation of virtually every reform under discussion at this Conference depends on it. This paper proposes that ICAO building on its existing technical cooperation and No Country Left Behind (NCLB) architecture rather than creating a new institutional layer, develop and coordinate a structured and sustained programme for strengthening economic regulatory oversight capacity, based on voluntary and reciprocal peer support and twinning between CAAs, through structured secondments, joint review of representative cases and shared practical toolkits. The African Civil Aviation Commission (AFCAC) and other interested regional organizations would be associated with implementation in their respective regions, with Africa as a natural first field of application.

**Action:** The conference is invited to:

- a) request ICAO to conduct a voluntary stocktaking of Member States' economic regulatory oversight capacity and self-identified needs, distinct from and complementary to USOAP and USAP, as the first phase of a structured programme and to establish an evidence base for its design;
- b) invite ICAO to develop and coordinate, within its existing Capacity Development and Implementation (CDI) Bureau structures and the NCLB strategic goal, and subject to the priorities established by the Organization, a structured and sustained multi-year programme for strengthening economic regulatory oversight capacity. The programme would combine voluntary peer support and

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|                                | <p>twinning between CAAs (through secondments and joint review of representative cases), a shared toolkit repository, and periodic reporting on progress to the appropriate ICAO bodies, without duplicating existing safety and security capacity-building channels and without any audit, assessment or ranking of States; and</p> <p>c) encourage States to consider participating in the programme as providers or beneficiaries of peer support, invite regional organizations, in particular AFCAC, to coordinate and promote participation in their respective regions, and invite States and organizations to report their experience to ICAO to inform the continued development of the programme, associated toolkits and guidance material.</p> |
| <i>Strategic Goals:</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; and No Country Left Behind</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <i>Financial implications:</i> | The proposed actions are expected to be pursued within ICAO's existing and future work programme and available resources, subject to priorities established by the Organization. The costs of secondments would be borne by participating States or funded through extra-budgetary and development-partner contributions.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <i>References:</i>             | <p>Doc 9587, <i>Policy and Guidance Material on the Economic Regulation of International Air Transport</i></p> <p>ICAO Universal Safety Oversight Audit Programme (USOAP) and Universal Security Audit Programme (USAP)</p> <p>ICAO No Country Left Behind (NCLB) Strategic Goal and TRAINAIR PLUS training network</p> <p>ICAO Capacity Development and Implementation (CDI) Bureau, Annual Report and programme of technical assistance to Member States</p> <p>ICAO Assembly Resolution A42-26, <i>Consolidated statement of continuing ICAO policies in the air transport field</i></p> <p>Lomé Ministerial Declaration and Implementation Matrix, African Air Transport Convention and Expo, Lomé, June 2026</p>                                      |

## 1. INTRODUCTION

1.1 This Conference has identified the advancement of economic regulatory frameworks, the mobilization of financing, the strengthening of workforce and consumer-protection resilience, and the shaping of data-driven policy foundations as priorities for the decade ahead. Each of these priorities depends, for its practical realization, on the economic regulatory capacity of Civil Aviation Authorities (CAAs): capacity to assess traffic rights requests against objective criteria, to monitor competition, to negotiate and interpret air services agreements, and to design and use data-driven regulatory tools. This capacity is unevenly distributed across the International Civil Aviation Organization's (ICAO) membership, and, unlike safety and security oversight, has no dedicated global support mechanism of its own.

1.2 This paper proposes a voluntary Peer-Support and Twinning Framework for economic regulatory oversight, under which CAAs with mature capacity in this field support Authorities seeking to strengthen theirs, through structured secondments, joint review of representative cases and shared practical toolkits. The Framework is conceived to build on ICAO's existing technical cooperation architecture, including the *No Country Left Behind* (NCLB) strategic goal and the TRAINAIR PLUS training network, rather than to create a new institutional layer, and is intended to support the practical implementation of the broader reforms under discussion at this Conference under Agenda Item 3.

1.3 For the purposes of this paper, "economic regulatory capacity" refers to the institutional, technical and analytical capability of a CAA to carry out the economic regulatory functions assigned to it under national law and international air transport agreements, consistent with the *Policy and Guidance Material on the Economic Regulation of International Air Transport* (Doc 9587). These functions include the assessment of traffic rights and other economic authorization requests against objective criteria; the negotiation, interpretation and implementation of air services agreements; the monitoring of competition and market conditions; the handling of tariff filings in accordance with applicable agreements; the protection of consumers' interests, where this falls within the Authority's mandate; and the collection and use of data to support policy design. Safety and security oversight, which are covered by the Universal Safety Oversight Audit Programme (USOAP) and Universal Security Audit Programme (USAP), fall outside this scope.

## 2. DISCUSSION

### 2.1 A Capacity Gap Without an Institutional Home

2.1.1 ICAO's safety and security oversight functions benefit from a mature, decades-old capacity-support architecture: universal, standardized audits under USOAP and USAP, structured corrective action plans, dedicated technical cooperation missions and a global training network through TRAINAIR PLUS. Economic regulatory oversight, namely the assessment of traffic rights requests against objective criteria, the monitoring of fair competition, the negotiation and interpretation of bilateral and plurilateral air services agreements, the transparent and timely handling of tariff filings in accordance with those agreements, and the design of data-driven regulatory tools, has no comparable global mechanism. Yet it is precisely the function through which most of the reforms considered at this Conference will ultimately be implemented at the national level, and on which airlines depend for predictable, timely and non-discriminatory decisions.

2.1.2 Economic regulatory oversight is organized differently across States, reflecting differences in legal traditions, market structures, institutional mandates and available resources. Some CAAs have dedicated economic regulation directorates, while others exercise these functions alongside their safety and security responsibilities. All Authorities, however, face a common challenge: the reforms considered at this Conference, whether criteria-based traffic rights mechanisms, fair-competition safeguards, blended-financing arrangements or data-driven policy tools, place growing demands on the economic regulatory function, and their practical value depends on the ability of each Authority to administer them consistently and predictably. Strengthening this capacity is therefore a shared need, on which Authorities at different stages of development can learn from one another.

### 2.2 The Peer-Support and Twinning Framework: Design Principles

2.2.1 The Framework rests on three design principles. First, participation is entirely voluntary and demand-driven: interested Authorities self-declare, through a light stocktaking exercise coordinated by ICAO, either capacity they are able to offer or capacity they seek to build, and pairings are matched accordingly, in the manner already familiar from USOAP's voluntary elements. Second, support is delivered through structured secondments and joint review of representative, anonymized cases, such as the preparation of a bilateral air services negotiation, the handling of a tariff filing or the assessment of a competition complaint, so that capacity is transferred through practical experience rather than generic training alone. Third, the Framework produces and progressively refines shared practical toolkits, including traffic-rights assessment checklists and templates of objective indicators for distinguishing genuine market distortion from normal competitive pressure. These tools are intended to support transparent, timely and non-discriminatory decisions based on objective criteria, in keeping with the principles of fair competition

set out in ICAO Doc 9587, so that Authorities newly building capacity are not required to design methodology from first principles and can draw on tools consistent with criteria-based mechanisms under consideration elsewhere at this Conference.

2.2.2 Africa's experience highlights a challenge of wider global relevance: the distinction between a technical assistance model and a peer-support model. The Framework is deliberately structured as reciprocal peer support between CAAs rather than one-directional technical assistance, since regulatory practice differs across legal traditions and market structures, and providing Authorities also gain from exposure to a wider range of cases and regulatory environments than their own market alone would present. The cost to ICAO's regular budget is limited to coordination and matching, not the funding of secondments, which participating States would bear bilaterally or seek to fund through extra-budgetary and development-partner contributions, consistent with the financing model already used for a number of ICAO technical cooperation activities under the NCLB initiative.

## 2.3 **Why Capacity, Not Just Commitment, Determines Outcomes**

2.3.1 Regulatory capacity is a shared determinant of whether formal commitments translate into commercially usable outcomes. Assessing a request for fifth freedom rights against objective criteria within a predictable timeframe, or distinguishing genuine market distortion from ordinary competitive pressure, requires analytical tools, procedural experience and specialized staff, which all Authorities continue to develop as markets and reforms evolve. Where these are still being built, the objectives of liberalization, namely predictability, timeliness and consistent application of criteria, can be harder to achieve in practice for Authorities and operators alike. These are common implementation challenges rather than shortcomings of policy, and they are best addressed through capacity strengthening rather than through further refinement of the underlying legal commitments.

2.3.2 The Framework's peer-support model is specifically suited to closing this type of gap, because the knowledge required is largely tacit and procedural rather than codifiable in guidance material alone: how a request is actually screened, how a borderline case is reasoned through, how a competition concern is distinguished from ordinary market entry. Structured secondments and joint case review transfer this tacit knowledge directly, in a way that a written guidance document, however well drafted, cannot. Over time, participation also generates a growing body of shared practical experience that ICAO can draw upon to refine its own guidance material and comparative assessment work.

## 2.4 **Institutional Anchoring: Building on, Not Duplicating, Existing ICAO Mechanisms**

2.4.1 The proposed programme is deliberately built on existing ICAO mechanisms rather than established as a new standalone institution. The NCLB initiative already provides a recognized platform for targeted, needs-based support to Member States, and TRAINAIR PLUS already operates the accreditation and quality-assurance infrastructure needed to certify training materials and course providers. ICAO's role would be to structure and coordinate the programme: to conduct the periodic stocktaking, to facilitate the matching of participating Authorities, to maintain the methodological framework and toolkit repository, and to report periodically on progress and lessons learned to the appropriate ICAO bodies. Housing these functions within existing structures avoids new governance arrangements and institutional overlap, limits additional costs, provides continuity over time, and gives the programme immediate access to ICAO's established relationships with regional and sub-regional civil aviation bodies.

2.4.2 The programme is designed as a global mechanism open to any interested Authority, and Africa offers a natural first field of implementation, given the experience of the Single African Air Transport Market (SAATM) and the priorities reflected in the Lomé Ministerial Declaration and Implementation Matrix adopted in Lomé in June 2026. The African Civil Aviation Commission (AFCAC)

and other regional civil aviation organizations are best placed to coordinate and promote participation within their respective regions, and ICAO would work in close consultation with them, in particular AFCAC, in the design and roll-out of the programme. The model should nevertheless be viewed as one implementation methodology rather than a universal template, since Authorities' starting capacity, legal traditions and market structures differ. ICAO's role is to coordinate the programme and maintain the toolkit repository, leaving the substance and pace of each pairing to the participating Authorities.

## **2.5 Safeguards Against Duplication and Undue Burden**

2.5.1 A legitimate concern is that a Framework depending on Authorities volunteering staff time could, in practice, draw disproportionately on a small number of already well-resourced Authorities, or could be perceived as a burden rather than an opportunity by potential providers. The Framework accordingly caps the scope of any single secondment or case review, allows providing Authorities to set the number and type of pairings they are willing to support, and is explicitly framed as reciprocal rather than one-directional, so that providing Authorities also benefit from exposure to a broader range of regulatory practice than their own jurisdiction offers.

2.5.2 A second safeguard concerns confidentiality and competitive sensitivity. Case material shared through secondments and joint review will often touch on commercially or diplomatically sensitive matters, including active bilateral negotiations. The Framework should accordingly operate under standard confidentiality arrangements comparable to those already governing ICAO technical cooperation missions, with case material anonymized or aggregated wherever the underlying commercial or diplomatic sensitivity requires it, so that participation carries no material risk of prejudicing an Authority's own negotiating position.

## **3. POLICY POSITION AND CONCLUSION**

3.1 Experience across regions, including Africa's implementation of SAATM, confirms that the pace and depth of formal liberalization commitments have, in recent years, consistently outrun the regulatory capacity available to implement them. The central challenge for this Conference is accordingly not only to advance further substantive reforms, but to ensure that the institutions responsible for administering them are equipped to do so.

3.2 The voluntary Peer-Support and Twinning Framework proposed in this paper offers a low-cost, reciprocal mechanism for closing this gap, built on ICAO's existing technical cooperation architecture rather than requiring new institutions or significant new budgetary resources. Its relevance is not confined to any single region: every State represented at this Conference administers economic regulatory functions of some description, and every State stands to gain, whether as provider or beneficiary, from a structured channel for exchanging practical regulatory experience.

3.3 This proposal draws directly on the practical experience of Authorities, including Algeria's own, that are themselves in the process of strengthening their economic regulatory capacity, and is offered in that spirit rather than as a demonstrated model of best practice. Algeria stands ready to participate in the proposed stocktaking exercise, both as a potential provider of peer support in specific areas of its own regulatory practice and as a beneficiary in others, and requests ICAO's support in developing the Framework's coordination mechanism, self-assessment methodology and initial toolkit repository, in consultation with interested Member States and regional organizations.