



WORKING PAPER

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

Montréal, HQ, 16 to 20 November 2026

Agenda Item 2: Fostering aviation growth and air connectivity through investments in infrastructure, human capital and partnerships

2.1: Integrating civil aviation into national development and investment plans

**CIVIL AVIATION AS A STRATEGIC COMPONENT OF ECONOMIC DEVELOPMENT IN
SMALL ISLAND DEVELOPING STATES: MODEL AND LESSONS FROM THE DOMINICAN
REPUBLIC**

(Presented by the Dominican Republic)

EXECUTIVE SUMMARY

For Small Island Developing States (SIDS), air connectivity is an enabling infrastructure for tourism, trade, investment, mobility and international integration. This paper describes the experience of the Dominican Republic and an adaptable model comprising governance, safety, infrastructure, human capital, connectivity, financing and evaluation.

According to the International Civil Aviation Organization (ICAO) Inter-American Development Bank (IDB) study, the reform measures implemented since 2006 resulted, between 2006 and 2012, in a 15.5 per cent net increase in per capita gross domestic product (GDP) (USD 607 per inhabitant) and an increase of approximately USD 5.5 billion in GDP. In 2025, the National Aviation Authority recorded 217 620 flights and 19.68 million passengers. The experience suggests that benefits are enhanced when the components of the aviation system are integrated into a public policy with measurable results.

Action: The conference is invited to:

- acknowledge that civil aviation is a strategic component of the economic development and resilience of SIDS, and promote its incorporation into national development and investment plans;
- recommend that SIDS adopt integrated planning comprising a legal and institutional framework, safety, air infrastructure and navigation, human capital, connectivity and national priorities with responsibilities, funding and measurable results; and
- request practical guidance from ICAO on integrating civil aviation into national development and investment plans, including a diagnostic methodology, prioritization criteria, financing options, interinstitutional coordination and comparable indicators.

*Strategic
Goals:*

This working paper relates to Strategic Goals: *The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All; and No Country Left Behind.*

¹ Spanish version provided by the Dominican Republic.

<i>Financial implications:</i>	The measures proposed may require resources for guidance, technical cooperation and capacity-building activities. Their implementation would be subject to the availability of resources from the Regular Programme, voluntary contributions and other applicable funding mechanisms.
<i>References:</i>	<i>Convention on International Civil Aviation (Chicago Convention)</i> Law No. 491-06 on civil aviation and amendments ICAO-IBD, <i>The Impact of Aviation Reforms in the Dominican Republic: A Model of Socioeconomic Growth and Development</i> (2019). Law No. 57-23, system of fiscal incentives for commercial civil aviation United States– Dominican Republic Air Transport Agreement (in force since 19 December 2024) National Aviation Authority, operational and passenger statistics 2017–2025 ProDominicana, air cargo statistics 2015–2025 Central Bank of the Dominican Republic, direct foreign investment statistics by economic activity 2015–2025

1. INTRODUCTION

1.1 For Small Island Developing States (SIDS), air connectivity is essential for market access, tourism, trade and crisis response. The experience of the Dominican Republic involves a sequence of public policy measures taken to modernize the legal and institutional framework, strengthen operational safety, invest in infrastructure and human capital, open markets and measure results, with coordination among authorities, public institutions, operators and the private sector.

2. DISCUSSION

2.1 In the Dominican Republic, Law No. 491-06 reorganized the aviation system, separated technical from economic functions and gave the civil aviation authority administrative and financial autonomy, laying the groundwork for the strengthening of institutional capacity and safety oversight.

2.2 The case study conducted by the International Civil Aviation Organization (ICAO), with the support of the Inter-American Development Bank, provides the most robust quantitative evidence on this cycle of reforms. Using an econometric model covering 20 comparable States, the study estimated a net increase in per capita gross domestic product (GDP) of 15.5 per cent (USD 607 per inhabitant) between 2006 and 2012, adding approximately USD 5.5 billion to GDP, and a rise of 23-27 per cent in passenger traffic between the United States and the Dominican Republic. These estimates relate to the reform package implemented during that period and should not be automatically extrapolated to subsequent measures.

2.3 A consistent aviation policy incorporated instruments aimed at enhancing competitiveness and market access. Law No. 57-23 provided tax incentives for commercial civil aviation, and the United States–Dominican Republic Air Transport Agreement modernized the bilateral framework. These instruments introduce favorable conditions for new routes, frequencies and services, the effects of which will need to be measured using later data. For the National Aviation Authority, this potential expansion entails greater demands in terms of oversight, technical capacity and air navigation services.

2.4 The Dominican experience exhibits a chain effect: clear governance and adequate operational capacity foster connectivity and market access, which can promote tourism, trade, investment,

employment, mobility and resilience. These benefits require coordination with national development policies. In operational terms, the sequence comprises governance (clear mandates, coordination and reliable regulation), security and capacity (oversight, infrastructure, technology and human capital), connectivity (routes, frequencies, destinations, capacity and market access), economic channels (tourism, cargo, trade, investment, employment and mobility), and development and resilience (productivity, territorial integration and crisis response).

2.5 Between 2020 and 2026, investment in aeronautical equipment projects rose to USD 65.38 million, covering initiatives in surveillance, air navigation, communications, meteorology and aeronautical information. The main activities are summarized in the Appendix.

2.6 Between 2017 and 2025, air operations recorded by the National Aviation Authority increased by 20.1 per cent, and the number of passengers transported rose by approximately 42 per cent. In the first half of 2026, operations grew by 6.7 per cent and passenger numbers by 9.3 per cent compared to the same period in 2025. Growth has also been observed in air cargo and tourism-related investment, as summarized in the table. While these indicators do not point to aviation policy as the sole cause, they do show that system strengthening, connectivity and economic activities dependent on air transport developed concurrently.

Indicator	Base year	Base value	Final year	Final value	Variation
Air operations	2017	181 257	2025	217 620	+20,1 %
Passengers transported	2017	13.9 million	2025	19.68 million	≈ +42 %
Air cargo	2015	105 439 481 kg	2025	118 222 137 kg	+12,1 %
Direct foreign investment in hospitality and tourism	2015	USD 671.9 million	2025	USD 1 323.5 billion	+97,0 %

Sources: National Aviation Authority, operational and passenger statistics; ProDominicana, air cargo statistics; Central Bank of the Dominican Republic, statistics on foreign direct investment in tourism. The passenger figure for 2017 is an estimate.

2.7 Although these indicators do not, in and of themselves, demonstrate a causal relationship attributable exclusively to aviation policy, they show that aviation system strengthening, expanded market access and the performance of economic sectors reliant on air connectivity develop concurrently. To sustain this growth, regulatory and operational capacity, safety oversight, air navigation services, infrastructure and human capital must be regularly aligned with the volume and increasing complexity of operations.

2.8 The Dominican experience serves to identify a five-stage planning cycle that can be adapted to other SIDS: diagnostics, prioritization, integration and financing, implementation and evaluation. The model and minimum indicators are set out in the Appendix.

3. CONCLUSION

3.1 The Dominican experience shows that civil aviation can make a significant contribution to economic development when regulation, safety, connectivity, infrastructure, human capital and investment are managed in a coordinated manner and there is institutional continuity. This approach is particularly relevant for SIDS, which rely on air transport to participate in international markets.

3.2 The lesson that can be learned from this experience lies not in replicating a specific institution, rule or incentive, but in adapting a cycle of diagnostics, prioritization, integration into national planning, financing, implementation and evaluation, all grounded in demonstrated needs, life-cycle costs and outcome indicators. The exchange of experiences and technical assistance tailored to each State can further the development of more inclusive, sustainable and resilient air transport.

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APPENDIX

PLANNING MODEL AND INDICATORS DERIVED FROM THE EXPERIENCE OF THE DOMINICAN REPUBLIC

This Appendix summarizes initiatives to modernize aeronautical equipment and the planning cycle derived from the experience of the Dominican Republic. To be applied in other SIDS, the model and indicators should be adapted to the conditions and priorities of each State.

A. Main activities to modernize aeronautical equipment

Area	Relevant activities	Operational contribution
Air traffic control and oversight	Air traffic control centres, Cibao TMA oversight, PSR/SSR for Cabo Rojo, ADS-B	Wider oversight coverage, continuity and capacity
Navigation and communications	DVOR/DME at Punta Cana and San Isidro, communications at Puerto Plata, Punta Cana, La Romana and Norge Botello, ATM servers	Enhanced CNS/ATM availability and interoperability
Meteorology	Doppler weather radar stations at Las Américas, Punta Cana and Isabel de Torres, Puerto Plata	Better weather information, not equivalent to ATC radar coverage
Information and airfields	AIS–AIM transition, control room at San Isidro, equipment associated with the development of Cabo Rojo	More timely and interoperable data, and support for new airport capacity

B. Planning cycle and minimum indicators

Phase	Minimum decision or outcome	Minimum indicators
1. Diagnostics	Identify legal, institutional, operational, technological and human capital shortfalls	Efficient application of Universal Safety Oversight Audit Programme (USOAP), findings and closure, stated capacity, system availability, technical staff
2. Prioritization	Prioritize as a function of demand, risk, anticipated benefit and life-cycle cost	Operations, passengers, routes/destinations, frequencies, cargo, demand forecasts
3. Integration and funding	Integrate investment in national plans and structure fundable projects	Planned/implemented investment, funding, life-cycle cost, physical and financial progress
4. Implementation	Implement, certify and put into service the planned capacity	Capacity installed, operational availability, workforce trained, milestones and deadlines
5. Evaluation	Measure results and adapt activities	Routes/destinations/frequencies, passengers/operations, cargo, tourism revenues, tourism investment, employment, geographical distribution, crisis recovery