



ICAO

International Civil Aviation Organization
North American, Central American and Caribbean Office

INFORMATION PAPER

NACC/DCA/13 — IP/15
23/07/25

**Thirteenth North American, Central American and Caribbean Directors of Civil Aviation Meeting
(NACC/DCA/13)**

Santo Domingo, Dominican Republic, 4 to 7 August 2025

Agenda Item 7: Air Transport (AT) Regulation and Air Connectivity

NACC PROJECT PROPOSALS - THE ECONOMIC DEVELOPMENT OF AIR TRANSPORT ASSURES THE DELIVERY OF ECONOMIC PROSPERITY AND SOCIETAL WELL-BEING FOR ALL

(Presented by the Secretariat)

EXECUTIVE SUMMARY

This paper informs on the current ICAO project proposals under its strategic goals towards supporting the implementation by States for achieving specific strategic goals and in this case for the specific goal on “economic development of air transport assures the delivery of economic prosperity and societal well-being for all”.

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| <i>Strategic Objectives:</i> | <ul style="list-style-type: none">• Economic Development of Air Transport |
| <i>References:</i> | <ul style="list-style-type: none">• ICAO NACC Long Term Strategic Plan |

1. Introduction

1.1 Under the ICAO Long term Strategic Plan 2028-2050, under the Strategic Goal No Country Left Behind, ICAO is requested to lead collaboration and cooperation, including with the support of its Member States and stakeholders, for continuous capacity building and support, enabling the achievement of safety, security, efficiency, and sustainability goals for aviation. This means States will benefit from ICAO’s implementation support and resource mobilization activities, which are designed to promote the effective implementation of policies, standards and recommended practices and help overcome resource limitations that impact infrastructure, finance, training, supply chain access and coordination, especially in developing countries. This approach ensures that the benefits described in this strategic plan are enjoyed by all people, leaving No Country Left Behind.

1.2 Similarly, to successfully achieve the strategic goals outlined in the Long-Term Strategic Plan, ICAO has identified a set of High Priority Enablers as critical cross-cutting factors that underpin the successful implementation of the strategic goals and ensure that the benefits of aviation are realized across all strategic areas. One of these is the partnerships, resource mobilization and financial sustainability, which acknowledges partnerships as being intrinsically intertwined to aviation and to resource mobilization for States and the Organization, facilitating ICAO to achieve its strategic goals in

support of the UN Sustainable Development Goals. ICAO will unite Member States, UN system organizations, agencies, funds and programmes, international associations and other stakeholders to leverage the diverse capabilities, resources and knowledge of ICAO's partners, while ensuring alignment to the Organization's principles, objectives and values, and the financial sustainability and flexibility of the Organization.

2. ICAO Project Proposals

2.1 Under these considerations and to support the accomplishment of Strategic Goal for The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All, the ICAO NACC Regional Office proposed for this upcoming A42 two Project proposals:

- a) Technical Assistance for enhancing Air Connectivity and Air Transport Liberalization in Central America- **Appendix A**
- b) Technical Assistance for enhancing Air Connectivity and Air Transport Liberalization in the Eastern Caribbean/CARICOM Area- **Appendix B.**

3. Conclusion

3.1 Partnerships, Resource Mobilization and Financial Sustainability, are key enablers for assisting States for complying with and supporting State implementation of ICAO SARPs. The active participation and funds-resource provision/ mobility from donors States and international organizations is a critical element toward developing the States and the region aviation as a sustainable, cost-effective solution.

APPENDIX A
TECHNICAL ASSISTANCE FOR ENHANCING AIR CONNECTIVITY AND AIR TRANSPORT LIBERALIZATION IN
CENTRAL AMERICA

Beneficiary States or Organizations:

ICAO Central American (CA) States (6): Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua

Problem statement and needs

The Central American States area suffers from low intra-regional connectivity (limited direct flights between Central American countries and failed low-cost ventures- high operational costs and regulatory hurdles) and a lack of Air Transport (AT) liberalization, which significantly hampers regional integration, economic development, and tourism growth. Despite the geographic proximity among the States in Central America, intra-regional travel is often expensive, inefficient, and poorly coordinated due to restrictive aviation policies, and high taxes and fees.

These challenges result in:

- **Reduced mobility** for Central American citizens and businesses.
- **Barriers to trade and tourism**, especially for smaller States.
- **Limited competition** among airlines, leading to high fares and poor service.

Addressing these issues requires coordinated policy reform, investment in aviation infrastructure, and the implementation of open skies agreements to foster a more integrated and accessible Caribbean air transport network.

Implementation supports components and activities

To improve air connectivity and air transport liberalization in the Central American area, this proposal includes a comprehensive set of activities aimed at addressing infrastructure, regulatory frameworks, institutional capacity, and regional cooperation through the following modules in three phases for supporting all the Central American States:

Phase 1: 10,000 USD – for an assessment of the Central American area`s air connectivity and level of liberalization based on Regional agreements and increase traffic forecast (Subject Matter Expert (SME) to conduct evaluation – 3,000) plus a workshop to further share and analyse the results towards an joint operationalization Plan and interaction with users (airlines, etc.,) (SME to conduct workshop and coordination- 7,000 USD)

Phase 2: 35,000 USD - Regulatory and Policy Support: Harmonize and modernize the air transport regulatory framework across the Central American States based on SICA and other regional instruments and BASAs/MASAs: Primary aviation legislation (LEG) SMEs to support 3 States in drafting AT policies and cross reference for harmonization and common agreements, provide legal advisory services and conduct workshops- 25,000 USD) and Capacity Building and Training - Strengthen institutional capacity of civil aviation authorities and regional bodies with workshops. (SMEs to conduct workshops using aviation data analysis and forecasting and Airport economics and management – 10.000 USD)

Phase 3: 15,000 USD – Assessment of airport and Air Navigation Services Provider (ANSP) infrastructure readiness toward enhancing capacity for Air transport: To be coordinated with Air Navigation Services (ANS) and Airport Implementation groups of the North American, Central American and Caribbean Working Group (NACC/WG) (SME to lead coordination and assess).

Expected outcomes

- Promote regional AT liberalization
- Reduce regulatory barriers, increase competition, and allow more flexible airline operations across the region.
- Enhance Intra-Regional Air Connectivity
- Reduce Air Travel Costs in the Caribbean
- Strengthen Institutional and Regulatory Capacity

Progress and results will be reported by the ICAO NACC/DCA Meeting

Risks level

Medium

Project value: 60,000.00 USD

Duration: 24 months

APPENDIX B
TECHNICAL ASSISTANCE FOR ENHANCING AIR CONNECTIVITY AND AIR TRANSPORT (AT)
LIBERALIZATION IN THE EASTERN CARIBBEAN/CARICOM AREA

Beneficiary States or Organizations:

ICAO Caribbean (CAR) States (8): Antigua and Barbuda, Barbados, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago

Problem statement and needs

The Eastern Caribbean area suffers from limited air connectivity and a lack of AT liberalization, which significantly hampers regional integration, economic development, and tourism growth. Despite the geographic proximity of the islands, intra-regional travel is often expensive, inefficient, and poorly coordinated due to restrictive aviation policies, high taxes and fees, and the absence of unified airspace.

These challenges result in:

- Reduced mobility for Caribbean citizens and businesses.
- Barriers to trade and tourism, especially for smaller and less-connected islands.
- Limited competition among airlines, leading to high fares and poor service.
- Underutilization of regional economic potential and missed opportunities for collaboration.

Addressing these issues requires coordinated policy reform, investment in aviation infrastructure, and the implementation of open skies agreements to foster a more integrated and accessible Caribbean AT network.

Implementation support components and activities

To improve air connectivity and AT liberalization in the Eastern Caribbean area, the following proposal includes a set of activities aimed at addressing infrastructure, regulatory frameworks, institutional capacity, and regional cooperation through the following modules in three phases for supporting all the Eastern Caribbean States.

Phase 1: 18,000 USD - Assessment of the Eastern Caribbean region's air connectivity and level of liberalization based on regional agreements and increase traffic forecast (Subject Matter Expert (SME) to conduct evaluation – 8,000) and a workshop and liaison with regional organization (CARICOM, LACAC, ACS, etc.,) for joint operationalization Plan and interaction with users (airlines, etc,) (SME to conduct workshop and coordination-10,000 USD)

Phase 2: 55,000 USD - Regulatory and Policy Support: Harmonize and modernize the AT regulatory framework across the Eastern Caribbean based on ICAN, MASA and other regional instruments and BASAs/MASAs. (Primary aviation legislation (LEG) SMEs to support 4 States in drafting AT policies and cross reference for harmonization and common agreements, provide legal advisory services and conduct workshop- 25,000 USD) and Capacity Building and Training - Strengthen institutional capacity of civil aviation authorities and regional bodies. (SMEs to conduct workshops on: Open Skies agreements, Public-Private Partnerships (PPPs in aviation, Route development and incentive strategies as well as deliver training on: air traffic rights negotiation and aviation data analysis and forecasting and airport economics and management – 15,000 USD). Data Collection and Market Analysis- Support data-driven policy and investment decisions (SMEs to develop and support national

and regional aviation databases (traffic, cost, revenues, connectivity indices), conduct route feasibility studies and connectivity gap analyses and assess socio-economic benefits of liberalization (e.g., jobs, tourism, trade) as well as deliver a workshop of results – 15,000USD).

Phase 3 Assessment of airport and Air Navigation Services Provider (ANSP) infrastructure readiness toward enhancing capacity for AT: To be coordinated with Air Navigation Services (ANS) and airport Implementation groups of the North American, Central American and Caribbean Working Group (NACC/WG) and the Eastern Caribbean Civil Aviation Technical Group (E/CAR/CATG) (SME to lead coordination and assess – 15,000 USD)

Expected outcomes

- Promote AT Liberalization
- To reduce regulatory barriers, increase competition, and allow more flexible airline operations across the region.
- Enhance Intra-Regional Air Connectivity
- Reduce Air Travel Costs in the Caribbean
- Strengthen Institutional and Regulatory Capacity
- Support Airline Sustainability and Market Entry
- Promote Data Sharing and Regional Planning

Progress and results will be reported by the ICAO NACC/DCA meeting

Risk level

Medium

Project value: 88,000.00 USD

Duration: 30 months