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ASSEMBLY — 41ST SESSION

ECONOMIC COMMISSION

**DRAFT TEXT FOR THE REPORT
ON
AGENDA ITEM 38**

The attached material on Agenda Item 38 is submitted for consideration by the Economic Commission.

Agenda Item 38: Economic Development of Air Transport

38.1 In WP/17, the Council presented a revised *Consolidated statement of continuing ICAO policies in the air transport field* for consideration and adoption by the Assembly, which would replace Resolution A40-9. The proposed revisions to the Resolution were designed to remove outdated contents and incorporate developments since the last Assembly, including the outcome of the Sixteenth Meeting of the Air Transport Regulation Panel (ATRP/16). The major amendments also reflect the Council's consideration on the developments regarding the economic aspects of airport and air navigation services, big data analytics, long-term forecasts and aviation satellite account. The impact of the COVID-19 pandemic and the actions required in relevant areas were also incorporated.

38.2 Through information paper WP/448, China outlined information on addressing baggage related concerns within its air transport industry through the development of a whole-process baggage tracking system that utilizes Radio-Frequency Identification (RFID) technology. The paper promoted innovation, digitization and intelligent development trend within the air transport industry.

38.3 In information paper WP/217, the Dominican Republic shared its experience following the signing of the Memorandum of Understanding between the civil aviation authorities of the Member States of the Latin American Civil Aviation Commission (LACAC), which grants Seventh Freedom rights to all-cargo services. The paper promoted progressive liberalization of air transport, in particular for all-cargo services.

38.4 The Commission reviewed the draft resolution on *Consolidated statement of continuing ICAO policies in the air transport field* contained in the Appendix to WP/17 and agreed upon a number of proposed insertions and amendments. Clarification was provided on Appendix A, Section I, on the issue of requesting the Council to conduct an in-depth assessment on the need to examine whether to develop guidance material on the economic regulation for international operations of unmanned aircraft. One Member State proposed that taxation of aviation fuels could be further explored by ICAO. The Commission recommended to the Plenary to adopt the following Resolution, which would supersede Resolution A40-9.

Resolution 38/1: Consolidated statement of continuing ICAO policies in the air transport field

Whereas the Convention on International Civil Aviation establishes the basic principles to be followed by governments to ensure that international air transport services may be developed in an orderly, regular, efficient, economical, harmonious and sustainable manner and it is therefore one of the purposes of ICAO to support principles and arrangements in order that international air transport services may be established on the basis of equality of opportunity, sound and economic operation, mutual respect of the rights of States and taking into account the general interest;

Whereas air transport is of fundamental importance to the sustainable development of the economies of States by promoting and facilitating tourism and trade;

Whereas it is increasingly difficult, particularly for developing countries, to secure the necessary resources required to optimize the opportunities and meet the challenges inherent in the development of air transport, and to keep pace with the challenges posed by demands on air transport;

Whereas the Organization prepares guidance, studies and statistics on the development of air transport for Member States on a continuing basis and these should be kept current, focused and relevant and should be disseminated to Member States through the most effective means;

Whereas Member States are required to provide accurate and factual statistical data and other information in order that the Organization may prepare relevant guidance and studies;

Whereas the Organization is moving toward management by objective with more focus on implementation of air transport policies and associated guidance in line with the *No Country Left Behind* (NCLB) initiative, rather than considering setting standards under this Strategic Objective;

Whereas guidance developed by the Organization, and action taken by the Organization in implementing its Strategic Objective – *Economic Development of Air Transport*, should assist Member States in developing policies and practices that facilitate the globalization, commercialization and liberalization, as well as the creation of a favourable environment for the sustainable development of, international air transport; ~~and~~

Whereas the Organization has developed *Guidance on Economic and Financial Measures to Mitigate the Impact of the Coronavirus Outbreak on Aviation* for Member States and the industry to cope with the economic fallout of the COVID-19 pandemic, alleviate the imminent liquidity and financial strain on the industry, and strengthen the industry resilience to future crisis;

Whereas the Ministerial Declaration adopted at the High-level Conference on COVID-19 (HLCC 2021) confirmed the importance of support provided for the aviation sector, including economic and financial support, to sustain operations and ensure the provision of essential services while safeguarding fair competition and equal opportunities; and

Whereas it is important for Member States to participate in the work of the Organization in the air transport field;

The Assembly:

1. *Resolves* that the Appendices attached to this resolution and listed below constitute the consolidated statement of continuing ICAO policies in the air transport field, as these policies exist at the close of the ~~40th~~ 41st Session of the Assembly:

Appendix A — Economic regulation of international air transport

Appendix B — Taxation

Appendix C — Airports and air navigation services economics

Appendix D — Aviation data and statistics

Appendix E — Forecasting, planning and economic analyses

2. *Urges* Member States to have regard to these policies and their continuing elaboration by the Council and by the Secretary General in the relevant ICAO documents;

3. *Urges* Member States to make every effort to fulfil their obligations, arising from the Convention and Assembly resolutions, to support the work of the Organization in the air transport field, and, in particular, to provide complete and prompt statistical and other information requested by the Organization for its air transport work;

4. *Urges* Member States in their regulatory functions to have regard to the policies and guidance material developed by ICAO on economic regulation of international air transport, such as those contained in Doc 9587, *Policy and Guidance Material on Economic Regulation of International Air Transport*;
5. *Requests* the Council to attach particular importance to financing challenges of aviation infrastructure and capacity development, commensurate with the level of predicted traffic growth, especially in developing countries;
6. *Requests* the Council, when it considers it of benefit to the work on any air transport issue, to consult expert representatives from Member States by the most appropriate means, including the establishment of panels or Secretariat study groups of such qualified experts, who would meet or work by correspondence and subsequently report to the Air Transport Committee in accordance with Doc 9482, *Directives for Panels of the Air Transport Committee and the Committee on Unlawful Interference*;
7. *Requests* the Council to convene Conferences or Divisional meetings, in which all Member States may participate, as the principal means of progressing the resolution of issues of worldwide importance in the air transport field, when such meetings are justified by the number and importance of the issues to be dealt with and where there is the likelihood of constructive action upon them;
8. *Requests* the Council and the Secretary General to disseminate and promote ICAO's air transport policies and associated guidance to and amongst Member States;
9. *Requests* the Council and the Secretary General to continue to promote and raise awareness of the *Ministerial Declaration of the High-level Conference on COVID-19*, while efforts are made to implement the relevant provisions of the Declaration;
10. *Requests* the Council and the Secretary General to take necessary action to implement Assembly resolutions and decisions concerning the Organization's air transport activities, and to monitor and assist the implementation by States of ICAO's policies in the air transport field;
11. *Requests* the Council to keep the consolidated statement of ICAO's air transport policies under review and advise the Assembly when changes are required to the statement;
12. *Requests* the Council to keep ICAO's policies and guidance material in the air transport field current and responsive to changes and the needs of Member States while preserving the core principles on which they are based; and
13. *Declares* that this resolution supersedes Resolution A39-15 A40-9.

APPENDIX A

Economic regulation of international air transport

Section I. Basic principles and long-term vision

Whereas the basic principles of sovereignty, fair and equal opportunity, non-discrimination, interdependence, harmonization and cooperation set out in the Convention have served international air transport well and continue to provide the basis for and contribute to its future development;

Whereas multilateralism to liberalize international air transport, especially the exchange of commercial rights, including traffic rights, on a multilateral basis to the greatest possible extent continues to be an objective of the Organization;

Whereas within the framework of the Convention, Member States have many differing regulatory goals and policies but share a fundamental objective of participation through reliable and sustained involvement in the international air transport system;

Whereas there is a need to adapt to the changing regulatory and operating environment in the air transport field and the Organization has accordingly developed policy guidance for the regulation of international air transport, including model clauses and template air services agreements;

Whereas the tremendous impact of COVID-19 on the aviation sector in terms of resilience, sustainability or recovery requires interaction between different policy and technical areas to find adequate solutions for the sector;

Whereas, most international air services are governed by bilateral or multilateral Air Services Agreements (ASAs) among States or regional groups of States, and which are indispensable to international air transport because they provide a predictable framework where air carriers can operate and sustain future air services, and therefore any restrictions introduced in response to a crisis should be kept to a minimum and reconciled with the requirements of ASAs;

Whereas there is need to build further understanding of the challenges and benefits associated with market access liberalization, both in terms of passenger and cargo services;

Whereas the provision of regular and reliable air transport services is of fundamental importance to the development of the economies of States, especially the developing States, including those dependent on tourism;

Whereas the Organization has adopted the long-term vision for international air transport liberalization which states: *We, the Member States of the International Civil Aviation Organization, resolve to actively pursue the continuous liberalization of international air transport to the benefit of all stakeholders and the economy at large. We will be guided by the need to ensure respect for the highest levels of safety and security and the principle of fair and equal opportunity for all States and their stakeholders;*

Whereas the compliance of Member States with provisions of the Convention and the universal adherence to the *International Air Services Transit Agreement* (IASTA), the *Convention for the Unification of Certain Rules for International Carriage by Air* (Montréal Convention of 1999), the *Convention on International Interests in Mobile Equipment* (Cape Town Convention) and its Protocol on Matters Specific to Aircraft Equipment and other ICAO instruments governing international air transport can facilitate and contribute to the achievement of the objectives of the Organization; ~~and~~

Whereas consumer interest should be given due regard in the development of national or regional policies and regulations of international air transport; and

Whereas discussions in the Air Transport Regulation Panel indicate wide support to examine the need to develop economic and regulatory aspects of guidance material on economic regulation for international operations of unmanned aircraft, in view of the increasing global operations of unmanned aircraft.¹

The Assembly:

1. Urges all Member States to give regard to, and apply, the ICAO *Long-term Vision for International Air Transport Liberalization* in policy-making and regulatory practices;

2. Encourages Member States to pursue liberalization of market access at a pace and in a manner appropriate to needs and circumstances, giving due regard to the interests of all stakeholders, the changing business environment and infrastructure requirements, as well as to the principles pertaining to safeguard measures designed to ensure the sustained and effective participation of all States, including the principle of giving special consideration to the interests and needs of developing countries;

3. Urges Member States to avoid adopting unilateral and extraterritorial measures that may affect the orderly, sustainable and harmonious development of international air transport and to ensure that domestic policies and legislation are not applied to international air transport without taking due account of its special characteristics;

4. Urges Member States that have not yet become parties to the IASTA, the Montréal Convention of 1999, the Cape Town Convention and its Protocol and other ICAO instruments governing international air transport to give urgent consideration to so doing;

5. Urges all Member States to register all agreements and arrangements relating to international civil aviation with ICAO in accordance with Article 83 of the Convention and the *Rules for Registration with ICAO of Aeronautical Agreements and Arrangements*, to enhance transparency;

6. Urges Member States to keep the Council fully informed of serious problems arising from the application of air services agreements or arrangements and of any significant developments in the liberalization process;

7. Encourages States to ensure that national regulations on air transport reflect and complement key ICAO priorities;

8. Urges Member States to give due regard to the distinct features of air cargo services when exchanging market access rights in the framework of air service agreements and grant appropriate rights and operational flexibility so as to promote the development of air cargo services, including those enabling e-commerce;

89. Urges Member States, in dealing with the issues related to slot allocation and night flight restrictions, to give due consideration to the needs and concerns of other States and make every effort

¹ Text has yet to be finalized

to resolve any concerns through consultation between the parties concerned, in a transparent and non-discriminatory manner, and to respect and follow the ICAO Balanced Approach principle in regulatory action on aircraft noise management at airports;

~~9~~10. *Urges* Member States and concerned stakeholders to give regard to, and apply, the ICAO high-level, non-binding, non-prescriptive core principles on consumer protection in policy-making and regulatory and operational practices, including in case of massive disruptions impacting aviation, and to keep ICAO informed of the experiences gained or issues encountered in their application;

~~10~~11. *Requests* the Council to strongly support the exchange of views and good practices on the application of the ICAO core principles on consumer protection as this effort could help encourage compatibility among national or regional regimes, taking into account the needs of States for flexibility given their social, political and economic characteristics;

~~11~~12. *Encourages* Member States to continue to make use of and benefit from the ICAO Air Services Negotiation (ICAN) facility, which facilitates and improves the efficiency of their air services negotiations and consultations;

~~12~~13. *Requests* the Council to ~~undertake further work to~~ continue to build a better understanding of the benefits and challenges of liberalization and barriers to opening market access, so that further consideration could be given to the development of a multilateral approach at the appropriate time;

~~13~~14. *Requests* the Council to examine whether there is a need to consider the development of a specific international agreement to facilitate further liberalization of air cargo services, in view of the critical role of air cargo services during the COVID-19 pandemic and the surge in global demand for the services;

~~14~~15. *Requests* the Council to conduct an in-depth assessment ~~of for the need to develop for guidance on the~~ economic regulation of international operations of unmanned aircraft systems, and to coordinate the gathering and sharing of information and best practices on economic regulatory issues on unmanned aircraft amongst Member States;²

~~15~~16. *Requests* the Council to promote the use and adherence to the key principles of the ICAO Guidance on Economic and Financial Measures, which should be updated when deemed necessary;

~~16~~17. *Requests* the Council to establish appropriate interactions between different committees, panels and working bodies within the Organisation to make sure that their respective policy areas are appropriately addressed in their respective work;

138. *Requests* the Council to continue to enhance dialogue and exchange of information with Member States and industry, taking into account the goals of the *ICAO Long-term Vision for International Air Transport Liberalization*, concerning the past experience and achievements of States, including existing liberalization agreements concluded at bilateral, regional and multilateral levels, as well as the applicability and relevance of the existing multilateral air law treaties, and the various proposals presented during the Sixth Worldwide Air Transport Conference (ATConf/6);

² Text has yet to be finalized

~~147~~¹⁴⁹. *Requests* the Council to continue to cooperate with regional and subregional bodies in the examination and development of measures of cooperation, including liberalized arrangements, and the results of these measures, in order to see whether similar or other measures should at the appropriate time be recommended to Member States for application on a wider basis; ~~and~~

~~158~~²⁰. *Requests* the Council to prepare guidelines in order to provide States with the flexibility to temporarily respond to international crises whilst protecting the integrity of ASAs, facilitating the continuation of traffic during a crisis and ensuring a return to “normal” afterwards, taking into consideration in particular, lessons learned from the COVID-19 pandemic, which has been a shock of unprecedented scale to the international aviation system; and

~~215~~. *Requests* the Council to continue the comparative and analytical study of the policies and practices of Member States in the regulation of international air transport, including the provisions of air services agreements, and to share such information with Member States.

Section II. Air carrier ownership and control

Whereas the strict application of the criterion of substantial ownership and effective control for the authorization of an airline to exercise route and other air transport rights could deny many States a fair and equal opportunity to operate international air services and to optimize the benefits to be derived therefrom;

Whereas airline designation and authorization for market access should be liberalized at each State’s pace and discretion progressively, flexibly and with effective regulatory control in particular regarding safety and security;

Whereas the broadening or the flexible application of the criteria for airline designation and authorization could help create an operating environment in which international air transport may develop and flourish in a stable, efficient and economical manner, and contribute to the participation objectives of States in the liberalization process, without prejudice to States’ obligations for aviation safety and security;

Whereas the realization of developmental objectives among States is increasingly being promoted by cooperative arrangements in the form of regional economic groupings and functional cooperation symbolic of the affinity and community of interest; and

Whereas discussions in the Air Transport Regulation Panel indicate wide support for on-going work to develop a multilateral instrument on the liberalization of air carrier ownership and control;

The Assembly:

1. *Urges* Member States to continue to liberalize air carrier ownership and control, according to needs and circumstances, through various existing measures such as waivers of ownership and control restrictions in bilateral air services agreements or designation provisions recognizing the concept of community of interest within regional or subregional economic groupings, and those recommended by ICAO;

2. *Urges* Member States to accept such designations and allow such airlines to exercise the route rights and other air transport rights of a State or States, in particular developing States, within the same grouping, under mutually acceptable terms and conditions including air transport agreements negotiated or to be negotiated by the parties concerned;
3. *Urges* Member States to recognize the concept of community of interest within regional or subregional economic groupings as a valid basis for the designation by one State or States of an airline of another State or States within the same regional economic grouping where such airline is substantially owned and effectively controlled by such other State or States or its or their nationals;
4. *Urges* Member States to give consideration to the use of alternative criteria for airline designation and authorization, including those developed by ICAO, and to adopt a flexible and positive approach to accommodate other States in efforts to liberalize air carrier ownership and control without compromising safety and security;
5. *Invites* Member States with experience in various forms of joint operation of international air services to submit to the Council, on a continuing basis, information concerning their experience, so that the Organization may have information that might be of assistance to Member States;
6. *Requests* the Council to address the remaining issues of concern to be able to make progress towards a Convention on Foreign Investment in Airlines, which aims to liberalize air carrier ownership and control on a multilateral basis in line with the *ICAO Long-term Vision for International Air Transport Liberalization*; and
7. *Requests* the Council to give assistance, when approached, to Member States that take the initiative in developing cooperative arrangements for the joint ownership and operation of international air services, directly among themselves or whose airlines develop such arrangements, and to promptly circulate to States information concerning such cooperative arrangements.

Section III. Cooperation in regulatory arrangements and competition

Whereas certain economic, financial and operational constraints unilaterally introduced at the national level affect the stability of, and tend to create unfair discriminatory trading practices in, international air transport and might be incompatible with the basic principles of the Convention and the orderly and harmonious development of international air transport; ~~and~~

Whereas one of the key principles recommended by the ICAO Council Aviation Recovery Task Force (CART), for a safe, secure and sustainable restart and recovery of the global aviation sector from the disastrous impact of the COVID-19 pandemic, was for States and financial institutions to consider the need to provide direct and/or indirect support in various proportionate and transparent ways; and

Whereas the Organization has developed policy guidance for States to foster harmonization and compatibility of regulatory approaches and practices for international air transport, including on competition matters;

The Assembly:

1. *Urges* Member States to take into consideration that fair competition is an important general principle in the operation of international air transport services;
2. *Urges* Member States to develop competition laws and policies that apply to air transport, taking into account national sovereignty and to consider ICAO guidance on competition;
3. *Urges* Member States to encourage cooperation among regional and/or national competition authorities when dealing with matters relating to international air transport, including in the context of approval of alliances and mergers;
4. *Encourages* Member States to incorporate the basic principles of fair and equal opportunity to compete, non-discrimination, transparency, harmonization, compatibility and cooperation set out in the Convention and embodied in ICAO's policies and guidance in national legislation, rules and regulations, and in air services agreements;
- ~~5. *Urges* Member States to consider appropriate extraordinary emergency measures during critical periods of industry crisis, to support financial viability and maintain adequate level of safe, secure and efficient operations, which should be inclusive, targeted, proportionate, transparent, temporary and consistent with ICAO's policies, while striking an appropriate balance among the respective interests, without prejudice to fair competition and compromising safety, security and environmental performance;~~
56. *Requests* the Council to develop tools such as an exchange forum to enhance cooperation, dialogue and exchange of information on fair competition between States with a view to promoting compatible regulatory approaches towards international air transport; and
67. *Requests* the Council to continue to monitor developments in the area of competition in international air transport and update, as necessary, its policies and guidance on fair competition.

Section IV. Trade in services

Whereas the General Agreement on Trade in Services (GATS) adopted by the World Trade Organization (WTO) has included certain aspects of international air transport; and

Whereas ICAO has actively promoted an understanding by all parties concerned of the provisions of the Convention on International Civil Aviation and of the particular mandate and role of ICAO in international air transport;

The Assembly:

1. *Reaffirms* the need for ICAO to continue to explore future regulatory arrangements and develop recommendations and proposals to meet the challenges facing international air transport, responding to the internal and external changes affecting it;
2. *Recognizes* that such arrangements should create an environment in which international air transport may develop and continue to flourish in an orderly, efficient and economical manner without compromising safety and security, while ensuring the interests of all Member States and their effective and sustained participation in international air transport;

3. *Reaffirms* the primary role of ICAO in developing policy guidance on the regulation of international air transport;
4. *Urges* Member States that participate in trade negotiations, agreements and arrangements relating to international air transport to:
 - a) ensure internal coordination in national administrations and, in particular, the direct involvement of aeronautical authorities and the aviation industry in the negotiations;
 - b) ensure representatives are fully aware of the provisions of the *Convention on International Civil Aviation*, the particular characteristics of international air transport and its regulatory structures, agreements and arrangements;
 - c) take into account rights and obligations vis-à-vis those of ICAO Member States which are not members of the WTO;
 - d) examine carefully the implications of any proposed inclusion of an additional air transport service or activity in the GATS, bearing in mind, in particular, the close linkage between economic, environmental, safety and security aspects of international air transport;
 - e) promote a full understanding of the role and mandate of ICAO in developing policy guidance on economic regulation, including liberalization of international air transport, and consider using this guidance; and
 - f) file with ICAO under Article 83 of the Convention copies of any exemptions and specific commitments pertaining to international air transport made under the GATS;
5. *Requests* the WTO, its Member States and Observers to accord due consideration to:
 - a) the particular regulatory structures and arrangements of international air transport and the liberalization taking place at the bilateral, subregional and regional levels;
 - b) ICAO's constitutional responsibility for international air transport and, in particular, for its safety and security; and
 - c) ICAO's existing policy and guidance material on the economic regulation of international air transport and its continued work in the field; and
6. *Requests* the Council to:
 - a) continue to exert a global leadership role in facilitating and coordinating the process of economic liberalization while ensuring safety, security and environmental protection in international air transport;
 - b) pursue in a proactive manner developments in trade in services that might impinge on international air transport and inform Member States accordingly; and

- c) promote continued effective communication, cooperation and coordination between ICAO, the WTO, and other intergovernmental and non-governmental organizations dealing with trade in services.

APPENDIX B

Taxation

Whereas the imposition of taxes on international air transport, such as on aircraft, fuel, and consumable technical supplies, on the income of international air transport enterprises, and on the sale or use of such services, may have an adverse economic and competitive impact on international air transport operations;

Whereas ICAO's *Policies on Taxation in the Field of International Air Transport* as contained in Doc 8632, make a conceptual distinction between a charge and a tax in that "a charge is a levy that is designed and applied specifically to recover the costs of providing facilities and services for civil aviation, and a tax is a levy that is designed to raise national or local government revenues which are generally not applied to civil aviation in their entirety or on a cost-specific basis";

Whereas it is a matter of great concern that taxes are increasingly being imposed by some Member States in respect of certain aspects of international air transport and that levies imposed on air traffic, several of which can be categorized as taxes on the sale or use of international air transport, are proliferating;

Whereas the matter of aircraft engine emission-related levies is addressed in Assembly Resolution ~~A40-47~~ A41-XX, *Consolidated statement of continuing ICAO policies and practices related to environmental protection — General provisions, noise and local air quality* (Appendix H, *Aviation impact on local air quality*);

Whereas the ICAO policies on taxation in Doc 8632 supplement Article 24 of the Convention and are designed to recognize the nature of international civil aviation and the need to accord tax-exempt status to certain aspects of the operations of international air transport; and

Whereas the organization publishes and keeps up to date a supplement to Doc 8632, a compilation of responses from Member States on their status of implementation of the consolidated resolutions on taxation.

The Assembly:

1. *Urges* Member States to follow the ICAO's *Policies on Taxation in the Field of International Air Transport* as contained in Doc 8632, and to avoid imposing discriminatory taxes on international aviation;
2. *Urges* Member States to avoid double taxation in the field of air transport;

3. *Urges* Member States to forward information when required to ICAO, on the status of their implementation of the consolidated resolutions on taxation for the update of the supplement to Doc 8632; and
4. *Requests* the Council to continue to promote ICAO's policies on taxation, monitor developments, and update its policies and supplement to Doc 8632, as required.

APPENDIX C

Airports and air navigation services economics

Section I. Charging policy

Whereas Article 15 of the Convention establishes the basis for the application and disclosure of charges for airports and air navigation services;

Whereas ICAO's Policies on Charges for Airports and Air Navigation Services as contained in Doc 9082 make a conceptual distinction between a charge and a tax in that "a charge is a levy that is designed and applied specifically to recover the costs of providing facilities and services for civil aviation, and a tax is a levy that is designed to raise national or local government revenues which are generally not applied to civil aviation in their entirety or on a cost-specific basis";

Whereas the matter of aircraft engine emission-related levies and market-based measures is addressed separately in Assembly Resolution ~~A40-17~~A41-XX, *Consolidated statement of continuing ICAO policies and practices related to environmental protection — General provisions, noise and local air quality* (Appendix H, *Aviation impact on local air quality*), and in Assembly Resolution ~~A40-18~~A41-XX, *Consolidated statement of continuing ICAO policies and practices related to environmental protection — Climate change*;

Whereas the Council has been directed to formulate recommendations for the guidance of Member States with regard to the principles on which providers of airports and air navigation services for international civil aviation may charge to recover the costs of their provision and derive other reasonable revenue therefrom, and with regard to the methods that may be employed to that effect;

Whereas Member States have called on the Organization to provide advice and guidance aimed at promoting equitable recovery of airport and air navigation services costs consistent with ICAO's policies while maintaining a balance between the respective financial interests of providers of airports and air navigation services on the one hand and air carriers and other users on the other; ~~and~~

Whereas the Council has adopted policy guidance on the allocation of Global Navigation Satellite System (GNSS) costs to ensure an equitable treatment of all users who can actually derive benefits from GNSS services; and

Whereas there was significant decline in air traffic due to the impact of the COVID-19 pandemic, resulting in the reduction of revenue from charges for airports and air navigation services, and the ensuing risks to the financial stability of the service providers;

The Assembly:

1. *Urges* Member States to ensure that Article 15 of the Convention is fully respected;
2. *Urges* Member States to base the recovery of the costs of the airports and air navigation services they provide or share in providing for international civil aviation on the principles set forth in Article 15 of the Convention and ICAO's policies as contained in Doc 9082, regardless of the organizational structure under which the airports and air navigation services are operated;
3. *Urges* Member States to ensure that airport and air navigation services charges are applied towards defraying the costs of providing facilities and services for civil aviation;
4. *Urges* Member States to make every effort pursuant to Article 15 of the Convention to publish and communicate to the Organization any charges that may be imposed or permitted to be imposed by a Member State for the use of airports and air navigation facilities and airports by the aircraft of any other Member State;
5. *Urges* Member States to adopt the principles of non-discrimination, cost-relatedness, transparency and consultation, as set out in ICAO's policies in Doc 9082, in national legislation, regulation or policies, as well as in air services agreements, to ensure compliance by airports and air navigation services providers;
6. *Urges* Member States to ensure that the current ICAO policies for cost recovery of security measures and functions at airports and by air navigation services providers, as set out in Doc 9082, are implemented so that security user charges are reasonable, cost-effective and foster harmonization worldwide;
7. *Urges* Member States to cooperate in the recovery of costs of multinational air navigation facilities and services and to consider the use of the ICAO policy guidance on the allocation of GNSS costs;
8. *Urges* Member States to strike an appropriate balance between service providers and users when implementing economic and financial measures in times of crisis, including the revision of charges, through effective consultation and ensuring that difficulties are shared amongst all parties in a reasonable manner;
89. *Requests* the Council to continue to update, as required, ICAO's policies on user charges and related guidance material with a view to contributing to increased efficiency and improved cost-effectiveness in the provision and operation of airports and air navigation services and a sound cooperation between providers and users, and reinforce the responsiveness of the policies to future crisis;
910. *Requests* the Council to continue to update, as required, guidance on funding of appropriate oversight functions and on the allocation of GNSS costs, as well as to address the cost recovery for provision of aeronautical meteorological (MET) service for international civil aviation; and

11. *Requests* the Council to address the issues of cost recovery for the provision of space weather information services for international civil aviation, including the development of appropriate cost recovery mechanism; and

12. *Requests* the Council to continue to promote ICAO's policies on user charges and related guidance material in order to increase the awareness of, and implementation by, Member States and their airports and air navigation services entities.

Section II. Aviation infrastructure management and financing

Whereas Member States are placing increased emphasis on improving efficiency and cost-effectiveness in the provision of airports and air navigation services;

Whereas Member States are increasingly assigning the operation of airports and air navigation services to commercialized and privatized entities, which may have less awareness and knowledge of States' obligations specified in the Convention and its Annexes and of ICAO's policies and guidance material in the economic field, and are using multinational facilities and services to meet the commitments they have assumed under Article 28 of the Convention;

Recognizing the need to make substantial investments over the long term in the development and modernization of quality aviation infrastructure commensurate with the level of predicted traffic growth, including the future needs of new entrants and relevant Sustainable Development Goals;

Whereas the aviation industry has been paying for a vast majority of its own infrastructure costs, rather than being financed through taxation, public investment or subsidies;

Whereas the development of air transport infrastructure and the global plan for Aviation System Block Upgrades (ASBUs) requires necessary business case justification to secure funding and financing to support implementation; and

Whereas the need to address the financial challenges posed by the COVID-19 pandemic on airports and air navigation services providers, and the medium- and long-term implications on funding and financing for aviation infrastructure development cannot be over emphasized; and

Recalling that the Declaration and Framework for a *Plan of Action for Development of Aviation Infrastructure in Africa* was adopted within the framework of the Lomé Plan of Action (2017-2019) of the African Union at the Third ICAO World Aviation Forum (IWAF/3) in Abuja, Nigeria in November 2017;

The Assembly:

1. *Reminds* Member States that with regard to airports and air navigation services they remain responsible for the commitments they have assumed under Article 28 of the Convention, regardless of what entity or entities operate the airports or air navigation services concerned;

2. *Encourages* Member States to consider the establishment of autonomous entities to operate airports and air navigation services providers, taking into account economic viability as well as the interests of the users and other interested parties;
3. *Urges* Member States to establish good governance, for example, the creation of enabling institutional, legal and regulatory frameworks, the use of a data-driven approach, and the cooperation and compatible decision-making among transport authorities and other ministries in charge of related portfolios, which can provide a strong impetus to boost investment in aviation infrastructure;
4. *Urges* Member States to develop national and/or regional aviation infrastructure programmes and plans, which should be aligned and integrated with an appropriately-balanced development of transport modes, linked with national and/or regional development frameworks and strategies, and harmonized with the international economic and financial frameworks;
5. *Encourages* Member States to establish a transparent, stable and predictable investment climate to support aviation infrastructure development, for example, by engaging stakeholders, diversifying funding sources and elevating the role of private sector, including through private investment, business reform, private finance initiatives, public-private partnership and various incentive schemes;
6. *Urges*~~Encourages~~ Member States to ~~consider the appropriateness of provide adequate continuing~~ financial and regulatory support to airports and air navigation services providers in response to any unprecedented ~~cope with the~~ economic difficulties stemming from the COVID-19 pandemic. Such support should be consistent with the principle of fair and equal opportunity to compete, ~~and prioritize major aviation infrastructure projects in the list of international public finance and assistance for development, when deemed necessary;~~
7. *Urges* Member States to continue to prioritize major aviation infrastructure projects in the list of international public finance and assistance for development;
68. *Requests* the Council to continue to develop and update, as required, guidance and tools on financing for the development and modernization of quality aviation infrastructure, including mechanisms to support operational improvements as described in the ASBU modules; ~~and~~
9. *Requests* the Council to continue to assess the emerging funding and financing needs arising from the industry technology advancement, including investment in infrastructure to support the operation of the unmanned aircraft systems;
10. *Requests* the Council to keep the ICAO Guidance on Economic and Financial Measures to Mitigate the Impact of the Coronavirus Outbreak on Aviation updated and promote its use to support the recovery of airports and air navigation services from the COVID-19 pandemic; and
711. *Requests* the Council to continue to conduct and support relevant follow up work to implement the Declaration and Framework for a Plan of Action for Development of Aviation Infrastructure in Africa under

existing arrangements, especially under the ICAO Comprehensive Regional Implementation Plan for Aviation Safety in Africa (AFI Plan).

APPENDIX D

Aviation data and statistics

Whereas ICAO's Aviation Data and Statistics Programme provides an independent and global foundation for the purpose of fostering the planning and sustainable development of international air transport;

Whereas each Member State has undertaken that its international airlines shall file the data and statistics requested by the Council in accordance with Article 67 of the Convention;

Whereas the Council has laid down requirements for data and statistics on domestic airline operations, international airports, and international route facilities, pursuant to Articles 54 and 55 of the Convention;

Whereas the Council has also laid down requirements for data and statistics collection on civil aircraft on register pursuant to Article 21 of the Convention;

Whereas there is a need for the Organization to collect data and statistics from States on annual aviation fuel consumption to monitor and report the potential impact of economic measures linked to the operational aspects of the international aviation services and related infrastructure;

Whereas the Council has adopted a policy of management by objective which requires collection of pertinent data, statistics and analysis to measure the performance of the Organization as a whole and of its constituent parts in meeting the Strategic Objectives of the Organization;

Whereas cooperation amongst international organizations active in the area of collection and distribution of aviation data and statistics may enable expansion of scope, coverage and quality of data, avoidance of duplication of efforts and reduction in the burden on States;

Whereas ICAO's role in processing and disseminating aviation data and statistics allows States to use it as a significant tool for the safe and orderly growth of international civil aviation services that are operated soundly and economically;

Recognizing that aviation data analytics is under transformation with velocity and increasing quantity of data, as well as data innovations enabling advanced analysis of such data; ~~*Recognizing* that aviation data analytics is under transformation with velocity and quantity of data growing and new technologies evolving to analyse such data; and~~

~~*Recognizing* that ICAO has continued its effort to make the processes involving aviation data and statistics efficient and effective through the development of a set of electronic tools and to build expertise on emerging technologies to leverage big data potential in order to meet the evolving needs of Member States; *Recognizing* the on-going collaboration on big data analytics with Member States in the provision of continuously updated operational and economic impact analysis through business intelligence tools; and~~

Recognizing the significant operational and financial challenges posed by the COVID-19 pandemic and the need for timely, accurate and complete data to guide States' policy- and decision-making during the recovery, and in building resilience;

The Assembly:

1. *Urges* Member States to nominate focal points for aviation data and statistics, and to make every effort to provide it to ICAO on time and electronically whenever possible;
2. *Encourages* Member States to use the available electronic tools continuously updated big data dashboards for their data-driven decision-making, COVID-19 recovery strategies, planning and implementation needs; ~~when providing and accessing aviation data and statistics;~~
3. *Requests* the Council, calling on national experts in the relevant disciplines as required, to examine on a regular basis the data and statistics, including big data, collected by ICAO in order to meet more effectively the needs of the Organization and its Member States, to establish the necessary metrics to monitor the performance of the Organization in meeting its Strategic Objectives, and to improve the uniformity of the data and statistics and the content of analyses; and
4. *Requests* the Council to:
 - a) continue to explore ways of closer cooperation with the United Nations (UN), its agencies and other international organizations in the collection and distribution of aviation data, statistics and analysis, including big data as required;
 - b) make arrangements, on an appropriate basis, for assistance to be given upon request to Member States by ICAO for the improvement of aviation data, statistics and analysis and statistical reporting to the Organization;
 - c) continue to collect, process and analyze aviation data, including big data, while ensuring the harmonization of aviation data and statistics from different sources in order to facilitate the provision of accurate, reliable and consistent data required for informed decision-making by States; and
 - d) disseminate and share with Member States aviation data that are of common interest in the air transport field in accordance with the principles and provisions as contained in the Convention and relevant decisions of the Organization.

APPENDIX E

Forecasting, planning and economic analyses

Section I. Forecasting and planning

Whereas Member States require global and regional forecasts of future civil aviation developments for various planning and implementation purposes;

Whereas the Council, in carrying out its continuing functions in the air transport economic field, must foresee future developments likely to require action by the Organization and must initiate such action in good time; ~~and~~

Whereas the Organization requires specific forecasts for airports and air navigation systems planning and environmental monitoring ~~and planning~~ purposes; ~~and~~

Recognizing the need for more frequent updates of forecasts to facilitate the recovery from the COVID-19 pandemic, and future planning and implementation needs of States.

The Assembly:

1. *Requests* the Council to develop and update forecasts of future trends and developments in civil aviation, and to make these available to Member States;
2. *Requests* the Council to continue to update one single set of long-term traffic forecast, from which customized or more detailed forecasts can be produced for various purposes, such as air navigation systems planning and environmental analysis; and
3. *Requests* the Council to keep improving the accuracy of forecasts ~~and conduct more frequent updates of the forecasts~~ through the refinement of forecasting methodologies and use of big data;

Section II. Economic analysis

Whereas there is a continuing interest among Member States, international organizations, financial institutions, as well as aviation, tourism, and trade industries, in the economic analysis of air transport, including aviation's contribution to global, regional and national economies;

~~*Whereas* there is an acute shortage of reliable economic information on the increasingly important role of aviation in national economies worldwide;~~

Recognizing the need for measuring the economic contribution of aviation to national economies using the methodological framework developed in line with the internationally agreed standard of the *System of National Accounts, 2008*;

Whereas the economic studies conducted by ICAO on international air transport costs and revenues have promoted neutrality and have resulted in a more equitable system of revenue sharing of airlines; ~~and~~

Whereas ICAO requires economic analyses to assist the Council in assessment of the effectiveness of measures proposed for the implementation of the Strategic Objectives of the Organization, and for environmental planning, investment studies and other purposes; ~~and~~

Whereas there is a growing need among Member States to measure their ability to create and maintain value from the civil aviation sector, requiring the development of methodologies to define a global aviation competitiveness index;

The Assembly:

1. *Requests* the Council to continue the development of its work to finalize the Aviation Satellite Account (ASA) methodological framework document developed and validate the reconciliation of various data to measure the direct impact of aviation activity on national economy in line with the System of National Accounts, 2008, including aviation's contribution to gross domestic product (GDP), the number of jobs created by aviation, aviation consumption, and the impact of aviation on balance of payments;
2. *Requests* the Council to issue periodically a study on regional differences in the level of international air transport operating costs, analysing how differences in operations and input prices may affect their levels and the impact that changes in costs may have on air transport tariffs;
3. *Requests* the Council to develop methodologies and procedures for the measurement of indirect and induced impacts of aviation activity on national economy, and guidance on business case, cost-benefit analysis, economic impact analysis and cost-effectiveness analysis to meet the needs of the Organization, the regional air navigation planning groups, and other activities of the Organization; ~~and~~
4. *Requests* the Council to monitor developments, conduct studies on major issues of global importance, and share its analyses with States, international organizations and the industry; ~~and~~
5. *Requests* the Council to develop a standard methodology for establishing a global aviation competitiveness index for States to maximize market output, economic efficiencies and productivity.

Section III. Air mail

Whereas air mail is an integral component of international air transport, which is increasingly affected by e-commerce;

The Assembly:

1. *Urges* Member States to take into account the effects on international civil aviation whenever policy is being formulated in the field of international air mail, and particularly at meetings of the Universal Postal Union (UPU); ~~and~~
2. *Directs* the Secretary General to furnish to the UPU, on request and as stipulated in relevant cooperation arrangements between UPU and ICAO, information of a factual character which may be readily available; ~~and~~
3. *Requests* the Council to monitor and analyze international logistics constraints for e-commerce in collaboration with UPU.

38.5

The Commission noted the information in WP/448 and WP/217.

— END —