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ASSEMBLY — 40TH SESSION

REPORT OF THE ECONOMIC COMMISSION ON AGENDA ITEM 33

(Presented by the Chairman of the Economic Commission)

The attached report on Agenda Item 33 has been approved by the Economic Commission.

Note.— After removal of this covering sheet, this paper should be inserted in the appropriate place in the report folder.

(3 pages)

Agenda Item 33: Economics of Airports and Air Navigation Services — Policy

33.1 In WP/17, the Council presented a comprehensive, holistic and transformative approach to addressing challenges of financing aviation infrastructure development, based on the outcomes of the third and fourth ICAO World Aviation Fora (IWAF). The paper explained ICAO's work in developing policies, guidance and online tools to facilitate States' efforts in financing aviation infrastructure, and also presented ICAO's plan for future work in this area, aiming at providing assistance to States in closing infrastructure gaps for the achievement of optimal air transport potential.

33.2 Through WP/18, the Council reported on major work accomplished by ICAO on economic aspects of airports and air navigation services, carried out pursuant to the decisions of the 39th Session of the Assembly. The paper also presented ICAO's plan for future work in this area as part of the economic regulatory framework and technical assistance work programmes, focusing on the continued update and development of relevant policies, guidance and tools, and raising awareness of their implementation by States and services providers.

33.3 WP/183 presented by Ukraine drew attention to the need for sufficient and sustainable funding of Civil Aviation Authorities (CAAs) for carrying out functions such as aviation safety, security and economic oversight. The paper highlighted ICAO's existing policy and guidance material on various mechanisms for funding aviation oversight functions and provided examples of CAA funding practices in the Ukraine and the European Union (EU) in accordance with such policies (such as the user charges approach). The paper invited ICAO to consider dedicated workshops/seminars to raise awareness of ICAO's policies and guidance related to funding of oversight functions and to share best practices among States.

33.4 In WP/246, the United Arab Emirates presented its Global Investment in Aviation Summit, an initiative for participating States to exhibit information on their aviation investment opportunities and economic conditions with a view to attracting investors for aviation infrastructure development. The United Arab Emirates invited States to participate in the future sessions of the Summit, and proposed an Assembly Resolution on boosting investment and funding in aviation.

33.5 Through information paper WP/350, the Dominican Republic shared its experience in establishing public-private partnerships in the management of airports through concession contracts to private companies for their administration, expansion, maintenance and operation. The paper also described the associated benefits such as better infrastructure, greater capacity to react to growing demand, higher quality of service, and raising rates of return on investment.

33.6 In information paper WP/381, India presented information on the key role of ground handling in improving efficiency of airport operations. The paper highlighted the development of the framework for implementation of ground handling services as described in its National Civil aviation policy 2016 using technology and effective monitoring.

33.7 In its information paper WP/549, Indonesia presented the development of its smart airport implementation for creating a passenger-oriented and technology-driven airport experience using mobile technologies and innovative thinking to ensure ease, comfortable and sophisticated services.

33.8 In considering the report of the Council presented in WP/17, the Commission acknowledged the approach adopted by the third and fourth IWAF on tackling financing challenges; and supported the development of policies, guidance and tools to facilitate State's efforts in financing quality aviation infrastructure. The Commission endorsed the work programme of the Organization concerning aviation infrastructure/system financing.

33.9 With respect to the work of ICAO in the area of economics of airports and air navigation services reported in WP/18, broad support was expressed on the work accomplished by the Organization, especially on new guidance to address economically non-viable airports. The Commission endorsed ICAO's work programme in this field. A suggestion was made that a possible cost-recovery mechanism for the provision of air navigation services to unmanned aircraft systems should not only be fair and equitable but also transparent; and such mechanisms and their modalities should be left to Member States.

33.10 On the subject of adequate funding for CAAs to perform safety, security and economic oversight functions, the Commission noted the issues faced by States described in WP/183, particularly those with limited financial resources and insufficient air traffic volume for cost recovery. It was also noted that the level of funding for CAAs is often below the industry level of financing. The Commission agreed that ICAO should conduct regional workshops and seminars to raise awareness and knowledge by States of the relevant ICAO policies and guidance on infrastructure funding and oversight, and to enhance their implementation.

33.11 Concerning WP/246 which proposed an Assembly Resolution on boosting investment and funding in aviation, the Commission noted that there is already an existing Assembly Resolution on aviation infrastructure management and financing, as well as ICAO's ongoing work presented in WPs/17 and 18. Therefore, the Commission decided that no stand-alone resolution would be required.

33.12 The Commission noted the information contained in WPs/350, 381 and 549.
