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**North American, Central American and Caribbean (NACC) States Civil Aviation Authorities Directors
General Virtual Meeting on COVID-19 Aviation Recovery and Restart**

14 April 2021

Agenda Item 4: Relevant Safety, Security and Air Navigation Implementation Matters

RELEVANT AIR TRANSPORT MATTERS IN THE NAM/CAR REGIONS

(Presented by the Secretariat)

EXECUTIVE SUMMARY

The sustainable and coordinated development of air transport is a key factor for the recovery of States' economies and for its continuous and efficient growth. This paper provides some relevant air transport matters for States' knowledge and subsequent follow-up on and participation in economic studies, use of data analysis, and guidance and involvement in the regional initiatives such as the ICAO Study.

Strategic Objectives:

- Economic Development of Air Transport

References:

- Declaration to Promote Connectivity Through the Development and Sustainability Of Air Transport In The Pan-American Region – VISION 2020-2035:
https://www.icao.int/NACC/Documents/Agreements/Declaration%20IWAF4_EN.pdf
- Air Transport Case Study- The impact of aviation reforms in the Dominican Republic: A model of socioeconomic growth and development:
https://www.icao.int/sustainability/Documents/Air%20Transport%20Economic%20Studies/Dominican%20Republic_2020/ICAO%20AirTrans-CaseStudy-DR.pdf
- NACC State Letter ref. NACC85116 – SA040 1 March 2021, Study on Governance Indicators in the Caribbean, Central and South American Civil Aviation Regulators.

Introduction

1. Within the objectives of the air transport, the aviation community seeks to reduce State's costs in performing its economic regulatory functions, increase consumer's benefits and choices; improve air connectivity; and create more competitive business opportunities in the marketplace; thereby contributing to the sustainable economic development and to the expansion of trade and tourism.

2. Air connectivity is a crucial catalyst for sustainable development, ICAO is enabling the emergence of a coherent and harmonized global regulatory framework, the liberalization of international air transport, and the resolution of infrastructure and airspace capacity constraints in order to ensure the sustainable development of an economically viable civil aviation system. ICAO does this by facilitating cooperation among States and through the provision of economic policies, regulatory guidance, and accurate, reliable and consistent aviation data.

3. A post-COVID-19 recovery of national and international economies will rely greatly on the recovery of aviation. In this regard, ICAO will continue to deliver its long-standing expertise in the production of data, tools, analyses and forecasting to provide irreplaceable insight into the current economic impacts on civil aviation, as well as future capacities, strengths, and weaknesses of the network.

Latest ICAO Council outcomes

4. This analytical expertise, combined with ICAO's policies and regulatory guidance, will continue to provide support and guidance to States for the implementation of appropriate economic measures, the maintenance of good governance, and the procurement and optimization of resources for aviation. The ICAO Council concluded the meetings of its 222nd Session, formalizing important progress on air transport developments relating to ongoing global pandemic response, emissions offsetting, gender equality and Remotely Piloted Aircraft Systems (RPAS), among others.

5. The Council's contributions to the continuing work to help countries respond y recover from the pandemics on an aligned, effective basis globally, came with its adoption del latest 'Phase III' guidance de its Aviation Recovery Task Force (CART), and the decision to convene a ministerial conference on COVID-19 this coming October.

Panamerican Declaration on Air Transport: Declaration to Promote Connectivity through the Development and Sustainability of Air Transport in the Pan-American Region – VISION 2020-2035

6. States from the Americas gathered during the Fourth International Civil Aviation Organization (ICAO) World Aviation Forum (IWAF/4), held in Fortaleza, Brazil, from 17 to 19 September 2018, to "promote investment for the development of civil aviation" through the establishment of a framework commitment to collaborate in the sustainable growth of air transport in the region for the next 15 years. This Declaration outlines the vision 2020-2035 to pursue in order to foster a sustainable air transport growth in the region, in favor of the social and economic development of the people, while recognizing air transport as a key tool to achieve this purpose.

7. With this declaration, the States envisaged the region offering to the population greater access to the benefits of air transport in which the development of the populations will count with the timely support of a heterogeneous, seamless, dynamic and safe air transport network at all levels, whose efficiency in its infrastructure and services will be of global reference, achieving a greater degree of connectivity between the people of the Region and the rest of the world, and thus encouraging a greater commercial, social and cultural exchange.

8. In this Declaration, the States agreed to support the implementation development of the national and regional action plans necessary for the implementation of this vision. Such is the case up to now with the current efforts achieved within the LACAC Member States and their diverse agreements and the CARICOM Member States, with their Multilateral Air Services Agreement (MASA).

9. The Full Panamerican declaration is available at the ICAO NACC website:
https://www.icao.int/NACC/Documents/Agreements/Declaration%20IWAF4_EN.pdf

Economic Impact Studies- Examples for the NACC States

10. These studies aim to provide a relevant and accurate representation of the economic impacts that various measures taken by States have on the aviation sector and on the overall national economy as well as to offer meaningful insights for civil aviation planners and relevant ministries on the returns on investments generated by the civil aviation sector.

11. Such is the Case Study on Dominican Republic conducted by ICAO in coordination with the Inter-American Development Bank. This Study was aimed to measure the impact of the policy changes on air traffic and its associated economic benefits in the country following the series of aviation reforms that took place in Dominican Republic to make aviation a priority sector in its national development, planning and policies.

12. The Study showed an increase of approximately 23 to 27 per cent in the number of passengers between Dominican Republic and the United States, that were attributed to the reforms over the period 2006–2012; which in turn, resulted in a 15.5 per cent increase in GDP per capita (representing an increase of USD 607 in value) in Dominican Republic. Moreover, spending of tourists from the United States in Dominican Republic increased from USD 836,000 to USD 1.016 million over the same period.

13. The results of the study are intended to help attract further investments in the air transport sector, and identify potential policy options for States, i.e. whether they choose to focus on tourism, air cargo, or other sectors.

14. This Case study (available at: https://www.icao.int/sustainability/Documents/Air%20Transport%20Economic%20Studies/Dominican%20Republic_2020/ICAO%20AirTrans-CaseStudy-DR.pdf) can be used as a template to conduct other case studies to Small Islands Developing States (SIDS) in need of assistance in understanding the economic benefits of aviation to their economy. It also provides a powerful platform from which ICAO can continue its advocacy for strategic aviation development that is aligned with its policies, strategies, and standards and recommended practices.

Study on Governance Indicators in the Caribbean, Central and South American Civil Aviation Regulators

15. Following the Pan-American Declaration on Air Transport (IWAF/4 Forum), ICAO in cooperation with the Organization for Economic Co-operation and Development (OECD), are developing a specific study on civil aviation authorities' governance, extending the OECD Indicators on the Governance of Sector Regulators to participating authorities. This will provide the States cross-country comparative data and information to identify opportunities to increase institutional capacities within their organizational framework. Results of this study are expected for the last quarter of 2021, to be presented at several regional civil aviation authorities' high-level meetings and particularly during the NACC DCA Meeting in December 2021.

16. In this regard, State focal points have been designated and currently a questionnaire is being completed by the States on information of their institutions, economic work frame and other governance variables needed for the conduction of this study (refer to State Letter NACC85116 dated 1 March 2021 and subsequently OECD communication (22 March 2021). States' timely response would be highly appreciated.

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