

REGIONAL IMPLEMENTATION PLAN FOR AVIATION SAFETY IN AFRICA

The Perspective of Development Institutions

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The Opportunities

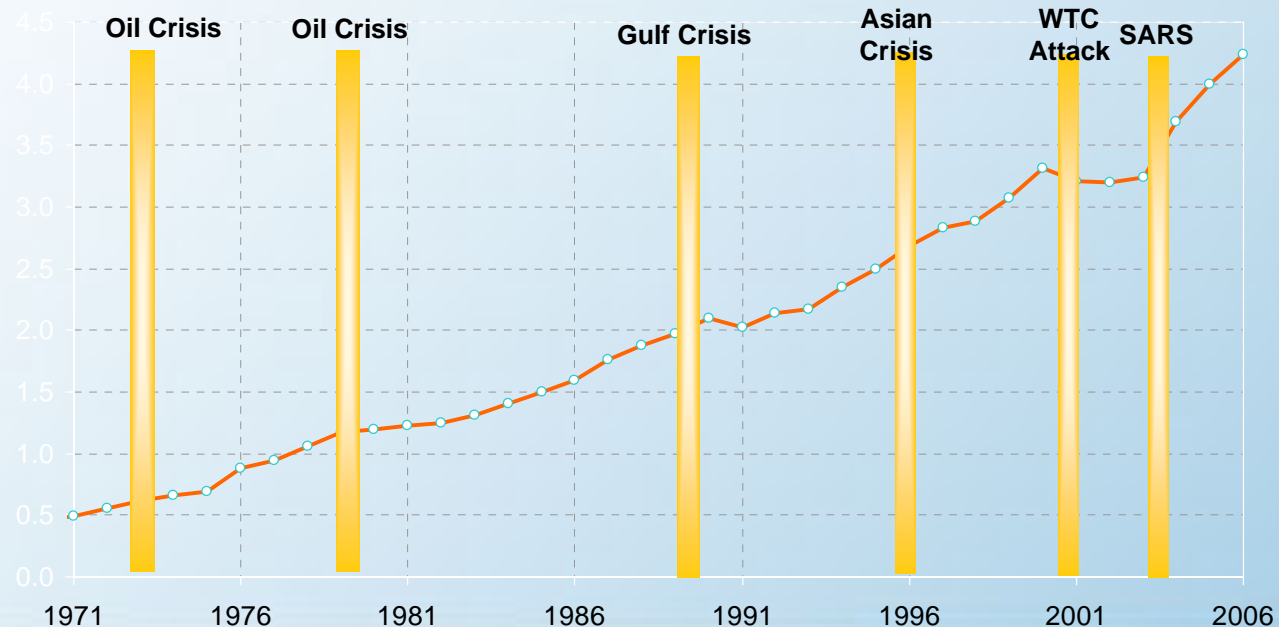
Air Travel – An expanding Sector



Air Travel has been steadily growing worldwide despite some External Shocks

28% growth in air travel in last 5 years

World annual traffic in Trillion RPKs



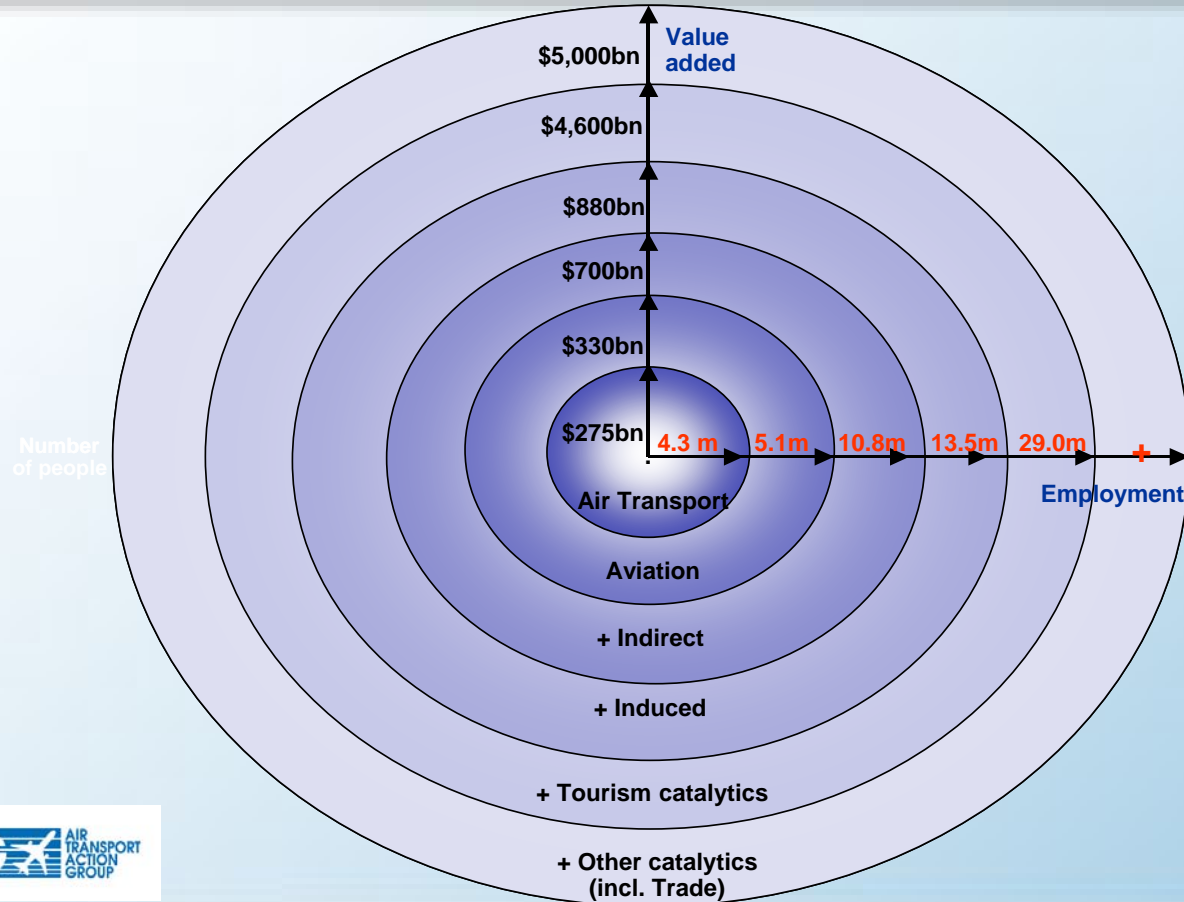
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The Opportunities

Air Transport – A large Sector!



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The Opportunities

Perishables: 2.6 million tons will be air freighted in 2008



■ Meat

- Australia: Lamb, horsemeat, veal
- New Zealand: Game, venison, lamb, veal
- Brazil: Beef
- Uruguay: Beef
- USA and Canada: Horsemeat
- Iran, Pakistan, Egypt, Lebanon: Sheep's intestines

■ Vegetables

- Kenya: Beans, peas
- Ethiopia: Beans
- Pakistan: Beans
- Malaysia, Thailand, Vietnam: Tropical vegetables
- USA, Peru, Mexico: Asparagus

■ Flowers

- USA, Mexico: Ferns and foliage
- Columbia: Carnations, gypsophilia, gerbera
- Ecuador: Roses, carnations, gerbera
- Kenya, Zambia, Ethiopia: Roses
- Israel: Gerbera
- Thailand: Orchids

Fish

- Namibia: Hake, pike
- Tunisia: Tuna
- India: Sea bream, monkfish
- Sri Lanka: Various types of fish
- Fiji Islands: Tuna
- Brazil, Chile: Pike, lobster, salmon
- USA and Canada: Lobster
- Iceland: Salmon
- Norway: Salmon

Fruit

- USA: Strawberries
- Chile: Berries, grapes
- Brazil: Mangoes, Papaya
- South Africa: Passion fruit, lychees, baby pineapples, avocados, grapes
- Ghana: Pineapples, melons
- Pakistan: Melons, mangoes
- India: Mangoes, lychees
- Thailand: Mangoes
- China: Lychees
- Malaysia, Philippines: Star fruit



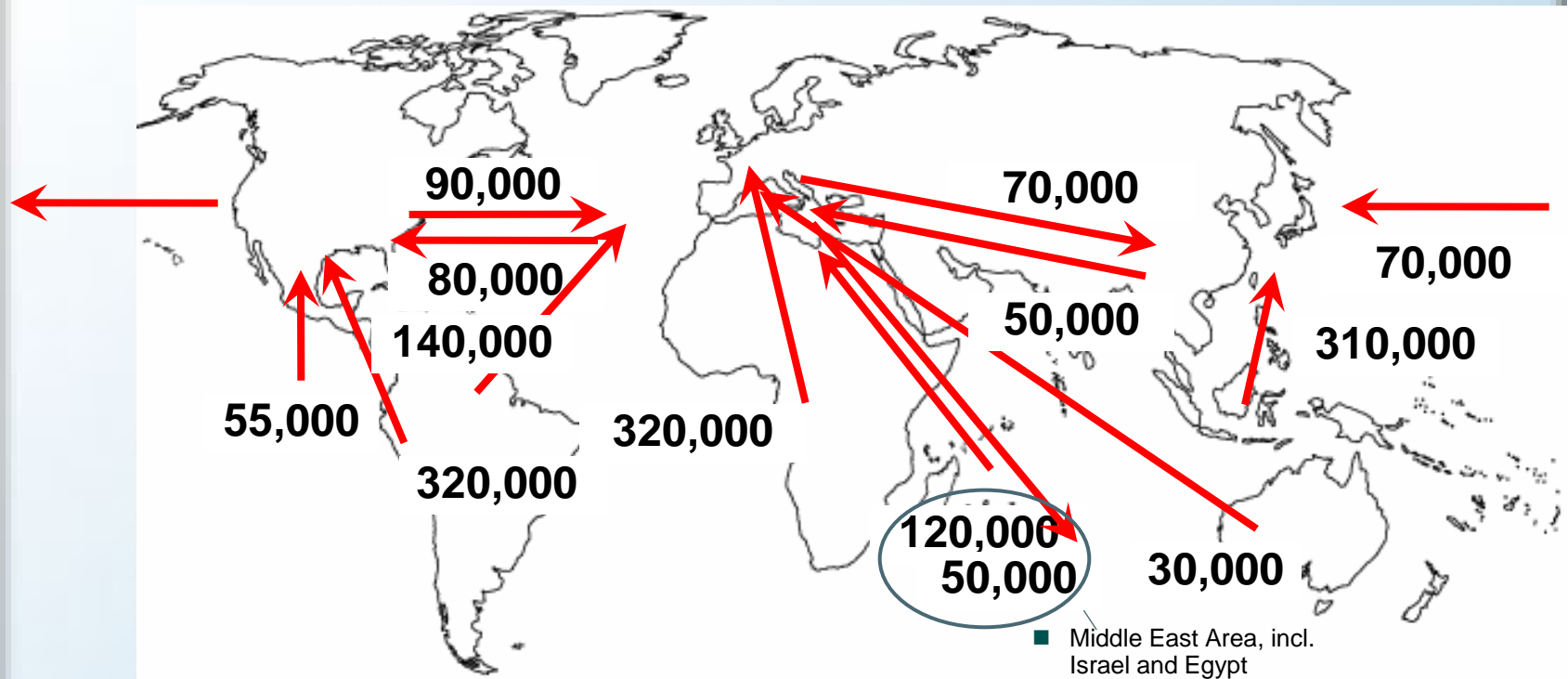
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The Opportunities

Perishables worldwide flows in metric tonnes



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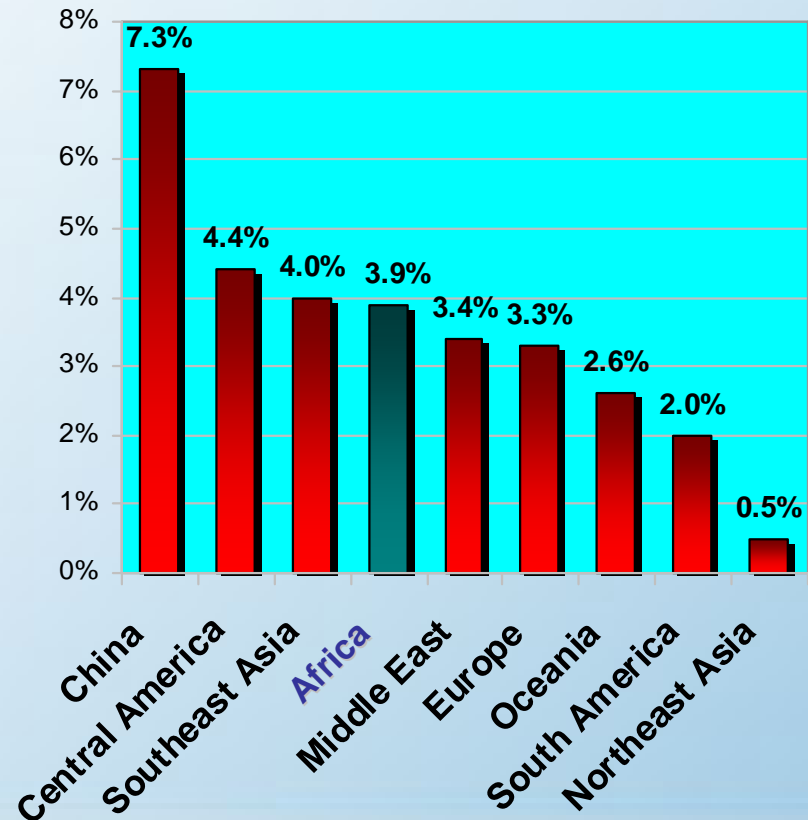
The Opportunities

African Market is growing, but ...



Africa's air transport sector has grown about 4% over the past ten years, faster than Europe or the Middle East!

1995-2005 Average Annual RPK Growth



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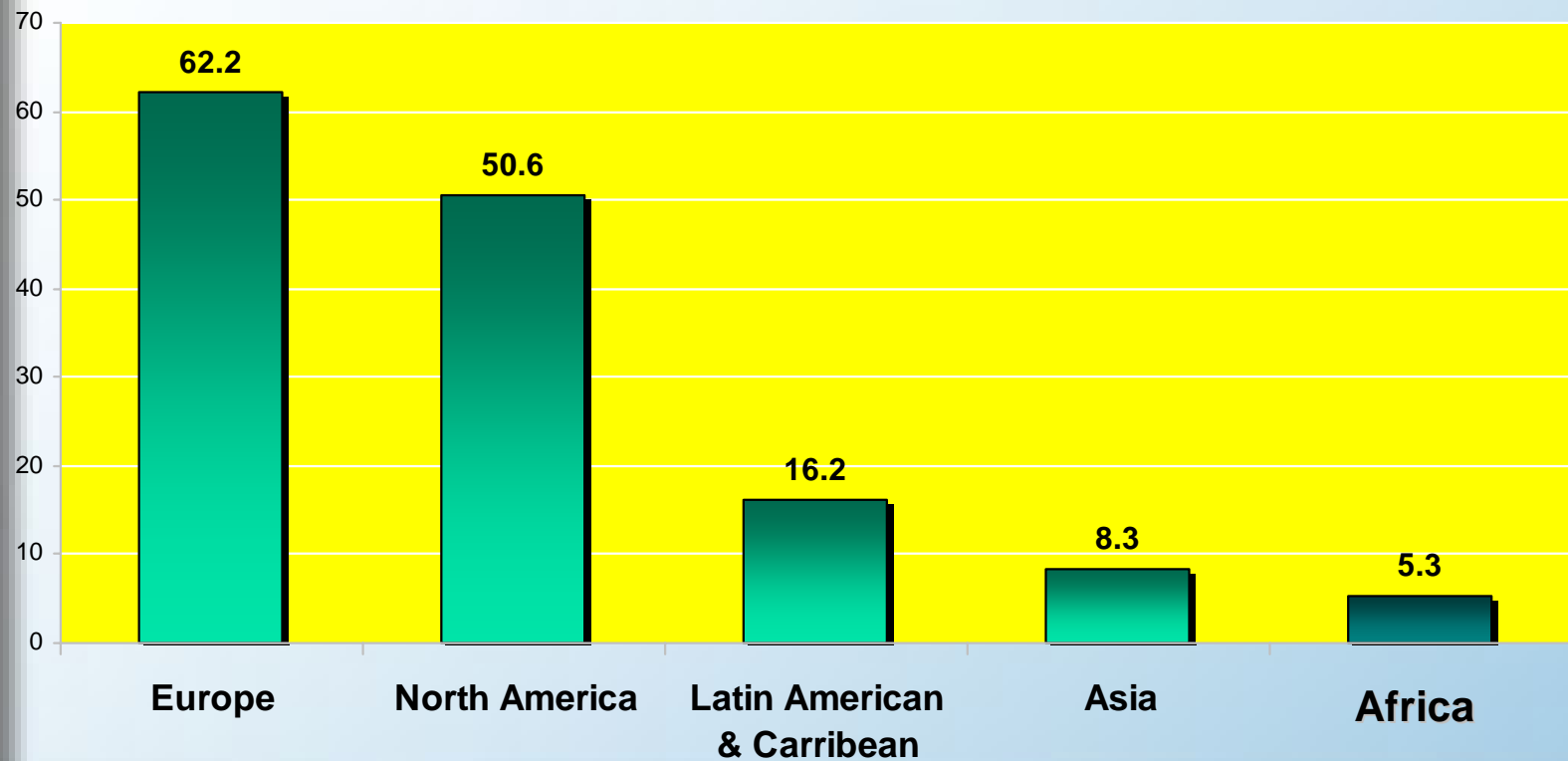


The Opportunities



... the African Market is under-developed

Annual Passengers per Thousand Population,
2005



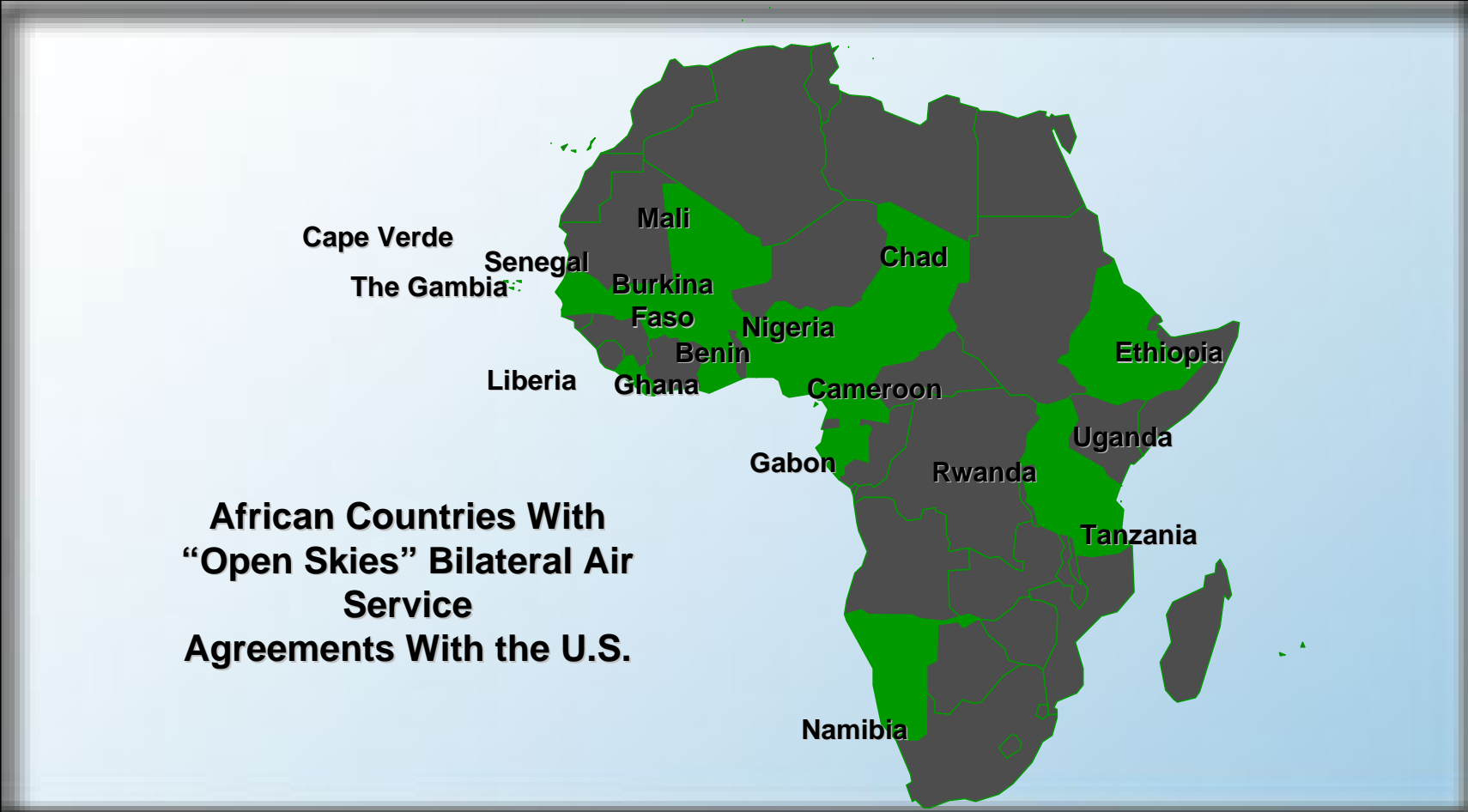
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The Opportunities

Many agreements, but poor safety hinders development of the sector



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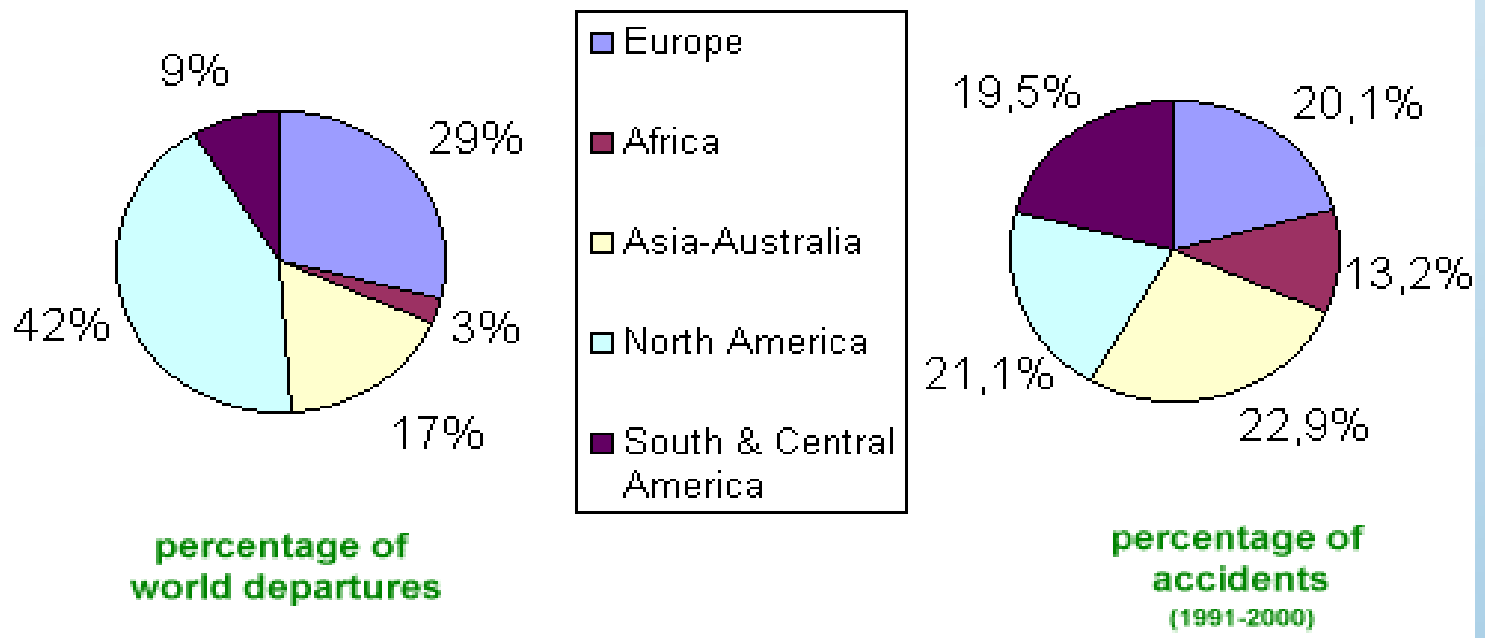
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The Challenges Poor Safety Record



Africa has only 3% of all worldwide airline departures and over 13% of all accidents!



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The Challenges Too many accidents



- B727 of UTA in Continuo, Benin
- B737 of Bellview in Lagos, Nigeria
- B737 of Kenya Airways in Douala, Cameroon



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The Challenges Poor Safety Oversight



These are the official indicators:

- ❖ According to **ICAO Safety Audits** 25 countries are rated poor, 19 average, and only one has good safety oversight.
- ❖ The **European Blacklist** includes carriers of nine different African States.
- ❖ The **US FAA** has only certified three African countries to have acceptable safety standards.



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The Challenges Poor Safety Oversight



❖ Good Governance is key, Money is not the reason for poor safety oversight:

- ✓ Training available from various partners
- ✓ Pooling of resources
- ✓ Partnerships (airlines)
- ✓ Regional agencies
- ✓ Long-term sustainability is key for development



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The Challenges

Allocation of resources



- ❖ Operational income of the sector must be retained to fund safety & security:
 - Competing sectors -> funds allocated to the central treasury, no reflow for aviation
 - Air transport only source of hard currency income -> some countries directly finance failing state-owned carriers
 - Bad governance (disappearance of funds, corruption, non transparent procurement)



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The Need for Cooperation

The African Challenge



- Since 1960 a total of US\$ 568 billion development funding for various sectors in Africa by various donors
- Result unsatisfactory as poverty advances
- Aviation: Africa has 12% of World population, but only 4% of revenue passenger-kilometers
- Poor safety & security levels and infrastructure in most African countries (Airports, CNS)
- Too many uncoordinated initiatives



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The Need for Cooperation WB Air Transport Portfolio



Fiscal Year 2006 (in millions USD)	IBRD	IDA	IFC	Total
Loans/Credits outstanding	103,004	127,028	21,627	251,659
Transport Sector	15,450	15,243	1,326	32,019
Air Transport	411	303	309	1,023
Percent of rows above	15% 2.7%	12% 2.0%	6.1% 23%	12.7% 3.2%

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The need for Cooperation World Bank Africa Projects



Examples of World Bank projects in Africa:

- **West and Central Africa** Air Transport Safety and Security Program (US\$151 million) for 23 countries.
- **Kenya** Northern Corridor Transport Project with an aviation safety and security component (US\$52 million).
- **Sierra Leone** Transport Sector Project's aviation component (US\$2.1 million)
- **Liberia** Grant Infrastructure Project of US\$0.6 million
- **Mozambique** Communications Sector Reform Project's aviation component (US\$ 5 million)



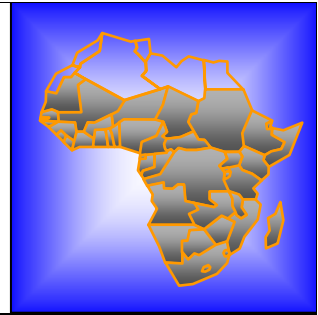
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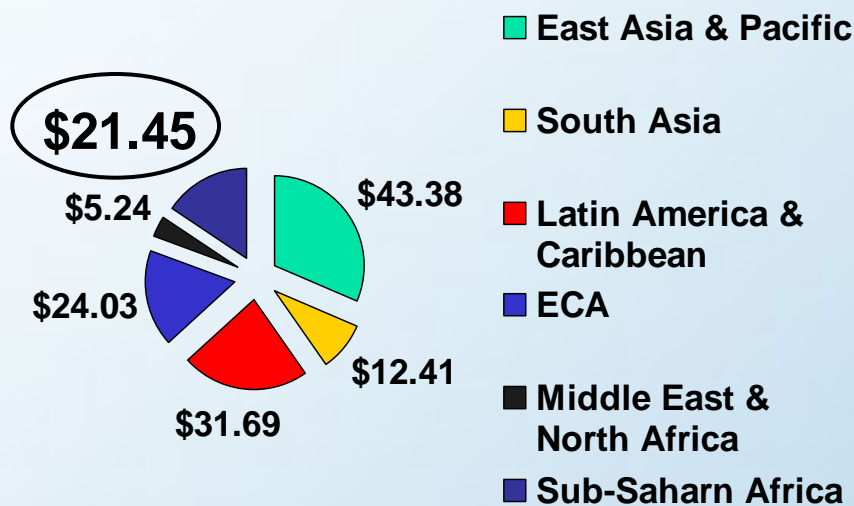
The Need for Cooperation

Defining Investment Needs

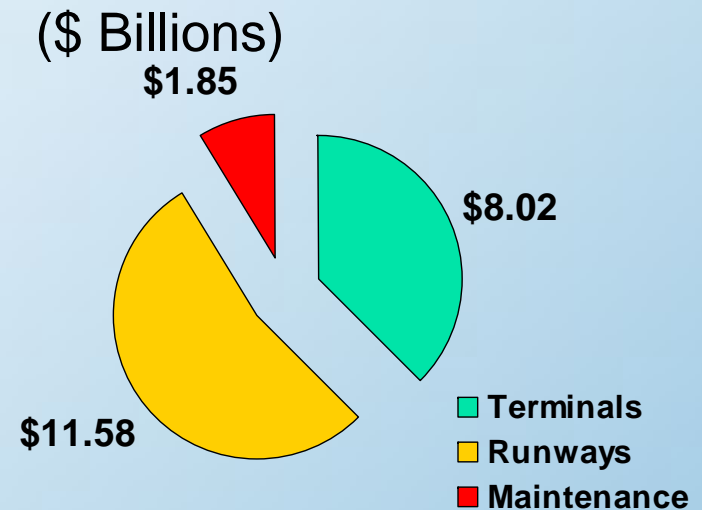


- ❖ Models predict an investment need of \$143.2 billion in lesser developed countries (LDC) in the next ten years, with Sub-Saharan Africa requiring at least \$21 billion.

LDC Investments (\$ Billions)



Africa Investment Needs (\$ Billions)



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The Need for Cooperation Defining Investment Needs



- ❖ The Bank's Africa Region is currently conducting an in-depth assessment of infrastructure needs.
- ❖ The study includes:
 - ✓ Governance
 - ✓ On the ground infrastructure
 - ✓ Service provision and connectivity
- ❖ The help from African CAAs in completing this study is an important step in shaping the Bank's future role in air transport in Africa.



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The Need for Cooperation Different Financing Partners



- The World Bank Group: Loans by IBRD (market rate) and credits and grants IDA (subsidized), private sector loans and investment in equity by IFC
- Regional Development Banks: African Development Bank, European Bank for Reconstruction and Development (EBRD)
- Bi-lateral Partners: French Cooperation, European Commission, Dutch Government
- Commercial Banks (in cooperation with national development agencies)



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Key Questions

1. Will African authorities begin implementing and maintaining strict regulatory oversight?
2. Are African Governments willing to accept regional solutions of safety oversight when justified?
3. Are African Governments willing to explore and accept private sector solutions for carriers or airport operations, where the public model failed?
4. Will the proposed ICAO Regional Implementation Plan, trigger the cooperation among development partners?
5. How long are donors willing to support States which continue to demonstrate insufficient commitments towards aviation safety and security?



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Next Steps?

1. Operationalize the proposed Action plan by making concrete road maps toward recovery including, restructuring, metrics, etc.
2. Review and discuss the ICAO Gap Analysis for each country with the concerned stakeholders
3. The World Bank stands ready to support States for the improvement of their aviation safety oversight in coordination with ICAO and other donors.



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