



International Civil Aviation Organization

## WORKING PAPER

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### ASSEMBLY — 42ND SESSION

#### ECONOMIC COMMISSION

#### Agenda Item 26: Economic development of Air Transport

#### PUTTING IN PLACE A SYSTEM FOR ECONOMIC SUPERVISION IN CAMEROON

(Presented by Cameroon)

#### EXECUTIVE SUMMARY

This information paper presents Cameroon's approach to enhancing economic supervision in the air transport sector. It outlines the need for a robust regulatory and institutional framework to ensure fair competition, service quality, financial sustainability, and effective oversight of key stakeholders.

Following a diagnostic study commissioned by the Cameroon Civil Aviation Authority (CCAA) and conducted by an accredited firm, significant gaps were identified in the country's existing system.

The study led to the proposal of 42 actions, with 12 priority activities developed in detail. These include the creation of an Economic Supervision Unit, regulatory updates, monitoring tools, and a five-year implementation roadmap. The recommendations are aligned with International Civil Aviation Organization (ICAO) and African Civil Aviation Commission (AFCAC) principles, and a model regulation is being used to draft new national economic oversight regulations.

The CCAA has already implemented several supervision activities, including business plan evaluations for licensing, flight schedule approvals, financial data monitoring, ticket pricing oversight, service quality checks, and regulatory development.

This framework is expected to strengthen compliance, improve transparency, and support sustainable air transport development in Cameroon. However, challenges such as financial limitations and limited specialized personnel must be addressed to ensure successful implementation.

The purpose of this information paper is to provide details about the actions taken by the CCAA and the improvements planned for implementation.

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| <i>Strategic Goals:</i>        | This working paper relates to Strategic Goal: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All</i> |
| <i>Financial implications:</i> | Not applicable                                                                                                                                                             |

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| <i>References:</i> | ICAO Manual on Airport Economics (Doc 9562)<br>ICAO Manual on Air Navigation Services Economics (Doc 9161)<br>Manual on the Regulation of International Air Transport (Doc 9626)<br>Manual on airport and air navigation charges policies (Doc 9082)<br>Manual on the economics of air navigation services (Doc 9161)<br>ICAO policy on taxation in international air transport (Doc 8632)<br>Policy and guidance on the economic regulation of air transport international (Doc 9587)<br>Yamoussoukro Decision<br>Law n° 2013/010 of July 24, 2013 governing civil aviation in Cameroon<br>Decree n°2019/174 of 09 April 2019 on the reorganisation and functioning of the CCAA |
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## 1. INTRODUCTION

1.1 Economic supervision is the function whereby a state supervises the operational, commercial and financial practices of an airline, airport operator or air navigation service provider (ANSP). It is a fundamental function in air transport regulation, ensuring that market liberalization benefits both operators and users while safeguarding public policy objectives. The supervision aims to prevent anti-competitive practices, enhance transparency in tariff applications, and maintain service quality and economic efficiency.

1.2 The African Civil Aviation Commission (AFCAC) advocates for a structured program for economic supervision of air transport, similar to safety and security oversight. This initiative covers regulatory enforcement, consumer protection, dispute resolution mechanisms, and monitoring market competition.

1.3 Despite progress in air transport liberalization in Cameroon, challenges persist in areas such as service quality, operational costs, regulatory compliance, and market competitiveness. Thus, the need for a strengthened supervisory framework to address these concerns effectively.

## 2. ECONOMIC SUPERVISION FRAMEWORK AND IMPLEMENTATION

2.1 The Cameroon Civil Aviation Authority (CCAA) is mandated to oversee both technical and economic aspects of the sector, as provided in Decree n°2019/174 of 09 April 2019 on the reorganisation and functioning of the CCAA. In response to growing challenges in enforcing economic oversight, the CCAA launched a diagnostic study for putting in place a comprehensive system for economic supervision in Cameroon. The term of reference was elaborated and an accredited firm was contracted to carry out the studies which lasted 6 months.

### **The study revealed several key weaknesses:**

- Existing legislation was not fully adapted to support economic supervision, particularly in ensuring market liberalization and passenger protection.
- Regulatory texts were lacking a strong foundation to enable the CCAA to effectively carry out economic supervision.
- Internally, the CCAA was lacking a dedicated unit and sufficient human resources for economic supervision.
- Tools to monitor stakeholders such as the national airline, airport operators, ground handling service providers, and the air navigation service provider (ANSP) were insufficient.

- There was a lack of harmonized and centralized database for traffic, financial, and operational data, which is critical for oversight.

Based on these findings, the firm proposed a package of 42 actions, of which 12 priority activities were developed in detail, including:

- Drafting or revising regulatory instruments (decrees and orders).
- Creating six operational tools or procedures to monitor performance and prevent financial risks.
- Establishing a dedicated Economic Supervision Unit within the CCAA.
- Developing a Guide for Economic Supervision for CCAA staff.
- Designing a data exchange framework to ensure smooth collaboration with stakeholders (airports, airlines, ground handlers, ANSP).
- Conducting diligent evaluation on airlines and airport operators to assess financial health and service quality.
- A five-year action plan was also prepared to guide the gradual implementation of the 30 remaining actions, which the CCAA is expected to develop using descriptive sheets created by the consultant.

The commitment of national stakeholders including airport operators, the national airlines, and the ANSP was reaffirmed during stakeholder's workshops held in Yaoundé. The tools and roadmap were presented in detail, and parties expressed their willingness to support and implement the recommendations.

Furthermore, the CCAA participated in the development of the Model Regulation on Economic Oversight led by AFCAC. The principles and provisions of this model are currently being used as a basis for drafting Cameroon's national economic supervision regulations.

2.2 The CCAA currently relies on several regulatory texts to carry out its economic supervision responsibilities, including:

- Circular regarding the approval of service programs for air services operated by scheduled international airlines serving Cameroonian airports.
- Circular regarding the issuance of operating authorizations to foreign airlines to operate traffic rights to/from Cameroon.
- Circular regarding the issuance of the Air Carrier License (LEA).;
- Circular on the provision of statistical and financial data by air carriers, aerodrome operators, and other civil aviation operators in Cameroon.
- Circular on the issuance of an authorization for administrative assistance at international airports.
- Templates and checklists:
  - Checklist for monitoring the operation of aeronautical activities at international airport platforms:
  - Protocol on Administrative and economic evaluation of aviation and airport security companies.
  - Protocol on Financial capacity assessment for Cameroonian operators.

Based on the study carried out with the accredited firm, these texts are being revised to fall in line with the objectives of a well-developed economic regulation in Cameroon.

The CCAA has ongoing Economic Supervision Activities notably:

- Evaluation of Business Plans and Financial Standing: for issuance of the Air Carrier License (LEA) and Air Operator Certificate (AOC).

- Issuance of foreign authorisations to foreign airlines: to operate to Cameroon thereby improving connectivity.
- Approval of Flight Schedules: to ensure coordination and slot management for scheduled international services.
- Continuous surveillance on economic, financial and administrative evaluation on airlines and security structures.
- Monitoring of Operational and Financial Data: collection and review of traffic and financial reports submitted by airlines, airport operators, and ANSPs.
- The CCAA monitors ticket prices to ensure that unjustifiable exorbitant prices do not exist and prevent price dumping.
- Monitoring quality of services and handling consumer complaints.
- Preparation of National Regulations on Economic Supervision.

### 3. **EXPECTED OUTCOMES**

3.1 The establishment of an operational economic supervision framework is expected to bring multiple benefits, including:

- Improved regulatory enforcement and compliance.
- A more competitive and transparent air transport market.
- Enhanced service quality and cost-efficiency.
- Strengthened economic viability of airlines and airport operators.
- Better protection of consumer rights and interests.

3.2 The results from this initiative will be monitored through key performance indicators such as service quality assessments, cost benchmarking, and market competitiveness reports.

### 4. **CHALLENGES**

- Financial constraints.
- Limited number of specialists in the field of economic regulation and more training specific to the domain is needed.

### 5. **CONCLUSIONS**

5.1 Cameroon recognizes the importance of economic supervision in ensuring the sustainability and competitiveness of its air transport sector. The framework put in place will enhance transparency, efficiency, and fair market practices, benefiting all stakeholders.

5.2 Through strengthened economic oversight, Cameroon aims to foster a well-regulated, competitive, and consumer-friendly aviation environment that aligns with ICAO's best practices and global standards.