



WORKING PAPER

**CONFERENCE ON THE ECONOMICS OF AIRPORTS AND
AIR NAVIGATION SERVICES**

Montréal, 15 to 20 September 2008

- Agenda Item 1: Issues involving interaction between States, providers and users**
1.1: Economic oversight

**CONTROL AND OVERSIGHT OF AIRPORTS AND
AIR NAVIGATION SERVICES PROVIDERS**

(Presented by Uganda)

SUMMARY

This paper discusses the issues of control and oversight of airports and air navigation service providers. It points out the incapacity of some States to fulfil their mandates and the emerging role of regional aviation organizations and how they could be used to assist the States.

Action by the Conference is in paragraph 4.

1. INTRODUCTION

1.1 The development of autonomous/commercialized airports and air navigation service providers has brought benefits to aviation as noted in several working papers (WPs/7 and 12). At the same time commercialization has brought its own risks which need to be addressed in the different situations it may be present. This paper raises the question of the role that may be given to regional entities to help States in regulatory/oversight functions.

2. DISCUSSION

2.1 The benefits of commercialization of airports and air navigation service providers have been well presented in WP/7 and WP/12. Alongside the benefits are risks arising from the profit motive of commercialized entities, which may jeopardize safety and adherence to ICAO Standards and Recommended Practices (SARPs) and policies such as those in the *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) Economic oversight of these entities has also been well covered in WP/4.

2.2 The role of the State in ensuring that best commercial practices are applied and ICAO SARPS adhered to is also well covered. All this is with the assumption that individual States have the capability to play their roles adequately.

2.3 Experience has shown that some States, especially in the Africa-Indian Ocean (AFI) region, have no resources to adequately handle the safety regulation and economic oversight roles. For this reason, many States have formed regional aviation organizations. Some of these regional organisations are under the umbrella of regional economic groupings. For example, Uganda is a member of the East African Community (EAC) which has a regional Civil Aviation Safety and Security Oversight Agency (CASSOA). While CASSOA handles issues of aviation safety and security, other organs of the EAC deal with broader issues of air transport. Under such a regional arrangement higher capacity is attained through pooling of resources. Individual States could take advantage of this capacity to solve their needs.

2.4 ICAO is constituted on the basis of States. All ICAO dealings are with States and there seem to be no provisions for dealing with regional groupings such as East African Community. Yet the regional groupings have proven their worth in their short period of existence. It seems this is the time for ICAO to consider establishing mechanisms of dealing with them, and developing the necessary guidance material.

3. **CONCLUSIONS**

3.1 From the foregoing discussion the following conclusions can be made:

- a) Some individual States may not have capacity to deal with establishing economic and other forms of oversight to ensure good performance.
- b) Regional aviation organizations have proved that they can provide the necessary capacity through pooling of resources.
- c) Mechanisms are necessary to enable ICAO work with regional aviation organisations, so that these organisations are enabled to complement or supplement the role of the individual States.

4. **ACTION BY THE CONFERENCE**

4.1 The Conference is invited to review and adopt conclusions in paragraph 3.1.

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