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Maximizing Civil Aviation's Economic Contribution
Safe, Secure and Sustainable Air Transport in Open Skies
Challenges and Potential
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New financing paradigms for African civil aviation

(Presented by Ethiopia)

SUMMARY

This paper draws attention to the lack of capacity to exercise properly States' safety oversight responsibilities and the prevalence of inadequate human and financial resources to support an independent safety oversight system. Promoting regional and sub-regional safety organizations with proper access to bank loans and grants will allow States especially in Africa to share the resources necessary for discharging their individual safety oversight obligation.

1. BACKGROUND

The World Bank Group (WBG) is one of the World's largest sources of Development Assistance. Traditionally the Group has been engaged in the Air Transport Sector projects mainly through the financing of equipment such as aircraft and infrastructure for State-owned airlines.

In recent years, enticed by the liberalization of the Air Transport Sector world wide, and the privatization of many State-owned airlines the Group's investment focus shifted to policy and regulatory support functions. Most African States welcome this action as it opens the door for them to address their inadequate policies and weak regulatory entities in the field of civil aviation.

According to the Bank's Air Transport Office (ATO) 2005 annual report, loans and grants for Air Transport represent less than 5% of the Bank's overall Transport Sector Portfolio. It is also interesting to know that the Bank finances components of Regional projects mostly by grants while National projects continue to get access to loans.



2. SAFETY CHALLENGES & THEIR IMPACT ON AFRICAN AIR TRANSPORT

It has been repeatedly said that a safe, efficient and reliable Air Transport System plays an important role in Africa's economic development and integration. Therefore, more and more Countries in Africa are engaged in exerting their efforts to attain safe Air Transport Systems. This is a confirmation that the responsibility to provide adequate guidance and formulate proper policies as enshrined in the Chicago Convention falls entirely on Contracting States of ICAO.

However, the findings of the first cycle of the ICAO Universal Safety Oversight Audit Programme (USOAP) reveal that, a number of African States lack the necessary resources and institutional set-up to fulfill their safety oversight responsibilities under the Chicago Convention. Deficiencies identified as major problems include lack of appropriate legislation and regulations, absence of appropriate organization and lack of adequate and appropriately qualified staff. These obviously have a direct bearing on the high Air Transport accident rate in Africa, which is more than 10 times the global average.

A review of recent years accidents in Africa show poor maintenance of aircraft, insufficient crew proficiency and, more generally, lack of safety oversight by States as major contributors. Poor quality of Air Traffic Services in Africa and lack of adequate and dependable radio communications in some Flight Information Regions (FIRs) pose serious concern for African skies.

Cognizant of this situation, ICAO has embarked on a number of initiatives including the development of a manual on the establishment and management of a regional safety oversight system. The recent ICAO Directors General of civil aviation Conference also passed as one of its recommendations to encourage the set-up of regional and sub-regional bodies empowered to handle the safety oversight functions of a group of States.

The sharing of resources and establishing regional and sub-regional bodies to undertake safety oversight tasks on behalf of a group of States is no more an idea on a drawing board, but an accepted course of action by all Contracting States of ICAO. This was also demonstrated during the 35th Session of the ICAO Assembly, where Resolution A35-7 (Unified strategy to resolve safety-related deficiencies) was adopted, which calls for the promotion of regional and sub-regional safety oversight organizations.

The experiences gained so far from the North American Commercial Aviation Safety Team (CAST), the European Aviation Safety Agency (EASA), the Pan American Aviation Safety Team (PAAST) and the newly set-up African Safety Enhancement Team (ASET) and many others are highly encouraging. The Cooperative Development of Operational Safety and Continuing Airworthiness Programmes

(COSCAPs) sponsored under the ICAO Technical Cooperation Programme are also gaining momentum particularly in South, Southeast and North Asia. In addition, COSCAPS have been formed in Commonwealth of Independent States (CIS), Latin America, West, Central, Southern Africa and the Banjul Accord Group (BAG). However, regional and sub-regional entities require formal access to financing in order to see the result of their initiatives in minimizing safety challenges in African Air Transport.

3. FINANCING REGIONAL & SUB-REGIONAL ORGANIZATIONS

The traditional World Bank Group (WBG) loans to national projects have undoubtedly contributed to improve and modernize Air Transport infrastructure in Africa. This endeavor needs to further expand to enable more and more African States invest in their infrastructure and comply with ICAO Standards and Recommended Practices (SARPs).

It is unlikely, however, to attain an acceptable level of safety in Air Transport by modernizing infrastructure alone. Policy and regulatory support functions also require equal attention and a fair share of the investment pie. In this regard the recent WBG's investment focus shift towards Policy and regulatory support functions is timely and commendable.

As a priority the WBG should also encourage ICAO and African States to develop strategies for regional and sub-regional safety oversight organizations. These strategies should be designed to allow such organizations to funding, including loans from sources such as the World Bank Group. The traditional approach to provide loans to national projects has to be changed in order to see the fruit of the investment focus shift by the World Bank.

4. CONCLUSIONS

- a. African States welcome the World Bank Group's investment focus shift to policy and regulatory support functions.
- b. Based on the first cycle of the ICAO Universal Safety Oversight Audit Programme (USOAP), some African States lack the capacity to exercise properly their safety oversight responsibilities.
- c. The Air Transport accident rate in Africa, which is more than 10 times the global average is a serious concern and needs to be addressed urgently.
- d. African States should be encouraged to promote further development of regional and sub-regional organizations in support of the strengthening of States' safety oversight capability.
- e. While the traditional World Bank Group's loans to national projects should continue, it is time to formulate a mechanism to allow regional and sub-regional safety oversight organizations get access not only to grants but loans as well.