THE DEVELOPMENT FORUM
Maximizing Civil Aviation's Economic Contribution by providing Safe, Secure and Sustainable Air Transport in African Skies

Hosted by the African Union

CONCLUSIONS

In association with

Air Transport Action Group

International Civil Aviation Organization

The World Bank

23 – 25 April 2007
African Union Headquarters, Addis Ababa, Ethiopia

The Development Forum

Maximizing Civil Aviation Economic Contribution

Aviation Development Focus on Africa

Safe, Secure and Sustainable Air Transport in African Skies

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Forum Conclusions

Co-organised by the African Union (AU), the International Civil Aviation Organization (ICAO), the World Bank (WB) and the Air Transport Action Group (ATAG), the third annual meeting of the Air Transport Development Forum was held from 23 to 25 April 2007 at the Headquarters of the AU in Addis Ababa.

Numerous participants representing African, European and North American States, United Nations organizations, various regional and international donors organizations and the air transport industry have discussed and assessed the situation, challenges and opportunities of the aviation sector in Africa.

The following conclusions have been drafted for consideration by the organizations present and for submission to and consideration by the Third African Union Conference (AU) of Ministers responsible for Air Transport, which will be held in Addis Ababa from 7 to 11 May 2007.

Preamble

Recognizing air transport as an essential engine for growth, which supports economic development by creating direct and indirect employment in aviation related services, supporting tourism and local small businesses and stimulating foreign investment and regional trade;

Recognizing the efforts made by the African Civil Aviation Communities, under the leadership of the African Union, towards the implementation of the Resolutions of the First and Second African Union Conference of Ministers responsible for Air Transport and the initial achievements in improving specific aspects of air transport in Africa;

Acknowledging strong concerns regarding the current stage of the African aviation sector, which continues to face serious difficulties of development characterized by (i) the slow implementation of a liberalized pan–African aviation market (pending implementation of the Yamoussoukro Decision), (ii) a continued high accident rate and a general unsatisfactory level of security, (iii) the difficulty of many carriers to establish adequate access to finance for the procurement of modern aircraft, and (iv) the increased shortage of qualified operational human resources;

Reinforcing the critical importance for African States to accelerate the implementation of the Yamoussoukro Decision and to exert their regulatory powers for supervising their aviation sector, thus ensuring compliance with ICAO standards and recommended practices;

Emphasizing the need for co-operation and partnership between States and industry, under African leadership, in order to engage in coordinated safety improvements and to enhance the participation of the African civil aviation sector in the current globalization and liberalization of the air transport industry,

The third annual meeting of the Air Transport Development Forum came to the following conclusions

1. Institutions & Structures

- Autonomous civil aviation authorities should be established and strengthened for policy and regulatory oversight in the States concerned. Ministries of Transport that are in charge of monitoring economic aspects of the sector should build an environment favorable to air services liberalization.

- The tools towards effective and efficient governmental institutions include (i) strong national regulatory frameworks, (ii) regional initiatives and cooperation with other States, (iii) maintenance of accurate statistics and operational

data, (iv) financial support from bilateral and multilateral partners to establish proper institutions, and (v) access to industry operational support.

- It is essential for reaching such goals to (i) exert good governance by securing the financial resources that are necessary to adequately remunerate staff, (ii) use benchmarking with other States and international organizations to measure performance and ensure quality, (iii) make sure that revenues generated by civil aviation sector are re-invested in this sector, according to ICAO policies and (iii) share information in a transparent way when cooperating with other States and organizations.

2. Safety and Security

- Reaching an internationally acceptable level of aviation safety and security is a basic condition for the development of sustainable air services. It requires the full implementation of (i) the Resolutions adopted by the African Ministers responsible for air transport, (ii) the Regional Economic Communities frameworks and (iii) the relevant ICAO standards, recommended practices and guidance materials.

- Africa will face increased pressure towards the exclusion of some of its carriers from foreign markets if the States concerned don't secure an adequate operational oversight regime. On the African market, access to affordable finances and related services such as insurance is often very difficult, as the rate of accidents presents a particular risk.

- Reliable regulatory oversight by the national civil Aviation Authorities (CAAs) is critical to achieve an acceptable level of safety and security, which should be recognized as a national priority.

- African CAAs should take advantage of various initiatives and available instruments in order to support their regulatory responsibility and increase both African market share and world market access to African operators. These include: (i) the establishment of sustainable sub-regional safety oversight institutions resulting from various COSCAPs supported by bilateral and multilateral donors, (ii) the coordinated implementation of the Global Aviation Safety Roadmap, and (iii) the implementation of various technical programs, in particular AVSEC and the IATA operational safety audit of airlines (IOSA).

- Based on the Global Aviation Safety Roadmap, ICAO is developing a comprehensive Regional Plan for Africa; African Sates shall engage in the implementation of this Regional Plan. The AFI Safety Enhancement Team (ASET), bringing industry and States together, shall coordinate the implementation of the Regional Plan by all stakeholders.

3. Liberalization

- Liberalization of air services in Africa is essential for development. In this regard, encouraging market access within the framework of the Yamoussoukro Decision, mergers and establishment of lower cost models will make the African air transport more effective and enhance its accessibility.

- Barriers to market opening, such as the protection of flag carriers or local aviation services (e.g. handling or fuel) should be removed, all provisions, such as the creation of an Executing Agency, the settlement of dispute mechanism and competition rules from the Yamoussoukro Decision, must be finalized and guidelines for the negotiation of air service agreements with third parties should be elaborated.

- It is essential to accelerate the liberalization process in Africa for getting its full economic and social benefits not only within the aviation sector, but also for other sectors such as trade and tourism. Liberalization should be prepared and implemented in parallel at regional level through the Regional Economic Communities (RECs), and at pan-African level under the leadership of the African Union.

- The AU should therefore focus on providing guidance on policy and regulatory issues, and coordinate the liberalization of air services between RECs.

- Liberalization of ownership rules, facilitating foreign investments of aircraft and air carriers, is a key instrument for States whose local capital markets lack sufficient capacity. The regime of the Yamoussoukro Decision allows African carriers to participate in other African States liberalized market, without any ownership restrictions. However, many national aviation laws must be adapted accordingly.

4. Human Resources

- The lack of adequate human resources has become a serious concern for aviation general and for the African aviation sector in particular. Inadequate training and a high rate brain drain among the few well-trained personnel often to operators outside the continent are a major threat for the development of air transport in Africa.

- Existing training centers, regional training programs and international cooperation with well-established carriers, aircraft manufactures or with foreign aviation authorities are essential to develop adequate resources. The concerned institutions are responsible to provide training according to their resources and market size.

- The removal of regional - physical or other - barriers to deployment of personnel among African States is instrumental for better developing and managing human resources.

5. Technology

- The modernization of technology in the African aviation sector is both an opportunity and a risk. Many African States can indeed benefit from newer and more efficient technologies (e.g. GNSS and ADS-B) by skipping older or more expensive systems (e.g. RADAR). Lack of action in this regard may lead to increased restrictions, even exclusion.

- For States with limited civil aviation activities, regional integration may be the only way forward in order to secure cost effective investment and achieve better return. In this regard, the establishment of air navigation service entities similar to ASECNA should be encouraged in other African regions.

- As far as airlines are concerned, many operators will need to procure modern aircraft to improve efficiency and reach agreed safety standards. This can be done in cooperation with manufacturers and international carriers. Moreover, in order to facilitate aircraft financing, States should ratify and implement the Convention on International Interests in Mobile Equipment and its Protocol specific to Aircraft Equipment (Cape Town Convention & Protocol).

- To facilitate the acquisition and implementation of modern technology, a harmonized regulatory environment needs to be established in order to secure interoperability among equipment from different manufactures and reach global acceptance.

6. Environment

- It is essential to preserve and strengthen ICAO leadership for addressing aviation environmental issues, such as climate change, especially in preparation for and during the coming ICAO Assembly in September 2007.

7. Development Cooperation

- Development programs for Africa exist since 1960. Over US$568 billion have been provided in support of numerous African sectors. As far as aviation is concerned, bilateral and multilateral donors have financed and are still financing air transport infrastructure (airports, air navigation systems, security installations), capacity building programs (national or regional), as well as policy advice and support (privatization of carriers, liberalization).

- Progress has remained generally below expectations, while a proliferation of initiatives is currently taking place in various African regions. To address the problem of uncoordinated donor efforts leading to inefficient allocation of resources, ICAO, the World Bank and ATAG have established a coordination mechanism called AvDeCo.

- This initiative aims at establishing an aviation development coordination office at ICAO Headquarters. AvDeCo, which will be enlarged to other continents, aims to (i) take stock of the African aviation sector, (ii) collect and maintain a country database of each State's aviation sector and the related donor

initiatives and programs, and (iii) develop and maintain donor coordination programs, such as the framework for cooperation between the AU and ICAO.

- The AU and ICAO have prepared a memorandum of understanding, which aims at providing a framework for cooperation in order to promote the sustainable development of air transport in Africa. The envisaged support will focus on (i) compliance with ICAO Standards and Recommended Practices, (ii) ratification and/or implementation of international air law instruments, (iii) liberalization of air transport markets within the framework of the Yamoussoukro Decision, (iv) support for implementation of liberalization, (v) regulation and control of civil aviation by States through the creation and strengthening of autonomous civil aviation authorities, (vi) improvement of air transport safety and security in accordance with existing provisions, (vii) harmonization of economic regulation of air transport in compliance with the African Union Programmes, (viii) implementation of African projects related to air transport development programs, (ix) upgrading of aeronautical infrastructures such as airport installations and air navigation facilities to international standards, (x) support of human resources initiatives, (xi) establishment of a continental framework on rights of air transport users, (xii) assistance in meeting environmental protection requirements, (xiii) creation of databases and information and management systems, and (xiv) promotion of aeronautical, technical and financial cooperation within the global air transport community.

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