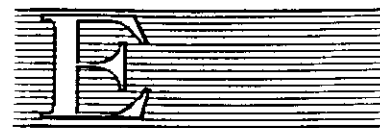




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Meeting of the Air Transport Working Group

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ECA ACTIVITIES WITHIN THE UNTACDA II AIR TRANSPORT WORKING GROUP

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The UNTACDA II Air Transport Working Group established by the Conference of African Ministers of Transport is responsible for undertaking mandated activities and reporting to the Inter-Agency Coordinating Committee (IACC) on progress made and difficulties encountered.

This report describes activities that ECA conducted since the last IACC meeting and proposes a Plan of Action for the period 1998-2000 and beyond. The measures to be taken are indicated in paragraph 23.

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I. INTRODUCTION

1. African Ministers of Transport and Communications have established several working groups to prepare the UNTACDA II work programme and to assist member States in its implementation and evaluation. The Air Transport Working Group which comprises the African Civil Aviation Commission (AFCAC as Chairman), the United Nations Economic Commission for Africa (ECA as lead agency) the Agency for the Security and Safety of Air Navigation in Africa (ASECNA as secretary), the United Nations Development Programme (UNDP), the Organization of African Unity (OAU), the International Civil Aviation Organization (ICAO), the African Airlines Association (AFRAA), the National Civil Aviation Training Organization (of Egypt) and the International Labour Organisation (ILO) is responsible for air transport sector activities. The Group meets frequently to take stock of activities conducted and adopt its programme of work. The last such meeting was held during November 1996 in Nairobi, Kenya.

II. SUBSECTORAL OBJECTIVES

2. The long-term objective for this subsector is to integrate African air services, improve trade facilitation and air services and strengthen the capacities of civil aviation authorities and airlines.

III. ACTIVITIES CONDUCTED BY ECA SINCE THE LAST MEETING OF THE WORKING GROUP

3. This report describes the tasks assigned to ECA:

(a) Implementation of the Yamoussoukro Declaration in West Africa

4. ECA assisted the West African subregion to prepare the meeting of ECOWAS Ministers responsible for civil aviation with a view to taking decisions that would facilitate the gradual liberalization of traffic rights within the subregion. In this regard, ECA assisted the coordinating minister to prepare the meeting of civil aviation experts which was held in Accra, Ghana and that of the subregional follow up committee which was held in Lomé. In cooperation with the coordinating minister, ECA attended and helped to organize from 10 to 14 December 1996, in Yamoussoukro, the meeting of ECOWAS experts and ministers responsible for civil aviation. The agenda of the meeting focused on: (a) the liberalization of air transport in the West African subregion; (b) activities conducted by member states with a view to incorporating the Yamoussoukro Declaration in their national air transport policy; (c) status of cooperation among airlines of the subregion; (d) terms of reference of the subregional committees; and (e) air transport safety in Africa.

5. During the meeting, the ministers reaffirmed, their commitment to working for the implementation of the Yamoussoukro Declaration in West Africa. In that regard, they adopted a recommendation on traffic rights and subregional cooperation. The recommendation covered all aspects of the granting of third, fourth and fifth freedoms of the air as well as the ownership and control of designated airlines, the number of airlines to be authorized to operate such traffic rights; tariffs; aircraft types and capacities; flight safety; frequency; and destination points.

6. The meeting set 1 May 1997 as the date for the entry into force of simplified provisions regarding the granting of the third and fourth freedoms of the air and 1 November 1997 as the date for the granting of the fifth freedom.

7. The meeting also set up a ministerial committee and a committee to follow up and oversee the implementation of decisions taken in furtherance of the Yamoussoukro Declaration. The terms of reference of the follow-up and supervisory committee were set as follows:

(a) To follow up the implementation of directives and decisions issued by the ministers of the subregion;

(b) Assess the degree to which those measures and actions aimed at implementing the Yamoussoukro Declaration and the decisions taken in Mauritius are being complied with in the subregion so as to report thereon in detail to the coordinating minister and the subregional committee to be established;

(c) Conduct a detailed analysis of the problems impeding the implementation of the Declaration at the subregional level and to find solutions that address those impediments;

(d) To settle any disputes which may be referred to it by contracting States or airlines. Should those disputes not be amenable to resolution through subregional negotiations by the follow-up committee, the coordinating minister should convene a meeting of his colleagues in order to find an appropriate solution; and

(e) To inform the coordinating minister and the ministerial committee about all meetings organized in the subregion towards the implementation of the Declaration. The new element introduced by the ministers was to institute sanctions against those States which failed to comply with decisions of the subregional committee regarding the settlement of any disputes referred to the committee.

(b) Implementation of the Declaration in Southern Africa

8. ECA analyzed the questionnaires on the implementation of the Declaration in southern Africa and transmitted its findings to the Southern African Transport Coordination Conference (SATCC). The report describes the problems encountered in implementing the measures adopted in Mauritius to activate the implementation of the Yamoussoukro Declaration. The document was distributed to directors of SATCC civil aviation authorities and airlines during their 1996 meeting held in Tanzania. During that meeting which ECA could not attend, some countries indicated that they did not have the information available on some of the problems raised. This shows that the problems reviewed are temporary in nature and can be solved.

(c) Implementation of the Declaration in Central and North Africa

9. In both these subregions, ECA made informal contacts with the focal points of ministries in charge of civil aviation. A mission was sent to Egypt and Tunisia. The mission found that North Africa has not made much progress but had some flexibility within the subregion in the matter of traffic rights. ECA, nevertheless, sent to the coordination ministers of both subregions the report of the meeting held at Yamoussoukro in December 1996 by the ECOWAS ministers, inviting them to organize similar meetings.

10. UDEAC Secretariat has informed ECA of its plan to organize a ministerial meeting to evaluate the implementation of the Declaration in Central Africa. The meeting is scheduled for October 1997 and ECA will provide technical backstopping.

(d) Establishment of an air service consumers association

11. Having recognized the role that air service consumers can play in improving African air services through: (a) their participation in shaping national policies; (b) the dissemination of relevant information on airline, airport and travel agent performance; and (c) the dissemination of helpful information on passenger rights, the working group requested to consider the possibility of establishing an African association of air service consumers.

12. To do away with the frequent abuses that are meted out to consumers by travel agencies, airline operators and airport authorities, an organization should be set up to defend the interests of African air service consumers who, mostly, have no idea of their rights and of where to complain. For example, in certain countries, the lack of user information on rights regarding the loss of human life and baggage has rendered futile the initiatives that some people have taken to secure redress.

13. To perform this task, ECA has requested the Africa Regional Bureau of the International Airline Passengers Association (IAPA) to conduct a survey of 18 African countries on the situation with regard to passenger services. The conclusion of that report will be submitted to the 11th meeting of the Conference of African Ministers of Transport and Communications to be held in Cairo from 22 to 24 November 1997.

(e) Organization of the meeting of the Working Group

14. From 20 to 22 November 1996, ECA organized in Nairobi, Kenya the annual meeting of the UNTACDA II Air Transport Working Group. The following organizations attended: OAU, AFRAA, ICAO, ILO and NCATO.

15. The meeting considered the following issues:

(a) Progress reports:

(b) Draft legal framework for incorporating the Yamoussoukro Declaration into national air transport policies; and

(c) Coordination of air transport policy and African integration.

16. The report of that meeting is annexed to this document.

IV. DIFFICULTIES ENCOUNTERED AND SOLUTIONS

17. The difficulties encountered in pursuing the subsectoral objectives and the solutions proposed can be found below.

(a) Implementation, time-frame and the financial straits of airlines

18. Carrying out integration, cooperation and restructuring programmes requires much time and commitment. What has been observed is that countries and airlines especially take their time to design and implement coherent integration and cooperation programmes. The reason most often given is that since cooperation and integration are based on the mutual interests of the concerned parties and since those parties do not design major cooperation and integration programmes, it is hard to know the benefits to be derived. Airlines are highly

preoccupied with daily liquidity problems so their officials do not have the time to focus on integration and cooperation programmes.

(b) Firm national commitment

19. Most countries have not taken steps to introduce the gradual liberalization of traffic rights adopted at Mauritius in 1994. What is noted, however, is that major progress has been made in the West African subregion, particularly after the meeting organized in December 1996.

(c) How to overcome the aforementioned difficulties

20. The proposal is to initiate national awareness campaigns through meetings and seminars on air services. This should bring together air service operators and users as well as national regulatory bodies with the objective not only of educating all the parties on the subsectoral objectives but also identifying the difficulties and proposing appropriate solutions.

(d) Financing Working Group activities

21. With the dwindling of the resources of those institutions members of the Working Group and the lack of external financing, it has not been possible to implement the whole of the work programme adopted in 1992. The updated work programme schedule is annexed to this report.

V. IMPACT ASSESSMENT RELATIVE TO OBJECTIVES SET IN THE SUBSECTORAL STRATEGY

22. In the air transport subsectoral strategy document, the Working Group set tentative objectives to be attained after five years of programme implementation. Note can be taken of the following achievements:

(a) Improvement of the intra-African network through greater flexibility in the granting of traffic rights and the establishment of private airlines;

(b) Expansion of flight frequencies and introduction of new routes and services;

(c) Improvement of technical cooperation through AFRAA schemes for procuring spare parts, tires and fuel during certain stopovers in Europe;

(d) Coordination of regional policies, especially through AFCAC initiatives and the African common positions defended at ICAO meetings regarding new air transport regulatory policies, aircraft noise and computerized booking systems;

(e) The implementation of certain national projects identified and included in the UNTACDA II programme; and

(f) Impressing on member States the importance of such problems as air safety, system restructuring, new regulations to secure the participation of this subsector in the globalization of world trade, the adoption of new technologies and the establishment of autonomous civil aviation authorities.

23. Mention should be made of the fact that to achieve the above results, several meetings and seminars have to be organized by all partners working on the UNTACDA II programme.

24. Compared to the set objectives, however, the activities conducted have not much helped to: better market African services through an African mechanism; improve air transport security and safety; facilitate the renewal of ageing fleets; implement the ICAO navigation plan which requires the mobilization of adequate financial resources; strengthen national meteorological capacities; standardize procedures for the issuance of licences and certificates; and strengthen the training centers.

VI. THE MAIN CHALLENGES

25. If the noted trends continue, it can be asserted that the coming years will see the sector facing the following challenges:

(a) More liberal air transport **regulation**: liberalization of traffic rights, creation of economic blocs, change in the status of air transport enterprises, tariffs liberalization and less government control over air transport enterprises;

(b) Globalization of competition: intensive use of computerized reservation systems and aggressive commercial policies;

(c) Privatization of enterprises and services: private sector participation in airlines, airport administration and stopover assistance;

(d) Fleet renewal, infrastructural extension and maintenance: acquisition of more economical aircraft, maintenance of fleet and airport facilities, equipment maintenance;

(e) Air transport safety and security: acquisition of new technologies, staff training and equipment maintenance;

(f) Staff training and use: training of trainers, training for qualified travel agents refresher training and better use of available human resources;

(g) Institutional reform and review of legislative texts with a view to adapting them to market requirements;

(h) Regrouping of activities and access to major international markets particularly because of airport and airspace congestion and related restrictions;

(i) Reduction of operating costs with a view to stimulating intra-African and international traffic;

(j) Difficult socio-economic conditions which could lead to traffic decline; and

(k) Difficulties of visa procurement particularly to enter Europe.

VII. PROPOSED PLAN OF ACTION

26. In order to address the aforementioned challenges, the following are proposed for inclusion in the plan of action for developing the air transport subsector over the period 1998-2000 and beyond.

Programme/activities	Responsible institutions	Priority and objective	Cost
1. <u>Implementation of the Yamoussoukro Declaration</u> 1.1 Traffic rights liberalization within Africa by way of such national and subregional awareness programmes as seminars, civil aviation assistance and meetings of the Declaration follow up committees	ECA incorporation with OAU, AFCAC, AFRAA, ECOWAS, SATCC, UDEAC and SADC.	Appropriate air transport regulation and development of air services. Top priority	\$US 160,000.00
1.2 Frequent meetings of policy-makers and evaluation of activities and progress made (conference on specific themes regarding liberalization and regulation of air services: specific case of landlocked countries)	Same institutions	Same objective and priority	\$US180,000.00
1.3 Technical studies on air services development in Africa	ECA	Second priority	\$US 80,000.00
2. <u>Country assistance for air transport safety and security</u> 2.1 Sensitization of States 2.2 Search for financing to be used in installing the CNS/ATM system 2.3 Country assistance to identify problems and to conduct specific activities of assistance in resolving problems identified	ICAO, AFCAC, ASECNA Countries and financial institutions ICAO, AFCAC and ASECNA	Improvement of safety and security Top priority	See ICAO estimate \$US 3 million
3. <u>Skills improvement</u> 3.1 Definition of training modules and introduction of courses in transport economics and management in an African university or graduate school 3.2 Search for training fellowships and financial replenishment of AFRAA-training fund 3.3 Training of trainers and organization of workshops to familiarize travel agents with new techniques and practices	ECA, AFRAA, AFCAC, ASECNA and ESAMI ECA, AFRAA, OAU and ADB ECA, AFRAA and AFCAC	Staff training	P.M \$US 700,000.00 \$US2 million

Programme/activities	Responsible institutions	Priority and objective	Cost
4. <u>Aircraft purchasing and leasing company</u> 4.1 Conducting a feasibility study in cooperation with interested airlines and organizations	ADB, ECA, OAU, AFRAA and AFCAC	Fleet renewal	\$US 700,000.00
5. <u>Economic studies</u> 5.1 Study on the development of African air transport services and the challenges	ECA, ICAO	Service improvement Second priority	\$US 600,000.00

VIII. FOLLOW-UP ACTION

27. Participants may note the information provided and complete them if possible. The meeting is invited to consider the proposed Action Plan for inclusion in the General Plan of Action being prepared for the UNTACDA II.