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EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY

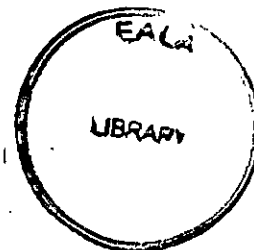
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COMMITTEE ON ACCOUNTS

REPORT FOR THE COMMITTEE ON ACCOUNTS TO ASSESS THE STATUS OF INSTITUTIONAL DEVELOPMENT OF CASSOA AND THE LEVEL OF ENFORCEMENT OF SAFETY, HARMONIZATION OF CIVIL AIR TRANSPORT POLICIES AND CIVIL AVIATION RULES AND REGULATIONS IN THE EAC REGION.

(31st October -3rd November 2021)



Clerk's Chambers
EALA Headquarters, 3rd Floor
EAC Headquarters
Arusha – TANZANIA

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ACRONYMS AND ABBREVIATIONS

AFCAC	-	African Civil Aviation Commission
BASAs	-	Bilateral Air Services Agreements
CASSOA	-	Civil Aviation Safety and Security Oversight Agency
CRM	-	Crew Resource Management
CUTE	-	Common User Terminal Equipment
EAC	-	East African Community
ECQB	-	European Central question Bank (ECQB)East African Community
FIDS	-	Flight Information Display System
IATA	-	International Air Transport Association
ICAO	-	International Civil Aviation Organization
MOPs	-	Manager Flight Operations
MAIW	-	Manager Airworthiness
PAGAO	-	Principal Aerodromes and Ground Aids Officer
PANSO	-	Principal Air navigation Services Officer
PASO	-	Principal Aviation Security Officer
PPELO	-	Principal Personnel Licensing Officer
RSS	-	Republic of South Sudan
SSP	-	State Safety Programme
SASO		SADC Aviation Safety Organisation
USOAP	-	Universal Safety oversight Audit Programs

1.0 INTRODUCTION

The East African Legislative Assembly is the Legislative Organ of the East African Community responsible for; among others things; carrying out oversight function on all matters pertaining to the Community. *Article 49 (2) (c)* of the Treaty Establishing the East African Community empowers the Committee on Accounts to discharge the oversight function on behalf of the Assembly on all financial matters of the Community. According to *Annex 5A* of the Rules of Procedure of the Assembly, the Committee on Accounts is mandated to: -

- i) Carry out a post audit review and scrutiny of the expenditure incurred by the EAC Secretariat, Organs and Institutions of the Community and the sums appropriated in an annual budget approved by EALA upon presentation by the Chairperson of the Council of Ministers of EAC;
- ii) Carry out post audit review and scrutiny of the expenditure on the basis of an annual audit report of the Audit Commission, pursuant to provisions of *Article 49 (2)(c)* and *134* of the Treaty for the Establishment of the East African Community. This function involves scrutinizing and evaluating the performance of the budget;
- iii) Carry out post audit function that encompasses the monitoring and implementation of the budget in a manner similar to internal audit, pursuant to *Rule 74 (1)* of the Rules of Procedure of the Assembly, and;
- iv) Present a report with recommendations to the House for consideration, approval and adoption after the post audit review and scrutiny.

Article 92 of Treaty Establishing the East African Community obligates the Audit Commission to submit its reports to the Council which shall cause the same to be laid on the floor of the Assembly within six months of receipt for debate, adoption and such other action as the Assembly may deem necessary. Over the last couple of years, the Accounts Committee as mandated by the above statutory obligations has undertaken oversight to assess the level of implementation of the Assembly recommendations on the EAC audited accounts.

It is against this background that the Committee on Accounts undertook an oversight activity to assess the status of Institutional development of CASSOA and the Level of enforcement of safety, harmonization of civil air transport policies and civil aviation rules and regulations in the region. The activity was conducted in Entebbe – Uganda from 31st October to 3rd November 2021.

2.0 BACKGROUND INFORMATION/ PERSPECTIVE OF AIR SERVICES AND USAGE IN EAST AFRICA

The aviation industry has a vital role to play in achieving sustainable growth and development in East Africa. The expansion of air services is a necessary condition for the development of a more diversified export base across the continent and for the expansion of tourism to the region. Improvements in the air transport infrastructure would go a long way and help to raise living standards and alleviate poverty in Africa by lowering transport costs, supporting more rapid economic growth and increasing personal mobility.

Air transport can open and connect markets, facilitating trade and enabling African firms to link into global supply chains. Enhancing air connectivity can also help raise productivity, by encouraging investment and innovation as well as improving business operations and efficiency. Air transport is indispensable for tourism, where convenient air service facilitates the arrival of larger numbers of tourists to a region or country

Africa is the smallest region for air services in the world, reflecting its low income and lack of air transport infrastructure. It accounted for only 4.1% of total world passenger traffic in 2002 and just 1.6% of the world air cargo traffic. Moreover, the use of air services is very concentrated within Africa: the 10 biggest national markets account for 70% of the total number of passengers travelling by air in the region and 90% of cargo flights. However, aviation is the main transport mode in international flows in the continent and its importance relative to other modes of transport is increasing:

Infrastructure i.e. Airports and air-traffic management is essential to the growth and functioning of air transport services. In many African countries, more than elsewhere in the world, infrastructure inefficiencies coupled with limited competition are making market access both difficult and expensive. In addition, safety issues are a source of concern, particularly given the prospective growth in demand for air services.

While many air markets between Africa and outside of Africa have been liberalized to a significant extent, most intra-African aviation markets remain largely closed, subject to restrictive bilateral agreements which limit the growth and development of air services. This has limited the potential for aviation to be an engine of growth and development.

Recognizing that this restrictive arrangement was limiting growth, many African nations adopted the Yamoussoukro Decision in 1999. This agreement committed the 44 signatory countries to deregulating air services and to promoting regional air markets opening to transnational competition. However, the implementation of this agreement has been slow and limited, and thus the potential benefits of liberalizing intra-African air markets remain largely unrealized. (***World Bank report mobility and transport connectivity series Policy Note – 2022***)

The 17th Sectoral Council on Transportation, Communication and Meteorology (21st – 25th June 2021) considered the aspect of regulations for Liberalization of Air Transport Services in the EAC. It examined the factors affecting the cost of air tickets in the EAC and international economic regulations for Air Transport. It also tackled the aspects of safety in the aviation industry.

2.0 OBJECTIVES OF THE ACTIVITY

The objectives of the activity included the following:

- (i) To assess the organizational setup, challenges, mandate, achievements and challenges of CASSOA;
- (ii) To assess the level of enforcement of safety and harmonization of civil air transport policies and civil aviation rules and regulations in the region; and
- (iii) To make recommendations to the Council of Ministers on measures to be undertaken in harmonization of civil air transport policies and civil aviation rules and regulations in the region.

3.0 METHODOLOGY

The Committee adopted the following methodology in compiling the report;

- i) Interacted and held discussions with the management of the CASSOA;
- ii) Received presentations from the management of CASSOA on measures being undertaken in the harmonization of civil air transport policies and civil aviation rules and regulations in the region;
- iii) Perused and studied the relevant literature pertaining to the Aviation industry in the EAC region; and
- iv) Held a committee meeting to discuss the report.

4.0 ASSESSMENT OF THE ORGANIZATIONAL SETUP, MANDATE, AND CHALLENGES OF CASSOA

4.1 Establishment of CASSOA

The East African Community Civil Aviation Safety and Security Oversight Agency (CASSOA) was established by the EAC Council of Ministers on 18th April 2007, following the signing of the protocol on Establishment of the East African Civil Aviation Safety and Security by the three founder Partner States. CASSOA started operations on 1st June, 2007 as an autonomous self-accounting institution of the EAC. It was thereafter formally launched on 18th June, 2007 during the 5th Extraordinary Summit of EAC Heads of State held in Kampala, Uganda.

The mandate of CASSOA is based on Article 92 of the EAC Treaty, under which the Partner States undertook to make air transport services safe, efficient and profitable; adopt common policies for the development of civil air transport in the region; harmonize civil aviation laws and regulations and; coordinate and cooperate measures in the maintenance of high security in the aviation sector.

The Agency was established to promote the safe, secure and efficient use and development of civil aviation within and outside the Partner States. The Agency is also tasked to assist, support and advise the Partner States in their endeavor to meet their safety and security oversight obligations and responsibilities under the Chicago Convention and its annexes.

4.2 Objectives of the Agency

The objectives of CASSOA are;

- To promote safe, secure, efficient use and development of Civil aviation among Partner States;
- To assist Partner States in meeting their safety and security oversight obligations; and
- To provide Partner States with appropriate forum and structures to discuss, plan and implement common measures required for achieving the safe and orderly development of international civil aviation.

4.3 Functions of CASSOA

They include the following;

- Harmonizing operating regulations to ensure that they meet international standards and recommended practices;
- Developing standardized procedures for licensing, approving, certificating and supervising civil aviation activities; and
- Providing guidance and assistance to Partner States including putting in place measures for resource sharing particularly for the technical personnel.

4.4 Membership and Organizational set up of CASSOA

- Membership is determined by being a party to the EAC Treaty and acceding to the Protocol
- The Republics of Burundi, Kenya, Rwanda, South Sudan, Uganda and The United Republic of Tanzania are members of CASSOA.

The Organizational setting of CASSOA include;

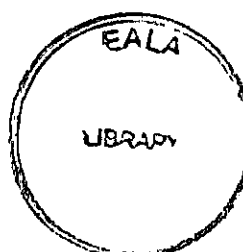
- The Board
- The Secretariat
- Other organs and officers as the Board may consider necessary (Technical Committees, Working Groups, officers). The Board reports to the Council of Ministers.

4.5 Agency activities

- CASSOA Operations are supported by the financial and expert contributions from Partner States;
- Inspectors from Partner States facilitate the activities of the Agency in regular Working Group Meetings;
- Annual Operational Plans provides the activities to be conducted throughout the year and the associated budget;
- The Technical Committees review the activities conducted by the Working Groups and makes recommendations to the Board for consideration and approval as appropriate, on quarterly basis;
- Technical Assistance to the Partner States are undertaken in preparation for ICAO safety, and security Audits and development of Corrective Action Plans;
- Technical Assistance is rendered to the Partner States to establish and maintain State Safety Programmes (SSP);
- Development, review and amendment of model EAC Primary Civil Aviation Act and Aircraft Accident and Incident Investigation Act;
- Development, Review and Amendment of Model EAC Civil Aviation Regulations Development, Review and Amendment of Technical Guidance Materials.

4.6 Major ongoing Projects being implemented by CASSOA

- Implementation of EU-Africa Safety in Aviation (EU-ASA) Project funded by European Union and coordinated by European Aviation Safety Agency (EASA);
- Establishment and Operationalization EAC Examinations System for Aviation Personnel. This is an ongoing activity. Every year CASSOA purchases new examination questions from various aviation colleges from Europe like European Central question Bank (ECQB) and aviation Exams among others. CASSOA, then domesticates the exams for use.
- Implementation of a Project on common licensing system funded by EAC States through Civil Aviation Authorities. This project aims at developing a framework for implementing the mechanism of improving the mobility of licensed personnel at regional level.



The Committee recommends to the Assembly to urge the Council of Ministers to ensure that CASSOA fast-tracks the process of conducting the automatic licenses validation so as to enhance the mobility for the licensed aviation personnel. The benefits accruing will be for the EAC citizenry.

- Enhanced cooperation and collaboration agreements with global civil aviation organizations such as International Civil Aviation Organization (ICAO) African Civil Aviation Commission (AFCAC), African Union Commission (AUC), The Banjul Accord Group Aviation Safety Oversight Organization (BAGASOO), European Union Air Safety Agency (EASA) and Regional Safety Oversight Organizations for Global Aviation Safety (RSOOs).

According to the ICAO audits which were carried out in 2018, and 2020, CASSOA was ranked is the best performing safety and oversight agency in Africa and the second in the world.

The Committee applauds CASSOA board and management on this major milestone and urges it not to relent but strive to be the best in the world.

- Implementation of the Regional safety Oversight Organization (RSOO) Cooperative Platform and Global Aviation Safety Oversight System (GASOS) initiatives with ICAO Headquarters, Montreal – Canada. Under this sector, a number of activities have been implemented such as; enhancement of aviation safety as well as the efficiency and regularity of air transport within the EAC and SADC regions; harmonization of technical regulations in compliance with ICAO SARPs; development of model procedures for the effective implementation of SARPs, strengthening of institutional framework for aviation safety and security within EAC and SADC regions.

The Committee applauds CASSOA board and management for these enhanced cooperatives approaches with these global safety agencies. It's the considered opinion of the Committee that the synergies accruing from these collaborations will ultimately and hopefully generate better solutions and help to ensure that CASSOA achieves its organizational objective's, vision and mission.

5.7 Achievements

The agency has registered the following achievements

- Developed model of EAC Primary Civil Aviation Legislation for adoption and promulgation by Partner States;
- Developed model of EAC Regulations for adoption and promulgation by Partner States. These are meant to set out the orderly development and harmonization of civil aviation practices in Partner States. Owing to the changing nature in the aviation industry due to the fast development of technologies, CASSOA has been updating the regulations to keep them relevant and applicable;
- Developed model EAC technical guidance materials for adoption and promulgation by Partner States;
- Marked improvement amongst Partner States on effective implementation of safety and security oversight system;
- Actively contributing to regional and global initiatives towards restart and recovery of air transport during post COVID-19; CASSOA has been at the forefront of proposing harmonized measures to suit the post COVID era. However, the Partners states have a final say on the proposed measures;
- Pooling of resources such as sharing of Inspectors;
- Harmonized regulatory framework and technical guidance materials/practices in the EAC region;
- Enhanced capacity building among Partner States through Inspector Training through inspector training system (ITS). Regular trainings are undertaken in various Partner States to enhance the skills of staff of the various EAC aviation agencies. For instance, a training is underway at Speak Resort Hotel Munyonyo in Uganda sponsored by the European Safety Aviation Agency. This training is from 21st February to 26th 2022;
- Harmonized Regional Roadmap for implementation of State Safety Programmes/Safety management system;
- Sustained Stakeholders engagement at Regional and Global levels through Regional Aviation. In this regard, CASSOA coordinated the 5th EAC Aviation Symposium which was held from 27th - 28th February, 2020 at Hotel Club de luc Bujumbura - Burundi and the 4th EAC Aviation Symposium which was also held from 1st - 2nd February, 2018 at Crowne Plaza Hotel, Nairobi – Kenya.

The Committee was informed that due to COVID 19 pandemic, resource constraints hindered CASSOA from organize similar symposium.

- Supported and enhanced collaboration with the EAC Secretariat to solicit funds to finance projects developed by the Agency from the World Bank Group, China Fund, EU and UAE funding sources.
- Gender parity has 50-50%, there are 8 female and 11 males.

The Committee commends CASSOA on this milestone and urges other EAC Organs and Institutions to emulate CASSOA by addressing gender imbalances when filling positions.

5.8 Challenges

The Agency has been facing the following challenges;

- Sharply declining revenues from the civil aviation authorities among the Partner States since CASSOA receives remittances from Civil Aviation Agencies. This has necessitated the CASSOA to take resilience measures due to the reduced revenues. The reduced funding was attributed to Covid 19 pandemic that has affected air travel globally;
- Inability to implement Annual Operations Plans and disruption of activities to meet the Strategic Objectives set out in the CASSOA 3rd Strategic Plan;
- Declined oversight capabilities and compliance with aviation standards among Partner States as a result of COVID related measures;
- Staffing challenges hence affecting CASSOA from implementing its mandate,
- Existential competence deficit brought by expiration of pilot certificates/license holders during the pandemic era and
- The uncertainty on the recovery trend due to persistent emerging/ reoccurring of various coronavirus variants at global magnitude.

6.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

1. Declining revenues and lack of timely remittances from Partner States

The Committee observed a trend of declining revenues which has been caused by the COVID 19 pandemic. This has affected the implementation of the key planned activities and reduced activities on oversight and safety. Non remittances were in breach of regulation 25(4) of CASSOA Financial Rules and Regulations 2013, which require contributions from Partner States to be made on 1st July of each financial year and the first instalment paid within the first three months and the second by January of the financial year. For financial year 2018/2019, CASSOA had budgeted to collect revenue of USD 2,600,908 from the following sources:

Table 1

Revenue from	Budget (USD)	Actual (USD)	Excess/ (shortfall) (USD)	Excess/(shortfall) (%)
Contribution from Partner States	2,400,702	1,969,967	(430,735)	(18)%
Funding from Reserve	183,707	183,707	0	0
Other receipts	16,500	11,404	(5,906)	(31)%
TOTAL	2,600,908	2,165,078	(435,830)	(17) %

However, from the above review, it indicates that there was a shortfall of USD 435,830.00 or 17%. CASSOA budgeted USD 2,400,702 as contribution from Partner States. However, only USD 1,969,969.00 was realized. This was as a result of South Sudan Civil Aviation Authority not paying its contribution of USD 430,735 as required.

Committee observation

Insufficient remittances of contributions limits CASSOA to fully implement its activities on time.

Committee Recommendation

The Committee recommends to the Assembly to urge the Council of Ministers to ensure that Partner States meet their financial commitments timely such that CASSOA can implement its planned activities.

2. Inability to implement Annual Operations Plan

This was attributed to non-remittances from the various Partner States. CASSOA has not been able to carry out the planned activities which have a bearing on safety and security.

Committee Recommendation

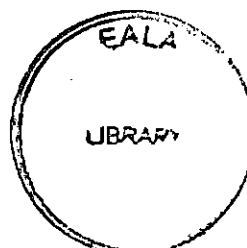
The Committee recommends to the Assembly to urge the Council of Ministers to ensure that CASSOA explores other avenues of raising revenues such as soliciting development partners support fund the agencies activities.

3. Declined oversight capabilities and compliance to aviation standards among Partner States as a result of COVID related measures.

The Committee observed that aviation is one of the most regulated sectors in the world. Pilots are among the very few professionals that are required to do repeated training as well as complete regular and rigorous examinations to maintain the existing skills and develop new ones.

Prior to becoming an airline pilot, a person has to go through many training stages that in total can take up to two years of intensive education. However, the issue of a license and relevant certificates does not mean that there would be no more training. Training is a faithful companion and an international compulsory requirement of each pilot throughout his/her entire career.

In addition, airline pilots are probably tested more than any other profession every 12 months as directed by ICAO, pilots must complete and pass the following exams;



- Pass a medical assessment ensuring they are fit to fly (reduces to every 6 months when above the age of 60);
- Complete a 'Line Check';
- Every 6 months, pilots must go into the simulator where they practice emergency procedures whilst being assessed by an examiner over a couple of days;
- Complete technical testing to ensure they maintain a high level of technical proficiency on their aircraft type;
- Complete Crew Resource Management (CRM) Training. This is where pilots are taught about how human factors can affect flight safety;
- Aviation Security Training;
- Dangerous Goods Examination.

If the pilot fails any element of these, he or she is removed from flight duties and could ultimately lose their job.

Due to the Covid 19 pandemic, the resources for trainings in most Partner States were diverted and this affected the annual training programs of pilots in EAC Partner States.

Committee Recommendation

The Committee recommends to the Assembly to urge the Council of Ministers to ensure that notwithstanding COVID 19 pandemic, resources for training should be mobilized to comply with the ICAO regulations so as to improve on the safety of the airlines in the EAC region.

4. Expiry of certificates/license holders during the pandemic era and lack of a flight simulator in the EAC region

A flight simulator is a device that artificially re-creates aircraft flight and the environment in which it flies, for pilot training, design, or other purposes. It replicates the mechanisms and processes that govern how aircraft fly, how they react to applications of flight controls, the effects of other aircraft systems, and how the aircraft reacts to external factors such as air density, turbulence, wind shear, cloud, precipitation etc.

The Committee was informed that due to the COVID 19 pandemic licensed pilots were unable to maintain the six months skills tests or check which is mandatory requirement in the aviation industry. This was attributed to the borders being closed and restrictive travel regulations partners states have put on their ports of entry. Thus, accessing flight simulators for recurrency checks became a huge challenge.

The Committee further notes that the Covid 19 pandemic notwithstanding, within EAC region its only Kenya Airline (KQ) and sister airline Jambo jet which have acquired simulators. The Boeing 737 Flight Simulator for KQ and the D8Q 400 for the Jambo jet.

The Committee noted that although EAC proposal of acquiring flight simulators would be a viable option, due to the current fragmentation of the EAC fleet of aircrafts, it wouldn't make any economic sense to acquire them. Flight simulators makes economic sense if the fleet is between 23 to 25 aircrafts. In view of the foregoing, it makes sense to send pilots for training abroad.

Committee Recommendation

The Committee recommends to the Assembly to urge the Council of Ministers to ensure that;

- (i) EAC Partner states develop a harmonized fleet acquisition policy that brings about economies of scale in training and maintenance.***
- (ii) EAC region should acquire flight simulators to enhance the training for pilots.***

7.0 ASSESSMENT OF THE LEVEL OF ENFORCEMENT OF SAFETY AND HARMONIZATION OF CIVIL AIR TRANSPORT POLICIES AND CIVIL AVIATION RULES AND REGULATIONS IN THE REGION

Article 92 (1) of the Treaty Establishing the East African Community obligate EAC Partner States to harmonize their policies on civil aviation and to promote the development of safe, reliable, efficient and economically viable civil aviation with a view to developing appropriate infrastructure, aeronautical skills and technology, as well as the role of aviation in support of other economic activities.

In addition, the treaty obliges Partner States to take necessary steps to adopt common policies for the development of civil air transport in the Community in collaboration with other relevant international organizations including the African Civil Aviation Commission (AFCAC), the African Airlines Association (AFRAA), the International Air Transport Association (IATA), and International Civil Aviation Organization (ICAO);

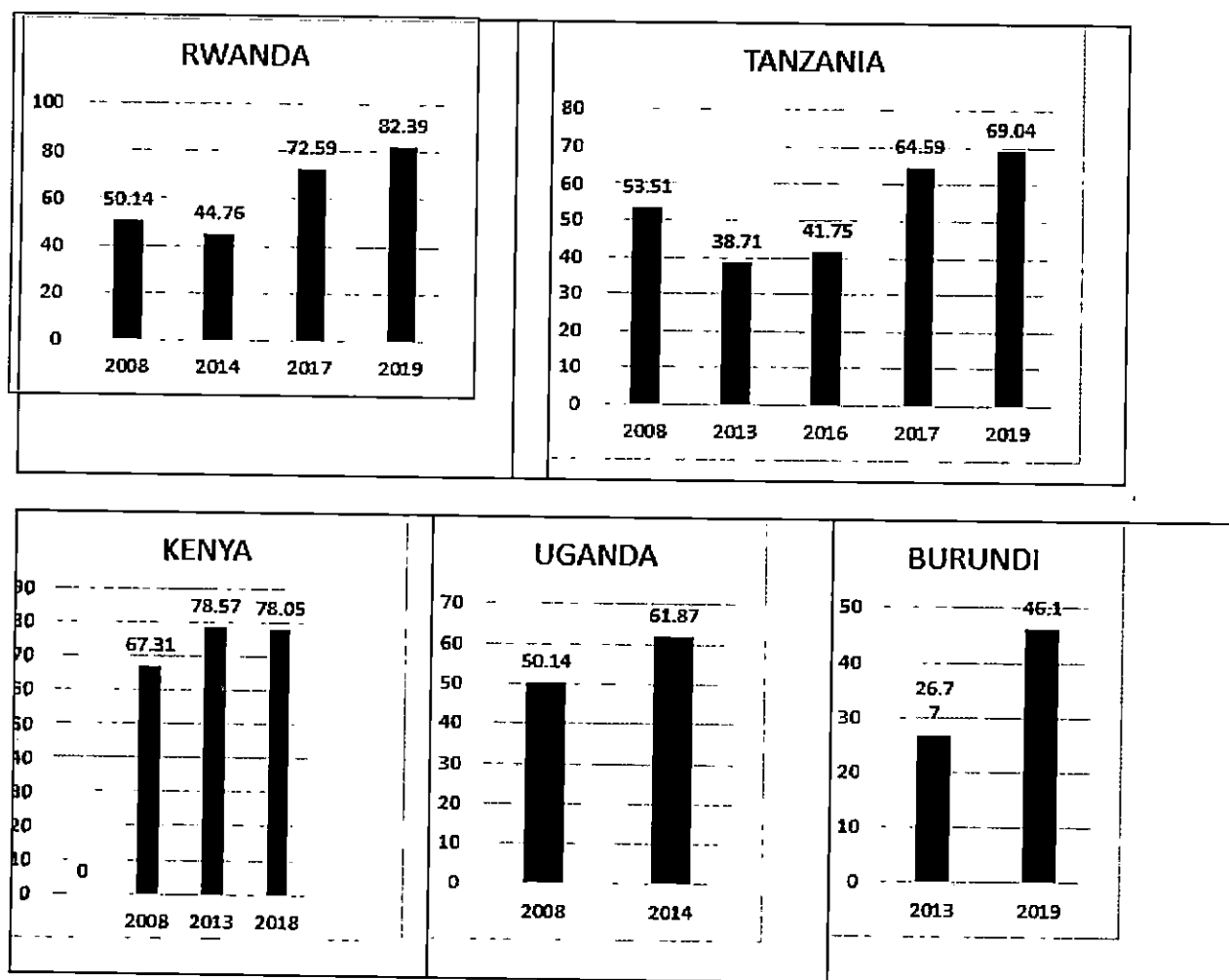
In a bid to undertake and ensure compliance on the level of enforcement of safety and harmonization of civil air transport policies and civil aviation rules and regulations in the region, CASSOA has undertaken the following measures;

i) **Harmonized operating regulations to ensure that they meet international standards and recommended practices.**

CASSOA harmonized the Civil Aviation Safety and security regulations among the EAC Partner States. The model EAC (Civil Aviation) Acts and Regulations were developed and have been disseminated to Partner States for use. It's only the Republic of South Sudan (RSS) that has not yet undertaken the International Civil Aviation Organization (ICAO) and the Universal Safety oversight Audit Programs (USOAP) audits. In addition, CASSOA has been supporting the processes to ensure that Partner States pass the ICAO audits.

The Committee was informed that attempts by Partner States to establish a regional accident and investigation agency that deals with aviation accidents and incidents have never been successful. As such, the region does not have a regional coordinator for handling and investigating aviation accidents and accident capabilities as and when they occur. The ICAO audits of accidents and incident investigations compliance with international standards is way below the global average in EAC Partner States as shown in the table below.

Table 2



Committee observation

- (i) Due to the failure of setting up the Regional Accident Investigation Agency (RAIA) EAC region leaves the EAC vulnerable and reliant on external agencies to deal with aircraft accidents and incident investigations when and where they occur.
- (ii) The Committee commends the Republic of Rwanda and Kenya for a steady remarkable improvement over the years and urges other Partners States to put in place robust mechanisms of complying with the accidents and incident instigations as spelt out in the ICAO standards.

Committee Recommendation

The Committee recommends to the Assembly to urge the Council of Ministers to ensure that this function on the interim is delegated to CASSOA as a

regional oversight and safety agency until a (RAIR) is established within the EAC region

(iii) Republic of South Sudan airspace

The Committee observed that the airspace of the Republic of South Sudan is still being controlled by the Republic of Sudan. Implying that in case Sudan closed its airspace, the Republic of South Sudan airspace would also close.

The Committee recommends to the Assembly to urge the Council of Ministers to ensure that the Republic of South Sudan is facilitated to establish an effective civil aviation safety and security oversight system prior to an ICAO audit. This is because failure of the audit would result into the airspace being deemed unsafe and hence possible closure of the Republic of South Sudan airspace.

(iv) Developed standardized procedures for licensing, approving, certificating and supervising civil aviation activities.

CASSOA developed and harmonized procedures and policies for oversight functions in civil aviation in the region including certification and licensing of operations and personnel. Model EAC technical guidance material procedures and manuals were developed and were disseminated to Partner States for use.

(v) Providing guidance and assistance to Partner States including putting in place measures for resource sharing particularly for technical personnel.

CASSOA has been pooling resources and expertise in EAC Partner States. In addition, it has established and implemented among the Partner States a civil aviation safety inspectors programme in EAC Partner States.

A Memorandum of undertaking with the civil aviation authorities was reached. A Procedures manual was developed which spelt out modalities for sharing of Civil Aviation Safety Inspectors within in EAC Partner States.

The Committee was informed that resource constraints at CASSOA and in the Partner States aviation agencies affects the agents' capabilities to keep the technical staff in the Partner states with required skills.

Committee Recommendation

The Committee recommends to the Assembly to urge the Council of Ministers to ensure that the resources are mobilized such that safety programs are implemented across the EAC Partner States.

(vi) Centre for Aviation Medicine

As part of harmonizing and improving safety and oversight in the aviation sector across the EAC, Partner States of the East African Community took part in the Universal Safety Oversight Audit Programme (USOAP) of the International Civil Aviation Organization (ICAO).

The USOAP identified shortcomings in the implementation of ICAO Standards and Recommended Practices (SARPs) within the Region in relation to:

- Designated Medical Examiners (DMEs)
- Use of Medical Assessors

As a result, there was an acknowledgement for Civil Aviation Authorities to have access to an Aviation Medicine Centre that would assist to guide and train aviation medical assessors in ICAO SARPs compliance.

The center will;

- develop and implement regional partner states mission schedules for evaluation of the status of aviation medical related Standards and provision of Corrective Action Plans to close the identified gaps and
- Review / evaluate Aviation Medicine related regulations, policies, and standardized technical guidelines.

As result, Council approved the establishment of the EAC Centre for Aviation medicine and started its functionality in February 2014. It was first located Entebbe, CASSOA Headquarters it but later reallocated to Nairobi, Kenya where the Government of the Republic of Kenya donated 4 acres of land at Jomo Kenyatta International airport to elect an EAC Centre of Aviation medicine (CAM). The Committee was informed by the CASSOA management that USD 2.5 million dollars is needed to make it operational however, the January 2022 Council decision approved only USD 400,000 leaving a shortfall of 2.1 million USD.

Committee observation

- (i) The Committee applauds the Government of the Republic of Kenya for donating this prime land to the EAC and takes note of the deep-rooted interest and well-meaning it has for the EAC integration agenda.

- (ii) the Failure to honor the remaining funds will inhibit CASSOA from operationalizing the CAM thus failing to meet the objectives under which it was established thus rendering it a “white elephant”

Committee recommendations

The Committee recommends to the Assembly to urge Council of Ministers to avail the remaining funds such that CAM can be operational as a regional Centre for aviation medicine.

7.1 Factors affecting cost of air tickets in the EAC and international economic regulations for air transport

According to the World Bank report on mobility and transport connectivity series - Policy Note – 2022 published in February, 2022. Running/ operating an airline involves significant financial costs, which are exorbitant in Africa due to high operating cost and credit-constrained environment. Airline operators have had to confront with significant infrastructure fees, charges, and taxes as well as above average fuel and ticket distribution costs, among others. Similarly, constrained access to credit, high indebtedness, and restricted market access have bogged down an efficient and profitable supply of air transport services in the continent.

As a result, pre-COVID-19, many African airlines were already facing insolvency due to sustained unprofitability and debt burden. They were in serious need of debt restructuring with the aim of rightsizing their overall debt burden to a sustainable level commensurate with their market size and cash generation potential. The following specific factors affect the cost of air ticket in EAC region.

1. Cost of ticket /Passenger Paid Taxes and Fees

The Committee observed that Air transport in East Africa is generally expensive by international standards going by the current high passenger airfares and flight charges. The expensive rates on both passenger and cargo flights contribute to the high cost of doing business in the region. For instance, a passenger airline ticket between Entebbe and Nairobi costs \$380 on average while that between Nairobi and Dar es Salaam is between \$350 and \$400 for economy class.

It is estimated that 43 per cent of air ticket prices in EAC comprise of regulatory charges and taxes, landing and parking rates, with regulatory fees accounting for up to 24 per cent. USD 64 is the average amount paid of taxes and fees paid in Africa by passengers.

In Europe, passengers are charged USD 30.23 while in Middle East, they are charged USD 29.65 in spite of the fact that air traffic is much more significant in these regions. Air navigation service charges are levied on air operators to cater for enroute, approach and in terminal area costs.

The table below illustrates the passenger fees charged in EAC Partner states

Table 3

Country	Total Passenger Charges
Burundi	\$60.00
Kenya	\$50.00
Rwanda	\$50.00
United Republic of Tanzania	\$54.00
Uganda	\$57.20

The Committee was informed that the 17th Sectoral Council on Transportation, Communication and Meteorology (21st – 25th June 2021; directed the Partner States to harmonize their air travel policies of each Partner State, examination of the factors that determine air ticket costs and development of uniform air travel regulation.

Despite this directive, Partners States are yet to conclude on the harmonization their air travel policies.

Committee observations

- (i) Huge variations in Air navigation charges and the high cost of air transport have made air travel very expensive in the region.
- (ii) Harmonization of the rates and formulas in the EAC will bring more transparency and lead to a reduction to the ticket costs for EAC members.

Committee recommendations

The Committee recommends to the Assembly to urge the Council of Ministers to;

- (i) direct the Secretariat to hold the meeting of air transport subcommittee with relevant stakeholders (Governments, Revenue***

collection agencies) to develop strategies for reducing cost of air transport in the EAC Region by December 2022;

- (ii) urgently direct Partner states through the EAC Secretariat to review and harmonize charging mechanisms, fees and taxes levied on airlines to reduce ticket costs so as to enhance demand for air travel;**
- (iii) Fasttrack the implementation of the Yamoussoukro decision in the EAC and this will lead to the domestication of the EAC airspace with the benefits conveyed to the customer. This would go along away in reducing the flight cost.**

2. Air Navigation Service Charges in East Africa

Air navigation service charges are levied on air operators to cater for enroute, approach and in terminal area costs. Enroute charges are levied for each flight performed in the euro control airspace. Euro control route charge takes account basic elements such as;

- The distance factor (for each charging zone);
- The aircraft weight factor; and
- The unit rate of charge (for each charging zone)

The Committee observed that most East African Community Countries have huge variations on Air navigation charges and these have a huge bearing on the cost of travel. The Committee noted that further instance, a flight operated in a B737- 800 with a MTOW of 70 tons, operating a distance of 1000 nm (1852 km), enroute charges will be;

Table 4

Partner State	Enroute Charges (USD)
Republic of Burundi	53.00
Republic of Kenya	219.71
Republic of Rwanda	100
Republic of South Sudan	Airspace jurisdiction getting sorted
United Republic of Tanzania	140 (depends on flights per day)
Republic of Uganda	125



Coupled with the above, other Airport fees include payment for other services like;

- Landing
- Noise
- Parking
- Common User Terminal Equipment (CUTE)
- Flight Information Display System (FIDS)
- Jetway Charge
- Passenger Bus
- Lighting
- Counter
- Fire Fighting and Prevention
- Check - in
- Ground Power Unit
- Ground Handling
- Follow - me
- Hangar
- Housing
- Terminal
- Towing and Push – back

Committee observations

- All these and other charges increase the cost of the air travel.
- Africa has 12% of the world's population, but only 1% of the world's air traffic.

Committee Recommendations

The Committee recommends to the Assembly to urge the Council of Ministers to a matter of priority ensure that;

- ***Review and harmonize charging mechanisms, fees and taxes with the objective to reduce the ticket cost and stimulate demand in travel by air;***
- ***Harmonize tax regimes in order to avoid possible uncompetitive advantages between the routes;***
- ***Avoid double taxation practices as provided by the EAC Agreement on double taxation***
- ***Ensure that Partner states comply to ICAO Policy guidelines on airports charges;***
- ***Harmonize taxes charges to stimulate growth - the price elasticity of demand for air transport within Africa varies from (-)2.34% to (-***

)3.15%. This means that a reduction of 10% on the ticket price can increase the demand from 22.3 to 30.1 million passengers yearly.

- ***Enhance support given to airlines in view of post COVID-19 pandemic recovery.***
- ***Harmonize of the covid 19 testing fees being levied at the various EAC airports.***

This will in turn bring more transparency and lead to a reduction to the air ticket costs for EAC Partner States.

3. Aircraft Evaluation & Fleet Planning in EAC Partner

Aircrafts are specifically designed to operate routes of a certain distance, so the plane that would be flying on particular route would typically be a plane designed to fly that type of route. For instance, the below categories of aircrafts would suffice for various routes.

Table 5

Definition	Duration	Aircraft
Short-haul	Up to 3 hours	Boeing 737; Airbus A220; Airbus A320; Embraer 190; CRJ900; Q400; ATR 72
Medium-haul	3-6 hours	Boeing 737; Airbus A320; Boeing 757
Long-haul	6-12 hours	Airbus A330; Airbus A340; Airbus A350; Airbus A380; Boeing 767; Boeing 747; Boeing 777; Boeing 787

The Committee observed that a closer analysis at the current EAC Airline Fleet Selection revealed various fleets operated by the respective EAC Partner states as illustrated below.

Table 6

Airline	Fleet Size	Airline Fleet
Air Tanzania	11	Airbus A220 – 300 (4) Boeing 787 – 8 (2) Bombardier Dash 8 Q400 (5)
Jambo Jet	5	Bombardier Dash 8 Q400 (5)
Kenya Airways	38	Boeing 737 – 300F (2) Boeing 737 – 700 (4) Boeing 737 – 800 (8) Boeing 787 – 8 (9) Embraer 190 (15)
Rwandair	12	Airbus A330 – 200 (1) Airbus A330 – 300 (1) Boeing 737 – 700 (2) Boeing 737 – 800 (4) Bombardier CRJ 900 (2) Bombardier Dash 8 Q400 (2)
Uganda Airlines	6	Airbus A330 – 800 (2) Bombardier CRJ 900 (4)

Committee Observations

- (i) For the airline to operate profitably, it must plan its operations around breakeven with one or two percent profit margins. The required seat factor to achieve breakeven is around 78% and average seat factor is around 80%. This holds correct for majority of the profit-making airlines.
- (ii) The Committee observed that EAC Partner States are operating same types of aircrafts with similar capacities for instance the Bombardier CRJ 900 and Boeing 737;
- (iii) CASSOA management informed the Committee that is rarely consulted or its advice taken by the Partner States whenever purchases for aircrafts are being made;
- (iv) Aircrafts operate and fly similar routes. This scenario creates unfair competition in the aviation industry within the EAC Partner States hence driving the cost of travel high.

- (v) Escalation of the cost of repair, purchase of spare parts and training since airlines are not harnessing the economies of scale. Partner States thus cannot negotiate for lucrative deals due to this segmentation as the case would be if EAC was negotiating as single block.

Committee recommendations

The Committee recommends to the Assembly to urge the Council of Ministers to;

- ***Support the cooperation among regional airlines in enhancing operational capacity;***
- ***Restructuring of airlines to reduce inefficiencies;***
- ***Enhance support given to airlines in view of post COVID-19 pandemic recovery;***
- ***Promote the development of low-cost carriers by giving incentives that include terminal facilities which support their operations;***
- ***Develop strategies to increase non aeronautical revenues in order to reduce over reliance on them;***
- ***Rebrand all the EAC airlines with EAC colours and emblem of EAC as the case with the EAC passports.***
- ***Fasttrack the development of EAC Aviation Regional Policy & Framework***
- ***Expedite plans of ensuring that EAC becomes a one single airspace area***

8.0 Single African Air Transport Market ("SAATM") and the Yamoussoukro Decision (YD)

Article 38 of the Protocol for the Establishment of EAC Common Market Protocol provides for coordinated and harmonized approaches transport policies to provide for adequate, reliable, safe and internationally competitive transport infrastructure modes and services for the development and consolidation of the common market.

The above provisions calls for open skies across the region to boost regional trade, tourism and hospitality sectors. Partner States are expected to consider implementation of the fifth to ninth freedom rights of the Yamoussoukro Decision (YD) to effectively increase capacity, reduce inefficiencies and costs like waiving landing fees, excise duty on aviation fuel, along with the reduction of fees for service providers within the region.

The Committees takes note of the fact that the Single African Air Transport Market ("SAATM") is one of the Flagship Projects of the African Union's Agenda 2063. It is premised on ensuring that aviation plays a major role in connecting Africa in order to achieve social, economic and political integration and boost intra-Africa trade.

The important benefits of SAATM include the removal of restrictions in terms of capacity, frequency, pricing, tariffs, fair competition leading to reduction of intra-African air transport.

The Yamoussoukro Decision ("YD") remains the single most important air transport reform policy initiative by African Governments to date. It was adopted out of the recognition that the restrictive and protectionist intra- African regulatory regime based primarily on Bilateral Air Services Agreements ("BASAs") hampered the expansion and improvement of air transport on the continent.

The Committee was informed that although huge strides had been registered by EAC counties in actualizing this important milestones, Covid pandemic has hugely affected implementation and operationalization of the Single African Air Transport Market and single EAC airspace. The Committee was informed that a retreat of the Heads of States (Summit) is scheduled (Summit) in April, 2022 to discuss the progress on implementation of the Common Market Protocol and the single EAC airspace among others issues.

Committee Recommendation

The Committee recommends to the Assembly to urge the Council of Ministers to;

- ***Fasttrack the development of EAC Aviation Regional Policy & Framework***
- ***Expedite plans of ensuring that EAC becomes a one single airspace area***

8.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

(i) Failure by EAC Partner States to harmonise air and transport policies.

The Committee observed that to date EAC Partner States are yet to harmonize air, and transport policies. The processes of harmonizing have been characterized by various sovereign interests which still pose a challenge to the realization of this policy.

The Committee recommends to Assembly to urge the Council of Minister to expedite and complete this process such that the air and transport policies in EAC are fully harmonized and complying to the Treaty.

(ii) High cost of tickets

This has remained high due to the various reasons which are contained in this report.

The Committee recommends to the Assembly to urge Council of Ministers to ensure that the factors enumerated that do inhibit the accessibility of East Africans from accessing cheap and affordable air travel are adequately and urgently attended to.

(iii) Funding/remittances to CASSOA

Funding and low remittances remain a challenge. This limits CASSOA from implementing its Annual Operational Plan. The limited funds has also reduced activities on oversight and safety.

Committee Recommendations

The Committee recommends to the Assembly to urge Council to ensure that Civil Aviation Agencies honor their financial obligations to CASSOA in a timely manner.

(iv) Incorporating the Republic of South Sudan

This is still a challenge. Republic of South Sudan still relies on aviation and nautical services from the Republic of Sudan. In case of closure of the Sudan airspace, the airspace of RSS would also automatically be closed as it was the case some time back.

The Committee recommends to the Assembly to urge Council of Ministers to as a matter of urgency fast track measure aimed at securing autonomy for the South Sudan airspace.

(v)Center for Aviation Medicine (CAM)

This is supposed to be a flagship/signature center not only for EAC but also for Africa. The Committee salutes the Republic of Kenya for the generous offer of donating 4 acres of prime land at Jomo Kenyatta airport for putting up offices and a training center for CAM.

The Committee is still cognizant and grateful that another offer which was extended to EAC to erect the headquarters of the Lake Victoria Basin Commission (LVBC). The Committee salutes the Government of Kenya for this magnanimity. The above generosity and magnanimity portray the fact that the government of Kenya takes the integration agenda seriously.

Committee recommendation

The Committee recommends to the Assembly to urge the Council of Ministers to avail the remaining funds of USD2.1 million to operationalize the center.

9.0 CONCLUSION

The high level of taxes, fees and charges is a critical issue and it is counter-productive for air transport development in Africa. As air transport is considered a luxury service and governments agencies have tended to overtax supply chains leading to excessive service charges for the airlines. The average amount of passenger's paid taxes and fees applied to air tickets is twice more expensive in Africa than in Europe or Middle East.

Equally the Committee notes that despite big strides made, harmonizing the air, transport policies still pose a big challenge in EAC. Without clearing and agreeing on those bottlenecks, complying with the provisions of article 92 of the Treaty Establishing the East African Community and Article 38 of the Protocol for the Establishment of EAC Common Market Protocol will remain a challenge. This will deny the EastAfricans the benefits accruing from the integration agenda as directed in Article 7 1(f) of the Treaty. It's the sincere hope of the Committee that Council should critically and dedicatedly look into the recommendations proposed by the Committee such that the air and transport policies are harmonized across the EAC.

10.0 ACKNOWLEDGMENT

The Committee wishes to thank the management of CASSOA, office of the Clerk and the Committee Members for the time input and dedication exhibited while undertaking this activity and consequently compiling this report. The report is abundant with wide and deep ranging recommendations which if implemented will go a long way in addressing the objectives under which the activity was undertaken.

REPORT OF THE COMMITTEE ON ACCOUNT TO ASSESS THE STATUS OF INSTITUTIONAL DEVELOPMENT OF CASSOA AND THE LEVEL OF ENFORCEMENT OF SAFETY, HARMONIZATION OF CIVIL AIR TRANSPORT POLICIES AND CIVIL AVIATION RULES AND REGULATIONS IN THE REGION 31ST OCTOBER - 3RD NOVEMBER 2021

1. Hon. Kennedy Kalonzo Muskyoka
2. Hon. Aden Abdikadir
3. Hon. Simon Mbugua
4. Hon. Thomas Dut Gatkek
5. Hon. Dr. Woda Jeremiah Odok
6. Hon. Dr. Gabriel Garang Aher
7. Hon. Eng. Mohammed Mnyaa
8. Hon. Happiness Lugiko
9. Hon. Alhaj. Adam Kimbisa
10. Hon. Oda Gasinzigwa
11. Hon. Dr. Francois Xavier Kalinda
12. Hon. Jean Claude Barimuyabo
13. Hon. Pierre - Claver Rurakambye
14. Hon. Marie - Claire Burikukiye
15. Hon. Leontine Nzeyimana
16. Hon. Susan Nakawuki
17. Hon. Mukasa Fred Mbidde
18. Hon. James Kakooza

.....*Kusaka*.....

.....*Aden Abdikadir*.....

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