

## **EXPERIENCE IN THE LIBERALIZATION OF AIR TRANSPORT IN THE MEMBER STATES OF THE WEST AFRICAN ECONOMIC AND MONETARY UNION (WAEMU)**

(Presented by Economic and Monetary Union of West Africa (WAEMU))<sup>1</sup>

### **1. PRESENTATION OF THE WEST AFRICAN ECONOMIC AND MONETARY UNION (WAEMU)**

1.1 WAEMU brings together eight Member States (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo) with a population of 72 million inhabitants and covering an area of 3 509 610 km<sup>2</sup>. The air transport assets of WAEMU are the following:

- a) belonging to International Civil Aviation Organization (ICAO), The Agency for Air Navigation Safety in Africa and Madagascar (ASECNA) and African Civil Aviation Commission (AFCAC) and adherence to the Yamoussoukro Declaration and the Yamoussoukro Decision;
- b) a common currency, the Communauté financière de l'Afrique (CFA franc);
- c) 200 bilateral air agreements;
- d) 20 international airports and 60 domestic airports;
- e) 3 million passengers carried per year (2000);
- f) 65 000 tonnes of cargo per year (2000); and
- g) a 6.3% average growth rate for the last ten years.

### **2. CONTEXT OF LIBERALIZATION**

2.1 The Yamoussoukro Decision of 14 November 1999 concerning the liberalization of the air transport markets in Africa was adopted by the Heads of State and Government of the Organization of African Unity (OAU) on 11 July 2000 in Lomé, Togo. Implementation of this decision will change the air transport scene in Africa and in the subregion. It will have the following positive results: the improvement of the services to the area, the reduction of tariffs as a result of competition and the development of trade and tourism.

---

<sup>1</sup> Represented by eight Member States of WAEMU which include Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo)

2.2 In order to achieve the objectives of the Yamoussoukro Decision, it is necessary to take associated measures such as the revision of the civil aviation codes and bilateral agreements in order to bring them in line with liberalization provisions, the improvement of security and safety, the strengthening of the capabilities of the civil aviation authorities, the promotion of the private sector, etc.

2.3 Articles 4 and 101 of the WAEMU Treaty and the Second Additional Protocol provided that the Commission could establish coordination of national sectoral policies through the implementation of common actions and possibly common policies in different areas, including air transport.

2.4 It is within this framework that the common air transport programme was adopted by the statutory Council of Ministers on 27 June 2002 in Dakar. This common programme demonstrates the political will of the eight Member States to combine their efforts to pick up the challenge of liberalization and to achieve, in a lasting way the safe, orderly and effective development of air transport in their area.

2.5 The development of the common air transport programme was based on studies undertaken between 1999 and 2000 by the WAEMU Commission, with the support of French Cooperation, ICAO, the European Union and ASECNA:

- a) the study on the infrastructures, equipment and airport security of the eight WAEMU Member States in 1999;
- b) the study on the reform of the WAEMU legal framework in three packages concerning, in particular, the rules for market access, the profession of the air carrier, the rules applicable to passenger, cargo and mail tariffs and the rules governing accident and incident investigations;
- c) the study on the safety oversight situation, mainly the study of the feasibility of creating a subregional safety oversight agency; and
- d) the study on the development of a common subsectoral air transport policy.

2.6 These studies made it possible for the WAEMU Commission to draw up an inventory of air transport and to develop with the Member States a common air transport programme for WAEMU.

### 3. **ANALYSIS OF THE PRESENT SITUATION OF AIR TRANSPORT**

3.1 The present situation of air transport in the WAEMU area is characterized by:

- a) deficiencies in the airport infrastructures: runways that are in a bad state, taxiways and parking areas that are unsuitable, passenger terminals that are cramped or saturated, the absence or insufficiency of cargo hangars, refrigerating warehouses and fencing;
- b) weakness of the air navigation systems: air traffic control does not cover the whole WAEMU airspace, frequent failures or acts of vandalism at radio facilities (ILS, VOR, DME, lighting, control tower);
- c) shortcomings in complying with security and safety standards;

- d) rigid nature of regulations marked by protectionism, obsolescence of the civil aviation codes, small degree of liberalization (single operational area regulations, Yamoussoukro Decision, open skies air agreement) and the non-application of texts on competition;
- e) insufficiency of human resources in terms of quantity and quality, on the one hand, and the absence of professionalism and corporate culture among the operators in the sector, on the other hand;
- f) increasing degradation of the air services to the Member States which are more and more isolated from one another, with air services being abandoned by airlines in difficulty;
- g) a financial and operating crisis of the airlines: excessive debt, ancient fleet, uncoordinated operating networks, liquidation, bankruptcy (Air Afrique) or privatization;
- h) high operating costs: fuel, insurance, maintenance, aeronautical charges, ground handling;
- i) a customer service that is not very competitive and not very satisfactory: exorbitant tariffs (20 to 30% higher than the rest of the world), insufficient capacities, mediocrity of the services provided, high price of air cargo; and
- j) difficulties in financing investments because of the excessively cautious policy of the commercial banks and the absence of priority given to air transport by the Member States.

#### 4. **OBJECTIVES OF THE COMMON PROGRAMME**

4.1 In order to provide solutions to the crisis situation that air transport is going through in the WAEMU Member States and to remove the constraints on development that were identified above, the WAEMU Commission defined the following objectives:

- a) to open up the WAEMU territory;
- b) to develop a system of safe, orderly and effective air transport in the WAEMU area in compliance with the International Standards defined by ICAO;
- c) to enhance the effectiveness of the national civil aviation administrations and the competitiveness of air transport enterprises;
- d) to make air transport accessible to the WAEMU populations at the lowest cost;
- e) to ensure the convergence of national sectoral policies; and
- f) to increase trade and tourism in order to stimulate economic growth and to strengthen the integration of the Member States.

## 5. **CONTENTS OF THE WAEMU COMMON AIR TRANSPORT PROGRAMME**

5.1 In order to achieve the above-mentioned objectives, the WAEMU Commission has established a common programme on 24 points covering four fields:

- a) upgrading of the infrastructures and technical facilities;
- b) harmonization and standardization of the national regulations, mainly relating to security and safety;
- c) improvement of the air transport systems: strengthening of the national civil aviation administrations, competitiveness of the air transport industry and access to credit; and
- d) liberalization of the air transport services provided, with the withdrawal by States from the business sector of air transport and the promotion of the private sector.

5.2 In this common programme, WAEMU has identified eight actions deemed to be priorities.

## 6. **PRIORITY ACTIONS PROGRAMME**

6.1 These are the following eight actions:

1. Institutionalize a regional committee for coordination, follow-up and control, under the aegis of the WAEMU Commission, in order to involve the Member States in the process of implementing the common programme.

The objective is to bring together the decision-makers in the aviation sector of the Member States within a framework of coordination and cooperation.

The results anticipated are the improvement of the coordination of the air transport policies of the Member States and the harmonization of their regulations with a view to strengthening the internal cohesion of WAEMU.

2. Adopt a community legal framework for air transport.

The objective pursued is the creation of a homogeneous air transport common market through the unification of the national regulations so as to encourage the integration of the economies of the Member States within a framework of progressive liberalization of the services provided that is intended to increase competition, lower tariffs and improve the quality of the service in the interests of the users.

The results anticipated are the harmonization and unification of the regulations and the strengthening of the cohesion of the WAEMU Member States.

3. Ensure the financing of the development of WAEMU air transport, mainly the following activities: organization and harmonization of the regulations, training of human resources,

implementation of competition, upgrading of security, safety and facilitation, a support mechanism for the involvement of the private sector, public service obligation, intervention fund (search and rescue, incidents and accidents), etc.

The results anticipated are to provide WAEMU with the financial resources necessary for the success of the common air transport programme in a sustained and lasting manner and to take advantage of beneficial effects of the development of the sector (inflow of foreign currency from tourism and the hotel business, increase in trade, export of agricultural products, ...).

4. Grant an appropriate legal status and financial and management autonomy to the civil aviation authorities so that they can assume their tasks of regulation and control, particularly in the key areas of security and safety.

The results anticipated are greater efficiency and greater effectiveness in the national civil aviation administrations in the exercise of the oversight tasks delegated to them.

5. Adopt a cooperative development of operational safety and continuing airworthiness programme (COSCAP) project for safety oversight.

The objective of the COSCAP project is to improve the safety of air transport in the Member States (personnel licensing, operation and airworthiness of aircraft, certification of aerodromes) through the strict application of harmonized rules in accordance with ICAO Standards and through the creation eventually of a community civil aviation safety agency for WAEMU.

The results anticipated are the reduction in aircraft accidents and the improvement of the reliability of air transport in the WAEMU area.

6. Adopt a coordination mechanism for security through the establishment of a centre of expertise.

The objective pursued is to strengthen the security standards in order to remedy the insufficiencies noted through common regulations and the creation eventually of a community civil aviation security mechanism.

The anticipated result is the establishment in the WAEMU area of a legal and operational system that can prevent and react effectively to any act of unlawful interference against civil aviation (terrorism, hostage-taking, sabotage, etc.) that can undermine users' confidence in the system and destroy the air transport economy.

7. Create a data bank on WAEMU air transport.

The objective is to have statistical data and information that are reliable and can assist in decision-making in air transport.

The results anticipated are a better awareness of the WAEMU air transport situation and rationalization of the choices for increased success of improvement actions such as liberalization.

8. Develop human resources in terms of quantity and quality.

The objective is to eventually have competent personnel in sufficient numbers to strengthen the capabilities of the national administrations and to increase the professionalism and corporate culture of the airlines.

The results anticipated are the effectiveness of the national administrations, on the one hand, and the competitiveness and profitability of the air transport enterprises in the context of liberalization and technological change, on the other hand.

## 7. **STATUS OF IMPLEMENTATION OF THE COMMON PROGRAMME**

### 7.1 **Development of the community legal framework for air transport**

7.1.1 The statutory Council of Ministers of WAEMU adopted the following first package of texts on 27 June 2002 in Dakar:

- a) Regulation No. 06/2002/CM/WAEMU concerning air carrier approval within WAEMU;
- b) Regulation No. 07/2002/CM/WAEMU concerning passenger, cargo and/or mail tariffs;
- c) Directive No. 08/2002/CM/WAEMU concerning the fundamental principles governing investigations into civil aviation accidents and serious incidents; and
- d) Regulation No. 24/2002/CM/WAEMU setting the conditions for access by WAEMU air carriers to services within the community of 18 November 2002.

7.1.2 The Council of Ministers of Transport of the WAEMU Member States recommended the final adoption of the following second package of texts on 29 November 2002 in Lomé:

- a) Draft Regulation on the liability of air carriers in the event of an accident;
- b) Draft Regulation establishing the rules for compensation for denied boarding and for the cancellation or major delay of a flight;
- c) Draft Regulation setting the common rules for the allocation of slots at WAEMU airports; and
- d) Draft Directive concerning access to the ground handling market at WAEMU airports.

### 7.2 **Establishment of the COSCAP project for safety oversight**

7.2.1 A framework paper was developed by ICAO and WAEMU. The project is planned to start by the first quarter of 2003.

7.3 **Financing of the development of air transport and creation of a data bank**

7.3.1 The related studies were started in September 2002.

7.4 **Contribution to the promotion of the private sector**

7.4.1 The Commission of WAEMU provided its support for cooperation among airlines by supporting the activities of the area's Permanent Council of Air Carriers in Ouagadougou in November 2002 and in Dakar in January 2003.

— END —