

# **Joint Statement Donor Technical Coordination Group on Air Transport**

## **Opening remarks**

The air transport sector is an important factor in economic growth worldwide. As pointed out during the recent Fourth International Summit on Aviation Safety and Security (October 2002), air transport will become the crucial factor for the sustained economic development of developing countries:

- 40% by value of all manufactured goods goes by air;
- foreign investment depends on ease of access and on an efficient transport system;
- air transport is key for the economic and political integration of large countries or regions;
- strongest growth of air transport is projected in lesser developed regions; and
- a poor national safety record will seriously hinder further development due to lower demand and increased costs.

As the Kenyan government recognises in its Economic Recovery Plan: 'Expansion and modernisation of the air transport capacity is vital to the growth of the Kenyan economy'. It is true that Kenya, with the tourist industry and horticultural industry as main foreign exchange earners, is specifically depended on good flight connections.

The Air Transport Donor Technical Co-ordination Group (ATDTCG) consists of the following development partners: World Bank, British High Commission, United States Embassy, Belgium Embassy and the Royal Netherlands Embassy. These partners are willing to assist Kenya with strengthening the air transport sector and are carrying out activities in this area in cooperation with the relevant Kenyan authorities.

## **Positive developments affecting the sector**

The privatisation of Kenya Airways in 1996 has been one of the country's international success stories. It has made Kenya Airways into one of the most efficient airlines on the continent with an extensive intercontinental network through its code-sharing agreement with KLM. The liberalisation of the domestic passenger and cargo-market has also been beneficial. Recently (2002) the Kenya Civil Aviation Authority (KCAA) has been established, which has the potential to develop into an efficient, independent organisation responsible for air safety. The management of Kenya Airports Authority (KAA) has been improved and an agreement has recently been reached with the World Bank on enhancing security, safety and service to international standards through re-organisation and renovation of Jomo Kenyatta International Airport (JKIA). Measures have been taken by the Kenyan government to improve security at the airports.

Another positive step that has already been taken is that a team comprising UK, USA and KAA aviation security specialists undertook a joint security assessment of Jomo Kenyatta, Moi, and

Wilson airports. The team identified areas where security must be improved and an action plan has been produced. The Kenyan authorities are currently working on procedures and training that will improve the current situation. Governments taking part in the exercise will monitor the process of rectification.

### **Key challenges facing the sector**

In order to handle growth in its international and domestic air traffic and maintain its status as an important hub in the region (East and Central Africa and Indian Ocean), Kenya will have to tackle several challenges, including sustaining sufficient budgetary allocations for rehabilitation and maintenance of airport facilities; attainment of international safety and security standards; and improving and strengthening airport operational and management capability. In this regard, specific attention has to be given to airport capacity, security and safety. If JKIA wants to stay viable as a hub it must address the following issues:

- 1) *Adequate airport infrastructure.* The passenger terminals are currently congested and are in need of refurbishing.
- 2) *Adequate security* at and around the airport is needed in order to be less vulnerable to terrorist threats, smuggling and illegal immigration.
- 3) *Air safety* has to be improved by employing and training of relevant staff (air controllers, inspectors) and upgrading of equipment.

The measures mentioned above are not only needed to safeguard JKIA's hub function in the light of increased regional competition (Tanzania, Ethiopia, Uganda), but also to further expand its network by fulfilling the criteria necessary to obtain ICAO Category I status, which is necessary to apply for direct service to the USA. This is urgent and important for Kenya given that for example Ethiopia's Civil Aviation Authority already meets international safety and security standards.

### **Priority actions required addressing the challenges**

The Kenya Government acknowledges that further reforms are needed in the sector and states that, "despite these reforms, the air services are still not efficient and will need further institutional and regulatory reforms in order to meet the objective of handling 2 million tourists and export volume growth (para 5.4. of GoK's *"Economic Recovery Strategy for Wealth and Employment Creation"*).

This paragraph will identify the actions needed to address the challenges mentioned above.

- 1) *Expansion of the airport.*

An agreement between the Kenyan government and the World Bank has been reached on the reorganisation of the main terminal at JKIA (3 units). The domestic terminal will be relocated to the old Embakasi airport, which will be renovated. The space that becomes available at JKIA will be used to better separate arrivals and departures. A consultancy firm will be contracted by KAA to look into the best design.

To ensure JKIA operates as an efficient airport that can provide satisfactory service to customers, it is important that transfer times from international to domestic flights do not increase considerably. To avoid any negative effects of the relocation of the domestic terminal, it is important to have a fast and reliable connection in the form of a road between both airports. The congested North Airport Road

is likely to be a bottleneck once the proposed improvements are implemented. This will need to be addressed. Hotel facilities near the airport for transit passengers is another need.

Through PPIAF a study will be financed that identifies the possibilities for PSP in the Kenyan airports. Neither the government nor donors have enough funds to finance all the changes needed to bring JKIA up to the standards of an efficient airport.

### 2) *Adequate security*

To improve security the airport will be fenced. KAA will be commissioning a contractor shortly to start the works. There is need for training on security issues (baggage screening) of the Kenyan police and KAA-staff. Furthermore, discussions are being held with the Kenya Immigration Department regarding the establishment of a forgery unit, large-scale document training, a functioning information and analysis section and networking with other international airports. A consultant will advise on the implementation of an action plan regarding airport security.

### 3) *Air safety*

In the field of air safety, whilst the creation of the new KCAA can be applauded, there is a need for a clear strategy and transparent organisational structure. It is therefore recommended to develop a strategy paper for the organisation, which will not only focus on hard-ware needed, but ensure that an overarching organisational structure and operational plan is there, in which these can be embedded. The development partners are very willing to finance the transitional activities and the preparation of a Strategic Plan, which could provide a sound basis for further support.

## **Donor harmonisation**

With the establishment of the Donor Technical Coordination Group on Air transport in June 2003, an important step has been taken in co-ordinating various activities by different partners in the air transport sector. The group is co-chaired by the World Bank and the Netherlands Embassy. Several joint meetings have since taken place with representatives of the relevant Kenyan authorities. It is expected that this will lead to a more co-ordinated dialogue that will contribute to an efficient, safe and competitive air transport sector in Kenya.