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**SECOND MEETING OF THE
MINISTERIAL WORKING GROUP ON
ESTABLISHMENT OF A SINGLE
AFRICAN AIR TRANSPORT MARKET
20th OCTOBER 2016**

REPORT OF THE MINISTERIAL MEETING



I. INTRODUCTION

1. The Meeting of the Second Ministerial Working Group on establishment of a Single African Air Transport Market took place on the 20th October 2015 at the Headquarters of the African Union Commission (AUC) in Addis Ababa, Ethiopia. Meetings of the Technical Working Session between AUC, AFCAC and EAC being the only REC present, the Monitoring Body of the Yamoussoukro Decision and the meeting of the Experts consecutively preceded the second Ministerial meeting.

2. In attendance, were representatives from eight (8) Member States out of the fourteen (14), which have declared their Solemn Commitment to the implementation of the Yamoussoukro Decision towards the establishment of a Single African Air Transport Market. These were Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, South Africa and Zimbabwe.

3. The following organisations also participated: African Union Commission (AUC), African Civil Aviation Commission (AFCAC), African Development Bank (AfDB), and the East African Community, (EAC).

4. The list of participants is attached herewith.

II. OPENING

5. **Welcome Address by H.E. Dr. ELHAM M.A. IBRAHIM**, Commissioner for Infrastructure and Energy of the African Union commission (AUC) on behalf of the Chairperson of the AUC.

i. **The Commissioner for Infrastructure and Energy welcome all participants and delivered the opening address.** The Commissioner extended a warm welcome to all of participants to the African Union headquarters for the second meeting of the Ministerial Working Group on behalf of **Her Excellency, Dr. Nkosazana Dlamini-Zuma, Chairperson of the African Union Commission.**

ii. The Commissioner reminded all present that the successful implementation of the **Yamoussoukro Decision on the Liberalisation of Access to Air Transport Markets in Africa, 1999**, has always been the major strategy adopted by our leaders for building a formidable air transport industry in Africa. The Decision was adopted during the period when Africa was focusing on building a common economic space leading to deeper continental integration through the *Treaty establishing the African Economic Community (AEC)* popularly known as the Abuja Treaty. Air transport was seen as a key mode of transport that would speed up physical integration of Africa through the consolidation of the air services markets of the Member States.

iii. The Commissioner added that it is, therefore, a matter of great concern that implementation of this crucial strategy was still outstanding by the time the AU was commemorating fifty (50) years of the OAU/AU existence in 2013. Hence, it was subsequently decided that implementation of the Yamoussoukro Decision should be elevated to the more ambitious and ultimate goal of establishing a Single African Air Transport Market by 2017. In that context, the Af-

frican Union Commission reiterated its deep appreciation of the declaration of **Solemn Commitment** made by the Champion States. She emphasised that the Solemn Commitment is currently the main inspiration behind the ongoing efforts to implement the flagship project.

iv. The Commissioner also extended her gratitude to the partners, particularly the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA), and the European Union as well as the African Civil Aviation Commission (AFCAC), the African Airlines Association (AFRAA) and the Regional Economic Communities (RECs) for their technical and material contribution to the activities of this flagship project.

v. The Commissioner also recalled that during the first meeting held on 16 and 17 April 2015, a Road Map was agreed, with very specific activities and timelines. The Ministers also adopted a Final Communiqué, which highlighted priorities that are expected to be completed as soon as possible by the key stakeholders of the flagship project. It was the expectation of the Commissioner that at the end of the Ministerial deliberations, they would be in a position to judge the state of readiness of States to launch the Single African Air Transport Market by 2017.

6. Opening Remarks by SG of AFCAC – IYABO SOSINA

i. **In her opening remarks, the SG particularly** thanked the Chairperson of the African Union Commission, for her unreserved support in addressing the serious concerns of the slow pace of implementation of air transport liberalization under the YD, and the concerted follow-up efforts made by her on the decisions of the Heads of States and Government on the establishment of a Single African Air Transport Market during the AU Summit of January 2015.

ii. The SG equally thanked the Commissioner for infrastructure and Energy and her team for organizing the four (4) back-to-back meetings during the course of the week. These meetings allowed all stakeholders including the AU recognized Regional Economic Communities (RECs), Monitoring Body of the YD and African Air Transport Experts to deliberate on the challenges faced in the implementation of the YD and the SAATM and put forward recommendations towards achieving the objectives of intra-African air transport liberalization as envisaged under the Yamoussoukro Decision.

iii. The SG further stated that AFCAC was equally at the meeting to give a report on what it has done with respect to the tasks assigned to it at the first meeting of last year as contained in the Activity Roadmap. AFCAC was therefore happy to inform the meeting that despite resource constraints, AFCAC on its own initiative engaged seasoned African Consultants who have been engaged in similar studies, to conduct studies in various areas where in-house expertise was not available. As a result, the Executing Agency now has inter alia, its Work Program and Budget ready for scrutiny and further directives. AFCAC is confident that the AUC is committed to give support by soliciting the technical and financial assistance required for the Executing Agency to discharge of its responsibilities of managing and overseeing the SAATM. The SG was equally hopeful that the AUC would expedite the adoption of the YD Institutional and Regulatory Texts for implementation.

7. Opening Address by the Chairperson of the Ministerial Working Group: H.E. Ms Dipuo PETERS

i. The Chairperson of the Ministerial Working Group stated that it was indeed an honour to welcome colleagues, Ministers and representatives responsible for air transport from the AU Member States as well as the transport experts, and officials to this Ministerial WG on the implementation of the Yamoussoukro Decision (YD) towards the establishment of the Single African Air Transport Market. The Chairperson expressed her gratitude to the African Union, through the office of the Commissioner for Infrastructure and Energy, Dr. IBRAHIM, who made sure that the meeting took place today.

ii. The Chairperson emphasised the benefits of full liberalisation of air transport and potential growth in African air traffic, quoted evidence reported by an InterVista study and UNWTO reports. She quoted from the InterVista study that ***“While many air markets between Africa and countries 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”***.

iii. The Chairperson informed the meeting that since their last meeting, an additional three countries have signed the Solemn Commitment to open their respective air transport markets immediately and without conditions, namely Gabon, Ghana and Sierra Leone, bringing the total to fourteen. The initial eleven committed States congratulates and welcomes the new participants to the *Single African Air Transport Market Solemn Commitment*.

iv. The Chairperson recalled that in May 2016, the African Union Commission (AUC) wrote to those States that have signed the Solemn Commitment to highlight a number of concrete measures for them to undertake to initiate operationalisation of the single air transport market in the continent as soon as possible, considering the targeted launch date of June 2017. Among these measures, each State was required to officially publish, in accordance with its national regulations or gazette, that they are committed to the immediate implementation of the YD under the terms of the Declaration of Solemn Commitment in line with the AU Agenda 2063. The AUC also requested the States to report on actions taken in implementing the outlined measures as indicated in the letter.

v. The Chairperson also expressed her concerns regarding the dominance of European airlines and the emerging penetration of Middle-East airlines in the intra-African Market using code sharing and cooperation agreements with African airlines. The Chairperson reminded the meeting of the AU *“Guidelines for the Negotiation of Air Service Agreements between African Union States and the European Commission/ European Union States”*. She highlighted the importance of applying the common African position to the negotiation of air service agreements with third countries, the defence of that position and the promotion of the common interest of

African countries and African airlines when negotiating Bilateral Air Services Agreements (BASAs) with third countries.

vi. The Chairperson then referred to the airline “**Eligibility Criteria**” contained in Article 6.9 of the Yamoussoukro Decision and highlighted the importance of Paragraph (b) of this Article. This Article states that an airline must “**have its headquarters, central administration and principal place of business physically located in the State concerned**”. This is one of the key liberalisation elements contained in the Yamoussoukro Decision; however, we should be vigilant to ensure that this very element is not used by non-African airlines as a guise to enter the Single African Air Transport Market through the backdoor. She indicated that on this particular issue, we could be guided by the work done by ICAO during the 5th World Wide Air Transport Conference, which is still relevant regarding the clear meaning of “*Principal Place of Business*”.

vii. The Chairperson also highlighted developments in other related areas such as the significant economic and environmental benefits achieved to date through the implementation of the ICAO Performance Based Navigation (PBN) Roadmap, including efforts taken by the regions’ airlines in acquiring new generation aeroplanes that are more fuel efficient, quieter and thereby assisting in reaching our goal to reduce civil aviation’s impact on the environment.

viii. The Chairperson recognised the ICAO initiative of “*No Country Left Behind*” and reminded the meeting that collaborative efforts will yield benefits for all. She recommended a fruitful deliberation on all the issues that can position African Aviation in the global aviation market and urged those who have signed to soldier on and ensure this group start reaping the benefits of open skies amongst themselves, whilst encouraging other Member States to join-in.

ix. In conclusion, the Chairperson said that the Africa we want would not be possible without our ability to interconnect. For this reason, we must all gear ourselves for the realization of the goal of a Single African Air Transport Market for Africa by all Africans.

III. PROCEDURAL MATTERS

8. The Bureau of the MWG was installed

South Africa, Egypt and Congo co-chaired the meeting. The following Agenda was adopted:

- Opening Ceremony.
- Adoption of the Agenda and Work Programme.
- Consideration of the Report of the Experts meeting.
- Way forward towards the launching of the SAATM in 2017.
- Any Other Business.
- Draft Communique
- Closing Remarks.

9. Adoption of the Agenda and Work Programme

The draft agenda was adopted after the proposal of South Africa that the Agenda be amended to defer the adoption of the final report of the meeting to its third meeting to be convened on the eve of the planned meeting of the STC in November 2016. The meeting was also abridged to one day based on progress made.

10. Consideration of the Report Experts meeting

The Report of the Meeting of the Experts was presented to the meeting and is attached as **Annex 1** of this Report. After the deliberations, the meeting decided on and took note of the following:

- i. The meeting noted the interventions by AFCAC and the response by AUC regarding the delay in the adoption of the legal instruments due to the changes in the AU process of adopting text via the sectorial STCs. On the way forward, the meeting decided that the issue of the delayed adoption of the legal instruments should be taken up for discussion between the AUC Chairperson, the Legal Counsel and the Commissioner for Infrastructure and Energy and advise on the options for their expedited adoption. Feedback should be submitted to the third meeting of the MWG to be held on the fringes of the STC meeting in November 2016. The meeting also decided that all the Legal Instruments should be ready by May 2017 before the Launch of the SAATM;
- ii. The meeting also took note of the poor attendance by Regional Economic Communities (RECs) and the need to address this at the third Ministerial Working Group, which will take place as a side meeting during the STC on the 1st December 2016;
- iii. The meeting also recommended that all the legal Instruments related to the YD should be ready by May 2017 before the launch of the SAATM;
- iv. The meeting also noted the importance of awareness programmes for highlighting to decision makers, the advantages of the implementation of the YD and the disadvantages of the non-implementation of the YD;
- v. The meeting further noted the report regarding the presentation by Ethiopian Airlines at the Experts Meeting;
- vi. The meeting equally took note of the increase in the number of States that have signed the solemn commitment and the increase in the number of routes in Africa as a result of this noble gesture; and finally

- vii. The meeting urged the States that have signed the solemn commitment to encourage other Member States who have not yet committed to the solemn commitment, to do so.

11. Way Forward Towards the Launching of the SAATM in 2017

The meeting agreed on the following steps to be taken towards the launch of the Single African Air Transport Market (SAATM) in 2017. It was also decided that these items should be finalized and submitted for the approval at the **First Specialized Technical Committee on Transport, Intercontinental and Interregional Infrastructures, Energy and Tourism (STC-TTIET)** to take place in Addis Ababa from the 28th of November to the 2nd of December 2016.

- i. The RECs and AFCAC will finalize and conclude their MoC under the auspices of the AUC for the smooth management of the SAATM at the regional and continental level and submit it to the STC meeting scheduled for 28th November – 2nd December 2016;
- ii. The Functions and the Responsibilities of the Monitoring Body will be reviewed and submitted to the STC for adoption;
- iii. Member States should submit their Reports on implementation of the key requirements relating to the Solemn Commitment by 18th November 2016 to the AUC. These will then be submitted to the STC;
- iv. The **Third Meeting of the Ministerial Working Group** will be organized as a side meeting, back-to-back with the **Experts Meeting**, to assess the progress with respect to arrangements for the launch of the SAATM in June 2017;
- v. A meeting of the **Follow up Committee of Ambassadors** will be convened in February 2017 to review progress made and advise on actions to be undertaken towards the launch of the SAATM;
- vi. Her Excellency, the Commissioner for Infrastructure and Energy of the AUC, will update the Chairperson about the setback in finalizing the adoption of the Institutional and Regulatory Texts of the YD to ensure that the AUC finds a solution to the problem;
- vii. Further to this, it was agreed that there is a need for the Monitoring Body to be reinvigorated and to play its oversight role;
- viii. Also, there is a need to support the continuous advocacy of the SAATM involving the Pan African Parliament;
- ix. AUC to continue with its effort to mobilise funds for the EA and for AfDB to support this effort; and
- x. For States that have signed the solemn commitment but have not yet done so, to initiate, starting January 2017, the process of eliminating non-physical barriers to enable the free movement of persons and goods within the SAATM.

12. Any Other Business

Under this Agenda Item, the meeting deliberated and decided that the Third Meeting of the Ministerial Working Group will be organized as a side meeting during the STC TIIET in November 2016 with a back-to-back Expert Meeting, to assess the progress with respect to arrangements for the launch of the SAATM in June 2017.

- 13. Final Communique:** The meeting deliberated and issued a final Communique which is attached to this report as **Annex 3**.
- 14. Closing Remarks** – The Chairperson delivered the final closing remarks, in which she highlighted the conclusions of the meeting with an inspirational quote from *Janet Rebhen*. The Chair said that as we collectively endeavour to take the African continent forward, may the spirit of African skies liberalisation, as advocated by Yamoussoukro Decision, live on. The Chairperson finally declared the Second Meeting of the Ministerial Working Group on the Establishment of Single African Air Transport Market closed.
- 15. Closing:** The chairperson ended the meeting on the eve of 20th October 2016, followed by a cocktail function offered by the AUC.