



EAST AFRICAN COMMUNITY
CIVIL AVIATION SAFETY AND SECURITY
OVERSIGHT AGENCY



FIRST 5-YEAR STRATEGIC PLAN 2010/11 – 2014/15

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FOREWORD

The EAC Civil Aviation Safety and Security Oversight Agency (CASSOA) Strategic Plan for the period 2010/11 to 2014/15 outlines goal/broad objective of the Agency as well as the specific measurable strategic objectives and strategies to be implemented and achieved during the planning period. The Strategic Plan is complemented by the Organisation Development Plan which highlights the evolution of the Agency from its current status to a more effective regional safety oversight organisation.

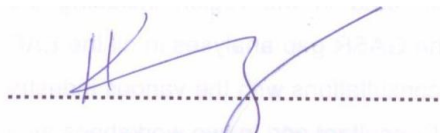
This is the first Agency's Strategic Plan following its establishment in June 2007. In developing the Strategic Plan, together with the Organisation Development Plan, the Agency was supported by the Civil Aviation Consulting Services of the International Air Transport Organisation (IATA). The development of the two Plans involved reviewing the civil aviation data in the region including the outcome of the safety/security audits and the GASR gap analyses in all the EAC Partner States. The process also included consultations with the various industry stakeholders by a visit to the States by the Consultant and in two workshops as a means of providing input in developing these Plans. In this respect the Agency appreciates the contribution by the stakeholders in this process.

CASSOA for this purpose secured funds from the Region Integration Support Programme (RISP) to finance the consultancy for the development of a 5-Year Strategic Plan and Organisation Development Plan. The Agency extends its appreciation for this support.

The developed Strategic and Organisation Development Plans define key strategic objectives and strategies to guide the Agency operations and evolution to achieve the broad objective of developing a sustainable safe, secure and efficient civil aviation sub-sector in the region in line with the EAC and Agency objectives.


The Agency Board appreciates and applauds the efforts in developing these Plans. Implementation of the Plans will not only facilitate the development of an effective oversight system in the region but also create an environment for developing a safe and secure compliant industry which can effectively compete in both the global and regional markets and also contribute in the economic development of the region. The Board in this respect is thus committed to see the implementation of these Plans.

Done at **Arusha, Tanzania** on this **13th** day, of **November** in the year Two Thousand and Nine



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Col. (rtd) Hilary Kioko
Chairperson



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Mtesigwa O. Maugo
Secretary

ABBREVIATIONS AND ACRONYMS

ACIP	Africa-Indian Ocean Comprehensive Implementation Programme
AFI	Africa-Indian Ocean
CAA	Civil Aviation Authority
CASSOA	Civil Aviation Safety and Security Oversight Agency
EAC	East African Community
GDP	Gross Domestic Product
ICAO	International Civil Aviation Organization
SARPs	Standards and Recommended Practices
SMART	Specific, Measurable, Achievable, Realistic and Time bound
SMS	Safety Management System
SSP	State Safety Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats
USOAP	Universal Safety Oversight Audit Programme
USAP	Universal Security Audit Programme

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1. INTRODUCTION

The East African Community is a Regional Economic Community comprising of five Partner States of Burundi, Kenya, Rwanda, Tanzania and Uganda. Under the ICAO regional grouping the East African Community is part of the ICAO AFI region. AFI comprises of African and Indian Ocean Flight Information Region (FIR).

Civil aviation plays an important and crucial role in the movement of persons, goods and services both to and from the region and within the region. It is uniquely associated with facilitation of high value imports and exports, business travel and tourism. The sector in the region varies from country to country but generally, the sector contribution to GDP is about 1% of GDP in Uganda, 3% in Kenya and 5% in Tanzania. This is demonstrated by the volume of traffic and aircraft movements as shown in Table 1 below:

Table 1: Selected Air Traffic Statistics 2007/2008

	Kenya	Tanzania	Uganda	Burundi	Rwanda
Aircraft Movements	307,873	178,494	23,077	5,255	9,651
Passengers (in thousands)					
International	3,148	1,300	876	57	233
Domestic	2,125	1,591	25	0	4.5
Total	5,273	2,891	901	57	237.5
Cargo (in metric tons)					
International	244,786	31,196	65,943	2,305	5,041
Domestic	8,192	5,000	107	0	0
Total	252,978	36,196	66,050	2,305	5,041

Source: KCAA, CAA-Uganda and TCAA; RCAA and BCAA Air Transport Statistics Publications, 2008¹

¹ Passenger numbers and cargo include both deplaned and enplaned for the year July 2007 to June 2008

The Table above shows that Kenya has the largest aviation sector in the region and international gateway to the region. Jomo Kenyatta International Airport (JKIA) in Nairobi is served by Kenya Airways, which is the largest carrier in East Africa and one of the three largest carriers in Sub-Saharan Africa. As of June 2008, the KCAA had 471 aircraft with valid certificates of airworthiness on the registry used by 75 air operators certificate (AOC) holders and some by private operators.

Tanzania has a wider variety of tourist attraction within the region and boasts of some of the most spectacular attractions in Sub-Saharan Africa like Mount Kilimanjaro, Ngorongoro crater and a big population of wildlife. The main international airports are Julius Nyerere, in Dar es Salaam, Kilimanjaro and Zanzibar which are served by many international and regional carriers. As of June 2008, TCAA had 254 aircraft with valid certificates of airworthiness on the registry used by 24 air operators certificate (AOC) holders and some by private operators.

Uganda being a landlocked country relies almost exclusively on air transport for export of the rapidly growing non traditional exports. Entebbe International Airport is the main airport served by international and regional carriers. As of June 2008, CAA Uganda had 43 aircraft with valid certificates of airworthiness on the registry used by 9 air operators certificate (AOC) holders and some by private operators.

Rwanda's aviation sector has grown rapidly over the past years mainly due to increased tourism and business travel. Kigali International Airport is the largest airport and is served by many international and regional carriers including Rwanda Air. As at June 2008, Rwanda CAA had 15 Aircraft with valid certificates of airworthiness on the registry used by 3 air operators certificate (AOC) holders and some by private operators

Burundi is just coming out of a protracted civil war, and hence has a limited aviation sector. There is virtually no domestic air transport though international traffic grew rapidly at an annual average growth of over 22% between 2006 and 2008. As at June 2008, Burundi CAA had 8 Aircraft of which 3 had valid certificates of airworthiness on the registry used by 1 air operator certificate (AOC) holder and some by private operators.

1.1 Rationale and Justification for the Plan

The Aviation sector in the region has experienced average growth rates higher than average national GDP growth rates over the 2006-2008 periods. This has been accounted for mainly by high traffic growth rates albeit with low absolute numbers in Rwanda and Burundi. This expansion in the aviation industry comes with safety concerns which if not adequately handled would negate the gains so far made and limit contribution of the sector to the economies of the region. It is no wonder therefore that Partner States of the East African Community have a common determination and will to collectively address challenges in the industry in line with the implementation of the Yamoussoukro Decision (YD).

Liberalisation of air transport is expected to result in increased levels of operations, service and variety of aircraft types. A major aspect of the process of liberalisation and the resultant increase in activities and investment from the private sector is the need to ensure that the institutional, legislative and regulatory frameworks are in place to tackle safety and security concerns. The commitment by signatory states to grant and receive unrestricted fifth freedom on sectors where, for economic reasons, there are no third and fourth freedom operators requires a substantial review and re-organisation of the control and management of the aviation sector, which Partner States CAAs individually cannot adequately deal with. With the difficulties posed by differing levels of economic development as indicated above, it is not surprising that implementation of the Yamoussoukro Decision is still an ongoing process.

One of the primary components of regional cooperation, which is supported by International Civil Aviation Organisation (ICAO), is the strengthening of the regulatory institutions (mostly civil aviation authorities in Partner States), while at the same time creating a strong regional safety oversight organisation. The East African Community (EAC) response to this was the creation of a regional Civil Aviation Safety and Security Oversight Agency (CASSOA).

Through CASSOA, the EAC is making steady progress towards meeting the basic requirements for implementation of the Yamoussoukro Decision, specifically by harmonization of legislation, and of much of the civil aviation regulations of the Partner States. However, the institutional, legal and regulatory frameworks are not yet adequate to support and provide for full liberalisation of the sector. This plan therefore is premised on the need to provide for the systematic development of CASSOA into a strong regional institution with a mandate to

champion implementation of safety and security related ICAO SARPs against the back drop of increasing regional economic integration and implementation of the YD liberalisation programmes within the region.

1.2 Methodology

1.2.1 Data Collection

The following methodology was used in developing this Plan:

- a) Surveys were conducted in Partner States to consult stakeholders including Partner States CAAs and service providers and collect baseline data for analysis of the business environment.
- b) Workshops were held at the EAC offices in Arusha with stakeholders to determine and achieve consensus on the role of CASSOA and charter out a Vision that reflects the expectations of the stakeholders on the role of the Agency over the planning period and beyond. Full Reports of these workshops findings were developed and are available for review.

1.2.2 Collation and Report Preparation

This Plan is based on the approved Report of the Consultant. Though the Report was written by the consultant, a lot of consultation was made with the Agency and several drafts of the report were reviewed before the final Report was approved.

1.3 Purpose of the Plan

The purpose of this Strategic Plan is primarily to provide guidance over the planning period to CASSOA and other stakeholders including the EAC and Partner States on;

- a) how to achieve greater harmony in tackling aviation safety and security challenges in the region;
- b) how to program and reap maximum benefits from a pool of resources that the region can marshal to tackle the aviation safety and security challenges; and
- c) develop synergies based on Partner States' individual strengths in the aviation sector.

Hence the key strategic objectives and strategies defined by the Plan are meant to progressively lead the region to achieve a safe, secure, reliable, sustainable, environment and

efficient civil aviation safety and security oversight system in the region serving the interests and expectations of the civil aviation industry.

2. DESCRIPTION OF CASSOA

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

One of the major achievements of CASSOA since its inception has been the harmonisation of regulations and development of guidance materials which have been promulgated in the Partner States. The accession of Rwanda and Burundi to the EAC however, means that their aviation legislations and regulations must be harmonised to the other States. This is an ongoing process in which the Agency is actively involved.

2.1 Mandate

Article 92 of the Treaty states that the Partner States shall among others undertake to make air transport services safe, efficient and profitable; adopt common policies for the development of civil air transport in the region; harmonise civil aviation rules and regulations and coordinate measures and co-operate in the maintenance of high security.

Pursuant to **Article 92**, the primary objectives of the Agency as stated in the Protocol are to:

- a) Promote the safe, secure and efficient use and development of civil aviation within and outside the Partner States;
- b) Assist the Partner States in meeting their safety and security oversight obligations and responsibilities under the Chicago Convention and its Annexes; and
- c) Provide the Partner States with an appropriate forum and structure to discuss plan and implement common measures required for achieving the safe and orderly development of

international civil aviation through the implementation of international standards and recommended practices relating to the safety and security of civil aviation.

CASSOA is currently set up as a basic structure and is not a fully fledged safety and security oversight organisation. However, due to the dynamics of the industry among other forces it may need to evolve into a fully fledged oversight organisation. This will call for a review of its current mandate.

2.2 Mission

To achieve the requirements of Article 92 of the Treaty and Article 4 of the Protocol, in addition to addressing specific aspirations of the sector, stakeholders overwhelmingly agreed on the mission of CASSOA as:

**TO ENSURE THAT CIVIL AVIATION SAFETY AND SECURITY STANDARDS
ARE HARMONISED AND IMPLEMENTED CONSISTENTLY IN ALL PARTNER STATES
BY DEVELOPING EFFECTIVE OVERSIGHT SYSTEMS**

This underscores the need for a strong regional oversight function to purposely address national macro economic disparities and the extent of the aviation industry in the respective Partner States.

2.3 Vision

Extensive review of the Mandate of CASSOA within the context of what is expected of regional oversight Agencies defined in ICAO models shows that this mandate is limited though similar components of the safety and security function are universal. It would mean that CASSOA's performance will be judged using benchmarks from similarly placed international organisations doing similar or same components of the safety and security function. In view of this, CASSOA must aspire to:

**BE A MODEL REGIONAL ORGANISATION
IN CIVIL AVIATION SAFETY AND SECURITY OVERSIGHT**

And therein lies the Vision of CASSOA , which must be tracked using demonstrateable and measurable indicators. One such indicator is the level of the region compliance to ICAO

SARPs which should be above the global average or the level of fatal accident rates in the region which should be maintained below the global average.

2.4 Core Values

In addition to the EAC Core Values of accountability, transparency, unity in diversity, allegiance to EAC ideals, the following core values which to a certain extent mirror the Partner States' CAAs values in their oversight functions, shall form the core values for CASSOA.

2.4.1 Integrity

The Agency deals with both civil aviation staff from Partner States and industry operators. Success of the regulatory functions will depend on the levels of openness, and moral ethics of the Agency staff. Any actions that compromise the integrity of the Agency will consequently affect the attainment of the Agency Mission and Vision. It is against this background that integrity forms one of the core values of the Agency.

2.4.2 Professionalism

The Agency staff must demonstrate professional competence and mastery of subject matter in their area of expertise. Staff must show pride in their work and achievements, be conscientious and efficient in meeting commitments, observing deadlines and achieving results. They must also be motivated by professional rather than personal concerns and show persistence when faced with difficult problems or challenges at the same time remaining calm in stressful situations. This will ensure that the industry has trust and respect for Agency staff, thus allowing for a successful conduct of oversight functions.

2.4.3 Respect

CASSOA staff and Partner States CAA personnel must show respect for each other and for the aviation industry stakeholders and the public. Discrimination based on gender, sexual orientation, age, religious beliefs, or economic/social status should be avoided.

2.4.4 Teamwork

Aviation, more than any other domain, requires cooperation between many different stakeholders. Teamwork is, and must remain, a characteristic of the relationship among members of the Agency, the aviation industry, the Partner States and other stakeholders. Staff should work collaboratively with colleagues to achieve organisational goals; be flexible in team role, rank team success higher than personal competitiveness, support and act in accordance with final group decision.

2.4.5 Regional Focus

The policies and actions of CASSOA and its staff should be seen to foster regional integration both in actions and in intra regional physical presence. This will help subdue feelings of domination by some Partner States with those with more developed aviation sectors. CASSOA Staff or any other person appointed or authorised to perform any function by the Agency should not be biased based on nationality.

3. ENVIRONMENTAL SCAN

3.1 Environmental Scan

The third EAC Development Strategy (2006 – 2010) identifies the objective of maximising the benefits of a safe, secure and efficient air transport system in the region where a number of strategic interventions have been planned to be implemented during the period, including establishment and operationalisation of the EAC civil aviation safety and security oversight organisation, among other things.

The environment scan analyses the critical issues affecting CASSOA at the present. It is based on the analysis of the factors influencing the environment within which CASSOA operates in, SWOT Analysis and the outcome of the Partner States' ICAO GASR Gap Analyses. In conducting the environmental scan due consideration was also made to the mandate of CASSOA as provided in the Protocol.

3.2 Critical Issues

3.2.1 Mandate

CASSOA was established with a mandate of promoting aviation safety and security and assisting Partner States meet their aviation safety and security obligations as required by ICAO. The growth in the industry will necessitate changes in the Partner State CAAs and CASSOA that may require a change of the mandate of CASSOA. Partner States have not reached a consensus on the evolution of CASSOA, its envisaged future role and the changes that may occur between it and the Partner States CAAs.

3.2.2 Legal Framework

CASSOA coordinates the harmonisation of the legislative framework within the Partner States to ensure its consistence with ICAO requirements. During the USOAP and USAP audits, the existing primary legislations, regulations and guidance materials were found to be inadequate and in some areas inconsistent with the requirements of the Chicago Convention. The review of the legal framework requires to be coordinated and Partner States urged to facilitate the legislation of the new laws.

3.2.3 Technical Capacity

The structure and establishment provided currently does not provide for sufficient staff with the required technical expertise to implement its mandate. Furthermore, the Partner States CAAs do not have adequate number of technical personnel with the appropriate skills required to fully carry out their safety oversight responsibilities. The retirement age of 60 years for staff in CASSOA and Partner State CAAs restricts the use of experienced technical staff who have retired from the industry. The situation is worsened by terms of service offered which is uncompetitive compared to the rest of the industry and unattractive to skilled technical staff. As a result, CASSOA is faced with the challenge of sustaining aviation safety and security oversight as well as ensuring consistent implementation of international standards among Partner States.

In addition to an adequate number of skilled technical personnel an effective oversight function should have tools, equipment and facilities for use by the inspectors to efficiently carry out oversight functions. Most Partner States due to financial constraints do not have adequate tools, equipment and facilities. As a result Partner States are unable to undertake surveillance as required and to provide the quality oversight services.

3.2.4 Implementation of Regulations

The Agency is expected to assist Partner States meet their safety and security obligations and responsibilities under the Chicago Convention. There is a challenge in the consistent implementation of international standards and consistent regulatory oversight within the Partner States because of inadequate resources and to a certain extent differences in the general understanding and interpretation by Partner States and technical personnel. The safety and security database and reporting systems are inadequate for analysis and monitoring by CASSOA of the extent of implementation of regulations. They also do not provide detailed information that is required to advice on review of regulations.

In the Partner States, the assessment of proposals for amendment of ICAO Annexes is not comprehensively undertaken due to inadequate technical capacity. A coordinated approach by CASSOA could improve the effectiveness of the assessment and ensure a common response which maintains the element of harmonisation in the region.

The ability of the Partner States to achieve objectivity that require activities to adhere to international standards designed to ensure an acceptable level of safety is limited by their lack of adequate independence from operating functions. The regulatory functions within the Partner States CAAs are part of a Common Organisation with some service providers (air navigation services and aerodromes) and in many cases dependent on revenues from the service function and therefore cannot be considered as independent and their objectivity in consistently enforcing regulations could be questioned.

Likewise, the EAC is implementing a requirement of the Treaty for the establishment of a unified Upper Flight Information Region. This will require a regional entity to manage it and will have to operate on regional safety and security standards and can only be effectively oversighted at regional level.

3.2.5 Implementation of Safety Management System (SMS)

The implementation of the Safety Management System (SMS) including mandatory reporting system for errors and incidents is inadequate. This is contributed by the absence of a Model Regional Safety Programme (RSP) and State Safety Programme (SSP) that provides the policies and procedures that encourage open reporting, development and maintenance of a “just culture” and protect data collected solely for the purpose of improving aviation safety. Establishment and protection of safety data by Partner States has not taken place. As a result learning experiences that could be accruing from analysis of such incidents are not being achieved.

The implementation of SMS by service providers is only beginning and the CASSOA is coordinating the development of a Model Regional Safety Programme to which Partner States will adapt to develop their harmonised SSP that will require operators to take a more proactive approach to managing risks. In addition, the industry lacks the quality assurance experts necessary for implementation of SSP/SMS and maintenance of SMS.

3.2.6 Minimisation of Incidents and Accidents

The Maintenance of data on incidents and accidents is inadequate in most Partner States. This does not provide adequate information for developing realistic safety targets and formulation of common appropriate measures to resolve identified constraints or deficiencies. In almost all cases, management of data and sharing of information of on incidents and accidents between Partner States CAA's and with the CASSOA is currently not implemented. Though in some States, accident and incident investigation mechanisms are separated from the Partner State CAA in order to avoid potential conflict of interest, the establishment and resource allocations of these Units is inadequate in all the Partner States.

3.2.7 Financial Management

CASSOA is currently funded by Partner States CAAs although the Protocol provides for other sources of financing including mobilisation of resources by the Community; provision of grants and loans from regional and international bodies; revenues from the activities of the Agency and any other sources as may be approved by the Council.

The financial requirement of the Agency will evolve to a more complex model, with each stage having a different structure and mandate and therefore different resource requirements. Currently CASSOA is unable to mobilise adequate funds to meet its obligations and to fund all its activities. The sustainability of CASSOA as it evolves will therefore remain a big challenge that will require Partner States to solve. CASSOA will not be able to raise revenue from charges and fees for services as this will amount to double charging the services providers as CAAs are levying the same fees.

3.2.8 Economic Growth

The current and future growth of air traffic in East Africa is an important driver for enhanced safety and security oversight. The Partner States are moving towards a Common Market that is expected to provide impetus for enhanced trade and movement of people and cargo across borders. The Implementation of the Yamoussoukro Decision, liberalisation within the EAC and with Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC) should result in increased traffic. In addition, the significant potential for tourism development is another important driver.

4. STATEMENT OF THE PROBLEM

Analysis of the internal and external environment in which CASSOA operates reveals that the main challenges impeding attainment of its Mission and Vision are broadly categorised as follows;

4.1. The Mandate of CASSOA

The Mandate of CASSOA is defined as to;

- a) promote the safe, secure and efficient use and development of civil aviation within and outside the Partner States;
- b) assist the Partner States in meeting their safety and security oversight obligations and responsibilities under the Chicago Convention and its Annexes;
- c) provide the Partner States with an appropriate forum and structure to discuss plan and implement common measures required for achieving the safe and orderly development of

international civil aviation through the implementation of international standards and recommended practices relating to the safety and security of civil aviation.

The dynamics in the aviation industry as a result of liberalisation, regionalisation, and globalisation compelling the industry to constantly change in its business models and recommendations from ICAO require a regional approach to providing adequate, effective and efficient safety and security oversight functions which CASSOA cannot adequately provide within the mandate given by the current legal framework.

4.2. Availability of Technical Capacity

CASSOA as an institution lacks technical capacity both in numbers and skills to perform its functions even within the limited mandate. Although CASSOA is supposed to make use of the technical capacity in the Partner States CAAs, these are also inadequate and diminishing. The situation is made worse by the current growth trends in the industry that have led to expansion of the regional aviation industry, both in size and mix of fleet types, which require enhanced capacity for oversight functions in Partner States.

4.3. Financing of CASSOA

Currently, the main source of funding is the contributions from the Partner States CAAs, which is inadequate to fund all the operations and activities of CASSOA, even without pressures exerted by the need for the Agency to deal with the need for increase in oversight activities. Further analysis and reflection reveals that all the Partner States' CAAs derive their main source of funding primarily from revenues from airports and/or air navigation fees and charges, as well as other fees and charges for their oversight activities. Though the Protocol identifies revenues from the activities of the Agency as a source of funding, CASSOA in its current mandate cannot charge oversight fees. In practice therefore as a means of increasing funding for its operations, CASSOA may have to continue relying on contributions from Partner States.

4.4. Safety Challenges

The ICAO has just finalised a USOAP and Gap Analysis in the region from which Partner States are required to implement developed corrective action plans to address safety challenges identified in the audits. Neither CASSOA nor individual Partner States have adequate financial and technical capacities to address these issues sustainably individually.

4.5. Security Challenges

The ICAO has just finalised a USAP in the region from which Partner States are required to implement corrective action plans to address security challenges identified in the audits. Neither CASSOA nor individual Partner States have adequate financial and technical capacities to address these issues sustainably individually.

4.6. Economic Integration

Partner States of the EAC are moving towards a Common Market as part of the greater economic integration of the economies of the region. This is good for the industry because of consolidation of the regional market and operators in the aviation industry are bound to respond with increased operations. This is bound to affect the scope of the Agency's operations and hence need to review its mandate.

5. STRATEGIC ANALYSIS

The problem analysis identifies major institutional and industry specific challenges that CASSOA has to address in order for the sector to continue growing and effectively contribute to the economies of Partner States and the region as a whole. This Chapter outlines goals/broad objectives and strategic objectives necessary to address these challenges over the Plan period.

Goals are broad long run intentions, outcomes and aspirations of what an organisation aspires to contribute to during the planning period.

Strategic Objectives are SMART statements of what has to be achieved over a specific period of time within the planning period in pursuit of the long run intentions (goals).

Key Outputs are tangible (easily measurable and practical), immediate and intended results to be produced through sound management of the agreed inputs. Outputs coincide with the completion of an activity or a number of activities. Outputs can also be defined as the specific short term results or deliverable for which the project or organisation has substantial control.

Strategies are actionable statements describing "How will we go about accomplishing our objectives?" Strategies describe "the how" from which activities and work plans are derived.

Performance Indicators are quality, quantity, efficiency or process benchmarks that track the progress implementation of the entire plan through a Monitoring and Evaluation system. At the goals level the question to ask is "how far has the plan gone in attaining the stated goal". At the Strategic Objective level the question is "Is the plan achieving what was set out to achieve during any specific period within the planning period while the strategies will be assessed in how effective they deliver the desired results.

5.1. Goals/ Broad Objectives

Contribute to the development of a sustainable, safe, secure and efficient civil aviation sub-sector in the region in line with the EAC objectives.

5.2. Strategic Objectives

There are three Strategic Objectives that this Plan seeks to achieve and these are;

Strategic Objectives	
A	To rationalise the mandate of CASSOA in line with the dynamics in the aviation industry and the enhanced economic integration in the region.
B	To build an effective and sustainable civil aviation oversight system in the region.
C	To Minimise aircraft incident and accident rates in the region.

5.3. Key Outputs and Strategies to Deliver the Objectives

No.	Key Output	No.	Strategies	Time frame
Strategic Objective A: <i>To rationalise the mandate of CASSOA in line with the dynamics in the aviation industry and the enhanced economic integration in the region.</i>				
A1.	The institutional framework of CASSOA reviewed and its mandate enhanced	A101	Study the need to rationalise the mandate of CASSOA and financing options	2010-2011
		A102	Develop and achieve consensus on the need for the new mandate of CASSOA	2011
		A103	Develop appropriate institution documentation for approval by the relevant policy organs of the EAC.	2011-2012
A2	Current funding mechanism for CASSOA reviewed and a sustainable funding mechanism established	A201	Review the current funding mechanism and make proposals	2010
		A202	Implement sustainable funding mechanism to CASSOA by the Partner states	2011

No.	Key Output	No.	Strategies	Time frame
Strategic Objective B: <i>To build an effective and sustainable civil aviation oversight system in the region.</i>				
B1	The development of appropriate Partner States primary aviation legislation in line with the Chicago Convention promoted	B101	Facilitate legal experts to identify and consolidate areas that need to be reviewed in the respective national legislations.	2012-2013
		B102	Collaborate with relevant institutions in Partner States to effect legal and regulatory reforms.	2013
B2	Civil aviation regulations and technical guidance materials within the region developed and harmonised	B201	Facilitate the harmonisation and formulation of regulations	2010-2014
		B202	Develop and harmonise technical guidance materials	2010-2014
		B203	Develop a common position for response on proposed ICAO standards	2010-2014
B3	Adequate capacity developed to carry out oversight functions	B301	Maintain and manage an inventory of all technical skills available in the region	2010
		B302	Develop and implement a plan for improving technical skills in aviation oversight functions	2010-2014
		B303	Attract and retain appropriate skills for the oversight functions	2010-2014
		B304	Maintain and manage an inventory of tools, equipment and facilities necessary for carrying out effective oversight functions.	2010-2014
		B305	Provide appropriate office facilities	2010-2014

No.	Key Output	No.	Strategies	Time frame
B4	An effective system established to monitor and evaluate the status of aviation safety and security in Partner States	B401	Evaluate the status of implementation of regulations in the Partner States	2010-2014
		B402	Facilitate Partner States to ensure compliance of the operators with the regulations.	2010-2014
		B403	Establish a common personnel licensing examination system in the region including exam bank and support capacity building for its management	2011-2014
Strategic Objective C: To minimise aircraft incident and accident rates in the region				
C1	Safety Management Systems (SMS) in the region implemented	C101	Facilitate the development of the Regional and State Safety Programs (RSP and SSP)	2010-2014
		C102	Facilitate service providers (through Partner States) to comply with SMS regulations	2011-2014
C2	Regional integrated reporting systems to collect, collate, analyse, maintain and share safety data/information in the region established and operationalised	C201	Establish reporting systems for maintaining safety and security data/information	2010
		C202	Maintain and manage data on safety and security occurrences, incidents and accidents in the region	2010-2014
		C203	Maintain and manage data on safety and security inspection work tracking	2010-2014

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6. Implementation Plan for Strategies

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15			
			Q1	Q2	Q3	Q4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
A101	Study the need to rationalise the mandate of CASSOA and financing options	Engage an expert under ICAO-ACIP assistance to work with regional experts.																				
		Experts produce a report to the Board																				
A102	Develop and achieve consensus on the need for the new mandate of CASSOA	Conduct consultations with Partner States																				
		Conduct aviation stakeholders consultations																				
A103	Develop appropriate institution documentation for approval by the relevant policy organs of EAC.	Develop background paper on proposed changes to the mandate of CASSOA to the Council of Ministers for approval.																				
		Facilitate the EAC CTC office to develop appropriate documentation for change of mandate.																				

CASSOA Five Year Strategic Plan 2010/11 – 2014/15

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A201	Review the current funding mechanism and make proposals	Conduct the review and develop the proposals																				
A202	Implement sustainable funding mechanism to CASSOA by the Partner States	Convene a joint meeting of the technical committees to determine mechanisms of <i>pro rata</i> contributions by Partner States																				
		Develop background paper on proposed changes to the funding of CASSOA to the Board and Council of Ministers for approval.																				
B101	Facilitate legal experts to identify and consolidate areas that need to be reviewed in the respective national legislations.	Conduct studies on the legal and regulatory framework pertaining Partner States CAAs																				
		Convene legal working group meetings to review the Civil Aviation Acts																				
		Submit the report to the Board for approval and submission to the Council																				

CASSOA Five Year Strategic Plan 2010/11 – 2014/15

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
B102	Collaborate with relevant institutions in Partner States to effect legal and regulatory reforms.	Carry out missions to the Partner States																				
		Prepare a report to the Board and Council of Ministers on status of proposed changes to legal and regulatory frameworks																				
B201	Facilitate the harmonisation and formulation of regulations	Prepare a background paper on the need for the amendment or formulation of regulations																				
		Convene working groups to consider, review and formulate regulations																				
		Prepare a report to the Board on the formulated and amended regulations for consideration and recommendation to Partner States for adoption.																				
		Carry out missions to the Partner States																				

CASSOA Five Year Strategic Plan 2010/11 – 2014/15

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15			
			Q1	Q2	Q3	Q4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
B202	Develop and harmonise technical guidance materials	Prepare a background paper on the need for the amendment or development of technical guidance materials																				
		Convene working groups to consider, review and develop technical guidance materials																				
		Prepare a report to the Board on the developed and amended technical guidance materials for approval																				
B203	Develop a common position for response on proposed ICAO standards	Partner States to request ICAO to include CASSOA in their mailing list.																				
		One Partner State allows CASSOA to access state letters.																				
		Track changes in standards and prepare a common regional position.																				
		Convene technical working group meetings to consider the common regional position.																				
B301	Maintain and manage an inventory of all technical skills available in the region	Carry out a technical skills audit with the Partner States and																				

CASSOA Five Year Strategic Plan 2010/11 – 2014/15

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		develop a data bank																				
		Carry out a survey on the skills requirements with Partner States and identify the skills gap																				
B302	Develop and implement a plan for improving technical skills in aviation oversight functions	Develop training programs to address the skills gap																				
		Develop consensus on the training program with Partner States																				
		Mobilise resources to implement the training programs																				
B303	Attract and retain appropriate skills for the oversight functions	Recruitment and placement of appropriate personnel.																				
		Partner States CAAs and CASSOA to offer competitive remuneration																				
		Develop bonding framework for technical personnel trained by Partner States CAAs and CASSOA																				

CASSOA Five Year Strategic Plan 2010/11 – 2014/15

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
B304	Maintain and manage an inventory of tools, equipment and facilities necessary for carrying out effective oversight functions.	Determine the tools, equipment and facilities requirements for effective oversight with Partner States.																				
		Carry out an audit of tools, equipment and facilities with the Partner States and develop a data bank																				
		Develop a policy on management of tools, equipment and facilities for oversight functions with Partner States																				
B305	Provide appropriate office facilities	Remodelling of existing buildings onsite for office use																				
		Equip the CASSOA offices																				
B401	Evaluate the status of implementation of regulations in Partner States	Carry out missions with Partner States																				
		Develop recommendations to Partner States for corrective measures																				
B402	Facilitate Partner States to ensure compliance of the operators with the regulations.	Co-ordinate resources to assist Partner States implement the regulations																				

CASSOA Five Year Strategic Plan 2010/11 – 2014/15

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15			
			Q1	Q2	Q3	Q4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
		Carry out industry sensitisation on best practices with the Partner States																				
		Carry out training for the inspectors on regulations and technical guidance materials																				
B403	Establish a common personnel licensing examination system in the region including exam bank and support capacity building for its management	Develop a policy on the management of examinations in the region.																				
		Establish an IT system that links the region																				
		Establish and manage an examination bank in all areas requiring personnel licenses and certificates.																				
		Monitor the implementation of the examination management policy with Partner States																				
C101	Facilitate the development of the Regional and State Safety Programs (RSP and SSP)	Convene stakeholders workshops for the development of a model RSP																				
		Prepare a report to the Board on the model RSP for consideration and																				

CASSOA Five Year Strategic Plan 2010/11 – 2014/15

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
		approval.																					
		Provide technical support to the Partner States in development of SSP																					
		Provide technical support to the Partner States in development of SSP implementation plans.																					
		Monitor the implementation of SSP with Partner States																					
C102	Facilitate service providers (through Partner States) to comply with SMS regulations	Conduct workshops for the service providers with Partner States in the development and implementation of SMS.																					
		Monitor the implementation of SMS with Partner States																					
C201	Establish reporting systems for maintaining safety and security data/information	Develop with the Partner States a policy on the management of safety and security data in the region.																					
		Establish an IT system that links the region																					

CASSOA Five Year Strategic Plan 2010/11 – 2014/15

No.	Strategies	Actions	Y1 2010/11				Y2 2011/12				Y3 2012/13				Y4 2013/14				Y5 2014/15			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
C202	Maintain and manage data on safety and security occurrences, incidents and accidents in the region	Retrieve, analyse and report to Partner States and relevant stakeholders																				
		Produce reports for benchmarking and input in development of new requirements.																				
C203	Maintain and manage data on safety and security inspection work tracking	Develop with the Partner States a policy on the management of WTS in the region.																				
		Establish an IT system that links the region																				
		Produce reports for benchmarking and input in development of new requirements and surveillance schedules.																				

7. FINANCIAL PLAN

The Financial Plan provides estimates of the resources necessary to implement the Strategic Plan in line with the proposed implementation schedule and proposes options for funding. Effective safety and security oversight can only take place when adequate resources are available to support the Agency's objectives. The Financial Plan identifies the operating and capital costs, including human resources and training costs, as well as forecast revenues from the delivery of services, and projects them over the Strategic Plan schedule from 2010/11 to 2014/15.

7.1. ASSUMPTIONS

The following assumptions were used in the forecast of revenues and expenditures required to support the Strategic Plan. Included in the general assumptions is the understanding that office space has been provided for CASSOA staff in Entebbe by the Government of Uganda, and it is assumed that the Agency will relocate during the FY 2009/10. Also considering that the systematic evolution of the Agency will take time beyond the scope of this Plan, consideration has been made to provide for costs that will give effect to the evolution process rather than costs of the evolved Agency. It is assumed that during the mid-term review (planned in the third year of Strategic Plan implementation), specific elements of the Agency evolution will have been studied and agreed upon for the Plan to be rolled-over into the subsequent five year period.

7.1.1 Maintaining the Current Mandate of CASSOA

The Financial Plan assumes the continued structure of CASSOA as an autonomous, self-accounting institution of the East African Community. Basic financial provisions of the Agency, including sources and uses of funds, financial authorities, reporting roles and responsibilities and budgeting are based on the provisions of Article 15 of the Protocol. Specific details regarding financial and resource management, have been taken from the Agency Financial Rules and Regulations (2008).

7.1.2 Funding

The Protocol envisages the Agency² being financed by:

- a) Contributions from Partner States through their respective CAA;
- b) Resources mobilized by the Community;
- c) Grants and loans from regional and international bodies;
- d) Revenues from the activities of the Agency;
- e) Any other sources as may be approved by the Council

As indicated in the problem statement, the Agency at the moment relies solely on contributions from Partner States CAAs to meet its financial obligations. However, in its present form and mandate CASSOA may not charge any fees but explore ways of accessing increased contributions from Partner States.

7.1.3 Financial Year

In preparing the financial forecasts, the Plan has assumed the current financial year of the Agency which extends from July 1 to June 30th of each year. Costs are expressed based on current prices.

It has been further assumed that contributions from Partner States will continue to be due on July 1st of the current year and are expected to be paid within the 1st quarter.

7.1.4 Salaries, Allowances & Benefits

The EAC salary structure and classification system as has been adopted into the CASSOA Financial Rules and Regulations (2008) has been used in estimating employment benefits and costs.

² Article 15, Financial provisions

7.1.5 Inflation Rate

An average estimated rate of inflation is 10% p.a.

7.1.6 Depreciation Charge

In forecasting depreciation charge on current and future fixed assets of the Agency the following depreciation rates, as specified in the Financial Rules and Regulations have been applied.

Asset Type	Useful Life	Annual Depreciation Rate
Freehold Land	N/A	0%
Leasehold Land	Duration of lease	Varies with lease period
Buildings	40 years	2.5%
Motor Vehicles	5 years	20%
Computer equipment	3 years	33.33%
Telecom equipment	5 years	20%
Office equipment	5 years	20%
Office fixtures and fittings	5 years	20%
Office furniture	5 years	20%

7.2 Expenditure Forecasts

Expenditure forecasts reflect the deviation from the 2009/10 base year when the implementation period commences. Costs are recognised in the financing plan as they are expected to occur. Recurring expenses have been based on budgeted expenses for 2009/10 and adjusted for planned staffing and activities as outlined in the staffing schedule and implementation Plan in the Strategic Plan.

7.2.1 Operating Expenses

A summary of operating expenses for the planning period is shown in Table 7.2.1 below:

Table 7.2.1

Summary Expenses	2009/2010 ³	2010/11	2011/12	2012/13	2013/14	2014/15
	US\$	US\$	US\$	US\$	US\$	US\$
Employment costs	415,435	1,033,469	2,029,315	2,325,888	2,367,470	2,431,530
Technical Training costs	45,750	83,857	133,522	136,012	136,759	139,900
Administrative expenses	547,050	1,062,966	1,308,730	1,074,416	1,051,507	1,065,981
Capital expenditure	87,300	321,000	215,000	34,000	75,500	5,500
Total expenditure	1,095,535	2,501,292	3,686,567	3,570,316	3,631,237	3,642,912

It is evident from the analysis that CASSOA being a service organisation, where human resource forms the main input into the service production and delivery process, staff costs will form the bulk of its expenses schedule.

a) Staff Emoluments Costs

These are computed based on the Agency Financial Rules and Regulations and progression of staffing levels as the organisation development plan is implemented. These costs are made up of staff salaries, allowances, gratuity and insurance.

b) Technical Training Costs

Training of the technical staff comprises of training of inspector in the region to enable them discharge their duties effectively. The organisation expects to set aside 4%⁴ of the operating expenses excluding capital expenditure to fund technical training costs. The training will be based on the specific training needs of the inspectors, including basic training, recurrent training, type training and regulatory training. The Agency will have to develop a training

³ Actual budget developed based on one year plan as the Agency had not developed its Strategic Plan.

⁴ Based on the projected training expenses

programme as part of the annual business plan. Table 7-2-2 presents a summary of the estimated costs of technical training for inspectors.

Table 7-2-2

	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Recurrent Training	50,624	67,056	69,546	70,293	73,434
Technical Training	33,233	66,466	66,466	66,466	66,466
Total Training @ 4% of employee and admin costs	83,857	133,522	136,012	136,759	139,900

c) Administrative Costs

These costs are categorised into the following

(i) Corporate Governance Costs

The Board of Directors is the governing body of the Agency and is constituted of the heads of Civil Aviation Authorities in the 5 Partner States, one aviation expert from each Partner State nominated by the Minister in charge of civil aviation in the State, a representative of the East African Business Council and the Executive Director of CASSOA. The Agency bears all the expenses related to the Board meetings and these include sitting allowances for all Board members as well as travel and subsistence for the aviation experts and the EABC representative. The Board meets at least once every three calendar months. The Board costs anticipate the convening of two extraordinary meetings in a year.

The Technical Committees support the Board in its operations. These are two, namely, Technical Committee – Regulatory and Technical Committee – Finance and Administration. These are constituted by senior officials in the Partner States CAAs depending on their areas of expertise. The Committees meet prior to Board meetings and advise the Board on technical or administrative matters. The Committees may meet jointly when cross cutting circumstances call for such a meeting.

(ii) Meeting and Workshop Costs

Meeting and workshop costs consist of costs of holding meetings within the Agency for development, harmonisation and amendment of legal and regulatory documents (civil aviation regulations and technical guidance materials for use in the region. A summary of the estimates is shown in Table 7.2.3 below.

Table 7.2.3

	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Working Group Meetings expenses	235,200	287,400	255,900	262,900	252,400
Stakeholders workshops and seminars	39,233	107,300	78,500	78,500	78,500
Total meetings and workshop costs	274,433	394,700	334,400	341,400	330,900

(iii) Cost Directly Attributed to Oversight Activity

These are costs that are directly related to carrying out oversight assistance in the Partner States and include missions to the Partner States. These also include the costs attributed to assistance to the Partner States in implementation of the Safety Management Systems (SMS) in the region. A summary of these costs are shown in Table 7.2.4 below.

Table 7.2.4

	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Inspection costs	170,400	170,400	170,400	170,400	170,400
SMS implementation costs	40,000	53,200	31,200	31,200	31,200
Total oversight activity costs	210,400	223,600	201,600	201,600	201,600

(iv) Office Running Expenses

Office operating expenses are intended to support the Agency offices and include recruitment costs, staff skills enhancement costs, utilities, publicity & promotion, hospitality expenses, communication, printing, security services, bank charges, audit costs, motor vehicle maintenance, office repairs and maintenance and insurance. A summary of the estimated office operating expenses is provided in Table 7-2-5 below.

Table 7-2-5

Figures in US\$

	2010/11	2011/12	2012/13	2013/14	2014/15
Staff skills enhancement training	40,000	44,000	48,400	53,240	58,564
Recruitment costs	149,333	224,000	93,333	18,666	18,666
Communications - telephone, internet	18,000	19,800	21,780	23,958	26,354
Stationery & printing	12,000	13,200	14,520	15,972	17,569
Postage	1,500	1,650	1,815	1,997	2,196
Subscriptions and Journals	1,000	1,100	1,210	1,331	1,464
Motor Vehicle Maintenance & Insurance	19,000	20,900	22,990	25,289	27,818
Water	800	880	968	1,065	1,171
Electricity	4,000	4,400	4,840	5,324	5,856
Security Services	24,000	26,400	29,040	31,944	35,138
Bank Charges	1,500	1,500	1,500	1,500	1,500
Audit	28,000	33,000	38,000	43,000	48,000
Clearing and forwarding (staff recruitment)	24,000	36,000	15,000	3,000	3,000
Corporate image, publicity and promotion	2,000	2,200	2,420	2,662	2,928
Insurance (office equipments)	5,000	5,000	5,000	5,000	5,000
Cleaning and grounds maintenance	9,000	9,900	10,890	11,979	13,177
Miscellaneous office expenses	6,000	6,600	7,260	7,986	8,785
Total office running expenses	345,133	450,530	318,966	253,912	277,187

7.2.2 Capital

The Agency purchased fixed assets in 2007/08 to support the staff already in place, including computer equipment, basic office furniture and equipment and a vehicle for the Executive Director.

Over the next two years, the Agency will need to remodel and acquire office furniture and equipment as well as personal computer equipment for staff as the offices shift to the new head office in Uganda. Table 7-2-6 presents an estimate of capital expenditures based on the proposed schedule of staffing. By the end of the planning period, some of the computer equipment will have reached the end of its economic life and will need to be replaced. Similarly, the vehicle purchased for the Executive Director will also need to be replaced before the end of the planning period.

Table 7-2-6

	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Land and Buildings	175,000	125,000	-	-	-
Motor vehicle	-	-	-	70,000	
Computer equipment	55,000	40,000	22,000	3,000	3,000
Office equipment	1,000	20,000	-	-	-
Office furniture	20,000	30,000	12,000	2,500	2,500
IT Software	70,000	-	-	-	-
	321,000	215,000	34,000	75,500	5,500

7.3 Funding Sources

ICAO Document 9734, Safety Oversight Manual, Part B, Establishment and Management of a Regional Safety Oversight System, provides general guidance on the financing of a regional agency. The key objective of establishing a regional safety oversight system, according to ICAO, is to enable States to meet their international safety oversight obligations in the most effective and efficient manner. Adequate resources, according to ICAO, are essential to the successful implementation of a regional safety oversight system. When States are able to

share both funding and personnel, they are able to provide the regional aviation system with the support it requires.

ICAO recommends that member States in a regional organisation “*establish a mechanism to ensure that the funds required for the establishment and management of an RSOO*”. ICAO acknowledges that each state has its own level and complexity of aviation activities which may be recognized in the amount to be contributed by each State. The success of the organization, in ICAO’s view, depends on the commitment of members towards fulfilling their obligations, including their financial obligations.

7.3.1 Contributions from Partner States

The Partner States currently finance their own regulatory activities from fees and charges, subsidized by revenues from other aviation activities, such as air navigation services and aerodrome operations, and sometimes with direct assistance from central governments. The exact costs associated with the provision of these regulatory services are not easily determined and, therefore, the proportion of costs that are financed through revenues from other aviation activities is difficult to estimate. As CASSOA capacity increases, this is expected to assist the Partner States by the sharing of some of the oversight costs throughout the region, thereby reducing the costs of the oversight functions for the individual CAAs. It is reasonable to expect therefore that contributions from Partner States should be proportional to the size and complexity of civil aviation activities.

Partner States CAAs supplement the revenues generated from regulatory activities with subsidies from other sources. Those subsidies are in the form of safety fees and passenger service charges based on air tickets and air navigation charges, landing and parking fees. Partner States governments also support the CAAs activities by funding some of the infrastructure development projects.

The Partner States CAAs are contributing to the Agency from the said sources of income. It is therefore proposed that the Partner States continue contributing to the Agency depending on the level and complexity of the aviation activities as stated earlier.

7.3.2 Regulatory Fees & Charges

The Agency may generate revenues from its regulatory activities as provided in the Protocol. Partner States CAAs charge fees for the regulatory services they provide. However, as indicated above these fees do not cover fully the costs of the regulatory services and are cross subsidised as indicated in paragraph 7.3.1 above. The fees are not sufficient to meet the operating costs of the CAAs regulatory services, however, increasing fees to fully recover costs is considered unwise. The Agency, under the current mandate, cannot charge these fees as it will amount to double charging the service providers.

7.4 Recommended Approach

It is recommended that CASSOA adopt a variety of funding options to address its financial requirements commensurate with the progress on rationalization of its mandate. As earlier on indicated, it is conceivable that this will be finalized during the third year of this Plan. It is this rationalization study that will bring out consensus on appropriate funding sources to drive the Agency activities. Before then, however, Partner States should continue to assume fully the responsibility for funding the Agency based on contributions. Other sources of funding particularly, assistance from development partners should be actively pursued as supplemental revenue.

7.4.1 Options for Contributions

There are several options available for addressing the contributions required to achieve break-even. Four options have been recommended. It is expected that the Agency will select the option or combination of options that offer the optimal solution and recommend to the EAC Council of Ministers for approval. The options recommended are explained below.

7.4.1.1 Option 1 - Equal Contribution by the Partner States (Current Status)

This option proposes to maintain the current funding mechanism of the Agency where each Partner State through the CAA contributes equally to the funding of the Agency's activity. This method is in line with the EAC Treaty's provisions of equal contribution by Partner States and it also provides stable income to the Agency. However, all the Partner States CAAs are

autonomous and earn their revenues based on aviation activity in their respective states; hence the contributions required may be well above the revenues generated by some of the states. The estimated contributions per state are shown in Table 7.4.1 below.

Table 7.4.1

Partner State	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Burundi	500,258	737,313	714,063	726,247	728,582
Kenya	500,258	737,313	714,063	726,247	728,582
Rwanda	500,258	737,313	714,063	726,247	728,582
Tanzania	500,258	737,313	714,063	726,247	728,582
Uganda	500,258	737,313	714,063	726,247	728,582
	2,501,292	3,686,567	3,570,316	3,631,237	3,642,912

**7.4.1.2 Option 2 – Contribution by the Partner States based on level of aviation activities
(Measured by total embarking passenger numbers)**

In this option the Partner States CAAs will contribute on a *pro rata* basis based on the level of aviation activities measured by the numbers of embarking passengers in each state. The main advantage of this method is that it is a more equitable approach as it relates to the level of aviation activities being regulated. However, this approach does not take into account that Partner States' obligations to ensure meeting required minimum aviation standards do not vary with the level of aviation activities. As stated in Option 1 above the Partner States CAAs are autonomous and earn their revenues based on aviation activities in their respective states. The regulatory services are usually cross-subsidised from other aviation revenue sources and hence the contributions required under this option may be above the revenues generated without increase on the service charges.

The level of aviation activity based on embarking passenger numbers based on 2007/08 statistics and projected figures are shown in Table 7.4.2 below.

Table 7.4.2 Projected embarking passenger numbers

Partner State(projected growth rate p.a.)	2010/11	%	2011/12	%	2012/13	%	2013/14	%	2014/15	%
Burundi (4.7%)	67,366	2%	70,532	2%	73,847	2%	77,318	1%	80,952	1%
Kenya (6.1%)	2,132,314	50%	2,262,385	50%	2,400,391	49%	2,546,814	49%	2,702,170	49%
Rwanda (6.8%)	75,765	2%	80,917	2%	86,419	2%	92,296	2%	98,572	2%
Tanzania (7%)	1,562,426	36%	1,671,796	37%	1,788,822	37%	1,914,039	37%	2,048,022	37%
Uganda (7.5%)	447,488	10%	481,050	11%	517,128	11%	555,913	11%	597,606	11%
Total	4,285,359	100%	4,566,680	100%	4,866,607	100%	5,186,380	100%	5,527,322	100%

The estimated contributions are shown in Table 7.4.3

Table 7.4.3 Estimated contributions by Partner States CAAs

Partner State	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Burundi	39,320	56,939	54,177	54,134	53,353
Kenya	1,244,596	1,826,367	1,761,012	1,783,148	1,780,929
Rwanda	44,223	65,322	63,400	64,621	64,966
Tanzania	911,962	1,349,599	1,312,343	1,340,112	1,349,797
Uganda	261,191	388,339	379,384	389,222	393,867
Total	2,501,292	3,686,567	3,570,316	3,631,237	3,642,912

7.4.1.3 Option 3 - Recurrent (excluding oversight costs and meeting expenses) and capital expenditure to be shared equally and oversight and meeting expenses *pro rata*

In this option equal contributions will be computed based on the capital and recurrent expenditure (excluding costs directly attributed to oversight activity and meetings and

workshops costs). Costs directly attributable to oversight activity, Meetings and Workshops costs will be shared by the CAAs on a *pro rata* basis based on level of aviation activities determined by embarking passenger numbers. The main advantage is that it provides for the contributions to the budget as provided for in Article 132 of the Treaty and Article 15(2) of the Protocol. Table 7.4.4 below shows the estimated contributions by the Partner States.

Table 7.4.4 Total contribution by Partner States per year

Partner State	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Burundi	410,913	623,373	615,289	626,183	630,453
Kenya	644,536	921,308	873,567	887,834	887,044
Rwanda	411,864	624,585	616,340	627,248	631,497
Tanzania	580,060	839,083	802,287	815,623	816,230
Uganda	453,919	678,218	662,834	674,349	677,687
	2,501,292	3,686,567	3,570,316	3,631,237	3,642,912

Equal contribution by each Partner State Government through the EAC Secretariat to the above allocations will be as shown in Table 7.4.5 below:

Table 7.4.5 Each Partner State Government contributions through the EAC Secretariat

2010/11	2011/12	2012/13	2013/14	2014/15
403,292	613,653	606,863	617,647	622,082

Partner States CAAs will contribute as shown in the Table 7.4.6 below.

Table 7.4.6 Partner States CAAs annual contribution per year

Partner States	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Burundi	7,622	9,720	8,426	8,536	8,371
Kenya	241,244	307,654	266,704	270,187	264,962
Rwanda	8,572	10,932	9,476	9,600	9,415
Tanzania	176,768	225,430	195,424	197,976	194,148
Uganda	50,627	64,564	55,970	56,701	55,605
	484,833	618,300	536,000	543,000	532,500

7.4.1.4 Option 4 – Agency funding from a fee charged on the embarking passengers in the Partner States

In this option, it is proposed that a minimal fee is charged on all embarking passengers in the region to fund the safety and security activities of the Agency. An average projected regional growth in the passenger numbers is assumed at Burundi 4.7%, Kenya 6.1%, Rwanda 6.8%, Tanzania 7% and Uganda 7.5%. The current numbers are extrapolated to reflect this growth. Table 7.4.7 below shows the projected passenger numbers for the Partner States.

Table 7.4.7 Forecasted embarking passenger traffic

Partner state (growth rate)	2010/11	2011/12	2012/13	2013/14	2014/15
Burundi (4.7%)	67,366	70,532	73,847	77,318	80,952
Kenya (6.1%)	2,132,314	2,262,385	2,400,391	2,546,814	2,702,170
Rwanda (6.8%)	75,765	80,917	86,419	92,296	98,572
Tanzania (7%)	1,562,426	1,671,796	1,788,822	1,914,039	2,048,022
Uganda (7.5%)	447,488	481,050	517,128	555,913	597,606
Total	4,285,359	4,566,680	4,866,607	5,186,380	5,527,322

It is proposed that each embarking passenger shall be charged a minimal amount on the ticket which will be remitted to the Civil Aviation Authority for transmission to CASSOA. The projected charge per passenger ticket in each of the five years is shown in the table 7.4.8 below:

Table 7.4.8 Fee chargeable on embarking passenger ticket

	2010/11	2011/12	2012/13	2013/14	2014/15
Chargeable fee per passenger	\$ 0.58	\$ 0.81	\$ 0.73	\$ 0.70	\$ 0.66

From the above it is recommend that during the Plan period (2010/11 to 2014/15) an average charge of \$ 0.70 per embarking passenger for funding the Agency. The rate will be reviewed during the mid-year SP review. Expected collections from each of the Partner states are shown in the table 7.4.9 below:

Table 7.4.9 Forecast projections of collections in each Partner State per year

Partner State	Figures in US\$				
	2010/11	2011/12	2012/13	2013/14	2014/15
Burundi	47,156	49,373	51,693	54,123	56,666
Kenya	1,492,620	1,583,670	1,680,273	1,782,770	1,891,519
Rwanda	53,036	56,642	60,494	64,607	69,000
Tanzania	1,093,698	1,170,257	1,252,175	1,339,827	1,433,615
Uganda	313,242	336,735	361,990	389,139	418,324
Total	2,999,751	3,196,676	3,406,625	3,630,466	3,869,126

7.5 Way Forward

The cost recovery for regulatory services is often insufficient even with contributions from other aviation activities and may need augmentation by government funding. In such circumstance for the Agency in the current funding system of contributions from the CAAs (related to the CAAs aviation activities), will require EAC Secretariat supplement funding to meet its budget. This funding is from equal contributions from the Partner States governments. However, as already indicated the five Partner States CAAs are all funded from the aviation activities in their States with very minimal funding from respective central Governments.

The CASSOA Board approved and recommended Option 4 as the most viable funding option for consideration by the Council as the funding comes from the aviation sub-sector itself in line with the current Partner States practices. It is also an equitable method as it will be chargeable equitably related to aviation activities in all the Partner States.

The Agency may be required to pursue part of the funding of the Strategic plan from other sources as provided by the Protocol which include grants from regional and international bodies.

8 MONITORING AND EVALUATION PLAN

8.1 Monitoring Indicators

Monitoring and Evaluation of the Development Plan will be carried out at two levels. The first level will track indicators at Goal and Strategic Objective level to establish the results (outcome of the plan and the second level will track indicators at output and activity level to establish the quantities and qualities of outputs and their respective timings of their delivery.

Data to measure to measure the high level objectives (Goal and Strategic Objectives) will be collected over the five year period and analysed every two years. However, data to measure lower level objectives (output and activities) in order to keep track of the progress of implementation of the Strategic Objectives, data based on the annual business plan will be collected and analysed quarterly.

Table 8.1.1 Monitoring Indicators for Goals and Strategic Objectives

Narrative Summary	Performance Indicators	Key Assumptions
<p>Goal/ Broad objective</p> <p>Contribute to the development of a sustainable, safe, secure and efficient civil aviation sub-sector in the region in line with the EAC objectives</p>	<p>Enhanced Safety Levels measured by decreasing accident rates</p> <p>Safety Management System implemented in all the operators of ANS, Airport Services and the majority of air operators (above 50%) in the region</p>	<p>Availability of Resources (technical and Financial) to implement the Strategic Plan</p> <p>The mandate of CASSOA is reviewed and enhanced</p>
<p>Strategic objective 1</p> <p>To rationalise the mandate of CASSOA in line with the dynamics in the aviation industry and the enhanced economic integration in the</p>	<p>Study on the rationalization of CASSOA completed by June 2011</p> <p>An agreed funding mechanism implemented by June 2010</p>	<p>Consensus of the Partner states on the new mandate of CASSOA is reached</p> <p>Consensus on funding mechanism by the</p>

Narrative Summary	Performance Indicators	Key Assumptions
region.		Partner States
<p>Strategic objective 2</p> <p>To build an effective and sustainable civil aviation oversight system in the region.</p>	<p>Number and quality of staff in place in relation to the Organization Development Plan by June 2015</p>	<p>Resources – Financial and Technical expertise and tools would be available to execute the oversight functions</p>
<p>Strategic objective 3</p> <p>To Minimise aircraft incident and accident rates in the region</p>	<p>Percentage decrease in accident occurrences</p> <p>Quality of data and reporting systems in place by December 2010</p> <p>Developed and commencement of implementation of RSP and SSP by June 2010</p> <p>Level of compliance with SMS by all Operators by June 2014</p>	<p>Operators in all the Partner States sensitised on SMS</p>

Table 8.1.2 Monitoring Indicators for Key Outputs

Narrative Summary	Performance Indicators	Key Assumptions
<p>Output 1</p> <p>The institutional framework of CASSOA reviewed and its mandate enhanced</p>	<p>Progress of the Study on review of the mandate of CASSOA by 2011</p> <p>Degree of consensus on the need for the new mandate of CASSOA reached by 2011</p> <p>Availability of appropriate institution</p>	<p>There will be general consensus on the evolution of CASSOA among the Partner States</p>

Narrative Summary	Performance Indicators	Key Assumptions
	documentation for approval by the relevant policy organs of the EAC in place by June 2012	
<p>Output 2</p> <p>Current funding mechanism for CASSOA reviewed and a sustainable funding mechanism established</p>	<p>Reviewed sustainable funding mechanism in place and implemented by June 2010</p>	<p>Consensus by all Partner States on mechanism of funding</p>
<p>Output 3</p> <p>The development of appropriate Partner States primary aviation legislation in line with the Chicago Convention promoted</p>	<p>Recommendations for revised Civil Aviation Acts made available to Partner States as appropriate</p> <p>Review areas identified within the Partner States legislations by Legal experts by 2013.</p> <p>Legal and regulatory reforms effected in Partner States in collaboration with relevant institutions by June 2013</p>	<p>Legal Working Group convenes periodically to review respective national primary legislations</p>
<p>Output 4</p> <p>Civil aviation regulations and technical guidance materials within the region developed and harmonised</p>	<p>All regulations harmonised updated and/or developed in line with ICAO SARPs and adopted by Partner States by June 2014</p> <p>All applicable technical guidance materials formulated/reviewed as programmed</p>	<p>Partner States adopt and promulgate the Regulations timely.</p> <p>There will be a strong enforcement mechanism to ensure implementation of the regulations among the CAAs</p>
<p>Output 5</p> <p>Adequate capacity developed to carry out oversight functions</p>	<p>An inventory of all technical skills available in the region is maintained and managed by June 2010.</p>	<p>Attractive Remunerations and Conditions of services implemented by</p>

Narrative Summary	Performance Indicators	Key Assumptions
	<p>Number of technical skills audit carried out in Partner States to develop and update the skills data bank</p> <p>Number and type appropriate skills for the oversight functions attracted, retained in the region</p> <p>Quantity and quality of office facilities provided by June 2014</p>	<p>Partner States CAAs to ensure attraction and retention of technical skills</p> <p>Funding available for capital expenditure</p>
<p>Output 6</p> <p>An effective system established to monitor and evaluate the status of aviation safety and security in Partner States</p>	<p>Level of implementation of harmonised Regulations in Partner States – percentage of recertified operators</p> <p>Number of evaluations carried out on the status of implementation of aviation safety and security regulations in the Partner States by June 2014</p> <p>Level of compliance of the operators with the regulations by June 2014 – number of non-compliance findings by safety inspectors in partner States.</p> <p>Number and quality of industry sensitisation seminars on Best practices</p> <p>An IT system that links the region</p>	<p>Availability and release of technical resources to be coordinated to assist Partner States</p> <p>Consensus on a policy on a common licensing examination system</p>

Narrative Summary	Performance Indicators	Key Assumptions
	<p>developed by September 2010</p> <p>Developed Policy on the management of examination in the region by September 2011</p> <p>Establishment and Operationalisation of a common personnel licensing examination system in the region by June 2012</p> <p>Quality of the licensing system in terms of examination management, integrity and efficiency by June 2014</p>	
<p>Output 7</p> <p>Safety Management Systems (SMS) in the region implemented</p>	<p>Model Regional Safety Programs (RSP) developed and approved by the Board by March 2011.</p> <p>Partner States develop State Safety Programmes (SSP) and Implementation Plans by September 2011</p> <p>Level of implementation of the State Safety Programs (SSP) in States by June 2014</p> <p>Number of service providers (through Partner States) complying with SMS regulations by June 2014</p>	<p>Model RSP approved by the Board</p> <p>Regional Reporting System operational and effectively in use to provide integrated data required for the SSP/SMS implementation.</p>
<p>Output 8</p> <p>Regional integrated reporting</p>	<p>Reporting systems for maintaining safety and security data/information</p>	

Narrative Summary	Performance Indicators	Key Assumptions
<p>systems to collect, collate, analyse, maintain and share safety data/information in the region established and operationalised</p>	<p>established by December 2010.</p> <p>Data on safety and security occurrences, incidents and accidents in the region maintained and managed</p> <p>An IT system that links the region is established by September 2010</p>	

8.2 Monitoring and Evaluation Framework

A cardinal principle in the process will be that strategic planning is not an additional function for all performance units in the Agency. The M&E function within the Agency will be responsible for monitoring the implementation of the Strategic Plan and Organization Development Plan.

The monitoring and evaluation framework existing in Partner states CAAs will produce information that will be useful to the Agency. Though these reports from the Partner States CAAs may not be tailored to the objectives developed under the Agency Strategic Plan, they non-the-less do serve an important information role. These will provide the necessary monitoring information for objectives shared by both the CAAs and the Agency.

The performance of the Agency will be monitored as follows:

8.2.1 Annual Performance Report/Review

Five year plans are implemented using specific one year plans. Though data collection on sector performance will be a continuous process, collation and analysis will be done annually during the last quarter of the year and should form part of the annual Business Plan review.

8.2.2 Quarterly Reviews

CASSOA will develop a system for collecting, collating and preparation of quarterly performance reports as part of the overall monitoring and evaluation reporting system. This will be part of the information flow systems to be developed under the IT strategy.

8.2.3 Mid Term Reviews

The Strategic Plan should be a living document and in order to maintain a responsive monitoring and evaluation framework there will be review of the entire strategic plan during the third year of implementation.

Sources of primary data will be same as in the annual review but with a deeper and more elaborate stakeholder interface and consultations.

8.2.4 Stakeholders Surveys

To supplement information generated from operations, performance and stakeholder satisfaction surveys will be conducted at least once during the year. This should enrich information available for the Plan reviews as part of the overall monitoring framework.