AFRICAN AVIATION RECOVERY CONFERENCE

Coordinating efficient response to the COVID-19 crisis effects on the aviation sector in Africa

CONCEPT NOTE

Thursday 3rd December 2020 at 1pm (GMT)
A. Background

1. The impact of COVID-19 on the aviation industry is profound and unprecedented. An International Air Transport Association’s (IATA) analysis of the pandemic’s impact suggests that the COVID-19 plague is challenging global air transport’s viability as never before. According to an African Union report on the pandemic’s effects on the African Economy, the tourism and travel sectors may lose $50 billion and at least 2 million direct and indirect jobs.

2. IATA and the African Airlines Association (AFRAA) have urged governments to provide direct financial help, loans, loan guarantees and tax relief measures as support mechanisms. IATA and the Airports Council International (ACI) sent an advocacy letter to the African Development Bank, requesting specific aviation sector support for African States. There were similar discussions with the UN specialized agency ICAO and the African Civil Aviation Commission (AFCAC). The AU has also asked the Bank to support restart and recovery strategies for the African air transport sector in the wake of the pandemic. Individual airlines have also sought from the Bank financial relief in the form of debt deferrals and/or liquidity facilities.

3. Since the outbreak of the pandemic, the industry has received about $123 billion in support from governments across the world. However, this aid has been unevenly distributed across regions. While governments in North America and Europe have provided aid equivalent to 25% and 15% of regional airline revenues, respectively, aid in Africa has been only about 1%.

4. The dominance in Africa of international airlines and the potential collapse of African airlines mean that air connectivity in certain parts of the continent is not assured going forward, which will affect economies, trade, and regional integration. Particular focus must be placed on Africa’s aviation industry as a key enabler to the turn-around of other sectors, including trade, business travel, manufacturing, tourism, and healthcare.

5. Therefore, it is critical that the Bank, within its COVID-19 response facility’s framework, supports the industry to ensure that the aviation sub-sector maintains operations in compliance with ICAO safety and health-related standards and remains viable in the post COVID-19 period.

B. Rationale for the Conference

6. In response to the pandemic, the Bank—and other development partners-- have extended general budget support to numerous African governments. Although some governments have provided financial support to their aviation sector, this has been comparatively small and insufficient, given competing demands. Accordingly, it will be critical going forward to not just support the sector but also to ensure that it maintains adequate safety and security standards.

7. Given the global scale of the pandemic, governments and development partners must respond in a manner that is coordinated, targeted, rapid and uses all available policy levers.

8. The Bank has already begun analyzing how to complement and enhance existing support to the
African aviation sector and is looking at opportunities that will build up momentum and achieve broad-based results, or quick wins, as soon as possible.

9. The sustainability of the African aviation industry will largely depend on strategies and actions undertaken by all relevant stakeholders, notably the stimulation of demand and reinforcement of intra-Africa Air Transport connectivity through the implementation of Single African Air Transport Market (SAATM) alongside two other related Agenda 2063 flagship projects, namely the African Continental Free Trade Area (AfCFTA) and the African Passport-Free Movement of People.

10. In this context, the Bank intends to provide leadership and use its convening power to bring together key stakeholders for a high-level conference to build consensus on a coordinated way to restart and rebuild the African Aviation industry.

C. Objective and expected outcome of the Conference

11. The conference aims to identify and prioritize critical actions to build the necessary partnerships and develop a plan to mobilize resources to adequately fund the African Aviation Recovery Strategy. The following outcomes are expected:
   a. A roadmap for the development of a specific, measurable, achievable, relevant and time-based action plan for a quick restart and recovery of the African aviation industry;
   b. A general identification of sources of financing or mechanisms to leverage resources to finance the action plan

12. Development of this roadmap’s details will be entrusted to a consultant under the monitoring of a task force.

D. Organization and execution of the Conference

13. Preparatory work will be required from each stakeholder summarizing their respective needs as contained in the relevant action plan or Taskforces reports as applicable to present the priority actions requiring funding and, if possible, a cost estimate.

Proposed Participants

14. The following groups of participants are expected to attend:

   • African and global aviation stakeholders;
   • African Member Countries;
   • Continental and Regional Organizations;
   • Multilateral Development Banks and Development Finance Institutions;
   • Bilateral Partners;
• ECAs and Commercial Banks;
• Private Investment Financiers;
• Internal African Development Bank Departments.

**Format of the Conference**

15. To be held virtually via an online web conference platform, the conference is scheduled for Thursday 3 December 2020 and will cover two themes: identification of Priority Needs for the African Aviation Sector; and Financing of the Aviation Sector’s recovery.

16. The following additional arrangements will be considered:

- **An Opening Session** – with welcome remarks by the Vice President for Private Sector, Infrastructure, and Industrialization, the African Union Commissioner for Infrastructure and Energy and the ICAO Secretary-General;
- Three thematic sessions covering support for (i) COVID-19 Priority Needs of Africa’s Aviation for Airlines, (ii) COVID-19 Priority Needs of Africa’s Aviation for Airports, Air Navigation Services Providers and CAAs and (iii) Financing the African Aviation COVID-19 Recovery each planned for 1 to 1.5 hours;
- Each session shall commence with a 5-minute introduction of the session by the Moderator, followed by 15-20-minute presentations, followed by interventions by discussants each on the topic (when applicable), then a moderated 20-minute Question and Answer session from the rest of the participants;
- Each session will have up to 6 external Discussants by domain address. The discussants will be subject matter experts, professionals and senior officials from selected partner institutions and governments. The Moderators will guide them to make contributions to the topic under discussion.
- **A closing session** – with a quick summary of key feedback and takeaways form the Conference by the Bank’s Chief Aviation Officer, followed by a closing remark by the Vice President for Private Sector, Infrastructure, and Industrialization.