

TANZANIA CIVIL AVIATION AUTHORITY



STRATEGIC PLAN

2004/05-2008/09

July 2006

LIST OF ABBREVIATIONS

ACC	Area Control Centre
ANS	Air Navigation Services
ATCO	Air Traffic Control Officer
ATM	Air Traffic Management
AVSEC	Aviation Security
CATC	Civil Aviation Training Centre
CNS	Communications, Navigation and Surveillance
DME	Distance Measuring Equipment
FAA	Federal Aviation Administration
IASA	International Aviation Safety Audit
ICT	Information Communication Technology
ISO	International standard Organisation
NAFISAT	North-Eastern Africa and Indian Ocean Region VSAT Network
VSAT	Very small Aperture Terminal
VOR	Very High Frequency Omni-Directional Radio Range

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TCAA STRATEGIC PLAN FOR YEARS 2004/05 – 2008/9

EXECUTIVE SUMMARY

- 1.1 The Strategic Plan provides a framework for the utilisation of the resources of the Authority during the medium term period from financial year 2004/05 to 2008/9. The Plan is based on the Authority's functions, new Vision and Mission following its re-establishment by the Tanzania Civil Aviation Authority Act No. 10 of 2003. The mandate of the Authority has been expanded to cover the economic regulation of air transport services, aeronautical airport services (airside airport operations, ground handling, refuelling, in-flight catering, etc) and air navigation services. Regulation will involve the monitoring of the performance of service providers in relation to levels of investment; availability, quality and standards of services; the cost of services; the efficiency of production and distribution of such services; the protection of the environment and the safeguarding of consumer and public interests.

This review of the Strategic Plan has taken into consideration the Government's strategic priorities as detailed in the 2005 CCM Election Manifesto.

- 1.2 The Plan is presented in six Chapters. Chapter 1 is the introduction, while Chapter 2 reviews the aviation industry nationally, regionally and globally. This chapter also presents a SWOT analysis, which draws out the strengths, weaknesses, opportunities, threats and critical issues facing the Authority during the period. The Motto, Vision, Mission and Values statements are presented in Chapter 3. The Key Results Areas and Strategic Objectives are covered in Chapter 4. The Authority's organization structure is presented in Chapter 5 while Chapter 6 presents a financial forecast of revenue, depreciation and expenditure over the planning period. Appendix I presents the Action Plans, Appendix II the Authority's functions and Appendix III the Organization Structure of the Authority.
- 1.3 The Key Results Areas are specified as follows:
- 1.3.1 KRA NO.1: Safe, Orderly and Expeditious Flow of Air Traffic
 - 1.3.2 KRA NO. 2: Safe and Secure Aviation Industry
 - 1.3.3 KRA NO. 3: A Dynamic and Sustainable Air Transport Industry
 - 1.3.4 KRA NO.4: Satisfied Consumers
 - 1.3.5 KRA NO. 5: Satisfied Customers
 - 1.3.6 KRA NO. 6: Financial Sustainability

1.4 Vision, Mission, Motto And Value Statements

1.4.1 The Vision Statement:

Tanzania o have the safest, most orderly and sustainable civil aviation industry in Africa and even beyond.

1.4.2 The Mission Statement:

To ensure safety, security and regularity of civil aviation in Tanzania by providing effective oversight and air navigation services while protecting the environment and safeguarding public interests.

1.4.3 Motto Statement:

“Aviation Safety. Our Commitment. In Partnership.”

This correctly embodies not only our highest priority, safety, but also how to achieve it.

1.5 Values:

The following are the seven values that the management undertakes to uphold in pursuing the attainment of the Vision:

Transparency
Equal Opportunity
Participatory Management
Social Responsibility

Professionalism
Customer Focus
Employee Empowerment

1.6 The financial profile for the period is as follows:

Table 1: Forecasted Income and Expenditure Statements from FY 2004/05 – FY 2008/09

Item	F/Y 2004/05 Audited Accounts	F/Y2005/06	F/Y 2006/07	F/Y 2007/08	F/Y2008/09
	Tshs (“000”)	Tshs (“000”)	Tshs (“000”)	Tshs (“000”)	Tshs (“000”)
Revenue	7,880,986	13,210,000	13,632,000	14,313,600	15,029,280
Operating Expenditure	6,713,273	9,500,000	11,651,000	12,233,550	12,845,228
Excess Income over Expenditure	1,167,713	3,710,000	1,981,000	2,080,050	2,184,052
Non Cash (Depreciation.)	1,028,798	1,130,000	1,163,900	1,198,817	1,234,782
Net Income	138,915	2,580,000	817,100	881,233	949,270

Table 2: Forecasted Cash flow Statements from F/Y 2004/05-F/Y 2008/09

Item	F/Y 2004/05	F/Y2005/06	F/Y 2006/07	F/Y 2007/08	F/Y2008/09
	Tshs ("000")	Tshs ("000")	Tshs ("000")	Tshs ("000")	Tshs ("000")
Cash inflows:					
Sources of financing					
Revenue(Trade Debtors)	7,880,986	11,260,000	11,587,200	12,882,240	13,526,352
Supplier Credit Financing			3,000,000	3,000,000	2,015,938
Beginning of the year cash Balance	3,215,372	3,469,847	3,516,847	2,010,047	993,587
Total	11,096,358	14,729,847	18,104,047	17,892,287	16,535,877
Cash outflows:					
Operating Expenditure	6,713,273	9,500,000	11,651,000	12,233,550	12,845,228
Capital Expenditure	913,238	1,713,000	4,443,000	4,665,150	2,500,000
Total Outflows	7,626,511	11,213,000	16,094,000	16,898,700	15,345,228
Ending cash balance	3,469,847	3,516,847	2,010,047	993,587	1,190,648

It is anticipated that the projected financial, human and material resources of the Authority will provide solid means of achieving the Plan.

TANZANIA CIVIL AVIATION AUTHORITY

STRATEGIC PLAN 2004/05 – 2008/9

1. INTRODUCTION

This is the first five year Strategic Plan since the establishment of the Authority as a corporate body in November 2003, pursuant to the TCAA Act of 2003. The Plan will be used to guide the operations of the Authority as stipulated in the Act. The Plan covers the period of 2004/05 to 2008/9 and is reviewed annually.

The Plan sets out the Authority's vision and mission statements, key results areas, strategic objectives and service delivery targets. Also, the Plan assigns responsibilities to key staff to oversee its implementation. The Plan provides a basis for the periodic evaluation of the performance of the Authority based on measurable strategic objectives and service delivery targets. Measurable performance results are an important requirement not only for the Authority as a whole, but also for each individual employee in the implementation of the Plan.

Therefore, Staff open performance review and appraisal system (OPRAS) will be driven by such results making the evaluation of staff performance more objective. The Plan will also facilitate the gauging of the extent to which staff and customer expectations are met in the delivery of services and meeting the requirements of ISO 9000 on best business management practices. These measures, together with the financial performance measures, constitute the key components of the Authority's performance management system (PMS).

The Plan has taken into consideration the Government's priority areas of action as detailed in the 2005 CCM Election Manifesto.

2. BUSINESS OVERVIEW

2.1 Recent History

The Tanzania Civil Aviation Authority (TCAA) was established on 1st November 2003 as a corporate body, pursuant to the Tanzania Civil Aviation Authority Act No. 10 of 2003. This is part and parcel of a much larger reform programme covering the economic and public service sectors which is being implemented nationally.

2.1.1 Current Mandate, Vision and Mission

The current mandate is drawn from the Tanzania Civil Aviation Act No. 10 of 2003 and the Civil Aviation Act of 1977. Whereas the Civil Aviation Act of 1977 mainly covers the provision of air navigation services and the regulation of safety and security aspects of the industry, the TCAA Act 2003 extends the regulatory mandate of the Authority to cover the economic regulation of air transport

services, aeronautical airport services (airside airport operations, ground handling, refuelling, in-flight catering, etc) and air navigation services.

This regulation will involve the monitoring of the performance of service providers in relation to levels of investment; availability, quality and standards of services; the cost of services; the efficiency of production and distribution of such services; protection of the environment and the safeguarding of consumers and the general public.

In order to carry out the expanded mandate more effectively and efficiently, new vision and mission statements have been formulated. A motto, which underpins the very existence of the Authority, has also been conceived.

2.2 The Aviation Industry

2.2.1 Status of Global Aviation Industry

Due to the growth of most economies, liberalization and globalization, average distances travelled has tended to increase as people take long haul holidays and businesses are situated in various locations across the globe. Subsequently, the airline industry has been growing steadily each year.

According to the World Trade Organization (WTO), the volume of international trade is estimated to double in the next decade, with the emerging economies taking the lead.

With regard to traffic growth, the world air traffic measured in revenue passenger kilometres (RPKs) is expected to grow by 5.2% annually over the next 20 years, while international air traffic on key routes is expected to grow by 5.6% between 2005 and 2009. According to IATA, the top five countries in terms of traffic growth are Poland, China, Czech Republic, Qatar and Turkey, with growth rates ranging between 8.9% and 11.2%. Freight on the other hand, is expected to grow at 6.3% globally during the same period.

2.2.2 The Civil Aviation Industry in Tanzania

Overall, passenger traffic increased from 1,960,066 passengers in 2004 to 2,172,519 passengers in 2005, which is an increase of 10.8%. International passengers increased from 876,022 passengers to 956,448 passengers (an increase of 9.2%) during the same period.

On the other hand, domestic traffic increased from 1,084,044 passengers to 1,216,071 passengers, recording an increase of 12.2%, greater than for the international traffic.

Overall, cargo traffic from major airports decreased from 42,676.9 tons in 2004 to 40,236.6 tons in 2005, recording a decrease of 5.7%. The cargo

decline is attributed to decreased cargo uplift at Mwanza Airport, which declined from 15978.3 tons in 2004 to 10,910.8 tons in 2005.

With regard to market shares of domestic operators, Precisionair (PA) and Air Tanzania Company Limited (ATCL) had market shares of 34.8% and 27.8% respectively during the year 2005. Coastal Travel Ltd accounted for 12.3% of the market and the rest accounted for the balance (25.1%).

2.2.3 Prospects for the Civil Aviation Industry in Tanzania

The Tanzanian civil aviation industry key drivers are growth in the economy and tourism. During this planning period, economic growth is expected to be between 7% and 8% and is expected to have a positive impact on air traffic growth of between 14% and 16%.

Tourism, which has been growing at an average rate of 10% in recent years, is expected to grow between 15% - 20% during the planning period. This will have a positive impact on civil aviation industry, as currently, 44.1% of tourists arrive by air.

2.3 Recent initiatives and achievements, challenges and way forward

Air Navigation Services

2.3.1 With the upgrading of the ATS facilities under the ATS Safety Project and the commissioning of radar at Dar es Salaam International Airport in 2003, the provision of air traffic services has greatly improved. The training of technical personnel to maintain the new equipment thus sustaining this improvement will be given greater emphasis during this period. Additionally, installation of new equipment and replacement of aging facilities and equipment at other airports will be carried out within the resources available to the Authority. It is expected that a VOR/DME will be installed and commissioned at Zanzibar International Airport by June 2007. Efforts will also be made to install such aid at Mwanza, Mbeya and Dodoma Airports within the next 5 years. Furthermore, emphasis will be given to implementing a formal safety management system in air traffic services, as required by ICAO and also to assure the quality of aeronautical information data being promulgated by the Authority.

2.3.2 The capability of the CATC will be enhanced by gradually up-grading the facilities and replacing the aged (and obsolete) training simulators. Subsequent to the acceptance of the CATC as a member of ICAO TRAINAIR in October 2005 and the training of instructors carried out under the TRAINAIR programme, the capacity of the Center to run ICAO courses has been enhanced. With an aggressive marketing, more countries in the region can be persuaded to use the Centre for training their staff. Additionally, the scope of courses offered, and thus its appeal to the industry, will be increased and thus enable the Centre to

diversify into other aviation related courses instead of concentrating purely on the air navigation related courses as it is now the case.

Further, the institutional set up of the CATC will be reviewed to make it more autonomous and operationally self-sufficient thus reducing its dependency on the Authority. This will enable the Centre to become more of an industry training institute which will eventually also fund its courses.

2.3.3 Regionally at the East Africa level, efforts will be intensified, in coordination with the EAC partner States and the US FAA, to implement a common Upper Flight Information Region (UFIR) by 2010. This will involve the Authority working closely with its counterparts from Uganda and Kenya to harmonise the air traffic control procedures and processes, training and certification of air traffic controllers, designing and setting up of the airspace applied in the three States (and possibly Burundi and Rwanda). Furthermore, with the assistance of the World Bank and other institutions (US FAA, Netherlands), the possibility of an early implementation of ADS-B in Tanzania airspace will be given greater emphasis. This will enhance the safety of aircraft flying in the Tanzania airspace.

2.3.4 At the SADC level, the current VSAT (very small aperture terminal) network will be replaced by an upgraded network by 2007 thus assuring the users of continued linkage with our SADC neighbours and thus enhance the provision of safe and efficient services to aircraft operating in the region. Furthermore, Tanzania will continue with its commitment to establishing a similar network (NAFISAT) linking us to our northern neighbours. It is anticipated that by 2010, all the air traffic control related communication links (both voice and data) between States in the Africa region will be carried over VSAT, thus overcoming the primary deficiency causing air traffic incidents in the Region.

Safety Regulation

2.3.5 With the coming into force of the new regulations (Tanzania Air Navigation Regulations, 2003), personnel licensing, organization certifications and continuing safety oversight of the industry is conducted to the requirements of these Regulations. Accident rates per 100,000 departures for local operators which in 2004/05 increased to 5.97 from 3.51 in 2003/04, is expected to drop to 4.11 in the F/Y 2005/06. Additional initiatives are being planned and will be taken to ensure that the rate drops to below 3.32 accidents per 100,000 departures by June 2009.

Meanwhile, the review and harmonization of civil aviation regulations within the East Africa Partner States is continuing and is expected to be completed by December 2006. Once the regulations are in place, they will form the basis for the regional inspectors to conduct continuing safety oversight of the aviation industry in the Partner States.

- 2.3.6** During 2004/05, an ICAO AVSEC audit was carried out to review the Tanzania security oversight capability and the security adequacy at the Mwalimu Julius K. Nyerere International Airport. An Action Plan to resolve the identified deficiencies has been put into place and its Implementation is already underway. This is expected to continue during the entire planning period.
- 2.3.7** Preparations are underway to embark on the future ICAO USOAP audit under the comprehensive systems approach, which is expected to be conducted during the planning period. This will include implementation by the industry, of the expanded requirements of Safety Management System (SMS) across all safety-related disciplines.
- 2.3.8** As a strategy of reducing the shortage of pilots and aircraft maintenance engineers (AMEs) in the industry, the second group of pilot trainees (4) and the first group of the AMEs (2) have completed their training and are expected to be absorbed by the industry after completion of converting their licences. The second batch of the AMEs trainees is expected to complete its training in 2006/07.

The Training Fund to cater for such training is expected to be put into place during 2006/07. The sources of the Fund shall include contributions from regulated suppliers, contributions from the Authority itself and any donations, grants or loans from any other source.

Corporate Services

- 2.3.9** The new mandate requires the mobilization of more financial and human resources. In order to provide for adequate budgetary requirements, the Authority is taking measures to introduce fees and levies on all regulated services. This will be preceded by review of costs of services and instituting a proper accounting system. It is anticipated that these measures will generate more income that will finance the budget deficit and facilitate the realisation of the Authority's commitments during the planning period. Caution will however be exercised so that such measures do not adversely affect the growth of the industry.
- 2.3.10** The Authority is required by law to establish and implement a competitive staff recruitment programme during 2004/05 – 2006/07. The programme entails all current staff going through a competitive selection process together with external candidates for both new and existing positions. In order to enable some of the existing staff compete for the positions, a programme will be implemented during the period for them to acquire the minimum qualifications required.
- 2.3.11** Initiatives are being taken to establish a performance management system in the Authority. The open performance review and appraisal system (OPRAS) for staff which was introduced two years ago continues to be improved with the aim of making objectives and target setting more precise. During the period, further efforts will be made to integrate it with the reward system and the Authority's

human resources development strategy. Initial measures have been taken to replace the European Quality Foundation Excellence Model in evaluating corporate performance by a quality management system performance standards approach, such as ISO 9000 or any other which will be found appropriate.

The aim is to have the approach adopted during 2007/08.

2.3.12 During 2004/05–2005/06, programmed staff training activities were implemented in order to change staff attitudes, impart knowledge and improve their skills in accordance with the 3-Year Human Resources Development Programme. Following the completion of this programme, a new three year programme (2006/07-2008/09) will be implemented. As a matter of policy, the Authority will continue to provide not less than 10% of its operating budget for training of its staff.

2.3.13 During this planning period, in addition to providing for more staff and enhancing their qualifications and skills, the Authority will develop and implement a more competitive remuneration package. This is expected to make the Authority attract and retain the best employees from the labour market.

Also, in order to provide staff with adequate and better working environment, the Authority will implement a headquarters building project (Aviation House) estimated at Shs. 8.0 billion during the period. This will bring under one roof all departments of the Authority which are currently scattered over several premises. The Authority expects to approach the Pension Funds to partly finance the Project.

2.3.14 With regard to ICT, a network infrastructure at Dar es Salaam has been completed. The linking of the Authority Stations with the main network is expected to be completed by December 2006. A system that will integrate accounting, human resource, procurement and payroll will be developed and is expected to be in place by June 2007.

2.4 Expectations of Stakeholders and Customers

2.4.1 During the period, the Authority will put into place a Client Service Charter. It will also continue to address various concerns of her stakeholders and customers through further improvements in service delivery activities including the following:

- (i) Ensuring that pilots briefing offices at major airports have the necessary facilities, equipment and working tools to enable them attend to flight crew enquiries more courteously, promptly and efficiently;
- (ii) Providing staff with more customer care training in order to serve customers better in accordance with our values;

- (iii) Providing adequate skilled staff and serviceable navigation and communication equipment at all stations;
- (iv) Providing guidance material and procedures through various media including the Authority's website;
- (v) Investing in human resources development and providing a conducive working environment for better services and employee motivation;
- (vi) Reviewing the operational costs and accounting system so as to have charges that are justifiable and non discriminative;
- (vii) Improving the processing of over flight and landing permit requests and
- (viii) Handling of complaints more effectively and efficiently through the established complaint handling mechanism.

2.4.2 In addition, the Authority will enhance its consultation with stakeholders, customers and consumers in policy formulation through programmed sessions and through their associations and the Consumer Consultative Council.

2.5 Competitiveness

The Authority is committed to the optimum use of its resources in order to offer superior services in the region in pursuit of its vision "***Tanzania to have the safest, most orderly and sustainable civil aviation industry in Africa and even beyond***".

In order to deliver quality services, the Authority will continue investing in its people, facilities and equipment and will embrace new approaches in management and technology in order to gain strategic advantage in its operations.

2.6 SWOT Analysis

The following are considered to be the strengths, weakness, opportunities and threats facing the Authority:

	STRENGTHS
1.	Body corporate – conducive legal framework
2.	Competent Specialist Staff
3.	Acceptable basic Infrastructure
4.	The Civil Aviation Training Centre
5.	Strides in technology

WEAKNESSES	
1.	Inadequate documentation of procedures
2.	Inadequate skilled support staff
3.	Underdeveloped MIS
4.	Charge rates not cost based
5.	Lack of Performance monitoring evaluation system for services rendered

OPPORTUNITIES	
1.	Regional endeavours to share investment resources and tapping of costly technology
2.	Credit worthy
3.	Liberalization/Strategic alliances and joint ventures
4.	Growth of the economy/Tourist Industry
5.	Conducive investment policy

THREATS	
1.	Terrorism
2.	Weak national carriers
3.	Inadequate airport infrastructure
4.	Declining exports/Low traffic base
5.	Improved alternative modes of transport
6.	HIV/AIDS pandemic
7.	High Fares/Rates
8.	Liberalisation/Globalisation
9.	Ageing Industry Personnel
10.	High fuel prices

3. VISION, MISSION, MOTTO AND VALUE STATEMENTS

The Vision and Mission of the Authority subscribe to the Tanzania Development Vision 2025, which provides for **“an economy, which is competitive with sustained growth for the benefit of all people”**

The Statements are also formulated within the context of the Vision of the National Transport Policy, which is **“To have efficient and cost effective domestic and international transport services to all segments of the population and sectors of the national economy with maximum safety and minimum environmental degradation”**

The Motto captures the single most important role of the Authority – that of ensuring aviation safety and recognises that this can only be achieved in partnership with the industry.

The core values portray the Authority’s corporate and individual behaviour.

3.1 The Vision Statement

The Authority's Vision is:

“Tanzania to have the safest, most orderly and sustainable civil aviation industry in Africa and even beyond”.

3.2 The Mission Statement

The TCAA Mission is:

“To ensure safety, security and regularity of civil aviation in Tanzania by providing effective oversight and air navigation services while protecting the environment and safeguarding public interests.”

3.3 Motto Statement

The Authority's Motto is:

Aviation Safety. Our Commitment. In Partnership.

This embodies not only our highest priority, safety, but also how to achieve it.

3.4 Values

The following are the values that the management undertakes to uphold in pursuing the attainment of the vision:

- i. **Transparency:** We consult the stakeholders to ensure openness and fairness in carrying out our functions.
- ii. **Professionalism:** We strictly abide by professional ethics and code of conduct. Honesty and integrity is highly upheld in the discharge of our duties.
- iii. **Equal Opportunity:** We are an equal opportunity employer. We undertake not to discriminate against gender, race, disability or religion and to take affirmative action to ensure gender equality.
- iv. **Customer Focus:** We uphold a customer responsive culture by providing courteous, prompt and quality services.
- v. **Participatory management:** We promote teamwork and maintain open communication. We are the Authority that listens.
- vi. **Employee Empowerment:** We invest in human resources development and provide a conducive working environment for better services and employee motivation. We nurture and develop talents and encourage innovation.

- vii. **Social Responsibility:** We take deliberate action to meet our social responsibilities within the communities in which we operate to promote education and safeguard the environment.

4. KEY RESULTS AREAS

The following key results areas and strategic objectives together with their rationales prescribe the Authority's service delivery outcomes for the planning period:

4.1 KRA No.1: Safe, Orderly and Expeditious Flow of Air Traffic

Strategic Objective: To prevent aircraft collision and reduce the rate of incidents by 50% over the next five years from the 2002/03 rate of 1.80 per 10,000 movements;

Rationale: Safety in the airspace is a result of the provision of air navigation services by consistent application of the procedures, accurate information and provision of reliable and efficient facilities. A reduction of air traffic incidents means a high quality of air traffic services leading to the safe, orderly and expeditious flow of air traffic.

4.2 KRA No. 2: Safe and Secure Aviation Industry

Strategic Objective 1: Decrease accident rate by 15% in the next five years from the 2002/03 rate of 3.90 accidents per 100,000 departures.

Rationale: A safe aviation industry is a result of all concerned parties, the regulator and industry working together, consistently identifying and applying appropriate interventions, which enhance safety. A decrease in accident rates is an indication of a compliant industry to safety regulations, requirements and best industry practices.

Strategic Objective 2: Implement aviation security recommendations of the July 2004 ICAO Audit Report by 80% in the next five years.

Rationale: A secure aviation industry is a result of overseeing the implementation of security regulations and requirements, identifying the deficiencies and following up their resolution. Oversight promotes compliance and provides preventive measures against acts of unlawful interference and enforcement against terrorist threats.

Strategic Objective 3: Have harmonized aviation safety and security regulations, requirements and procedures and joint utilization of safety oversight resources in the East Africa Community.

Rationale: Harmonisation of aviation regulations, requirements and procedures facilitate the joint provision of aviation safety and security related regulatory functions thus contributing to the economic utilisation of resources.

Strategic Objective 4: Minimise the adverse effect of civil aviation activities on the environment.

Rationale: Civil aviation activities contribute to the degradation of the environment. Particular environmental concern is in the areas of noise levels and local pollution at and around airports and emission of gases which adversely impact on the ozone layer. Measures need to be taken so that while the industry develops and contributes to the economic development of the country, it does so without adverse effect to the environment in which it operates; and that it contributes to the international initiatives in preserving the environment.

4.3 KRA No. 3: A Dynamic Air Transport Industry

Strategic Objective 1:

To have an efficient and sustainable air transport industry with growth of not less than 8% annually.

Rationale:

Air transport facilitates economic and tourism growth. Since these are expected to grow, it is important that air transport grows in tandem. The growth, in terms of passengers, cargo and mail will depend on increase and growth of operators and increase of frequencies or load factors. Growth will also depend on better infrastructure at airports and quality of services provided.

Strategic Objective 2:

To have reasonable fares, which will be affordable by a big section of the travelling public but which will also enable the service providers to recover their costs within a reasonable timeframe.

Rationale:

Liberalization needs to be carefully managed to avoid wasteful competition and unreasonably high margins. More service providers, where appropriate, will increase the supply and keep fares/rates down. However, low traffic on some routes which would normally require public subsidy, will continue to be a big challenge.

4.4 KRA No. 4: Satisfied Consumers

Strategic Objective: To have interests of consumers of the regulated services safeguarded through the provision of efficient and quality services.

Rationale: Safeguarding of consumers and the general public is one of the objectives of regulation, particularly in areas such as aviation where there are still monopolies or quasi-monopolies. This will be achieved by the Authority ensuring that regulated suppliers provide safe, reliable and efficient goods/services and consumers are charged fair prices for the services.

4.5 KRA No. 5: Satisfied Customers

Strategic Objective: Efficient and effective delivery of services as measured by the attainment of ISO 9000 certification by June 2009.

Rationale: Attainment of ISO 9000 is a measure of an efficient and effective organisation, which is able to deliver quality services to the satisfaction of customers.

4.6 KRA No 6: Financial Sustainability

Strategic Objective: Maintain a surplus of at least 3 % of revenue over expenditure and a liquidity ratio of 2:1 per annum.

Rationale: The financial sustainability of the Authority depends greatly on a surplus of revenue over expenditure, availability of sufficient funds to meet maturing obligations and application of effective accounting and auditing practices.

The Strategies, Key Performance Indicators and Service Delivery Targets are detailed in the Tables that follow, while the respective Action Plans appear in Appendix 1.

TABLE I

KRA NO.1 – SAFE, ORDERLY AND EXPEDITIOUS FLOW OF AIR TRAFFIC

Strategic Objective: To prevent aircraft collision and reduce the rate of incidents by 50% over the next five years from the 2002/03 rate of 1.80 per 10,000 movements;

NOS	STRATEGIC OBJECTIVES	STRATEGIES	KEY PERFORMANCE INDICATOR	SERVICE DELIVERY TARGETS	RESPONSIBILITY
	To prevent aircraft collision and reduce the rate of incidents by 50% over the next 5 years from 2002/03 rate of 1.80 per 10,000 movements	<ol style="list-style-type: none"> 1. Enhance the provision of air traffic control and aeronautical information services 2. Maintain CNS facilities to attain 98% serviceability. 3. Provide highly accurate aeronautical information. 4. Provide adequate numbers of trained and proficient staff 	<ol style="list-style-type: none"> 1. Reduction in the number of incidents reported per 10,000 movements, from 1.80 in 2002/03 to 1.50 in 2004/05, 1.30 in 2005/06 and 1.10 in 2006/07 and 0.90 by 2007/08 and 2008/09. 2. Serviceability of facilities increasing from the current 94% to 95% by 2004/5, 96% by 2005/6, 97% by 2006/7 and 98% by 2007/08 and 2008/09. 3. Accuracy of promulgated aeronautical information increasing from 2002/03 base figure to 94% in 2004/05, 95% in 2005/6 and 96% in 2006/7, 97% by 2007/08 and 98% by 2008/09. 	<ol style="list-style-type: none"> 1. Incident rate of 0.90 per 10,000 movements achieved by 2008/09 2. CNS facilities operated at 98% serviceability in 2008/09. 3. New facilities operated at: <ol style="list-style-type: none"> a) Songwe June07 b) Songea Relay July 06 c) ZNZ VOR/DME Jun 07 d) VOR/DME MWZ Jun 07 e) VOR/DME MBY Jun 08 4. Aeronautical information accuracy of 98% achieved by 2008/09 5. 600 officers trained by 2008/09 6. CATC TRAINAIR compliant by Jun 06. 	Division of Air Navigation Services

TABLE II

KRA 2: SAFE AND SECURE AVIATION INDUSTRY

Strategic Objective 1: Decrease accident rate by 15% in the next five years from the 2002/03 rate of 3.90 accidents per 100,000 departures.

Strategic Objective 2: Implement aviation security recommendations of the July 2004 ICAO Audit Report by 100% in the next five years.

Strategic Objective 3: Have harmonized aviation safety and security regulations, requirements and procedures and joint utilization of safety oversight resources in East Africa by June 2007.

Strategic Objective 4: Minimise the adverse effect of civil aviation activities on the environment.

STRATEGIC OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATORS	SERVICE DELIVERY TARGETS	RESPONSIBILITY
1. Decrease accident rate by 15% in the next five years.	1. Develop Legislation, Requirements and Guidance Manuals. 2. Enhance safety oversight and enforcement. 3. Establish training fund and build technical capacity of the aviation industry 4. Provide adequate number of trained and proficient staff. 5. Develop and implement safety management system. 6. Promote relationship between operators and regulators as partners in aviation safety.	1. Clean ICAO Audit Report to the compliance level of 99% or above. 2. Achieve FAA/IASA Category 1 by June 2007. 3. Reduction in accident rate by 15% by June 2009 at an average rate of 3% per annum 4. ICAO Security Audit deficiencies implemented to the level of 90% or above obtained by 2007 5. Harmonised safety and security regulations	1. Accident rate decreased by 15% based on the year 2002/2003 statistics of 3.90 accidents per 100,000 departures by June 2009 at an average decrease rate of 3% per annum 2. The December 2003 ICAO Safety Audit recommendations implemented by 100% by June 2005. 3. Aircraft and aerodrome operators compliant by 90% to the safety regulations by June 2007. 4. Training Fund to build technical capacity of the aviation industry established by June 2007. 5. 25 pilots and 15 AMEs trained for the aviation industry by June 2009 at a rate of 5 pilots and 3 AMEs per annum 6. Sixteen Authority's inspectors trained in basic, recurrent and upgrade training by June 2009 in accordance with the training programme.	Division of Safety Regulation.

STRATEGIC OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATORS	SERVICE DELIVERY TARGETS	RESPONSIBILITY
		6. Reduction in the environment impact as indicated by the assessments.		
2. Implement aviation security recommendations of the July 2004 ICAO Audit Report by 80% in the next five years.	<ol style="list-style-type: none"> 1. Have Legislation, Requirements and Guidance Manuals in place. 2. Enhance security oversight and enforcement. 3. Build technical capacity of the aviation industry. 4. Provide adequate number of trained and proficient staff. 		<ol style="list-style-type: none"> 1. The July 2004 ICAO Security Audit recommendations Implemented by 100% by June 2009. 2. Aircraft and aerodrome operators compliant by 100% to the security regulations by June 2009. 3. 600 Aviation security officers trained for the aviation industry by June 2009 in accordance with training programme 4. 12 Authority's inspectors trained in aviation security basic, recurrent and upgrade training by June 2009 in accordance with the training programme. (Includes FOPS and AIW). 	Division of Safety Regulation
3. To have a single safety and security organization in the East African Region.	1. Pursue regional harmonisation.		<ol style="list-style-type: none"> 1. Study on the East African Safety Project completed by June 2007 and Regional safety oversight organization established by June 2007. 2. Study on the East African Safety GNSS Project completed by December 2004 and GNSS Project implemented by June 2007. 	Division of Safety Regulation

STRATEGIC OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATORS	SERVICE DELIVERY TARGETS	RESPONSIBILITY
<p>4. Minimise the adverse effect of civil aviation activities on the environment.</p>	<ol style="list-style-type: none"> 1. Work collaboratively with the industry particularly air and aerodrome operators to sensitize and ensure they put in place environment protection programmes in their development plans 2. Require any civil aviation infrastructure development with impact on environment gets an environmental impact assessment and an approval from relevant environmental authority 3. Assess frequently level of environment impact around airports, particularly major airports (MJKNIA, KIA, MZA) 		<ol style="list-style-type: none"> 1. Airlines and airport operators included in their development plan by June 2007 environment requirements – importation and use of environment compliant equipments 2. implement fully the requirement of environment impact assessment in aviation infrastructure developments by June 2007 	

TABLE III

KRA 3: A DYNAMIC AND SUSTAINABLE AIR TRANSPORT INDUSTRY

STRATEGIC OBJECTIVE 1: To have an efficient and sustainable air transport industry, with growth of not less than 8% annually.

STRATEGIC OBJECTIVE:	STRATEGIES	KEY PERFORMANCE INDICATORS	SERVICE DELIVERY TARGETS	RESPONSIBILITY
<p>1. To have effective and sustainable air transport industry, with growth of not less than 8% annually, extending scheduled services and increased frequencies to current and new domestic destinations, with competitive fares by June 2007</p>	<p>1. Formulate and implement rules/regulations/procedures to promote economic efficiency and effective competition.</p> <p>2. Sensitise and encourage air service providers to expand services to possible new areas with potential.</p> <p>3. Formulate mechanism for implementing Public Service Obligation for air transport to low traffic areas.</p> <p>Enforcement to ensure the industry complies to rules/regulations/procedures for effective competition and economic efficiency.</p>	<p>1. Increased passenger traffic by not less than 8% and air cargo by not less by 3% annually;</p> <p>2. Having scheduled services to at least one new destination in Tanzania by June 2005, two new destinations by June 2006 and three new destinations by June 2007.</p>	<p>1. Rules/Regulations/Procedures for economic efficiency and effective competition completed and operational by June, 05</p> <p>2. Increased domestic passenger traffic of not less than 10% by 2007</p> <p>3. Increased International passenger traffic of not less than 6% by 2007</p> <p>4. Increased frequencies and new destinations.</p> <p>5. Informed, compliant and dynamic air transport industry by June 2007</p>	<p>Division of Economic Regulation ; Legal Affairs Unit; Performance Audit Unit</p>

	<p>5. Avail industry with data and information on national, regional and international air transport issues.</p> <p>6. Have adequate numbers of proficient personnel.</p> <p>7. Facilitate, co- ordinate, and harmonize the national, regional and international initiatives</p>	<p>3. Availability of timely and accurate data and other industry information within 7 days of receiving the request.</p>	<p>6. Accurate industry data collected and published by April each Year; industry surveyed and evaluated two times a year; performance of the industry established</p>	<p>Division of Economic Regulation</p> <p>Division of Corporate Services</p>
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TABLE IV

STRATEGIC OBJECTIVE 2: To have reasonable fares, affordable by a large section of the travelling public but which will also enable the service providers to recover the costs within a reasonable timeframe.

STRATEGIC OBJECTIVE:	STRATEGIES	KEY PERFORMANCE INDICATORS	SERVICE DELIVERY TARGETS	RESPONSIBILITY
<p>1. To have the traveling public afford to travel by air at reasonably low fares at the same time the service providers are able to recover the costs</p>	<p>2. Formulate and implement rules/regulations/procedures to promote economic efficiency and effective competition.</p> <p>3. .Sensitise and encourage air service providers to increase frequencies and efficiency in the market.</p> <p>4. Enforcement to ensure the industry complies to rules/regulations/procedures for effective competition and economic efficiency including the Fair Competition Act. Including the Fair Competition Act.</p>	<p>1. Increased passenger traffic by not less than 8% and air cargo by not less by 3% annually;</p> <p>2. Have scheduled services increased in numbers and frequencies to all destinations in Tanzania including establishment of new routes by June 2007</p>	<p>1. Rules/Regulations/Procedures for economic efficiency and effective competition completed and operational by June, 07</p> <p>2. Increased domestic passenger traffic of not less than 10% by 2007</p> <p>3. 3.Increased International passenger traffic of not less than 6% by 2007</p> <p>4. 4. Increased frequencies and new destinations.</p>	<p>Division of Economic Regulation ; Legal Affairs Unit; Performance Audit Unit</p>
	<p>5. Have adequate numbers of proficient personnel.</p> <p>6. Facilitate, co- ordinate, and harmonize the national, regional and international initiatives</p>	<p>.</p>		<p>Division of Economic Regulation</p> <p>Division of Corporate Services</p>

TABLE V

STRATEGIC OBJECTIVE:	STRATEGIES	KEY PERFORMANCE INDICATORS	SERVICE DELIVERY TARGETS	RESPONSIBILITY
<p>1 To have a sustainable air transport industry which is orderly and undisturbed by June 2007</p>	<p>1. Formulate and implement rules/regulations/procedures to promote economic efficiency and effective competition.</p> <p>2. Sensitise and encourage air service providers to expand services to possible new areas with potential.</p> <p>3. Formulate mechanism for implementing Public Service Obligation for air transport to low traffic areas.</p> <p>4. Enforcement to ensure the industry complies to rules/regulations/procedures for effective competition and economic efficiency.</p>	<p>1 Increased passenger traffic by not less than 8% and air cargo by not less by 3% annually ;</p> <p>2 Having scheduled services to at least one new destination in Tanzania by June 2007, two new destinations by June 2008 and three new destinations by June 2009.</p>	<p>1. Rules/Regulations/Procedures for economic efficiency and effective competition completed and operational by June, 05</p> <p>2. Increased domestic passenger traffic of not less than 8% by 2007 and national scheduled airlines by 3%</p> <p>3. Increased International passenger traffic of not less than 6% by 2007</p> <p>4. Increased frequencies and new destinations.</p> <p>5. Informed, compliant and dynamic air transport industry by June 2007</p>	<p>Division of Economic Regulation ; Legal Affairs Unit; Performance Audit Unit</p>
	<p>5. Have adequate numbers of proficient personnel.</p> <p>6. Facilitate, co- ordinate, and harmonize the national, regional and international initiatives</p>	<p>3 Availability of timely and accurate data and other industry information within 7 days of receiving the request.</p>	<p>6. Accurate industry data collected and published by April each Year; industry surveyed and evaluated two times a year; performance of the industry established</p>	<p>Division of Economic Regulation</p> <p>Division of Corporate Services</p>

TABLE VI

KRA 4: SATISFIED CONSUMERS

STRATEGIC OBJECTIVE: To have interests of consumers of the regulated services safeguarded through the provision of efficient and quality services

STRATEGIC OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATORS	SERVICE DELIVERY TARGETS	RESPONSIBILITY
<p>1. To have interests of consumers of the regulated services safeguarded through the provision of efficient and quality services.</p>	<p>1. Develop, implement and enforce policies and procedures for consumer protection by December 2004</p> <p>2. Develop and implement Standards for the Regulated Services by June 2005.</p> <p>3. Establish complaint-handling mechanism.</p> <p>4. Sensitize consumers and industry through effective consultations and education.</p> <p>5. Facilitate the Consumer Consultative Council.</p>	<p>1. Decreasing number of complaints by 50% annually, based on the 2004 figure.</p> <p>2. Consumer satisfaction increased by 50% annually based on 2004 figure.</p> <p>3. 90% of consumer complaints handled by industry and the regulator proficiently.</p>	<p>1. Policies and Procedures for consumer protection, and Standards for the Regulated Services in place by December 2004.</p> <p>2. Policies and Procedures for consumer protection, and Standards for the Regulated Services Implemented and complied with by June 07.</p> <p>3. Consumers and industry sensitized and aware of their rights by June 2007.</p> <p>4. Complaint handling mechanism in place by July 2004.</p> <p>5. An effective Consumer Consultative Council</p>	<p>Legal Affairs Unit and Division of Economic Regulation</p> <p>Consumer Consultative Council</p> <p>Performance Audit Unit</p> <p>Division of Economic Regulation</p> <p>Division of Economic Regulation</p> <p>Division of Economic Regulation</p>

STRATEGIC OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATORS	SERVICE DELIVERY TARGETS	RESPONSIBILITY
<p>2. To have interests of consumers of the regulated services safeguarded through the provision of efficient and quality services.</p>	<p>6. Develop, implement and enforce policies and procedures for consumer protection by December 2004</p> <p>7. Develop and implement Standards for the Regulated Services by June 2005.</p> <p>8. Establish complaint-handling mechanism.</p> <p>9. Sensitize consumers and industry through effective consultations and education.</p> <p>10. Facilitate the Consumer Consultative Council.</p>	<p>4. Decreasing number of complaints by 50% annually, based on the 2004 figure.</p> <p>5. Consumer satisfaction increased by 50% annually based on 2004 figure.</p> <p>6. 90% of consumer complaints handled by industry and the regulator proficiently.</p>	<p>6. Policies and Procedures for consumer protection, and Standards for the Regulated Services in place by December 2004.</p> <p>7. Policies and Procedures for consumer protection, and Standards for the Regulated Services Implemented and complied with by June 07.</p> <p>8. Consumers and industry sensitized and aware of their rights by June 2007.</p> <p>9. Complaint handling mechanism in place by July 2004.</p> <p>10. An effective Consumer Consultative Council</p>	<p>Legal Affairs Unit and Division of Economic Regulation</p> <p>Consumer Consultative Council</p> <p>Performance Audit Unit</p> <p>Division of Economic Regulation</p> <p>Division of Economic Regulation</p> <p>Division of Economic Regulation</p>

TABLE VII

KRA NO. 5. SATISFIED CUSTOMERS

Strategic Objective: Efficient and effective delivery of services as measured by attainment of ISO 9000 certification by June 2007.

<p>Efficient and effective delivery of service as measured by attainment of ISO 9000 certification by June 2009</p>	<ol style="list-style-type: none"> 1. Improve on the performance management evaluation mechanism 2. Set clear strategic direction. 3. Have a functional & effective MIS. 3. Proper planning and manning of positions. 4. Employee empowerment. 5. Enhance the Civil Aviation Training Centre's Capacity in accordance with ICAO Recommendations. 	<p>Improved level of customer and staff satisfaction results from the 2002/03 base of 74% to 95% for customers and 83% to 95% for staff respectively by June 2007.</p>	<ol style="list-style-type: none"> 1. Client Charter in place by June 2007 2. ISO 9000 certified by June 2009. 3. Strategic Planning & Business Plan Formulated by March Yearly 4. Customer and staff survey conducted be-annually 5. Computerised MIS by June 2007 (Develop a system to integrate HR, Payroll Accounts & Procurement) 6. Staff Trained in skills and Customer Care as per Training Programme 7. Collective bargain agreement by June 2007. 8. Conducive working environment 9. Aviation House completed by June 2008. 10. Autonomous CATC 11. Continues Positive TCAA image 12. Enhanced Corporate Governance 	<p>Division of Corporate Services/ Performance Management Unit.</p> <p>Division of company Services</p> <p>Division of Corporate Services</p> <p>Division of Corporate Services</p> <p>Division of Air Navigation Services</p>
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TABLE VIII

KRA 6: FINANCIAL SUSTAINABILITY

Strategic Objective: Maintain a surplus of at least 3% of revenue over operating expenditure and a liquidity ratio of 2:1 per annum.

1

NOS	STRATEGIC OBJECTIVES	STRATEGIES	KEY PERFORMANCE INDICATOR	SERVICE DELIVERY TARGETS	RESPONSIBILITY
	Maintain at least 10% surplus of revenue over operating expenditure and the liquidity ratio of 2:1 per annum.	<ol style="list-style-type: none"> 1. Review cost of services rendered by 2007 2. Charge fees and levies to regulated services by June 2008 3. Prudent financial management. 	<ol style="list-style-type: none"> 1. Surplus revenue over expenditure of at least 3% per annum. 2. Liquidity Ratio of at least 2:1 3. Clean Audit Report. 	<ol style="list-style-type: none"> 1. Surplus of 3% attained each year. 2. Effective accounting and auditing system established by Dec 2004 3. A Clean Audit Report 	<p>Division of Corporate Services</p> <p>Division of Corporate Services</p> <p>Division of Corporate Services</p>

5 ORGANIZATION STRUCTURE

The Organisation Structure, which is presented in Appendix III, is derived from the functions of the Authority as provided for in the TCAA Act 2003. The functions are presented in Appendix II. The Act also provides for a Board of Directors and a Director General and for the functions and their associated activities to be carried out in divisions. Some activities are carried out in staff units in the Director General's Office. The Organization Structure features four divisions, three of which carry out the core functions of the Authority and the fourth provides corporate and support services.

A brief description of the roles of the staff units and divisions is presented below.

5.1 Staff Units

The staff units are meant to provide advice to the Director General for activities that would otherwise be part and parcel of her/his responsibilities.

5.1.1 Legal Affairs Unit

The Unit, which is the legal secretariat to the Authority and to the Board of Directors, is also responsible for contracts, litigation and custody of all the Authority's legal and statutory documents. The Head of the Unit is the Authority's Corporation Secretary.

5.1.2 Performance Audit Unit

The Unit is responsible for technical, management and financial audit and quality assurance.

5.1.3 ICAO Office

The Authority supports the Tanzania's representative to the International Civil Aviation Organisation in Montreal, Canada. The representative is an employee of the Authority.

5.1.4 Public Information Unit

The Unit is the interface between the Authority and the public. It is responsible for preparing and issuing press releases, advertisements, facilitation of the Authority's visitors and attendance to customers' enquiries on services of the Authority.

5.2 Functional Divisions

The divisions have delegated authority to carry out specialist activities. These activities are carried out in sections as shown in the divisional structures in Appendix III. The functional divisions are responsible for the following activities:

5.2.1 Division of Air Navigation Services

This Division is responsible for the provision of air traffic management; communication, navigation, surveillance and aeronautical information service at the Area Control Centre and at thirteen Stations. The Civil Aviation Training Centre is under this Division.

5.2.2 Division of Safety Regulation

The Division is responsible for safety and security oversight of flight operations; airworthiness of aircraft; aviation personnel licensing and air navigation/airport operations. The Accident Investigation and Prevention unit, which by statute is under the Minister, is of now, also housed here.

5.2.3 Division of Economic Regulation

The Division is responsible for economic oversight of air services and airports/air navigation operations. It also issues industry statistics for planning purposes and provides secretariat to the Ministry in matters of bilateral air service agreements.

5.2.4 Division of Corporate Services

The Division is responsible for human, financial, materials management and information and communications technology. The management of the Aviation House Project falls under the Division.

5.3 Rationale

The Organizational Structure has few levels and this facilitates the delegation of authority for specialist activities to Sections and units for effectiveness and efficiency. It also takes into account the skills required to carry out the activities identified. In view of the functions of the Authority, the Structure is simple, enhances communications and optimizes costs. Supported by clear policies, systems, procedures and specialist teams, the Structure facilitates an effective and interactive Organisation.

6.0 FINANCIAL PROFILE

The financial forecasts for both revenue and expenditure and cash flow shown below are based on the following assumptions:

- a) F/Y 2004/05 is taken as the base year.

- b) The Safety fee of USD 8 charged per every foreign departing and Shs1, 000 per domestic departing passenger will continue.
- c) Income from operating activities will increase by 5% per annum.
- d) Other income will increase by 3%.
- e) Income to exceed operating expenditure (after taking into account non-cash items) by 3% per annum.
- f) The new salary structure adopted with effect from financial year 2005/06 will continue to be paid. Therefore from yr1 to yr 2 there is an over 100% increase of staff cost.
- g) Collective Bargain Agreement between Management and workers will partly start to be implemented from F/Y 2006/07 onwards.
- h) Depreciation on the assets will increase by 2% p.a.
- i) Other operating expenditure will increase by 5% p.a.
- j) Aviation House Project will be implemented as planned during years 2006/07 to 2008/09.
- k) There will be external financing in Year 2006/07 and 2007/08 of Tshs 3b each year.
- l) Telecommunication and navigation aids will be replaced as per equipment replacement plan. The plan is attached as Appendix IV.
- m) The sponsorship of pilots and aircraft maintenance engineers which commenced in F/Y 2003/04 will continue but the financing will be transferred to the Training Fund which is proposed to commence in 2007/08.
- n) Capital Expenditure will be financed by excess of Revenue over Operating Expenditure and partly by Accumulated Surplus and Supplier credit facility.
- o) The servicing of the EIB loan which commenced in August 2004 as per agreed payment schedule will continue during this period.

Based on the above assumptions, the summarized Financial Profile for the planning period will be as follows:

Table 1: Forecasted Income and Expenditure Statements from FY 2004/05 – FY 2008/09

Item	F/Y 2004/05 Audited Accounts	F/Y2005/06	F/Y 2006/07	F/Y 2007/08	F/Y2008/09
	Tshs ("000")	Tshs ("000")	Tshs ("000")	Tshs ("000")	Tshs ("000")
Revenue	7,880,986	13,210,000	13,632,000	14,313,600	15,029,280
Operating Expenditure	6,713,273	9,500,000	11,651,000	12,233,550	12,845,228
Excess Income over Expenditure	1,167,713	3,710,000	1,981,000	2,080,050	2,184,052
Non Cash (Depreciation.)	1,028,798	1,130,000	1,163,900	1,198,817	1,234,782
Net Income	138,915	2,580,000	817,100	881,233	949,270

Table 2: Forecasted Cash flow Statements from F/Y 2004/05-F/Y 2008/09

Item	F/Y 2004/05	F/Y2005/06	F/Y 2006/07	F/Y 2007/08	F/Y2008/09
	Tshs ("000")	Tshs ("000")	Tshs ("000")	Tshs ("000")	Tshs ("000")
Cash inflows:					
Sources of financing					
Revenue(Trade Debtors)	7,880,986	11,260,000	11,587,200	12,882,240	13,526,352
Supplier Credit Financing			3,000,000	3,000,000	2,015,938
Beginning of the year cash Balance	3,215,372	3,469,847	3,516,847	2,010,047	993,587
Total	11,096,358	14,729,847	18,104,047	17,892,287	16,535,877
Cash outflows:					
Operating Expenditure	6,713,273	9,500,000	11,651,000	12,233,550	12,845,228
Capital Expenditure	913,238	1,713,000	4,443,000	4,665,150	2,500,000
Total Outflows	7,626,511	11,213,000	16,094,000	16,898,700	15,345,228
Ending cash balance	3,469,847	3,516,847	2,010,047	993,587	1,190,648

ACTION PLANS

The following actions will be undertaken to achieve the above strategic objectives.

KEY RESULTS AREA NO.1

Provide Safe, Orderly and Expeditious Flow of Air traffic

	ACTIONS	2004/05			2005/06			2006/07			2007/08			2008/09		
1	Provision of Services															
1.1	Continue with current services															
1.2	Provision of new services															
(a)	ACC to operate 2 sectors															
(b)	Area radar services at DIA															
(c)	24-hr ATS at Mwanza:															
(d)	12 Hr ATS to be provided at TBO,KGO															
(e)	12 Hr ATS to be provided at MTW and MBY															
(f)	12 Hr ATS to be provided at Songwe Airport															
(g)	12 Hr AIS to be provided at Arusha															
(h)	12 Hr AIS to be provided at Dodoma															
(i)	14 Hr AIS to be provided at Mwanza															
(j)	12 Hr AIS to be provided at DIA TB I															
2	Recruitment of new staff															
2.1	Recruit 15 ATCO trainees															
2.3	Recruit 8 AIO trainees															
2.4	Recruit 3 ANEs															
3	Train as per TP															
4	Performance audit															
5	Replacement of equipment as per equipment replacement plan															
(a)	Songea VHF relay															
(b)	Songwe facilities															
(c)	VOR / DME ZNZ															

	ACTIONS	2004/05			2005/06			2006/07			2007/08			2008/09		
(d)	VOR / DME MWZ															
(e)	VOR / DME MBY															
(f)	VOR / DME DOD															
(g)	SADC VSAT II															
(h)	NAFISAT VSAT															
(I)	Implementation of ADS B															
6.	Maintenance of equipment															
7.	Purchase of equipment spares															
8.	Flight check of Nav aids															
9.	Review / update Documentations															
10.	Submission of Performance Reports															
11	Establishment of EAC UACC															

KEY RESULTS AREA NO 2:

5.2.1 Safe and Secure Aviation Industry

	ACTION	2005/06			2006/07			2007/08			2008/09			2009/10		
1.0	Carry out inspection, certification & surveillance of the civil aviation system															
1.1	Review, approve and implement inspection and surveillance programmes															
1.2	Increase number of technical staff to meet requirements.															
1.3	Train and retrain inspectors/auditors to acquire modern skills.															
1.4	Carry out appropriate procedures for issue/renewal of aviation personnel licences/certificates.															
1.5	Ensure technical library contains necessary up to date documents covering aircraft types on Tanzania register for use by technical staff.															
2.0	Review air navigation regulations, procedures & requirements in conformity to ICAO SARPS.															
2.1	Set or adopt aviation security standards for equipment, personnel and services.															
2.2	Review annually Air navigation Regulations and Aviation Security Regulations.															
2.3	Review annually safety and security requirements and guidance materials.															
2.4	Document and review regularly Inspector's procedures manuals (Airworthiness surveyor's handbook, Flight Inspector's Handbook, Flight and Ground Examiners Handbook, Personnel Licensing Handbook, Aviation Security Inspection/Audit Handbook), Aerodrome Inspector's Handbook.															
3.0	Develop & implement accident/incident prevention programme/ Safety Management System															
3.1	Timely issue of safety bulletins on incidents and accidents.															
3.2	Analyze regularly causes of accidents/incidents, then define and recommend prevention measures to the industry.															
3.3	Ensure air operators, aircraft maintenance organizations															

	ACTION	2005/06				2006/07				2007/08				2008/09				2009/10			
	and airport operators put in place approved safety and security programmes which will prevent incidents (prevention of accidents before they happen)																				
3.4	Promote reporting of both mandatory and confidential incidents/reportable occurrences.																				
3.5	Schedule and implement programme for interactive workshop with industry on safety and security regulations and requirements so as to create safety awareness.																				
4.0	Build technical capacity of the industry																				
4.1	Establish training fund for the training of pilots and Aircraft Maintenance Engineers.																				
4.2	Train 5 pilots and 5 Aircraft Maintenance Engineers annually																				
4.3	Train 200 Aviation Security Officers annually.																				
5.0	Establish a single safety and security organization in the East African Region.																				
5.1	Complete the Study of the East African Safety Project																				
5.2	Complete the Study of the East African GNSS Project																				
5.3	Institute the implementation of the report of the East African Safety Project																				
5.4	Institute the implementation of the report of the East African GNSS Project.																				
6.0	Establish an industry committee on environment																				
6.1	Carry out initial assessment of impact of civil aviation on environment																				

	Action	2005/06				2006/07				2007/08				2008/09				2009/10			
	Rules/Regulations/ Procedures for Economic Efficiency and Effective Competition																				
1.1	Meetings of the Legislative Review Committee																				
1.2	Stakeholders to discuss drafts and provide inputs																				
1.3	Inputs consolidated and drafts sent to AGC and MCT																				
1.4	Publication by the Govt. Printer																				
2.0	Air Services Licensing																				
2.1	Revise Forms and Procedures																				
2.2	Meetings of the Licensing Committee of the Board																				
2.3	Recruitment of Enforcement Officers																				
3.0	Training on Enforcement and Regulation																				
4.0	Educate and Sensitize Industry																				
4.1	FAL Meetings																				
4.2	Stakeholders' workshops																				
4.3	Sensitization Seminars																				
4.4	Destination Tanzania Promotion																				
5.0	Ensure Fair competition																				
5.1	BASA Meetings																				
5.2	Enforcement Inspections																				
5.3	Issuing of Operating Permits																				
6.0	Participate in Regional and International Fora																				
6.1	ICAO Meetings																				
6.2	AFCAC/ AU Meetings																				
6.3	SADC Meetings																				
6.4	EAC Meetings																				
7.0	Facilitate International and Regional Initiatives																				
8.0	Accurate Industry Data Collected and Published																				
8.1	Collect, collate and analyse industry data																				
8.2	Prepare and distribute Quarterly, Annual Reports																				
8.3	Carry out Industry Periodical Surveys and Research																				
8.4	Carry out Bi-annual Industry Evaluation																				

Key Result Area No. 3

Dynamic and Sustainable Air Transport Industry

Key Result Area No.4:

Satisfied Consumers

	Action	2005/06				2006/07				2007/08				2008/09				2009/10			
1	Policies and procedures for consumer Protection and Standards for the Regulated Services prepared and implemented																				
1.1	MCT advised to formulate Consumer Protection Policy																				
1.2	Prepare process approval and implement consumer Protection Guidelines																				
1.3	Prepare, seek approval and implement consumer Complaints handling procedures																				
2	Complaint handling mechanism in place																				
2.1	Enforcement to ensure implementation and Compliance																				
3	Effective Consumer Consultative Council																				
3.1	Preparatory meetings and Stakeholders awareness Seminars																				
4.0	Sensitised Consumers and industry educated and aware their rights																				
4.1	Collection of Information, Preparing documents, Publishing.																				

**KEY RESULTS AREA NO.5:
Satisfied Customers**

ACTION		2005/06			2006/07			2007/08			2008/09			2009/10		
1.0	Improve on the performance management evaluation mechanism															
1.1	Client Charter in place by December 2006															
1.2	ISO 9000 certified by June 2009															
1.3	Customer and staff survey conducted be-annually															
2.0	Set clear strategic direction															
2.1	Strategic Planning & Business Plan Formulated by March yearly															
2.2	Continues Positive TCAA image															
2.3	Enhanced Corporate Governance															
3.0	Have a functional & effective MIS															
3.1	Computerised MIS by June 2007 (Develop a system to integrate HR, Payroll Accounts & Procurement)															
4.0	Proper Planning and manning of positions															
4.1	Recruit competitively															
5.0	Employee empowerment															
5.1	Staff Trained in skills as per Training Programme															
5.2	Collective bargain agreement by June 2007															
5.3	Conductive working environment															
5.4	Aviation House completed by June 2008															
6.0	Enhance the Civil Aviation Training Centre's Capacity in accordance with ICAO Recommendations															
6.1.	Autonomous CATC by July 2008															

**KEY RESULT AREA NO 6:
Financial Sustainability**

ACTION		2005/06				2006/07				2007/08				2008/09				2009/10			
1.0	Ensure all revenue earned is billed accurately & promptly																				
1.1	Prompt collection of revenue earned.																				
1.2	Ensure effective budget.																				
1.3	Update customer database monthly																				
1.4	Adhere to financial regulations & accounting manual procedures																				
1.5	Adhere to public finance & procurement regulations																				
1.6	Review cost of services rendered by 2007																				
1.7	Charge fees and levies to regulated services by June 2008																				

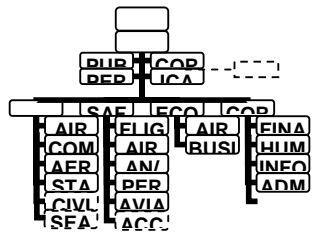
APPENDIX II

FUNCTIONS OF TANZANIA CIVIL AVIATION AUTHORITY

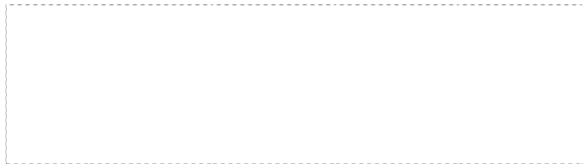
1. The functions of the Authority shall be:
 - (a) to perform the following:
 - (i) to issue, renew, vary and cancel air service licenses;
 - (ii) to establish standards for regulated goods and regulated services;
 - (iii) to establish standards for the terms and conditions of supply of the regulated goods and services
 - (iv) to regulate rates and charges;
 - (v) to make rules for carrying out the purposes and provisions of this Act;
 - (b) to monitor the performance of the regulated suppliers including in relation to:
 - (i) levels of investment;
 - (ii) availability, quality and standards of services
 - (iii) the cost of services
 - (iv) the efficiency of production and distribution of services and
 - (v) other matters relevant to the Authority
 - (c) to facilitate the resolution of complaints and disputes;
 - (d) to take over and continue carrying out the functions of the former authority;
 - (e) to disseminate information about matters relevant to the functions of the Authority;
 - (f) to consult with other regulatory authorities or bodies or institutions discharging functions similar to those of the Authority in United Republic of Tanzania and elsewhere;
 - (g) to administer this Act;
 - (h) to perform such other functions as may be conferred on the Authority by this Act or any other law.
2. The Authority in the discharge of its functions shall not perform its activities in contravention of any international agreement to which the United Republic is party.

3. In the performance of its functions, the Authority shall not award or cancel an exclusive license or a universal service obligation license without prior consultation with the Minister.
4. In addition to the preceding provisions of this section, the Minister may from time to time as occasion necessitates it, give to the Authority directions of a specific or general character on specific issues, other than in relation to the discharge of the regulatory function, arising in relation to any sector, for the purpose of security the effective performance by the Authority of its policy, functions and compliance with the code of conduct.
5. Any direction given by the Minister in accordance with sub section (4) shall be in writing and published in Government Gazette.

In addition to its regulatory functions, the Authority may provide air navigation and aeronautical services.



APPENDIX III



PROCUREMENT