

# **Separation of Regulatory & Service Provision Function**

## **Kenya Civil Aviation Authority**

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# Background

- KCAA currently performs both regulatory and service provision functions.
- Engaged a consultant in July 2013 for separation proposal
- Study approach: Review of existing reports & documents, consultation with stakeholders, international benchmarking.

- Potential conflict of interest:
  - a) Safety oversight and air navigation services
  - b) Safety oversight and economic oversight
- To address conflict of interest, two models were recommended:
  - a) Functional de-linking
  - b) Organizational de-linking

# Organizational De-linking

- Model recommended entails establishment of two organizations.
- Key reforms & strategies:
  - ❖ Legal and institutional framework
  - ❖ Organization and human resources
  - ❖ Sharing of assets and liabilities
  - ❖ Funding and financial sustainability

# Functional De-linking

- Identification of potential conflict of interest, mechanisms to minimize the conflicts.
- the strategies proposed for adoption are;
  - ❖ Financial measures
  - ❖ Institutional measures
  - ❖ Measures related to human resources
  - ❖ Changes to existing structures

# Functional De-linking

- Financial measures include;
  - ❖ Separate funding mechanisms for regulator and service provision directorates.
  - ❖ Separate accounting mechanisms
  - ❖ Separate lines of accountability
  - ❖ Independent investment review process per directorate.

# Functional De-linking

- Institutional measures include;
  - ❖ Different lines of management and operational authority
  - ❖ Transferring safety related decisions from the DG.
  - ❖ Representation of stakeholders in decision making process
  - ❖ Regulatory directorate periodically to report to board on technical and regulatory issues

# Functional De-linking

- Measures related to organization and human resources include;
  - ❖ Enhancing managerial capability of the technical directorates
  - ❖ Enhance ability to attract and retain qualified technical personnel
  - ❖ Decentralize decision making process from corporate services to technical departments



# Functional De-linking

- Measures related to change of existing structures include;
  - ❖ Review of salary structure to meet standards for progression and grade overlaps
  - ❖ Enhancing the staffing levels of the regulatory directorate
  - ❖ Decentralizing support services like finance and human resources to technical directorates.

# Way Forward

- In February 2016, Government approved the model of functional de-linking for implementation.
- KCAA is currently in the process of preparing an action plan to guide implementation of functional de-linking model.



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Thank You