

# Airstrip or Heliport Investment

## Description

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## Introduction

The Ethiopian Civil Aviation Authority (ECAA) is the authority that regulates and licenses operators of aerodromes. Civil Aviation Proclamation No 616/2008 and its amendment Proclamation No 1179/2020 mandate ECAA with the power among others to review and issue license, certificate or other legal documents to the applicant where it finds satisfactorily that the applicant is ready to operate an aerodrome. To implement the mandate, in September 2022, ECAA has come up with Procedure for the Application and Issuance of Airstrip/Heliport Permit, Approval and Business Licence (the 'Procedure' hereafter). In this article a look on the objective of the Procedure, who are eligible to invest and the procedures and requirements needed shall be discussed briefly and a conclusion shall follow.

## Aim of the Procedure

The aim of the Procedure is to promote the development of Airstrips and Heliports by private investors. The Procedure intends to establish an efficient and transparent process for application and issuance of airstrip/heliport investment permit, construction & operation approval. The number of standard airports has to increase. Thus private sector involvement for expansion of small airports as an investment is believed to expedite the overall growth of the country.

## Who Could Invest in Airstrip/Heliport?

Any Ethiopian national above the age of 18 and/or domestic investor as defined by Investment Proclamation No.1180/2020 are eligible for investment permit application for airstrip/heliport construction and operation. Any domestic investors interested in engaging on Airstrip/Heliport operation for commercial purposes are eligible to apply. Domestic investor as defined by the Investment Proclamation No 1180/2020 Article 2(5) include "a) An Ethiopian National; b) An Enterprise incorporated in Ethiopia and wholly owned by Ethiopian National; c) The Government; d) a Public Enterprise e) a cooperative society established as per the relevant law; f) A Foreign National or Foreign Enterprise treated as domestic investor as per the relevant law or international treaty ratified by Ethiopia; g) An Enterprise incorporated in Ethiopia jointly between any of the investors specified ... paragraphs (a) to (f) of this Article; h) A Foreign National or Foreign Enterprise accorded a domestic investor investment permit as per laws....i) Descendant of a foreign national specified under Sub-article (5) paragraph (h) of this Article, provided that this applies only in respect of investments specified in the same Sub-article." According to this Procedure, Foreign investors either alone or in collaboration with domestic investors are excluded from the construction and operation of airstrip and heliport.

## Application Procedure

Airstrip/Heliport investment process commences by applying simultaneously to ECAA and to the

Ethiopian Investment Commission (EIC). The interested party will submit the following documents: a) Completed application form of EIC; b) Completed application form of ECAA and other documentation as detailed in the Application Form. The Application Form indicate details such as rights held in relation to the site, written evidence to show permission has been obtained for the site to be used by the applicant as an airstrip or heliport and Environmental Impact Assessment for the development of Airstrip/Heliport approved by the appropriate authority; c) Certificate of Principal Registration; d) Original and necessary copies of valid identity card or passport of the applicant; e) Two passport size photographs taken within six months, which shows the clear identity of the applicant; and f) Where the application is submitted by an attorney; original and copy of power of attorney given by all of the founders, copies of valid identity card or passport of the attorney and the manager.

### **Approval to Build, Operate and Registration**

When the Applicant has met the necessary aerodrome and flight operation standards of the site, then ECAA shall give a green light to **build**. ECAA shall inspect the completion of the construction for compliance and upon satisfaction issue Compliance Certificate. Then when the requirements of safe air navigation are met, ECAA shall issue an approval to **operate**. Consequently, the airstrip or heliport which successfully obtained approval to operate shall be **registered**.

### **Business License Issuance and Renewal**

The Commercial Registration and Licencing Proclamation No 980/2016 on Article 21(4) (d) provides air transport services and other aviation service business licenses to be issued by relevant government organs. ECAA is the authority duly mandated to issue business licenses for aviation related services. Thus the Procedure authorizes ECAA for issuance of business license for airstrip or heliport and the renewal of the same by ECAA.

### **Conclusion**

The participation of the domestic private sector including regional governments or city administrations in the construction and operation of airstrips and heliports will give multiple benefits not only to the investors but also to the economy. The ECAA Procedure, though not a Directive, has put transparent procedure as to the regulatory, administrative and technical activities needed to build, operate and register airstrip and heliport.

For your investment inquires on airstip/heliport, you may contact us at [info@dmethiolawyers.com](mailto:info@dmethiolawyers.com)

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