

Performance Audit of the Beja Airport

Report No. 33/2010 – 2nd Chamber

This report describes a Value for Money audit to the Beja airport, which identified and analyzed its different stages, particularly in terms of planning, procurement process, physical and financial implementation, as well as management, with the major goal of checking its added-value for the regional economy.

The implementation of this Project aimed basically at contributing to fully take advantage of the existing infrastructure at Air Base 11, allowing it to be shared by military and civilian operations, with a relatively small investment in relation to the financial needs resulting from the construction of a brand new airport.

The contracting authority, Empresa de Desenvolvimento do Aeroporto de Beja – EDAB S.A., awarded the 1st phase of construction to the SOPOL, S.A./Teodoro Gomes Alho & Filhos, Lda. Consortium.

With an initial investment of nearly 35 million Euros, the Tribunal de Contas estimated the overall Project to cost nearly 74 million Euros, including the coverage of the operating deficits until 2015.

The public expenditure on the construction of the Beja airport also encompasses four additional components: costs of contracts, costs of the procurement of goods and services, expropriations and costs of the EDAB, S.A. structure/operation.

The Beja airport should have opened to the public in 2008, but was inaugurated only in April 2011, as a result of the deviations from the contractual terms of the works.

The investment of this airport was intended for low-cost airlines, cargo movement and aircraft maintenance. In addition, the studies upon which the investment made in Beja relied, suggested the complementary nature of the Beja airport with those of Portela and Faro.

Nevertheless, the Tribunal de Contas detected some deficiencies that contribute to the inoperability of the infrastructure, which materialize in the lack of accessibility solutions that are aimed at establishing the necessary connections, whether railway networks or road networks, to the Beja's airport facilities. This raised the question of the complementary nature for which this airport was designed.

According to the findings, the Tribunal de Contas has formulated the following recommendations:

For rigour, transparency and control reasons, the State should avoid the systematic creation of companies having a commercial nature, whose projects and activities do not take a commercial nature, whilst having a questionable economic and financial viability.

Within the scope of the development of Public Projects, the State should draw up adequate Business Plans, which justify the creation of companies having a commercial nature and clearly show their economic and financial viability.