



Papua New Guinea: Civil Aviation Development Investment Project II (formerly Second Civil Aviation Development Investment Program)

Project Name	Civil Aviation Development Investment Project II (formerly Second Civil Aviation Development Investment Program)	
Project Number	52201-001	
Country	Papua New Guinea	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: Civil Aviation Development Investment Project II (formerly Second Civil Aviation Development Investment Program)	
	Ordinary capital resources	US\$ 175.30 million
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 20.00 million
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Agriculture, natural resources and rural development - Rural market infrastructure Transport - Air transport	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The proposed loan (the Project) intends to establish a sustainable civil aviation network to support economic growth and reduce poverty in rural areas by realizing safer, more efficient, and more accessible all-weather air transport services. The project will finance strengthening and upgrading of runways, aprons, taxiways and terminal buildings, to bring Papua New Guinea's (PNG) national airports into compliance with national aviation safety and security standards and accommodate future traffic growth. The project will also develop a sustainable approach to extending aviation services to rural areas with promising economic potential by financing a pilot project to provide all-weather rural feeder airstrips to act as rural hubs linking remote grass airstrips to markets and service centers. Aviation safety and efficiency will also be improved by upgrading air navigation and weather services for civil aviation. Support will also be provided for institutional strengthening civil aviation sector agencies and developing the capacity of their staff.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The country's rugged, mountainous terrain, and dispersed archipelago present significant challenges for rural access. Although many regions have good agriculture potential, lack of transport connectivity prevents producers from reaching markets and hampers the provision of health, education, and other social services. Problems of inaccessibility are among the main reasons that PNG's social indicators lag those of other countries with similar per capita incomes. PNG was ranked 155th out of 186 countries in the 2018 human development index. PNG's unique geography of islands and mountainous terrain leaves many areas isolated with little access to the rest of the country. The national road network is not extensive and largely confined to parts of the northwest and southeast coasts which leaves most of the country without access.</p> <p>The aviation industry plays a vital role in the changing economic and social development of the country. In many remote parts of PNG, air transport will continue to be the only possible means to link to the main urban centers.</p>	
Impact	An affordable and equitable balance attained between transport services that serve PNG's main economic sectors and those that provide reliable access to PNG's widely distributed rural population (National Transport Strategy)	
Outcome	Aviation safety, efficiency, and network coverage improved.	
Outputs	National airports upgraded. Air navigation and weather services upgraded. Rural airstrips improved and piloted. Civil aviation institutions strengthened, and capacity developed.	
Geographical Location	Nation-wide, Jacksons International Airport, Port Moresby	
Safeguard Categories		
Environment	B	
Involuntary Resettlement	B	
Indigenous Peoples	C	
Summary of Environmental and Social Aspects		
Environmental Aspects	The project is proposed as category B for environment.	
Involuntary Resettlement	The project is proposed as category B for involuntary resettlement. No major land is not anticipated to be acquired for the project. Airport upgrades will attempt to remain within the existing aerodrome boundary owned by the government, but there may be a need to acquire additional land at one of the airports. Some trees and/or crops planted by surrounding communities in the vicinity could be affected but it is not expected to be significant.	

Indigenous Peoples The project is proposed as category C for indigenous people. The project will not have any impact on distinct and vulnerable groups of indigenous peoples as defined by ADB SPS. Initial due diligence will be conducted on the need for the preparation of an IPP/DDR given that the land used for the airstrips to be rehabilitated may be on customary land.

Stakeholder Communication, Participation, and Consultation

During Project Design The main stakeholders of the project include government agencies (local and provincial government and administration), community chiefs, airport and airstrip users, business community, landowners, potentially affected persons, and civil society and religious groups. During project design, the team will ensure their participation during consultations and project awareness activities. Stakeholder analysis will be undertaken to identify important stakeholders and their concerns, roles and influence in the project. Public meetings and focus group discussions will be held to communicate and consult with stakeholders, to get their views and suggestions on the proposed project and how positive impacts can be maximized. The project team will explore opportunities for the creation of income generating activities within the vicinity of the airport, by consulting with affected persons and other stakeholders for consideration in the project design.

During Project Implementation

Responsible ADB Officer	Haider, Syed Hussain
Responsible ADB Department	Pacific Department
Responsible ADB Division	PATC
Executing Agencies	Department of Transport and Civil Aviation P.O. Box 1108 Boroko, NCD Papua New Guinea Department of Transport, Works and Civil Aviation P.O. Box 1108 Boroko, NCD Papua New Guinea Department of Treasury 6/F The Treasury Building, Lamana Road P.O Box 542, Waigani Drive, NCD Papua New Guinea

Timetable

Concept Clearance	06 Apr 2020
Fact Finding	27 Apr 2020 to 05 May 2020
MRM	15 Jul 2020
Approval	-
Last Review Mission	-
Last PDS Update	13 Apr 2020

Project Page	https://www.adb.org/projects/52201-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52201-001
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