



Papua New Guinea: Preparing the Civil Aviation Investment Program

Project Name	Preparing the Civil Aviation Investment Program	
Project Number	52201-002	
Country	Papua New Guinea	
Project Status	Proposed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA: Preparing the Civil Aviation Investment Program	
	Technical Assistance Special Fund	US\$ 1.50 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Partnerships Private sector development	
Sector / Subsector	Transport - Air transport	
Gender Equity and Mainstreaming	Some gender elements	
Description	The knowledge and support technical assistance (TA) will analyze prevalent aviation sector issues and prepare and/or update the longer-term aviation sector roadmap, policy framework, and investment program considering lessons from the ongoing Civil Aviation Development Investment Program (CADIP). The outputs of the TA will help develop new program for ADB's further assistance in the sector.	
Project Rationale and Linkage to Country/Regional Strategy	<p>The Government of Papua New Guinea (PNG) requested assistance from ADB to continue supporting the civil aviation sector following successful achievements under the ongoing CADIP. Air transport services play a critical role in PNG's domestic mobility due to the country's geography. PNG sits in the eastern half of the island of New Guinea, north of Australia in the southwest Pacific Ocean. It comprises both the mainland and some 600 offshore islands with population of about 7 million, of which approximately 85% live in rural areas whilst the other 15% lives in the ten major urban areas. Government's priorities in Medium-Term Development Plan III (MTDP III) place tourism, agriculture, and connectivity as key development targets with high expectation on air transport. For transport sector, strategic directions are provided in the National Transport Strategy which aims to provide an affordable and equitable balance between transport services that serve PNG's main economic sectors and those that provide reliable access to PNG's widely distributed rural population. The government's priority outlined in MTDP III for the aviation sector is to link PNG's rural hinterlands, especially the economically vibrant isolated market segments through provision of safe, reliable and cost-effective air transport services that promotes tourism and greater socio-economic activities. In doing so, strategic focus will be to: (i) continue strengthening sector policies and institutions and achieve ICAO and CASA compliance for all remaining airports; (ii) upgrade and modernize land- and air-side facilities for selected airports to handle larger jets and meet the demand for passenger and cargo transport; (iii) increase usage of rural airstrips up to 50% for equitable and balanced delivery of public services to wider population of PNG; and (iv) enable public-private partnership for the Jacksons International Airport.</p> <p>The proposed TA will analyze lessons from CADIP and prevalent sector issues to (i) prepare and/or update aviation sector roadmap, policy framework and medium to long-term investment plan, where policy framework will identify critical policy actions to achieve operational efficiency, compliance with ICAO safety standards and enable equitable and affordable air transport services to wider PNG population; (ii) introduce hub-and-spoke concepts for air transport services and validate feasibility of modernizing and upgrading selected national and regional airports as well as viability of selected rural airstrips; and (iii) undertake due diligence to prepare subsequent program including aviation sector assessment; technical, economic, and financial appraisals; environmental, social, and poverty impact, and procurement assessments.</p>	
Impact	The TA will be aligned with the following impact: affordable and equitable balance between transport services that serve PNG's main economic sectors and those that provide reliable access to basic services for the remote communities	
Outcome	A comprehensive investment program for the aviation sector suitable for ADB financing prepared	

Outputs	Roadmap, policy framework and investment program prepared Hub-and-spoke system for air transport services prepared Due diligence for investment projects undertaken
Geographical Location	Nation-wide, Jacksons International Airport, Madang Airport, Tokua Airport

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services	ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. ADB will purchase, through the consulting firm, the necessary equipment. The procurement method will be shopping for 1 contract. Procurement of goods will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) and disposal will follow relevant project administration instructions. Disbursement under the TA will follow ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time).
Procurement	Procurement will follow the ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

Responsible ADB Officer	Ishehaliev, Rustam I.
Responsible ADB Department	Pacific Department
Responsible ADB Division	Transport, Energy and Natural Resources Division, PARD
Executing Agencies	<i>Department of Transport Port Moresby Papua New Guinea Department of Treasury 6/F The Treasury Building, Lamana Road P.O Box 542, Waigani Drive, NCD Papua New Guinea</i>

Timetable

Concept Clearance	15 Oct 2018
Fact Finding	-
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	31 Oct 2018

Project Page	https://www.adb.org/projects/52201-002/main
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