I. Project Context

Country Context

The Republic of Kiribati is one of the most remote and geographically dispersed countries in the world. It consists of 32 low lying atoll islands and one raised limestone island all located in three main island groups scattered over 3.5 million km2 of the central and western Pacific. Most of the islands are less than 2 km wide and not more than 6 m above sea level. Twenty-one of the islands are inhabited by the national population of around 101,000, with the bulk of the population residing on the western Gilberts group of islands. Approximately 47% of the country’s population lives in the capital South Tarawa (within the Gilberts)—a magnet for internal migration from the outer islands. The capital provides opportunities for cash employment and consumption, as well as access to higher education and specialist social services not available elsewhere in Kiribati.
**Sectoral and institutional Context**

Aviation plays a vital economic and social role in Kiribati’s development. The country’s two international airports, Bonriki (TRW) and Cassidy International Airport (CXI) provide critical access to health care, education and import and export markets in the region. In addition, the country’s susceptibility to the effects of climate change and in particular storm surges make airports a vital entry point for relief goods.

In December 2011 IDA approved the Pacific Aviation Investment Program (PAIP), a regional, horizontal Adaptable Program Loan that consists of a series of projects designed to ensure that critical aviation infrastructure meets operational safety requirements, as well as to strengthen regulatory compliance of international air transport of the participating Pacific Island Countries. Major elements of the US$155 million program focus on the upgrading of airport infrastructure and aeronautical equipment, and the strengthening of policy and regulatory capacity. Phase I of PAIP includes projects in Kiribati, Tonga and Tuvalu. Samoa entered the program in April 2014 as Phase 2, and IDA has since approved Phase 3 with Vanuatu in March 2015. The project development objective (PDO) of KAIP is “to improve operational safety and oversight of international air transport infrastructure.” with a minor change under this restructuring being the addition of “and associated infrastructure” to the end of the PDO.

**II. Proposed Development Objectives**

**A. Current Project Development Objectives – Parent**

The project development objective is to improve operational safety and oversight of international air transport infrastructure.

**B. Proposed Project Development Objectives – Additional Financing (AF)**

The project development objective is to improve operational safety and oversight of international air transport and associated infrastructure.

**III. Project Description**

**Component Name**

International Airport Infrastructure Investments

**Comments (optional)**

**Component Name**

Aviation Sector Reform and Training

**Comments (optional)**

**Component Name**

Strengthening Airport Operations and Management Capacity

**Comments (optional)**

**Component Name**

Project Support

**Comments (optional)**
IV. Financing (in USD Million)

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<th>Amount</th>
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<td>Total Bank Financing</td>
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For Loans/Credits/Others

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V. Implementation

Current Implementation Arrangement:

The Executing Agency (EA) for the project is the Ministry of Finance and Economic Development (MFED). The Implementing Agency (IA) for the project is the Ministry of Communication, Transport and Tourism Development (MCTTD). A Government Steering Committee (GSC) oversee the project and monitor the project's implementation as well as advising the GOK on any concerns or issues that may arise with regards to project implementation. A representative of the GSC will also participate in a Program Steering Committee at the regional level.

Technical and Fiduciary Service Unit (TFSU, under the aegis of Tonga Airport Limited or TAL) was set up as a regional focal point to lead program initiatives by providing technical expertise and appropriate fiduciary guidance to project management teams in each respective country, as well as implementation support to the PASO Reform Project. TFSU also aims at building local capacity within implementing entities in small state environments less familiar with World Bank project requirements, such as Kiribati.

A revised version of the Service Agreement between GoK and TAL was signed in November 2015.

VI. Safeguard Policies (including public consultation)

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Comments (optional)

VII. Contact point

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