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Pacific Aviation Investment - Kiribati (P128938)

EAST ASIA AND PACIFIC | Kiribati | Transport & ICT Global Practice |
IBRD/IDA | Adaptable Program Loan | FY 2012 | Seq No: 8 | ARCHIVED on 23-Dec-2015 | ISR21378 |

Implementing Agencies: Ministry of Communications, Transport and Tourism Development

Key Dates

Key Project Dates

Bank Approval Date:13-Dec-2011
Effectiveness Date:15-Feb-2012
Planned Mid Term Review Date:06-Nov-2014
Actual Mid-Term Review Date:06-Nov-2014
Original Closing Date:31-Dec-2016
Revised Closing Date:31-Dec-2016

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
The project development objective is to improve operational safety and oversight of international air transport infrastructure.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

Name
International Airport Infrastructure Investments:(Cost $19.73 M)
Aviation Sector Reform and Training:(Cost $1.80 M)
Strengthening Airport Operations and Management Capacity:(Cost $2.98 M)
Project Support:(Cost $2.21 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Moderately Satisfactory
Overall Risk Rating	High	High

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Implementation Status and Key Decisions

Through the efforts of KAIP, Kiribati is in the process of improving safety and security of critical airport infrastructure and building capacity within the Ministry of Communications, Transport and Tourism Development (MCTTD) to provide more effective regulatory oversight. This is expected to have a considerable impact on the growth and sustainability of the air transport market.
The following progress has been made towards parent project indicators:

1. Collection of AU$5 safety and security levy on departing international passengers
2. Navigational aids and communications equipment contracts in place with installation commencing in early 2016
3. Construction of the security fence around Bonriki airport has been completed with marked improvements in the safety of operations.
4. Completion of training needs analysis, Air Service Agreement Study, Upper Airspace review study

The signing of the revised Service Agreement in November 2015 for the Technical and Fiduciary Services Unit (TFSU) represents a significant milestone for the project. This is expected to kick-start the project, particularly the procurement of key contracts such as the terminals and management contract which have experienced long delays.

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Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	High	High
Macroeconomic	--	Substantial	Substantial
Sector Strategies and Policies	--	Substantial	Substantial
Technical Design of Project or Program	--	Low	Low
Institutional Capacity for Implementation and Sustainability	--	Substantial	Substantial
Fiduciary	--	Moderate	Moderate
Environment and Social	--	Low	Moderate
Stakeholders	--	Moderate	Moderate
Other	--	--	--
Overall	--	High	High

Results

Project Development Objective Indicators

▸ Indicator One: ICAO certification of safety and security at project airports (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Neither CXI or TRW certiifed	Neither CXI or TRW certified	Neither CXI or TRW certified	Certification of airports in accordance with agreed goals
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2016

▸ Indicator Two: State requirement for safety and security reaches global ICAO average (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	95.00	95.00	95.00	49.00

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Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2016

▸ Indicator Three: Modernization of air traffic management (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	no PASNet or ADS-B	no PASNet or ADS-B	no PASNet or ADS-B	PASNet and ADS-B operational
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2014

▸ Indicator Four: Implementation of a regional safety and security levy for international passengers (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	no levy	Levy being collected.	Levy being collected.	AU$5 collected from each departing international passenger
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2013

Overall Comments
There have been no changes in these indicators as they will require completion of infrastructure investments which have either recently commenced, or had been stalled until the very recent reengagement of TFSU. Regarding the safety and security levy (SSL), it is in place since Oct 2014. What's missing is that the proceeds go to the Aviation Special Fund where they are mixed with other funds. As a result, it is difficult to specifically track these funds from the SSL, and to monitor their use (not possible to carry out an SSL-specific audit).

Intermediate Results Indicators

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▸ Component A: Intermediate Result indicator One: Navigation and safety aids fully operational (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	10.00	100.00
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2015

▸ Component A: Intermediate Result indicator Two: Bonriki and Cassidy terminals upgraded (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	10.00	100.00
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2015

▸ Component A: Intermediate Result indicator Three: Achievement of Fire Safety Standards at Bonriki and Cassidy airports (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Category 3	Category 3	Category 3	Category 6
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2014

▸ Component B: Intermediate Result indicator One: Adoption of an Air Transport Master Plan (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No plan	Plan adopted	Plan adopted	Plan adopted
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2014

▸ Component B: Intermediate Result indicator Two: Separation of civil aviation regulatory functions from operations (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	MCTTD performs all functions	MCTTD performs all functions	MCTTD performs all functions	Regulatory functions separated
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2013

▸ Component B: Intermediate Result indicator Three: Successful implementation of agreed training plan (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No training plan	Training needs assessment completed. Implementation underway.	Training needs assessment completed. Implementation underway.	Training plan completed
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2016

▸ Component C: Intermediate Result indicator One: Award of contract for airport management and operations support (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Airport operated by MCTTD	Airport operated by MCTTD.	Airport operated by MCTTD.	Contract awarded and operational
Date	13-Dec-2011	15-Jun-2015	22-Oct-2015	30-Jun-2013

Overall Comments
The GoK has signaled that its priorities now that TFSU are reengaged are the procurement of fire tenders, terminals and the Aviation Advisor which will progress these stagnant intermediate indicators.

Data on Financial Performance

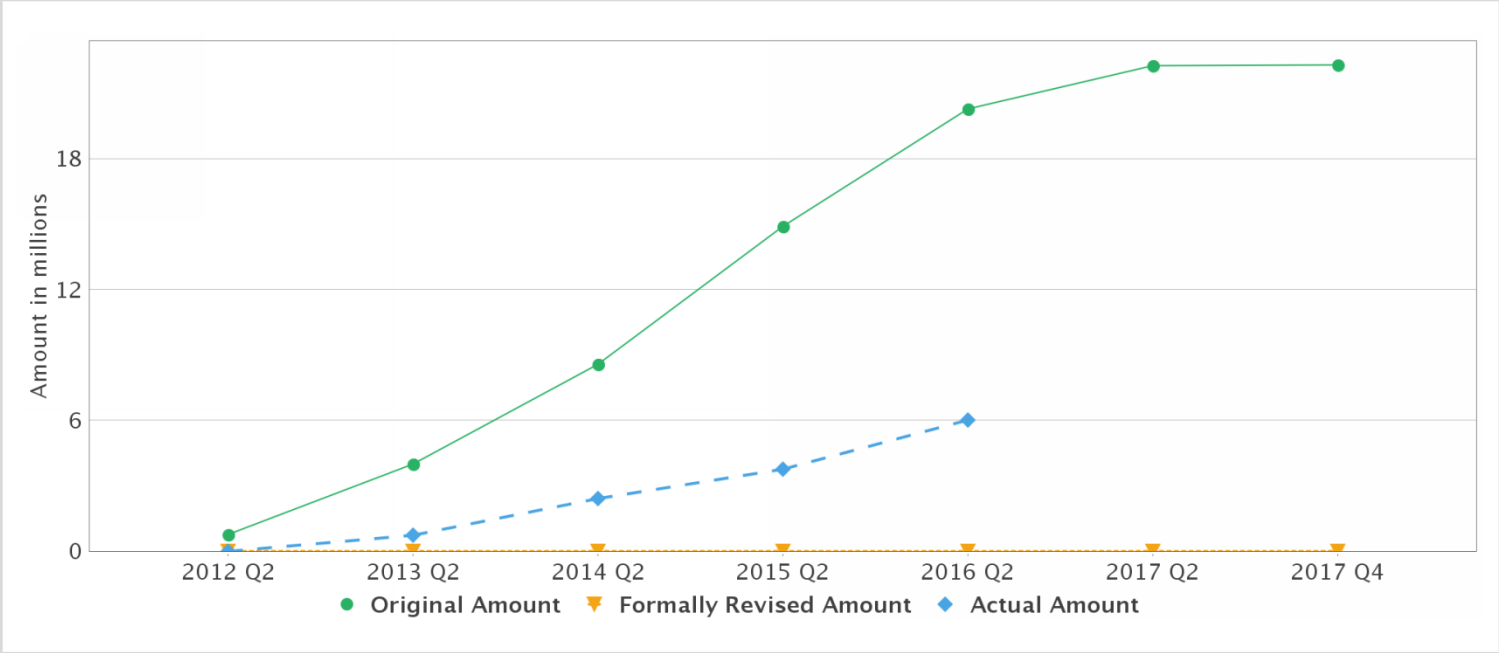
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P128938	IDA-H7420	Effective	USD	22.91	22.91	0.00	5.83	14.61	25%
P128938	TF-12678	Effective	USD	0.28	0.28	0.00	0.18	0.10	64%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P128938	IDA-H7420	Effective	13-Dec-2011	15-Dec-2011	15-Feb-2012	31-Dec-2016	31-Dec-2016
P128938	TF-12678	Effective	30-Jul-2012	08-Aug-2012	07-Nov-2012	31-Dec-2016	31-Dec-2016

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

P153381-Kiribati Aviation Investment Project Additional Financing