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Q1: Respondent details

Name	Ethan C.H. Liao
Organization	Taipei, Chinese
Email Address	chliao01@mofa.gov.tw
Phone Number	886-2-2348-2611

Q2: Country or Customs territory

TAIPEI, CHINESE

Q3: Organization

Public sector

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Q4: Title of case story

Repair and Upgrade of Bonriki International Airport (Kiribati)

Q5: Case story focus

Infrastructure upgrading and the development of related services markets, including through support for investment climate reforms.

Q6: Case story abstract

The Republic of Kiribati consists of 32 atoll islands and one raised limestone island located near the Equator and the International Date Line. Transport and communication linkage are crucial to economic and social activities such as trade, labor mobility and access to public health and medical services, as Kiribati is one of the most remote and geographically dispersed countries in the world and lacking in resources. The TaiwanICDF committed a soft loan of AUD 20.2 million to rehabilitate the runway, taxiway, apron areas and landside car park at the Bonriki International Airport in coordination with the World Bank's Kiribati Aviation Investment Project (KAIP). The project will provide a comprehensive upgrade to the airport, thereby improving aviation safety and facilitating internal and international linkages to Kiribati.

Q7: Who provided funding?

Bilateral donor

Q8: Project/Programme type

Single country

Q9: Your text case story**1. Project Description**

The Government of Kiribati (GoK) submitted a proposal requesting a loan from the TaiwanICDF for upgrading Bonriki International Airport, located in the capital, South Tarawa. The World Bank approved the Pacific Aviation Investment Program (PAIP) in December 2011 which aims to improve operational safety and oversight of international air transport infrastructure. The Kiribati Aviation Investment Project (KAIP) is part of this regional program and comprises four components as follows:

- (1) international airport infrastructure investments;
- (2) sector reform and training;
- (3) strengthening airport operations and management capacity;
- (4) project support.

Aligning with the framework of the KAIP, the TaiwanICDF and the GoK entered into a loan agreement to finance the Repair and Upgrade of Bonriki International Airport Project (Project) in 2014, at the request of the GoK. The TaiwanICDF committed a soft loan of AUD 20.2 million to the Project. As a sub-project of component (A) of the KAIP, the Project includes structural asphaltic resurfacing of the main runway, taxiway, apron areas and landside car park at the Bonriki International Airport.

2. Executing Arrangement

- (1) Executing Agency: Kiribati Ministry of Finance and Economic Development (MFED) through Kiribati Fiduciary Services Unit (KFSU)
- (2) Implementing Agency: Kiribati Ministry of Communication, Transport and Tourism Development (MCTTD) through KAIP Project Support Team (KAIP PST)
- (3) Contractor: McDowell Connell from Australia
- (4) Design and supervision consultant: AECOM from New Zealand (with cost financed by the World Bank under the KAIP)

Line Ministries (MFED, Public Works and Utilities, Environment, Land and Agricultural Development, and Line and Phoenix Development or any successors thereto) are supported in activities for which they are responsible for implementation. There is a National Steering Committee (NSC) that oversees the project and monitor the project's implementation as well as advise the GoK on any concerns or issues that may arise with regards to project implementation.

3. Project Development Objectives

The direct objective of KAIP is to improve operational safety and oversight of international air transport infrastructure in Kiribati. Given the large distance between the main islands and to the closest international commercial hubs, only air travel can be considered a viable mode of transportation. International connections are essential for the country's overseas employment opportunities, access to health and educational services and linkages to the global markets. Therefore the targeted impact of this project is to provide improved air transportation in support of economic and social development.

- (1) Output: To resurface the main runway, taxiways, apron areas and landside car park.
- (2) Outcome: To improve the infrastructure at Bonriki International Airport.
- (3) Impact: To improve the operational safety and supervision quality of air transportation of Kiribati under the framework of the KAIP and consequently boost international connections such as trade to Kiribati.

4. Project Rationale

Kiribati, made up of 32 atoll islands and one raised limestone island, is a remote and widely dispersed island country in the Pacific. Therefore, provisions of secure air traffic services are essential to the economic and social viability of the nation. For example, international trade, tourism and accessibility to medical services largely rely on flight transportation. However, the increasingly poor condition of the airport has become a threat to air safety and led to several air service shutdowns during the past years.

The project is in line with the Kiribati Sustainable Development Plan 2008-2011 set out by the Kiribati government. The Plan identifies the fisheries and tourism sectors as the backbone and mainstay of the national economy, and fundamental to fostering and securing robust economic growth. Poor and inadequate transport is identified as a key hindrance to growth on the outer islands. The national strategy calls for all sectors to develop and improve economic infrastructures (e.g. airports, terminals, shipping, telecommunication, etc.)

Q10: Lessons learnt

On-site technical assistance is critical to keep the project on schedule. For large-scale infrastructure projects with complex implementation issues such as procurement and contract management, local implementing agencies would need daily on-site technical support to ensure smooth progress of the project and enhance institutional capacity. Adverse weather should be considered when carrying out project on small island states. Adverse weather conditions such as rainfall would largely delay the construction schedule. As a result, a construction contract period based on working days is recommended, and a longer corresponding commitment period is also suggested. Regional or joint project procurement might increase bidder's incentive to participate in projects in remote countries. Regional or joint project procurement could achieve economies of scale and thus increase participation of quality bidders in projects in remote areas.

Note: The Project is still under implementation with an expected completion date by the end of 2016.
