



**National
Airports
Corporation**
PAPUA NEW GUINEA

KAVIENG AIRPORT REDEVELOPMENT PROJECT



New Kavieng Airport Terminal Building



Statement from the Managing Director And CEO

I am pleased to present you with this important update on the progress of the Kavieng Airport Re-development Project in New Ireland Province.

This milestone Project is valued at PGK125.72 million which is a significant investment by the Government of PNG and the Asian Development Bank in New Ireland Province and Papua New Guinea.

The re-development of this key infrastructure in New Ireland Province is in line with the Government of PNG's priorities to establish vital air transport infrastructure and services across the country, as enablers for better connectivity and socio-economic growth.

NAC's top priority and commitment are to ensure that the Kavieng Airport Upgrade Project is compliant with the CASA PNG Civil Aviation Rules (CARs) and the International Civil Aviation Organisation Standards and Recommended Practices (SARPs) relating to aviation safety and security standards in line with the objective of CADIP.

At the time of this report, we have achieved 97% completion of the Kavieng Airport project and we anticipate full completion and delivery of this milestone project in October 2022. Once completed and fully operational, the new and improved Kavieng Airport will again symbolise the future that NAC envisions for our network of airports to achieve improved safety and security compliance, sustainability as well as excellence in operations to meet the growing demand for air transportation in PNG and abroad.

We have an experienced and dedicated team on the ground that is ensuring that we are on track to deliver this project.

I acknowledge this significant investment by GoPNG and the ADB and the tremendous support received to date from all our key partners including the New Ireland Provincial Government, the people of New Ireland Province and our Contractor partner CRCEG. And I appeal for continued support as we work together towards the successful delivery of the project this year.

Mr Rex Kiponge
Managing Director and CEO

Background of Kavieng Airport Upgrade Project

The Kavieng Airport Upgrade Project in New Ireland Province is one of several high-impact airport infrastructure development projects funded by the Government of Papua New Guinea and the Asian Development Bank (ADB) and implemented by the National Airports Corporation (NAC) through the Civil Aviation Development Investment Program (CADIP). The Kavieng Airport has been undergoing a major upgrade with several other projects through ADB's Multi-Tranche Financing Facility (MFF) loan or Tranche 3, a financing agreement signed and approved in 2017 at the value of USD 275million.

The project was procured in 2019, whereby an Invitation for Bids (IFB) was issued, calling on qualified contractors to apply and bid for the project. After the Bid Evaluation, the ADB and NAC Board's deliberation, the Project Implementing Unit (PIU) obtained legal clearance from the State Solicitors Office to execute the contract.

The contract was signed in March 2020 between the State, the Contractor (China Railway Construction Engineering Group Co. Ltd (CRCEG)), and NAC following the National Executive Council's (NEC) endorsement of the contractor.

Project Value

The project value is K125.72 million. 91 % (PGK 114.40 million) of the total cost is from the ADB's MFF loan component, and 9% (PGK 11.32 million) of the total cost is from the GoPNG's counterpart fund.

Scope of Works

- Extension of the runway by 500 meters;
- Construction of Taxiway Bravo & Apron Expansion;
- Aircraft Pavement strengthening, and Asphalt Surfacing
- Design and Construction of a New Terminal Building & Car Park;
- Airfield Lighting & Electrical Works; and
- Other associated works.

Contract Name:	Aircraft Pavement Strengthening, Runway Extension, New Terminal Building and Associated Works at Kavieng Airport
Contractor:	China Railway Construction Engineering Group Co. Ltd (CRCEG)
Contractual Start Date:	06th July 2020
Time for Completion:	730 Days
Contractual Completion:	06th July, 2022
Revised Completion Date:	07th October 2022

Project Benefits

The Kavieng Airport Upgrade Project encompasses strengthening of the aircraft pavement to accommodate Regular Public Transport (RPT) operations by B737-800 series or similar type aircraft, the apron can accommodate one B737-800 series and two F100 type aircraft at any one time. The project will improve passenger, cargo, and aircraft safety and security and enhance operational efficiency and processing times.

A new powerhouse has been constructed and a standby generator has been installed and commissioned to provide a 24-hour backup power supply to the new terminal building and other airport facilities.

A new airport market has also been constructed under the project and will be handed over to the appropriate authority within the New Ireland Provincial Government to operate.

Achievements of the Project

- 1. Completion of Runway Pavement on time and within budget. The full runway length was made available in mid-January of this year (2022).
- 2. New Taxiway Bravo with 3No Parking Bays completed and available to aircraft.
- 3. Support landside facilities completed and ready for use including powerhouse, workshop, offices, and staff house.
- 4. Air Field Lighting and Precision Approach Path Indicator Light installation and maintenance training were undertaken at Airport by NAC and PIU staff.
- 5. Commissioning of Core Airport Equipment;
 - Inbound & Outbound Baggage Carousel;
 - Domestic & Fire Water Tanks & Pumps;
 - Lift / Elevator;
 - 2 x 400KVA Standby Generators.

New Terminal Building

The new terminal building which is near completion contains;

- 2 x VIP lounges that are accessible via a lift and staircase;
- A spacious departure lounge with a retail shop and ATM facility;
- Passenger check-in counters;
- An arrival lounge with conveyor belts for baggage/-cargoes;
- Baggage screening machines;
- Closed Circuit Camera TV (CCTVs);
- Toilet facilities and other vital services;
- People Living with Disability (PLWD) friendly facilities.

Overview Of Cadip

The Civil Aviation Development Investment Program (CADIP), is the largest civil aviation investment undertaken by the Government of PNG with support from the Asian Development Bank (ADB) and implemented by the National Airports Corporation (NAC).

CADIP was initiated by the Government of Papua New Guinea (GoPNG) and the Asian Development Bank (ADB) in 2009 at the cost of K1.67 billion. This 12-year-long program is funded through the ADB Multi-Tranche Financing Facility (MFF) loan of K1.4 billion (USD480 million) and GoPNG’s counterpart fund of K221 million (USD75 million). CADIP has been delivered through 3 Tranches or series of subprojects.

The objective of CADIP is to address the aging civil aviation infrastructure across the national airports owned and operated by the National Airports Corporation. The scope of the MFF loan financed the following:

- Priority improvements to airports and air traffic services infrastructure to ensure compliance with the CASA PNG Civil Aviation Rules (CARs) and the ICAO Standards and Recommended Practices (SARPs) relating to aviation safety and security standards;
- Upgrading of selected airports to accommodate larger aircraft in response to growth in air transport; and
- Capacity building and institutional strengthening of the NAC, Niusky Pacific Ltd (formerly PNG Air Services Ltd), and CASAPNG.



Project Implementing Unit staff

The Project Implementing Unit (PIU) – Program Director's Message



The Project Implementing Unit (PIU) was established in 2009 by the National Airports Corporation to manage and implement the Civil Aviation Development Investment Program (CADIP). PIU is staffed with 22 local staff (14 technical staff and 8 support/corporate) and one international consultant to ensure projects are delivered.

CADIP Phase 1, sometimes referred to as the flagship program for the aviation sector and possibly the country was initiated in 2009 to address the deteriorating civil aviation infrastructure in the 22 regional airports of Papua New Guinea. The implementation of CADIP aligns with the GoPNG’s Vision 2050 and as further detailed in the Medium–Term Development Plan III 2018 – 2022 to improve the country’s 22 national airports operated by NAC to ensure they meet the International Certification Standards.

The success of CADIP is evident in the improved runways and aprons that can accommodate jet and other unrestricted aircraft, new state-of-the-art terminal buildings, installation of security fencing to secure airport perimeters, and other associated works. The Kavieng Airport Upgrade is part of this success.

Furthermore, under the Kavieng Airport Upgrade, the extension area of the runway was also fenced which complements the initial security fence for this airport which was installed under Tranche 1 of CADIP. In addition, the new airport market facility constructed at the airport will provide an avenue for women to sell their handcrafts and food items to support their families.

COVID-19 had a huge impact on the commencement of the Kavieng Airport Upgrade as the project was delayed by three months until the 06th of July 2022 due to the lockdown. However, these challenges did not deter work progress on site. Though the Kavieng Airport Upgrade was one of the last two contracts under CADIP Phase 1 to be awarded in 2020, it had progressed extremely well.

I must thank the Contractor, CRCEG, who continue to work tirelessly to ensure the project is delivered on time and the CADIP PIU/Project team who have also worked so hard to develop this infrastructure. In addition, the guidance and support provided by the ADB Team as well as key stakeholders from the GoPNG including, but not limited to, the DNPM, Dept of Treasury, and Dept of Finance are greatly appreciated.

I also acknowledge the NAC Staff involved in the project as well as the Management and Board for their continuous leadership during the implementation of the project.

As we push to complete the Kavieng Airport Upgrade Project before the end of October 2022, I would also like to sincerely thank the New Ireland Provincial Government and its people for their outstanding support. Without the support of the Governor, Sir Julius Chan, the Provincial Administrator, Mr Lamiller Pawut, and the hard-working Administration and people, we would not have come this far.

Wellington Warren
Program Director

Completed Aircraft Pavement Works at Kavieng Airport

Physical Progress Status

Overall Physical Progress: 97% Complete

Airside: 100% Landside: 95%

Work Progress Onsite			
Airside Work Progress		Landside Work Progress	
	Status		Status
Runway Extension	100 %	Construction of New Terminal Building	96%
Runway, Taxiway & Apron Pavement Overlay	100%	Construction of New Powerhouse	100%
Construction of Taxiway Bravo	100%	Construction of New Airport Market Facility	100%
Apron Expansion / Widening	100%	Construction of New NAC Office	100%
Asphalt Surfacing	100 %	Construction of NAC staff house	100%
Runway Grooving	100 %	Construction of Carpark	100%
Construction of 3No. B737 Parking Pads	100%	Installation of Car Park Canopy - Drongo Bird	70%
Installation of Airfield Ground Lighting System	50%	Installation of Palisade Fencing for RWY Extension & New Terminal Building	100%
Flight Strip widening to 150m including OUD RNWY 30 End	95%		