



ASIAN DEVELOPMENT BANK

Project Data Sheet

Project 38349-013

Project Name

Air Transport Capacity Enhancement Project (formerly Civil Aviation Airport Development Project)

Project Number

38349-013

Country / Economy

- Nepal

Project Status

Closed

Project Type / Modality of Assistance

- Grant
- Loan

Source of Funding / Amount

Grant 0181-NEP: Air Transport Capacity Enhancement Project (formerly Civil Aviation Airport Development Project)

<b>Source</b>	<b>Amount</b>
---------------	---------------

Asian Development Fund	US\$ 10.00 million
------------------------	--------------------

Loan 2581-NEP: Air Transport Capacity Enhancement Project (formerly Civil Aviation Airport Development Project)

<b>Source</b>	<b>Amount</b>
---------------	---------------

Asian Development Fund	US\$ 70.00 million
------------------------	--------------------

Strategic Agendas

- Inclusive economic growth

Drivers of Change

- Governance and capacity development
- Private sector development

Sector / Subsector

- **Transport** / Air transport

Gender

No gender elements

Description

The Air Transport Capacity Enhancement Project will enhance safety and capacity at Tribhuvan International Airport (TIA) in Kathmandu and three remote domestic airports--Lukla, Rara, and Simikot. TIA's airfield side infrastructure will be reconfigured and upgraded to international safety standards, including provision or construction of (i) about 1,400 meters (m) of new main taxiways and link taxiways, (ii) runway end safety area and extension, (iii) runway approach lights, (iv) an instrument landing system localizer, (v) an uninterrupted power supply system for essential airfield and security area lights, (vi) air traffic communication equipment, (vii) additional international and domestic aircraft parking apron area, and (viii) upgrading of rescue and fire fighting system. TIA's terminal infrastructure will be rehabilitated with the existing international terminal refurbished and upgraded, and a new temporary domestic terminal of about 10,000 square meters (m<sup>2</sup>) constructed. Basic safety improvements at the three remote domestic airports include a visual approach guidance system and abbreviated precision approach path indicator at Lukla airport, and runway threshold identifiers and runway end lights, air traffic control equipment, and meteorological equipment at Simikot and Rara airports.

The Project will also improve overall sector management by implementing a 3-year capacity development program for the Civil Aviation Authority of Nepal (CAAN). CAAN's organizational and management capacity will be strengthened by updating the existing regulations, developing a strategy to adapt the regulatory framework based on international standards, improving human resources development, upgrading the financial and management information system, implementing a systematic maintenance program, and identifying viable opportunities for private sector participation for future airport infrastructure development and maintenance.

### Project Rationale and Linkage to Country/Regional Strategy

Due to the challenging terrain in Nepal, air transport is an important part of the country's overall transport system, providing access to many remote towns and villages in the mountainous areas. Nepal's natural landscape and cultural heritage offer tourism development potential. A safe and reliable air transport system is vital to achieving the Government's tourism development targets, and therefore receiving the economic benefits. TIA is the country's only international airport and safety concerns urgently need to be addressed. TIA's airside facilities, runways, taxiways, apron, and communication navigation surveillance equipment are not fully compliant with international safety standards and recommended practices. The Project will provide improvements to address the current safety issues and capacity constraints.

The domestic airports in Lukla, Rara, and Simikot serve remote areas that are otherwise inaccessible by road, and air transport is an essential mode of communications for both the local communities and tourists. These airports will support tourism development and need urgent rehabilitation and upgrading. The Project will upgrade and improve communication equipment, visual approach aids, and weather equipment.

CAAN is responsible for the administration of civil aviation in Nepal and is essentially functioning well. However, further institutional enhancement, especially in its operational efficiency and management capacity, is necessary to effectively handle the expected demand of greater air transport traffic in the medium term. Overall, the Project is to address major factors hindering the future growth of the air transport subsector by improving safety to international standards, easing capacity constraints,

and enhancing CAAN's organizational effectiveness.

## Impact

Improved transport connectivity in Nepal.

## Project Outcome

### Description of Outcome

Improved safety and capacity at TIA; enhanced safety at the remote domestic airports at Lukla, Rara and Simikot; and improved institutional capacity of CAAN.

### Progress Toward Outcome

Following outputs have been finalized by CAAN: Civil Aviation Act, National Air Transport Development Plan and Due diligence studies for private sector participation. CAAN will finalize the Corporate Business Plan and Human Resources Development Plan.

## Implementation Progress

### Description of Project Outputs

TIA's airside reconfigured for safety, landside infrastructure improved, and the CNS/ATM equipment upgraded

Basic safety infrastructure improved at the remote domestic airports in Lukla, Rara, and Simikot

CAAN's organizational and management capabilities enhanced

### Status of Implementation Progress (Outputs, Activities, and Issues)

The ICB-01 contract was terminated from 27 Dec 2016 with overall physical progress of 17.39% . Remaining works are packaged into 3 NCB contract packages - NCB-02: International Terminal Building Expansion awarded in August 2017, physical progress is 18.85%; NCB-01: Runway Extension awarded in October 2017; and NCB-03: Utility Works in October 2017, physical progress is 29.48%.

All works under ICB-02 is completed.

same as above

Equipment (VAGS and A-PAPI) have been installed in Lukla airport and are operational. At Rara and Simikot airports, supply of Snow Plough and fire fighting

equipment are completed. Supply of AFL and supply of CNS/ATM equipment is completed. Meteorological Authority is working on getting a full laboratory set up to enable the certification of RVR data.

### Geographical Location

Simikot Airport, Talcha Airport, Tenzing-Hillary Airport, Tribhuvan International Airport

## **Safeguard Categories**

Environment

B

Involuntary Resettlement

C

Indigenous Peoples

C

## **Summary of Environmental and Social Aspects**

Environmental Aspects

Complied.

Involuntary Resettlement

NA.

Indigenous Peoples

NA.

## **Stakeholder Communication, Participation, and Consultation**

During Project Design

Various level consultation with concerned stakeholders were done during project design.

During Project Implementation

All concerned Project stakeholders are being communicated, consulted, and kept on board during the Project implementation in making the project related decision and as and when needed.

## **Business Opportunities**

Consulting Services

All consultants under the Project were recruited in accordance with ADB's Guidelines on the Use of Consultants. For detail design and supervision (DSC), a firm of international consultants was recruited using quality- and cost-based selection procedures, with full technical proposal and a 90:10 proportion of quality to cost. For the development and implementation of the capacity development program, a firm of international consultants was recruited using quality- and cost-based selection procedures, with full technical proposal and a 90:10 proportion of quality to cost. Under grant component of the Project 2 consulting packages have already been procured and are in different stages of implementation.

The DSC contract expired on March 2017. Recruitment of new construction supervision consultant (CSC) is ongoing. The CSC will be recruited following Quality and Cost Based Selection (QCBS) method using full technical proposal.

Procurement

All procurements to be financed under the Project were carried out in accordance with ADB's Procurement Guidelines updated from time to time. International competitive bidding (ICB) was used for procurement of works estimated to cost more than \$1.0 million and for goods estimated to cost more than \$500,000.

Under loan component of the Project 1 works package (ICB-01) and 1 goods package (ICB-02) have been procured. Goods package is completed but works package is terminated.

Re-procurement of outstanding works will also be carried out in the same way however, for International competitive bidding (ICB) for procurement of works, a threshold of \$10.0 million will be adopted as per the recent modification.

## **Contact**

Responsible ADB Officer  
Chong, Sin Wai  
Responsible ADB Department  
South Asia Department  
Responsible ADB Division  
Transport and Communications Division, SARD  
Executing Agencies  
*Civil Aviation Authority of Nepal*

## **Timetable**

Concept Clearance  
27 Jul 2009  
Fact Finding  
19 Jul 2009 to 29 Jul 2009  
MRM  
25 Aug 2009  
Approval  
23 Nov 2009  
Last Review Mission  
-  
PDS Creation Date  
03 Aug 2009  
Last PDS Update  
03 Jul 2019

## **Funding**

**Grant 0181-NEP**

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
23 Nov 2009	25 May 2010	06 Dec 2010	30 Jun 2015	31 Dec 2018	29 Oct 2019

Financing Plan

**Total (Amount in US\$ million)**

Project Cost	10.00
ADB	10.00
Counterpart	0.00
Cofinancing	0.00

Grant Utilization

	Date	ADB	Others	Net Percentage
Cumulative Contract Awards	17 Jun 2022	9.04	0.00	90%
Cumulative Disbursements	17 Jun 2022	9.04	0.00	90%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
<b>Rating</b>	Satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

**Loan 2581-NEP**

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
23 Nov 2009	25 May 2010	06 Dec 2010	30 Jun 2015	31 Dec 2018	29 Oct 2019

Financing Plan

**Total (Amount in US\$ million)**

Project Cost	82.00
ADB	70.00
Counterpart	12.00
Cofinancing	0.00

Loan Utilization

	Date	ADB	Others	Net Percentage
Cumulative Contract Awards	17 Jun 2022	28.26	0.00	100%
Cumulative Disbursements	17 Jun 2022	28.26	0.00	100%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
<b>Rating</b>	Satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

This page was generated from /projects/38349-013/main on 07 July 2024

---

**Source URL:** <https://www.adb.org/projects/38349-013/main>