

259 Department of Transport

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2006	2007	2008	2009	2010
1673	ADB NAVAIDS REHAB.	21.0	19.4	14.0	7.0		
2430	community water	38.0	8.3	18.0	12.0	8.0	
TOTAL CAPITAL PROJECTS		59.0	27.7	32.0	19.0	8.0	
TOTAL		59.0	27.7	32.0	19.0	8.0	

259 Department of Transport

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST	2004 Actual	2005	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments								
Goods and Other Services		10.0	19.0	7.0	7.0	4.0	1.0	
Current Transfers								
Sub-Total		10.0	19.0	7.0	7.0	4.0	1.0	
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		28.0	67.7	20.7	25.0	15.0	7.0	
Capital Transfers								
Sub-Total		28.0	67.7	20.7	25.0	15.0	7.0	
A TOT DIRECT PROJECT COST		38.0	86.7	27.7	32.0	19.0	8.0	
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		38.0	86.7	27.7	32.0	19.0	8.0	
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		10.0	18.0		10.0	6.0	2.0	
b) Self Generating Revenue								
Loan		28.0	41.0		22.0	13.0	6.0	
Grant								
C TOTAL DIRECT FINANCING		38.0	59.0		32.0	19.0	8.0	
D Technical Assistance								
TOTAL FINANCING (C+D)		38.0	59.0		32.0	19.0	8.0	
FINANCING SOUGHT								
Direct Project Cost (A-C)			27.7	27.7				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			27.7	27.7				

PIP NUMBER: 1673

PROJECT NAME: ADB REHABILITATION OF MARITIME NAVAIDS

EXECUTING AGENCY: Department of Transport

PROJECT OBJECTIVIES:

To contribute to economic growth by realising the potential of the maritime transport sector. Specifically the project supports (i) geographical integration of PNG, including remote populations, (ii) distribution of goods and services to the rural poor, (iii) improve affordability, reliability, and safety in travel along the coastal areas, and (iv) development of local markets, trade with mainstream centres and with outside world with increasing efficiency. The project will greatly raise the confidence of mariners navigating in PNG coastal waters and enable them to provide improved transportation services at a lower cost and lower risk.

PROJECT STATUS:

The project loan was negotiated in August 2000 and subsequently approved by ADB in September 2000. Mobilisation and implementation began in November 2000. The project staff have been recruited and selection of consultants for the project has been completed in October 2002. Currently the Community Engagement Program which is wholly government funded is well underway for phase I while phase II will start on the completion of phase I. This includes setting community maintenance contracts, land lease agreements and awareness on the importance of the lighth house. Phase I of Civil Works Contract for lighth house in Milne Bay & hydrographic surveys have started in 2004.

PROJECT COMPONENTS:

There are 7 components to the project: (i) civil works for construction of new navigational aids and rehabilitation of existing aids, (ii) equipment for navigation aids, (iii) community engagement programme, (iv) training, (v) support to establishment of hydrographic infrastructure and management capacity, (vi) support to sector reorganisation, and (vii) support to project management.

PROJECT LOCATION:

The Project management is based in Port Moresby, however, works or actual implementation are taking place in selected maritime provinces of PNG.

PROJECT JUSTIFICATION:

About half of the population of PNG relies heavily on maritime transport, which is currently unsafe and uneconomic. The project will lower the cost of maritime transport, improve safety of maritime cargo and passenger movements, improve distribution of goods and services, support development of markets, and generate income opportunities in remote coastal rural areas. Confidence of mariners navigating in PNG coastal waters will be raised.

PROJECT CAPACITY:

One of the major components of the Project is sector restructuring which is central to the improvement in the management of the maritime sector services. The Project will assist the government in this restructure with a view to establishing an autonomous statutory entity, Maritime Safety Authority to rationalise operations.

PROJECT BENEFICIARIES:

There are four categories of beneficiaries: private ship owners through lower cost and reduced accident risks, urban and rural consumers of imported goods and services through improved delivery of goods and services, exporters through export shipping services lower transport costs, and coastal communities through improved capacity in delivery of goods and services, faster and more frequent and safer ocean services and access to markets.

PROJECT SUSTAINABILITY

Strong inclination towards institutional capacity building through project support and training ensures greater sustainability. Public information and awareness at the community levels through Community Engagement Programme also strengthens the sustainability of the project as the communities have ownership of the project.

1673 ADB REHABILITATION OF MARITIME NAVAIDS

ESTIMATED TOTAL PROJECT COST 75,100.0 ESTIMATED DURATION OF THE PROJECT 4.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments								
Goods and Other Services		6,000.0	12,000.0	6,000.0	4,000.0	2,000.0		
Current Transfers								
Sub-Total		6,000.0	12,000.0	6,000.0	4,000.0	2,000.0		
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		15,000.0	28,420.0	13,420.0	10,000.0	5,000.0		
Capital Transfers								
Sub-Total		15,000.0	28,420.0	13,420.0	10,000.0	5,000.0		
A TOT DIRECT PROJECT COST		21,000.0	40,420.0	19,420.0	14,000.0	7,000.0		
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		21,000.0	40,420.0	19,420.0	14,000.0	7,000.0		
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		6,000.0	8,000.0		5,000.0	3,000.0		
b) Self Generating Revenue								
Loan		15,000.0	13,000.0		9,000.0	4,000.0		
Grant								
C TOTAL DIRECT FINANCING		21,000.0	21,000.0		14,000.0	7,000.0		
D Technical Assistance								
TOTAL FINANCING (C+D)		21,000.0	21,000.0		14,000.0	7,000.0		
FINANCING SOUGHT								
Direct Project Cost (A-C)			19,420.0	19,420.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			19,420.0	19,420.0				

CURRENT DONOR INVOLVEMENT

The Project is funded through an ADB loan and grant assistance from the Australian Government through AusAID.

POTENTIAL DONOR INVOLVEMENT

2006 Budget Votes for this PIP are :-

25936021204 ADB MARITIME NAVIGATIONAL AIDS

PIP NUMBER: 2430

PROJECT NAME: COMMUNITY WATER TRANSPORT

EXECUTING AGENCY: Department of Transport

PROJECT OBJECTIVES:

The objective of the project is to establish and build its capacity and to rehabilitate water infrastructure, including establishing sources of income generating activity to sustain the operations of the maritime authority in the long run.

PROJECT COMPONENTS:

This project has six components, (i) Establishment of Community Water Trust Fund. (ii) Water Transport Infrastructure Restoration, (iii) Small Craft Safety, (iv) Community Development includes HIV Aids and others. (v) Establishment of the NMSA and Project Management unit to coordinate the implementation of this project within the Department of Transport.

PROJECT LOCATION:

The project is being coordinated by the Department of Transport at the national level. Project areas will cover the coastal provinces including the waterways of East Sepik, Western and the Madang provinces.

PROJECT JUSTIFICATION:

The current emphasis has been on road and airport infrastructure maintenance, hence, this project will address the water infrastructure which has been neglected over the years. This project provides an opportunity for access to services and markets for the maritime provinces.

PROJECT CAPACITY:

The project will assist the capacity of the newly established National Maritime Authority to operate as a statutory organisation.

PROJECT BENEFICIARIES:

The project will basically benefit two target groups. The Maritime Authority in terms of retrenchment, recruitment and capacity building and to generate revenue to sustain itself. Secondly, to rehabilitate the existing wharves and jetties throughout the country.

PROJECT SUSTAINABILITY

The project will be sustained through the operations of the National Maritime Authority.

2430 COMMUNITY WATER TRANSPORT

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT 7.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments								
Goods and Other Services		4,000.0	7,000.0	1,000.0	3,000.0	2,000.0	1,000.0	
Current Transfers								
Sub-Total		4,000.0	7,000.0	1,000.0	3,000.0	2,000.0	1,000.0	
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		13,000.0	39,300.8	7,300.8	15,000.0	10,000.0	7,000.0	
Capital Transfers								
Sub-Total		13,000.0	39,300.8	7,300.8	15,000.0	10,000.0	7,000.0	
A TOT DIRECT PROJECT COST		17,000.0	46,300.8	8,300.8	18,000.0	12,000.0	8,000.0	
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		17,000.0	46,300.8	8,300.8	18,000.0	12,000.0	8,000.0	
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		4,000.0	10,000.0		5,000.0	3,000.0	2,000.0	
b) Self Generating Revenue								
Loan		13,000.0	28,000.0		13,000.0	9,000.0	6,000.0	
Grant								
C TOTAL DIRECT FINANCING		17,000.0	38,000.0		18,000.0	12,000.0	8,000.0	
D Technical Assistance								
TOTAL FINANCING (C+D)		17,000.0	38,000.0		18,000.0	12,000.0	8,000.0	
FINANCING SOUGHT								
Direct Project Cost (A-C)			8,300.8	8,300.8				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			8,300.8	8,300.8				

CURRENT DONOR INVOLVEMENT

The project is jointly funded by the Asian Development Bank and the Government of Papua New Guinea.

POTENTIAL DONOR INVOLVEMENT

2006 Budget Votes for this PIP are :-

25936021206 COMMUNITY WATER TRANSPORT