



Project Summary Information

August 22, 2022

Project Name	Thailand: U-Tapao International Airport Expansion Project
Project Number	P000575
AIIB member	Kingdom of Thailand
Sector/Subsector	Transport / Air Transport
Status of Financing	Under Preparation
Project Description	<p>The U-Tapao International Airport (UTIA) is the only air transport facility in the Eastern Economic Corridor (EEC) region, which neighbors Bangkok (140 km), and consists of the Chachoengsao, Chonburi, and Rayong provinces. The Project consists of the construction of the second runway and taxiway at the UTIA and forms a critical piece of the overall UTIA expansion.</p> <p>The Project is the government's contribution to the airport expansion and operation which will be carried out under a Public-Private-Partnership (PPP) scheme; it is part of the viability gap financing of a Concession Agreement which has been awarded in 2020 to a joint venture for a 50-year period.</p> <p>This Project is part of Thailand's EEC, which aims to develop the less-developed southeast part of Thailand. The EEC includes a mixture of public and private sector investments framed in a long-term development plan. Amongst others, the EEC includes the capacity expansion of UTIA, the construction of a high-speed rail connecting Suvarnabhumi International Airport, Bangkok (metropolitan area), Don Mueang International Airport, and UTIA, the expansion of Map Ta Phut Port and Laem Chabang Port and the development of an airport city around UTIA.</p>
Objective	To expand the U-Tapao International Airport into a state-of-the-art, commercial airport, to improve Thailand's international and regional connectivity and support the development of the Eastern Economic Corridor.
Expected Results	<p>The key results will be measured and monitored using the following indicators:</p> <ul style="list-style-type: none"> (i) Annual number of passengers (ii) Airport achieving year-over-year increase in global air connectivity as measured by the IATA Air Connectivity Index
Environmental and Social Category	Category A

Environmental and Social Information	<p>Environmental and Social Policy, Standards and Categorization. AIIB's Environmental and Social Framework, May 2021, applies to the Project. The Project has been prepared consistent with the Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List. ESS 1 (Environmental and Social Assessment and Management) is applicable for the Project. ESS 2 (Land Acquisition and Involuntary Resettlement) and ESS 3 (Indigenous Peoples) are not triggered, as project activities will not cause involuntary resettlement and no Indigenous Peoples are present in, or have collective attachment to, the Project area. The Project is assigned Category A, in accordance with the ESP due to large-scale construction activities and expected significant adverse noise-related environmental and social impacts.</p> <p>Instruments. Based on national regulations, the Project Implementing Agency (PIA) prepared an Environmental and Health Impact Assessment (EHIA) for the overall airport development activities which includes the Project¹. The PIA will develop a standalone Stakeholder Engagement Plan (SEP) and a Noise Compensation Framework (NCF).</p> <p>Environmental Aspects. The potential environmental impacts resulting from the Project activities during the implementation and operation are increased noise, disposal of solid waste, and generation of wastewater. Based on the EHIA and biodiversity assessment, the impacts on avifauna are low. For the construction phase, the Project will have conventional construction-related risks and impacts manifested through dust emissions, water contamination, noise, removal of construction debris, etc. The increased flight traffic will gradually exacerbate existing noise exposure levels which are expected to peak by 2048. The air quality assessment and noise studies use annual flight data classified by aircraft type in each route. Predictions are presented in terms of Noise Exposure Forecast (NEF), a widely recognized noise metric used extensively for land use planning and assessing community response to aircraft noise. Buildings, including sensitive receptors are classified as significantly, moderately, or low impacted. The noise assessment, mitigation and management measures set out in the EHIA are broadly in line with IFC guidance and international standards. With respect to Climate Change aspects, the Project aligns with Thailand's Nationally Determined Contribution (NDC) and Long-Term Strategies (LTS) as well as a seminal methodology in development in AIIB, based on the MDB Joint Methodology for Paris Agreement alignment.</p>
---	---

¹ The overall development plan includes a satellite terminal, apron, U-Tapao high-speed railway station, commercial gateway, airport city, and cargo terminal. The AIIB financing is limited to the second runway and taxiway.

Social Aspects. The construction and operation of the Project will be confined within the territory of the existing airport and no additional land is required. Owners whose properties fall within the NEF ≥ 40 and 30-40 contours will be eligible for compensation to implement mitigation measures. In NEF ≥ 40 areas, which are assessed to be 14.30 sq km, the PIA shall negotiate to buy land and properties constructed before the date the EHIA Report is approved by National Environment Board (NEB). If the landowner does not wish to sell, the PIA will provide the financial amount to cover the renovation cost to reduce noise impact. Owners of properties and sensitive receptors located in the area exposed to NEF 30 – 40 (spread in 48.25 sq km area) will be provided with compensation to undertake mitigation measures to reduce the noise impact. While the NEF identified areas and receptors are based on peak noise impact for 2048, the compensation will be available from Q3 2023, i.e. well before impact is experienced by the communities. The EHIA also commits the PIA to establish a Foundation to provide additional financial support for affected people and communities. Project activities during the construction phase will involve typical construction risks that will be mitigated according to management plans, to be prepared by contractors in line with the frameworks defined in the EHIA. The contractors will also adopt an appropriate Code of Conduct, including relevant procedures to identify and prevent gender-based violence, sexual exploitation and abuse, and sexual harassment. A gender assessment of the project was carried out and as a result a Gender Inclusion Strategy was adopted by the PIA.

Stakeholder Engagement, Consultation, and Information Disclosure. The draft EHIA was subjected to three rounds of public consultations, as required by the Thai regulations, following prevailing COVID-19 guidance. Additional consultations in person and online were organized to clarify a revision in the predicted number of severely affected properties. The full EHIA with summaries (in Thai) were disclosed on the dedicated Project's [website](#) and are available on site. The EHIA, NCF and SEP (in Thai and English) will be made available on AIIB Projects' [website](#).

Grievance Redress Mechanism (GRM). The PIA has organized a complaints-handling mechanism covering the EHIA preparation, construction, and operational phases. This mechanism will be strengthened by multiple entry points and channels. A Monitoring Committee for the construction phase will be established, which will include representatives from the affected communities, relevant governmental agencies and the PIA. This Committee will accept complaints from the project affected people (PAP) and construction workers. During the operation phase, a dedicated Environmental Impact Mitigation Coordination Center will be established to address complaints related to functioning airport. AIIB E&S team will periodically assess and assist the PIA in strengthening the Grievance Mechanism to ensure its compliance with ESF requirements.

Cost and Financing Plan	Project Cost: USD548.91 million (inclusive of contingencies and relevant taxes) <u>Financing Plan:</u> AIIB: USD431.25 million Government of Thailand: USD117.66 million		
Borrower	Ministry of Finance, Kingdom of Thailand		
Implementing Entity	Eastern Economic Corridor Office (EECO)		
Estimated date of loan closing	Q3 2026		
Contact Points:	AIIB	Borrower	Implementing Entity
Name	Andres Pizarro	Chomchak Amonvatana	Pakorn Rattanakrod
Title	Senior Investment Operations Specialist	Director of the International Cooperation Division	Director, Office of the PPP Contract Management
Email Address	andres.pizarro@aiib.org	chomchak@pdmo.go.th	pakorn.rat@eeco.or.th
Date of Concept Decision	November 24, 2021		
Date of Appraisal Decision	July 6, 2022		
Estimated Date of Financing Approval	Q3 2022		
Independent Accountability Mechanism	AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through the GRM or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html		