



### Project Summary Information

November 4, 2024

<b>Project Name</b>	Thailand: U-Tapao International Airport Expansion Project (The Construction of the U-Tapao International Airport Second Runway and Taxiway)
<b>Project Number</b>	P000575
<b>AIIB member</b>	Kingdom of Thailand
<b>Sector/Subsector</b>	Transport / Air Transport
<b>Status of Financing</b>	Approved
<b>Project Description</b>	<p>This 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 is the key industrial and logistics center of Thailand. The aim of EEC is to uplift the country's competitiveness with investments in future S-curve industries. 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 development of an airport city around UTIA, the construction of a high-speed rail connecting Suvarnabhumi International Airport, Bangkok (metropolitan area), Don Mueang International Airport and UTIA, and the expansion of Map Ta Phut Port and Laem Chabang Port.</p>
<b>Objective</b>	To expand the UTIA into a state-of-the-art, commercial airport, to improve Thailand's international and regional connectivity and support the development of the EEC.
<b>Expected Results</b>	<p>The key results will be measured and monitored using the following indicators:</p> <ul style="list-style-type: none"> <li>(i) Annual number of passengers</li> <li>(ii) Airport achieving year-over-year increase in global air connectivity as measured by the IATA Air Connectivity Index</li> </ul>

<b>Environmental and Social Category</b>	Category A
<b>Environmental and Social Information</b>	<p><b>Environmental and Social Policy, Standards and Categorization.</b> AIB's Environmental and Social Framework 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><b>Instruments.</b> Based on national regulations, the Project Implementation Agency (PIA) prepared an Environmental and Health Impact Assessment (EHIA) for the overall airport development activities which includes the Project activities. The EHIA includes Environmental and Social Management Plans (ESMPs) for the potential E&amp;S risks and impacts during the construction and operational phases in the areas of noise pollution, air emissions, wastewater, traffic, labor and occupational health and safety risks. The EHIA contains elaborate documentation of the multiple rounds of consultations held with the Project-Affected People (PAP). While the EHIA is assessed to be largely aligned with ESF requirements, a standalone Stakeholder Engagement Plan (SEP), Noise Compensation and Management Framework (NCMF) have been developed and disclosed on July 1, 2022. The NCMF will guide the preparation of detailed compensation plans for those affected by the increased noise exposure during the airport operations. The NCMF includes the noise-mitigation process outlined in the EHIA and provides measures to support PAP, mainly - vulnerable owners. NCMF provides details on enumeration of assets, valuation process, negotiation process together with timelines and institutional arrangements.</p> <p><b>Environmental Aspects.</b> 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</p>

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 National 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.

**Social Aspects.** The construction and operation of the Project is confined within the territory of the existing airport and no additional land is required. Owners whose properties fall within the NEF  $\geq 40$  and 30-40 contours will be eligible for compensation to implement mitigation measures. In NEF  $\geq 40$  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). The PIA will provide the financial amount to cover the renovation cost to reduce noise impact to those landowners who do not consider selling. 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 the compensation is expected to be available from 2024, 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 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. 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) are 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 consists of 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. Bank will periodically assess and assist the PIA in strengthening the Grievance Mechanism.				
<b>Cost and Financing Plan</b>	Project Cost: USD539.81 million <u>Financing Plan:</u> AIB: USD423.05 million Government of Thailand: USD116.75 million				
<b>Borrower</b>	Ministry of Finance, Kingdom of Thailand				
<b>Implementing Entity</b>	Eastern Economic Corridor Office (EECO)				
<b>Estimated date of loan closing</b>	August 31, 2029				
<b>Contact Points:</b>	<b>AIB</b>			<b>Borrower</b>	<b>Implementing Entity</b>
<b>Name</b>	Andres Pizarro	Geoffrey Leonard	Anne Ong Lopez	Chomchak Amonvatana	Wittaya Noppawun
<b>Title</b>	Manager	Investment Officer	Investment Officer	Director of the International Cooperation Division	Executive Director of U-Tapao Airport and Airport City PPP Project Management Division
<b>Email Address</b>	<a href="mailto:andres.pizarro@aiib.org">andres.pizarro@aiib.org</a>	<a href="mailto:Geoffrey.leonard@aiib.org">Geoffrey.leonard@aiib.org</a>	<a href="mailto:Anne.onglopez@aiib.org">Anne.onglopez@aiib.org</a>	<a href="mailto:chomchak@pdmo.go.th">chomchak@pdmo.go.th</a>	<a href="mailto:wittaya.nop@eeco.or.th">wittaya.nop@eeco.or.th</a>
<b>Date of Concept Decision</b>	November 24, 2021				
<b>Date of Appraisal Decision</b>	July 8, 2022				

<b>Date of Financing Approval</b>	October 30, 2024
<b>Independent Accountability Mechanism</b>	AIIB's Policy on 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 its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit website at: <a href="https://www.aiib.org/en/our-work/infrastructure/infrastructure-projects/infrastructure-projects-people-affected-mechanism">How We Assist You - Project-Affected People's Mechanism (aiib.org)</a>