



Australian Government
Department of Foreign Affairs and Trade



Australian
Infrastructure
Financing Facility
for the Pacific



Australian Infrastructure Financing Facility for the Pacific

ANNUAL UPDATE

July 2023 – June 2024



ABOUT THE AIFFP

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) is the Australian Government's specialist infrastructure financing program within the Department of Foreign Affairs and Trade. We are an AUD4 billion facility investing in transformational infrastructure across a range of sectors in the Pacific and Timor-Leste, including maritime, airports, energy, telecommunications, road transport and urban infrastructure. Export Finance Australia acts as the lender of record.

The AIFFP provides financing to deliver quality infrastructure with a focus on strong social and environmental safeguards, generating local jobs and responding to the priorities of diverse communities. The AIFFP builds on Australia's longstanding partnerships with the Pacific and its experience delivering quality aid programming that supports sustained development outcomes for communities. The AIFFP began operating on 1 July 2019 and had 28 announced projects across the Pacific and Timor-Leste in FY2023-24.

MISSION AND VALUES

The AIFFP's overarching goal is to strengthen Australia's engagement and leadership in the Pacific and Timor-Leste through the financing and delivery of priority, transformative infrastructure. The AIFFP was established with three high-level objectives, which together contribute to ensure:

-  Pacific countries and Timor-Leste have increased access to capital to support quality, resilient and inclusive economic infrastructure.
-  Australia delivers infrastructure financing that meets the development needs of Pacific countries and Timor-Leste.
-  Australia is a partner of choice for financing infrastructure in the Pacific and Timor-Leste.

ACKNOWLEDGEMENT OF COUNTRY

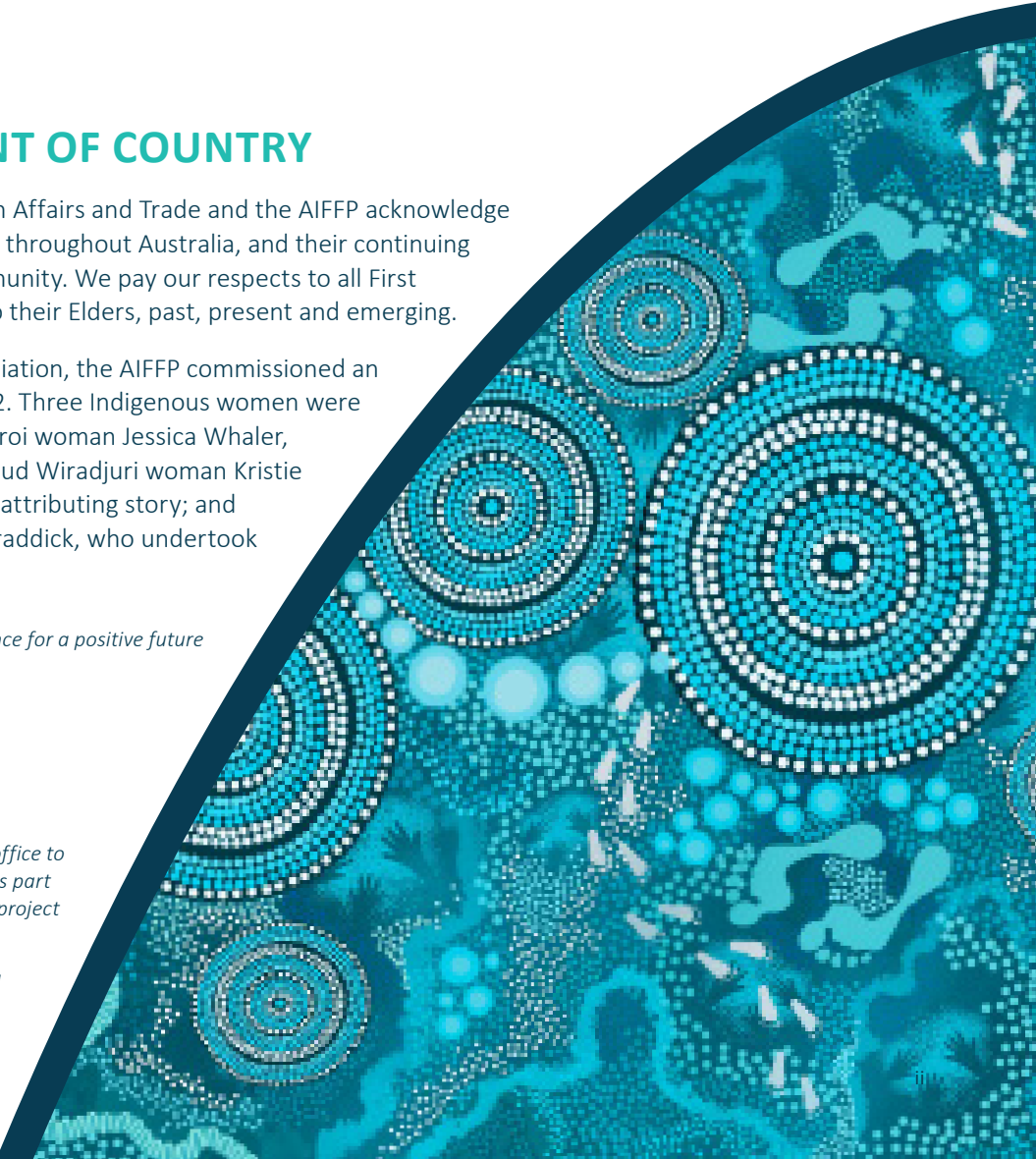
The Australian Department of Foreign Affairs and Trade and the AIFFP acknowledge the Traditional Custodians of Country throughout Australia, and their continuing connection to land, waters and community. We pay our respects to all First Nations peoples, their cultures and to their Elders, past, present and emerging.

As part of its commitment to reconciliation, the AIFFP commissioned an Acknowledgement of Country in 2022. Three Indigenous women were involved in the project: proud Gamilaroi woman Jessica Whaler, who initiated and led the project; proud Wiradjuri woman Kristie Peters, who created the artwork and attributing story; and proud Wandandian woman Mandy Braddick, who undertook graphic design.

Artwork name: Making a difference for a positive future

Cover image: From the project management office to the factory floor, women are leading efforts as part of the 'Upgrading Tonga's international port' project

Image on left: Timor-Leste and Australian Government stakeholders at the cable landing as part of the 'Connecting Timor-Leste to the internet via submarine cable' project





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Image: Part of the 'Enhancing boat harbours across Tuvalu' project, the upgraded Nui island harbour is now climate resilient

The AIFFP at a glance

as at 30 June 2024

 **AUD4 BILLION**
IN TOTAL FUNDING

 **AUD2 BILLION#**
OF PROJECTS
ANNOUNCED

 **CLOSE TO 700**
JOBS CREATED*

 **64 AIFFP STAFF IN**
5 COUNTRIES



AUD350 MILLION
IN FINANCING FOR
CLIMATE INFRASTRUCTURE
THROUGH THE PACIFIC CLIMATE
INFRASTRUCTURE FINANCING
PARTNERSHIP (PCIFP)



WORKING IN
11 COUNTRIES
ACROSS THE PACIFIC



28
SIGNED AND ANNOUNCED
INFRASTRUCTURE PROJECTS
INCLUDING
10 OFF-GRID
ENERGY PROJECTS
THROUGH THE PCIFP

 **8 BRIDGES COMPLETE**

 **1.5 MILLION**
METRES SQUARED
OF ROADS RESURFACED

2023-24 HIGHLIGHTS

2023-24 marked an important year for the AIFFP as the facility shifted its focus from originating a pipeline of transformational projects across the Pacific to the implementation of a complex portfolio of infrastructure assets. As at 30 June 2024, the AIFFP had announced 28 projects across 11 countries in the region worth AUD2 billion, with notable progress made in the delivery of transportation, energy and climate infrastructure.

* Figures only from projects where implementation has progressed to involve local engagement, which constitute 18 per cent of total projects

Includes project preparation and implementation costs such as feasibility studies, monitoring and evaluation expenditure and capitalised interest

 **15 PROJECTS ANNOUNCED, INCLUDING**
10 NEW CLIMATE PROJECTS ACROSS THE REGION

 **FIRST PROJECTS IN**
TONGA AND TUVALU

 **160**
LOCAL JOBS CREATED*


2 MOUS
SIGNED WITH PARTNER
GOVERNMENTS

 **FIRST LOAN REPAYD AND**
GUARANTEE FULLY DISCHARGED

 **CLOSE TO**
AUD260 MILLION
IN NEW PROJECT
FINANCING ANNOUNCED

 **1 SOLAR POWER**
PROJECT COMPLETE

 **1 BOAT HARBOUR**
COMPLETE

 **FIRST PROJECT IN**
VANUATU
(VIA THE PCIFP)

KEY ACHIEVEMENTS IN 2023-24

2023

Connecting boat harbours across Tuvalu project announced

AUGUST

Upgrading Tonga's international port project announced

SEPTEMBER

Construction completed as part of Building Palau's first utility-scale solar power plant project

DECEMBER

AUGUST

The AIFFP and Vanuatu sign an MOU in support of Vanuatu's aviation sector

OCTOBER

Supporting opportunities to connect to the Hawaiki Nui submarine cable network project announced

2024

The AIFFP commits USD150 million in support of essential energy upgrades across Papua New Guinea

FEBRUARY

Vuniyasi Bridge and Wainawi Bridge completed as part of Upgrading roads and bridges across Fiji project

FEBRUARY

FEBRUARY

First two PCIFP projects announced:
• Accelerating access to renewable energy and jobs for remote Papua New Guinea communities; and
• Generating energy security for essential healthcare in Solomon Islands.

First loan repaid and guarantee fully discharged

MAY

The AIFFP and Fiji sign an MOU in support of Fiji's maritime sector

MAY

MAY

Rehabilitating Solomon Islands' Tulagi Shipyard (formerly Sasape Shipyard) project announced

JUNE

JUNE

Nui harbour upgrades completed as part of Connecting boat harbours across Tuvalu project

Eight PCIFP projects announced:

- Piloting a sustainable solar energy model for Fiji's remote school communities;
- Empowering local women and enabling greater access to clean energy and water in Kiribati;
- Lighting the way for Kokoda College's sustainable future in Papua New Guinea;
- Securing access to renewable energy on Solomon Islands' Savo Island;
- Powering Solomon Islands' Vavanga community with affordable renewable energy;
- Energising Solomon Islands' Malaita community with affordable solar power;
- Catalysing coffee through renewable energy for off-grid communities in Timor-Leste; and
- Strengthening women's control and access to clean and affordable energy in Vanuatu.

JUNE

Cable landing as part of Connecting Timor-Leste to the internet via submarine cable project

JUNE

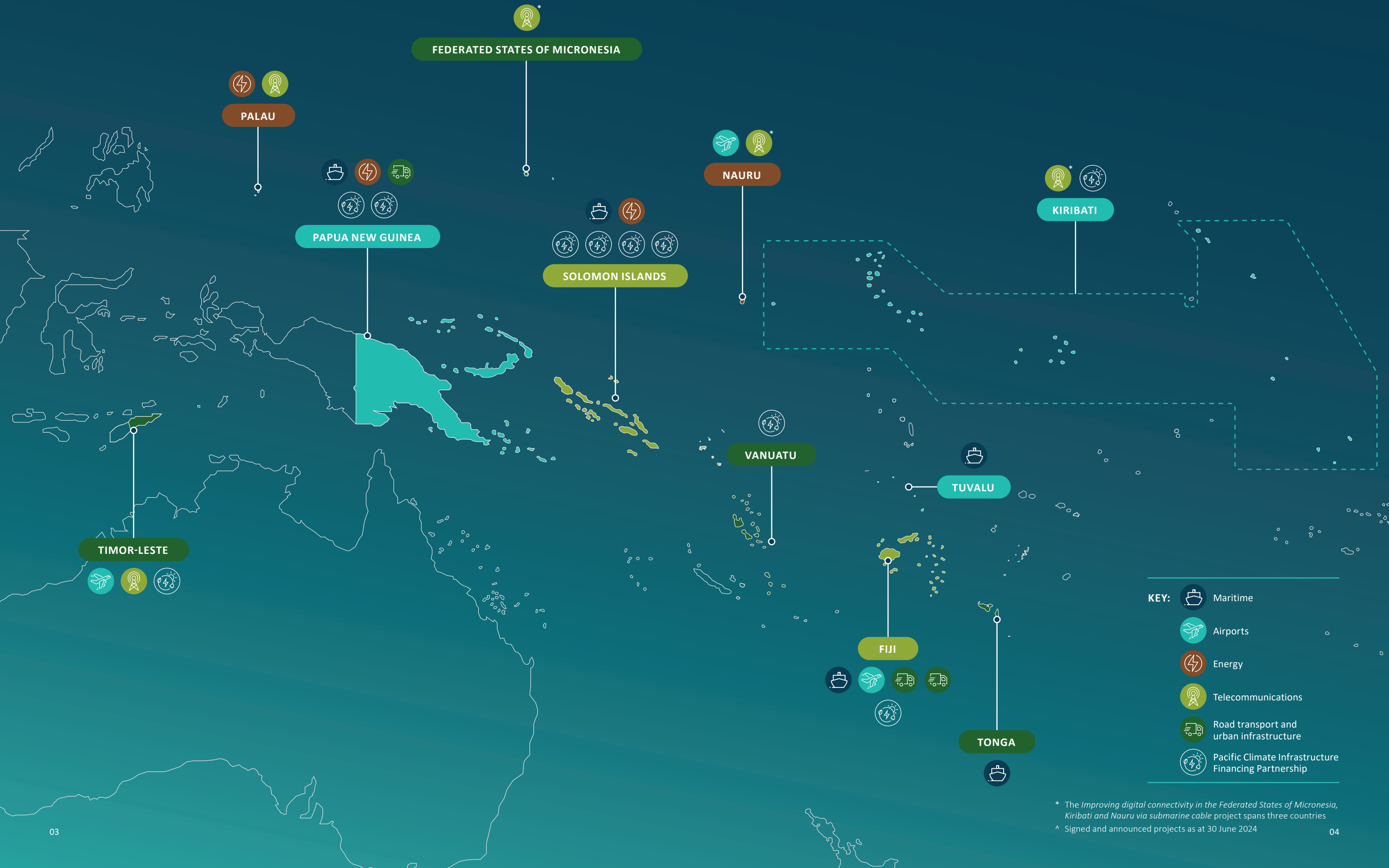
First phase of works completed at Queen Salote International Port as part of the Upgrading Tonga's international port project

Where we work

COUNTRIES
11

PROJECTS[^]
28

PARTNERS
54



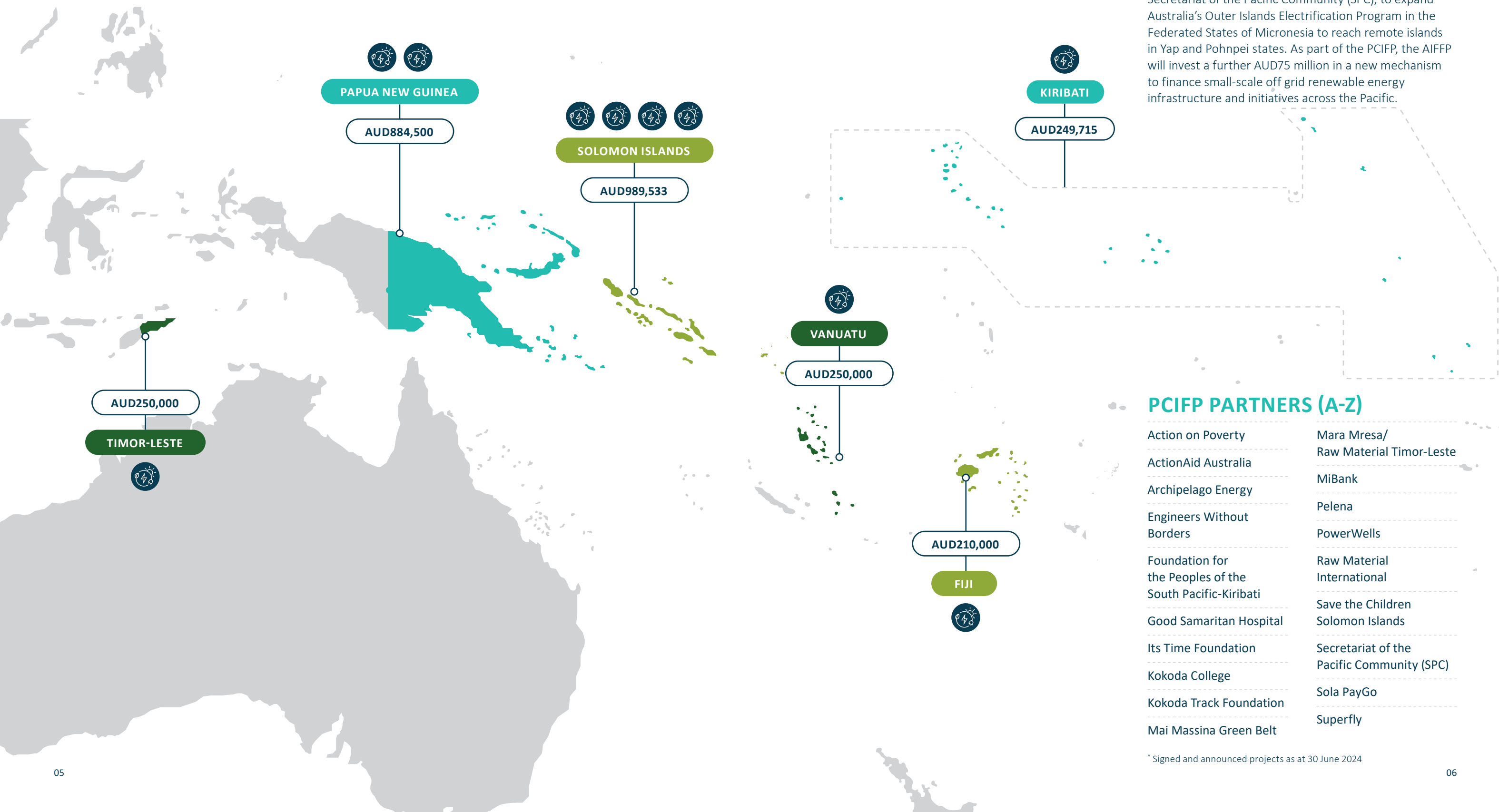
- KEY:**
- Maritime
 - Airports
 - Energy
 - Telecommunications
 - Road transport and urban infrastructure
 - Pacific Climate Infrastructure Financing Partnership

* The Improving digital connectivity in the Federated States of Micronesia, Kiribati and Nauru via submarine cable project spans three countries
[^] Signed and announced projects as at 30 June 2024

In focus: Financing small scale climate solutions



TOTAL VALUE OF INVESTMENTS TO DATE AUD2.8 MILLION	COUNTRIES 6	PROJECTS 10[^]	PARTNERS 19
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Australia is committed to supporting Pacific island countries and Timor-Leste to achieve their climate ambitions. Through the Pacific Climate Infrastructure Financing Partnership (PCIFP), Australia will invest AUD350 million to help the Pacific transition to renewable energy and fund critical climate adaptation works. The PCIFP expands the AIFFP's climate capability enabling it to finance dedicated infrastructure investments that help countries and communities to adapt to climate change, reduce greenhouse emissions and expand access to clean energy.

In the 2023-24 year, the AIFFP undertook extensive consultations with more than 200 stakeholders to understand the needs of remote and rural communities in the Pacific and how Australia can provide support. An initial call for Off-Grid Renewable Energy Partnerships was launched in August 2023, receiving 74 proposals for projects in 9 countries across the region from 126 private sector and community groups.

10 new partnerships across six countries were selected, worth AUD2.8 million. The AIFFP also announced an AUD4 million investment, in partnership with the Secretariat of the Pacific Community (SPC), to expand Australia's Outer Islands Electrification Program in the Federated States of Micronesia to reach remote islands in Yap and Pohnpei states. As part of the PCIFP, the AIFFP will invest a further AUD75 million in a new mechanism to finance small-scale off grid renewable energy infrastructure and initiatives across the Pacific.

PCIFP PARTNERS (A-Z)

- | | |
|--|--|
| Action on Poverty | Mara Mresa/
Raw Material Timor-Leste |
| ActionAid Australia | MiBank |
| Archipelago Energy | Pelena |
| Engineers Without Borders | PowerWells |
| Foundation for the Peoples of the South Pacific-Kiribati | Raw Material International |
| Good Samaritan Hospital | Save the Children Solomon Islands |
| Its Time Foundation | Secretariat of the Pacific Community (SPC) |
| Kokoda College | Sola PayGo |
| Kokoda Track Foundation | Superfly |
| Mai Massina Green Belt | |

[^] Signed and announced projects as at 30 June 2024

In focus: Financing small scale climate solutions (continued)



PROJECTS (A-Z)

Project name: *Accelerating access to renewable energy and jobs for remote Papua New Guinea communities*
Partners: Sola PayGo; MiBank **AIFFP contribution:** AUD609,500

Project name: *Catalysing coffee through renewable energy for off-grid communities in Timor-Leste*
Partners: Engineers Without Borders; Mara Mresa/Raw Material Timor-Leste; Raw Material International **AIFFP contribution:** AUD250,000

Project name: *Empowering local women and enabling greater access to clean energy and water in Kiribati*
Partners: Action on Poverty; Foundation for the Peoples of the South Pacific-Kiribati **AIFFP contribution:** AUD249,715

Project name: *Energising Solomon Islands' Malaita community with affordable solar power*
Partners: Superfly; Mai Massina Green Belt; Save the Children Solomon Islands **AIFFP contribution:** AUD244,551

Project name: *Generating energy security for essential healthcare in Solomon Islands*
Partners: Superfly; Good Samaritan Hospital **AIFFP contribution:** AUD245,000



Project name: *Lighting the way for Kokoda College's sustainable future in Papua New Guinea*
Partners: Kokoda Track Foundation; Kokoda College **AIFFP contribution:** AUD275,000

Project name: *Piloting a sustainable solar energy model for Fiji's remote school communities*
Partner: Its Time Foundation **AIFFP contribution:** AUD210,000

Project name: *Powering Solomon Islands' Vavanga community with affordable renewable energy*
Partner: Pelena **AIFFP contribution:** AUD250,000

Project name: *Securing access to renewable energy on Solomon Islands' Savo Island*
Partner: Archipelago Energy **AIFFP contribution:** AUD249,982

Project name: *Strengthening women's control and access to clean and affordable energy in Vanuatu*
Partners: ActionAid Australia; PowerWells **AIFFP contribution:** AUD250,000

Image above: A community event celebrating the completion of the 'Generating energy security for essential healthcare in Solomon Islands' project at Good Samaritan Hospital in Tere, Solomon Islands

Image left: School children on Rabi Island will benefit from more reliable energy through the 'Piloting a sustainable solar energy model for Fiji's remote school communities' project

Our projects

MARITIME

TOTAL VALUE OF SIGNED INVESTMENTS FY23-24
AUD681.5 MILLION#

PROJECTS

- Enhancing boat harbours across Tuvalu*
- Upgrading ports across Papua New Guinea*
- Upgrading Tonga's international port*
- Rehabilitating Solomon Islands' Tulagi Shipyard (formerly Sasape Shipyard)*

PARTNERS

- Asian Development Bank
- Fiji Ports Corporation Limited
- Government of the Kingdom of Tonga
- Government of Papua New Guinea
- Government of Tuvalu
- PNG Ports Corporation Limited
- Solomon Islands Shipyard Limited

Excluding project preparation and implementation costs

The AIFFP continued its focus on supporting core maritime infrastructure in the region, announcing three new maritime projects in the year. The projects in Tuvalu, Tonga and Solomon Islands will strengthen essential trade and transportation links and will make an important contribution to economic development across the region.



TUVALU

In August 2023, the AIFFP announced AUD21.4 million to support upgrades to two of Tuvalu's critical boat harbours, co-financed with the ADB. The *Enhancing boat harbours across Tuvalu* project progressed ahead of schedule throughout the year, with the completion of Nui Harbour in June 2024, increasing the availability and reliability of transport options for both passengers and cargo travelling between the island and Tuvalu's capital. Works included a new boat wharf, cargo shed and passenger terminal as well as safety features such as 24-hour solar lighting, guard rails and signage, making it safer for women, people with disabilities, elderly passengers, and children to travel. Work on the Niutao Harbour is expected to commence in 2025.



TONGA

Works progressed significantly at Queen Salote International Port, part of the *Upgrading Tonga's international port* project, with completion of the project's first phase in June 2024. The AIFFP is contributing a AUD31.3 million grant towards the AUD138.3 million project with the ADB, which includes reinstating one wharf, extending a second wharf by 50 metres with new navigation markers, and upgrading port service systems.



SOLOMON ISLANDS

In May 2024, the AIFFP announced the *Rehabilitating Solomon Islands' Sasape Shipyard* project, recently renamed the Tulagi Shipyard, which includes a loan of AUD7 million through the AIFFP. As one of two commercial shipyards in Solomon Islands, and with demand growing for vessel maintenance services, the upgrades will mean Tulagi Shipyard has the potential to attract vessels from across the region.



FIJI

Australia and Fiji signed a Memorandum of Understanding (MOU) on Port Infrastructure and Services demonstrating our commitment to work together in the maritime sector and providing a framework for future investment. Preparatory work includes a commitment of up to AUD380,000 to Fiji Ports Corporation Limited for a feasibility study to inform options for the development of the foreshore area within the Port of Lautoka, and a further commitment of AUD115,000 to build on this study and develop a Lautoka Port Master Plan.



PAPUA NEW GUINEA

In support of the ongoing delivery of the *Upgrading ports across Papua New Guinea* project, the AIFFP has been working with PNG Ports Corporation Limited to design and construct key ports across the country, beginning with Kimbe Port in West New Britain Province.



Image: Fiji Roads Authority workers attend General Construction Safety Induction training

Our projects (continued)

AIRPORTS

TOTAL VALUE OF SIGNED INVESTMENTS FY23-24
AUD188.2 MILLION#

PROJECTS

Redeveloping Timor-Leste's international airport

Upgrading Fiji's international and outer island airports

Improving Nauru's international airport

PARTNERS

Democratic Republic of Timor-Leste

Asian Development Bank

International Finance Corporation

Japan International Cooperation Agency

Australian Government's Partnerships for Infrastructure program

Airports Fiji Pte Ltd

ANZ Fiji

Government of Nauru

Nauru Department of Transport

Excluding project preparation and implementation costs

The AIFFP continued to invest in the region's aviation sector during the year. Safer, more sustainable and resilient airport infrastructure and services are critical to support regional tourism and to enable the movement of people, goods and services across the Pacific.



FIJI

As of the end of 2023, six of eight sub-projects as part of the *Upgrading Fiji's international and outer island airports* project were complete. This included improvements to the air traffic management and security systems as well as works to increase aircraft parking capacity and essential airport maintenance and capital upgrades. The investment was crucial for enhancing airport serviceability and safety, and scaling up capacity. Importantly, the AIFFP and ANZ's financing also supported the airport to operate throughout the COVID-19 pandemic and withstand the impact of global travel restrictions. In May 2024, ANZ refinanced the AIFFP loan and discharged the AIFFP guarantee on the back of Fiji Airports' strong financial performance post the COVID-19 pandemic. This represents the first AIFFP financing package that has been fully repaid and discharged and is a strong demonstration of the AIFFP's role as a gap financier.



VANUATU

In August 2023, Australia and Vanuatu signed a memorandum of understanding (MOU) in support of Vanuatu's aviation sector and key aviation projects

that respond to Vanuatu's investment priorities. Under the MOU, the AIFFP will focus on the design and scoping of a package of infrastructure works at Vanuatu's main airports, estimated at around AUD80 million, and will continue to support Airports Vanuatu Limited update its 2018 Airports Masterplan.



NAURU

Progress has continued on the AIFFP's investments to improve Nauru's international airport, which includes the resurfacing of the international airport runway and upgrades to critical air traffic control equipment. The AIFFP is working with the Government of Nauru to procure quality contractors for the design and build contract.



TIMOR-LESTE

In Timor-Leste, AIFFP financing, alongside the ADB and the Japan International Cooperation Agency (JICA), will support the construction of a number of auxiliary airport assets for the nation's sole international airport. Progress on the project has been delayed, including as a result of national elections in Timor-Leste. Work is expected to recommence in 2025.

ENERGY

TOTAL VALUE OF SIGNED INVESTMENTS FY23-24
AUD155.7 MILLION#

PROJECTS

Building Palau's first utility-scale solar power plant

Connecting Solomon Islands' capital to electricity via transmission line

Powering homes and businesses in Papua New Guinea's Morobe and East New Britain provinces

PARTNERS

Government of Papua New Guinea

PNG Power Limited

Palau Public Utilities Corporation

Solomon Islands Government

Solomon Islands Electricity Authority

Solar Pacific Pristine Power Inc[^]

Excluding project preparation and implementation costs

[^] Solar Pacific Pristine Power is a special purpose vehicle incorporated in Palau by Solar Pacific Energy Corporation. Solar Pacific Energy Corporation is a renewable energy developer based in the Philippines and part of the Alternergy group

Access to reliable energy is a core priority for Pacific island countries and Timor-Leste. The AIFFP is supporting a number of transformational energy projects across the region, including a growing focus on renewable energy infrastructure.



PALAU

Construction on the *Building Palau's first utility-scale solar power plant* project was completed in December 2023, making it the first AIFFP project to reach completion. The plant is now fully operational, realising immediate benefits for Palau Public Utilities Corporation. Comprising a 15.28-megawatt peak capacity solar power facility and a 12.9-megawatt battery energy storage system, this project is among the largest hybrid facilities of its kind in the Pacific and enables Palau to generate up to 20 per cent of its energy requirements through renewable sources. The project demonstrates how AIFFP financing can support private sector investors and proponents to develop large scale infrastructure, and meet the Pacific's climate objectives.



SOLOMON ISLANDS

Work has continued on the *Connecting Solomon Islands' capital to electricity via transmission line* project during the year. The project is dependent on the rollout of the Tina River Hydro Power project, which is not funded by the AIFFP. Following the resolution of commercial issues with respect to the main hydro power project in 2024, the *Connecting Solomon Islands' capital to electricity via transmission line* project can now progress and is scheduled to commence construction in 2025.



PAPUA NEW GUINEA

In February 2024, the AIFFP announced USD150 million to repair and upgrade key energy assets across Papua New Guinea, a major project under the PCIFP. The grant and concessional loan package will finance the refurbishment of the Ramu 1 hydropower plant, the construction of the Gerehu transmission substation and the installation of smart meters in businesses and residences across Papua New Guinea. These improvements will increase access to reliable and sustainable electricity for communities in cities, towns and remote villages, allowing for improved economic opportunities and access to health and education services.

As part of the *Powering homes and businesses in Papua New Guinea's Morobe and East New Britain provinces* project, the AIFFP will finance household electricity connections for communities in Papua New Guinea. Over the year, the AIFFP has worked closely with PNG Power Limited (PPL) to help procure a quality construction supervision consultant and a works contractor to deliver the transmission infrastructure.

Our projects (continued)



TELECOMMUNICATIONS

TOTAL VALUE OF SIGNED INVESTMENTS FY23-24
AUD117.5 MILLION#

PROJECTS

Improving digital connectivity in the Federated States of Micronesia, Kiribati and Nauru via submarine cable

Connecting Timor-Leste to the internet via submarine cable

Expanding digital connectivity in Palau via a submarine cable system

Supporting opportunities to connect to the Hawaiki Nui submarine cable network

PARTNERS

BwebwerikiNET Limited of Kiribati

BW Digital

Belau Submarine Cable Corporation

FSM Telecommunications Cable Corporation

Governments of Republic of Nauru, Republic of Kiribati, Federated States of Micronesia, Republic of Palau, Timor-Leste, Japan and United States

Nauru Fibre Cable Corporation

NEC Corporation

Vocus Group

Excluding project preparation and implementation costs

Australia is committed to supporting telecommunications infrastructure in the Pacific, and ensuring secure, reliable and resilient communications networks across the region. The AIFFP grew its portfolio of telecommunications projects in 2023-24, announcing a number of key investments during the year.

REGIONAL

Announced in October 2023, the *Supporting opportunities to connect to the Hawaiki Nui submarine cable network* project aims to provide options for future connectivity for some Pacific island countries. The project includes the installation of branching units and the acquisition of capacity to make possible future branch systems to some Pacific island countries, supporting telecommunications connectivity and resilience for the region. The project is expected to be ready for service in 2027 and highlights Australia's commitment to bridge the digital divide for Pacific island countries and Timor-Leste.

Work continues on the *Improving digital connectivity in the Federated States of Micronesia, Kiribati and Nauru via submarine cable project* with the completion of a marine survey in November 2023. The survey collected information on the seafloor conditions along the planned cable route, which was selected to minimise environmental impacts and maximise cable protection. Manufacture of the cable commenced in February 2024. Procurement processes and contracts were finalised for the project's civil works and cable landing stations at the four cable landing sites during the year, with the project on track and the cable scheduled to be ready for service by December 2025.



PALAU

The AIFFP has partnered with the Governments of Palau, Japan and the United States to support the construction of a second submarine telecommunications cable for Palau, via the *Expanding digital connectivity in Palau via a submarine cable system* project. All land-based construction works have been completed and the submarine cable has been laid. The final splice remains the only task to complete for the branch system to be operational. The cable is expected to be ready for service in 2025.



TIMOR-LESTE

In June 2024, the *Connecting Timor-Leste to the internet via submarine cable* project achieved a major milestone, with commencement of the cable lay from Dili to Australia for Timor-Leste's first submarine cable. The AIFFP is providing advisory support to the Government of Timor-Leste for the project, which will deliver faster and more reliable internet connectivity to communities across the nation. Timor-Leste currently remains one of the few countries not connected to an international submarine telecommunications cable, with its internet connectivity relying on satellite and microwave radio.



ROAD TRANSPORT AND URBAN INFRASTRUCTURE

TOTAL VALUE OF SIGNED INVESTMENTS FY23-24
AUD153.2 MILLION#

PROJECTS

Maintaining the Wau Highway in Papua New Guinea

Restoring roads and bridges across Fiji

Reducing the impact of floods in Nadi, Fiji

PARTNERS

Republic of Fiji Government

Fiji Roads Authority

Government of Papua New Guinea

Papua New Guinea Department of Works

Excluding project preparation and implementation costs

Progress continued in 2023-24 across the AIFFP's road transport and urban infrastructure projects in Papua New Guinea and Fiji. These projects make important contributions to economic and development outcomes, and are designed to be climate and disaster resilient.



FIJI

The Vuniyasi Bridge, Queens Road, in Nadi was completed and opened to the public. Part of the *Restoring roads and bridges across Fiji* project, the bridge spans 69 metres in length and serves as a critical transportation link between major towns and cities located on the north-eastern half of Viti Levu, Fiji. The Wainawi Bridge in Kasavu was also completed in February 2024 enabling smoother and safer travel as well as improved market access. The upgrades have been designed to ensure the bridge can withstand a once in a 100-year rainfall event, and will allow for safe crossing during severe weather. With eight bridges and 1.5 million square metres of road resealing, maintenance and renewal now complete, the project is unique in its use of output-based financing, where funds are only disbursed upon the achievement of an agreed project output, such as the completion of a bridge. This financing mechanism incentivises the timely delivery of operational, quality infrastructure in its entirety rather than simply linking payments to project expenditures.

Work has continued on the *Reducing the impact of floods in Nadi, Fiji* project where the AIFFP, through the PCIFP, is providing up to AUD5 million for project preparation to support future works which mitigate damage caused by flooding. The AIFFP delivered a comprehensive options report and environmental and social impact assessment for the Government of Fiji's consideration.



PAPUA NEW GUINEA

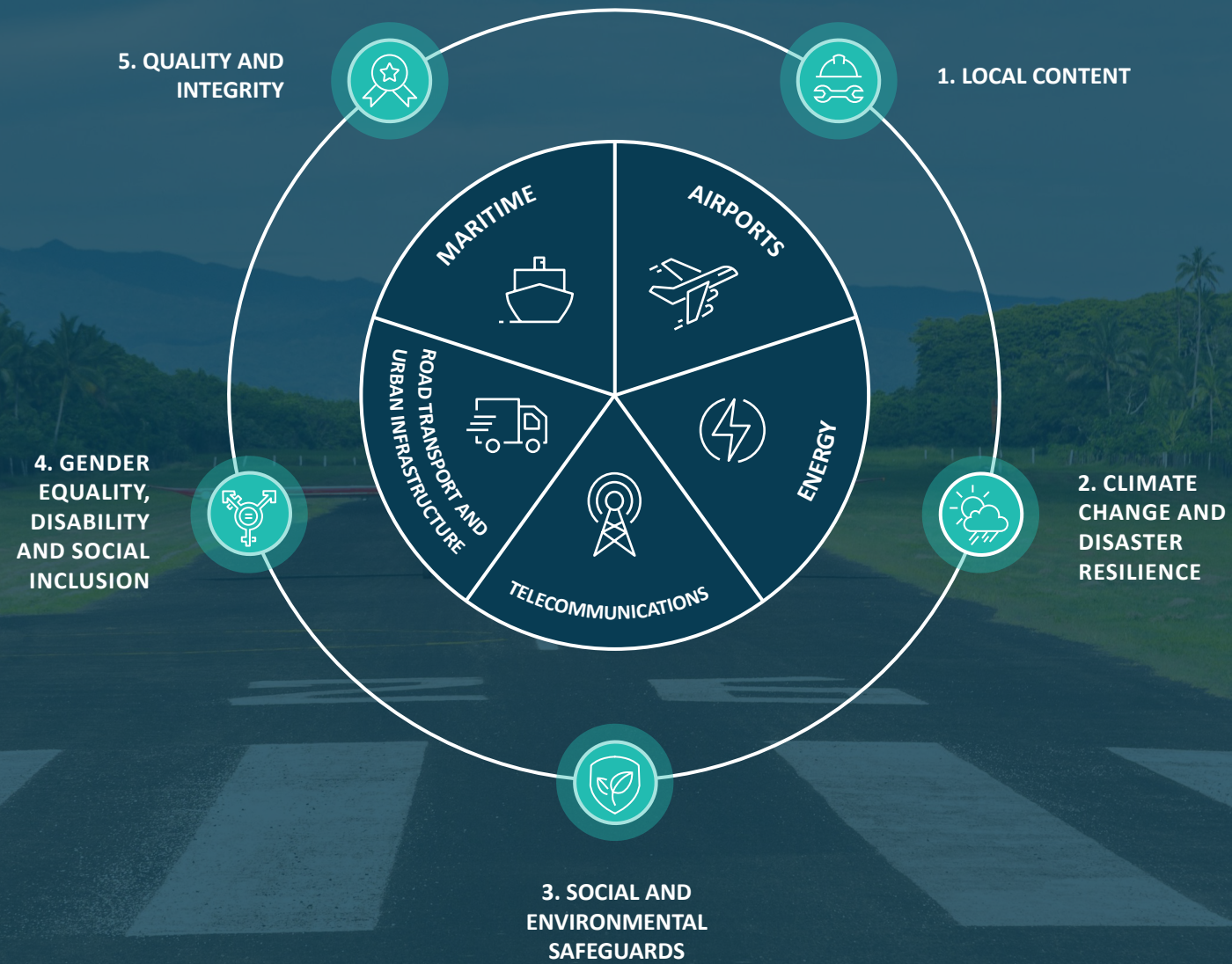
As part of the *Maintaining the Wau Highway in Papua New Guinea* project, works on Wau Highway progressed to around 40 per cent completion. Activities included campsite setup, drainage, vegetation control, slip removal, construction of retaining walls, clearing and grubbing, as well as emergency works to ensure continued operation of the highway and road sealing, with 13 kilometres of sealing works completed in 2023-24. Pavement repair works and drainage improvements were concentrated on sections between Zenag and Bulolo that are silted or experience washout from continuous rain. During the year, the project is in the process of being rescope, withdrawing the Sepik Highway from the project and reallocating much needed funds to the Wau Highway.

Our impact priorities

The AIFFP invests in transformational infrastructure which drives development and economic outcomes in the Pacific and Timor-Leste. Our investment approach is guided by five impact areas, in-line with Australia's International Development Policy.

These focus areas are critical to ensuring our infrastructure projects generate lasting development impact for people and communities in our region.

The AIFFP has five priority sectors of investment, reflecting the infrastructure priorities of our Pacific partners.



Goals for global action

The AIFFP supports a number of the United Nations' Sustainable Development Goals (SDGs), a key component of the 2030 Agenda for Sustainable Development adopted by United Nations Member States in 2015.

Infrastructure is essential to achieving the SDGs and is central to supporting our Pacific partners to meet their national development priorities.

We actively contribute to 10 of the 17 SDGs through our infrastructure projects and collaboration with sovereign and private partners.



Our impact achievements



LOCAL CONTENT

Since its inception, the AIFFP has supported the creation of at least 698 direct local jobs; a figure that will grow as more projects move into implementation. Localisation sits at the heart of the AIFFP's design. Infrastructure built and maintained by local workers and enterprises generates important opportunities for local communities and contributes to lasting economic growth and development. Across its portfolio, the AIFFP promotes opportunities for local workers and suppliers to ensure that its projects are locally informed, locally led and benefit the people of the Pacific.

The AIFFP continued to strengthen its local content approach and outcomes during the year, ensuring localisation was integrated across each stage of the project lifecycle.

Design consultants are required to consider the use of materials, construction methods and maintenance approaches that are suited to the local context. Detailed assessments of local labour markets and supply chains are also undertaken to ensure contracting packages and delivery models remove barriers to local industry involvement.

All AIFFP works contractors are required to develop a Local Content and Industry Participation Plan (LCIPP) and integrate this into their delivery method. The LCIPP forms a contract document which holds contractors to account for meeting their own nominated targets for local employment, training of local workers and the subcontracting opportunities for local firms. Tenders for AIFFP projects are evaluated on their commitment to local content.

Through its projects, the AIFFP also supports on-the-job-training, delivered by industry, to build additional skills and capacity within the local workforce. The AIFFP partners with local and international training providers to develop work experience and training opportunities for local trainees or recent graduates.

Restoring roads and bridges across Fiji

The AIFFP in partnership with the Australia Pacific Training Coalition supported Fiji Roads Authority to run general construction safety induction training to 65 inspectors and roads contractors across Fiji, ensuring that workers on construction sites are well-versed in identifying hazards and implementing effective safety protocols. This partnership developed a curriculum that meets international training and assessment standards and Fiji Roads Authority's specific legal and operational requirements. The project is contributing significantly to jobs and income for local communities who are hired and trained by roads contractors to undertake various maintenance roles. It is estimated that by the end of the project, more than 1,000 Fijians will have been employed.

Enhancing boat harbours across Tuvalu

In the second half of 2023, 19 per cent of the project's workforce were Tuvaluan with 23 per cent of labour hours performed by Tuvaluans.

The main works contractor worked with government and community leaders to select local candidates with suitable skills and availability. The project is providing opportunities for Pacific-based workers and suppliers, delivering economic benefits across the region more broadly. An additional 50 per cent of labour hours were performed by Pacific expatriates, with Fijian companies engaged to supply materials to the project such as precast concrete. To build the skills of the project's workforce, the head contractor delivered 5,761 training hours over a six-month period, constituting 35 per cent of total labour hours. This includes the training of loader and lighter operators in concrete pump operation, concrete batch plant operation, and facilities management and general construction upskilling. All personnel on site have received white card certification.

In May 2023, the AIFFP presented at the inaugural Pacific Infrastructure Business Opportunities Seminar held in Fiji, hosted by the Government of Fiji and the ADB, in partnership with the Australian Government and the World Bank. The AIFFP led two masterclasses on localisation in infrastructure projects focused on supporting Pacific officials to ensure opportunities for local participation are integrated into all stages of a project and to encourage industry professionals to address sustainability and value-for-money criteria in bids. The AIFFP provided insights on preparing high-quality LCIPPs, a core requirement for large-scale infrastructure projects financed by the AIFFP.

IMPACT STORY

'More than a job': Tongan women lead efforts to upgrade port

When it comes to opportunities for local women workers, the *Upgrading Tonga's international port* project is a prime example.

The project set ambitious minimum targets for employing women in key construction roles and ensuring women's participation in training courses.

Lesieli Fatongiatau and 'Asinate Tekina ki Fatumanongi 'Ohuafi are breaking new ground as assistant engineers and laboratory technicians – non-traditional areas for female workers in Tonga – at the project's concrete factory.

With a background in architecture from Tupou Tertiary University, Ms Fatongiatau transitioned from a construction role on the project, to leading the quality control testing of the concrete batching plant. On-the-job mentoring enabled her to make the switch.

"I never thought I'd work in a concrete factory, but this job has taught me the importance of quality materials in construction. It's empowering to know my work contributes to the safety and resilience of our infrastructure. Choosing the correct concrete ensures structural integrity, durability, cost efficiency, compliance with standards, and sustainability – guaranteeing the safety and longevity of construction projects," Ms Fatongiatau said.

Ms 'Ohuafi has gained similar fulfilment in her role in the factory.

"Working in a concrete batching plant has significantly improved my knowledge. I learned how to mix concrete for high durability, and understand the impactful role of a concrete finisher. I appreciate the lasting benefits construction brings to the community. Despite the challenges, I value my role in testing concrete properties, such as slump, yield, air voids, and compressive strength," Ms 'Ohuafi said.

Image: Lesieli is leading the quality control testing of the concrete batching plant as part of the 'Upgrading Tonga's international port' project





LOCAL CONTENT (continued)

**“THIS IS MORE THAN A JOB,
IT’S ABOUT BUILDING A
FUTURE WHERE EVERYONE
INCLUDING WOMEN HAS A
ROLE TO PLAY.”**

– Ms ‘Asinate Tekina ki Fatumanongi ‘Ohuafi

Image on left: ‘Asinate is an assistant engineer and laboratory technician on the ‘Upgrading Tonga’s international port’ project

Through the project’s construction partner, McConnell Dowell, both women have been trained to meet New Zealand laboratory competency standards for testing concrete, aggregates and soils. This training ensures they can conduct accurate assessments in support of high-quality construction materials and infrastructure.

“The project has built our capacity, equipping us with essential skills and knowledge to excel in our roles. Women can be a vital part of the construction and infrastructure industry. There is no job that we can’t do,” Ms ‘Ohuafi said.

“This is more than a job, it’s about building a future where everyone including women has a role to play.”

Ms Fatongiatau and Ms ‘Ohuafi work alongside fellow Tongans each day, with the concrete batching plant and precast yard both 100 per cent operated and managed by the local workforce. Across the project, an average of 121 roles were held by Tongans between July and December 2023 – making up 80 per cent of the workforce.

The *Upgrading Tonga’s international port* project comprises an AUD31.25 million grant from the AIFFP to the Government of the Kingdom of Tonga alongside support from the ADB for upgrades to the Queen Salote International Wharf of Nuku’alofa Port. The project sets an impressive benchmark for local content standards and highlights the power of inclusive development across the Pacific.

Image on right: Susana is an assistant engineer on the ‘Upgrading Tonga’s international port’ project



Our impact achievements



CLIMATE CHANGE AND DISASTER RESILIENCE

Climate and disaster resilience considerations are integrated across the feasibility, design, and construction phases of AIFFP investments. The AIFFP has developed an Initial Climate Hazard Exposure Assessment (ICHEA) using the latest climate data to identify climate, disaster and geo-technical hazards for specific project locations. The ICHEA helps ensure risks and opportunities are embedded into feasibility studies, engineering design and the Environmental and Social Impact Assessment (ESIA).

“CLIMATE RESILIENCE IS AT THE HEART OF THIS PROJECT. WE’RE NOT ONLY BUILDING FOR TODAY, BUT FOR FUTURE GENERATIONS...”

– Mr Vete Sakaio
Tuvalu Ministry of Public Works



Upgrading ports across Papua New Guinea

The AIFFP is incorporating climate change and disaster resilience across its ports investments in PNG, for example adopting a raised container yard to account for rising sea levels as part of the Oro Port upgrades. Modelling for impacts of physical climate and geo-technical hazards by Australia Pacific Climate Partnership and Geoscience Australia have also been integrated into design solutions at each port location. Such measures will ensure minimal disruption to Papua New Guineans’ livelihoods in the event of extreme weather.

Reducing the impact of floods in Nadi, Fiji

The AIFFP is also providing up to AUD5million in funding to find solutions to reduce damage caused by flooding in Fiji’s gateway town of Nadi. The project is one of the highest priority projects in Fiji and would be the nation’s largest climate adaptation project. Part of the PCIFP, the AIFFP’s support is focused on project preparation activities to identify options to reduce the impact of flooding in Nadi, including through different combinations of physical infrastructure and to recommend potential improvements to river catchment management across Fiji.

Pacific Climate Infrastructure Financing Partnership

The successful rollout of the PCIFP has been a landmark climate achievement for the AIFFP, significantly increasing its ability to contribute to tangible climate outcomes across the region. In addition to increasing its investments in climate infrastructure, the AIFFP through the PCIFP can pursue opportunities to strengthen the climate resilience of our projects. For example, the AIFFP is exploring how a combination of seawalls and mangrove restoration can protect our investment in Fiji’s coastal roads from storm surges and sea level rise.

The AIFFP’s announcement of ten small scale PCIFP climate projects across six countries has significantly increased the AIFFP’s climate footprint. The projects range from the installation of a solar hybrid system to power a hospital in Solomon Islands; to delivering high quality solar systems to power remote schools in Fiji; to supplying solar powered water pumps and water storage tanks in Kiribati and make an important contribution to increasing renewable energy access to remote and rural communities.

IMPACT STORY

Anchoring resilience: Tuvalu’s Nui Harbour sails into a safer, more resilient future

As climate change continues to threaten the Pacific, Tuvalu is making strides toward protecting its vulnerable communities. With rising sea levels, cyclones, and coastal erosion putting Tuvalu at serious risk, there is a growing need for climate and disaster resilient infrastructure.

Maritime transport is vital to Tuvalu’s economy, and the AIFFP in partnership with the ADB and the Government of Tuvalu is improving harbours on Nui and Niutao outer islands, including to ensure they are resilient to climate risks.

The *Enhancing boat harbours across Tuvalu* project, with an investment of AUD21.4 million via the AIFFP, is constructing new wharf facilities and supporting landside infrastructure. By integrating climate projections into design and construction, the project partners have ensured the project is designed to withstand climate change impacts and hazards, ensuring the harbours’ long-term functionality and safety.

David Perbey, a Design Engineer from Royal HaskoningDHV, is at the forefront of these efforts.

“For the Nui Island harbour, we’ve integrated future climate projections into the design to make sure it’s resilient. We’re raising foreshores using compacted dredged material and installing rock bags to protect the coastline from storm surges,” Mr Perbey explained.

This project is about more than just concrete and rock. For Mr Vete Sakaio, the Project Manager from Tuvalu’s Ministry of Public Works, it’s about ensuring the safety and future of the local population.

“Climate resilience is at the heart of this project. We’re not only building for today, but for future generations who will face more intense climate threats.

“The wharf and stormwater infrastructure have been designed to adapt to rising sea levels and more frequent extreme weather events. Our approach ensures that Tuvalu’s coastal infrastructure can withstand the unpredictable challenges ahead,” Mr Sakaio said.

He added that innovative features such as duckbill valves will prevent flooding, and key facilities like the Naneapa building have been relocated and elevated for increased flood protection.

“These measures demonstrate how we’re future-proofing our infrastructure,” he said.

Mr Sakaio also highlighted how the collaboration with international experts has boosted local capacity.

“The partnership between our local teams and engineers like Mr Perbey has not only strengthened our infrastructure but also deepened our understanding of advanced coastal protection methods. This project is empowering Tuvaluans to lead in climate-resilient development,” he said.

The new harbours will not only help protect Tuvalu’s coastline but also provide a reliable connection to markets, schools and healthcare services. According to Mr Sakaio, the impact goes beyond infrastructure.

“These upgrades give Tuvalu the tools it needs to respond to natural disasters. We’ve strengthened our ability to protect local livelihoods and promote economic stability,” he said.

Our impact achievements



SOCIAL AND ENVIRONMENTAL SAFEGUARDS

The AIFFP meets internationally accepted standards on social and environmental safeguards, including the Equator Principles, the International Finance Corporation Performance Standards and DFAT’s Environmental and Social Safeguards Policy. The AIFFP’s approach sets specific expectations across environmental protection; children, vulnerable and disadvantaged groups; displacement and resettlement; Indigenous peoples; modern slavery and workplace health and safety.

The AIFFP takes seriously the promise of rigorous social and environmental safeguards to not only protect people and the environment, but to contribute to lasting improvements in economic and development outcomes beyond the direct benefits of individual projects. To do this, the AIFFP supports the preparation of social and environmental impact assessments to identify safeguards risks and appropriate frameworks to manage and monitor environmental and social issues. This process is also used to identify development opportunities which generate lasting impact beyond the project itself.

Enhancing boat harbours across Tuvalu

During early social and environmental impact assessments, training opportunities to build local capacity and increase the project’s impact were identified. These were developed to mitigate potential project risks to local communities and improve awareness of safety practices. In particular, the project supported health and safety ‘toolbox’ talks for local staff which covered topics such as lifting and working from heights; first aid and cardiopulmonary resuscitation training; safe hygiene practices and preventing the spread of infectious diseases; and online safety.

Powering homes and businesses in Papua New Guinea’s Morobe and East New Britain provinces

The impact assessment conducted for this project identified specific opportunities to ensure an equitable and safe rollout of new electrical connections. A target was agreed for a minimum 10 per cent of new connections to female headed or other vulnerable households through use of connection and usage subsidies as well as potentially facilitating access to an existing low-interest, no-collateral credit scheme.

A public electrical safety campaign targeted at new users will be delivered to raise awareness of the risks associated with the distribution and use of electricity. Special attention will also be paid to raising awareness with women who tend to be the primary users of electricity in domestic settings.

Restoring roads and bridges across Fiji

The AIFFP supported Fiji Roads Authority (FRA) to develop an institutional curriculum that meets international training and safety standards, building its long-term capacity to manage safety issues for future transportation projects. In February 2024, the training was delivered to 65 FRA inspectors and road renewal contractors. Workplace Health and Safety (WHS) officers also received qualifications in training and assessment so that FRA can continue to run the safety training in-house.

The AIFFP believes strongly in the need to work closely with Pacific partners to build capacity and strengthen their safeguards systems and processes. The AIFFP works ‘hand-in-glove’ with implementing partners to identify areas for institutional reform and capacity building, and develops tailored technical support to mitigate safeguards risk and build lasting capabilities.

The AIFFP has continued to contribute to the strengthening of regional safeguards frameworks, including as Chair of the Pacific Regional Infrastructure Facility Safeguards Working Group. The AIFFP is working closely with partner countries, multilateral development banks and other donors to improve regional safeguards practices including enhancing approaches regarding the prevention of sexual exploitation, abuse and harassment across co-financed projects.

IMPACT STORY

Building lasting safeguards capacity: the AIFFP and PNG Power Limited

On the AIFFP’s *Powering homes and businesses in Papua New Guinea’s Morobe and East New Britain provinces* project, PPL and the AIFFP identified an opportunity to obtain greater clarity on technical design and land access requirements for the proposed low voltage distribution network in Lae. This also presented an opportunity to identify structures and households within the peri-urban communities of Lae which might be suitable for future connections, and collect information about household energy use and composition.

PPL have traditionally undertaken these data collection exercises using handwritten questionnaires and proformas, with responses either filed or transposed into a digital format. This method is slow and prone to data errors, requiring the enumerator to record the information on paper for later upload and storage by PPL. For Lae this would mean transposing data from over 5,000 households. Seeing an opportunity to improve accuracy and increase institutional capacity, the AIFFP funded the adoption of a webGIS platform and field devices for the project, enabling PPL to establish a project information database which PPL, the AIFFP and future contractors could use to improve project delivery.

PPL mobilised to site with the hand-held tablets and questionnaire uploaded. As the data was collected, the locations and site information was immediately uploaded to the cloud-based web GIS database and could be viewed by project team members based in other locations. This saved PPL significant time in the field and office as the information was collected once and stored immediately and could be assessed in real time by project team members in Port Moresby or elsewhere.

Most significantly, it allowed PPL to develop and utilise a database where locations of structures can be viewed and information regarding the type of structure stored and updated over the life of the project. Engagements with stakeholders can be recorded, reviewed and accessed over the life of the project and used to support meaningful and informed consultation with communities.

PPL’s Project Manager James Tikki, who oversaw the program, noted the significant improvements for PPL both in terms of the efficiency of the field program and the opportunity that such a stakeholder and information database represents.

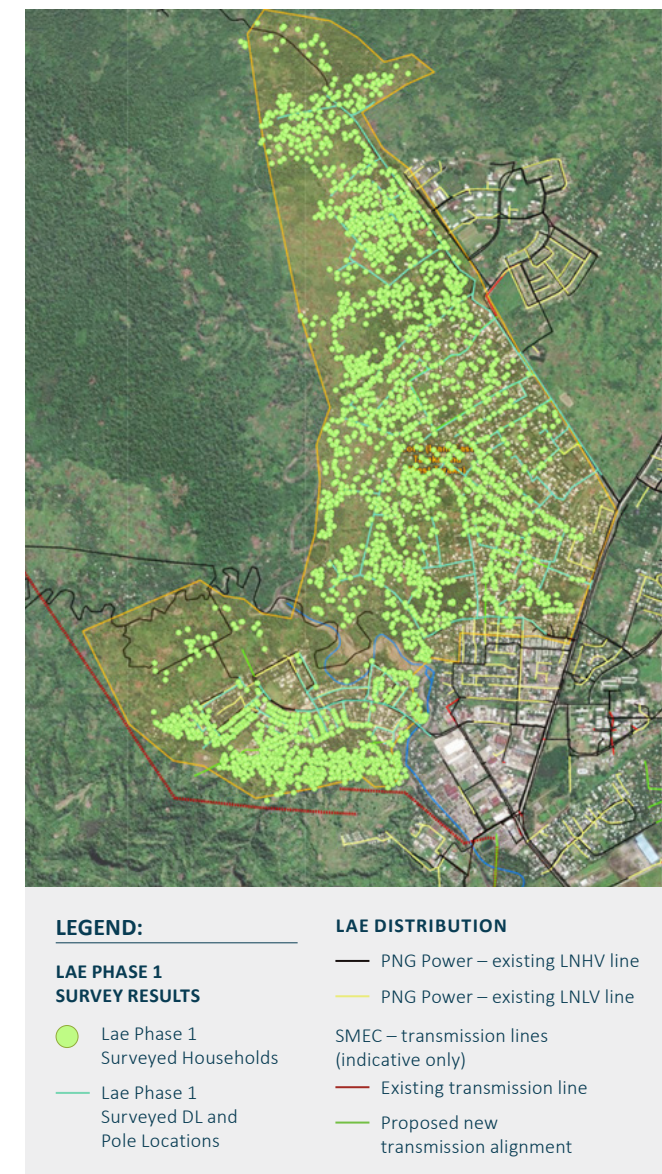


Figure 1 depicts the distribution lines and surveys locations at Igam East and West Taraka in Lae

“The WebGIS platform and Field App has improved the overall efficiency and the accuracy of the field data collection exercise, whilst reducing the need for manpower by more than half. It has also significantly improved the accuracy of the household data collection and registration exercise.”

In supporting PPL access new technology and approaches, the AIFFP has enabled PPL to increase its capacity to engage effectively with communities who will be impacted by the new distribution infrastructure. This will help ensure the rollout of the new network is in-line with social and environmental safeguards standards, and sensitive to any land access issues. The collection of household data will also create opportunities for the AIFFP to target development programming, for example to women-headed or vulnerable households, and better measure the long-term impact of increased electricity access.

Our impact achievements



GENDER EQUALITY, DISABILITY AND SOCIAL INCLUSION

Every AIFFP project considers and responds to the diverse needs of women, girls, people with disabilities and people of diverse sexual orientation, gender identity and expression (SOGIE).

To promote gender equality, disability and social inclusion (GEDSI) objectives, the AIFFP works to ensure that its projects:

- implement, and require our partners to implement, the ‘Do No Harm’ principle, to ensure that gender, disability and social inclusion inequalities are not exacerbated and women, people with a disability or other vulnerable and marginalised groups are not disadvantaged (safeguards and risk assessment processes)
- take action to address gender inequalities that are particularly challenging or where progress is slow (targeted measures)
- mainstream GEDSI throughout the investment cycle to ensure women, men, people with a disability and other vulnerable and marginalised groups have the opportunity to benefit equally, their needs and priorities are addressed, and the project contributes to narrowing gender, disability and social inclusion gaps (identification of GEDSI impact opportunities).

During project scoping, the AIFFP integrates GEDSI considerations in all project analysis, including feasibility studies, due diligence assessments and social and environmental impact assessments, to identify key GEDSI gaps and opportunities that can be addressed through investment design or through ‘wrap-around’ technical assistance. Project GEDSI Action Plans (GAPs) seek to identify targeted measures and activities to mitigate GEDSI risks and maximise GEDSI opportunities and are used to track progress on GEDSI actions. The AIFFP also works to ensure GEDSI considerations are integrated across project-level environmental and social safeguard plans, across contracts, procurement plans and financing agreements and reflected in project and sectoral monitoring and evaluation plans.

The AIFFP is also working to ensure infrastructure is accessible and adheres to universal design principles tailored to the Pacific context. The AIFFP is committed to ensuring no new barriers for people with a disability through its projects. This requires consultation and engagement with people with disabilities and/or their

representative organisations to understand accessibility needs and identify opportunities to ensure the benefits of improved infrastructure are shared equally.

Enhancing boat harbours across Tuvalu

As part of the project, a quota of 10 per cent of female workers to be hired by the project partner during construction phase was exceeded, with women comprising 23 per cent of the onsite labour force during the second half of 2023. The project is also delivering training prior to, and during, construction on sexual and reproductive health, gender sensitivity, gender-based violence, and diversity and inclusion to all construction workers, with the Tuvalu Red Cross and Matapulapula Women’s Group in Nui supporting delivery. In addition, the project’s facilities will give women and children safer access to transport, with passenger terminals to include separate toilets for men and women, priority seating for women and people with disability, and facilities for canteens and handicraft outlets.

Upgrading Tonga’s international port

Analysis undertaken as part of the project highlighted safety concerns for women, girls and other marginalised groups at port access and crossing points. In recognition of this, the project’s gender action plan included a specific requirement for the delivery partner to upgrade the port access road with solar lighting and pedestrian crossings.

IMPACT STORY

Fostering inclusive digital resilience in the Pacific

As part of its investments in telecommunications infrastructure, the AIFFP is using a GEDSI lens to ensure that digital connectivity initiatives across the Pacific are inclusive and equitable. This includes scoping opportunities for wrap-around a regional digital resilience activities designed to support Pacific island countries to minimise the risk of online harm while maximising the benefits from increased connectivity.



The initiative comes in response to growing concerns that while increased internet access brings numerous benefits, it also exposes communities – particularly women, girls and people with disabilities, and vulnerable or marginalised groups – to new risks such as online violence, image-based abuse and cyberbullying. The approach to digital resilience aims to generate an evidence-based set of recommendations and prompts for further dialogue for supporting GEDSI outcomes in digital infrastructure at a Facility level, as well as scoping opportunities for additional wraparound support alongside the AIFFP’s telecommunications projects.

As a first step, in 2023, the AIFFP commissioned a regional landscape analysis, which provided a detailed overview of digital resilience and inclusivity across the Pacific. This found that negative social norms around gender and disability stigma drive gaps, inequalities and barriers when it comes to connectivity, with low digital literacy also impacting safety online. This analysis has been complemented by a whole-of-Australian Government mapping exercise throughout 2023-24 to map the Australian Government’s cyber safety and cyber security offerings to the region. These foundational activities are critical to improving the visibility of donor efforts in the region and ensuring a coordinated approach among key stakeholders.

Building on this landscape mapping, this initiative will then distil key learnings at a country level in the form of country briefs. The country briefs will detail key gaps and opportunities relating to digital resilience, map regional and local initiatives and begin to outline key gaps and recommendations for further support. The country brief process will serve as a touchpoint for dialogue with key stakeholders at the national level in order to test these gaps and further scope opportunities for further support.

In parallel to this broader regional digital resilience work, the AIFFP has also been piloting tailored wraparound support in Palau, where a discrete package of technical assistance is complementing the AIFFP’s *Expanding digital connectivity in Palau via a submarine cable system* project. Building on analysis and stakeholder and community consultations undertaken since 2020 to address online safety, this technical assistance will be rolled out in the 2024-25 year in partnership with the Palau Bureau of Communications. This localised and participatory approach will focus on legislative and regulatory reform, education and awareness, and coordination mechanisms to ensure the sustainability of online safety efforts in Palau.

Image above: Palau and Australian Government stakeholders at a roundtable about the AIFFP’s digital resilience technical assistance to the Palau Bureau of Communication

Our impact achievements



QUALITY AND INTEGRITY

Ensuring quality and integrity is core to how the AIFFP operates. The AIFFP is committed to safeguarding against fraud and corruption, upholding responsible lending practices, ensuring rigorous due diligence and monitoring and evaluation practices, and seeking opportunities to strengthen capacity within our partners.

Fraud and corruption

The AIFFP adheres to DFAT's strict policies and procedures to ensure integrity across the Australian development program. The AIFFP and DFAT do not tolerate inaction on fraud and corruption and takes all steps necessary to prevent, detect and respond to fraud and corruption. In line with DFAT's requirements, the AIFFP requires all staff and delivery partners to report suspected fraud and corrupt behaviour, and encourages proactive reporting and transparency. The AIFFP has rigorous due diligence processes, in-line with DFAT's due diligence framework, which are integrated across investment scoping, design and implementation. The AIFFP also focuses on supporting Pacific partners to strengthen institutional structures and capacity to better identify and manage corruption and fraud risks.

Risk management

The AIFFP's Risk Policy sets out roles and responsibilities and risk management processes. It also details the AIFFP's risk tolerance levels with respect to a series of risk categories including reputational risk, country risk, financial risk, compliance risk, and implementation risk. Risk assessments are conducted at each stage of investment screening and identified mitigations are incorporated into investment design and implementation approaches. AIFFP investments are required to have a project risk register, which are used as a dynamic tool to manage and mitigate emerging project risks.

Sustainable lending

The AIFFP is committed to responsible and sustainable lending practices, and avoiding unsustainable debt burdens in the Pacific. At a minimum, the AIFFP ensures its financing is consistent with Australia's international obligations on debt sustainability and priced carefully to reflect a country's debt circumstances. The provision of grants enables the AIFFP to tailor its financing packages to meet the needs of the Pacific.

“WE NOW HAVE A CLEAR PATH TO MAINTAINING AND BUILDING UPON OUR CORE MISSION OF ENSURING A SAFE ROAD NETWORK FOR FIJIANS.”

– Mr Apisai Ketenilagi
Fiji Roads Authority

Monitoring, evaluation and learning (MEL)

Aligned with Australia's new International Development Policy and its Performance Assessment Framework, the AIFFP has robust, high quality MEL processes. Each AIFFP capital investment has a bespoke investment-level MEL Plan which sets out project objectives, measurable performance indicators and benefits of the project across its life. Each plan is tailored to the investment and developed in consultation with implementing partners to maximise impact, support evidence-based decision-making, and enhance adaptive management and learning.

Where possible, the AIFFP conducts baseline studies to measure progress and results towards achieving social and development impacts, and end-line data to understand the impact of its projects once they are complete.

Institutional strengthening

Quality systems and institutions are integral to building and maintaining high quality infrastructure. The AIFFP works closely with its Pacific and Timor-Leste partners to strengthen institutional capacity and processes to manage, build and maintain infrastructure assets. We conduct capacity assessments of implementing agencies to examine the robustness of existing processes, policies and procedures. We then use this analysis, in partnership with our proponents, to structure projects to mitigate identified risks and build their capacity to manage projects effectively. For example, the AIFFP typically supports partners to establish a dedicated Project Management Unit for each investment, staffed with experts in engineering, financial management, procurement, safeguards and monitoring and evaluation.



IMPACT STORY

Paving the way: the AIFFP and Fiji's collaborative approach to transforming local roads

The AIFFP's partnership with Fiji Roads Authority (FRA) extends beyond physical infrastructure, with its support to FRA's inaugural strategic plan set to transform Fiji's transport approach.

Shaped through extensive consultation and data-driven insights, the FRA Strategic Plan 2024-25 to 2028-29 establishes a new vision, mission and values for the organisation. It sets medium-term goals and objectives, which include improving road safety, enhancing connectivity and ensuring the sustainable management of transport networks across Fiji, aligning FRA's activities with its vision.

Responsible for planning, developing and maintaining Fiji's roads, bridges and jetties, FRA is the AIFFP partner for the *Restoring roads and bridges across Fiji* project. The AIFFP's involvement in the development of FRA's strategic plan forms part of the wraparound technical support provided to the project. Institutional strengthening support helps AIFFP partners to improve their policies, management systems and approaches and demonstrates Australia's commitment to delivering high-quality infrastructure projects.

The AIFFP's involvement has been crucial in aligning the strategic plan with international standards regarding transport infrastructure while addressing Fiji's unique context. The support has prioritised knowledge sharing in order to build FRA's capacity to deliver on the plan's commitments.

Image above: Australian Government and Fiji Roads Authority (FRA) stakeholders at the launch of FRA's strategic plan

The plan includes a robust monitoring framework with indicators to measure FRA's performance, alongside a strong emphasis on asset management, now central to FRA's operations. Success will be measured in terms of outcomes for road users and the condition of assets, such as road roughness.

FRA's Strategic Policy Planning and Standard Engineer, Mr Apisai Ketenilagi helped lead the plan's development, which involved workshops with more than 80 stakeholders. He said FRA was focused on establishing strategic direction, enhancing technical expertise, restoring systems, building a high-performing institution, and strengthening the roles of Fijian contractors while maintaining high performance.

“The partnership with the AIFFP has been invaluable to creating a strategic plan that is both visionary and grounded in technical excellence. Before the strategic plan, FRA faced challenges such as a lack of clear direction, over-reliance on consultants, and insufficient technical resources,” Mr Ketenilagi said.

“With AIFFP's support, FRA has now established clear strategic goals, strengthened its technical expertise, and restored critical systems to enhance operational efficiency.

“We now have a clear path to maintaining and building upon our core mission of ensuring a safe road network for Fijians,” Mr Ketenilagi said.

The strategic plan will be released in August 2024, further solidifying FRA's commitment to enhancing Fiji's transport infrastructure.

Our partners



PARTNERSHIPS IN NUMBERS

38

NUMBER OF
PACIFIC
PARTNERS

2

NUMBER OF
MULTILATERAL
PARTNERS

14

NUMBER OF OTHER
INTERNATIONAL
PARTNERS

54

NUMBER OF
TOTAL PARTNERSHIPS
(ALL CO-FINANCED AND PCIFP PROJECTS)



Image:
Construction activities as
part of the 'Upgrading
Tonga's international
port' project

IMPACT STORY

'A true development partner': the AIFFP and Palau's Belau Submarine Cable Corporation

With 2024 marking 30 years of diplomatic relations between Australia and the Republic of Palau, the AIFFP forms an important part of Australia's development partnership with Palau.

The AIFFP works with six partners across two projects in Palau, with the portfolio supporting local jobs, advancing gender equality and inclusion, and strengthening climate change action.

One such partner is the Belau Submarine Cable Corporation (BSCC), a state-owned public corporation that owns and manages the submarine fibre optic cable network for Palau.

The AIFFP works with BSCC, along with the Palau, Japan and United States Governments, to deliver the *Expanding digital connectivity in Palau via a submarine cable system* project.

Comprising an investment of AUD15.5 million from Australia, including an AUD14.7 million loan and grant package via the AIFFP, the project is supporting the construction of a dedicated branch cable off the ECHO fibre optic submarine cable network.

All civil construction work is complete, and the marine cable has been laid. The final splice remains the only task to complete for the branch system to be operational. The cable will expand the availability of reliable, secure internet connectivity in Palau, improve access to government services and stimulate economic growth by creating jobs.

BSCC CEO Mr Rhinehart Silas said the project has leveraged the strengths of both the AIFFP and BSCC.

"The AIFFP has provided essential financial support and best-practice guidance, enabling BSCC to enhance its project management, stakeholder engagement, and supply chain processes. In return, BSCC has leveraged its expertise in engineering, finance, and logistics to advance the project," Mr Silas said.

"The AIFFP's support has not only advanced the technical and financial aspects of our project but also enhanced our organisational capacity. This partnership highlights the crucial role of building local capacity in overcoming developmental challenges in Pacific nations like Palau."

The project is also fostering regional cooperation, forming part of the Trilateral Infrastructure Partnership between Australia, the United States and Japan.



"THIS PROJECT IS VITAL TO THE PROSPERITY AND SECURITY OF PALAU AND OUR REGION"

– Mr Rhinehart Silas
Chief Executive Officer,
Belau Submarine Cable Corporation

Image: Belau Submarine Cable Corporation CEO Rhinehart Silas (third from left) with President Surangel Whipps Jr. (fifth from left) and colleagues

Announced in 2018, the partnership invests in projects across the Indo-Pacific region that address development challenges, increase connectivity, and promote economic growth.

"This project is the first to be delivered under the partnership. This is vital for Palau, which faces significant development challenges like low per-capita incomes, limited economic opportunities, and isolation. High-speed connectivity is crucial for overcoming these obstacles, making support for infrastructure development essential," Mr Silas said.

Australia's Ambassador to Palau, Her Excellency Ms Richelle Turner said Australia and the AIFFP are proud to work alongside BSCC and other project partners to support Palau's digital goals.

"This project is vital to the prosperity and security of Palau and our region, we are pleased to be in a partnership that shares a vision for a digitally resilient Pacific," Ms Turner said.

Financial overview

LOAN PORTFOLIO

DISBURSEMENTS:
AUD 254 MILLION*

* Approximate cumulative loan disbursements as at 30 June 2024; exchange rate AUD/0.7USD and AUD/1.55JFD

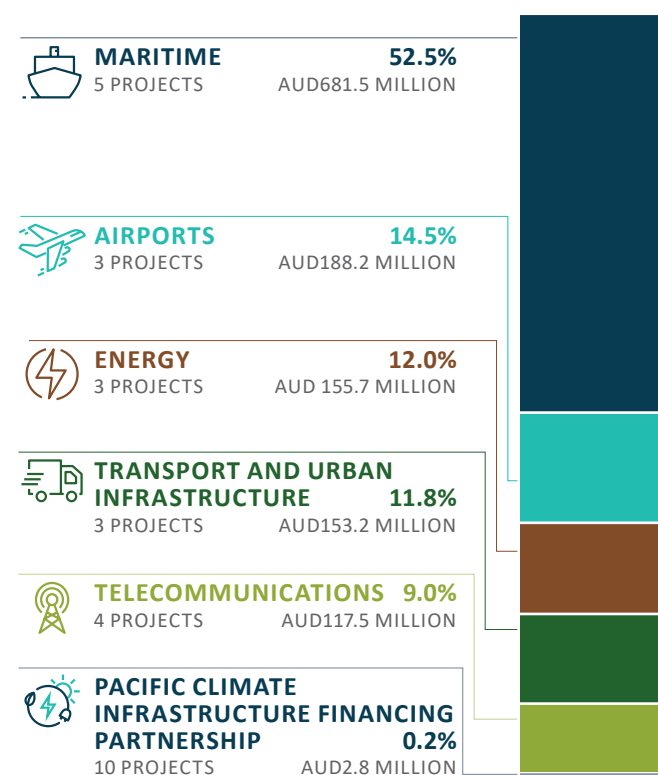
GRANT PORTFOLIO

DISBURSEMENTS:
AUD 191 MILLION*

* Approximate cumulative grant expenditure across the AIFFP portfolio as at 30 June 2024; exchange rate AUD/0.7USD and AUD/1.55JFD

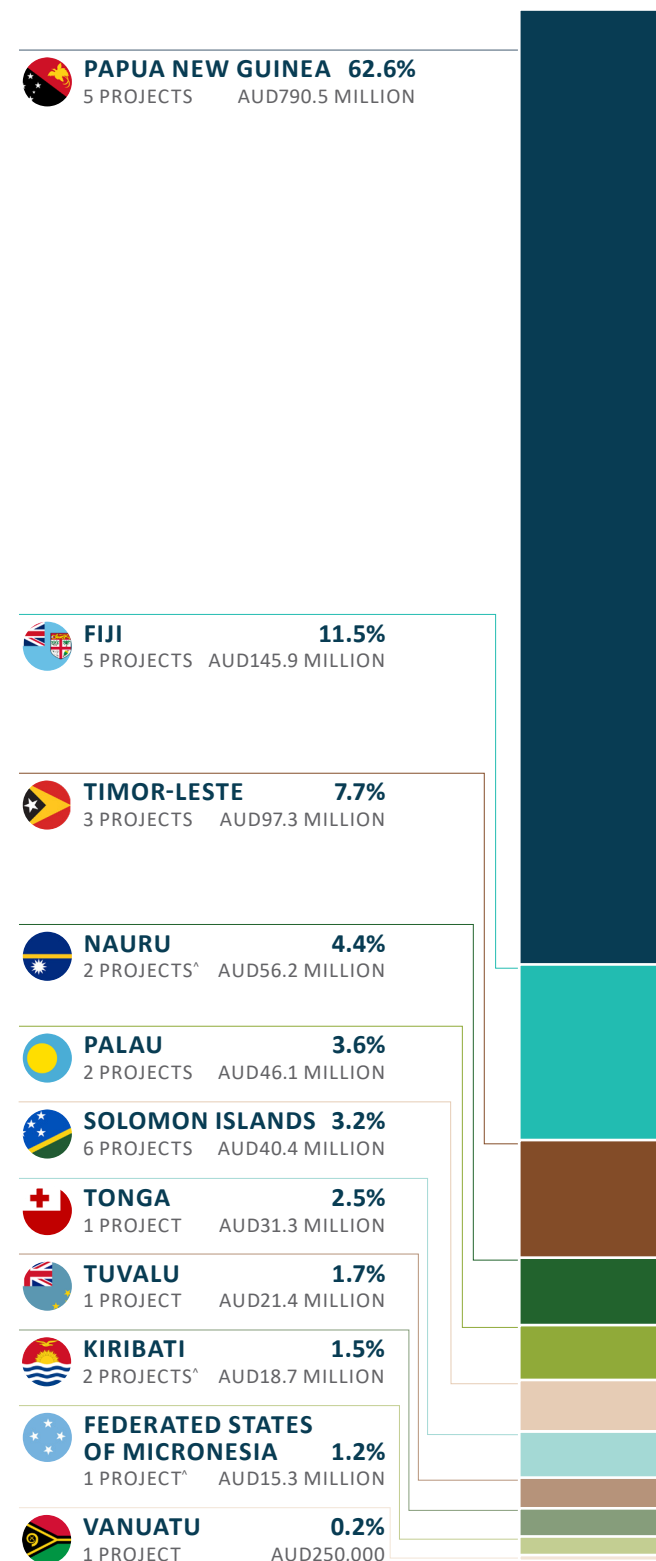
COMMITMENTS BY INFRASTRUCTURE SECTOR*

(highest to lowest amount)



COMMITMENTS BY COUNTRY*

(highest to lowest amount)



* Figures for signed and announced projects as at 30 June 2024; exchange rate AUD/0.7USD and AUD/1.55JFD. Excluding 1 regional project
 ^ The *Improving digital connectivity in the Federated States of Micronesia, Kiribati and Nauru via submarine cable* project spans three countries

COMMITMENTS BY PROJECT**

(A-Z)

Building Palau's first utility-scale solar power plant			
	Amount (AUD)	Fixed interest rate	Tenor
Loan	25.7 million	4.75%	17 years
Grant	5.7 million	n/a	n/a
Total AIFFP contribution	31.4 million		
Connecting Solomon Islands' capital to electricity via transmission line			
	Amount (AUD)	Fixed interest rate	Tenor
Loan	15.1 million	3.05%	24 years
Grant	17.3 million	n/a	n/a
Total AIFFP contribution	32.4 million		
Improving digital connectivity in the Federated States of Micronesia, Kiribati and Nauru via submarine cable			
	Amount (AUD)		
Grant	60 million		
Total AIFFP contribution	60 million		
Connecting Timor-Leste to the internet via submarine cable			
	Amount (AUD)		
Grant	7.2 million		
Total AIFFP contribution	7.2 million		
Enhancing boat harbours across Tuvalu			
	Amount (AUD)		
Grant	21.4 million		
Total AIFFP contribution	21.4 million		
Expanding digital connectivity in Palau via a submarine cable system			
	Amount (AUD)	Fixed interest rate	Tenor
Loan (Tranche 1)	2.5 million	1.836%	10 years
Loan (Tranche 2)	10.1 million	2.55%	19 years
Grant (AIFFP)	2.1 million	n/a	n/a
Grant (Bilateral)	0.9 million	n/a	n/a
Total AIFFP contribution	14.7 million		
Improving Nauru's international airport			
	Amount (AUD)		
Grant	30 million		
Grant (Bilateral)	10 million		
Total AIFFP contribution	30 million		

* Figures for signed and announced projects as at 30 June 2024; exchange rate AUD/0.7USD and AUD/1.55JFD. Excluding 1 regional project
 ^ Excluding PCIFP projects

Informing upgrades to Fiji's Lautoka Port			
	Amount (AUD)		
Grant	380,000		
Total AIFFP contribution	380,000		
Maintaining the Wau Highway in Papua New Guinea			
	Amount (AUD)	Variable interest rate	Tenor
Loan	61.6 million	SOFR+ 1.23%	23 years
Grant	14.7 million	n/a	n/a
Total AIFFP contribution	76.3 million		
Powering homes and businesses in Papua New Guinea's Morobe and East New Britain provinces			
	Amount (AUD)	Variable interest rate	Tenor
Loan	73.6 million	SOFR + 1.23%	24 years
Grant	18.3 million	n/a	n/a
Total AIFFP contribution	91.9 million		
Redeveloping Timor-Leste's international airport			
	Amount (AUD)	Variable interest rate	Tenor
Loan	57.1 million	SOFR + 1.23%	25 years
Grant (AIFFP)	32.7 million	n/a	n/a
Grant (Bilateral)	7.9 million	n/a	n/a
Total AIFFP contribution	89.8 million		
Reducing the impact of floods in Nadi, Fiji			
	Amount (AUD)		
Grant	5 million		
Total AIFFP contribution	5 million		
Rehabilitating Solomon Islands' Tulagi Shipyard (formerly Sasape Shipyard)			
	Amount (AUD)	Interest rate	Tenor
Loan	7 million	BBSW + 4.8%	25 years
Grant (Bilateral)	2.1 million	n/a	n/a
Total AIFFP contribution	7 million		
Restoring roads and bridges across Fiji			
	Amount (AUD)	Variable interest rate	Tenor
Loan	57.1 million	SOFR + 0.93%	15 years
Grant	14.8 million	n/a	n/a
Total AIFFP contribution	71.9 million		
Upgrading Fiji's international and outer island airports[#]			
	Amount (AUD)	Fixed interest rate	Tenor
Loan	6.5 million	4.25%	5 years
Guarantee	61.9 million	n/a	5 years
Total AIFFP contribution	68.4 million		

* Figures for signed and announced projects as at 30 June 2024; exchange rate AUD/0.7USD and AUD/1.55JFD. Excluding 1 regional project

[^] Excluding PCIFP projects

Upgrading ports across Papua New Guinea			
	Amount (AUD)	Variable interest rate	Tenor
Loan	521.4 million	SOFR + 1.23%	24 years
Grant	100.0 million	n/a	n/a
Total AIFFP contribution	621.4 million		
Upgrading Tonga's international port			
	Amount (AUD)		
Grant	31.3 million		
Total AIFFP contribution	31.3 million		

* Figures for signed and announced projects as at 30 June 2024; exchange rate AUD/0.7USD and AUD/1.55JFD. Excluding 1 regional project

[^] Excluding PCIFP projects

[#] Loan and guarantee fully discharged

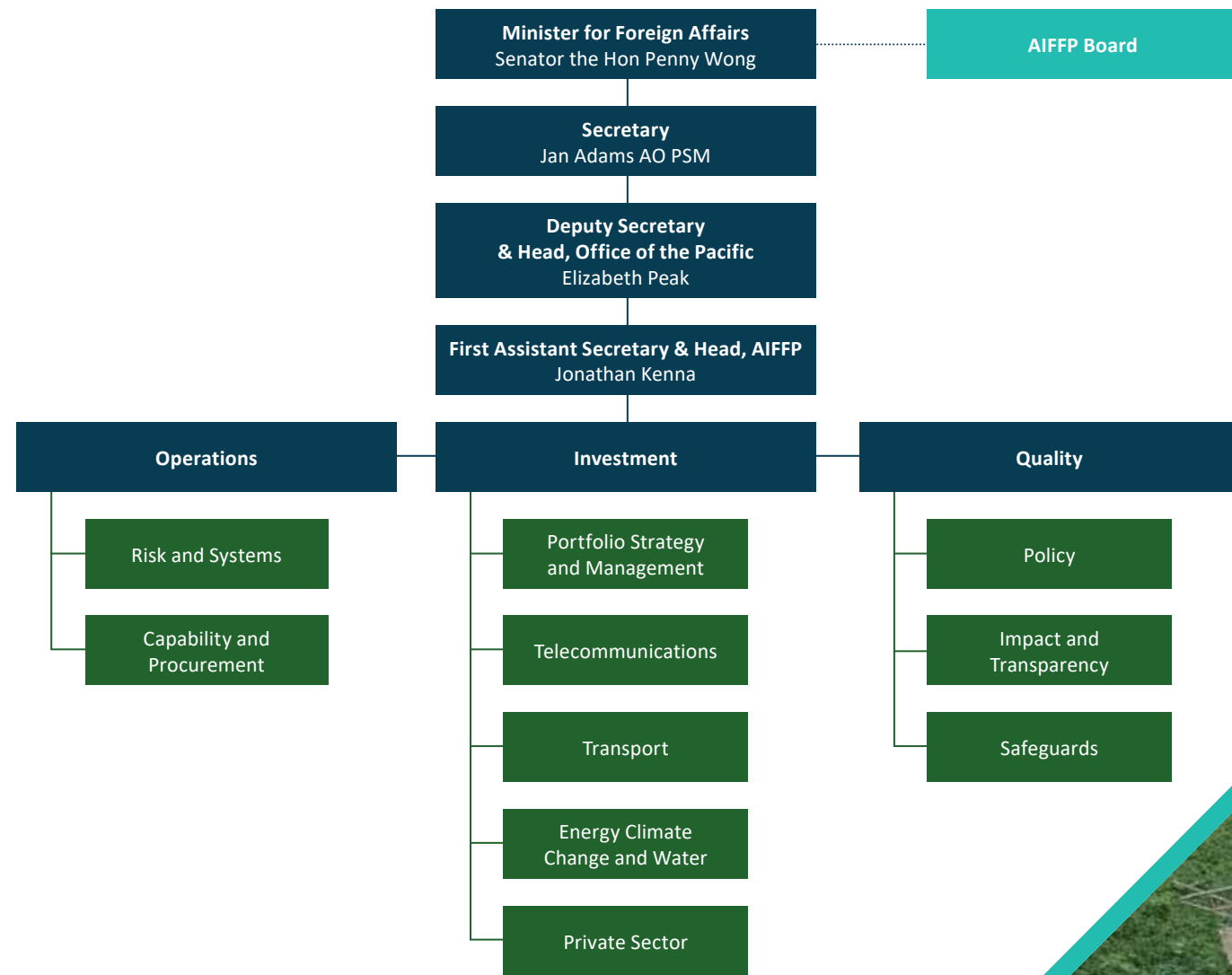
Image: Construction activities at Queen Salote International Wharf as part of the 'Upgrading Tonga's international port' project



How the AIFFP operates

In 2023-24, the AIFFP became its own division within the Office of the Pacific in DFAT. New teams were created in order to meet the changing and growing needs of the AIFFP portfolio.

OUR GOVERNANCE AND TEAMS



OUR STAFF

AS AT 30 JUNE 2024

64



STAFF

34

MALES*



21

FEMALES*

* Not all staff chose to disclose their gender

STAFF IN 5 COUNTRIES:
AUSTRALIA, TIMOR-LESTE, FIJI,
SOLOMON ISLANDS AND
PAPUA NEW GUINEA



Image: Construction underway at Wainawi bridge, completed in 2024 as part of the 'Restoring roads and bridges across Fiji' project

Acknowledgements

The AIFFP thanks current and former Board members who served during 2023-24 for their valuable stewardship.

BOARD COMPOSITION AS AT 30 JUNE 2024

- Elizabeth Peak**
Chair of the AIFFP Board / Deputy Secretary,
Department of Foreign Affairs and Trade
- George Mina**
Deputy Secretary, Department of
Foreign Affairs and Trade
- Dr Wendy Craik AM**
Chair, One Basin CRC
- David Webster**
First Assistant Secretary, Department of Finance
- Elly Lawson**
Deputy Secretary, Department of
Foreign Affairs and Trade
- Katrina Di Marco**
First Assistant Secretary, Department of the Treasury

- Jennifer Stace**
Assistant Secretary, Department of
Infrastructure, Transport, Regional Development,
Communications and the Arts
- Pablo Kang**
First Assistant Secretary, Department of
the Prime Minister and Cabinet
- Rod Brazier**
Deputy Secretary, Department of
Foreign Affairs and Trade
- Mike Mrdak AO**
Executive Chairperson, NEC Australia and New Zealand
- Susan Bodell**
First Assistant Secretary, Department of Defence

RECOGNISING FORMER BOARD MEMBERS

- Jason Preece**
Assistant Secretary, Department of
Infrastructure, Transport, Regional Development,
Communications and the Arts
- Craig Chittick OAM**
First Assistant Secretary, Department of
the Prime Minister and Cabinet
- Tim Yeend**
Former Associate Secretary, Department
of Foreign Affairs and Trade
- Dan Fankhauser**
First Assistant Secretary, Department of Defence

- Andrew Deitz**
Minister-Counsellor (Economic) and Senior Treasury
Representative to Japan and Republic of Korea
- Jessica Hall**
Deputy Secretary, Department of Infrastructure,
Transport, Regional Development,
Communications and the Arts

Image below: Fiji Government, Australian Government and Fiji Roads Authority stakeholders at the opening of Vuniyasi bridge

Back cover image: Fresh water mussels sellers on Wainawi bridge in Kasavu, upgraded as part of the 'Restoring roads and bridges across Fiji' project





Australian Government
Department of Foreign Affairs and Trade



Australian
Infrastructure
Financing Facility
for the Pacific