



Pacific Region  
Infrastructure Facility

# COVID-19 Impact Study

ASPAC Conference | 8-9 Sept 2022



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# Pacific Region Infrastructure Facility (PRIF)

- multi-donor coordination and technical assistance facility
- helps meet Pacific infrastructure challenges by improving the quality and coverage of infrastructure
- covers in 13 PICs + PNG as associate member
- hosted by ADB Sydney Office since 2008



# POST COVID Pacific Short-Term Aviation Strategy in Oct 2020



- The goals of the study are to:
  - Assess current status of the aviation industry in the Pacific compared to activity levels before the COVID-19 pandemic;
  - Identify priority short-term post COVID-19 recovery scenarios;
  - Identify immediate and short-term priority routes and connections and necessary actions to provide the minimum reliable scheduled services to transport people and goods, jumpstart businesses and facilitate projects/investments geared towards economic recovery;
  - Identify and assess bilateral/regional/multilateral frameworks currently in place and supporting air travel and supply chain in the region.



Post COVID-19 Pacific Short-term  
Aviation Strategy – A Scoping Study  
Consultants' Final Report

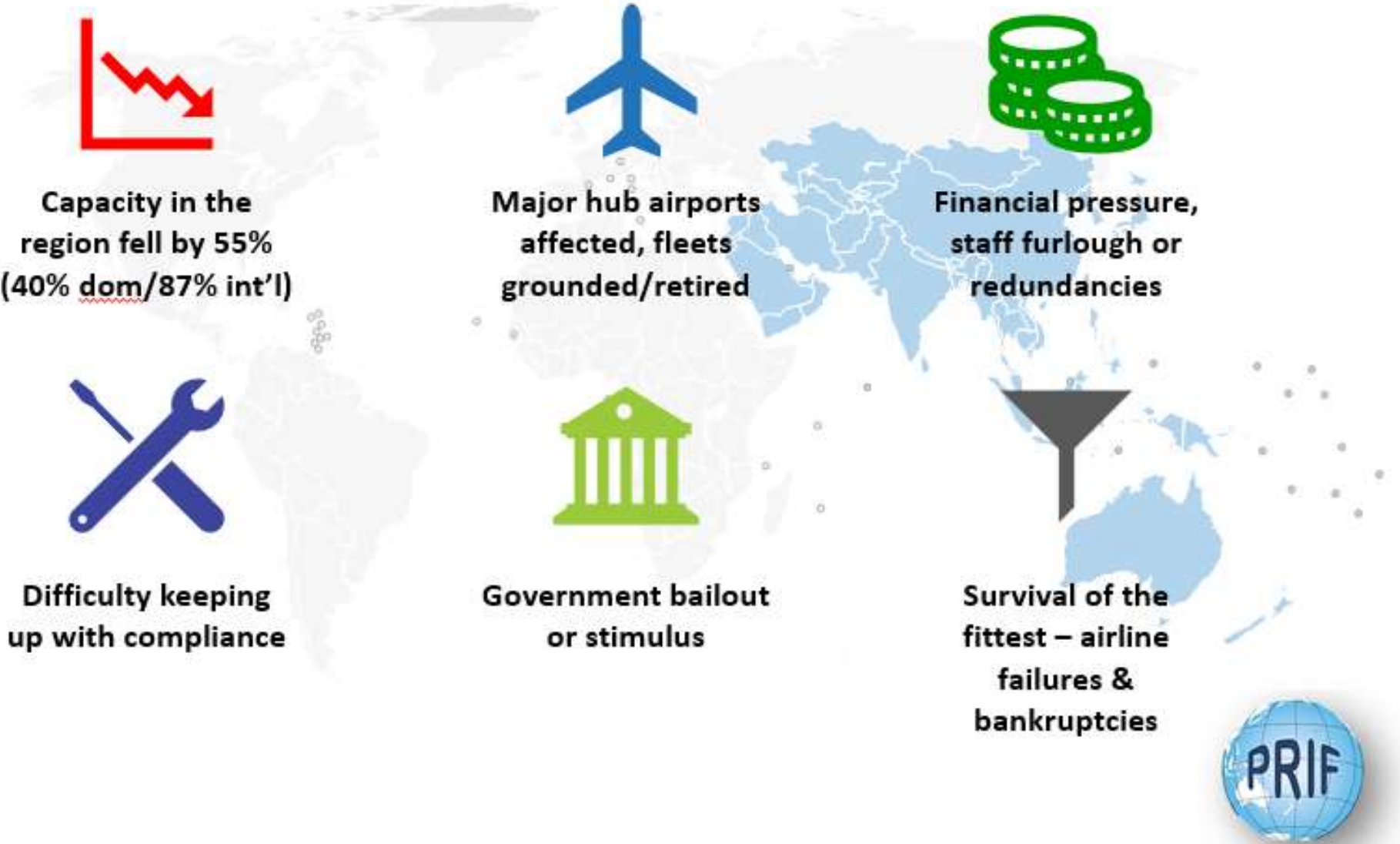
October 2020

Download at:

<https://theprif.org/document/regional/aviation/post-covid-19-pacific-short-term-aviation-strategy-scoping-study-2020>



# COVID-19 Impact on the Asia Pacific Region



# Pacific aviation recovery needs and coordinating donor support



Needs	Instruments	Relevant PICs	Financing Needs Baseline Forecast (US\$)	Present and Possible Assistance
<b>Cash Flow Support for Airlines</b>	Direct budget support (grants, Loans)	COO, KIR, NAU, SOL, TON, VAN	\$30-40m	ADB (FIJ airways ~\$65m w/ gov't guarantee)
	Direct private sector finance (grants, loans, guarantees)			
<b>Cash Flow Support for Airports</b>	Direct budget support (grants, Loans)	COO, FIJ, SOL, TON, TUV, VAN	\$9-10m	
	Direct private sector finance (grants, loans, guarantees)			
<b>Restoring Operational Readiness</b> - Airlines - Airports - Regulatory Certification / Compliance	TA grants to PICs for onforwarding to airlines	COO, KIR, NAU, SAM, SOL, TON, VAN	\$0.5-1m	PASO (pilot and crew) IFC review of Air Vanuatu WB strategy for SOL Airlines
	TA grants to PICs for onforwarding to airports	COO, FIJ, KIR, SAM, SOL, TON, VAN	\$3-3.5m	ADB (COO, FIJ)
	TA grant to PASO (direct or via PIC regulators)	COO, KIR, NAU, SAM, SOL, TON, TUV, VAN	\$4-4.5m (near-term surge) + \$7-8m (2-yr subsidy)	MFAT: NZD4.5m for 3 years ending Jun 21 DFAT: A\$2.0 for surge support
<b>Sustaining commercial viability of reopened routes (Route underwriting)</b>	Regional route subsidy grant fund	High priority: KIR, NAU, NUI, SAM, SOL, TUV	\$27-30m	DFAT (present AUD9m for Humanitarian Corridor + AUD1m to support state-owned airlines to continue flights to Australia)  MFAT (present NZD330m for Int'l Air Freight Capacity Scheme for flights between NZ and COO, FIJ, SAM, TON and NUI)
		Medium priority: COO, FIJ, PNG, TON, VAN		
<b>Airline and airport structural reform</b>	TA grants to governments for facilitation of structural reform or orderly exit	All PICs with international or domestic airlines	\$1-2m	PRIF/PSDI DFAT
	Direct private sector finance for new ventures			
<b>Airport infrastructure needs</b>	Infrastructure loans and grants for airports and associated health facilities (or variation to existing projects)	COO, KIR, NAU, SOL, TON, VAN	\$8-10m	MFAT (COO, NIU, SOL) WB (SOL, TON, SAM, TUV, FIJ) ADB (PNG)
<b>Ensuring local support for reopening borders and restoring passenger confidence</b>	Existing budget support programs for COVID-19 management capacity + destination marketing	Tourism dependent PICs: COO, FIJ, NUI, SAM, SOL, TON, VAN	Assumed included in existing COVID-19 recovery programs.	ADB WB DFAT MFAT
<b>TOTAL</b>			<b>\$89.5-109m</b>	



# Collaboration of Pacific airlines?

## Study with ASPA on Regional Options for Pacific Aviation Sustainability Post COVID-19

### **Outcomes of this process**

- Scoping preferred post-COVID structural option(s) that can sustainably provide:
  - Reasonable frequency of access to PICs
  - Safe and reliable service at affordable ticket prices
  - Removal of dependence of government financing

### **Scope**

- High level strategy/road map on how to implement
- High level business model of preferred strategy (ies)

### **Series of Workshops:**

- Situational analysis
- Review of all structural adjustment options
- Shortlisting of options for further analysis



# Changing mindset supporting collaboration



2<sup>nd</sup> Regional Aviation Ministers Meeting in June 2022

## **THEME**

“Keeping the faith”

Keeping the faith in ourselves as a sovereign nation, in our ability to overcome adversity, and in our support for one another as a region. Keeping the faith in the course we are taking to regrow our economy. And, keeping the faith in our government and that we will continue to guide our region for the betterment of all our people.

### ***Assessment of the COVID-19 Impact and Recovery for Aviation in the Pacific***

14. Ministers **agreed** to support long term collaboration and explore regional approaches for a sustainable aviation recovery post COVID-19 in the Pacific; and
15. Further tasked the Officials to work with the aviation industry stakeholders to discuss key commercial aviation sector challenges, identify options for action and advise Aviation Ministers at RAMM3.



# Continuing work with ASPA



## Pacific Aviation Support Program

### **Business case of possible airline alliance**

- Revisit and continue discussions started in Dec 2020 while exploring Regional Options for Pacific Aviation Sustainability Post COVID-19
- Identify viable mode of collaboration among interested airlines
- Develop a business case on possible airline alliance and secure Government buy-in

### **Network and fleet options study**

- Develop Pacific airline fleet scenarios, comparing various options to propose the minimum cost option/s given various passenger forecast scenarios.
- Evaluate fleet requirements to serve passenger and cargo traffic for PASA and/or national airlines keen to participate and take advantage of common or regional technical support services.
- Provide detailed guidance to support decisions at airline and government level including:
  - Aircraft for both domestic and international use in PICs
  - Technical services and training needs (pilots, engineers, airline airport and operations teams)
  - Other pertinent opportunities





# PRIF WEEK 2022

Enhancing Private Sector  
and Local Participation  
in Pacific Infrastructure

17-21 October 2022  
11am - 2.30pm AEST  
Online

[Information for exhibitors](#)

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**Thank you**



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