



# Scope of Initiative Pacific Region Infrastructure Facility

As announced in the 2008-09 Budget, the Australian Government will commence a significant new package of initiatives laying the foundation for implementing the Government's long-term commitment to increase Australia's international development assistance to 0.5 per cent of Gross National Income (GNI) by 2015-16.

The *Pacific Region Infrastructure Facility* aims to provide core infrastructure services in Pacific island countries through a partnership between AusAID, the Asian Development Bank, NZAID and the World Bank Group.

The *Pacific Region Infrastructure Facility* will invest \$127.0 million over four years. This will include \$5.5 million in 2008-09, \$30.5 million in 2009-10, \$40.5 million in 2010-11 and \$50.5 million in 2011-12.

As part of this investment, the Australian Government will undertake a range of activities based on priorities identified by governments in the Pacific region. Activities under the initiative include:

## **Improved infrastructure services**

- Working with partner governments to improve and maintain essential rural and urban infrastructure in transport, water, sanitation, solid waste management, energy, telecommunications and climate adaptation measures;
- Establishing long-term partnerships with partner governments to provide access to consistent technical expertise and funding for sustained improvements in infrastructure services; and
- Providing capital and recurrent expenditure support for reliable, affordable and well operated and maintained infrastructure services.

## **Strengthened partner government capacity**

- Strengthening the capacity of partner governments to use their own resources more effectively;
- Strengthening policy, planning, regulation, budgeting and budget implementation;
- Developing sector-based approaches to the delivery of assistance that consider the capital and recurrent cost implications of improved infrastructure service delivery; and
- Establishing incentives by allocating additional resources to countries able to achieve agreed improvements in areas such as governance and infrastructure sector performance.



**Strengthened private sector involvement**

- Strengthening the regulatory environment for the private sector delivery of infrastructure services and maintenance; and
- Focusing on how to better create local employment opportunities through increased opportunities for private sector delivery of infrastructure services.