



FACTSHEET

Pacific Climate Infrastructure Financing Partnership

Partnerships to support climate infrastructure projects in the Pacific and Timor-Leste

Australia is financing new climate infrastructure projects in Pacific countries and Timor-Leste through the Pacific Climate Infrastructure Financing Partnership (PCIFP), to be implemented through the Australian Infrastructure Financing Facility for the Pacific (AIFFP).

Through PCIFP, Australia will expand AIFFP's investments in mitigating, adapting, and building resilience to the impacts of climate change.

WHAT DOES THE PCIFP INCLUDE?

1. Delivering major climate-focused projects

The Partnership will increase support for medium and large-scale, climate-related infrastructure projects that mitigate, adapt, and build resilience to the impacts of climate change, building on AIFFP's two existing climate-focused projects – Palau Solar and Tina River Hydropower transmission line in Solomon Islands. Funding for projects under component 1 will be determined through existing AIFFP processes.

Investments – whether privately financed or sovereign – must fit within AIFFP's mandate to be considered under component 1. This means that they must:

- Be located in one or more countries in the Pacific Islands Forum region (excluding Australia and New Zealand) or in Timor-Leste
- Demonstrate a broad public benefit and/or a transformative effect for the economic development of host countries
- Reinforce Australia's relationships with partner countries to support a stable and prosperous region
- Be consistent with the Framework for Resilient Development in the Pacific
- Demonstrate measurable climate impacts – whether adaptation, mitigation or climate resilience – over the life of the project.



2. 'Greening' existing or future AIFFP investments

The PCIFP will 'green' existing or future AIFFP investments by drawing on up to AUD 50 million of AIFFP's grant funding envelope. Eligibility for funding under component 2 will be determined by taking into account the following:

- Proposals must have a direct link to approved or prospective AIFFP projects in any focal sector: energy generation and transmission, water, transport or telecommunications
- Proposals should stand to make additional, measurable, visible and significant impacts to address a country's climate change objectives
- Consistent with the Framework for Resilient Development in the Pacific, both mitigation and adaptation add-ons would be eligible.

Guidelines for green grant financing will be available in mid-2023.

3. Supporting small-scale and off-grid renewable energy

New climate partnerships will allow the AIFFP to draw on a further pool of grant funding (additional to the AIFFP's existing budget) to deliver a

competitive grant program for small-scale, community-based and off-grid renewable energy projects across the Pacific, in close partnership with Pacific Governments and other partners.

This new capability within AIFFP will seek to leverage additional resources from the private and community sectors. It will harness funding, networks and ideas from the private sector, NGOs, churches, first nations groups and philanthropic organisations. It recognises that many Pacific countries have substantial rural and remote populations, and that many Pacific communities face climate challenges which are not easily addressed through grants alone.

Component 3 will work closely with Australian businesses and other stakeholders to access appropriate, sustainable renewable energy technology that delivers climate adaptation and development benefits to rural and remote parts of the Pacific.

Guidelines for new partners to apply for grant financing will be available following a consultation and design process currently underway in Australia and across the Pacific.



Solar customer in Port Moresby from the Australian-funded Business Partnerships Platform. Photo: Sarah Wiles