



Australian Infrastructure Financing Facility for the Pacific

UPDATE

July 2024 to December 2025



ABOUT THE AIFFP

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) is the Australian Government's major critical infrastructure provider for the Pacific and Timor-Leste. The AIFFP is an AUD4.55 billion facility, using loans, grants, guarantees and equity to tailor financing packages for government and private sector partners to invest in high-quality, sustainable infrastructure across the Pacific and Timor-Leste. This includes building climate resilience and supporting the transition to renewable energy across the region.

The AIFFP began operating on 1 July 2019. A partner the Pacific can count on, the AIFFP delivers impact through infrastructure that connects people and expands opportunity, with projects across the major economic sectors of: maritime and transport; airports and aviation; grid-scale and off-grid renewable energy; and telecommunications and digital.

The AIFFP has a strong focus on social and environmental safeguards, supporting local jobs and businesses, and building skills and long-term capability in communities.

The AIFFP is a part of the Office of the Pacific within the Department of Foreign Affairs and Trade and Export Finance Australia acts as the AIFFP's lender of record.

This update covers the AIFFP's key activities and achievements during the 18-month period from July 2024 to December 2025.

Where financing agreements are denominated in USD, all figures have been converted to AUD using an exchange rate of AUD 1.00 = USD 0.70.

MISSION AND VALUES

The AIFFP's goal is stronger Pacific and Timor-Leste relationships with Australia that advance shared national interests and respond to Pacific and Timor-Leste priorities.

The AIFFP's objective is to partner with the Pacific and Timor-Leste to finance and deliver strategic infrastructure that drives economic and social development in their communities. To deliver on this objective, the AIFFP focuses on the following two enduring facility outcomes:



Pacific and Timor-Leste partners and people increasingly have access to sustainable quality infrastructure assets financed by the AIFFP in priority sectors.



The AIFFP and Pacific and Timor-Leste partners optimise local content and equity benefits, and mitigate the risks associated with infrastructure development for local communities.

These facility outcomes were updated in 2025.

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 artwork in 2022. Three Indigenous women were involved in the project: Gamilaroi woman Jessica Whaler, who initiated and led the project; Wiradjuri woman Kristie Peters, who created the artwork and attributing story; and Wandandian woman Mandy Braddick, who undertook graphic design.

Artwork name: *Making a difference for a positive future.*

Cover image: Aerial view of works at Nuku'alofa Port Upgrade project, Tonga.

Inside cover image: Construction on Kimbe Port in West New Britain Province, Papua New Guinea.

Contents

The AIFFP at a glance	2
July 2024 to December 2025 highlights	2
July 2024 to December 2025 projects announced or completed.	3
AIFFP projects to December 2025	4
Boosting trade and connecting communities across land and sea	6
Unlocking tourism, growth and vital services	10
Powering homes, services and industry	12
Empowering communities through digital connectivity	14
Lighting up rural and remote communities	18
Delivering on the Pacific Quality Infrastructure Principles	22
PQIP #1: Local content	23
PQIP #2: Value for money	25
PQIP #3: Climate resilience	26
PQIP #4: Responsible borrowing and governance.....	28
PQIP #5: Social and environmental safeguards	29
PQIP #6: Inclusivity	31
PQIP #7: Private sector investment.	33
How the AIFFP operates	34
Our governance and teams	34
Acknowledgements	35
Board composition as at 31 December 2025	35
Recognising former Board members	35
List of major projects	36

Image: The *East Micronesia Cable System* cable lay ship arriving in Naoero in August 2025.



The AIFFP at a glance

As at 31 December 2025, the AIFFP had:

 **AUD2 BILLION**
IN COMMITTED
PROJECT FINANCING

 **81 AIFFP STAFF IN**
5 COUNTRIES

 **PROJECTS IN**
11 COUNTRIES
ACROSS THE PACIFIC
AND TIMOR-LESTE

 **58 PROJECTS SIGNED**
AND ANNOUNCED
INCLUDING
27 OFF-GRID
RENEWABLE ENERGY PROJECTS

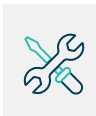
In January 2026, the Minister for Foreign Affairs, Senator the Hon Penny Wong, announced an additional allocation of AUD550 million in funding for the AIFFP, bringing the AIFFP's total financing to AUD4.55 billion. This comprises up to AUD3 billion in loans and up to AUD1.55 billion in Official Development Assistance (ODA) grants. Australia is committed to using its financing capacity to back the region's priorities and strengthen local capabilities.

JULY 2024 TO DECEMBER 2025 HIGHLIGHTS

At a time of global uncertainty, Australia is a partner the Pacific can count on. Between July 2024 and December 2025, the AIFFP's investment in high-quality, sustainable infrastructure supported a more connected and economically vibrant region.

Over this period, the AIFFP progressed delivery of its projects and demonstrated climate leadership. Two major projects and two off-grid renewable energy projects were completed and one major project and 11 off-grid renewable energy projects were announced (refer to page 3).

 Tuvalu's first undersea telecommunications cable, the *Tuvalu Vaka Cable*, **CONNECTED***

 Kimbe Port construction in Papua New Guinea **COMMENCED**

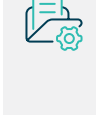
 East Micronesia Cable System landing stations **INSTALLED** in Kiribati, Naoero and the Federated States of Micronesia

 Unexploded ordnance from Naoero's airport runway **REMOVED**

 Tonga's main international port upgrade **COMPLETED**

 Phase 1 maintenance on the Wau Highway in Papua New Guinea **COMPLETED***

 Two remote, outer island boat harbours in Tuvalu **COMPLETED**

 Fiji Shipbuilding and Repair Study and Masterplans for Lautoka Port, Betio Port and Vanuatu Airports **COMPLETED**

 **REnew PACIFIC**, AUD75 million renewable energy project, **LAUNCHED**

 124,004 people **ACCESSING** off-grid renewable energy

 76 schools, health centres and communities **ACCESSING** clean energy

* Project not completed during reporting period.

JULY 2024 TO DECEMBER 2025 PROJECTS ANNOUNCED OR COMPLETED¹

2024

Tu'i Vava'u Cable (formerly known as the Tonga Hawaiki Submarine Cable Branch System) announced²



JUNE

Enhancing critical health infrastructure through clean, affordable, and reliable energy in Timor-Leste project announced



JULY

Expanding the Federated States of Micronesia Outer Islands Electrification Program announced



AUGUST

AUD75 million REnew Pacific program launched at COP29



NOVEMBER

JULY



Harnessing the circular economy to tackle solar e-waste in Vanuatu project announced

JULY



Improving energy accessibility and reliability for essential healthcare services in remote Papua New Guinea communities project announced

AUGUST



Support to the Fiji Rural Electrification Fund announced

2025

Solar-powering healthcare and education in Solomon Islands' Malaita, Western and Isabel communities project announced



MARCH

Empowering Vanuatu's remote communities with clean energy and fresh water project announced



APRIL

APRIL



From sea to clinic: HELPR-1 powering Vanuatu's remote health centres project announced

MAY



Lighting the way for Kokoda College sustainable future in Papua New Guinea project completed

Accelerating access to renewable energy and jobs for remote Papua New Guinea communities project completed



JULY

SEPTEMBER



Strengthening water access and resilience with hybrid energy for Fiji's maritime islands project announced

Powering a sustainable solar energy model for Fiji's remote school communities project announced



SEPTEMBER

OCTOBER



Solar mini-grids powering health and education in Papua New Guinea's Oro and Central Provinces project announced

Adamasia Cable System 1 announced



NOVEMBER

NOVEMBER



Nuku'alofa Port Upgrade project completed

Nui and Niutao Islands Boat Harbour Development project completed

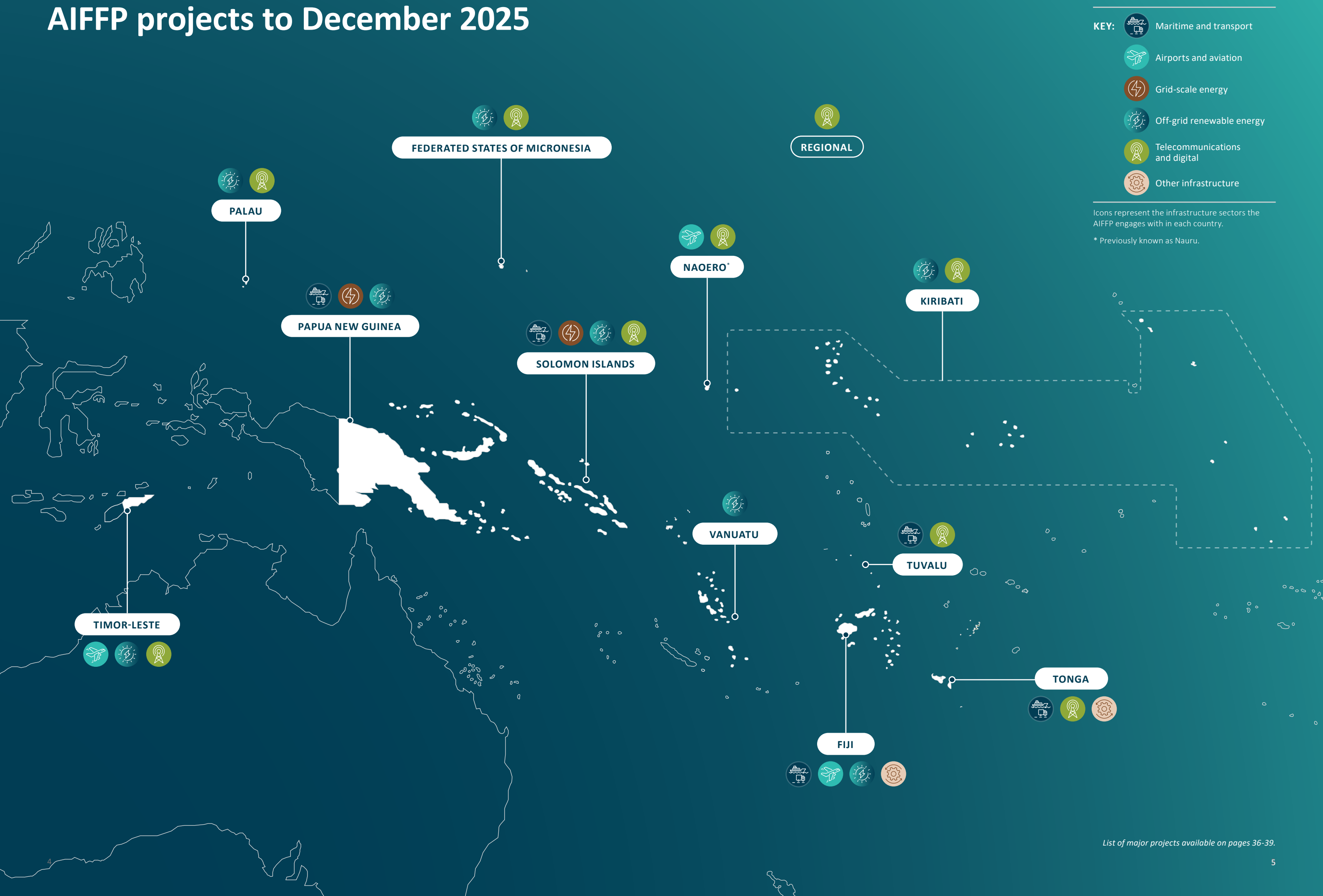


DECEMBER

¹ List of major projects available on pages 36-39.

² Although announced outside of the period 1 July 2024 to 31 December 2025, this project was not captured in the AIFFP 2023-24 Annual Update.

AIFFP projects to December 2025



List of major projects available on pages 36-39.

Boosting trade and connecting communities across land and sea



**LINKING FAMILIES,
COMMUNITIES
and NATIONS**



**ENABLING
ACCESS**
to goods and markets



**IMPROVING
SAFETY**
and reliability

Maritime infrastructure is a lifeline for Pacific island nations. Through the AIFFP, Australia is delivering critical port and related on-land infrastructure that connects people, supports livelihoods and creates economic opportunities for generations to come. AIFFP investments strengthen port safety and expand shipping capability. During construction we prioritise local jobs and suppliers, supporting targeted skills and systems development for safe use and operation.

With much of the region's imports arriving by sea, maritime infrastructure ensures communities have access to goods and services, and increases access to international markets for exports. Climate-resilient harbours and related on-land infrastructure also improve the availability and reliability of transport options for passengers, connecting families and communities across islands and nations.

“This infrastructure is intended not only for the present generation, but it’s also for future generations. It all comes under our maritime sector plan, which the Cabinet has endorsed. The goal of this plan is to enhance the shipping services within the country... but also enhance the safety and security of the passengers and cargoes.”

Tuvalu Prime Minister, the Hon Feleti Teo

The AIFFP contributed an AUD21.4 million grant toward the AUD115 million project alongside the Government of Tuvalu and co-financier the ADB. The project delivered significant local job opportunities, including for women, in construction and project management.

As of August 2025, 72 per cent of the workforce was sourced from the Pacific region, including 28 per cent from Tuvalu, and 100 per cent Pacific employment was achieved for the civil works component.

Training was delivered to all male and female civil works labourers and at least 30 per cent of surrounding community members, including on diversity, inclusion and gender sensitivity.



72 per cent of project workforce sourced from the Pacific, including 28 per cent from Tuvalu.



100 per cent Pacific employment in civil works.



10 per cent of project workers were female, expanding women's participation in non-traditional roles.

SAFER, STRONGER BOAT HARBOURS FOR TUVALU'S OUTER ISLANDS

In December 2025, construction of Niutao Island boat harbour was completed, marking the successful delivery of the *Nui and Niutao Islands Boat Harbour Development* project and improving the safety and reliability of inter-island travel in Tuvalu. It follows completion of Nui Island boat harbour in June 2024.

Maritime transport in Tuvalu connects nine islands across an exclusive economic zone of nearly 750,000 square kilometres. The project bolsters connectivity for passengers and cargo travelling between Tuvalu's capital and the outer atoll islands of Nui and Niutao.

Australia, with the Government of Tuvalu and co-financier the Asian Development Bank (ADB), celebrated the commissioning of the Niutao harbour with the

community in February 2026. Both island harbours replaced hazardous surf landings with safe, protected boat harbours, helping ensure families have reliable access to fresh food, essential supplies and vital services.

On Niutao Island, the project involved dredging a sea-access channel and basin, and constructing a new wharf and passenger terminal.

Both harbours feature climate-smart design to withstand rising seas and extreme weather, keeping communities connected, even as climate challenges intensify. They also include improvements such as lighting, guard rails and ramps, making travel safer and more accessible for women, children, older passengers and people with disability.



Image: Prime Minister of Tuvalu, the Honourable Feleti Teo OBE, joined representatives from the Governments of Tuvalu and Australia, the Asian Development Bank (ADB), and community members to celebrate the commissioning of Niutao Harbour in February 2026.



CAPACITY AND EFFICIENCY STRENGTHENED AT TONGA’S MAIN PORT

The second stage of the *Nuku’alofa Port Upgrade* project was completed in October 2025 as part of a shared commitment between the Government of Tonga and co-financiers Australia and ADB to rehabilitate, renew and expand Tonga’s maritime transport infrastructure.

More than 98 per cent of Tonga’s imports pass through the Queen Salote International Wharf. The upgrades increase port capacity for both cargo and passengers, improve safety and efficiency, and ensure the port can better withstand severe weather, reducing disruption to Tongans’ livelihoods.

“This transformational project has rehabilitated and expanded the Queen Salote International Wharf to increase port capacity, improve safety and efficiency, lower operational costs and ensure the port can better withstand the severe impacts of climate change.”

Chief Executive Officer of the Ports Authority Tonga,
Alo-ki-hakau Maileseni

The project included upgrades to the four wharves that form Queen Salote International Wharf. Works were undertaken in two phases to allow the port to remain operational throughout.

The project provided institutional strengthening support for Ports Authority Tonga to improve its operational safety practices, develop an asset maintenance plan and provide training on port operations, environmental sustainability, and health and safety.

Commenced in 2022, the AIFFP contributed an AUD28.6 million grant towards the AUD119.3 million *Nuku’alofa Port Upgrade* project, with the ADB contributing AUD78.6 million and the Government of Tonga contributing an estimated AUD12.1 million in taxes and duties exemptions.

The completion of works on Nuku’alofa Port’s Queen Salote International Wharf was celebrated with an event attended by His Majesty King Tupou VI of Tonga, Prime Minister of Tonga Aisake Valu Eke, Australia’s High Commissioner to Tonga His Excellency Brek Batley, the Chief Executive Officer of the Ports Authority Tonga Alo-ki-hakau Maileseni, and ADB Director General for the Pacific Department Emma Veve.



In 2025, **77 local workers**, or **70 per cent** of the **project workforce**, were **Tongan** on average (of which 17 per cent were women).



67 per cent of the project management unit staff were **Tongan women**.



114 ‘Toolbox Talks’ training sessions delivered on **health and safety** and the **environment** with **women** comprising **14.4 per cent** of attendees.



100 per cent of participants in an AIFFP funded 2025 session delivered by the Women’s and Children’s Crisis Centre **found it valuable**.

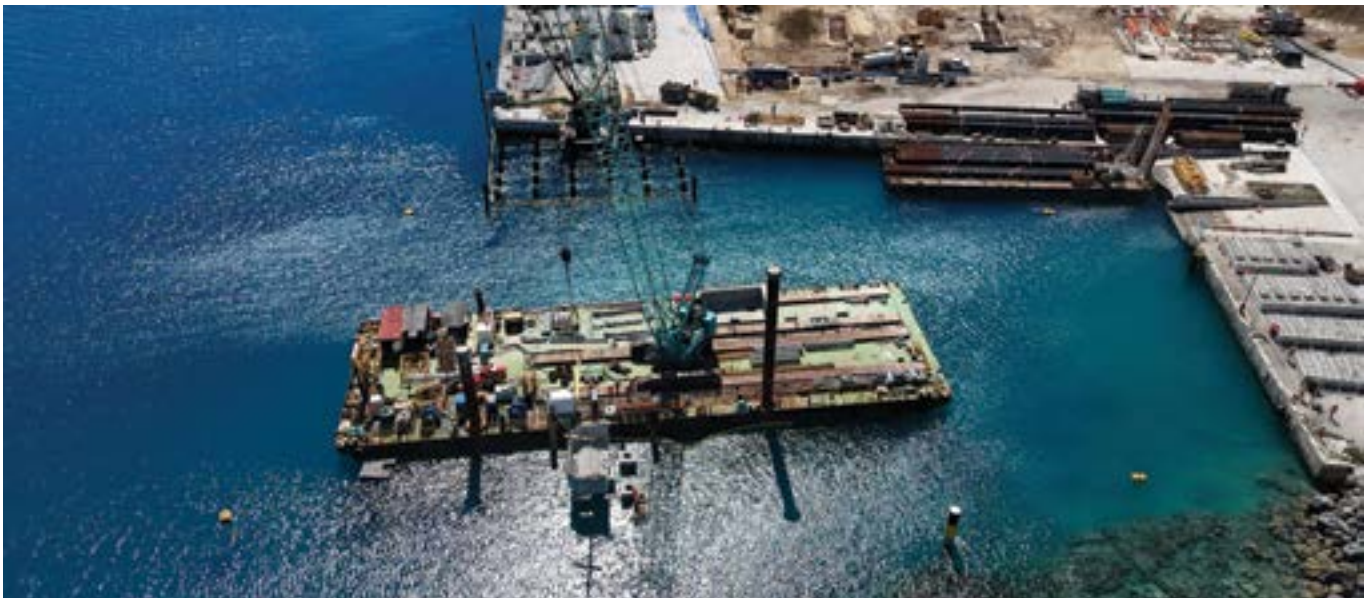


Image: Nuku’alofa Port, Tonga.



CONSTRUCTION COMMENCED ON PAPUA NEW GUINEA’S THIRD LARGEST PORT

In August 2025, a groundbreaking ceremony celebrated the start of construction on Kimbe Port in West New Britain Province. The project is part of the *PNG Ports Infrastructure Investment Program* financed by an AUD621.4 million AIFFP loan and grant package, delivered in partnership with the Government of Papua New Guinea and PNG Ports Corporation. The program will also update a further four ports at Oro Bay, Daru, Lae and Kavieng.

Efficient, high-performing maritime infrastructure is essential in Papua New Guinea, where more than 90 per cent of internationally traded goods are transported by sea. Over the next 25 years the rehabilitated Kimbe Port will continue to manage more than 600,000 tonnes of cargo annually, making a significant contribution to Papua New Guinea’s export economy.

Across both the marine and on-land works, Kimbe Port is expected to create up to 300 local direct and indirect jobs, providing opportunities for Papua New Guinea firms and workers.

“We must remind ourselves we are not merely launching a construction project, we are laying the foundations for enhanced connectivity and prosperity for generations to come in our country.”

Papua New Guinea Minister for State Enterprises,
the Hon William Duma



Image: Aerial view of Kimbe Port, West New Britain Province.

TWO-THIRDS OF UPGRADES COMPLETE ON PAPUA NEW GUINEA’S WAU HIGHWAY

Progress on upgrades to 45 kilometres of Papua New Guinea’s Wau Highway under the *Connect Papua New Guinea – Roads Repair* project continued into 2025. To date, the project has sealed more than 100,000 square metres and resealed more than 53,000 square metres of the Wau Highway. In 2025, pavement preparation and sealing works were completed along a seven-kilometre stretch of the highway.

An AUD76.3 million AIFFP loan and grant package is enabling the Government of Papua New Guinea to undertake long-term rehabilitation and maintenance along the Wau Highway. The project is making travel safer, improving access to essential services and benefitting communities producing fresh food, fish and coconuts, along with major industries, including mining, forestry, cattle and large-scale poultry.



Unlocking tourism, growth and vital services



Keeping **FAMILIES**
and communities
CONNECTED



ACCESS
to goods, services and
MARKETS

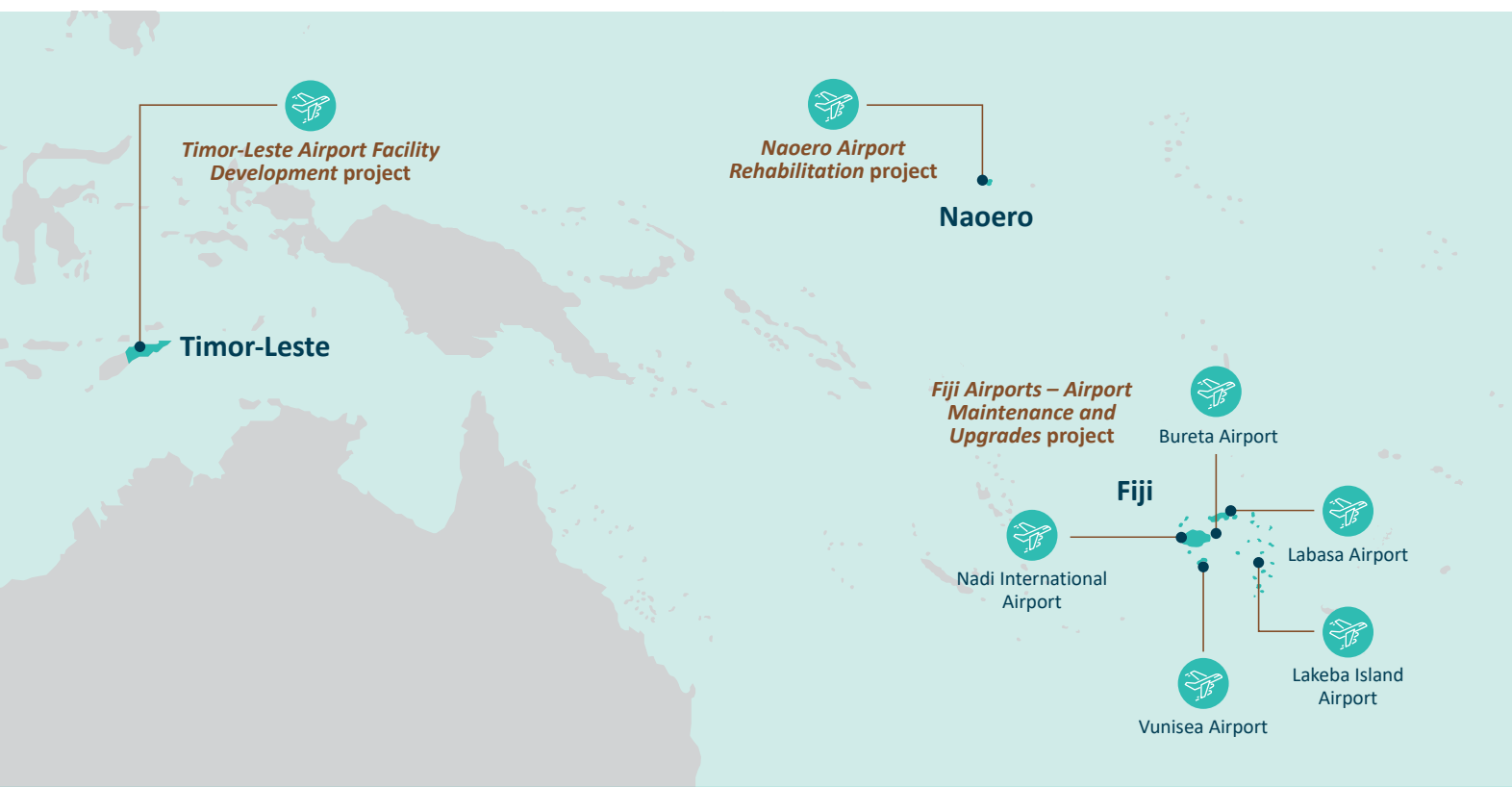


IMPROVING
capacity and quality of
OPERATIONS

The AIFFP is working with Pacific partners to build a safer, more resilient and sustainable regional aviation sector. Reliable airports and air transport services are critical to keeping Pacific communities and families connected. They provide access to goods, services and markets within and beyond the Pacific region and underpin tourism through expanded passenger capacity and experience. The Pacific's aviation sector is also essential to local and regional responses to disasters.

The development of airports as economic gateways is a core focus for the AIFFP, supporting safer, higher capacity and higher quality air transport operations. The AIFFP's support to partners includes essential capital works and maintenance to operational and airport facilities such as air traffic management systems, runways, cargo terminals, quarantine facilities and off-gate aprons, as well as ensuring systems and processes meet international standards.

Figure 1: The AIFFP's airport project sites in Fiji, Naoero and Timor-Leste.



UNEXPLODED ORDNANCE REMOVAL CLEARS THE WAY FOR UPGRADES TO NAOERO'S AIRPORT

In 2025, the AIFFP worked closely with the Naoero Government and Naoero Emergency Services to investigate 237 anomaly objects and safely remove three unexploded ordnance (UXO) remnants from World War II – two 500-pound bombs and one 5-inch naval shell – from under the airport runway surface.

The coordinated efforts of Naoero's Emergency Services, Naoero Police Force and Naoero Directorate of Civil Aviation helped manage the UXO risks during the investigations and removal process and keep people safe, enabling works to be completed five weeks ahead of schedule. The Naoero Government and the Australian High Commission in Naoero marked the completion of works with a handover of the three UXO artefacts for display at the Naoero Museum in May 2025.

The AIFFP placed a strong focus on building local capacity to safely lead operations and emergency response efforts and minimise impact to community.

The AIFFP is working with the Naoero Department of Transport and Naoero Directorate of Civil Aviation through the *Naoero Airport Rehabilitation* project to resurface the international airport runway and upgrade critical air traffic control equipment. The safe removal of UXO has cleared the way for these critical works. Naoero only has a single airport, making it a vital public and economic asset for the movement of people and essential goods into Naoero.

An AUD39.4 million AIFFP grant and AUD10 million bilateral grant package is ensuring the people of Naoero can remain connected to supplies, essential services and family overseas for years to come, with upgrades increasing the airport's function as a critical regional hub, service life, capacity and safety. The resurfacing will extend the life of the airport up to 20 years.



Image: Assistant Minister for Pacific Island Affairs, Senator the Hon Nita Green joined President of Naoero His Excellency David Adeang at the groundbreaking ceremony for the *Naoero Airport Rehabilitation* project in August 2025. Letters written by 30 students from Naoero Secondary School were placed in a time capsule to be opened in 2045.



Image: President of Naoero His Excellency David Adeang, members of Naoero's Cabinet and Australian High Commissioner to Naoero His Excellency Matthew Barclay marked the completion of UXO removal works with the handing over of three artefacts.

Powering homes, services and industry



TRANSITIONING
to **RENEWABLE
ENERGY**



Up to
20 PER CENT
of Palau's
ENERGY NEEDS



Up to **40,000**
new electricity
CONNECTIONS
in Papua New Guinea

Through its grid-scale energy projects, the AIFFP is supporting partner countries to transition from fossil fuels to renewable energy. This transition reduces exposure to volatile global fuel prices and supports achievement of targets under treaties such as the Paris Agreement.

The AIFFP is also supporting Pacific partners to upgrade their energy network infrastructure and enhance grid stability, providing cheaper and more reliable electricity connections for families and businesses. These critical infrastructure upgrades will improve community living standards in cities, towns and remote villages and enable schools and hospitals to deliver essential services.

Figure 2: The AIFFP's grid-scale energy project sites in Papua New Guinea, Palau and Solomon Islands.



ONE STEP CLOSER TO POWERING SOLOMON ISLANDS' CAPITAL



Solomon Islands' Tina River Hydropower Development Project marked an important milestone in November 2024, with construction commencing on the main dam and powerhouse. Co-financed by the Australian Government and international development partners, the project is Solomon Islands' largest renewable energy initiative and Australia's largest climate finance investment in the Pacific. It will displace diesel generation that currently supplies up to 83 per cent of Honiara's annual electricity demand, lower the cost of electricity generation, and diversify generation capacity towards clean, renewable sources.

Through an AUD32.4 million loan and grant package, the AIFFP is financing the *Tina River Hydropower Transmission System*, which will connect the hydropower facility to Honiara's main electricity grid. The project includes construction of a 22-kilometre transmission line to deliver electricity generated at the dam to the main grid for distribution to consumers.

To celebrate the start of construction, former Solomon Islands prime minister the Hon Jeremiah Manele attended an official ceremony alongside former Australian High Commissioner to Solomon Islands His Excellency Rod Hilton, Solomon Islands Government ministers and officials, and senior representatives from multilateral development banks, K-Water, Tina Hydro Limited and Hyundai Engineering Corporation.

The project will meet 100 per cent of Solomon Islands Government's international commitment to emissions reduction under the Paris Agreement. It is co-financed by the Australian Government, the Abu Dhabi Fund for Development, the ADB, the Green Climate Fund, the Korea EX-IM Economic Development Cooperation Fund and the World Bank.



Solomon Islands' largest renewable energy initiative and Australia's largest climate finance investment in the Pacific.



Image: Former Solomon Islands prime minister the Hon Jeremiah Manele attended an official ceremony to mark the start of construction alongside former Australian High Commissioner to Solomon Islands His Excellency Rod Hilton.

Empowering communities through digital connectivity



**ALL PACIFIC ISLAND FORUM
COUNTRIES CONNECTED**
by **UNDERSEA CABLES**



**FASTER, more
RELIABLE
INTERNET**

Undersea cables are the backbone of internet connectivity and other telecommunications infrastructure, carrying more than 95 per cent of international data traffic.

Faster, higher-quality and more reliable internet can support services in government, education, health and tourism and is crucial to linking Pacific island communities to the rest of the world. It is critical the region's cable network is resilient to challenges and supports current

and future bandwidth demands. Satellite systems can be unreliable and susceptible to disruptions, especially during bad weather. Telecommunications cables provide more consistent and reliable connectivity.

The AIFFP is supporting Pacific island countries to benefit from reliable connectivity and the growth of the digital economy through financing and delivery of undersea telecommunications cables and related on-land infrastructure.



Image: CEO of Federated States of Micronesia Telecommunications Cable Corporation Gordon Segal, Governor of Kosrae State Tulensa W. Palik and an NEC official at the *East Micronesia Cable System* cable landing event in Kosrae, FSM.

CONNECTIVITY ONE STEP CLOSER FOR MICRONESIAN COUNTRIES

In late 2025, the *East Micronesia Cable System* successfully landed in Naoero; Tarawa in Kiribati, and the state of Kosrae in FSM – a key step towards service in 2026. Jointly financed and delivered by the AIFFP and partners, the cable system will bring faster, more reliable and affordable high-quality internet to the three Pacific countries.

Increased connectivity improves the availability of digital government services and enables increased trade and employment opportunities. It also strengthens resilience to climate impacts, assisting governments with disaster and climate change preparedness and reducing the risk of a telecommunications outage in the event of adverse

weather. Together, these outcomes enable increased economic growth and improved living standards in the three countries.

The AUD135 million project is fully grant-funded by Australia (up to AUD65 million from the AIFFP), Japan and the United States. The 2,250-kilometre-long undersea cable and related infrastructure connects Naoero, Tarawa, and the state of Kosrae to the existing HANTRU-1 cable landing point located in Pohnpei, FSM.

In each location, the cable lay ship, the Normand Clipper, floated the cable into shore as part of a ceremonial buoy event to recognise the cable landing milestone.



Faster, more reliable internet to more than **100,000 people** in Naoero, Tarawa in Kiribati and the state of Kosrae in FSM.



88 per cent of civil works expenditure across all project locations went to **Pacific labour, goods and services** in 2025.



87 per cent of the workforce for the land-based works were **Pacific Islanders** in 2025, with **women** making up **15 per cent** of the Pacific workforce.



State-owned **enterprise partners supported** to maintain ongoing, **sustainable operations**.



Image: Cable lay ship, the Normand Clipper, floating the *East Micronesia Cable System* into Naoero's shore.



TUVALU’S FIRST INTERNATIONAL UNDERSEA CABLE CONNECTED

In October 2025, Tuvalu marked a historic milestone with the connection of its first international undersea cable, the *Tuvalu Vaka Cable*, connecting Funafuti to Google’s Bulikula cable system. The milestone follows commencement of land-based works in November 2024 and cable landing in December 2024.

The project is delivering faster, more reliable and more affordable internet to communities across Tuvalu, enabling families to connect more easily with loved ones abroad, schools to access new digital learning tools, health workers to share critical information in real time, and businesses to reach new markets.

The connection will enhance digital inclusion in Tuvalu, reducing barriers to digital access and creating opportunities including for women, young people and people with disability to participate in the digital economy.

The AIFFP’s contribution of up to AUD53 million to the AUD80 million project is part of a wider partnership with Tuvalu, Japan, New Zealand, Taiwan, the United States and Google.



Tuvalu’s **first international undersea cable** provides more than **10,000 people** with **internet connectivity**.



Pacific-based firm awarded on-land works contract with most of its workforce from Pacific island countries, **28 per cent** of which were **Tuvaluan**.



Climate resilient design and nature-based solutions **embedded** in the project’s **on-land works**, with the cable landing station **powered by an off-grid source**.

*The name **Vaka**, drawn from the traditional Tuvalu canoe, reflects resilience, exploration and unity. Just as the **vaka** once carried Tuvaluans across oceans, the **Tuvalu Vaka Cable** will carry Tuvalu into a more connected future.*



Image: Tuvalu Telecommunications Corporation CEO Tenanoia Simona at the *Tuvalu Vaka Cable* landing in Funafuti.



STRENGTHENING RELIABLE CONNECTIVITY IN TONGA

The AIFFP is working with the Governments of Tonga and New Zealand to build a second international undersea telecommunications cable to Tonga, the *Tu’i Vava’u Cable* (formerly known as the *Tonga Hawaiki Submarine Cable Branch System*).

The project involves construction of a 405-kilometre-long cable from a branching unit on the Hawaiki Cable to the existing cable landing station in Vava’u and will be ready for service in 2026.

Tonga’s first international subsea cable, the Tonga Cable System, was severed in 2022 following the eruption of the Hunga Tonga–Hunga Ha’apai volcano and took over five weeks to repair. The second international cable will reduce the risk of outages to Tonga’s

telecommunications. It will deliver more reliable service to the public, with flow-on benefits for disaster resilience and national digitalisation.

The project marks an important step in supporting secure and resilient infrastructure, as a key enabler of economic growth and driver of improved living standards for the people of Tonga.

The AIFFP is contributing an AUD35.6 million grant toward the project alongside AUD19 million from the Government of New Zealand.

The *Tu’i Vava’u Cable* complements Tonga’s existing international undersea cable connecting Fiji to Tongatapu, and the domestic cable connecting Tongatapu and Vava’u.

CRITICAL DIGITAL RESILIENCE FOR SOLOMON ISLANDS

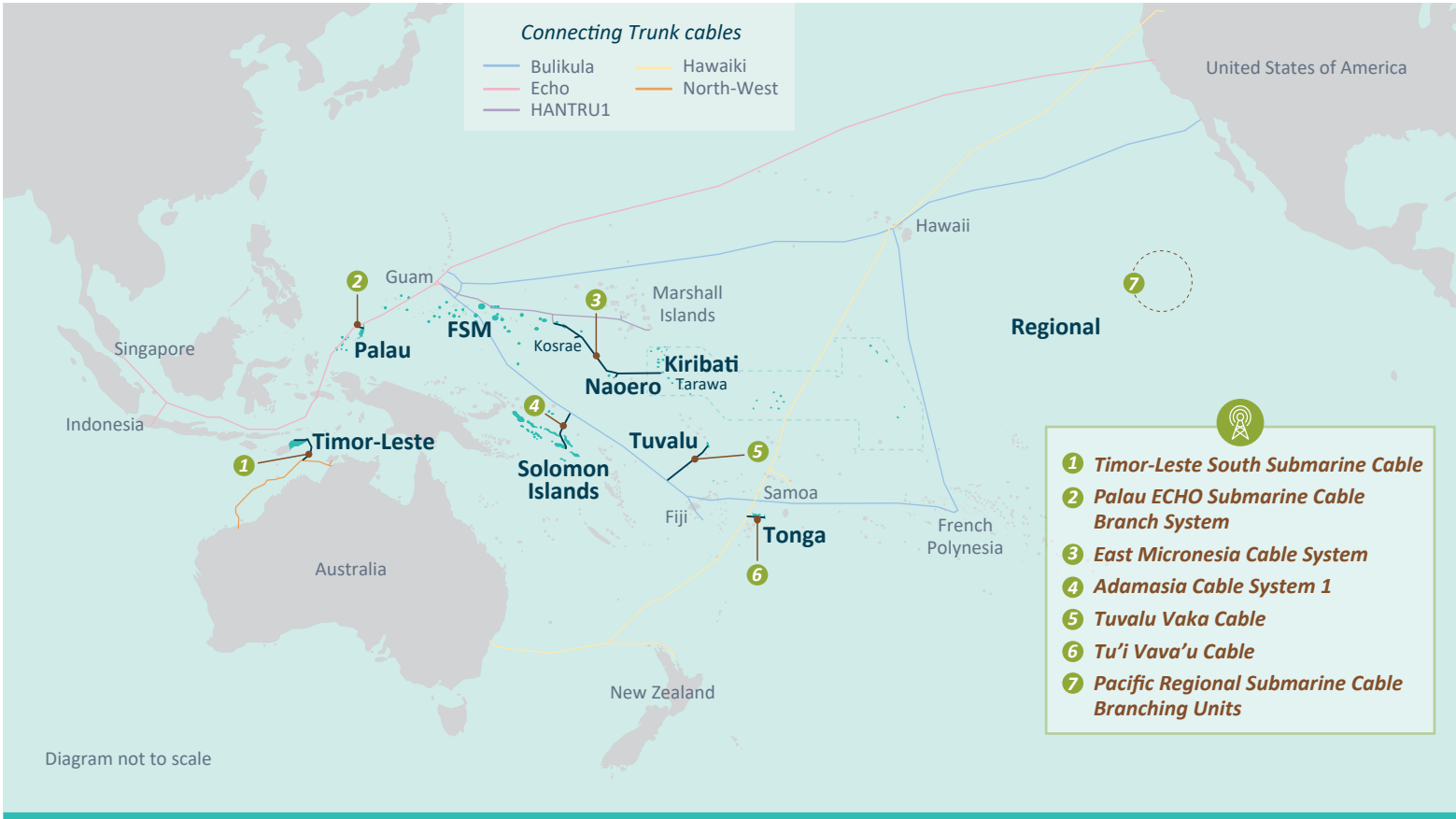
Australia, in partnership with the Solomon Islands Government and the Solomon Islands Submarine Cable Company, is supporting development of a second international undersea telecommunications cable for Solomon Islands – the *Adamasia Cable System 1*. The 1,015-kilometre-long cable will connect with Google’s Bulikula system.

Former Solomon Islands prime minister the Hon Jeremiah Manele and Australia’s Assistant Minister for Pacific

Island Affairs, Senator the Hon Nita Green jointly announced the commitment at the Australia Solomon Islands Business Forum in November 2025.

The AIFFP’s AUD104 million loan and grant package will strengthen resilient international connectivity for Solomon Islands, reducing the risk of outages during severe weather events, providing critical redundancy, and creating economic and social opportunities for businesses and government.

Figure 3: Telecommunication cables supported by AIFFP financing across the Pacific and Timor-Leste.





Lighting up rural and remote communities



**AFFORDABLE
CLEAN ENERGY**
to 62 remote
facilities



**REDUCED
RELIEANCE**
on fossil fuels
at 7,344 sites



Opportunities for
**BETTER
LIVELIHOODS**
for approximately 57,000
community members



**271 PEOPLE
TRAINED**
including 99 women
in technical roles

The AIFFP is building climate resilience by delivering off-grid renewable energy to rural and remote parts of the Pacific and Timor-Leste. As at 31 December 2025, the AIFFP financed 27 off-grid renewable energy projects, with 11 projects announced between July 2024 and December 2025 alone. This section highlights key activities and achievements from the period.

The Australian Government launched the AUD75 million REnew Pacific program at the 2024 United Nations Climate Change Conference (COP29) in Azerbaijan.

The program is designed to deliver off-grid renewable energy to the Pacific as part of Australia's climate financing commitments. It is empowering remote communities and enhancing livelihoods through inclusive and sustainable projects that contribute to improved lighting, clean water, agriculture, food security, quality education and health services and reliable communications.

Built on community leadership, practical design, trusted partnerships and long-term impact, REnew Pacific launched five projects in its first year and is showing what is possible when local organisations, governments and the private sector work together to deliver clean, reliable energy where it is needed most.



Image: Solar power is improving learning opportunities for primary school students on Fiji's remote Rabi Island.

SAFER AND BETTER EQUIPPED REMOTE HEALTH FACILITIES ACROSS VANUATU



The *From sea to clinic: HELPR-1* powering Vanuatu's remote health centres project is complete, with 20 new off-grid solar systems installed and a further 20 systems refurbished at health facilities across Vanuatu's six provinces. The project brings reliable solar power to some of Vanuatu's most remote clinics and hospitals, improving healthcare for more than 80,000 people.

The program delivered upgrades tailored to each facility's needs, including energy-efficient lighting, battery systems, water pumps and priority medical equipment.

Facilities such as Quatvae's Hospital and Saramauri Health Centre can now reliably operate X-ray machines, ultrasounds and other diagnostic tools for the first time thanks to clean, reliable solar power. The final installation

took place at Mamalu Vanau Dispensary in Naviso, which previously did not have reliable electricity.

The project strengthens the resilience of local services, ensures vital equipment can operate when needed and helps communities overcome the challenges of distance and isolation. This is practical, life-changing infrastructure that will benefit Vanuatu for many years.

Local health and facility staff were also trained to operate and maintain the new systems, ensuring long-term reliability and strengthening capacity across remote islands.

The upgrades were delivered by Respond Global's HELPR-1 team in partnership with Vanuatu's National Green Energy Fund and the Australian Government through the AIFFP.



Image: New 10kW off-grid solar systems are now in place at Saramauri Health Centre in Sanma, Vanuatu. With reliable power and new medical equipment, the local community can access safer, more consistent care, day and night.

IMPROVING ENERGY ACCESS TO 4,000 REMOTE SOLOMON ISLANDERS

The solar 'hub' at Takataka Cultural Centre in Solomon Islands' Malaita province was installed and energised in June 2025, a major milestone for the *Energising Solomon Islands' Malaita community with affordable solar power* project.

Serving a community of more than 4,000, the cultural centre is becoming a major solar-powered hub for the region, with affordable solar kits for local businesses and households to improve energy access across remote areas of East Are'are.

The solar system will power the cultural centre, freezers for cold storage and a charging station for an electric boat.

The partnership between Superfly, Save the Children Solomon Islands, Mai-Maasina Green Belt and the Australian Government is also laying the groundwork for a scalable, community-driven solution to energy challenges in other remote communities across Solomon Islands.



Image: Takataka Cultural Centre in Solomon Islands' Malaita province.

PACIFIC AND TIMOR-LESTE CLIMATE LEADERSHIP AT COP30

At the 2025 United Nations Climate Change Conference (COP30) in Brazil, the AIFFP supported project leaders from Vanuatu, Solomon Islands and Papua New Guinea to share frontline insights on how solar systems are transforming essential services in some of the region's most remote and climate-vulnerable locations. Their stories highlighted the essential role of clean, reliable power in strengthening services in communities and the value of partnerships grounded in local knowledge.

One session featured Australia's Ambassador for Climate Change Will Nankervis, REnew Pacific Team Leader Mohammed Angawi, Dr Basil Leodoro from Respond

Global, Tapera Bird from Superfly and Dr Genevieve Nelson from Kokoda Track Foundation. Together they shared lessons from the HELPR-1 vessel, hybrid solar systems and whole-of-village mini-grids, showing how reliable clean energy is transforming daily life in remote communities.

COP30 reinforced the strength of Pacific leadership in shaping practical, community-led climate and energy solutions, with the REnew Pacific delegation showcasing how communities across the Pacific and Timor-Leste are driving a practical and inclusive clean energy transition, supported by Australian Government funding delivered through the AIFFP.



Image: A panel discussion at COP30 involving Pacific partners.



Image: Pacific project leaders and the REnew Pacific team at COP30.

Delivering on the Pacific Quality Infrastructure Principles

Pacific Islands Forum leaders endorsed the Pacific Quality Infrastructure Principles in 2023.



Local content – use local labour, build local capacity and support local businesses



Value for money – generate positive social and economic values



Climate resilience – build resilience to future impacts of climate change



Responsible borrowing and governance – borrow sustainably, spend transparently and accountably



Social and environmental safeguards – protect the environment, people and livelihoods



Inclusivity – infrastructure for all, inclusively developed



Private sector investment – incentivise private sector to finance and develop infrastructure

The regionally owned and inclusive Principles aim to lift the quality of infrastructure investment and development in the region. The Principles complement other global quality infrastructure principles and standards, including the G20 Principles for Quality Infrastructure Investment.

The AIFFP has embedded the Principles into its infrastructure planning and delivery frameworks and provides funding support for a Pacific Quality Infrastructure Advisor to the Pacific Islands Forum Secretariat.



Image: Clean, reliable solar energy powering Sir Dudley Tuti College in Isabel Province, Solomon Islands, strengthening education, campus safety and essential services.



PQIP #1: LOCAL CONTENT



JOBS
for local men
and women



CONTRACTS
for local companies



UPSKILLING
of local workforce
and industry



INVESTING
in future skills supply via
local graduates and trainees

The AIFFP prioritises access to jobs, business and training opportunities for Pacific communities through its projects. The AIFFP looks for opportunities to involve the local workforce and enterprises through its project planning, design and delivery.

As at 31 December 2025, the AIFFP supported 937 jobs for people living in Pacific island countries. In 2025, 30 contracts and subcontracts were held by Pacific-based companies, with seven civil works packages led by nationally based companies.

Understanding local skills and capabilities in Papua New Guinea

To improve social inclusion outcomes, the AIFFP has strengthened safeguards assessments to include a comprehensive local skills and business survey of communities where projects are based in Papua New Guinea.

Four surveys were undertaken in 2025 in Kavieng, Oro Bay, Daru and Lae to inform the AIFFP's upcoming projects in these locations. The survey outcomes will be made available to contractors to prioritise employment of local men and women, including people with disability. They will also inform strategies for the involvement of unemployed youth.

The AIFFP encourages partnerships with local, regional and international training providers and industry to deliver on-the-job training and build skills and capabilities that outlast the project.

Local experts take ownership of solar operations across the Pacific

The REnew Pacific portfolio is building local skills and capacity in renewable energy.

The AIFFP is supporting a partnership with the Sustainable Energy Industry Association of the Pacific Islands to inspect and certify the installed off-grid solar systems to Australian standards. Through on-site and remote inspections, practical training and industry engagement, this partnership supports in-country capacity building of utilities, regulators and training institutions, helping to lift installation standards. In 2025, trainers from the Vanuatu Institute of Technology and Solomon Islands National University participated in on-site inspections.

In Vanuatu and Solomon Islands, projects are also supporting local contractors to install systems, creating jobs and building experience, including in training new asset owners in remote locations.

As part of the *From sea to clinic: HELPR-1 powering Vanuatu's remote health centres* project, 10 students were trained in solar installation, each receiving two weeks of mentoring, shadowing our technicians as they install and repair solar systems. A further 25 health workers have been trained in the use of the solar systems installed in the healthcare facilities, including safe shut-off procedures.



Growing the next generation of industry skills to meet infrastructure demand

In mid-2024, the AIFFP introduced mandatory requirements for graduate and trainee participation on its projects. These requirements were incorporated into contractual obligations for the marine works contractor for the Kimbe Port upgrade in early 2025, part of the *PNG Ports Infrastructure Investment Program*. The contractor has since engaged two graduate engineers, one graduate surveyor and a trainee from the local technical college (50 per cent women).

Feedback from graduates suggest early signs of improved technical and soft skills contributing to long-term employability, career advancement and income progression of young graduates.



Image: A local skills and business survey to inform forthcoming AIFFP projects was undertaken in Kavieng, Oro Bay, Daru and Lae to improve local employment.



PQIP #2: VALUE FOR MONEY

Value for money is the core principle underpinning the AIFFP's procurement processes, including those led by our partners. Value for money considerations are much broader than simply achieving lowest price. They require a balanced assessment of quality, risk and supplier capability. The AIFFP considers a range of financial and non-financial factors to support effective procurement outcomes for partners and Pacific island countries more broadly. The AIFFP prioritises the procurement of qualified suppliers with demonstrated experience and track records in delivering high-quality infrastructure.

AIFFP financed infrastructure assets are built in line with relevant Australian and international building standards and national building codes. The AIFFP is committed to ensuring infrastructure is functional and operational across its usual lifecycle, with value for money considerations including an assessment of the ongoing cost to operate and maintain assets over their life.

In assessing value for money, the AIFFP also considers the contribution of the procurement to strengthening the local labour market and creating economic opportunities for local workers and enterprises. The AIFFP strongly supports local participation in the design, construction and ongoing operation of AIFFP financed assets.

Environmental sustainability is a key part of the AIFFP's value for money assessment of procurement outcomes. Energy efficiency, environmental impact and the repurposing of products are considered where possible. Suppliers must demonstrate they understand and can meet environmental and social safeguards, climate and disaster risk resilience requirements and gender equality, disability and social inclusion (GEDSI) requirements when procuring for AIFFP infrastructure. Suppliers must also meet relevant standards on work health and safety, modern slavery, and anti-bribery and corruption.

Image: Prime Minister of Papua New Guinea the Hon James Marape, Australia's High Commissioner to Papua New Guinea His Excellency Ewen McDonald AM, and Head of the AIFFP Mr Jonathan Kenna attended the Kimbe Port groundbreaking event in Papua New Guinea in August 2025.





PQIP #3: CLIMATE RESILIENCE



Climate and hazard
**RISKS
ASSESSED**



Climate and disaster
**RISK-INFORMED
DESIGN**



**ADAPTATION
and MITIGATION**
optimised



**NATURE-
BASED
SOLUTIONS**

The AIFFP is delivering high impact infrastructure that is built for the future – designed for Pacific conditions and to withstand the impacts of climate change. The AIFFP has expanded its investment in dedicated climate and renewable energy infrastructure (pages 18-20) as well as trialling nature-based solutions to protect infrastructure from coastal erosion, flooding and storm surges.

Pacific island countries and Timor-Leste are among the world's most vulnerable nations to climate change, extreme weather and geophysical hazards. The region is already experiencing impacts from sea level rise, more frequent flooding, tropical cyclones, earthquakes and volcanoes. The AIFFP is committed to delivering high-quality, resilient and sustainable infrastructure that responds to these risks, in line with the DFAT Climate Change Action Strategy (2020–2025).

The AIFFP applies climate resilience considerations across all of its infrastructure projects. The AIFFP developed an Initial Climate Hazard Exposure Assessment, which all projects undertake to identify their vulnerability to climate change and natural hazards.

A comprehensive Climate and Disaster Risk Assessment is undertaken during the planning and design stages if the initial screening identifies medium or high exposure to climate hazards.

These tools combine the latest global, regional and local climate data, modelling and engagement with project stakeholders to ensure climate and disaster risks inform design, construction and operations. This approach enables the AIFFP to contribute to climate adaptation and mitigation efforts throughout the region.

Climate-resilient boat harbours make island landings safer in Tuvalu

Tuvalu is one of the world's most vulnerable nations to the impacts of climate change. Through the *Nui and Niutao Islands Boat Harbour Development* project, climate resilient upgrades to two remote island harbours is making travel more accessible and reliable for locals.

The harbours and related on land facilities on both Nui and Niutao islands considered mitigation and adaptation measures to address projected sea level rise, more intense cyclones, coastal erosion and changing longshore sand movement.

Community members recall arriving at Niutao Island and transferring into small boats in the open ocean, timing their landing perfectly with the swells.

The new AIFFP and ADB-funded infrastructure replaces hazardous surf landings with safer, more protected gateways, keeping communities connected, even as climate challenges intensify.



Image: The new climate-resilient harbour on Niutao island, co-funded by the AIFFP and ADB.



Image: The hybrid solar-battery-diesel system is producing reliable and free power for Good Samaritan Hospital in Guadalcanal Province, Solomon Islands.

First AIFFP off-grid project enables 24/7 healthcare in Solomon Islands' Guadalcanal province

Since switching to a solar-hybrid system in late 2024, Good Samaritan Hospital is delivering reliable 24/7 healthcare for families across Solomon Islands' Guadalcanal province, with fuel savings even funding new health services.

The *Generating energy security for essential healthcare in Solomon Islands* project is powering a cleaner, greener and more resilient healthcare system for more than 43,000 people, including more than 21,500 women who rely on maternity, child and other health services.

The impact in its first year has been significant, with 97.3 per cent of the hospital's energy needs now supplied by solar, enabling hundreds of patients to be treated safely at night with reliable power. The shift has saved 19,000 litres of diesel, cutting costs and avoiding 51 tonnes of carbon dioxide emissions.

Savings from reduced fuel costs are already being reinvested back into healthcare. A new extension for non-communicable disease foot care has opened and a small eye clinic is planned for the coming months. These services would not have been possible without the shift to solar.



PQIP #4: RESPONSIBLE BORROWING AND GOVERNANCE

The AIFFP provides loan and grant financing packages to sovereign and private sector partners in the Pacific and Timor-Leste to support development of priority infrastructure projects. It can also issue guarantees to facilitate local currency borrowing and loans or refinance existing infrastructure projects.

The AIFFP is committed to responsible and sustainable lending practices and avoiding unsustainable debt burdens. The AIFFP ensures its financing is consistent with Australia's international obligations on debt sustainability and is priced carefully to reflect a country's debt circumstances.

Access to grant funding enables the AIFFP to issue financing that is more concessional and attractive to its sovereign borrowers, and allows the AIFFP to operate in countries where loans are not suitable due to debt concerns. Each AIFFP sovereign loan is priced on a case-by-case basis and is generally in major currencies, such as AUD or USD. These loans carry an interest rate broadly in line with, or comparable to, multilateral development bank rates for sovereign borrowing and benchmarked to market rates for private sector borrowing.

Unlike bilateral programs or traditional infrastructure financing tools, the AIFFP provides end-to-end infrastructure delivery support to its partners, extending beyond financing and into delivery. This approach is necessary in the Pacific environment to ensure infrastructure is not just successfully financed but also successfully delivered. It enables the AIFFP to support key infrastructure projects in the context of challenges such as technical skill shortages, remoteness to infrastructure supply chains, vulnerability to natural disasters, and governance and institutional capacity limitations that may affect the delivery of major projects.

The AIFFP is supported by an advisory board whose central function is to make formal recommendations on potential AIFFP projects to the Minister for Foreign Affairs and Minister for Pacific Island Affairs. The AIFFP Board is a key element of the AIFFP's governance arrangements and is comprised of senior DFAT and APS executives and independent external appointees. The Board is chaired by the Head of DFAT's Office of the Pacific. The Board meets several times a year to consider AIFFP project financing proposals and receive relevant updates on the operation and implementation of the AIFFP's portfolio. Quarterly AIFFP risk meetings, chaired by the Head of the AIFFP, also ensure regular monitoring and oversight of risks across the facility and its projects.



Image: Minister for Pacific Island Affairs the Hon Pat Conroy MP speaking at the Pacific Infrastructure Conference 2025 in Brisbane.



Image: Minister for Foreign Affairs Senator the Hon Penny Wong visits the Tuvalu Coastal Adaptation Project.



PQIP #5: SOCIAL AND ENVIRONMENTAL SAFEGUARDS



The AIFFP's projects are designed to meet a high standard for environmental and social protection. The AIFFP applies international environmental and social safeguards standards such as the Equator Principles and International Finance Corporation's Performance Standards on Environmental and Social Sustainability, as well as DFAT's Environmental and Social Safeguard Policy (2019); Child Protection Policy (2025); and Protection from Sexual Exploitation, Abuse and Harassment (PSEAH) Policy (2025). Both the AIFFP and Export Finance Australia's safeguards processes must also comply with partner government legislation on environmental and social protection.

Environmental and social safeguards are considered at all stages of the project lifecycle from planning, design and procurement through to construction, operation and maintenance. The AIFFP's safeguards approach integrates gender equality, disability and social inclusion (GEDSI), climate change and disaster resilience, as well as local

content considerations to ensure that environmental and social risks are managed appropriately and that projects also enhance environmental and community benefits.

The AIFFP recognises the challenges in managing environmental and social risks in the Pacific context. The AIFFP works closely with partners to ensure project safeguards are robust and draw on local knowledge and expertise and holds partners accountable for ensuring safeguards are effectively implemented and routinely monitored.

Where needed, the AIFFP also supports organisations to build their institutional capacity to meet international standards. Safeguards specialists within project delivery teams work closely with local communities and contractors to ensure that projects are delivered safely and in a manner that meets community expectations.



The AIFFP's approach to child protection and PSEAH

The AIFFP recognises infrastructure projects can bring positive change and opportunity to communities, including children and their families, young people, women and vulnerable adults. However, without adequate protections, infrastructure developments can pose serious risks of harm to these groups. Children and vulnerable adults in areas undertaking infrastructure projects can be at greater risk of sexual and physical violence, abuse and exploitation.

DFAT's Child Protection and PSEAH policies apply to all AIFFP staff and partners. In line with these policies, the AIFFP's projects include provisions in project design, Environmental and Social Management Plans (ESMP), contracts and oversight functions to ensure that all AIFFP partners, including managing contractors, grant recipients and downstream partners, adhere to these policies. Through REnew Pacific, the AIFFP is working with child-focused, non-government organisation, Save the Children, to ensure robust and culturally appropriate safeguards are applied across all projects.

Safeguards embedded in East Micronesia's journey to connectivity

The ESMP for the *East Micronesia Cable System* outlined risks identified by impact assessments, and set out mitigation measures and performance indicators. Contractor Environmental and Social Management Plans (CESMP) were implemented for each of the onshore cable landing station sites to manage potential risks. This included environmental, social, health and safety risks, employee grievance redress mechanisms, sexual exploitation, abuse and harassment (SEAH) incident forms, and code of conduct forms, which outlined individuals' commitments to GEDSI and protection from SEAH. As part of the Kosrae civil works in FSM, which took place on the grounds of an elementary school, construction workers were provided with formal GEDSI training.



Image: The AIFFP co-hosted a safeguards knowledge sharing event with ADB and the World Bank at the Pacific Infrastructure Conference 2025 in Brisbane.



The AIFFP supports safeguards capacity building of Papua New Guinea roads partners

Showcasing the AIFFP's partnership approach to managing environmental and social risks, the AIFFP worked with project partners to strengthen safeguards systems on the *Connect Papua New Guinea – Roads Repair* project. Through refresher training on safeguards requirements, including clarifying roles and responsibilities, improvements were made to issues identified through project monitoring including on-site safety, grievance redress mechanisms and risk assessments for emergency works.

The AIFFP also assisted the contractor to develop a more fit for purpose CESMP and monitoring checklist to replace the existing safeguard management plan. Monthly site visits since September 2024 have ensured corrective and preventive actions are implemented. Under project re-scoping in early 2025, additional budget and resources have been applied to support the renewed focus on environmental and social safeguards. The AIFFP is also supporting the Department of Works and Highways to ensure that safeguards, GEDSI and local content are better captured in procurement documents for future works.



PQIP #6: INCLUSIVITY

GENDER EQUALITY, DISABILITY AND SOCIAL INCLUSION (GEDSI) ANALYSIS
for every project



GEDSI RISKS
identified and managed



COMMUNITY ENGAGEMENT
with women's organisations and organisations of people with disability



GEDSI IMPACT OPPORTUNITIES
optimised



GEDSI OUTCOME REPORTING

including sex-disaggregated data

Recognising women and girls and people with disability are disproportionately affected by inadequate infrastructure, the AIFFP supports partners to build and upgrade infrastructure that is inclusive and gender-responsive.

The AIFFP takes a twin-track approach to promoting inclusive infrastructure:

- mainstreaming GEDSI throughout the project cycle to ensure women, men, people with disability and other marginalised groups can all benefit, with their needs and priorities addressed, contributing to narrowing gender, disability and social inclusion gaps

- implementing and requiring 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 disability or other marginalised groups are not disadvantaged.

To operationalise this at the project level, the AIFFP uses the Organisation for Economic Co-operation and Development policy markers, assigned at project scoping and preparation stage, to determine a proportional approach to GEDSI on a project-by-project basis while ensuring consistency across the portfolio.

This approach is underscored by Australia's International Gender Equality Strategy, launched in February 2025; International Disability Equity and Rights Strategy, launched in November 2024; and associated DFAT performance criteria for gender and disability.



Image: Four female teachers from Fiji's Buakonikai Primary School are introducing their students to digital learning thanks to solar power.



Women solar technicians and teachers power change on Fiji's Rabi Island

Women across Fiji are leading the way to bring renewable energy to rural and maritime communities and young girls new opportunities to learn.

On Rabi Island, where power was once unreliable and access to education was limited, a new solar energy system is enhancing the way students, especially girls, experience learning.

The two year *Piloting a sustainable solar energy model for Fiji's remote school communities* project supports the design and development of an effective model of monitoring and maintaining solar energy systems in remote school communities, starting with Buakonikai Primary School on Rabi, which now has a reliable, solar powered energy system.

For years, the school's four female teachers struggled with the lack of electricity. Simple tasks like printing worksheets, sending emails or accessing the internet were difficult and digital learning was simply out of reach. Now, with solar power in place, the school's 101 students have access to modern education tools for the first time.

The Headteacher of Buakonikai Primary School, Katarina Tubekoro, said the provision of power has enabled internet access for students, providing a new digital learning experience.

"I wear my hi-vis vest with pride because I want young girls to see that they can do this too. When they see me working, they realise that this isn't just a job for men. They can be electricians, engineers, or anything they set their minds to."

"Before, our students had to imagine what the world looked like. Now, they can see it. We can show them real-life science experiments, documentaries, and lessons that make learning exciting."

Katarina Tubekoro, Head Teacher at Buakonikai Primary School

This shift in education would not be possible without women like Vasiti Talakubu working to bring power to rural and maritime communities. A licensed electrician specialising in solar and renewable energy, Vasiti has been installing solar systems for over a decade in remote villages across Fiji, now working with project partner Its Time Foundation to bring clean energy to schools, homes and businesses.

Helping to install the system now powering Buakonikai Primary School, Vasiti hopes to inspire other women to follow in her footsteps and take up careers in science and engineering.

Vasiti Talakubu, Electrician with Its Time Foundation



Image: Rabi Island's Buakonikai Primary School now has a reliable, solar-powered energy system.



Women's participation enables more inclusive maritime infrastructure in Tuvalu

Many AIFFP projects are delivered in geographic locations and infrastructure sectors where women's participation has traditionally been limited by social norms and structural barriers.

The AIFFP takes a coordinated approach to GEDSI and local content where possible, maximising gender impact opportunities during delivery, including employment and economic participation alongside training and professional development.

As part of the *Nui and Niutao Islands Boat Harbour Development* project, public consultations during design and delivery of the Niutao harbour had a target of 40 per cent female participation. Between January and June 2025, six project steering committee

meetings took place with community representatives, with women comprising an average of 49 per cent of community attendees at these meetings.

Women also comprised 16 per cent of the project workforce, exceeding the target of 10 per cent. While, in a small workforce, this equates to the participation of between one and two women over a 12 month period, it represents a positive outcome in the context of the project's remote location, the limited availability of a local workforce and traditional gender roles within the community.

Additionally, the project prioritised training to civil works labourers and surrounding community members, with training on women's health and children's health in 2025 attended by 22 and 15 women respectively.



PQIP #7: PRIVATE SECTOR INVESTMENT

The AIFFP encourages private sector-led investments and offers direct and local currency loans and guarantees to non-sovereign partners. These partnerships build on the Australian Government's ongoing efforts to promote private sector growth and engage the private sector in achieving development across the Pacific.

The AIFFP's direct loans are in hard currency and are backed by operating cash flows and security against assets. They include flexible terms, including for tenor, grace periods, interest-only periods and amortisation.

Local currency financing involves the AIFFP partnering with local banks who can lend with the benefit of an AIFFP guarantee. The terms are determined in consultation with the local financing partner.

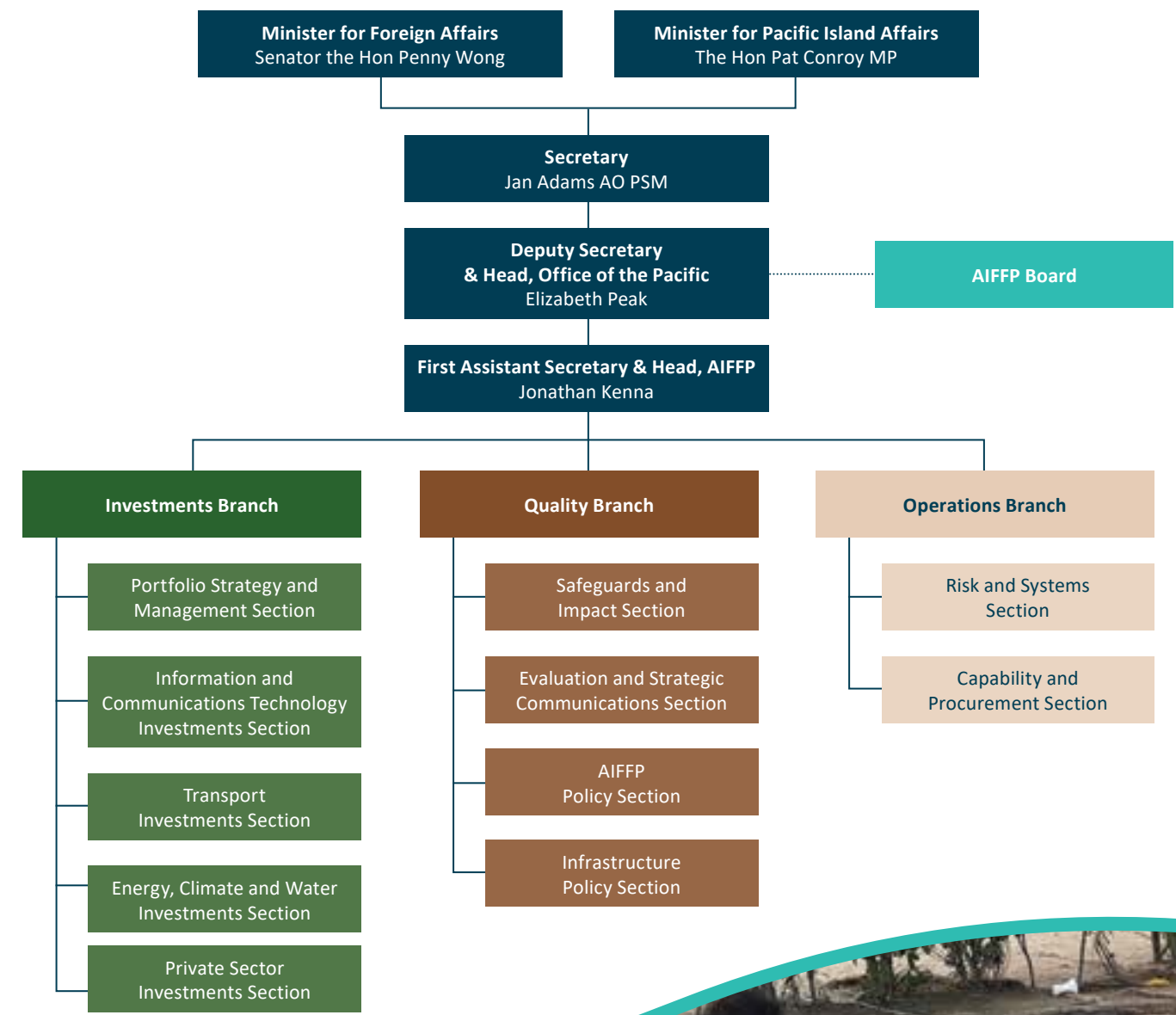
To date, the AIFFP has provided financing to private sector partners for projects in Palau, Fiji and Solomon Islands.



Image: Palau's first utility-scale solar power plant at Ngatpang on Babeldaob opened in June 2023.

How the AIFFP operates

OUR GOVERNANCE AND TEAMS



Acknowledgements

The AIFFP thanks current and former Board members who served between July 2024 and December 2025 for their valuable stewardship.

BOARD COMPOSITION AS AT 31 DECEMBER 2025

- | | |
|---|---|
| Elizabeth Peak
Chair of the AIFFP Board / Deputy Secretary & Head, Office of the Pacific, Department of Foreign Affairs and Trade | Jennifer Stace
First Assistant Secretary, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts |
| George Mina
Deputy Secretary, Department of Foreign Affairs and Trade | Pablo Kang
First Assistant Secretary, Department of the Prime Minister and Cabinet |
| Jamie Isbister
Deputy Secretary, Department of Foreign Affairs and Trade | David Webster
First Assistant Secretary, Department of Finance |
| Elly Lawson
Deputy Secretary, Department of Foreign Affairs and Trade | Susan Bodell
First Assistant Secretary, Department of Defence |
| Katrina Di Marco
Deputy Secretary, Department of the Treasury | Dr Wendy Craik AM
Chair, One Basin CRC |

RECOGNISING FORMER BOARD MEMBERS

- | | |
|--|---|
| Rod Brazier
Deputy Secretary,
Department of Foreign Affairs and Trade | Mike Mrdak AO
Executive Chairperson,
NEC Australia and New Zealand |
|--|---|



Image: A local skills and business survey to inform forthcoming AIFFP projects was undertaken in Kavieng, Oro Bay, Daru and Lae to improve social inclusion outcomes of local employment in those locations.

List of major projects

Projects listed below exclude those that:

- have not yet been announced
- do not yet have signed financing agreements
- are small off-grid projects in rural and remote areas
- cannot be disclosed for commercial reasons

For a complete list of all AIFFP projects and their financing details, see: www.aiffp.gov.au/investments/investment-list

Project amounts also exclude certain committed project costs, such as:

- project preparation and feasibility studies
- project administration and monitoring and evaluation costs
- capitalised interest
- goods and services tax

Given this, the total value of projects listed does not equal the total value committed to 31 December 2025 (approximately AUD2 billion).

Where financing agreements are denominated in USD, all figures have been converted to AUD using an exchange rate of AUD 1.00 = USD 0.70. Where financing agreements are denominated in FJD, figures have been converted to AUD using an exchange rate of AUD 1.00 = FJD 1.55.

EAST MICRONESIA CABLE SYSTEM (FEDERATED STATES OF MICRONESIA, KIRIBATI, AND NAOERO)

Sovereign partner: Government of the Federated States of Micronesia, Government of the Republic of Kiribati, Government of the Republic of Naoero

Project partner: BwebwerikiNET Limited of Kiribati, Federated States of Micronesia Telecommunications Cable Corporation, Government of Japan, Naoero Fibre Cable and United States Government

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
–	–	65.0	–	65.0	n/a	n/a	n/a	December 2021	December 2021

FIJI AIRPORTS – AIRPORT MAINTENANCE AND UPGRADES

Sovereign partner: n/a

Project partner: Airports Fiji Ltd and ANZ Fiji

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
6.5	61.9	–	–	68.4	4.25%	5 years	AIFFP Loan: Interest only, with bullet principal repayment 5 years after date of contract ANZ loan (guaranteed by AIFFP): 2-year interest only period starting from financial close	February 2021	June 2021

FIJI TRANSPORT INFRASTRUCTURE RESTORATION

Sovereign partner: Government of the Republic of Fiji

Project partner: Fiji Roads Authority

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
57.1 ¹	–	14.8	–	71.9	SOFR ² + 0.93%	15 years	3 years	August 2022	October 2022

NAOERO AIRPORT REHABILITATION

Sovereign partner: Government of the Republic of Naoero

Project partner: Government of the Republic of Naoero

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
–	–	39.4	10.0	49.4	n/a	n/a	n/a	February 2022	February 2022

¹ This includes capital interest.

² Secured Overnight Financing Rate.

PALAU ECHO SUBMARINE CABLE BRANCH SYSTEM

Sovereign partner: Government of the Republic of Palau

Project partner: Belau Submarine Cable Corporation, Japan Bank for International Cooperation, United States Government

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
12.6	–	2.2	0.8	15.6	Loan Tranche 1: 1.836% Loan Tranche 2: 2.55%	Loan Tranche 1: 10 years Loan Tranche 2: 19 years	Loan Tranche 1: 5 years after the date of the Loan Agreement Loan Tranche 2: 9 years after the date of the Loan Agreement	May 2020	December 2020

PALAU INDEPENDENT POWER PRODUCER – SOLAR GENERATION AND BATTERY ENERGY STORAGE SYSTEM (BESS)

Sovereign partner: n/a

Project partner: Palau Public Utilities Corporation, Solar Pacific Pristine Power Inc.

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
25.7	–	5.7	–	31.4	4.75%	17 years	2 years interest only	September 2020	December 2020

CONNECT PAPUA NEW GUINEA – ROADS REPAIR

Sovereign partner: Government of Papua New Guinea

Project partner: Papua New Guinea Department of Works and Highways

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
61.6	–	14.7	–	76.3	SOFR + 1.23%	23 years	6 years	April 2021	March 2022

LAITIM HAUSLAIN (POWER SECTOR DEVELOPMENT PROJECT)

Sovereign partner: Government of Papua New Guinea

Project partner: PNG Power Ltd

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
73.6	–	18.3	–	91.9	Variable interest rate: SOFR + 1.23%	24 years	5 years	April 2021	March 2022

PNG PORTS INFRASTRUCTURE INVESTMENT PROGRAM

Sovereign Partner: Government of Papua New Guinea

Project Partner: PNG Ports Corporation

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
521.4	–	100.0	–	621.4	SOFR + 1.23%	24 years	6 years	November 2021	November 2021

ADAMASIA CABLE SYSTEM 1

Sovereign partner: Government of Solomon Islands

Project partner: Solomon Islands Submarine Cable Company Limited

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
31.93	–	71.94 ³	–	103.87	1.00%	Up to 40 years	10 years	December 2023	March 2024

SASAPE SHIPYARD REDEVELOPMENT

Sovereign partner: n/a

Project partner: Solomon Islands Shipyard Limited

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
7.0	–	–	2.1	9.1	Bank Bill Swap rate (BBSY) + 4.8%	25 years	2 years	October 2022	May 2023

³ This project has Pacific Climate Infrastructure Financing Partnership funding as part of the overall financing reported for AIFFP.



TINA RIVER HYDROPOWER TRANSMISSION SYSTEM

Sovereign partner: Government of Solomon IslandsProject partner: Solomon Islands Electricity Authority

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
15.1	–	17.3	–	32.4	3.05%	24 years	4 years	March 2020	May 2020



TIMOR-LESTE AIRPORT FACILITY DEVELOPMENT

Sovereign partner: Government of Timor-LesteProject partner: Government of Timor-Leste

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
57.1	–	43.7	22.	122.9	SOFR + 1.23%	25 years	5 years	September 2022	December 2022



NUKU’ALOFA PORT UPGRADE

Sovereign partner: Government of the Kingdom of TongaProject partner: Asian Development Bank

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
–	–	28.6	–	28.6	n/a	n/a	n/a	February 2023	March 2023



TU’I VAVA’U CABLE (formerly known as the *Tonga Hawaiki Submarine Cable Branch System*)

Sovereign partner: Government of the Kingdom of TongaProject partner: Government of New Zealand, Tonga Cable Ltd

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
–	–	35.6	–	35.6	n/a	n/a	n/a	October 2023	October 2023



TONGA PARLIAMENT DEVELOPMENT

Sovereign partner: Government of the Kingdom of TongaProject partner: Government of New Zealand

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
–	–	13.0	5.0	18.0	n/a	n/a	n/a	November 2021	March 2022



NUI AND NIUTAO ISLANDS BOAT HARBOUR DEVELOPMENT

Sovereign partner: Government of TuvaluProject partner: Asian Development Bank

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
–	–	21.4	–	21.4	n/a	n/a	n/a	May 2023	June 2023



TUVALU VAKA CABLE

Sovereign partner: Government of TuvaluProject partner: Google, Japan, New Zealand, Taiwan, Tuvalu Telecommunications Corporation, United States

Loan (\$ million)	Guarantee (\$ million)	AIFFP Grant (\$ million)	Bilateral grant (\$ million)	Total (\$ million)	Interest rate	Tenor (years)	Grace period	Board endorsement	Government approval
–	–	3.1 ⁴	50.0	53.1	n/a	n/a	n/a	March 2024	May 2024

⁴ This project has Pacific Climate Infrastructure Financing Partnership funding as part of the overall financing reported for AIFFP.

