



PRIF Week, October 11, 2021

# THE ROLE OF INFRASTRUCTURE IN POST COVID RECOVERY

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- ✓ Impact of COVID
- ✓ Importance of INF in Recovery
- ✓ How to Build Back Better?
  - Green Growth
  - Blue Economy
  - Resilient Infrastructure
  - Social Inclusion
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# COVID Impacts

- ❑ Economy contraction in 2020 and 2021. Border disruptions, weak external demand and social distancing measures led to a significant drop in economic activities
- ❑ Tourism and travel sector are hit the hardest across the entire region, particularly affecting countries that are heavily dependent on inbound tourism.
- ❑ Primary sector output dropped across the board; industrial sector contracted deeply as key infrastructure projects were delayed due to travel restrictions.
- ❑ Drop in maintenance of infrastructure implying lower efficiency and reliability of infrastructure services post COVID crisis.
- ❑ COVID-19 pandemic has brought a significant setback for the world's ambition to achieve the Sustainable Development Goals (SDGs) by 2030.



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## Aviation

# Aviation in Asia Pacific Will See the Largest Revenue Drop Amid COVID-19

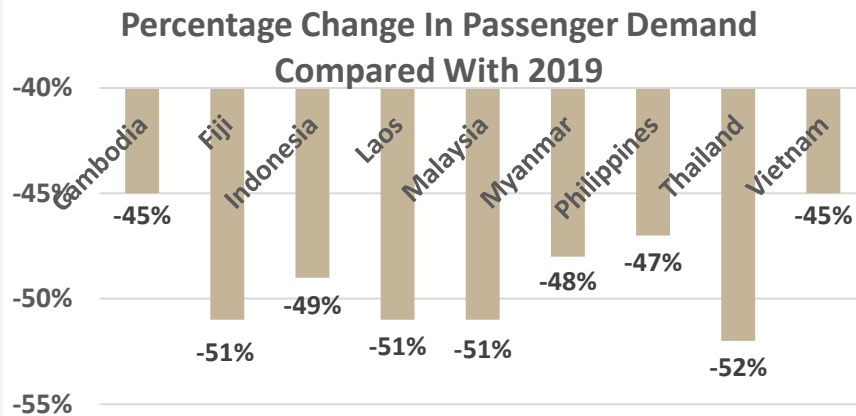
IATA Impact Estimation, April 14, 2020

**Global airline passenger revenues drop by US\$370 bn in 2020**

**- 55%**  
revenue compared to 2019

**Airlines in Asia Pacific will see the largest revenue drop of US\$113bn in 2020**

**- 60%**  
passenger demand compared to 2019



REGION OF AIRLINE REGISTRATION	% CHANGE IN RPKS (2020 VS. 2019)	EST. IMPACT ON PASS. REVENUE 2020 VS. 2019 (US\$ BILLIONS)
Africa	-32%	-4
Asia Pacific	-37%	-88
Europe	-46%	-76
Latin America	-41%	-15
Middle East	-39%	-19
North America	-27%	-50
Industry	-38%	-252



# Maritime

## COVID-19 Is The Biggest Threat To Container Shipping Since 2008 Financial Crisis

Drewry Container Forecaster, 2020 Q1

Drewry's Forecast of Container Activity by Region ('000 teu of port handling, including empties and transhipment)

Asia and Pacific hosts the largest share of world's container activities

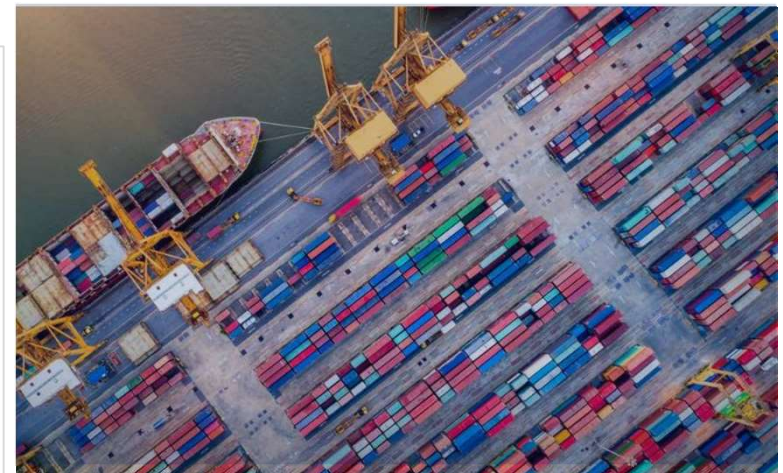
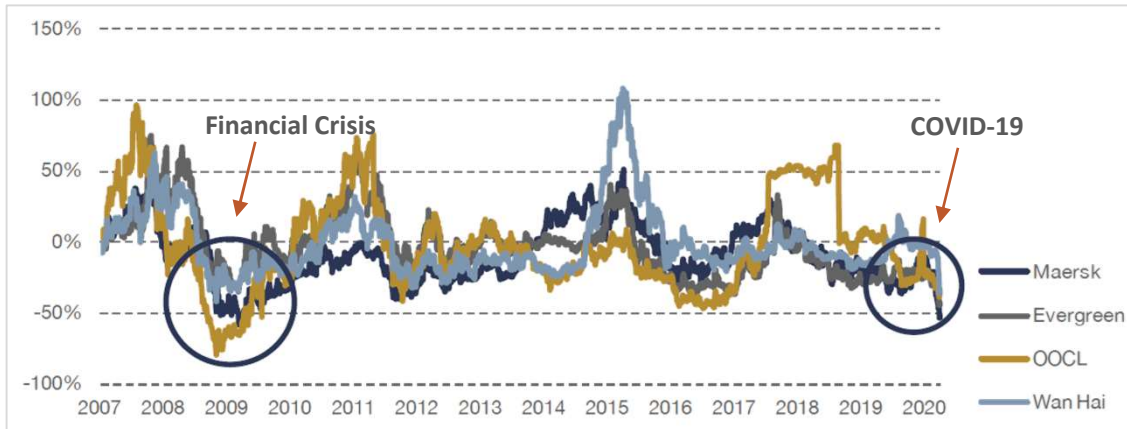
**56%**  
of world's total

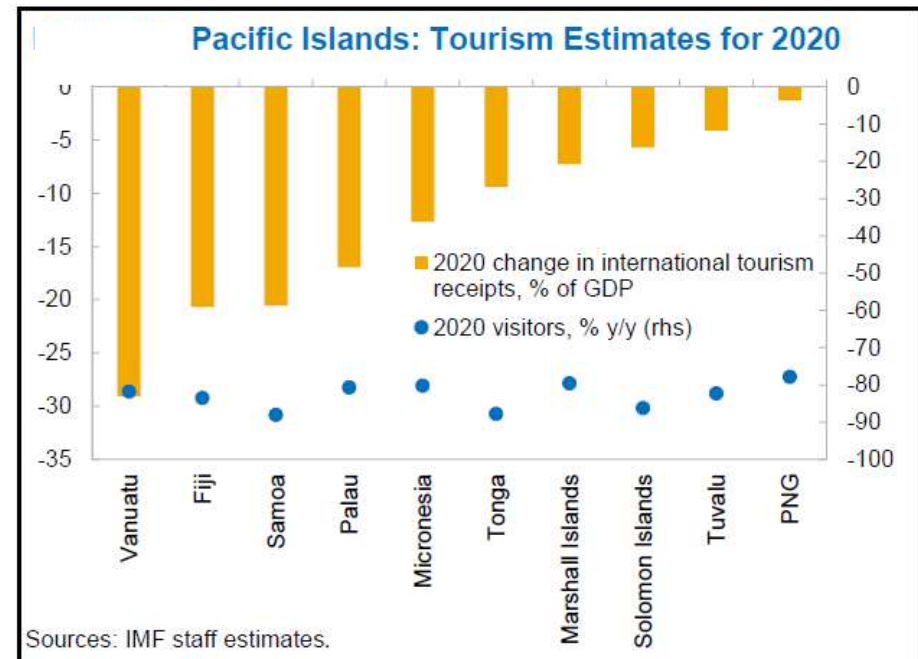
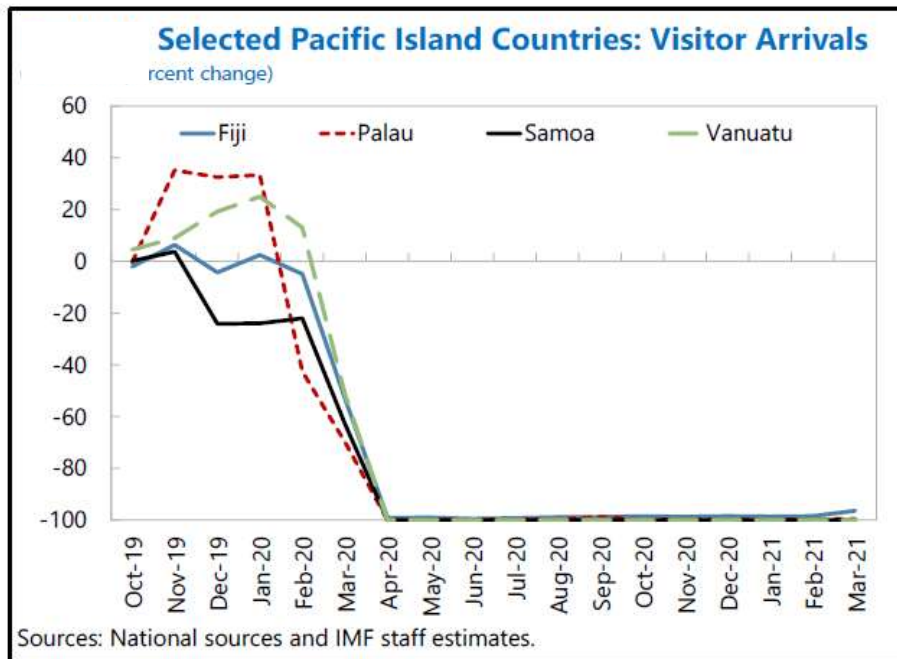
Container shipping carrier revenues likely to be down by about

**-7%**  
compared to 2019

	Container Activity	Share of World Total	% Change on 2019
Asia	432,996	54.3%	-0.4%
Oceania	12,997	1.6%	-0.3%
Europe	138,107	17.4%	-0.8%
America	116,649	14.6%	-0.3%
Middle East	37,769	4.7%	-2.3%
Africa/Others	58,839	1.6%	-0.1%

Share Price Returns of Selected Leading Carriers (Indexed to Jan 2017)







# Importance of Infrastructure in recovery

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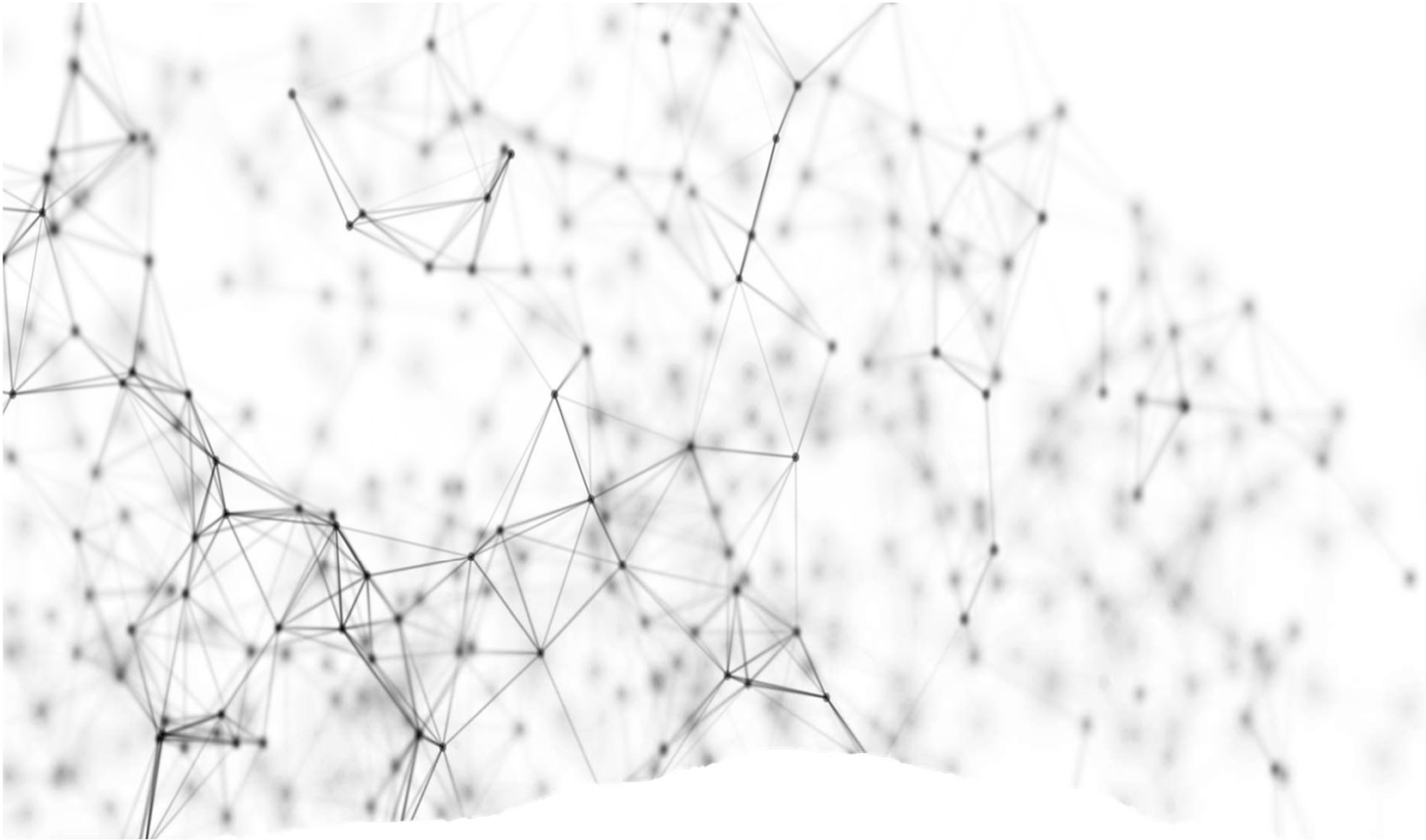


Young girl using her phone in a hurricane shelter in Dominica



## Why Infrastructure is Important for Post-COVID Recovery?

- ❑ Infrastructure investment from both the public and the private sector, based on careful analysis, has to be an important part of any post-COVID-19 economic recovery strategy.
- ❑ Infrastructure is the backbone of the economy; they are interlinked and have knock-on effects to other sectors once broken.
- ❑ Societies cannot be resilient without resilient infrastructure, the extent and quality of infrastructure related to health such as hospitals, water, and sanitation have proven to be important for the effectiveness of responses.
- ❑ Reliance on communication infrastructure (i.e. telecommunications, broadband services) has increased substantially, some countries experienced a 60 per cent increase in internet traffic compared to before the COVID-19 crisis.
- ❑ The Water, Sanitation, and Hygiene (WASH) agenda has been and will remain critical to combat and prevent pandemics such as COVID-19.



# How to build back better for a green and inclusive recovery?

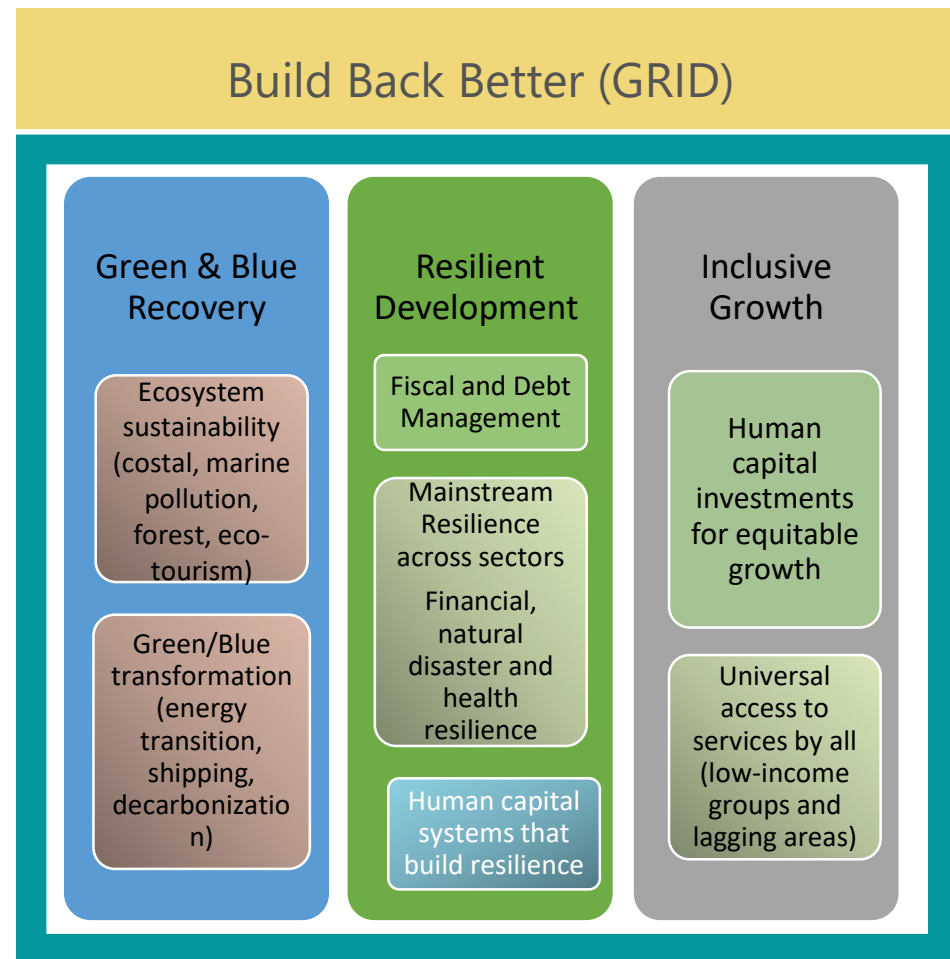
Areas of focus

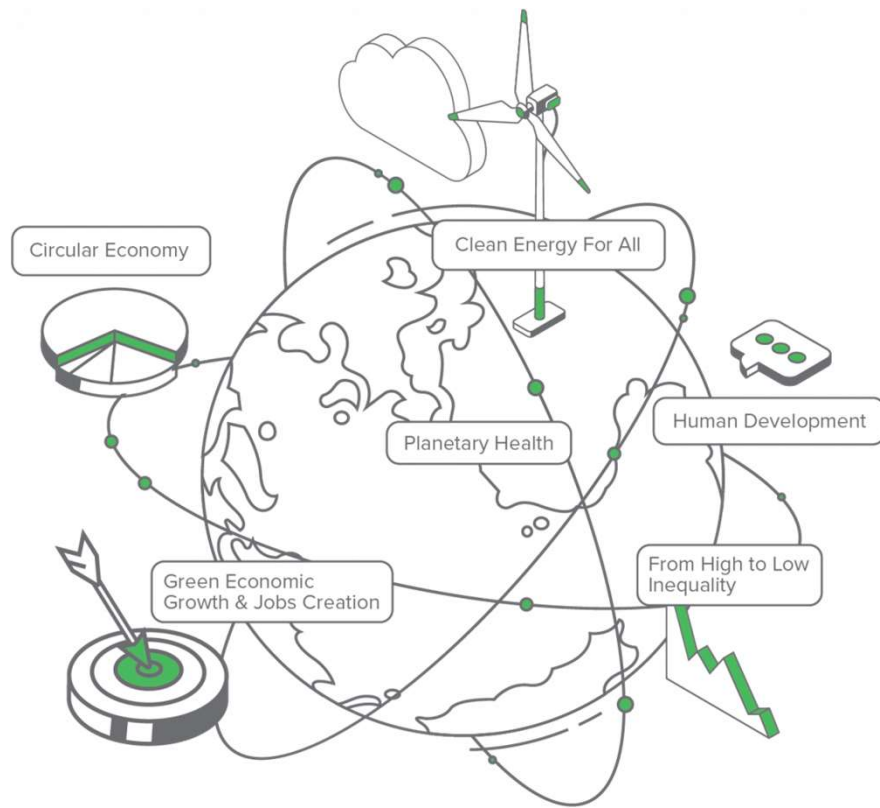
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## Formula for Building Back Better: A holistic approach to build a stronger INF system:

- ✓ More focus on Green Growth
- ✓ Promote Blue Economy
- ✓ Develop Resilient Infrastructure
- ✓ Enhance Social Inclusion, create inclusive SMEs and jobs





# Green Recovery

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# BLUE ECONOMY

The Blue Economy is sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health.

The Blue Economy encompasses many activities...

## RENEWABLE ENERGY

Sustainable marine energy can play a vital role in social and economic development.

## FISHERIES

Marine fisheries contribute more than **US\$270 billion** annually to global GDP. More sustainable fisheries can generate more revenue, more fish and help restore fish stocks.

## MARITIME TRANSPORT

Over **80% of international goods** traded are transported by sea, and the volume of seaborne trade is expected to double by 2030 and quadruple by 2050.

## TOURISM

Ocean and coastal tourism can bring jobs and economic growth. Coastal Least Developed Countries and Small Island Developing States receive more than **41 million visitors** per year.

## CLIMATE CHANGE

The impacts of climate change on oceans—rising sea-levels, coastal erosion, changing ocean current patterns, and acidification—are staggering. At the same time, **oceans are an important carbon sink** and help mitigate climate change.

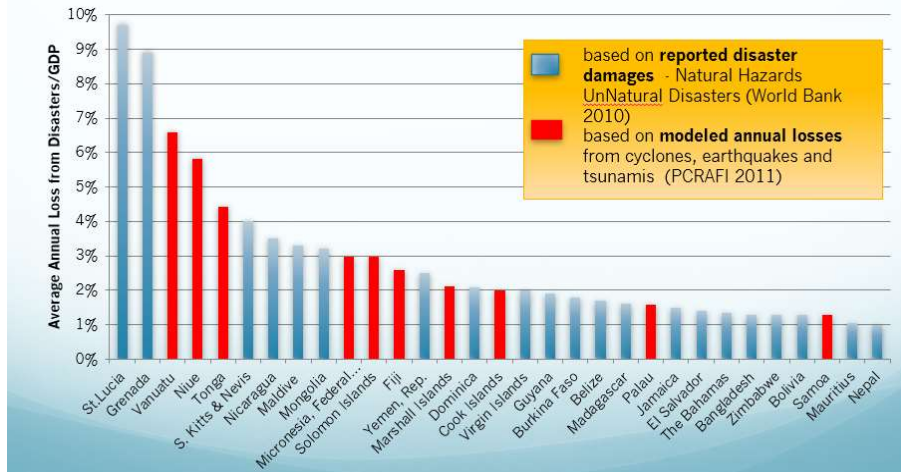
## WASTE MANAGEMENT

**80% of litter** in the ocean is from land-based sources. Better waste management on land can help oceans recover.

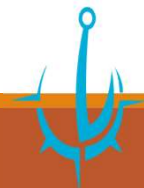
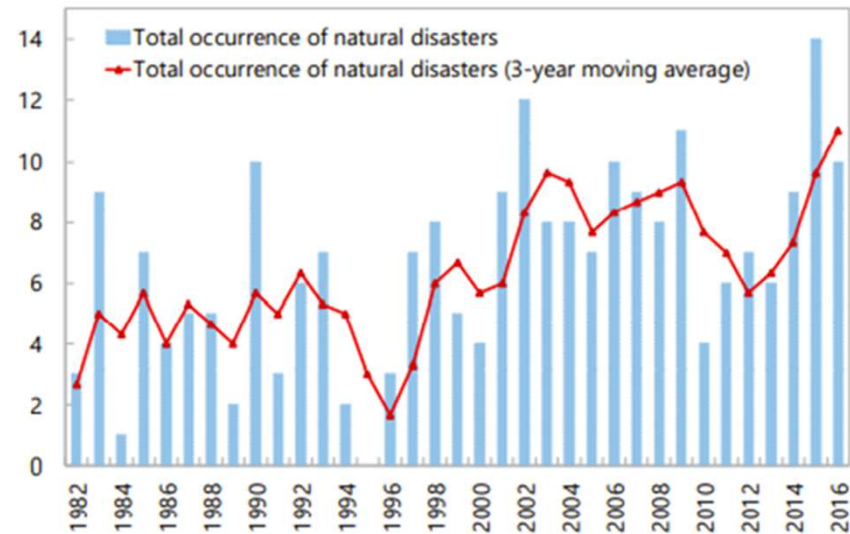
To learn about other aspects of the blue economy, visit [www.worldbank.org/oceans](http://www.worldbank.org/oceans)

# Resilient Development is key for the Pacific

PICs face extreme risks – building resilience is essential for poverty alleviation and prosperity



Occurrence of Natural Disasters in PICs







Physical aspects	Operations, data protection, safety	Governance	Financial	Service continuity, accessibility
<p>Resilience against physical stresses, natural hazards, deterioration, obsolescence</p> <p>Robustness and redundancies in design; location</p>	<p>Access to labour, supply chains, working capital</p> <p>Cyber threats, data security, privacy and protection</p> <p>Safety protocols and standards</p>	<p>Risk allocation and responsibility; contractual models; transparency and trust</p> <p>Resilience and business continuity plans, decision making capabilities</p> <p>Asset interdependencies</p>	<p>Strong balance sheets, adequate liquidity, financial covenants</p> <p>Effective funding models</p>	<p>Public service role of infrastructure during crises; reliability of services</p> <p>Vulnerable populations, inclusiveness</p>

Source: OECD Paper 2021

## Elements of Infrastructure Resilience

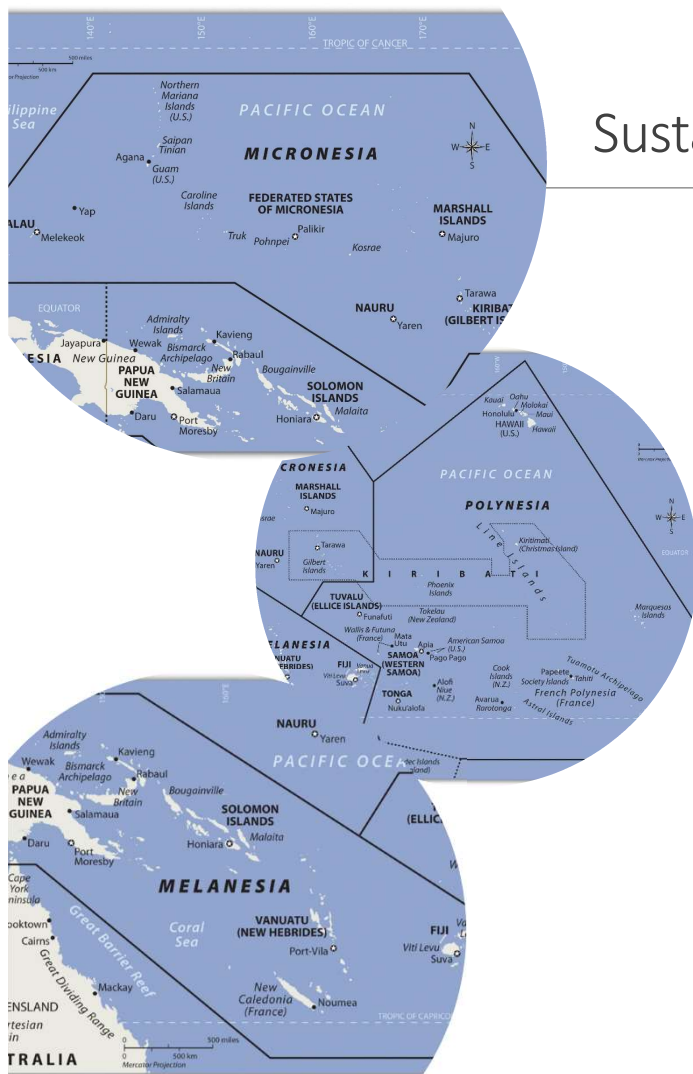


# Global Successful Stories & WB's COVID Responses in the Pacific

 <p>Transport</p> <ul style="list-style-type: none"><li>Regional cooperation supports South Asia's resilient recovery</li></ul>	 <p>Energy</p> <ul style="list-style-type: none"><li>Renewable Energy for health care in Sri-Lanka during COVID-19 and beyond</li></ul>	 <p>Digital Development</p> <ul style="list-style-type: none"><li>Digital Caribbean: stimulating growth and building resilience</li></ul>	 <p>Water &amp; Sanitation</p> <ul style="list-style-type: none"><li>Resilient water and sanitation utilities: ensuring financial resilience and building Utilities of the Future</li></ul>	<p>WB's COVID Responses in the Pacific</p> <ul style="list-style-type: none"><li>Pacific Aviation Investment Projects</li><li>Digital Connectivity Projects</li><li>Climate Resilient and Maritime projects</li><li>Mainstreaming WASH to enhance resilience in communities</li><li>Budget support focused on resilience and CAT-DDOs</li></ul>
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# Sustainable Development Path in Short-medium Term



## At Macro Level

- Strengthen the macroeconomic policy framework
- Vaccine's roll-out and effectively manage the pandemic
- Introduce safety nets for the poor and vulnerable
- Support firms and employment, including in the informal sectors

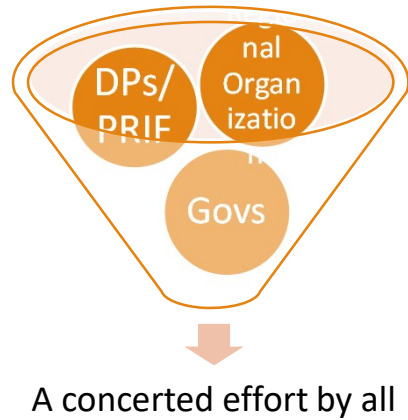
## Infrastructure – Specific Measures

- ❖ Gradual easing of border restrictions and increasing trade with enhanced health protocols and emergency preparedness
- ❖ Gradual resumption of tourism activity, spillovers to INF-related sectors
- ❖ Ramping up of capital projects, with careful planning and due consideration to Green Recovery, Blue Economy, Resilient Development, and Inclusive Growth.
- ❖ Start with shovel-ready projects to boost jobs and income.

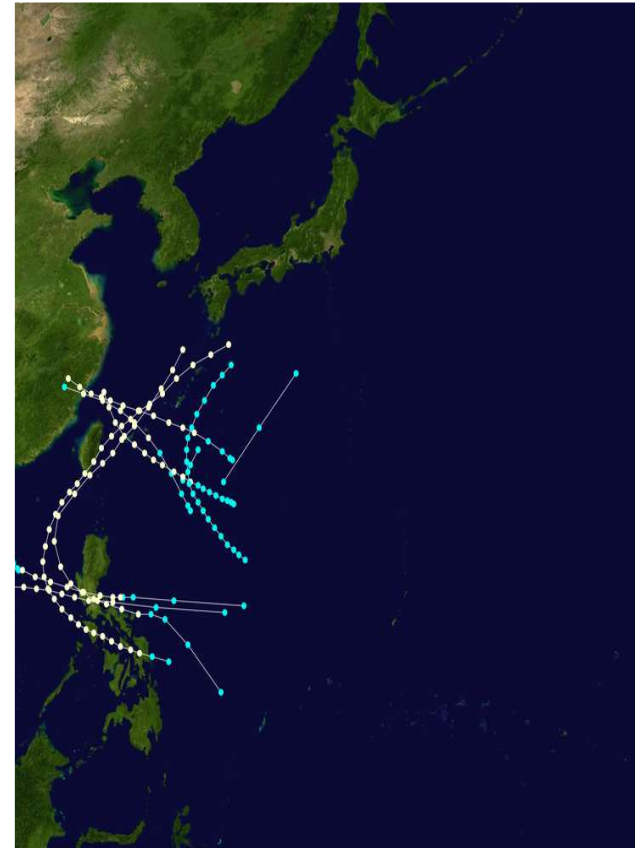
# SUMMARY

“Never waste a crisis” — Winston Churchill

**Build Back Better:** Green Recovery, Blue Economy, Resilient Development, Inclusive Growth for the Pacific.



**Investment Planning and prioritization is key.**





THANK YOU

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