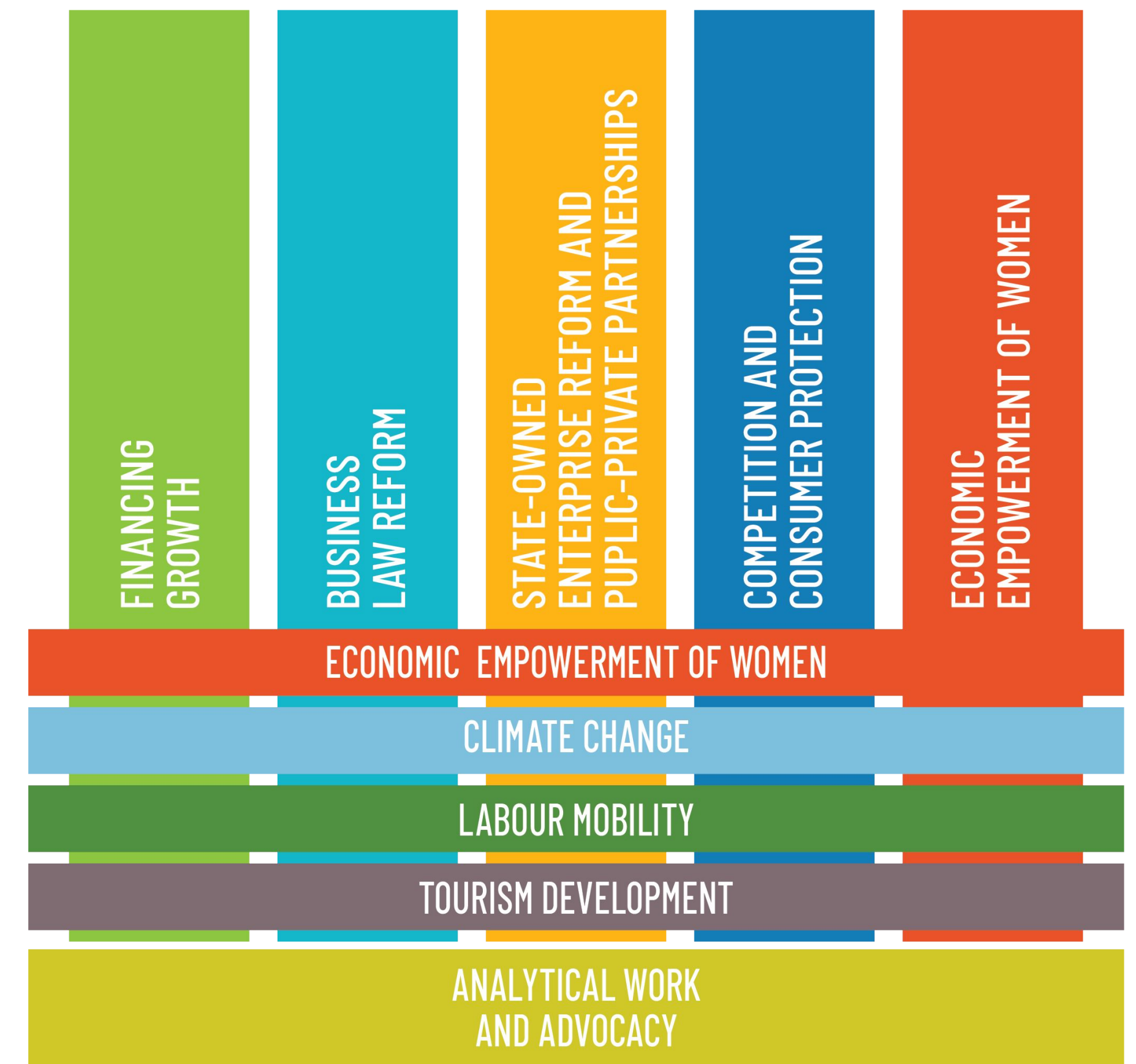


Pacific Private Sector Development Initiative (PSDI)

- Since 2006, a regional technical assistance facility providing technical, advisory and capacity building assistance to help improve business environments to support inclusive, private sector-led economic growth.
- PSDI IV commenced 1 January 2020 with co-financing from ADB, Australia and New Zealand – the EU will also join.
- PSDI is actively working to support the Pacific's recovery from the impacts of COVID-19.

PSDI and Tourism

- Project commenced late Feb 2020
- Outputs: Country tourism snapshots for each of ADB's 14 DMCs; Regional tourism assessment – including COVID-19 impacts; PSDI Phase IV Tourism Workplan.
- Collaboration with existing and/or new donor-supported work
- Collaboration with SPTO and Pacific partners



PSDI Phase IV Tourism Sector Development: Pacific Tourism Context

- Existing challenges for tourism planning in the Pacific:
 - Ease/ cost of doing business
 - Access to finance
 - Government support/ prevalence of SOEs
 - Land tenure and foreign investment
 - Connectivity – international, intra-regional, and domestic
 - Accommodation supply
 - Access to tourism labour and tourism education
 - Sustainability and carrying capacity constraints
 - Remoteness, small domestic markets, volatility to external shocks including natural disasters

PSDI Phase IV Tourism Sector Development: Planning during COVID-19

- COVID-19 compounded existing challenges to Pacific tourism
- Industry in hibernation – economic contraction 6.1%
- Tourism economies hardest hit – 20% contraction for Fiji
- Exposed inefficiencies in proactive resilience planning and financing risk
- Country tourism budgets under pressure to support industry
- Donor funded support – provided on a regional or bilateral basis
- Limited data has impeded tourism planning and full assessment of COVID-19 impact

COVID-19 Tourism Impact Case Study: Vanuatu

- Tourism contributes up to 60% of Vanuatu's GDP*
- World's most vulnerable country for natural disasters
- State of emergency declared 20 March, followed by Tropical Cyclone Harold 5 April
- Compounded existing tourism challenges
- Resilience planning an opportunity and a risk
- Financing an ongoing issue to keep industry afloat
- Highlighted existing tourism challenges and inequalities

PSDI Phase IV Tourism Sector Development: Towards greater resilience

1. Evidence-Based Planning

- Climate and disaster risk data
- Development of robust indicators vital for tourism policy and planning
- Enhanced cultural and/or environmental indicators to support sustainability

2. Crisis Management and Building Resilience

- A proactive approach to crisis management and planning through regional experience-sharing

3. Financing Sustainable Tourism

- Improved financial products for the tourism sector
- Reassessment of tourism taxes
- Investigation of new ways to finance risk
- Enhanced blue financing mechanisms

4. Enabling Private Sector Led Tourism

- A more streamlined enabling environment, including regulatory improvements and digital innovation