Papua New Guinea Energy Sector Development Project

Improving renewable energy and access to electricity across PNG.

Background

Papua New Guinea is one of the least urbanized countries in the world with approx. 85 percent of the population living in sparsely populated rural areas with low access to infrastructure. The country has a dual economy, with a formal sector focused mainly on the large-scale export of natural resources and an informal sector based primarily on the subsistence activity of the majority rural population.

Energy is a cross-cutting sector which affects all households, businesses, and industries in Papua New Guinea. The demand for electricity on the Port Moresby grid has grown rapidly in recent years and is predicted to continue for several years to come.

Effective development of a sustainable energy sector providing increased electricity access and more reliable power supply through existing grids, would deliver broad social development benefits for households in both urban and rural areas, as well as positive impacts on the formal economy.

About the Project

The objectives of the Energy Sector Development Project are, through technical assistance, to strengthen the policy development and strategic framework for renewable energy and rural electrification, and to attract investors for the sustainable development of a new hydropower generator that will supply the Port Moresby grid.

The project has two components:

1. **Technical assistance the energy sector policy and strategy development**

This component focuses on the policy and strategy of the electricity sector with a focus on rural and renewable energy in PNG. It will also provide capacity building for the Government of PNG’s role in development of the Naoro Brown hydropower project.

2. **Technical assistance for preparation and planning for Port Moresby hydropower supply**

This includes the preparation of the Naoro Brown hydropower project (approximately 80MW) to supply the Port Moresby grid, and improved planning related to hydropower supply for Port Moresby.

There is a strong emphasis on consultation, including targeted consultations with women, both in the development of policy and strategy, and in planning for the planned Naoro Brown hydropower project. This promotes socially-sustainable, gender-equitable energy sector development that explicitly factors in the needs and concerns of both the formal and informal elements of the economy and traditional PNG society.

This technical assistance will directly support the development of energy sector policy in PNG by government and institutions. Its successful completion will support more reliable, affordable and sustainable access to electricity for Papua New Guineans, especially for those living in rural areas.

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