Papua New Guinea: Power Sector Development Project

Project Name: Power Sector Development Project

Country: Papua New Guinea

Project Status: Proposed

Project Type / Modality of Assistance: Loan

Source of Funding / Amount:
- Loan: Power Sector Development Program
  - concessional ordinary capital resources lending / Asian Development Fund: US$ 20.00 million
  - Ordinary capital resources: US$ 229.00 million

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change:
- Governance and capacity development
- Knowledge solutions
- Partnerships
- Private sector development

Sector / Subsector:
- Energy - Energy sector development and institutional reform

Gender Equity and Mainstreaming:
- Effective gender mainstreaming

Description:
The government has requested ADB to finance the investment program to support the government’s target of 70% of household’s electrification by 2030. The proposed investment program is in line with ADB’s Country Partnership Strategy (2016-2020) which prioritize energy as key area of support in renewable energy generation, improving transmission and distribution efficiencies and its expansion to peri-urban areas. The proposed investment program will respond to government’s national development and sector strategies by promoting sustainable development in peri-urban and rural areas and by increasing the grid penetration from 12% to approximately 19% by 2028 and replacing diesel generation with renewable energy sources in provincial centers. The investment program will also enhance operational efficiency of PPL and address institutional capacities, policy framework and facilitate private sector mobilization in off-grid areas.

The impact of the program will be improved socio-economic conditions and aligned with PNG Vision 2050. The outcome will be a consumption to clean and reliable power supply in the program areas improved. This will be achieved through following outputs: (i) transmission network strengthened and expanded in three main grid areas, (ii) distribution network expanded, (iii) renewable energy for provincial grids increased, (iv) capacity of monitoring system enhanced, (v) private sector investments in rural electrification mobilized, and (vi) Institutional support and capacity of EA/IAs, program beneficiaries and other stakeholders enhanced.

Impact:
- Improved socio-economic conditions and poverty reduction through increased utilization of clean and reliable electricity

Outcome:
- Consumption of clean and reliable power supply in the program areas improved.

Outputs:
- Transmission network strengthened and expanded
- Distribution network expanded
- Institutional support and capacity of PPL Monitoring Systems, EA/IAs, project beneficiaries and other stakeholders enhanced.

Geographical Location:
- Nation-wide

Summary of Environmental and Social Aspects:

Environmental Aspects
- Involuntary Resettlement
- Indigenous Peoples
- Stakeholder Communication, Participation, and Consultation

During Project Design
- Woo Lee
- Pacific Department
- PAEN
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<th>Timetable</th>
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<td>Concept Clearance</td>
<td>22 Nov 2017</td>
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<tr>
<td>Fact Finding</td>
<td>18 Jun 2018 to 29 Jun 2018</td>
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<td>MRM</td>
<td>26 Jul 2018</td>
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<td>Approval</td>
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Project Page: https://www.adb.org/projects/47356-002/main
Request for Information: http://www.adb.org/forms/request-information-form?subject=47356-002
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