

## 546 PNG Power Limited

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2006	2007	2008	2009	2010
2503	Rural Elect. Program	7.7		5.7	2.0		
<b>TOTAL CAPITAL PROJECTS</b>		7.7		5.7	2.0		
<b>TOTAL</b>		7.7		5.7	2.0		



**PIP NUMBER:** 2503

**PROJECT NAME:** NATIONAL RURAL ELECTRIFICATION PROGRAM

**EXECUTING AGENCY:** PNG Power Limited

**PROJECT OBJECTIVES:**

To provide affordable and efficient electricity to the rural communities.

**PROJECT COMPONENTS:**

The major components include: 1) Feasibility studies and design, 2) construction of distribution lines from main grid, 3) Installments of power cables and other safety equipments.

**PROJECT LOCATION:**

The Rural Electrification Program is a national-wide project. The specific locations are: Gumine, Kundiawa-Gembogl, Hula, Lufa, Daulo, Hengafifi and Kavieng. Hence, the project will cover the provinces of Simbu, Central, Eastern Highlands and New Ireland.

**PROJECT JUSTIFICATION:**

It is important to extend electricity to the rural areas to improve their social welfare and livelihoods. The project has eventuated from a number of justified submissions from the identified districts over a number of fiscal years. The national program has the potential to extend to other districts.

**PROJECT CAPACITY:**

PNG Power Ltd has the capacity to manage and implement the project to the rural areas.

**PROJECT BENEFICIARIES:**

The rural population of the participating districts will have improved electricity supply to their villages and district centres. Hence, their living standards will be improved through adequate lighting, cooking, refrigeration and other direct benefits.

**PROJECT SUSTAINABILITY**

The project will be sustained by the National and respective provincial and local level governments. PNG Power Ltd will also sustain the program from minimal revenue generated from user charges.

## 2503 NATIONAL RURAL ELECTRIFICATION PROGRAM

ESTIMATED TOTAL PROJECT COST 10,000.0 ESTIMATED DURATION OF THE PROJECT Years

## EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
<b>DIRECT PROJECT COST</b>								
<b>Current Expenditure</b>								
Personal Emoluments								
Goods and Other Services								
Current Transfers								
Sub-Total								
<b>Capital Expenditure</b>								
Acquisition of Existing Assets								
Capital Formation			7,700.0		5,700.0	2,000.0		
Capital Transfers								
Sub-Total			7,700.0		5,700.0	2,000.0		
<b>A TOT DIRECT PROJECT COST</b>			7,700.0		5,700.0	2,000.0		
<b>Technical Assistance</b>								
Project Preparation								
Advisory								
Training								
Equipment								
<b>B TOT TECHNICAL ASSISTANCE</b>								
<b>TOTAL PROJECT COST (A+B)</b>			7,700.0		5,700.0	2,000.0		
<b>FINANCING SOURCES</b>								
<b>IDENTIFIED FINANCING</b>								
<b>Direct Project Financing:</b>								
<b>Government Contributions:</b>								
a) Government Input			7,700.0		5,700.0	2,000.0		
b) Self Generating Revenue								
Loan								
Grant								
<b>C TOTAL DIRECT FINANCING</b>			7,700.0		5,700.0	2,000.0		
<b>D Technical Assistance</b>								
<b>TOTAL FINANCING (C+D)</b>			7,700.0		5,700.0	2,000.0		
<b>FINANCING SOUGHT</b>								
Direct Project Cost (A-C)								
Technical Assistance (B-D)								
<b>TOTAL FINANCING SOUGHT</b>								

## CURRENT DONOR INVOLVEMENT

## POTENTIAL DONOR INVOLVEMENT

JICA and Chinese Government.

## 2006 Budget Votes for this PIP are :-

54633021201 RURAL ELECTRIFICATION