

**Funding Source:**

Australian Agency for International Development (AusAID) - 35% Emirau Marine Products - 65%

Program:

Enterprise Challenge Fund for the Pacific and South East Asia

Project Name:

Commercialisation of coconut oil fuel and products

Project Location:

New Ireland Province, PNG

Project Start Date:

1 July 2009

Project End Date:

30 June 2012

Total Grant Funds Approved:

A\$996,000

Emirau Marine Products

ABOUT THE COMPANY

Emirau is a 100% PNG owned company located in Kavieng which has been utilising small quantities of processed coconut oil as an alternative fuel to diesel for the past 18 months. Emirau wanted to further commercialise its oil production, processing and distribution capacity to meet growing demand from customers including communities, businesses, vehicle and vessel operators and agricultural producers.

ABOUT THE PROJECT

The ECF grant will enable Emirau to establish a processing facility to produce and distribute ten times more engine ready fuel per day. Emirau Marine will work with local communities to enable the purchase of higher quality copra. This will be done through the supply of high quality solar driers to communities which are both more cost effective and environmentally friendly. By products will be used as feedstock and to manufacture soap and copra cake for animal feed. Emirau will also establish coconut tree nurseries to allow rural communities to replace widespread senile plantations.

BENEFITS TO THE POOR

This project will provide a number of benefits to local communities and the private sector. An important benefit will be the availability of a cost effective alternative to imported diesel for generator, vehicle/vessel operators, schools and remote communities in New Ireland, resulting in improved efficiencies and savings.

Other anticipated benefits of the project include:

- Improved and more reliable livelihood opportunities for rural copra suppliers as a result of the supply agreements with Emirau and ongoing support
- Improved productivity and skills base of locals through training in more efficient and environmentally friendly ways of drying copra and in the production of coconut oil and by-products
- Local processing of copra cake will provide improved access to lower priced animal feed for local chicken, cattle and pig production farms
- Full time employment opportunities for up to 90 men and women.

THE ROLE OF ECF FUNDING SUPPORT

Changes in global markets have resulted in an even more conservative lending stance by the PNG banking sector and commercial finance was not possible for the project. Emirau could not fully fund this project without ECF assistance because of the substantial investment required to establish the processing plant and to implement the associated technical support services and facilities.

This project will be a useful model for bio-fuel production in PNG, with the potential for replication in the many dormant coconut plantations around the country.

For more information please visit our website www.enterprisechallengefund.org



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