



RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



AFD AND Papua New Guinea

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5 projects

led by the AFD group
over 2024-2026

More than €50M

committed in 2024, the year the first
in-country AFD representative arrived

7%

of the world's biodiversity is
found in Papua New Guinea

Papua New Guinea, which accounts for 80% of the Pacific island population and is home to one of the world's most important biodiversity hotspots, is a key partner for AFD Group. This partnership, which began in 2023 and focuses on climate and biodiversity, is expanding rapidly with new commitments totalling over 50 million euros by the end of 2024 (biodiversity conservation, energy transition, greening of port infrastructure and green finance). Expertise France, followed by AFD, have opened offices there in 2023 and 2024.

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OUR ACTION IN Papua New Guinea

FRENCH DEVELOPMENT AGENCY | OCEANIA

1

Protecting forests and marine biodiversity

Papua New Guinea has the 3rd largest primary forest on the planet. Protecting it and promoting greener social and economic development is a priority for the local government.

AFD is supporting the protection of forests and marine biodiversity with its partners WCS and Expertise France via its SoNG project which aims to:

- Achieve 30% protected areas on land and at sea by 2030 by supporting initiatives to develop sustainable agricultural and fisheries sectors.
- Support conservation in public policy.
- Promote training and research to enhance and disseminate traditional knowledge.
- Strengthen the Climate and Biodiversity Fund.

The European Union has also entrusted Expertise France with the implementation of the main component of the €33.5M Forest, Climate Change and Biodiversity programme (FCCB).

2

Developing resilient financial systems

In July 2023, AFD signed a letter of intent with the Global Green Growth Institute (GGGI) and the Bank of Papua New Guinea. The aim is to support the establishment of a centre for green finance in Papua New Guinea by offering tools to national financial players to encourage them to commit to an ecological and energy transitions.

A grant agreement was signed in March 2024 with GGGI for €6M with a regional component and a component dedicated to Papua New Guinea.

AFD is therefore working concretely with GGGI and commercial banks to set up solutions (facility to reduce loan interest rates, guarantee fund to guarantee these loans) to encourage the private sector to invest in 'green' projects linked to renewable energies, carbon emission reduction and sustainable management of natural resources.

3

Rehabilitating the port of Rabaul with a green port strategy

The Port of Rabaul, Papua New Guinea's 5th port and the only international port in the province of East New Britain, has seen its infrastructure severely degraded by the build-up of volcanic ash, leaving it vulnerable to the impacts of climate change. Modernising its infrastructure and improving environmental management are essential to ensure the sustainability of operations and protect natural resources and biodiversity.

The project to rehabilitate the Port of Rabaul's infrastructure is worth more than €80M. It implements AFD's Green Port mechanism for adapting to and preventing the effects of climate change, covering waste and wastewater management, greenhouse gas emissions and infrastructure resilience.

Funding is provided as part of team Europe by AFD and the EIB via two loans of €24M each and a €16.6M European Union grant delegated to AFD.

4

Promoting the energy transition

Around 20% of Papua New Guinea's population has access to electricity. The country remains largely dependent on fossil fuels (70% of the energy mix).

In July 2023, AFD signed its first financing agreement to support the country's energy transition. This technical cooperation agreement (Fexte) brings together AFD, the New Caledonian public company Enercal and PNG Power Limited (PPL). It aims to promote the integration of renewable energies into the national electricity grid by mobilizing New Caledonian expertise. A study trip was organised to New Caledonia in February 2025 to visit Enercal's emblematic facilities and meet the New Caledonian ecosystem.

Among the pilots under consideration, Enercal is studying the hybridisation of Manus Island. This project would significantly reduce power cuts, to the benefit of the population, and would enable PPL to save 400,000 litres of diesel per year. It is designed to be rolled out to the rest of the country as part of a wider cooperation programme.

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