



Project location:
New Ireland Province, Papua New Guinea

Project start date:
1 July 2009

Funding source:
AusAID 35%, Emirau Marine Products 65%

Total grant funds approved:
A\$996,000

Updated December 2012

Emirau Marine Products – Coconut Fuel In Papua New Guinea

ABOUT EMIRAU MARINE PRODUCTS

Emirau Marine Products is a 100% locally owned company, operating in Kavieng, New Ireland Province, Papua New Guinea. Emirau uses small quantities of processed coconut oil as an alternative for fuel.

THE PROJECT AND HOW IT WORKED

Emirau Marine Products was awarded an ECF grant to construct a processing facility. It began purchases of copra and whole coconuts from local communities for the production and export of a number of products, from coconut oil to processed husks. Emirau also promotes rehabilitation of senile coconut plantations by local communities in order to secure a reliable supply chain. The project aimed to provide-

- Full-time employment and training opportunities for up to 90 men and women within Emirau operations
- Livelihood opportunities for up to 2,000 copra and coconut suppliers (including many women) in rural communities.
- Improved productivity and skills base of locals through training in the production of coconut by-products
- Increased availability of a cost effective alternative to imported diesel for both the power company and other customers in New Ireland Province.

THE RESULTS

- Construction of the factory was completed and officially opened in March 2011.
- The plant has a processing capacity of five to six tons of oil per day. In production, Emirau will need over 10,000 coconuts a day providing a significant cash benefit to local growers. The factory is producing coconut oil, virgin oil, rope, soap, cattle cake, vinegar and activated charcoal.
- The factory currently employs 26 full-time factory workers including two supervisors.

- Emirau has worked towards improving the supply of coconuts with farmers by providing seedlings for replanting, training on plantation management and monthly cash incentives for farmers who replant the most new coconut trees on their land.
- Emirau has identified 300–400 farmers in Kavieng province interested in supplying coconuts to Emirau Marine Products. Each has more than 200 coconut trees on their land. A healthy tree provides 60–65 nuts per year. For many, selling coconuts is a way to smooth an erratic cash flow. Most are subsistence farmers, so whenever they need extra cash to pay school fees or to buy an asset, they sell coconuts to access immediate funds.
- Emirau is actively involved with the Cocoa and Coconut Institute; together they distribute hybrid high-yield coconut seeds to growers. To date they have distributed 4,500 plantation nuts, and are visiting and monitoring each new plantation. Emirau are providing a new species of coconut which has a big kernel and a bigger shell which provides more coconut meat and copra than locally grown varieties.
- The community had not seen any plantation and/or replanting programs in the previous 10 years and coconut plantations had become wild and senile.
- Increased recognition of the benefit of selling coconuts indicated by the new trend of most growers now planting new plantations or rehabilitating old plantations.
- Emirau is a useful case study for other centres and countries due to the technical and commercial viability of coconut oil fuel production in a smaller regional centre.

HOW ECF FUNDS WERE USED

ECF funds part funded the costs of the processing facility, copra dryers and the community engagement program to support rural suppliers. Emirau is funding the operational costs of the project.