

VANUATU

Rural Electrification in Vanuatu



What's the issue and how are we responding?

Vanuatu's energy sector is characterized by low access, high relative prices, and significant reliance on imported fuels. The country has no proven fossil fuel reserves and relies heavily on diesel generation, which made up 77 % of grid-supplied generation in 2012. Vanuatu's dependence on imported fuel creates security of supply risks (potential for fuel supply interruptions) as well as affordability problems for customers. The costs of electricity production and distribution in Vanuatu are high by world standards. On a national level, following more than three decades of independence, about 73% of the population of Vanuatu still does not have access to electricity.

The NAMA is designed to support Vanuatu in achieving its strategies relevant to access to energy including rural development and to complement the country's on-going activities in the energy and climate change mitigation sectors. The overall target of the NAMA is to support Vanuatu in achieving the vision and goals defined in: (i) the National Energy Road Map: "to increase electricity access of rural population and extend the existing grid to reach an increasing number of people: and (ii) National Climate Change and Disaster Risk Reduction Policy: "to be a nation whose community, environment and economy are resilient to the impacts of climate change and disaster risks".

How will this be done?

The NAMA covers two interventions:

- Under intervention 1, micro grids with renewable energies will be established. Rural communities/ tourism and agricultural facilities/health centres/ schools are the focus of these micro grids due to their demand for electricity for lighting, cooling and appliances.
- Intervention 2 will support extension of existing electricity grids on different islands. Households, public institutions and tourism/commercial consumers in the proximity of lines will be connected.

NAMA targets

In its first phase, the NAMA aims to establish five micro grids under Intervention 1 and support the extension of five electricity grids in Intervention 2. This will provide electricity to around 1,000 households and around 4,700 people. Over the 15-year lifetime of the NAMA, emission reductions will reach around 13,500 tons of CO₂.

Transformational potential?

Interventions under the NAMA framework are prioritized in line with the socio-economic development objectives of the host country. The NAMA is designed with sustainable development benefits in mind and the design includes a focus on interventions which allow for income-generating activities which can create business opportunities for individuals, households and communities.

How much will the NAMA cost?

The expected capital and capacity development investment costs are around US\$ 5 million.



Who is involved?

- The Ministry of Climate Change (MCC) will be the NAMA National Coordinating Authority due to its experience and functions.
- The National Advisory Board (NAB) will be the NAMA Approver/ UNFCCC Focal Point.
- Implementation of the NAMA will be managed by the Department of Energy (DoE) and the Project Management Unit (PMU), which are both under the MCC:

(i) For Intervention 1 (micro grids), the executing entities (NEEs) will be the DoE and private RE companies. The assets will be owned by the Government and private RE companies under the supervision of the DoE, which will be involved in on-ground implementation, operation and maintenance of the micro grids.

(ii) Intervention 2 (grid extension) will be executed by the private electricity utilities.

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