

# Regulatory Roadmap: Securing Environmental and Operating Licenses in Papua New Guinea

Everything You Need to Know About PNG Licensing

**Content Partner: J. v. G. technology GmbH**

*Turnkey solar module production lines — since 1997*

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# Technical Overview: PNG Environmental and Operating Licenses



Created as part of the PVKnowHow Knowledge Network



Prepared by J.v.G. Technology GmbH



European specialists in turnkey solar module production lines

# Key Project Data

**12–24 ...**

## Approval Timeline

From EIA start to full operational licensing — medium-scale manufacturing facility

**6–18 mo**

## CEPA Permit

Most time-critical element — varies by project complexity and documentation quality

**2 Bodies**

## Key Authorities

CEPA (environmental) and IPA (investment) — distinct roles, sequential dependencies

**L2–L3**

## EIA Level

Most manufacturing facilities classified Level 2B or 3 — full EIA required

📄 Project Type: Manufacturing Facility (PNG) · Environmental Permit: CEPA (EIA required) · Investment Stage: Pre-construction regulatory phase · Region: Papua New Guinea · Source: PVKnowHow / J.v.G. Technology GmbH

# The Core Problem: Regulatory Complexity in PNG

## Why Projects Stall

- Sound business plans stall — not from market forces, but from regulatory complexity
- PNG's framework is unique and often underestimated by first-time entrants
- Multiple authorities, sequential dependencies, and long lead times
- Incomplete applications are the single most common reason for delays

## What Is at Stake

- Commencing construction without CEPA permit is a serious offence under Environment Act 2000
- Violations risk stop-work orders, fines, and prosecution of directors
- Operating without IPA certification is also a punishable offence
- Early regulatory clarity protects investment and reputation



# The Environmental Permit: Why It Is Central

## Legal Basis

- Mandated under PNG's Environment Act 2000
- Applies to all development activities — no exemptions for government or private developers
- CEPA is the sole authority responsible for issuance and enforcement

## Project Classification

- Level 1: Small-scale; conditional approval, no permit required
- Level 2B: Manufacturing, commercial agriculture — full permit with conditions and monitoring
- Level 3: Large-scale (mining, LNG) — comprehensive EIA under most stringent process

## Critical Risk

- CEPA permit is the most time-critical element of the entire approval process
- Permits issued with specific conditions that must be maintained throughout the project lifecycle
- Quality of EIA directly determines both outcome and timeline

# EIA Components: What Must Be Submitted

## Baseline Studies

- In-depth analysis of existing environment: water quality, air quality, biodiversity
- Socio-economic conditions of affected communities
- Establish baseline data early — required for future monitoring

## Impact Prediction

- Scientific forecast of positive and negative impacts during construction and operation
- Short-term and long-term environmental changes must be assessed
- Alternatives to the project, including alternative sites, must be considered

## Mitigation Measures

- Strategies and technologies to minimise adverse environmental impacts
- Waste and wastewater plan required before construction begins
- Rehabilitation and revegetation plan from day one

## Environmental Management Plan (EMP)

- Framework for ongoing monitoring and management throughout project lifecycle
- Requires transparent, independently reviewed reporting
- Proponents must meet national standards and report continuously

# CEPA Process Steps: Screening to Decision

- 1 — Screening**

Project classified based on potential environmental impact (Level 1, 2, or 3)  
Most manufacturing facilities fall into Level 2B or 3 — full EIA required
- 2 — Scoping**

CEPA, in consultation with the project proponent, defines the Terms of Reference for the EIA  
Contact CEPA early with project description, location, and expected footprint
- 3 — EIA Preparation & Submission**

Completed EIA report submitted to CEPA for technical review  
Executive summary must be provided in English and Tok Pisin or Motu
- 4 — Public Consultation**

EIA made available for public and stakeholder review and comment  
Local communities, provincial and national government bodies are consulted
- 5 — Final Decision**

CEPA reviews EIA, technical feedback, and public comments  
Permit granted or refused — typically with specific conditions attached


# Approval Timeline: Realistic Planning Benchmarks

## CEPA Environmental Permit

- **6–18 months** from submission to decision
- Depends on project complexity and documentation quality
- Most time-critical element — must be started first
- Prepare factory building overview in parallel to inform EIA

## Total Pre-Construction Timeline

- **12–24 months** from EIA start to full operational licensing
- IPA certification process generally measured in weeks once documentation is complete
- Additional permits (building, sector-specific) add further lead time
- Overlapping preparation reduces overall timeline

 **Key risk:** Incomplete or inaccurate applications are the single most common cause of delays. Every document submitted to CEPA and IPA must be precise, comprehensive, and professionally prepared.

# IPA Certification: Requirements for Foreign Enterprises

## Who Must Apply

- Mandatory for all foreign enterprises – 50%+ non-citizen ownership or control
- Must first register under Companies Act 1997
- Operating without IPA certification is a punishable offence

## Key Submission Documents

- Business plan with detailed financial projections
- Proof of financial capacity to fund the investment
- Details of shareholding structure and directors
- Statement of criminal record for natural persons and shareholders
- Summary of expected economic benefits: job creation, technology transfer

## Localization Requirement

- Companies must submit a localization and training plan to IPA
- Demonstrates local hires and local components
- A local partner or director is strongly beneficial for navigating community relations

# Additional Permits Required After IPA Certification

## Building & Planning Permits

- Issued by local or provincial authorities
- Required before any physical construction commences
- Map sensitive areas (rivers, wetlands, sacred sites) in advance — design to avoid them

## Sector-Specific Permits

- Additional licences may apply depending on industry type (manufacturing, agriculture, fisheries)
- Provincial governments and urban authorities also issue sector licences
- Central Bank (Bank of PNG) approval required for all foreign investment proposals involving capital

## Work Permits & Visas

- Foreign employees require appropriate work permits and business visas
- Investor visas available for qualifying principals
- Localization plan must account for phased transition to local workforce

# Best Practices for Navigating PNG Approvals

1

## Engage Local Expertise

Partner with a reputable in-country environmental consultant — essential for meeting CEPA's stringent EIA standards

2


## Documentation Quality

Every submission must be precise and professionally prepared — incomplete applications are the primary cause of delays

3

## Stakeholder Engagement

Build relationships with local government, landowners, and community leaders early — critical for the public consultation phase

 An experienced European turnkey provider with in-country network support significantly reduces the regulatory learning curve for first-time PNG market entrants.

# Frequently Asked Questions

## Can construction start before the CEPA permit is issued?

No. Commencing work without a CEPA permit is a serious offence under Environment Act 2000 – stop-work orders, fines, and director prosecution are possible consequences.

## Do CEPA and IPA charge fees?

Yes. Both authorities charge application and processing fees. IPA foreign company registration costs K500; certification costs K2,000.

## Is a local partner legally required?

Not always legally mandatory, but highly recommended for navigating community relations and certain reserved business activities.

## How long does IPA certification take?

Generally measured in weeks – not months – provided all documentation is complete and accurate.

## What is the biggest single risk factor?

Incomplete or inaccurate applications. Every document must be precise, comprehensive, and professionally prepared before submission.

## Can fund repatriation be limited?

Yes. Companies are limited to repatriating PGK 500,000 per year, though tax clearance certificates can grant exemptions from this cap.

# Strategic Conclusion: PNG as a Viable Manufacturing Destination

## Structured Pathway

PNG's regulatory process is not a barrier — it is a structured pathway designed to ensure sustainable, environmentally responsible investment

## Clear Entry Logic

Understanding the distinct roles of CEPA and IPA, and sequencing them correctly, is the foundation of a successful market entry plan

## Proven Concept Advantage

A proven turnkey manufacturing concept reduces operational risk — local regulatory expertise reduces approval risk. Both are required in parallel

- ✔ **Bottom line:** For a medium-sized manufacturing facility, budget 12–24 months from EIA start to full operational licensing. Starting CEPA early and preparing documentation rigorously are the two highest-leverage actions available to any investor entering PNG.

# About the Content Partner

## **J. v. G. technology GmbH** – The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.

On-site team training included – no prior manufacturing experience required.

### Key areas:

Turnkey PV manufacturing lines | DESERT Technology® |  
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