



**PRODUCTIVE PARTNERSHIPS IN AGRICULTURE PROJECT  
(PPAP)**

**First Call for Proposals**

**Guidelines      Phase II**

**March 2012**

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## ACRONYMS

CB	Cocoa Board of PNG
CFP	Call for Proposals
CIC	Coffee Industry Corporation
CPB	Cocoa Pod Borer
CV	Curriculum Vitae
DAL	Department of Agriculture and Livestock
EMP	Environmental Management Plan
ESMF	Environmental & Social Management Framework
GST	Goods and Services Tax
HIV	Human Immunodeficiency Virus
IDA	International Development Agency
IFAD	International Fund for Agriculture Development
ICC	Industry Coordination Committee
LLG	Local Level Government
M&E	Monitoring and Evaluation
NGO	Non-Government Organization
PGK	Papua New Guinea Kina
PMU	Project Management Unit
PNG	Papua New Guinea
PP	Project Proposal
PPAP	Productive Partnerships in Agriculture Project
TAC	Technical Appraisal Committee
TOR	Terms of Reference

## 1. INTRODUCTION

This document provides guidelines for Phase II of the first Call for Proposals (CFP) under Component 2 of the Productive Partnerships in Agriculture Project (PPAP). These guidelines are provided for partnerships that have met the qualifying criteria in Phase I of the CFP and who have now been invited to submit detailed Implementation and Business Plans. The detailed Implementation and Business Plan should be aimed at addressing the main objective of the PPAP:

**To improve the livelihoods of smallholder cocoa and coffee producers through the improvement of the performance and the sustainability of value chains in cocoa-and coffee-producing areas.**

To achieve this objective, Component 2 of the PPAP specifically aims to foster the integration of a greater number of smallholder producers in performing and remunerative value-chains, by developing and implementing public-private alliances in the project areas. It has two sub-components covering partnerships in the cocoa sub-sector and coffee sub-sector. It is envisaged that the partnerships and value-chains will be sustained in the long term contributing to the enhanced livelihood of the smallholder producers as well as the continuity of the businesses of the other players along the value-chains.

Each partnership is expected to furnish detailed information pertaining to their partnership, specific activities based on their needs to be undertaken, the costs involved and the time frame under which each activity will be implemented. The guidelines provided in this document are for the cocoa sub-sector and the information provided by partnerships should be an expansion of the information provided during Phase I of the CFP. The activities progressed to Phase II of the CFP are those that were assessed to meet the eligibility criteria and were in line with the list of eligible activities (see Annex 6a) as per the guidelines provides in phase I of the CFP. In addition, the Partnership Cycle Timeline is attached as Annex 7, which shows the different stages of the assessment process for each partnership proposal. Further information can be found in the Cocoa Industry website: <http://www.pngcocoa.gov.pg/ppap.html>.

The information presented should be brief and to the point, but it needs to address each section of the Implementation and Business Plan (refer to sections 2-10 of this document). In short, you need to provide the appraisal committee with a clear description of what you intend to do; the capacity of your partnership to implement the activities, how the activities will contribute to the objectives of the PPAP and how the development impacts can be monitored and sustained after the partnership funding has ceased. The evaluation criteria for Phase II are presented in Annex 9. It is important that your proposal address these criteria. Finally, after a partnership is approved for funding through PPAP and after the project is implemented, the same information will be used for monitoring and evaluation purposes.

The format for the Business and Implementation Plan is included in these guidelines. Specific guidance is provided in these instructions; you should read these instructions carefully prior to commencing the proposal write-up. The text in italics on the Cover Page and in Sections 2 to 8 is for your guidance and should be deleted prior to submitting your proposal.

The proposal should be limited to ten pages (excluding the cover page, tables and annexes and any other necessary attachment), typed in at least a 12 point font.

Applications should be prepared and submitted in English;

A glossary should be provided at the beginning of the text;

Graphs, diagrams and tables should be drawn using black ink, so that they can be photocopied. Photos and other materials that cannot be photocopied should be submitted as a separate annex;

A digital copy of the application must be provided, in addition to the original (hard copy);

Pages of the application should be numbered;

Failure to follow the instructions may result in a delay in an application being considered;

The proposal should consist of:

- **the Cover Page (Section 2)** and
- **Statement by the Lead Partner and Co-Partners (Section 3)**, followed by a **Description of the Project** and the **Costs and Scheduling** set out in **Sections 4 to 8 Annexes 3, 4a, and 8 and 11** should be completed and submitted as part of the proposal.

Confidentiality of information is a matter of concern to potential PPAP partners. Therefore, all staff and technical specialists who will have access to the information provided in this Proposal have signed a **PPAP Code of Conduct** that requires them to ensure that all information provided by your firm or association will be treated as 'Commercial in Confidence' and will not be divulged to any non-authorized persons. A copy of the PPAP Code of Conduct is attached to these guidelines for the assurance of partners, Annex 12.

If required, the Partnership submitting the proposal could request the assistance of a Service Provider to assist with proposal preparation. Details on requesting the assistance of a Service Provider are being furnished separately by the Cocoa Project Management Unit (PMU).

The total amount of funds available for all partnership proposals for the first Call of the Cocoa Component is K 8million. The maximum grant size is USD 700,000 (K1.46 million)

Attention is drawn to Project Implementation Manual 2, the basis of these Guidelines, which states that a legal entity may be a Lead Partner in partnership proposals up to a maximum of 12% of the total IDA/IFAD funds available for Component 2. For both coffee and cocoa this is approximately K 14.6 million (at today's foreign exchange rate) for each crop

The deadline for receipt of Phase 2 proposals is : 19 April 2012.

## 2. COVER PAGE

*[This should be filled and attached as the COVER PAGE of your proposal]*

Date of submission:	
Submission Number <i>(For PPAP use—leave blank)</i>	
Title of the partnership proposal	
Location of the partnership proposal: <i>province(s), district(s), village(s)</i>	
Total duration of the project: <i>Up to 3 years</i>	
Proposed Starting Date: <i>the start date should be at least 2 months after the deadline for submission of the project proposal</i>	
Proposed Project Completion Date:	
Lead Partner <i>(Name and Address)</i>	
Co-Partner 1 <i>(Group Name and Address)</i>	
Co-Partner 2 <i>(same as above if required)</i>	
Co-Partner 3 <i>(same as above if required)</i>	
<b>Contact details for this partnership:</b>	
Name and details of the legal representative of the Lead Partner	
Name	
Title/Position	
Telephone number:	
Fax number:	
Email:	

### 3. STATEMENT OF THE LEAD PARTNER AND CO-PARTNERS (PARTNERS)

This project application is submitted by, and has been made with the full agreement of all participating partners that constitute the [*insert the partnership name*].

All partners involved in implementing an approved partnership Business Plan will be required by the Project to sign a Partnership Agreement (see Annex 10). All partners submitting this Business Plan should familiarize themselves with the conditions and responsibilities entailed in signing a Grant Agreement with the Project prior to submitting this Business Plan. Additional information on the Lead Partner, Joint Partners and Co-Partners should be provided as set out in Annex 8.

The lead partner and co-partners are responsible for consulting with smallholders that are part of this proposal and ensuring that they have a full understanding of the details of the proposal, their obligations/commitments and that smallholders consent to their involvement as part of this proposal. Consultations should be in the appropriate local language and culturally appropriate.

Farmers may participate in Component 2 of the PPAP as a named individual/head of a household. Farmers can participate and receive benefits in only one Component 2 PPAP partnership project in all Calls. The definition of a household is “an adult male and/or female wife/partner and all children below 18 years old”. Children or other family members over the age of 18 would be considered as separate entities if they farm the cocoa, sell the produce and utilize the majority of the income from it independently of the main household.

#### RESPONSIBILITIES:

##### Lead Partner

The following person [*name of the person*] is nominated as the legal representative of the Lead Partner and will be directly responsible for the project implementation, devote necessary time and effort to its effective and efficient implementation, and be the principal contact person for the PPAP PMU.

Name of Lead Partner: \_\_\_\_\_

Name of Legal Representative of Lead Partner: \_\_\_\_\_

Contact Details:

\_\_\_\_\_

Signature of the legal representative of Lead Partner: \_\_\_\_\_



Date: \_\_\_\_\_

**Co-Partners**

The following persons [*name of the person*] are nominated as the contact persons of the Co-Partners and will be directly responsible for the project implementation, devote necessary time and effort to its effective and efficient implementation, and be the principal contact person to liaise with the Lead-Partner and PPAP PMU.

Name of Co-Partner 1: \_\_\_\_\_

Name of Representative of Co-Partner 1: \_\_\_\_\_

Contact Details: \_\_\_\_\_

Signature of representative of Co-Partner 1: \_\_\_\_\_

Date: \_\_\_\_\_

Name of Co-Partner 2: \_\_\_\_\_

Name of Representative of Co-Partner 2: \_\_\_\_\_

Contact Details: \_\_\_\_\_

Signature of the representative of Co-Partner 2: \_\_\_\_\_

Date: \_\_\_\_\_

Name of Co-Partner 3: \_\_\_\_\_

Name of Representative of Co-Partner 3: \_\_\_\_\_

Contact Details: \_\_\_\_\_

Signature of the representative of Co-Partner 3: \_\_\_\_\_

Date: \_\_\_\_\_

## **4. DESCRIPTION OF PROJECT**

*[Maximum -5 pages]*

### **1. Background/Context/Objective**

*What is the aim of this partnership proposal? Give a statement about what you want to accomplish in this project and how it will benefit all the partners. This should be in relation to and contributing towards the overall objective of the PPAP [About 10 lines]*

### **2. Statement of goals and objectives**

*[Objectives should be: specific, measurable, attainable, realistic and time-bound]*

*[About 5-8 lines and also complete Table 1]*

### **3. Description of the activities that will be initiated or scaled-up under the Partnership.**

*[Describe in some detail the activities that will be implemented, the number of smallholder farmers that will be involved, the benefits to different partners and the number of women smallholder farmers that will benefit and how? Address other cross-cutting issues as social equity, youth participation and HIV/AIDS] [Up to 1.5 pages]*

### **4. Description of the project implementation methodology/approach**

*[For each of the main components/activities describe what will be done to implement the project and how it will be implemented? Who will be responsible for the implementation of specific activities and how activities will be monitored? It is appropriate to break the project implementation period into quarters and plan each activity accordingly and provide the details of the activities (also complete Table 2) ]. [About 10-15 lines]*

### **5. Budget and financing plan**

*[Please complete Tables 3 and 4. The costs should correspond to the activities described in the Project Implementation Plan (Table 2)]*

### **6. Description of cooperation and partnership**

*[Provide specific details about the Lead-Partner and Co-Partners and provide the information as an attachment (refer to Annex 3). Describe in concrete terms the cooperation between the co-partners, how the partnerships will work together to implement project activities and any contractual arrangements between partners] [About 10-15 lines]*

### **7. The relation of the project with other on-going activities**

*[What has already been/is being done; what have you already done; who else is working on the issue the project is going to address, and; how is this proposal different from the work already done/being done by you and/or the others if such a project is or has been carried out] [About 5-10 lines]*

## **5. MANAGEMENT CAPACITY OF THE PARTNERS**

*[Maximum 1 - 2 pages]*

### **Lead Partner**

*Describe the experience and examples of such experience the Lead Partner has had in successfully managing activities such as the ones proposed in this business plan. Also provide specific details of the capacity of the lead partner in implementing this project in terms of availability of staff in their management structure and resources to provide sufficient supervision and technical support to ensure successful implementation during the PPAP implementation stage and continuity afterwards. Provide the curriculum vitae of the staff member who will be responsible for the management of this partnership as an attachment (see Annex 2. Format of Curriculum Vitae). In addition, what are the plans for capacity building and training to improve skills and knowledge of smallholder farmers?*

*[About 8-10 lines]*

### **Co-Partners**

*Qualification, background and experience of the co-partners in similar project activities, experience in implementing similar projects, previous experience and results of cooperation with the other co-partners and the Lead-Partner. Also indicate previous involvement with the Lead-Partner and if not then how was this current partnership arrangement conceived?*

*[About 5 lines for each co-partner]*

## **6. RISKS TO THE PROJECT**

*[Maximum 1/2 page]*

*Describe the major risks to successful implementation and completion of the project such as the breakdown in cooperation and trust between the lead partner and target communities, including the environmental and social risks and in such cases what are the proposed mitigation measures by the partnership to address these?*

## **7. SOCIAL AND ENVIRONMENTAL IMPACTS**

*[Maximum 1 page]*

*Briefly summarize both positive and negative social and environmental impacts associated with the proposed partnership activities. Outline mitigation measures for any potential negative impacts and ensure costs of these measures are included in Table 3 and Table 4. Refer to the social and environmental screening process in Annex 4a and 4b. The screening should be undertaken for all activities described in the Project Implementation Plan and participating smallholders should be considered when undertaking the screening. Annex 4a needs to be completed and submitted with the proposal.*

## **8. SUSTAINABILITY OF THE PROJECT**

*[Maximum 1 page]*

*Describe how you will ensure the sustainability of the proposed activities, in technical and financial terms? What will you do in the future after the completion of the project for further development of these activities.*

*Describe how you plan to fund and carry out maintenance of operational infrastructure funded by the project, e.g. fermentaries in the case of cocoa, wet and dry factories for coffee, etc,*

## 9. FINANCIAL REQUIREMENT

Partnerships will need to open a separate bank account, maintain a set of chartered accounts, keep all original receipts, and will need to furnish accounts, bank statements and supporting documentation for payment requests to the PMU. A funds disbursement schedule should be provided with the Partnership application according to the format in **Annex 11**.

The Lead Partner will be required to have the accounts audited by an approved firm in a timely manner (audited within 2 months after year end) and present the audited accounts to the PMU by 30th June each year.

An advance payment not normally exceeding 30% will be made to the partnership. For this initial payment advance and for all subsequent payments, an invoice must be presented by the Lead Partner to the PMU which details the intended expenditure which should be according to the partnership budget and implementation plan. This invoice must specify the principle amount and GST amount.

The Initial Advance Payment to the Partnerships will be made according to the budget, corresponding implementation plan and presentation of the invoice mentioned above. Replenishment requests may be made by the Lead Partner to the PMU when 70% or more of the allocated funds have been spent and acquitted. The acquittal must include a financial and an M&E report that evidences implementation achievement related to the expenditure. On receipt of the payment request, the PMU will undertake an on-site monitoring visit to verify milestones and progress and prior to the release of the second tranche payment.

The Lead Partner is responsible for regular timely and accurate reporting of all aspects of the partnership expenditures including the budgeted farmer activities. The reporting format and the information/data that the Lead Partner is required to provide will be provided to the partnership by the PMU.

The Lead Partner must provide the report and supporting data to the PMU on soft (electronic) copy with each Payment Request.

The PMU will monitor the Lead Partner and all Co Partners in the Partnership. Cocoa farms and other budgeted activities will be inspected by the PMU to substantiate Payment Requests.

## **10. COST SHARING**

Partnerships are required to contribute a minimum of 5% of the total partnership investment cost to the project in cash, as a sign of good faith and commitment to the project. This will form part of the total 70:30 or 80:20 counterpart contribution specified in the Phase 1 Guidelines. The cash contribution will be required prior to disbursement of the 2nd tranche payment.





**Table 2. Project Implementation Plan (Quarterly periods for the duration of the implementation period – up to 3 years)**

	Activities	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		Year 1	Year 1	Year 1	Year 1	Year 2	Year 2	Year 2	Year 2
	[Description of the activity 1]	[mm. yy]							
	[Description of the activity 2]		[mm. yy]						

**Table 2 (contd.)**

	<b>Activities</b>	<b>Quarter 1 Year 3</b>	<b>Quarter 2 Year 3</b>	<b>Quarter 3 Year 3</b>	<b>Quarter 4 Year 3</b>
	<i>[Description of the activity 1]</i>	<i>[mm. yy]</i>			
	<i>[Description of the activity 2]</i>		<i>[mm. yy]</i>		

**Table 3. Cash Flow Budget per Activity per Quarter**

Enter the cost in each quarter for each of the components and activities in your project. For the project sub-totals, show the contribution of: the Lead Partner, each Co-Partner and PPAP (up to 3 years)

	<b>Activities</b>	<b>Quarter 1 Year 1</b>	<b>Quarter 2 Year 1</b>	<b>Quarter 3 Year 1</b>	<b>Quarter 4 Year 1</b>	<b>Quarter 1 Year 2</b>	<b>Quarter 2 Year 2</b>	<b>Quarter 3 Year 2</b>	<b>Quarter 4 Year 2</b>
	[Description of the activity 1]	Amount							
	[Description of the activity 2]		Amount						
	<b>TOTAL</b>								
	<b>CONTRIBUTIONS</b>								
	LEAD PARTNER								
	CO- PARTNER 1								
	CO-PARTNER 2								
	CO-PARTNER 3								
	PPAP								
	TOTAL								

[Note: (1) For each activity in Table 5 (Implementation Plan) enter the cost into this table.

Table 3 (contd)

	<b>Activities</b>	<b>Quarter 1 Year 3</b>	<b>Quarter 2 Year 3</b>	<b>Quarter 3 Year 3</b>	<b>Quarter 4 Year 3</b>
	[Description of the activity 1]	Amount			
	[Description of the activity 2]		Amount		
	<b>TOTAL</b>				
	<b>CONTRIBUTIONS</b>				
	LEAD PARTNER				
	CO- PARTNER 1				
	CO-PARTNER 2				
	CO-PARTNER 3				
	PPAP				
	<b>TOTAL</b>				

**TABLE 4: Budget Costing Table by Category (in PNG Kina)**

Detailed Cost Items (Use 1 line for each Cost Item)	Unit	Cost/Unit	Total Cost	Source of Financing (PGK)				Grant Item/Total grant (in %)
				Lead Partner	Co-partner 1	Co-partner 2 Etc., if required	PPAP	
<b>1. PROJECT ESTABLISHMENT</b>								
<b>A</b> Goods(Provide specific details under each category)								
<i>Equipment</i>								
<i>Supplies</i>								
<i>Materials</i>								
<i>Inputs</i>								
<b>Total Goods</b>								
<b>B</b> Works								
<b>C</b> Services								
<i>Consulting Services</i>								
<i>Training &amp; Workshops</i>								
<b>Total Services</b>								
<b>D</b> In-kind labor contribution								
<b>E</b> <b>2. Operational Expenses<sup>1</sup></b>								
Communications								
Utilities								
Stationery								
Transport Costs								
Others								
<b>F</b> <b>3. Annual Project Audit</b>								
<b>Total</b>								

<sup>1</sup> "Operational Expenses" means the reasonable and necessary incremental expenses incurred on account of Project implementation, support and management, which would not have been incurred in the absence the Project.

**TABLE 5: Procurement Plan**

Refer to Annex 1 which described the procurement practices to be used by approved partnerships.

Description of Activity	Estimated Costs (currency PGK)	Procurement Method	Implementation Period (Quarter & Year)
<b>Goods</b>			
<b>Works</b>			
<b>Services</b>			
<b>TOTAL</b>			

*[Note: The implementation period shown in this table should correspond to the time frame and costs for activities included in Table 2 (Project Implementation Plan) and Table 3 (Cash Flow Budget per Activity per Quarter).*

*The Procurement Plan will be part of the Partnership Agreement.*

*The Partners shall implement the Procurement as in Partnership Agreement.*

*The Procurement Plan may be revised and up-dated before signing of the Partnership Agreement.]*

## 10 ANNEXES

### **Annex 1. Procurement practices to be used by approved partnerships**

Procurement of Goods, civil works and services for approved partnerships will be expected to use the procurement practices described below.

The PMU shall review the procurement arrangements proposed by the Partners in the Procurement Plan.

The Partners should retain all the documents related to the procurement of any of the goods, works or services for a period of 2 (two years) after the closing date of the Agreement.

#### **1 GOODS**

Goods in the context of the productive partnerships refers to materials, tools, machinery, equipment and items to be used in the activities identified by the partnerships and they will be procured following the; Non-competitive practice (direct contracting), Three Quotes practice and Open Competitive practice.

##### **1.1 Non-competitive practice (direct contracting)**

For goods, contracts with a value less than PGK 25,000.00, Non-competitive practice (single source) may be used provided that the price is reasonable (i.e., in line with the market price).

##### ***Steps to be followed:***

###### **STEP 1 – Describe what you need**

List all the items (goods) in the contract identified in the Procurement Plan.

Besides the name of the item, a description should be provided (features of the goods) so the Supplier (shop) knows exactly what is required. The forms to be used by the Partners for Non-competitive practice (direct contracting) will be provided by the PMU before signing the Partnership Agreement.

###### **STEP 2 – Ask Supplier for quote**

Be sure to provide all the required information to the supplier when you request the quotation.

###### **STEP 3 – Open and Check the Quote**

Make sure the supplier has offered what is required, on suitable terms.

###### **STEP 4 – Order the Goods**

The Supplier should be advised that its quotation has been accepted.



## **STEP 5 - Inspect and Receive the Goods**

A written record of the delivery and acceptance of goods should be kept by the Partnership.

### **1.2 Procuring of goods, Three Quotes Practice**

The three (3) valid quotes practice will be used when the contract value is less than PGK 500,000.00 and the steps to be followed are explained below;

For the contracts for goods valued more than PGK 200,000.00, the PMU will assist the Partners by providing prior verification (before Step 2 and Step 4). Before signing of the Partnership Agreement the PMU will provide to the Partners the Prior Verification Checklist which will list the required information in order to authorize the procurement of the goods.

For the contracts for goods less than PGK 200,000.00 the PMU may undertake a post verification of the procurement process.

#### ***Steps to be followed:***

##### **STEP 1 – Describe what you need**

List all the items (goods) in the contract identified in the Procurement Plan.

Besides the name of the item from the Procurement Plan, a description should be written (features of the goods) so the Suppliers will know exactly what is required.

##### **STEP 2 – Ask at least 3 Suppliers**

You should get a quote from 3 different suppliers. It is recommended to ask more than 3 suppliers (four or five suppliers) to be sure than you will get at least three (3) quotes.

If you can only get 2 quotes you should keep a written record of the reason.

Be sure to provide all the required information to the supplier when you request the quotation.

##### **STEP 3 – Open the quotes and choose the supplier offering the lowest price quote**

The Partners will appoint an Evaluation Committee consisting of at least 3 members from the Partners, which will evaluate the quotes. Make sure the quotes are compared on an equal basis. For example with or without GST, same delivery location, transport included or not etc. Providing the items offered are as required (the features from the request to quotation), the contract should be awarded to the supplier offering the lowest priced quote. An evaluation report recording the evaluation of quotes and recommendation of awarding of the contract, signed by the evaluation members, should be prepared and kept.

All the quotes should be kept for inspection and auditing.

##### **STEP 4 – Order the Goods**

The successful supplier should be informed about the result of the procurement practice, contract document issued and arrangements made for delivery of the

goods. The unsuccessful suppliers shall be informed about the result of procurement process.

All the Partners should be informed about the result.

#### **STEP 5 - Inspect and Receive the Goods**

A written record of the delivery and acceptance of goods should be kept by the Partnership.

### **1.3 Open Competitive Bidding**

This procurement practice is used for the contracts with the value higher than PGK 500,000.00. The Partnership advertises for Bids. For all the contracts for goods under Open Competitive Bidding (more than PGK 500,000.00) the PMU will assist the Partners providing prior verification (before Step 2 and Step 4).. The Standard Bidding Documents to be used by the Partnership for Open Competitive Bidding will be provided by the PMU before signing the Partnership Agreement.

#### ***Steps to be followed:***

##### **STEP 1 – Describe what you need**

Prepare the Bidding Documents (Bidding Data Sheet, Contract Conditions, List of the Items, Detailed description of the goods, Schedule of delivery, etc.), including the Invitation for Bids.

The Bidding Documents must be verified by PMU before advertising the Invitation for Bids.

##### **STEP 2 – Advertise the Invitation for Bids**

The Invitation for Bids will be advertised in local newspaper. In addition, the Partners may consider advertising on radio. The Invitation for Bids shall provide to the interested Bidders information about the goods to be purchased, schedule of delivery, place of destination, contact details of the Partners, deadline for submission of Bids, etc.

##### **STEP 3 – Open the bids, evaluate and chose the lowest one**

Bids (in envelope) should be opened in the presence of the Bidders representatives and as many members of the Partners as possible. A short written record should be kept of the names of the bidders and their price.

The Partners will appoint an Evaluation Committee consisting of at least 3 members from the Partners, which will evaluate the Bids. Make sure the quotes are compared on an equal basis. For example with or without GST, same delivery location, transport included or not etc. Providing that the items offered are as required (the features from the Bidding Documents and contract and commercial conditions), **the contract shall be awarded to the supplier offering the lowest priced quote.**

An evaluation report recording the evaluation of Bids and recommendation of awarding of the contract, signed by the evaluation members, should be prepared and kept.

All the Bids should be kept for inspection and auditing.

**STEP 4 – Order the Goods**

The successful Bidder should be informed about the result of the procurement practice, contract document issued and arrangements made for delivery of the goods. All the other Bidders should be informed about the result of the procurement process.

All the Partners should be informed about the result.

**STEP 5 - Inspect and Receive the Goods**

A written record of the delivery and acceptance of goods should be kept by the Partnership.

## **2 Civil Works**

Works in the context of the productive partnerships refers to any new construction, rehabilitation or reparation of an existing construction on farm works.

### **2.1 *Non-competitive practice for works (direct contracting)***

For the Works contracts with a value less than PGK 125,000.00, Non-competitive practice (single source) may be used provided that the price is reasonable (in line with the market price).

#### ***Steps to be followed:***

##### **STEP 1 – Describe what you need**

Identify all necessary work required.

The specifications should include a detailed description of the works including basic specifications, drawings and main type of works and related quantities where applicable.

##### **STEP 2 – Ask the Contractor for a quote**

Use the standard forms to request a quote from the Contractor. PMU will provide to the Partners the standard forms before signing the PPAP Partnership Agreement.

Give the contractor a reasonable time to put together the quote.

##### **STEP 3 – Check the quote**

A short written record should be kept of the opening and evaluation of the quote.

If the quote is satisfactory the Partners should award the contract to the Contractor.

##### **STEP 4 – Contract the Works**

The Contractor should be advised that its quotation has been accepted.

##### **STEP 5 - Supervise and Accept the Works**

The Partners should supervise and monitor the works execution. When the Partners are satisfied that the Works are completed the Contractor should be given a written certificate. The PMU has the right to inspect the Works at its discretion, and the certificate of completion will be issued to the Contractor after PMU inspection of works.

### **2.2 *Procuring of Works 3 Quotes Practice***

The three (3) valid quotes practice will be used when the contract value is less than PGK 500,000.00. and the steps to be followed are below explained. For the contracts for Works more than PGK 200,000.00 the PMU will assist the Partners by providing prior verification of the process (before Step 2 and Step 4). Before signing of the Partnership Agreement the PMU will provide to the Partners the Prior Verification Checklist which will list the required information in order to authorize the procurement of the works. For the contracts for Works less than PGK 200,000.00 the PMU may undertake a post verification of the procurement process.

##### **STEP 1 – Describe what you need**

Identify all necessary work required.

The specifications should include a detailed description of the works including basic specifications, drawings and main type of works and related quantities where applicable.

**STEP 2 – Invite at least 3 Contractors**

You should request a quote from at least 3 different qualified Contractors (construction companies) using the standard forms. PMU will provide to the Partners the standard forms before signing the PPAP Partnership Agreement.

If you can only get 2 quotes you should keep a written record of the reason.

Give the Contractors a reasonable length of time in which to respond.

**STEP 3 – Choose the Contractor offering the lowest priced quote**

The Partners will appoint an Evaluation Committee consisting of at least 3 members from the Partners, which will evaluate the quotes. Providing that the items offered are as required in the technical specifications, **the contract shall be awarded to the Contractor offering the lowest priced quote.** An evaluation report recording the evaluation of quotes and recommendation of awarding of the contract, signed by the evaluation members, should be prepared and kept.

All the quotes should be kept for inspection and auditing.

**STEP 4 – Contract the Works**

The successful Contractor should be advised, contract issued and arrangements made for the Contractor to gain access to the site. The other Contractors which submitted the Quotes will be informed about the result of procurement process.

All the Partners should be informed about the result.

**STEP 5 - Supervise and Accept the Works**

The Partners should supervise and monitor the works execution. When the Partners are satisfied that the Works are completed the Contractor should be given a written certificate. The PMU has the right to inspect the Works at its discretion, and the certificate of completion will be issued to the Contractor after PMU inspection of works.

**2.3 Open Competitive Bidding**

This procurement practice is used for the contracts with the value higher than PGK 500,000.00. The Partnership advertises for Bids. For all the contracts for works under Open Competitive Bidding (more than PGK 500,000.00) the PMU will assist the Partnership providing prior verification (before Step 2 and Step 4). The Standard Bidding Documents to be used by the Partners for Open Competitive Bidding will be provided by the PMU before signing the Partnership Agreement.

***Steps to be followed:***

**STEP 1 – Describe what you need**

Prepare the Bidding Documents (Bidding Data Sheet, Contract Conditions, Detailed description of the Works, Bill of Quantities, Technical Specifications, etc), including the Invitation for Bid.

The Bidding Documents must be verified by PMU before advertising the Invitation to Bids.

**STEP 2 – Advertise the Invitation for Bids**

The Invitation for Bids will be advertised in local newspaper. In addition, the Partners may consider advertising on radio. The Invitation for Bids shall provide to the interested Bidders information about the works to be carried out, duration of works, location of works, contact details of the Partners, deadline for submission of Bids, etc.

**STEP 3 – Open the bids, evaluate and chose the lowest one**

Bids (in envelope) should be opened in the presence of the Bidders representatives and as many members of the Partners as possible. A short written record should be kept of the names of the bidders and their price.

The Partners will appoint an Evaluation Committee consisting of at least 3 members from the Partners, which will evaluate the Bids. Make sure the quotes are compared on an equal basis. Providing that the items offered are as required in the technical specifications, **the contract shall be awarded to the Contractor offering the lowest priced quote.**

An evaluation report recording the evaluation of Bids and recommendation of awarding of the contract, signed by the evaluation members, should be prepared and kept.

All the Bids should be kept for inspection and auditing.

**STEP 4 – Contract the Works**

The successful Contractor should be advised, contract issued and arrangements made for the Contractor to gain access to the site. The other Contractors which submitted the Quotes will be informed about the result of the procurement process.

All the Partners should be informed about the result.

**STEP 5 - Supervise and Accept the Works**

The Partners should supervise and monitor the works execution. When the Partners are satisfied that the Works are completed the Contractor should be given a written certificate. The PMU has the right to inspect the Works at its discretion, and the certificate of completion will be issued to the Contractor after PMU inspection of works.

**3 Consulting Services**

Consulting services refers to any services of an intellectual nature provided by consultants using their professional skills to study, design, and organize specific projects, advise Partners, conduct training and transfer knowledge.

Procurement of Productive Partnership Consulting Services will use the following procurement practices.

## **A. INDIVIDUAL (expert/specialist)**

### **3.1 Individual Consultant**

Individual Consultants are contracted where the scope of work does not require the employment of a number of persons, the position does not require professional support and the experience and qualifications of the consultant is paramount Individual Consultant selection may be used.

#### ***Steps to be followed:***

##### **STEP 1 – Describe what you need**

Identify all necessary consultancy services required.

Describe the services that would be necessary and estimate the period within the consulting services should be provided. Define the tasks of the consultants and the reporting obligations drafting the Terms of Reference. The standard forms/templates to be used by Partners will be provided by the PMU before signing the Partnership Agreement.

##### **STEP 2 – Identify and contact at least 3 Consultants (specialists/experts)**

Identify and contact at least 3 potential candidates interested in providing the services.

Ask the candidates to provide their Curriculum Vitae/resume (description of their qualification, past experience, academic background, knowledge of local condition).

If you can only find two (2) Consultants you should keep a written record of the reason.

##### **STEP 3 – Select the most qualified consultant among the 3 consultants**

The consultant should be selected on the basis of comparison of their qualifications for the assignment.

The most qualified consultant will be asked to provide the cost estimate of the services: remuneration (salary/fee) and direct expenses (reimbursable costs covering: the transportation for the location where the services will be provided, equipment and/or materials, accommodation if the services are provided in a different location than the consultant residence, etc).

A short written report showing the selection of one of the candidates should be prepared and kept.

All the documents should be kept for inspecting and auditing.

##### **STEP 4 – Contract the consulting services**

The successful Consultant (expert/specialist) should be advised, contract issued and arrangements made for the Consultant to be able to provide the services. The other Consultants which submitted the CVs (résumé) will be informed about the result of procurement process.

All the Partners should be informed about the result.

##### **STEP 5 – Monitor and accept the reports**

The Partners will monitor the services provided by the consultant and review and approve the reports submitted as per contract obligations.

## **B. CONSULTING COMPANIES (firms, NGOs, etc)**

### ***3.2 Non-competitive practice for Consulting Services (single source selection)***

For the Consulting contracts with a value less than PGK 250,000.00, Non-competitive practice (single source) may be used provided that the Consultant (firm) is qualified for the services and has experience for the proposed services and the cost of services is reasonable (in line with the market price).

#### ***Steps to be followed:***

##### **STEP 1 – Describe what you need**

Identify all necessary consultancy services required.

Describe the services that would be necessary and estimate the period within the consulting services should be provided. Define the tasks of the consultants and the reporting obligations (Terms of Reference). The standard forms/templates to be used by Partners will be provided by the PMU before signing the Partnership Agreement.

##### **STEP 2 – Ask the Consultant for a proposal and the cost estimate of the services**

Use the standard forms to request a proposal (description of services to be provided) and cost estimate of the services.

Give the Consultant a reasonable time to put together the proposal and cost estimate.

##### **STEP 3 – Check the Proposal and cost estimate of the services**

Make sure the Consultant has offered what is required, on suitable terms and within a reasonable price. A short written record should be kept of the opening and evaluation of the proposal and cost estimate.

If the proposal and cost estimate are satisfactory the Partners should award the contract to the Consultant.

##### **STEP 4 – Contract the consulting services**

The Consultant should be advised, contract issued and arrangements made for the Consultant to be able to provide the services.

All the Partners should be informed about the result.

##### **STEP 5 – Monitor and accept the reports**

The Partners will monitor the services provided by the consultant and review and approve the reports submitted as per contract obligations.

### ***3.3 Competitive selection of the consultant***

For the Consulting contracts with a value more than PGK 250,000.00, Competitive selection of the consultant should be used, provided that the Consultant is qualified for the services and has experience for the proposed services and the cost of services is the lowest among all the Consultants which are qualified and submitted the proposals. For all the contracts for



consulting services under Competitive selection of the consultant (more than PGK 250,000.00) the PMU will assist the Partnership providing prior verification (before Step 2 and Step 4). The Standard Request for Proposal to be used by the Partners for Competitive selection of the consultant will be provided by the PMU before signing the Partnership Agreement.

***Steps to be followed:***

**STEP 1 – Describe what you need**

Identify all necessary consultancy services required.

Describe the services that would be necessary and estimate the period when the consulting services should be provided. Define the tasks of the consultants and the reporting obligations (terms of references). Prepare the Request for Proposal. The Request for Proposal must be verified by PMU before starting the procurement process.

**STEP 2 – Identification of the qualified Consultants**

The Partners shall identify at least 3 Consultancy companies which will be invited to prepare and submit their proposals and cost estimates for services.

Optional, the Partner may advertise a Request for Expression of Interest in newspaper available in the area. In addition, the Partners may consider advertising in radio. The Request for Expression of Interest should provide to the interested Consultants information about the services to be performed, estimated duration, location, contact details of the Partners, deadline for submission of Expression of Interest, etc. The qualified consultants will be selected among of all interested companies which submitted the Expression of Interest. Written report reflecting the selection process of the qualified consultant should be prepared and kept.

**STEP 3 – Ask the consultants to prepare their Proposals**

The selected, qualified Consultants will receive from the Partners the documentation needed to prepare their proposals (Request for Proposal).

Give the Consultants a reasonable time to put together the proposal and cost estimate.

**STEP 4 – Check the Proposals and Cost estimates submitted by the selected Consultants**

The proposals describing the approach of the tasks, the proposed work plan and the available staff will be evaluated using the system Pass/Fail. Only the Proposal which were accepted (Passed) will be considered. The Partners will appoint an Evaluation Committee consisting of at least 3 members from the Partners, which will evaluate the Proposals. An evaluation report recording the evaluation of the proposals and the marks/scores obtained by each Consultant will be prepared and submitted to the PMU for approval.

**STEP 5 – The contract shall be awarded to the Consultant offering the lowest Cost estimate of services.**

The contract shall be awarded to the Consultant whose Proposal was accepted and offered the lowest Cost estimate of the services. The recommendation of awarding of the contract, signed by the evaluation members, should be prepared and kept.

All the Proposals and Cost Estimates should be kept for inspection and auditing.

**STEP 6 – Monitor and accept the reports**

The Partners will monitor the services provided by the consultant and review and approve the reports submitted as per contract obligations.

**Annex 2. Sample format for Curriculum Vitae (CV) Partner Details**

Proposed Position: \_\_\_\_\_

Name of Staff: \_\_\_\_\_

Profession: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Years with Firm/Entity: \_\_\_\_\_ Nationality: \_\_\_\_\_

Detailed Tasks Assigned: \_\_\_\_\_

**Key Qualifications:**

*[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page.]*

**Education:**

*[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]*

**Employment Record:**

*[Starting with present position, list in reverse order every position held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]*

**Languages:**

*[For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]*

**Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

\_\_\_\_\_  
Date: \_\_\_\_\_

*[Signature of staff member and authorized representative of the firm] Day/Month/Year*

Full name of staff member: \_\_\_\_\_

Full name of authorized representative: \_\_\_\_\_

## **Annex 3. Partner Details**

### ***Lead Partner***

- Name of lead organization.
- Name and Contact details of the legal representative, responsible to coordinate links with the PPAP; State position, provide postal and email address, phone and fax numbers.
- Name and Contact details of Partnership Coordinator (if different from the contact person). Give name, present position, provide postal and e-mail address, phone and fax numbers of the person who will be responsible with coordinating activities with other entities in the partnership.

### ***Co-partner 1***

- Name
- Group Details:**
- Names, Positions and Contact Details of their office bearers
  - Name and Contact Details of who will represent the group(s) for the purpose of the PPAP
  - Number of registered farmers
  - Village/geographical area, LLG, District, Province

### ***Co-Partner 2***

- Name
- Group Details:**
- Names, Positions and Contact Details of their office bearers
  - Name and Contact Details of who will represent the group(s) for the purpose of the PPAP
  - Number of registered farmers
  - Village/geographical area, LLG, District, Province

### ***Co-Partner 3 (provide details if required)***

## Annex 4a. Guidelines for Environmental and Social Screening

The Screening Process set out below provides a simple mechanism for identifying whether a subproject proposal or an activity poses a risk to:

- the natural environment, its resource values (including its subsistence resources' values) and / or conservation values; and
- the socio-economic environment, and the social structure, relationships and social values it sustains.

The Screening Process requires simple questions to be answered in relation to each subproject proposal. These questions cover the following areas:

- Does the location of the proposed project pose a risk to the environment?
- What will the project use or take from the environment and does this pose an environmental risk?
- What will the project release or allow to escape into the environment and does this pose an environmental risk?
- Is there broad community support for the sub project?
- Are there any social risks and how can they be mitigated?

These questions and the appropriate responses to the answers are provided in the table below.

Annex 4b provides a list of relevant mitigation measures

<b>STEP 1: INITIAL SCREENING FOR PROJECT LOCATION</b>			
<b>Question:</b>	<b>Yes/No</b>	<b>If answer is Yes:</b>	<b>If answer is No.</b>
<b>1.</b> Will any part of the proposed project or any of its associated activities be situated in a location where project materials, wastes (including litter), project equipment, project personnel or any domestic animals associated with the project enter or disturb a sensitive environment?		Proceed to, "Initial Screening for Use of Environment" <b>(Step 2)</b>	If the answer is No, then refer to question 2
<b>2.</b> Does the location of the proposed project pose a risk to the environment or to the community? For example, does the proposed project pose a risk to: people's livelihoods or community social stability? Particular attention should be given to the various groups in the community, e.g. men, women, youth, elderly, clan groups, etc.		Proceed to, "Initial Screening for Use of Environment" <b>(Step 2)</b>	If the answer is No, refer to question 3.
<b>3.</b> What will the project use or take from the environment and does this pose an environmental risk 1?		Proceed to, "Initial Screening for Use of Environment" <b>(Step 2)</b>	If the answer is No, refer to question 4.
<b>4.</b> What will the project release or allow to escape into the environment and does this pose an environmental risk?		Proceed to, "Initial Screening for Use of Environment" <b>(Step 2)</b>	Similarly, if the answer is negative, refer to step 5.

<p>5. Will the project rely on community/village members contributing time and labour to the project? If so, consideration must be given to potential time and labour conflicts that may impact negatively on household subsistence and other economic activities.</p>		<p><b>This may require outline in detail.</b></p>	<p>Proceed to, “Initial Screening for Use of Environment”<b>(Step 2)</b></p>
<p>6. Does the project require the taking of customary land or the resettlement of people for project purposes?</p>		<p>The project cannot be financed under PPAP</p>	
<p>7. Does the project require the acquisition of small tracts of land?</p>		<p>Go to #8 below</p>	
<p>8. Have community members/customary landowners offered their land for use?</p>		<p>Follow steps outlined in Compensation Policy Framework.</p>	<p>This project cannot be financed by the PPAP</p>
<p>9. Does the project require the destruction of food crops or economic trees?</p>		<p>Follow steps outlined in Compensation Policy Framework and prepare compensation Action Plan if there is agreement with asset owners. In most instances, sub-project beneficiaries would be expected to voluntarily consent to removal of food crops or economic trees on their own land if this is required for them to implement their project activities. This voluntary consent needs to be clearly documented.</p>	<p>Refer to step 10</p>
<p>10. Does the project require the destruction of physical property such as housing or community buildings?</p>		<p>The project cannot be financed under PPAP</p>	<p>Refer to step 11</p>
<p>11. What social/clan groups will benefit from the project? Need to ensure that the project benefits are not captured by dominant or powerful community or social groups or increases conflicts between groups/clans.</p>		<p>Proceed to, “Initial Screening for Use of Environment”</p>	<p>Ensure total encompassment.</p>

		(Step 2)	
<p><b>Explanation:</b> Sensitive environments include:</p> <ul style="list-style-type: none"> <li>• Streams, rivers or other water sources (e.g. natural springs) that are used for water supply;</li> <li>• Wetlands, lakes and ponds;</li> <li>• Shorelines, coastal lagoons and mangroves;</li> <li>• Coral reefs and sea-grass meadows;</li> <li>• Undisturbed natural forest (forest that has not been cut for fuel or timber or had tracks cut through it, other than footpaths);</li> <li>• Protected areas such as Conservation Areas, Wildlife Management Areas and National Parks;</li> <li>• Sites or natural features of archaeological, historical, traditional or cultural value or importance;</li> <li>• Areas of recognized conservation habitat value (including aquatic and marine habitats).</li> </ul>			
<b>STEP 2: INITIAL SCREENING FOR USE OF THE ENVIRONMENT</b>			
<b>Question:2a</b>	<b>Yes/No</b>	<b>If answer is Yes:</b>	<b>If answer is No.</b>
Will the project use, remove, damage or significantly disturb any materials, plants animals or other resources from the natural environment?		Proceed to <b>2b</b> , below	Proceed to Initial Screening for Releases to Environment  <b>(Step 3).</b>
<p><b>Explanation:</b> This includes:</p> <ul style="list-style-type: none"> <li>• Taking of water from streams, rivers or other natural water-bodies;</li> <li>• Damming or diverting streams or rivers;</li> <li>• Removing or using natural vegetation (e.g. harvesting of natural fruits and / or seeds, scrub clearance, timber cutting); Removing and using river stone, gravels or sands for construction purposes</li> </ul>			
<b>Question (2b):</b>	<b>Yes/No</b>	<b>If answer is Yes:</b>	<b>If answer is No.</b>
Could the methods and amount of materials / resources used, removed, damaged or disturbed adversely affect to a significant degree: <ul style="list-style-type: none"> <li>• Water flows downstream (particularly where there is downstream domestic users);</li> <li>• Water quality downstream(particularly where there is downstream domestic users);</li> <li>• Natural vegetation of the area in terms of protection of the soil, the number of plant species, the range of habitats in the area;</li> <li>• Wildlife (including aquatic and marine species) in terms of the number of species and</li> </ul>		Detailed Environmental Screening is required, or proposal should be modified and resubmitted.	Proceed to Initial Screening for Releases to Environment  <b>(Step 3)</b>



the size of the species populations in the area; • Stability (and flood protection capacity) of riverbanks and shorelines.			
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<b>STEP 3: INITIAL SCREENING FOR POTENTIAL RELEASES TO THE ENVIRONMENT</b>			
<b>Question (3a):</b>	<b>Yes/No</b>	<b>If answer is Yes:</b>	<b>If answer is No.</b>
Will the project generate any solid or liquid wastes (including storm-water and wash-water), litter or noticeable amounts of dust, smoke, gases, odors or noise that could be released or escape into the environment?		Proceed to <b>3b</b> , below.	Proceed to <b>Step 4</b> .
<b>Question (3b):</b>	<b>Yes/No</b>	<b>If answer is Yes:</b>	<b>If answer is No.</b>
Does the project proposal describe simple, effective and sustainable measures to contain treat and safely dispose of these wastes, with no risk of damage to or contamination of: <ul style="list-style-type: none"> <li>• watercourses and other water-bodies;</li> <li>• water-table and groundwater;</li> <li>• vegetation;</li> <li>• soils;</li> <li>• subsistence resources, including gardens and traditional hunting / harvesting areas;</li> <li>• and with no risk of damage or disturbance to: people, property and domestic animals;</li> <li>• sites or artifacts of historical, traditional or cultural value.</li> </ul>		Proceed to Question <b>3c</b> , below.	Detailed Mitigation measures are required, refer to Table 4b below or proposal should be modified and resubmitted.
<b>Question (3c):</b>	<b>Yes/No</b>		
Has the proponent and the community the technical skills and resources to be able to implement these measures in an effective and sustainable manner?			
<b>Question (3d):</b>	<b>Yes/No</b>		
Have realistic costs for implementing these measures been included in the project budget and request for funds?		Proceed to <b>Step 4</b>	Detailed Mitigation measures are required, refer to Tables 4b below or proposal should be modified and resubmitted.
<b>STEP 4: ENVIRONMENTAL AND SOCIAL SCREENING APPROVAL</b>			
If the answers to <b>Steps 1, 2, and 3</b> have led to <b>Step 4</b> it is highly unlikely that the project poses a risk to the environment or the subsistence resources of f an area. Proceed with screening for community support and impact on land use ( <b>Step 5</b> ) before the proposed project can be granted its environmental and social approval, subject to any other exclusions listed in the Project Implementation Manuals.			

**STEP 5: SCREENING FOR COMMUNITY SUPPORT AND IMPACT ON LAND USE**

Question	Guidance	Yes/No	Yes	No
<b>A. Broad Community Support</b>				
1. Has the community been consulted on the sub-project? Specifically have they: a. Been provided with relevant material? b. Been given information on the nature and impacts of the sub-project (such as impacts on land use, crops)? c. Been given an opportunity to provide input to the subproject? d. Been given an opportunity to accept or reject the subproject?	Compensation Policy Framework Section 3.1, #1  Beneficiaries Participation Framework		Go to #2	Sub-project cannot proceed
2. Has community support for the subproject been demonstrated?	Compensation Policy Framework Section 3.1, #4  Beneficiaries Participation Framework		Go to # 3	Sub-project cannot proceed
4. <i>Where community support has been obtained it will be recorded, signed, and filed on site and with the PMU.</i>				
<b>B. Temporary land use</b>				
1. Will the sub-project require use of land on a temporary basis?			Go to # 2	No action required
2. Has the land required for temporary use by the sub-project been voluntarily offered for use by community members/customary landowners (i.e. no compensation requests have been made)?	Compensation Policy Framework Section 3.1, # 4		Go to # 3	Sub-project cannot proceed
3. Are there any outstanding disputes or claims to the land?	Compensation Policy Framework Section 3.1, # 3		Project cannot proceed	Go to # 4
4. Is the land on property that is considered of sacred, religious, or cultural value?			Project cannot proceed	Go to # 5
5. <i>Ensure that any agreements on temporary land use, e.g. clean up, are recorded, signed, and filed on site and with PMU offices.</i>				

<b>c. Permanent land use</b>				
1. Will the sub-project require use of land on a permanent basis?			Go to # 2	
Has the land required for permanent use by the sub-project been voluntarily offered for use by community members/customary landowners (i.e. no compensation requests have been made)?	Compensation Policy Framework Section 3.1, # 4		Go to # 3	Sub-project Cannot proceed
2. requests have been made)?				
3. Does the Land Investigation Report show that there are disputes or claims to the land?	Compensation Policy Framework Section 3.1, # 4		Sub-project cannot proceed	Go to # 4
4. Is the land on property that is considered of sacred, religious, or cultural value?			Project cannot proceed	Go to # 5
5. <i>Ensure that agreements on permanent land use, including that no compensation is required or will be paid are recorded, signed, and filed on site and with PMU offices</i>				
<b>C. Damage to property and assets</b>				
1. Will the sub-project activities result in damage to housing?	Compensation Policy Framework Section 3.1, #2		Sub-project cannot proceed	Go to # 2
2. Will the sub-project activities result in damage to crops and economic trees?			Go to # 3	Continue with preparation
3. <b><i>In most instances, sub-project beneficiaries would be expected to voluntarily consent to removal of food crops or economic trees on their own land if this is required for them to implement their project activities as determined by themselves. This voluntary consent needs to be clearly documented. If the activities being implemented result in damage to crops and economic trees of someone other than the sub-project beneficiary, then their voluntary consent should also be sought and if required, they should be compensated as per a Compensation Action Plan. Refer to the Compensation Policy Framework for guidance on preparing a Compensation Action Plan.</i></b>				

## Annex 4b. Proposed Monitoring and Mitigation Measures for Cocoa

Sub project level impact : Cocoa	Proposed Mitigation Measures
<p>Nursery establishment, bush clearance; disturbance to habitats; Chemical alteration of ecosystems by application of fertilizer, pesticides or herbicides.</p> <p>Fertilizer/Pesticide/ Herbicides Run off cause changes in the ecosystem and population of organisms.</p>	<ul style="list-style-type: none"> <li>• Ensure there is minimal clearing of vegetation for nursery sites. All mitigation measures here to be implemented by nursery staff.</li> <li>• Ensure nurseries are sited away from water ways or creeks.</li> <li>• Have fertilizer and herbicides applied individually with its correct dosage and frequency.</li> <li>• Ensure all fertilizers, pesticides and herbicides are stored in a secure closed area under a dry roof.</li> </ul>
<p>Replacing senescent and/or CPB affected trees</p> <p>Destroying pest insects' habitats</p>	<ul style="list-style-type: none"> <li>• Cutting of old cocoa trees to be heaped in an area where they can dry out and be used as fuel wood</li> </ul> <p>Mitigation measures here by individual block holders</p> <ul style="list-style-type: none"> <li>• Lopping of cocoa trees to be in line with IPDM height recommendation of 3 metres</li> </ul>
<p>Waste generated from cocoa pods and sludge, potential impact on the terrestrial environment.</p> <p>Smoke from cocoa dryer onto cocoa beans, detrimental to cocoa quality.</p>	<ul style="list-style-type: none"> <li>• Ensure waste generated from the cocoa "sweating" process is placed back under cocoa trees or in food gardens to allow natural decomposition. No use for this in PNG at the moment, although some have stated it to be used for liquor.</li> </ul> <p>Mitigation measures to be implemented by individual farmers and overseen by PMU.</p> <ul style="list-style-type: none"> <li>• Ensure kiln and flue pipes are replaced when necessary so that smoke does to taint cocoa beans.</li> </ul>

## **Annex 5. Guidelines for an Environmental Management Plan (EMPs) for Subprojects under Component 2**

EMP Contents usually are:

- Project Description.
- Description of adverse impacts: The anticipated impacts are identified and summarized.
- Description of Mitigation Measures: Each measure is described with reference to the effects it is intended to deal with. As needed, detailed plans, designs, equipment description, and operating procedures are described.
- Description of monitoring program: Monitoring provides information on the occurrence of impacts. It helps identify how well mitigation measures are working, and where better mitigation may be needed. The monitoring program should identify what information will be collected, how, where and how often. It should also indicate at what level of effect there will be a need for further mitigation. How environmental impacts are monitored is discussed below.
- Responsibilities: The people, groups, or organizations that will carry out the mitigation and monitoring activities are defined, as well as to whom they report and are responsible. There may be a need to train people to carry out these responsibilities, and to provide them with equipment and supplies.
- Implementation Schedule: The timing, frequency and duration of mitigation measure and monitoring are specified in an implementation schedule, and linked to the overall sub project schedule.
- Cost Estimates and Source of Funds: These are specified for the initial sub project investment and for the mitigation and monitoring activities as a sub project is implemented. Funds to implement the EMP will be part of the Partnership budget.

### **Monitoring methods:**

Methods for monitoring the implementation of mitigation measures or environmental and social impacts should be as simple as possible, consistent with collecting useful information, so that the sub project implementer/farmer group can apply them. For instance, they could just be regular observations of the sub project activities or sites during construction and then when in use. Are plant/equipment being maintained and damages repaired, does a water source look muddier/cloudier different than it should, if so, why and where is the potential source of contamination. Most observations of inappropriate behavior or adverse impacts should lead to common sense solutions. In some case, e.g. high emission of greenhouse gases or loss/death of flora and fauna, there may be need to require investigation by a technically qualified person.

## **Annex 6a. Eligible Activities**

The partnerships will be demand-driven and based on agreed objectives that are consistent with the specific objectives of the PPAP. The priority activities (no order of preference) to be covered under the Partnership Agreements are:

- a) *Specialized training in good farming practices* including sustainable pest management approaches such as 'training by association' for cocoa, other training approaches having demonstrated their efficiency, and training of farmer group leaders in cocoa and coffee growing areas.
- b) Training of farmers to improve *quality and productivity*. This includes replanting support to farmers for the implementation of rotational methods and improved planting material.
- c) *Post-harvest and processing*. This includes investments in improved processing, trading, and storage facilities for quality management and environmental sustainability.
- d) Training to improve *business skills and farm management*.
- e) Developing and scaling-up proven extension methodologies for engaging and building the capacity of extension agents and other key stakeholders to deliver improved sustainable farming practices, improved quality and productivity, business and farm management skills.
- f) Capacity building of *farmer groups or cooperatives* in the skills necessary to operate effectively as associations including management, record-keeping, participatory or democratic processes.
- g) *Sustainable & certified production systems*. Support to interested groups of farmers for producing certified or specialty cocoa under internationally recognized sustainability schemes, including the provision of objective information to assist farmers to make informed decisions on whether certification is a sound option for them and, if so, what type of certification is the best solution. This includes support for knowledge providers and farmer groups or cooperatives that would build group capacity and address certification requirements.
- h) *Production of improved planting material*: The rehabilitation and expansion of existing nurseries, and the establishment under technical control by qualified operators of local level satellite nurseries and bud-wood gardens. In general, the partner would manage the scheduling, supervision and monitoring of nurseries.
- i) *Diversification of farming systems*. Partnerships to facilitate alternative crops and new technologies for the diversification of cocoa farming systems where appropriate to reduce one-crop dependence and risk.

## **Annex 6b. Ineligible Activities**

The following is a list of activities which are not eligible for financing from the project:

- Activities focused on **large block-holder or plantations**, except when they are used as a base to the delivery of extension, processing and marketing services to surrounding smallholders and benefits to smallholders can clearly be established;
- **Research activities**, except where there is a clear demand from associated smallholders or private partners to directly assist smallholders;
- **Subsidy** of transportation costs;
- **Mobile assets** such as cell phones, laptops, or motor vehicles;
- **Activities that do not comply with Bank Safeguard Policies:** Activities that have a negative social or environmental impact and do not comply with World Bank environmental and social safeguard policies, as described in the project's Environmental and Social Management Framework (ESMF), (see **Section 5**)
- **General education activities**, apart from the use of schools that serve as a community focal point in target areas for demonstration plots and the like;
- **Overhead and management costs of partners** which are not directly and exclusively linked to the new activities; and
- Funding of activities through **third parties** that are not part of the Partnership Agreement or not formally linked with the Lead Partner.



## Annex 7. Partnership Project Cycle Timeline

It is estimated that the process for approval of Partnership Proposals from the time of Call for Proposals to implementation of activities will take up to 21 weeks. The Table below provides a breakdown of the timeline.

<b>Activity</b>	<b>Timeline</b>
<b>Promotion</b>	<b>Ongoing</b>
<b>Phase 1</b>	
<b>Call for Proposals</b>	<b>Day 1</b>
<b>Period for submission of Proposals</b>	<b>15 working days (3 weeks)</b>
<b>Registration &amp; Eligibility Screening</b>	<b>Up to 10 working days (2 weeks)</b>
<b>Partnership Application Review, Priority Ranking by PMU &amp; Response to Applicants</b>	<b>Up to 15 working days (3 weeks)</b>
<b>Phase 2</b>	
<b>Partnership preparation</b> Preparation of Business Plan & Project Implementation Plan	Up to 30 working days (6 weeks)
<b>PMU verification</b> Check data and appraisal of Business Plan & Project Implementation Plan to meet prior submission criteria and the management, procurement, financial and M&E requirements	Up to 15 working days (3 weeks)
<b>TAC Partnership Application Review &amp; Selection</b>	Up to 5 working days (1 week)
<b>Partnership contractual signatures</b>	Up to 10 working days (2 weeks)
<b>Maximum Time from Call for Proposals to Effectiveness</b>	<b>Up to 20 weeks</b>
<b>Subproject Implementation</b> <ul style="list-style-type: none"> <li>- Implementation of project components</li> <li>- Monitoring, mentoring and capacity support</li> <li>- Evaluation</li> </ul>	Ideally for 52 weeks or less, with some longer projects accepted up to 3 years

## Annex 8. List of Legal and Support Documents

- A. All applications should be completed with the following legal and supporting documents. Failure to provide these documents may result in the application being rejected. The list of required documents, according to the status of the applicant, is as follows:

*If the Co-Partner is a registered farmers/producers association/cooperatives or marketing association*

- i. Copy of the original registration certificate of the association or cooperative;
- ii. CV of the officer of the association/cooperative who will be spokesperson for the project activities;
- iii. Other documents that would be required by the PPAP PMU as deemed appropriate, e.g. GST No.

*If the Co-Partner is an unregistered group*

- i. Agreement between members of the group certifying that they work together and they have nominated/selected the spokesperson (Group Leader) for the proposed project;
- ii. CV of the Group Leader;
- iii. Other documents that would be required by the PPAP PMU as deemed appropriate.

- B. The Project Proposal must be accompanied by the **agreement between the Lead Partner and each Co-Partner**. These agreements must be signed by all members of the cooperative/association/group expected to receive support or benefitting through the project

## Annex 9. Evaluation Criteria for Project Proposals

PROJECT REGISTRATION NUMBER: \_\_\_\_\_

PROJECT TITLE: \_\_\_\_\_

DISTRICT NAME: \_\_\_\_\_

PROVINCE NAME: \_\_\_\_\_

Are the Proposed Project Objectives in accordance with the eligible activities as defined in the Guidelines for Call for Proposals?  YES  NO

If yes, proceed.

If no, dismiss the proposal

### 1. NUMBER AND DESCRIPTION OF EVALUATION CRITERIA

	Criteria	Maximum Points	Points Given
1	Does the project address real problems to improve productivity, quality and marketing?	15	
2	Degree of coherence between method, activity and objective. Is a clear, feasible and appropriate implementation plan included?	15	
3	Cost-effective approach with appropriate budget (clearly defined monitoring arrangements including indicators and milestones against which progress and outcomes can be assessed).	10	
4	Do the proposed activities provide practical and economic solutions for the constraints identified for the targeted group/region and are the activities appropriate and practical for the implementation plan proposed?	10	
5	Does the proposed lead-partner have sufficient capacity and technical expertise to implement the project?	10	
6	Does the project propose direct actions to benefit significant numbers of women and other vulnerable groups?	10	
7	Will the project provide a positive impact and benefits on a significant number of direct participants and indirect beneficiaries?	10	
8	Are there clear ideas about how the project activities can be continued and developed in the future (after the end of the project)?	10	
9	What is the social and environmental impact of the project ? Has an appropriate Environmental Management Plan and Pest Management Plan been prepared (-10 if very negative to +10 if very positive)?	10	

## **Annex 10. PPAP Draft Partnership Agreement Format**

[The logos of the CIC/CB/DAL will be inserted here]

PNG [Cocoa Board] / [Coffee Industry Corporation Limited]

Productive Partnerships in Agriculture Project (PPAP)

Partnership Agreement between PNG [Cocoa Board] / [Coffee Industry Corporation Limited] and [Insert name of partners] Partnership No: [Insert reference number][Insert name of partnership proposal]

[Insert date and place]

### Introduction

The Government of Papua New Guinea, through the Department of Agriculture and Livestock (DAL), the Coffee Industry Corporation Limited (CIC) and the Cocoa Board, is implementing the Productive Partnerships in Agriculture Project (PPAP) with partial financing from IDA Credit [insert credit number] and from IFAD Loan [insert loan number]. The objective of the PPAP is to improve the livelihoods of smallholder cocoa and coffee producers through the improvement of the performance and the sustainability of value chains in cocoa- and coffee-producing areas.

Key outcomes would be that: (i) smallholder farmers adopt efficient, market responsive and sustainable production practices leading to an improvement in their income; (ii) demand-driven productive partnerships are scaled-up and sustained; and (iii) key infrastructure bottlenecks in the targeted value chains are addressed.

Under the second component of the project (Productive Partnerships), the project aims at increasing the integration of smallholder producers in performing and remunerative value chains, by developing and implementing productive alliances between smallholders and the private sector aiming at improving market linkages in the project areas. In each sub-sector, strategic priorities have been identified as follows:

- In the cocoa sector, activities which support CPB management such as training on good farming practices; the production of improved planting material (nurseries and bud-wood gardens) to increase their availability for replanting; the promotion of and support for rotational replanting and cocoa garden rejuvenation; market-driven diversification of cocoa-farming system; and management of quality through the adoption of more efficient and environmentally-friendly post-harvest and processing technology;
- In the coffee sector, activities which support the adoption of sustainability practices and the expansion of the production of differentiated coffees; training on good farming practices; the production of improved planting material to increase their availability for

replanting; replanting and coffee garden rejuvenation programs; market-driven diversification of coffee-farming systems; and management of quality through the adoption of more efficient and environmentally-friendly post-harvest and processing technology.

From [insert date] to [insert date], the [CIC]/[Cocoa Board] issued a call for proposals for Productive Partnerships in the [cocoa]/[coffee]-producing areas of [insert name of provinces or area]. The proposal for [insert name of Partnership] was received on [insert date]. Following the appraisal and selection process, the [cocoa]/[coffee] Industry Coordination Committee approved the proposed support to the [insert name of partnership] on [insert date of ICC approval], in the amount of [insert approved amount of financing from PPAP] equivalent to [insert percent] of the total investment cost of the proposed Partnership.

This Partnership Agreement describes the approved Partnership including the rights and obligations of all parties.

## **1. Objectives of the partnership**

- 1.1. Specific goals of the partnerships and target outcomes/results. [Insert description of the goals of the partnership including table of specific results to be achieved, such as product quality, price to be paid to farmers, hectares to be improved, number and location of improved processing facilities if applicable, etc, and how they will be monitored]
- 1.2. Description of the partnership. [insert details about each partner, including number of farmers to be involved and details of their farming systems, etc]
- 1.3. Location of the partnership. [insert details on location of partners and of their activities]

## **2. The Partners**

- 2.1. Lead partner [insert name, legal status and details about experience, activities, and who will be the legal representative for the purposes of this Agreement]
- 2.2. The smallholder growers/Farmer association(s)/group(s)/cooperative(s). [insert details about status of smallholder group/association/cooperative, number of farmers, gender/age, activities, objective of association/cooperative if applicable, land area, who will represent the group (s) for the purposes of this Agreement]
- 2.3. [Other partner if applicable]
- 2.4. Supporting Service Provider [if applicable, insert details about legal status, experience, role]

## **3. Technical and Economic Aspects**

- 3.1. Business Plan and schedule of Implementation [insert business plan including relevant tables, showing inputs, outputs, schedule of activities, results]
- 3.2. Commitments and responsibilities of each partner [insert detailed description of the contributions (in kind or in cash) of each partner, other commitments and responsibilities, and schedule of contributions]
- 3.3. Quantities, prices and quality. [insert tables of expected results in terms of quantity of coffee/cocoa produced, quality, hectares improved, and prices paid to producers, other results as relevant]

#### 4. Financing Plan for the Partnership<sup>2</sup>

- 4.1. Contributions from partners [insert table of contributions]
- 4.2. Contribution from PPAP
- 4.3. Disbursement schedule [insert disbursement schedule with key milestones for tranches payment][To be prepared by the PMU]
- 4.4. Procurement
  - 4.4.1 Procurement Plan [insert procurement plan prepared by the Partners, with packages, procurement method, estimated costs, schedule/time line, consistent with PPAP procurement guidelines/ or include in an Annex]
  - 4.4.2 Procurement Arrangements

All procurement for the Partnership Agreement will be carried out using with the Guidelines – Call for Proposals – Phase II.

Procurement of Goods, civil works and services for approved partnerships will be expected to use the following procurement practices:

#### GOODS

Description of Practice	Thresholds (max amount in PGK)	Prior/post verification
<i>Non-competitive practice (single quote)</i>	Less than PGK 25,000.00	All the Contracts are subject to post verification conducted by PMU;
<i>Three Quotes Practice</i>	Less than PGK 500,000.00	-The Contracts below PGK 200,000.00 are subject to post verification conducted by PMU; -The Contracts above PGK 200,000.00 are subject to prior verification conducted by PMU;
<i>Open Competitive Competition</i>	More than PGK 500,000.00	All the Contracts are subject to prior verification conducted by PMU;

#### WORKS

<sup>2</sup> Arrangements for the payment and reclaim of GST will be negotiated with the Partnership. Lead Partners and Co-Partners should provide their GST Registration Numbers.

Description of Practice	Thresholds (max amount in PGK)	Prior/post verification
<i>Non-competitive practice (single quote)</i>	Less than PGK 125,000.00	All the Contracts are subject to post verification conducted by PMU;
<i>Three Quotes Practice</i>	Less than PGK 500,000.00	-The Contracts below PGK 200,000.00 are subject to post verification conducted by PMU; -The Contracts above PGK 200,000.00 are subject to prior verification conducted by PMU;
<i>Open Competitive Competition</i>	More than PGK 500,000.00	All the Contracts are subject to prior verification conducted by PMU;

## CONSULTING SERVICES

Description of Practice	Thresholds (max amount in PGK)	Prior/post verification
<b>Individual (expert/specialist)</b>		
<i>Individual Consultants</i>		All the Contracts are subject to post verification conducted by PMU;
<b>Consulting companies (firms, NGOs, etc.)</b>		
<i>Non-competitive practice (single source)</i>	Less than PGK 250,000.00	All the Contracts are subject to post verification conducted by PMU;
<i>Open Competitive Competition</i>	More than PGK 250,000.00	All the Contracts are subject to prior verification conducted by PMU;

## 5. Social and Environmental Aspects

- 5.1. Social management plan [Describe, as relevant, measures taken to ensure compliance of the partnership with social provisions of the PPAP ESMF, and responsibilities of each partner. Attach ESMF forms to this Agreement as relevant]
- 5.2. Environmental management plan [Describe, as relevant, measures taken to ensure compliance of the partnership with environmental provisions of the PPAP ESMF, and responsibilities of each partner. Attach ESMF forms to this Agreement as relevant]

## 6. Management of the Partnership

Each party to this Partnership Agreement commits to its implementation in line with the provisions of this Agreement, in order to reach the stated objectives.

- 6.1. Commitments of Lead Partner. The lead partner [insert name of lead partner] commits to the following:

- 6.1.1. Implementing the partnership as described in this Agreement in order to fulfill the goals and results described in this Agreement;
  - 6.1.2. Taking necessary actions to ensure that all goals and results described in this Agreement are fully achieved;
  - 6.1.3. Providing all inputs and contributions as described in this Agreement and as per the schedule of implementation of this Agreement;
  - 6.1.4. Allowing and facilitating supervision of the implementation of this Agreement by the [CIC]/[Cocoa Board] as well as by the World Bank and IFAD, including the provision of all information related to the execution of this Agreement as periodically requested by those agencies;
  - 6.1.5. Having the Partnership account audited at least once a year, and allow the agencies mentioned above to audit the Partnership bank Account at their request;
  - 6.1.6. Jointly monitoring the implementation of this Agreement with other partners and providing reports on the implementation of this Agreement as per the attached format [attach format from manual] every [insert agreed frequency] and within 30 days of the completion of all activities described under this Agreement;
  - 6.1.7. Keeping records of all documentation related to the implementation of this Agreement for at least two years after the completion of all activities;
  - 6.1.8. Ensuring that the Social Management Plan and Environmental Management Plan, which are an integral part of this Agreement, are fully implemented;
  - 6.1.9. Reimbursing to the [CIC]/[Cocoa Board], within 45 days, the funding received under this Agreement if activities described above are not completed as per the clauses of this Agreement.; and
  - 6.1.10. [insert commitments specific to this Partnerships, e.g. on quantity, quality or price of products to be purchased, etc].
- 6.2. Commitments of Smallholder Growers. The smallholder growers [or their association or cooperative, if applicable] commit to the following:
    - 6.2.1. Implementing the partnership as described in this Agreement in order to fulfill the goals and results described in this Agreement;
    - 6.2.2. Taking necessary actions to ensure that all goals and results described in this Agreement are fully achieved;
    - 6.2.3. Providing all inputs and contributions as described in this Agreement and as per the schedule of implementation of this Agreement;
    - 6.2.4. Allowing and facilitating supervision of the implementation of this Agreement by the [CIC]/[Cocoa Board] as well as by the World Bank and IFAD, including the provision of all information related to the execution of this Agreement as periodically requested by those agencies;
    - 6.2.5. Contributing to the monitoring of the implementation of this Agreement ;
    - 6.2.6. Ensuring that the Social Management Plan and Environmental Management Plan, which are an integral part of this Agreement, are fully implemented;



- 6.2.7. Reimbursing to the [CIC]/[Cocoa Board], within 45 days, the funding received under this Agreement if activities described above are not completed as per the clauses of this Agreement.; and
- 6.2.8. [insert commitments specific to this Partnerships, e.g. on quantity, quality or price of products to be purchased, etc].
- 6.3. Commitments of other Partners to this Agreement [adjust as needed depending on composition of the Partnership].
- 6.4. Commitments of [CIC]/[Cocoa Board]. The [CIC]/[Cocoa Board] commit to the following:
  - 6.4.1. Providing all information required by the Partners on the procedures and guidelines applying to this Agreement and providing prompt and clear advice and guidance to all Partners on those procedures and guidelines, throughout the implementation of this Agreement;
  - 6.4.2. Providing technical guidance if requested by the Partners;
  - 6.4.3. Processing all payments under this Agreement in a timely manner, including the first payment within 30 days of the signature of this Agreement by all parties, and subsequent tranches within 30 days of reception of the related request supported by adequate documentation;
  - 6.4.4. Supervising the implementation of this Agreement, including all technical, social, environmental, fiduciary and reporting provisions. This would include field visits to the Partnerships on a regular basis, and at least every [insert frequency], as well as before payment of subsequent tranches to the first tranche;
  - 6.4.5. In the event that an unforeseen change to this Agreement becomes necessary, assessing the proposed change and submitting any change request under this Agreement for the approval of the Industry Coordination Committee. Only changes to this Agreement that would not result in a higher contribution from PPAP are allowed.
- 6.5. Conflict resolution

Any disagreement or conflict between Partners regarding the implementation of this Agreement, which cannot be resolved through consultations between Partners, needs to be brought to the attention of the [CIC]/[Cocoa Board] as soon as possible. The [CIC]/[Cocoa Board] through its Project Management Unit (PMU) will assess the situation and provide advice on mediation between the Partners in disagreement or conflict in line with the Grievance Procedures of the PPAP.

- 6.6. Sanctions for non-compliance with this Agreement.  
In the event that the Partners fail to substantially comply with the modalities of this Agreement, such as:

- Failure to comply with good governance practices (ie. Engagement in Corrupt, Fraudulent, Collusive, Coercive or Obstructive practices);
- Failure to comply with the technical modalities of this Partnership;
- Failure to comply with the Social Management Plan and/or Environmental Management Plan;
- Failure to comply with fiduciary obligations under this Partnership;
- Use of funding provided under this Agreement for purposes and activities other than those described in this Agreement; and
- Failure to comply with the monitoring and reporting requirements under this Agreement, the [CIC]/[Cocoa Board] may seek the approval of the Industry Coordination Committee to take some or all of the following steps, after assessing each case and its gravity:
  - Suspension of this Agreement and reimbursement by the Partners of part or all of the funding received from the PPAP, if no remedial action is taken following 30 days of written notice from the [CIC]/[Cocoa Board];
  - Exclusion from future support under the PPAP;
  - Formal legal action against the Partner(s) involved.

Signed in XXX, Date xxx, by:

Name 1:

Representative of Lead Partner

Name 2:

Representative(s) of [Indicate smallholder group(s)]

Name 3:

Representative of [Partner no. 2]

Name 4:

Representative of [Partner no. 3, if applicable]

[The PMU will insert additional Partners if necessary]

Name:

[CEO of Cocoa Board or his representative] / [CEO of CIC of his representative]

A list of all participating farmers with their contact details and signatures (indicating their consent to being part of the Partnership Agreement) needs to be compiled by the co-partners and appended to the Partnership Agreement.

## ANNEX 11. Payment Disbursement Schedule

Payment	Expected Date	Description of the Agreed Milestones to be achieved for release of payment [ <i>Based on the implementation plan, include here a summary of what is planned to be done and/or produced in terms of results with the money of the respective payment</i> ]	Number of beneficiary farmers	Amount
Payment 1		<i>[The milestone for the first payment should be the signing of the Partnership Agreement. The first payment will not normally exceed 30% of the total IDA/IFAD portion of the grant ]</i>		
Payment 2				
Payment 3				
Payment 4				
....				
Payment X [ <i>last payment</i> ]	<i>[this last payment is to be paid after project completion]</i>	<i>[ For this last payment the milestone should be: "Submission of satisfactory Final Project Report till ... (dd-mm/yy)" ]</i>		<i>[5% of the total grant amount]</i>

## **ANNEX 12. Code of Conduct for PPAP Personnel and Members of Project Committees**

This code of conduct sets out what is expected of staff working on PPAP, as well as of those of individuals representing their respective organisations on the Industry Coordinating Committees and those serving on the Technical Appraisal Committee (TAC). The Code sets out the practices and principles of behaviour that PPAP staff and committee members are required to follow throughout all project-related operations to ensure that the organisations they represent receive and maintain public reputations of the highest order.

### ***Integrity***

Integrity should be a principle at the forefront of the mind of all. This includes full accountability and transparency in dealings with clients and suppliers. It requires honesty, fairness and truthfulness in all dealings.

Staff should ensure that all PPAP documents and records are completed accurately, truthfully and in a timely manner. The making of false or misleading entries or documentation is strictly prohibited. Any funds provided under the project are expected to be fully acquitted by the required times, with all supporting documents such as receipts and invoices.

### ***Respect for people and non-discrimination***

It is the policy of PPAP that all employees are treated with fairness and respect. The project will not tolerate discrimination within the organisation based on nationality, ethnic group, clan group, religion, sex, age, marital status, sexual orientation, or disability. Particular attention needs to be given to nondiscrimination against individuals who are HIV positive.

All PPAP staff are expected to treat their colleagues, counterparts and clients with equality and respect at all times.

### ***Commercial Confidentiality***

PPAP recognises that commodity dealing for cocoa and coffee is a commercially competitive business and that information, including but not limited to pricing, purchasing arrangements, agreements with local growers and financial dealings, is commercially sensitive.

PPAP wishes to promote private public relationships that benefit all stakeholders and will co-fund agreed activities. Hence, in all its dealings with private organisations, PPAP will only request sufficient non-commercial information that will provide the necessary base for the relevant Project Management Unit and its advisers to monitor that any co-investment in the partnerships will reasonably deliver the agreed outcomes. All PPAP personnel who may receive information during the course of their duties that may be commercially sensitive are required to respect the confidentiality of that information and not divulge it to others.

### ***Conflict of Interest***

A conflict of interest is any situation in which a staff or committee member may have two or more duties or interests that are not compatible, and may influence that person's ability to be impartial.

To maintain the highest degree of integrity when conducting project work and to maintain independent judgement, all PPAP staff and committee members must avoid any activity involving personal interest that creates, or has the appearance of creating, a conflict between their interests and the interests of the project.

Personal interests must be declared on in writing if there is a potential conflict. In these circumstances the work or decision would be delegated to another colleague. The reason for doing this is to avoid any conflict of interest, maintain an open and transparent environment and minimize risks of corrupt practices.

### ***Drugs and alcohol***

All staff when representing PPAP must be fit for duty and free of drugs and alcohol. This includes legal and illegal drugs. *Buai* is not to be chewed inside the project offices, which are also smoke free.

### ***Gifts***

The giving or receiving of gifts, by staff members or by members of their family, can potentially cause problems as such acts may be seen as an attempt to earn certain favours.

Staff members, or their immediate families, may not request, accept or give any gift or payment in connection with their work for the project beyond that of token value. Gifts such as *bilums* and local handicrafts presented at a formal function are acceptable, but any more expensive gifts should be declared. If there is any uncertainty then the Project Coordinator and/or Chairman of the Project Steering Committee should be consulted. PPAP project staff may not accept or expect payments from clients for the work they do on behalf of the project.

### ***Project Assets***

It is the responsibility of all project staff to ensure that assets and consumables are used only for PPAP business and are well looked after. Unless given specific permission in special circumstances, Project assets and consumables shall be kept on PPAP premises.

All purchases of equipment and services under the project should be made strictly on the basis of quality, suitability, service, price and efficiency. All purchases and contracts must be made on the basis of the Procurement Guidelines.

### ***Use of Communications resources***

Project communications resources such as telephones, faxes, e-mails and the Internet are for official use only.

In addition, all e-mails and personal files stored on the PPAP IT network are the property of the project. Staff should therefore have no expectation of privacy in connection with these resources.

***Media***

Staff should not speak to the media or release press statements on behalf of the project without clearance through their respective Project Manager and/of the CEO of the CB/CIC (respectively). The preparation and release of material for release to the media will follow a clearly defined process requiring formally signed approvals for the release of the material, usually on the part of the respective industry agency that the PMU represents.

***Politics***

PPAP staff are free to belong to or support any political party or candidate, but this should never be on work time or conflict with their project responsibilities. Project staff should never use their position to build up political support for themselves or a political party or group.

***Responsibility of disclosure***

If a PPAP staff member has good reason to believe another project worker is in breach of the Code of Conduct, he/she should bring this information to the knowledge of the responsible Project Manager or deputy. This information will be treated in the strictest confidence.