



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

**COCOA**

**Third Call for Proposals**

**Guidelines - Phase 1**

**July 2014**



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## ACRONYMS

<b>CB</b>	Cocoa Board
<b>CFP</b>	Call for Proposals
<b>CIC</b>	Coffee Industry Corporation
<b>DAL</b>	Department of Agriculture and Livestock
<b>ESMF</b>	Environmental & Social Management Framework
<b>GoPNG</b>	Government of Papua New Guinea
<b>ICC</b>	Industry Coordinating Committee
<b>IDA</b>	International Development Association
<b>IFAD</b>	International Fund for Agricultural Development
<b>IPA</b>	Investment Promotion Authority
<b>LLG</b>	Local Level Government
<b>M&amp;E</b>	Monitoring and Evaluation
<b>PCU</b>	Project Coordination Unit
<b>PP</b>	Project Proposal
<b>PPAP</b>	Productive Partnerships in Agriculture Project
<b>PMU</b>	Project Management Unit
<b>PNG</b>	Papua New Guinea
<b>TAC</b>	Technical Advisory Committee

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# 1 INTRODUCTION

This document provides guidelines for partnerships applying for funding from the Third Call for Proposals under Component 2 of the Productive Partnerships in Agriculture Project (PPAP). Component 2 of PPAP is a competitive grant scheme administered by the Cocoa Board of PNG and the Coffee Industry Corporation, with the support and coordination of the Department of Agriculture and Livestock with funding from the International Development Association (IDA) and the International Fund for Agricultural Development (IFAD).

The development objective of the project 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.**

This would be achieved through strengthening industry coordination and institutions, facilitating linkages between smallholder farmers and agribusiness for the provision of technologies and services, and through the provision of critical market access infrastructure.

The specific objective of Component 2 of PPAP is 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 in the coffee sub-sector.

Project funding would be channeled through partnerships with entities that have demonstrated success in working with smallholders and are interested in scaling-up these activities. Through the establishment of Partnership Agreements with legal entities in the private and associative sectors, smallholder cocoa and coffee growers would be assisted to improve their productivity, the quality of their products and achieve enhanced sustainability of their cocoa- and coffee-based farming systems

Key project outcomes are expected to be:

- Smallholder farmers adopt efficient, market responsive and sustainable production practices leading to an improvement in their income;
- Demand-driven productive partnerships are scaled-up and sustained; and
- Key infrastructure bottlenecks in the targeted value chains are addressed.

Applicants need to be fully conversant with how projects should be prepared, following a two stage process; in Phase 1 a **Call for Proposals** will be announced and applicants would need to submit a brief **Proposal** describing proposed partnership arrangements, activities and anticipated outcomes. Applicants with Proposals that meet the qualifying criteria and achieve the required score in Phase I would then be invited to submit a detailed **Project Implementation and Business Plan** in Phase 2.

All proponents of rejected Proposals will be advised within 25 days of the score given and provided with an explanation as to why their Proposal was returned (see Section 6. Partnership Selection).

Partnership proponents need to be very familiar with the Eligibility Criteria for partnerships and activities, how submissions for Phase 1 of the process should be developed and what the

Partnership Agreement will look like. These guidelines provide sufficient information to help you prepare an application in response to Phase 1 of the second Call for Proposals.

These guidelines provide an overview of the purpose of this third **Call for Proposals** and the application process. You will find an application form in Appendix 1. You are advised to read these **PPAP Application Guidelines** before you commence completion of the application form.

You will find here:

- **Section 2** provides an overview of the focus of PPAP.
- **Section 3** covers the eligibility criteria and cost sharing arrangements, defines eligible partners and activities and show levels of support
- **Section 4** briefly described the conditions under which Component 3 funds can be used to support infrastructure rehabilitation.
- **Section 5** provides an outline of the environmental considerations that must be considered for all funded partnership activities
- **Section 6** describes the stages of consideration of Phase 1 proposals.
- **Section 7** provides details of the Selection Criteria for Partnerships.

Once you have established your partnership, you should proceed to complete the Call for Proposals set out in Appendix 2. Submissions must be received by the PMU by 10 am local time on Wednesday 27th August 2014.

Before you start to fill in the application form please go through Sections 2 to 5 of this document and the Selection Criteria and Weightings provided in Appendix 3 to ensure that you know all the requirements expected by PPAP. **Both Lead and Co- partner organisations must agree to the content of the application.**

Ordinarily the lead organization (Lead Partner) will submit the application. If you are not a lead organisation as per the eligibility criteria in Section 3.1 then you need to find a partner who is eligible.

The lead organisation should prepare the project proposal **with the full involvement of all partner organizations**. Completed Proposals should be sent to the Cocoa PPAP PMU in hard copy (with accompanying soft copy on CD or flash drive) or by email attachment as a Word document. Give your application an appropriate name, reflecting the name of the partnership.

A copy of the **PPAP Grievance Procedure** in both English and Pidgin will be circulated together with these Guidelines.

## 2 FOCUS OF PPAP

Within both the coffee and cocoa sectors, smallholder farmers are faced with several constraints and lack an understanding of the market, thereby limiting their ability to respond to market signals. Generally smallholders have limited impact on prices and are often limited in their performance due to market access problems. The location of many smallholder farmers means that they lack access to roads and the necessary infrastructure for coffee and cocoa processing. With limited or no extension services, smallholder farmers have little access to information, new technologies and improved planting material.

Agribusiness enterprises and traders are critical for communicating market demand to producers and establishing value chains that effectively link them to the market. However, building long-term relationships with smallholder farmers involves considerable transaction costs on the part of the agribusiness. These include: identifying producers; reaching them in difficult access areas; establishing farmer groups; obtaining suitable certification and introducing good agricultural practices.

The public sector should also play its part in supporting smallholder production capacity, either through delivery of better technology transfer and supporting local farmer groups and organizations. There is an urgent need to re-establish critical infrastructure where supply chains have been broken due to deteriorating roads that no longer permit farmers to cost-effectively bring their products to market or simply make it impossible to sell their produce.

Developing relationships along the supply chains by building partnerships between exporter/processors, traders and producers will improve both the productivity and quality of smallholder cocoa and coffee production and address serious threats such as the cocoa pod borer and possibly, in the future, coffee berry borer. Many such partnerships already exist where processors and exporters have been effectively delivering producer support on a limited basis and so are natural partners to reach producers cost-effectively. Fostering a scaling-up of these market-oriented interventions and developing new partnerships are the means by which PPAP expects to achieve its development objective.

In Phase 2 of the project, implementation of the cocoa component is being expanded to the following provinces for the Third Call:

- East Sepik Province
- West Sepik Province
- Madang Province
- Morobe Province.

The Fourth Call for Cocoa will be open to potential partnerships in all cocoa producing provinces in Papua New Guinea.

## 3 ELIGIBILITY CRITERIA and COST SHARING

### 3.1 Eligible Partners

The partners will need to have a demonstrated capacity to manage contracts and activities of the scope and nature identified in the proposed partnership. It is anticipated that the majority of partnerships would include farmer groups and any of the following:

- An agribusiness or private sector firm or association of firms engaged in the sector;
- A knowledge or service provider (private or public entity such as University or NGO);
- Smallholder farmer cooperatives or associations;
- A multiple partnership involving different entities with one designated as the lead.

#### Lead Partners

The universe of potential partners is broad and purposely inclusive. Lead Partners can be large or small entities. However, to qualify as a Lead Partner, an entity must

- be eligible to sign legal contracts and receive funds.
- be a legally incorporated company or business group registered under the Investment Promotion Authority (IPA) of Papua New Guinea **or** a cooperative society registered with the Cooperative Societies of PNG **or** a registered Association. Potential Lead Partners must have a Certificate of Incorporation from the IPA and the registration must be current.
- have audited accounts or sound financial statements for at least the last two years,
- have experience of managing contracts of a similar nature,
- have not been bankrupt or in default

Potential Lead partners should be aware that registration as a Business Name with the IPA is not sufficient to qualify them. Their company or business group must have a *Certificate of Incorporation* from the IPA and the registration must be current. Co-Partners should satisfy themselves that their Lead Partner meets all the eligibility criteria. The Cocoa PMU can provide clarification if required.

#### Joint Partners and Co-Partners

The other partners (Joint Partners) and participant farmers (Co-Partners) do not have to be legally registered or incorporated but farmers must be in organized groups.

Eligible activities will generally be restricted to the geographic target areas/communities defined by the Lead Partners through their joint-partner or linked farmer groups. **The co-partners will be smallholder cocoa or coffee farmers.** These are defined as those holding **less than 5 ha of coffee per household and less than 5 ha of cocoa per household.** PPAP will not exclude larger farmers when these function as Lead Partners in service delivery such as nucleus estates for technical assistance, provision of improved planting material or processing.

It is envisaged that some partnerships will be multilateral with a Lead Partner providing support to subsidiary partners representing smallholder farmers and/or knowledge providers.

### 3.2 Cost sharing

Cost sharing between PPAP and the partners will vary depending on the relative assets of the partners. Partners with lower incomes will receive a higher level of support. The main partners identified in the proposals will be classified into two levels:

1. Partners with combined annual revenues **greater than PGK 400,000 will receive 70% support** for eligible activities under selected proposals;
2. Partners with combined annual revenues **less than PGK 400,000 will receive 80% support** for eligible activities under selected proposals.

Farmers are required to contribute **5% of the total cost of the project in cash**. The remainder of the partnership contribution (25% or 15%) can be in cash or 'in kind' (e.g. management input of the Lead Partner and/or labour inputs into project activities by the smallholder)

### 3.3 Support scales:

The maximum project financing per Partnership will be approximately K1.7 million (US\$700,000 equivalent).

It is expected that:

- the scale of project support for medium to large-scale partners will be in the range of K122,000 to K1,700,000 (US\$50,000 to \$700,000 equivalent);
- small-scale entities from K49,000 to K183,000,000 (US\$20,000 to \$75,000 equivalent).

The maximum level of project financing going to any one individual partner normally will be 15% of the Component 2 budget for that sector. This limit does not include funds received under the First and Second Calls. The total funds available for cocoa are currently K14.6 million. This will be reviewed as the project progresses to ensure optimum utilization of funds.

### 3.4 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 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 new local level satellite cocoa budwood gardens and nurseries. In general, the partner would manage the scheduling, supervision and monitoring of the budwood gardens and 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. This can include annual and perennial crops in the cocoa establishment and production phases, respectively.

### 3.5 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.

## 4 COMPONENT 3 - Infrastructure

The purpose of Component 3 is to improve market access in support of activities performed under Productive Partnerships. A brief description of the Component is provided here so as to inform applicants of the potential assistance available to Partnerships. The scope and location of infrastructure sub-projects would be identified as implementation proceeds. Proposals for infrastructure **must not** be included in Phase 1 submissions.

The strategic framework for selecting investments in market infrastructure under Component 3 of the project is based on the following four considerations:

1. Selection and prioritisation of investments in market access infrastructure will be undertaken within the scope of productive partnerships identified under Component 2, to maximise the provision of complementary benefits through reduction of constraints in geographical target areas of the selected productive partners.
2. Infrastructure investments will only be implemented once sustainable, resourced commitments for their long-term maintenance are secured.
3. A sustainable framework for maintenance of facilities and transport routes will most likely be achieved through partnerships between the private sector and LLG and/or provincial governments, sharing responsibility and costs.
4. Investments will focus primarily on rehabilitation and maintenance of existing assets to avoid increasing the burden of maintenance on stakeholders through provision of new facilities.

Identification of the scope of infrastructure in each sub-project would take place **after the Productive Partnership has been selected**. The nature and scope of the infrastructure will be designed to support the improvement strategy of the partnership and considering the market access infrastructure constraints identified after performing a technical review of the existing situation. The nature and scope of the infrastructure in the prospective sub-projects can potentially include the full range of cocoa and coffee market access infrastructure in the Partnership target areas. As the infrastructure will support the Productive Partnerships identified in Component 2, it is expected the infrastructure will be focused on the Productive Partnership's area of activity.

## 5 ENVIRONMENTAL and SOCIAL GUIDANCE on Preparation and Screening of Subproject Proposals

The Productive Partnerships in Agriculture Project ( PPAP) will be implemented within the context of the Environment and Social Management Framework (ESMF) so as to ensure that project activities are implemented in such a manner that there are no deleterious environmental or social effects or, if they cannot be avoided, that they are managed and mitigated. A copy of the ESMF for the project is available on the Cocoa Board website, <http://www.cocoboard.gov.pg/ppap.html>.

This ESMF has been designed so that all investments in the PPAP comply with the Environmental Laws of the Independent State of Papua New Guinea and the Environmental and Social Safeguard Policies of the World Bank.

The World Bank Safeguard Policies that are triggered are:

1. Environmental Assessment (OP4.01)
2. Pest Management (OP 4.09)
3. Indigenous Peoples (OP 4.10)
4. Involuntary Resettlement (OP 4.12)

These policies apply to all activities funded under the PPAP irrespective of the source of funding and are explained in greater detail in the ESMF.

The World Bank's official web site <http://go.worldbank.org/WTA1ODE7T0> lists a complete description of the Bank safeguards and their triggers for applicability.

Potential partners should be aware that the Social Safeguards policies include the requirement that there has been Free, Prior, Informed Consultation involving all participants and that there is broad support among them for the partnership and the activities that it will undertake. Evidence of these consultations in the form of records duly signed by representatives of the different groups, will have to be attached to the Phase 2 proposal when it is submitted. Consultation meetings should record the date, location, persons present (gender, vulnerable groups), the information provided to participants prior to and during the consultation, issues discussed, any decisions taken and the main local languages used in the consultations. The proposal should also briefly state how the partnership was formed – who approached whom and how.

Those partnerships selected to submit a detailed Implementation Plan and Business Plan will be assisted by the PMU to develop an Environmental Management Plan, Pest Management Plan and other safeguards documents that the above World Bank Safeguards Policies require for partnership sub-projects.

## 6 PARTNERSHIP SELECTION PROCESS for Phase 1

An outline of the full process and timeline for project selection, Phases 1 & 2, is provided as **Appendix 1**. This section describes the activities for **Phase 1**.

To ensure objectivity and transparency, the selection process for Partners will be carried out as follows:

1. **Promotion and Call for Proposals.** A series of Awareness/Information Meetings to be conducted in the four coffee and four cocoa provinces, coordinated by the respective PMUs and with the assistance of CIC and CB. These meetings will convey the overall objective of PPAP and explain the criteria for partnerships and participation. Newspaper advertisements will provide a clear deadline to potential beneficiaries for their proposals to be submitted. The outline for a 4-6 page proposal is provided in **Appendix 2** and the scoring values for partnerships given in **Appendix 3**. Applications must be submitted as an email attachment to [ppap@cocoaboard.org.pg](mailto:ppap@cocoaboard.org.pg) or [c2c@ppap.cocoaboard.org.pg](mailto:c2c@ppap.cocoaboard.org.pg). Any partnership that is not able to submit their proposal in this way should contact the Cocoa PMU by phone on 9829114 **before the deadline for submission** for advice on delivery of their proposal.
2. **Registration.** The application will be immediately registered by the PMU into the electronic Record of Applications Received.
3. **Eligibility Screening**
  - (a) **Lead Partner.** The PMU will first examine the eligibility of the Lead Partner according to the criteria in section 3.1 above. This will normally involve a physical inspection of the accounts and other required documents of the Lead Partner. If the Lead Partner does not satisfy **all** the criteria then the proposal will be rejected.
  - (b) **Co-Partner.** The PMU will then examine the eligibility of the Co-Partners as detailed in section 3.1 above. If the Co-Partner does not satisfy **all** the criteria then the proposal will be rejected.
  - (c) **Proposals.** The PMU will then examine the proposals for completeness and accuracy and verify that they comply with the established Eligibility Criteria as detailed in section 3.1 above. Those that do not satisfy the criteria will be rejected.
4. **PMU Partnership Subproject Application Review and Ranking.** The 4-6 page proposals for projects are then screened by the PMU using the scoring sheet (Appendix 3). Those that are top ranked (Minimum Score accepted – 70%) by the PMU using this pre-determined scoring system are then given to the members of the Industry Coordination Committee (ICC) for assessment. Note that members of the ICC are independent of the organisations submitting proposals for consideration. Any Conflict of Interest by a member of the ICC must be declared and that member excluded from the decision-making process for that application. The ICC will assess the proposed partnerships against the requirements of the Guidelines and the selection criteria and make recommendations to the PPAP PMU. Those proposals scoring less than 70 will be rejected.

Each Applicant will receive confirmation or acknowledgement of preliminary acceptance or rejection (with reasons in writing submitted to Applicant for any rejection) from the respective PMU, within 25 working days of receipt. If the proposal is accepted, the Applicant will be informed of their short-listing and requested to complete a **Project Implementation and Business Plan**, according to PPAP Criteria & Guidelines (management, environmental, procurement, financial and M&E) that will be sent to the Applicant.

Proposals will be graded as follows:

**Class A** - Applications that are successful at the Call for Proposals stage (Phase I) will be asked to immediately develop a full Project Proposal (PP).

**Class B** - Some applications may be marginally acceptable, requiring further improvement with some assistance from the PMU before being requested to developing a full Project Proposal (PP).

**Class C** - Applications that are not successful will be returned and the proponent will be advised of the reasons for their low score.

Class A applicants will be required to develop a full Project Proposal (PP). Class B applicants will be encouraged to resubmit their revised proposals in the next round of Call for Proposals. Class C applicants can improve their proposals based on PMU advice and submit them in the next round.

**Confidentiality of information** may be a matter of concern to potential partners who submit proposals. The PMU will assure that proposals are secured and made available only to the limited staff that is required to review these documents. In addition to the safeguards against conflict of interest built into the TAC panel selection above and the maintenance of a database on partners/service providers, all PPAP staff and members of the Industry Coordination Committees (ICC) and the Technical Appraisal Committee (TAC) would be required to sign and to adhere to a PPAP Code of Conduct, which includes specific requirements for confidentiality. The PPAP Code of Conduct is presented at **Appendix 4**.

## 7 SELECTION CRITERIA

Proposals should be restricted to **eligible activities** as defined in the Call for Proposals (see above). The proposal selection criteria and scoring system are specified in **Appendix 3**.

The criteria are:

- a) The **experience, management and innovation capacity** of the Lead Partner. The Lead Partner must be able to demonstrate reliability (i.e. clean audit opinion, no prior defaults, respected reputation in the trade and community) and experience in the sector. A formal review of the entity by the PMU may be required to validate these criteria. In some instances, validation of financial capacity may require a review by a financial officer. In terms of management capacity, the Lead Partner will be required to demonstrate past performance in delivering similar activities.

If the proposed partnership involves the contracting, supervision and monitoring of extension workers or nursery operators, then the proposal needs to demonstrate experience in this management task and the processes that will be employed to ensure results are delivered in a timely and cost-effective manner. Attention will also be given to how cost-effectively services will be delivered to smallholder farmers. This entire category is weighted at **17 per cent** of the total score.

- b) **Scope:** The number of smallholder cocoa or coffee farming households who will be involved and will benefit from the proposed partnership arrangements will also be assessed. This category is weighted at **10 per cent** of the total score.
- c) **Social and economic benefits:** This has three objectives. **First**, it assesses the estimated **impact** on smallholder farmers regarding productivity, quality and other differentiations such as certification that can directly affect the price of their products. **Second**, it assesses the estimated impact on the farmer organization or surrounding community in terms of developing organizational capacity and associative processes. **Third**, it assesses specific features of the proposals in the initial smallholder awareness, consultation and consensus seeking process of the proposal and how they propose to provide women and vulnerable groups (i.e., young families, youths, school leavers, etc.) with opportunities for improving skills and getting value, including how practical these measures could be in the context of the target communities. Proposals can benefit from the inclusion of organizations (as Joint Partners) that have skills and experience in engaging with producer groups and with women in rural communities in partnerships, or can offer special measures to promote activities that specifically engage women and vulnerable groups.

These three areas require having some information on the location, social and economic status of the communities and/or co-partners that will benefit from the proposed partnership activities and the potential to increase the differentiation, productivity and/or quality of the cocoa/coffee produced in that target location(s). This assessment is weighted at **25 per cent** of the total score.

- d) **Environmental aspects:** The assessment focuses on the degree to which the proposal addresses environmental aspects, such as sustainable management of

natural resources, soil improvement, waste management and rational use of agrochemicals. This category is weighted at **8 per cent** of the total score.

- e) **Technical and marketing aspects:** Are the proposed activities appropriate, practical, and technically sound. The cost-effectiveness and coherence of the proposed tree husbandry, pest and disease control, processing and/or marketing activities in terms of industry best practices (not necessarily common practices) and technical recommendations for smallholder coffee and cocoa farming systems will be assessed. Attention would also be given to the soundness of proposed activities to enhance transparency and market access for smallholder producers to deliver improved prices in a sustainable manner. This category is weighted at **15 per cent** of the total score and inappropriate activities can be scored negatively.
- f) **Sustainability of the partnerships:** An assessment of how well the proposed activities are designed to ensure that the partnership and its benefits to individual smallholder households and farmer groups will be sustained beyond the period of project support. This category is weighted at **15 per cent** of the total score.
- g) **Partnerships and Risk:** In addition to the specific criteria listed above, the assessment of partnership proposals would also take into account elements that cut across the selection criteria. Thus, the TAC will take into account how well initiatives proposed under the above categories would build linkages with other organizations or programs that can help enhance the sustainability of the activities undertaken under the partnership. Similarly, the degree to which proposals demonstrate an appreciation of the risks that may occur during implementation of any partnership agreement. For instance, is the potential for a breakdown in cooperation and trust between the Lead Partner and target communities addressed, and what measures are proposed to address these? This category is weighted at **10 per cent** of the total score.

As noted above, a draft matrix for the evaluation of proposals against the criteria and the weighting by category of applicant is given in **Appendix 3**.

## Appendix 1 Partnership 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 20 weeks. Table 1 below provides a breakdown of the timeline.

**Table 1: Partnership Project Cycle Timeline**

<b>Activity</b>	<b>Timeline</b>
<b>Promotion</b>	<b>Ongoing</b>
<b>Phase 1</b>	
<b>Call for Proposals</b>	Day 1
<b>Period for submission of Proposals</b>	20 working days (4 weeks)
<b>Registration &amp; Eligibility Screening</b>	Up to 10 working days (2 week)
<b>Partnership Application Review, Priority Ranking by PMU / ICC &amp; Response to Applicants</b>	Up to 15 working days (3 weeks)
<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 22 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, 52 weeks or less, though projects involving the planting and establishment of new cocoa clones are likely to require two to three years.

## Appendix 2. PPAP Call for Proposal (CFP) in a Partnership:

Before completing this form please read the PPAP Partnership Guidelines. Note also the **directions (which should be deleted before completing the submission)** provided within each box of this form.

Proposals must be submitted as an email attachment to [ppap@cocoaboard.org.pg](mailto:ppap@cocoaboard.org.pg) or [c2c@ppap.cocoaboard.org.pg](mailto:c2c@ppap.cocoaboard.org.pg). Any partnership that is not able to submit their proposal in this way should contact the Cocoa PMU by phone on 9829114 **before the deadline for submission** for advice on delivery of their proposal.

Information provided in this Call for Proposal should be **brief and to the point** (up to 6 pages in total), but needs to address each of the areas listed in this form. **Confidentiality** of information is a matter of concern to potential PPAP partners and all staff and technical specialist who will have access to the information provided in this CFP have signed a PPAP Code of Conduct that requires them to ensure that all information provided by your firm or association remains confidential.

**1. Partnership details:** The PPAP supports effective partnerships between a lead firm or entity and legal entities representing smallholder farmers in specific geographic areas (target communities). In this round, favourable attention will be given to proposals that plan to rehabilitate existing plantings, and / or establish new cocoa blocks using improved planting material (hybrid clones are preferred), management of Cocoa Pod Borer through a ‘learning by doing’ integrated pest and disease management approach, measures to improve cocoa quality and promotion of sustainable, integrated cocoa farming systems, promotion of women’s agricultural activities and networks, appropriate certification of cocoa producers and capacity building of smallholder groups and businesses. The contact details of all partners will be incorporated into the PPAP Partnership database for monitoring purposes and future contact. Experience with management of / involvement in community development projects should be listed.

**Lead Partner:** name of lead organization and details of legal status to enter into contracts. Please provide a copy of IPA registration or other legal certification of status. Financial issues (defaults, bankruptcy, etc.) encountered within the last 10 years should be disclosed; failure to do so may result in disqualification. List projects of a similar nature managed by the Lead Partner.

**Name and contact details of contact person:** person responsible to coordinate links with PPAP Project Management Unit; state position, provide postal and e-mail address, phone and fax numbers.

**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.)

**Joint Partners:** (Organization, Contact person, present position, contact details). Details of other partners that will be involved in the provision of Services (other than sale of goods and materials) and other contributions to the Co-Partner Groups to be provided here.

- (i)
- (ii)
- (iii)
- (iv)
- (v)

**Project location(s)** – province(s) and district details of target communities with whom the partners will

be working

**Name of partnership:**

**Number of smallholder Households participating:**

**2a. Co-partner 1:** Name of organization and details of legal status to enter into contracts (e.g., IPA or Cooperative registration if appropriate)

**2b. Membership and profile:** Give a brief statement of the registered membership of the organization (for Farmer Groups), the geographic areas covered and present cocoa growing activities and constraints and provide a brief statement regarding the range of activities currently undertaken by the entity in terms of eligible PPAP partnership activities (for Knowledge Providers), including brief descriptions of the target groups and subject areas covered.

**2a. Co-partner 2:** Name of organization and details of legal status to enter into contracts (e.g., IPA registration)

**2b. Membership and profile:** Give a brief statement of the registered membership of the organization (for Farmer Groups), the geographic areas covered and present cocoa growing activities and constraints and provide a brief statement regarding the range of activities currently undertaken by the entity in terms of eligible PPAP partnership activities (for Knowledge Providers), including brief descriptions of the target groups and subject areas covered.

**(For more partners add more Text Boxes as required)**

**3a. Activities to be addressed:** Give details and specific activities that will be initiated or scaled-up under the Partnership. Please address the list of Eligible Activities in Section 3.4 above.

**3b. Justification:** Give a brief statement of the issues or issues to be addressed by the proposed Partnership activities, their significance and importance to particular target groups detailed above and how the proposed partnership activities will be managed and implemented. Address why the proposed activities are appropriate, practical, and technically sound.

**4a. Partnership Purpose:** Refers to what the Partnership expects to achieve in terms of sustainable development impact on people's lives at the end of the time period specified for the Partnership Agreement. Address how the proposed activities will enhance transparency and market access for smallholder producers so as to deliver them improved value over the long term. Explain how the Partnership will maintain these benefits after the conclusion of any Partnership Agreement.

**4b. Community Development:** Provide an outline of the potential impact on farmer organisations and/or surrounding communities in terms of developing organizational capacity and associative processes.

**5a. Expected benefits:** List the expected social and economic benefits from the partnership and how these will be sustained over the longer term. Specify which groups will benefit most and detail any risks that some individuals or groups may be disadvantaged by the partnership activity.

**5b. Women and Vulnerable Groups:** Identify Women's Groups and other vulnerable sectors of the community. What proportion of the smallholder participants do the members of these groups represent?

**6. Environmental and Social Impacts:**

**6a. Environmental Impacts:** Identify potential positive and negative Environmental impacts and indicate how the negative impacts will be corrected or managed.

**6b. Social Impacts:** Identify potential positive or negative social impacts and describe how the negative effects will be minimized or mitigated and list how beneficial the positive impacts will be to the smallholder farmer groups and individuals.

**6c. Awareness & Consultation:** Describe the awareness and consultation process of the Lead Partner and Co-Partner group/s to indicate how the smallholder farmers became aware of the PPAP and consented to take part in the partnership arrangement. Indicate how smallholders have shown appreciation of their responsibilities and benefits.

**7. Partnership Sustainability and Potential Risks:**

**7a. Sustainability Measures:** What measures will be taken by the partnership to sustain itself after the sub-project period (i.e., after the duration of PPAP support), in terms of mutual benefits to the Lead Partner and Co-Partner/s and continuity in the operation of the partnership. Also indicate potential risks to its sustainability and identify measures that could be taken to deal with such risks.

**7b. Cost Effectiveness:** Please demonstrate that the combined returns to the Partnership will be equal to or greater than the cost of the intervention.

**7c. Linkages:** Identify potential linkages with other organisations and describe how this will be up-scaled, developed and maintained in order to enhance sustainability of the partnership.

**8. Project duration:** It is envisaged that most cocoa Partnership Agreements will generally be 3 years duration, while some may be for shorter periods according to the nature of the particular activities to be covered.

**Start:** dd/mm/yyyy    **Completion:** dd/mm/yyyy

**9. Cost estimate and sources of funding:** Please indicate the contributions to be made by the entities making up the Partnership and the areas where funding support is required from the PPAP.

In-kind labour contributions could be considered as part of the contribution of the partnership to cost sharing.

**10. Activities and Expected Outputs:** Outputs refer to the specific results and tangible products (goods and services) produced by undertaking a series of tasks or activities (e.g. areas planted/developed, nursery established, etc.). An output should have: a time limit; have a result that can be measured; and have a performance standard.

<b>Output description</b> (specific, measurable and outcome orientated) An output description generally will not include a verb.	<b>Means of verification</b> (how to measure the output has been achieved and by whom)	<b>Activities</b> List the specific tasks to be undertaken to achieve the required outputs. Normally a number of activities will be needed to achieve an output. An activity description must contain a verb.
1		
2		
3		
4		
5		
Etc.		

## Appendix 3. Selection Criteria and Weighting for Partnerships

### *Scoring Sheet for Applications*

<b>Selection Criteria</b>	<b>Max. points</b>	<b>Points given</b>
<b>1. Experience, management and cost-effectiveness</b>	<b>17</b>	
1.1 Stability of the Lead Partner organization: Established 6+ years = 5 pts Established 2-5 years = 2-4 pts Less than 2 years = 0-1 pt.	5	
1.2 Does the Lead Partner have a sound track record, over at least two years, for managing contracts and activities of the scope and nature identified in the partnership proposal?	5	
1.3 How cost-effectively will services be delivered (i.e. extension and skill enhancement) to smallholder farmers?	5	
1.4 Is there a well-defined project management plan?	2	
<b>2. Scope</b>	<b>10</b>	
How many smallholder farmers are involved and will benefit from the productive partnership? (20-50 farmers = 2 points; 50-100 farmers = 4 points; 100-300 farmers = 6 points; 300-500 farmers = 8 points, more than 500 farmers = 10 points)	10	
<b>3. Social and economic benefits</b>	<b>25</b>	
3.1 Is there evidence of an adequate awareness and consultation process to involve all members of the Co-Partner group/s and has the proposal indicated how smallholders have shown appreciation of their responsibilities and benefits?	5	
3.2 How significant are the estimated economic benefits for smallholder farmers' production (applies both to benefits per farmer and combined benefits)?	8	
3.3 What specific features does the proposal have to provide women and vulnerable groups with opportunities for improving skills and getting value and how practical are these measures in the context of the target communities?	6	

<b>Selection Criteria</b>	<b>Max. points</b>	<b>Points given</b>
3.4 How significant is the estimated impact on the farmer organization or surrounding community in terms of developing organizational capacity and associative processes?	6	
<b>4. Environmental</b>	<b>8</b>	
How well are environmental aspects reflected in the business idea regarding sustainable management of natural resources, soil improvement, use of chemicals, etc.?	8	
<b>5. Technical and Marketing</b>	<b>15</b>	
5.1 Are the proposed activities appropriate, practical, and technically sound?	5	
5.2 How will the proposed activities enhance transparency and market access for smallholder producers so as to deliver them improved value over the long term?	10	
<b>6. Sustainability of the partnership</b>	<b>15</b>	
Assess measures that are designed to ensure that the proposed partnership and mutual benefits of all partners will be sustained beyond the period of project support?	15	
<b>7. Partnerships and Risk</b>	<b>10</b>	
7.1 Assess how well the proposal builds linkages with other organizations or programs that can help enhance the sustainability of the activities undertaken	5	
7.2 Degree to which proposals demonstrate an appreciation of the risks that may occur during implementation of the partnership agreement	5	
<b>Total score</b>	<b>100</b>	

The PMU will allocate the scoring against the above criteria, based on the Proposals submitted as per Appendix 2.

**Proposals must score 70% or more under the above Selection Criteria and satisfy all other Eligibility Criteria in order to qualify for a request to submit detailed Business and Implementation Plans.**

## **Appendix 4. 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 organizations 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 organizations 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 organization based on nationality, ethnic group, clan group, religion, sex, age, marital status, sexual orientation, or disability. Particular attention needs to be given to non-discrimination 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 recognizes 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 organizations, 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 judgment, 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 and contracts by the Project must be made on the basis of the PPAP Project Implementation Manual (Section 5 – Procurement Manual).

### *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 PMU Project Manager and/or 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.

## **CONTACT DETAILS**

### **Productive Partnerships in Agriculture Project (PPAP) Cocoa Component**

PPAP Cocoa

Project Management Unit

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