

Component 1

The Industry Coordination Committee, which governs the project, has met 22 times to consider pmu progress and provided technical support and policy recommendations to the Cocoa Board. The wide representation of capable stakeholders on the ICC has contributed significantly to the quality and good governance of the PPAP. Almost all institutional strengthening activities planned under OF have been completed satisfactory. They include a financial review of Cocoa Board, cocoa industry strategic planning, initiatives in quality enhancement including inspection, certification of fermentaries and development of a package for sustainable cocoa production implemented in the Component 2 grant scheme. A Cocoa Extension Manual and Farmer Field Handbook have been compiled by the PPAP and a radio drama series and cocoa training video are currently being produced. Awareness on the project is achieved through press, radio, newsletters, website, field days and representation at agricultural shows and festivals

Component 2

Component 2 is the heart and soul of the PPAP. The cocoa PMU has now undertaken 3 calls for proposals and one Upscaling of successful Partnerships; all available funds for the grant scheme have been committed. Thirty two Partnerships have been funded comprising over 24,000 farming households in 6 provinces. The total number of beneficiaries is much higher - non-ppap farmers are encouraged to participate in field-based trainings and a household may contain several married couples. The PPAP is constantly evolving. Many lessons were learned in calls 1 and 2 and incorporated in Call 3 and upscaling partnerships.



The Above Map shows partnership in the Sepik (East/West) Province. Map below shows location of the Partnership under call 3 in Madang Province



This included standardization of partnership activities, centralized procurement by the PMU and introduction of a management information system with data tablets for extension staff which assisted greatly in management of the programme at all levels.

Mobility is essential for extension officers to cover large areas so motor bikes are provided to Partnerships for them. Sweat Equity rarely works sustainably and so now is avoided.

A PPAP training model has been developed that focuses around clusters of 25 farmers each with a Lead Farmer and his Model Farm managed to Best Practice standards. Partnership Extension Officers manage 10 clusters with a total of 250 farmers. Extension staffs receive training with Lead Farmers who together provide awareness and group training to and collect data from the farmer clusters on the various technical and social training modules.



Agri Agro Farmers' Cocoa Project - Morobe Province

All partnership extension staff with Cocoa Board and provincial extension officers undergoes a Training of Trainers course in Best Practice cocoa management and other modules at a recognized centre of excellence and this has been well received. The PPAP provides the opportunity for other agencies to deliver key services through the PPAP.

Bank of South Pacific has conducted many training in Financial Literacy and many new bank accounts have been opened as a result thus helping to foster a savings mentality, so important for an emerging "Business Farmer". Red Cross, Mustard Seed NGO and provincial health authorities combine with PPAP to reach many thousands of rural households. Each farm, if well managed, can become a sustainable SME.



New Innovation: CCIL Combination Dryer, both Sun and hot air unit. The Combination drier is to be used by Partnership smallholder cooperatives to reduce 'smoke taint' contamination of dry beans. Important to maintain high quality of PNG Export Cocoa.



Mustard Seed Global Clinic mobile clinic transport team. The team provides basic health issues affecting people at communities. Service usually comprises of a combined Health Awareness on HIV AIDS, Life Style Diseases and Healthy Living.

Impact surveys show that over 90 % of famers cocoa blocks are being managed to Best Practice standards in the 10 projects that have already been completed so far. Impact surveys have showed that the average cocoa productivity of 4 year old clonal cocoa is some 1.6 tonnes dry bean per hectare – some farmers exceed three tonnes! This is a huge improvement on the national average of just 0.3 tonnes db/ha. Incomes are now being realized by farmers that far exceed the grant amount provided to them.

Thus, the investment by the Government of PNG in the rural economy through PPAP is multiply economic benefits with considerable positive social impact as well as increased export earnings for the nation. Moreover, their cocoa will continue to bear rich fruits for many years to come. Households are using this money for improved livelihoods – improved food, clothing, education, health – some have even built permanent houses with the money received from their cocoa and all in just a few years.



New Innovation (Piloting): Smallscale village propagator for producing cocoa clones and galip seedlings by cutting methods

The PPAP will end in December 2019 but it is still far from being fully developed - new innovations are evolving every year. Currently, solar driers are being rolled out to all partnerships to address the quality issue of smoke contamination in PNG cocoa arising from faulty kiln driers. Small scale village and larger commercial nursery propagators are also being piloted to produce clones by cuttings method to address the high cost and difficulties in the currently used bud-grafting method – another important element of sustainability.

Component 3

Six of seven feeder roads servicing PPAP partnership communities have been rehabilitated in East New Britain and three construction is Bougainville. Scoping, costing and selection of all 7 targeted roads in 4 Momase provinces of the mainland have been completed and Bidding Documents prepared for tender and award by the Central Supply and Tenders Board (CSTB) of PNG. The improved market access is one of the farmer's high priorities.

Logos of Organisations funding PPAP



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PRODUCTIVE PARTNERSHIPS IN AGRICULTURE PROJECT

AWARENESS BROCHURE No 5...



The Productive Partnerships in Agriculture Project (PPAP) is an initiative of Government of PNG. It is a concessionary loan financed by the World Bank, the International Fund for Agricultural Development (IFAD), and the European Union. It is implemented by the Cocoa Board (CB) and the Department of Agriculture and Livestock.



A Cocoa Extension staff standing next to the Early Maturing Hybrid Cocoa Clones under Call 1 partnerships in the Inland Baining LLG (ENBP)

The Productive Partnerships in Agriculture Project (PPAP) is a new innovative model for the Delivery of support to smallholder households via the private sector. The Lead Partner is a corporate entity which manages the partnership the partnership for the farming group. The focus is an establishing sustainable value chain partnership that well continues in a business relationship beyond the end of PPAP. A partnership based on Profit for all in a win-win situation.

The PPAP Cocoa component is managed by a Project Management Unit (PMU) based in Kokopo, East New Britain with regional offices in Bougainville, Madang, and Sepik. The PMU is managed to the high International Standards to the World Bank to ensure transparency, accountability, good governance and efficient and effective project management.

The development objective of the project is to improve the performance and the sustainability of value chains in cocoa- and coffee-producing areas, in order to improve the livelihoods of smallholder cocoa and coffee producers.



A Hybrid Clone Cocoa at bearing stage

The activities to achieve this are strengthening industry coordination and institutions, facilitating linkages between smallholder farmers and agribusiness for the provision of technologies and services, and the provision of critical market access infrastructure. The PPAP has three components designed to address each of these three main activities.

Component 1: Institutional Strengthening and Industry Coordination

The objective of this component is to improve the performance of sector institutions and to enhance industry coordination in the cocoa and coffee sectors. There are four sub-components under Component 1:

- (A) Industry coordination and policy development;
- (B) Communication and information management systems;
- (C) Quality and sustainability management; and
- (D) Project management and monitoring and evaluation (M&E). More information about Component 1 is available from the Cocoa and Coffee PMUs and from the cocoa industry and coffee industry websites.

The Cocoa PMU is governed by an Industry Coordination Committee (ICC) comprised of experienced representatives from the cocoa private sector (Processor, traders, exporters, key service providers, growers association and provincial governments).

Component 2: Productive Partnerships



Call 3 or Proposal Awareness at Maprik

The objective of Component 2 is to increase the integration of smallholder producers in performing and remunerative value chains, by developing and implementing productive partnerships between smallholders and the private sector in the project areas. The PMUs in the CB and CIC are responsible for implementing Component 2, with support from a Technical Appraisal Committee (TAC).

Call 3 targets Momase Provinces, (ESP,WSP, Madang and Morobe). Nine (9) Partnership were approved and commencement in July 2016. Five (5) projects are in the Sepik plains (ESP/WSP), Three (3) in Madang Province and One (1) in the Morobe Province.

The Lead Partner and Joint Partners cannot receive PPAP funds for their own businesses or operations – only for costs directly related to implementing the PPAP proposal Implementation status

Phase 1 ran from 2011 to 2016. The Project was very successful so a second phase was approved with additional financing from the World Bank and IFAD.

Five partnerships were funded in Call 1 and commenced implementation in the fourth quarter of 2012. Three of them are in East New Britain and two are in Bougainville. Seven partnerships were funded in Call 2 and commenced implementation in June/July 2013. Seven of them are in East New Britain and two in Bougainville Call 3 targets Momase Provinces, (ESP, WSP, Madang and Morobe). Nine (9) Partnership were approved and commencement in July 2016. Five (5) projects are in the Sepik plains (ESP/WSP), Three (3) in Madang Province and One (1) in the Morobe Province.

Up scaling of partnership i in ENBP and ARoB also commenced in July 2016. Ten new Partnerships were approved with some 9200 households. All funds in the Cocoa component of PPAP has now been committed for a total of 32 Partnership and some 25'000 households

Cross Cutting Issues

The Red Cross, Provincial Health Authority and Mustard See provided awareness, medical diagnosis, and medication support for HIV/AIDS, Diabetes, TB, Malaria and other illness by a mobile health unit. This delivers service directly to the PPAP farming communities, some of which are remote. Other cross cutting components in the packages includes gender, nutrition, drug and alcohol abuse, sexual disease etc... Theatre groups are used to convey messages.

Component 3: Market Access Infrastructure

The objective of Component 3 is to improve and maintain the condition of smallholder market access infrastructure in targeted cocoa and coffee areas in a sustainable manner. To ensure the sustainability objectives are delivered a key element of the screening process will be the availability of resources to ensure the ongoing maintenance of the improved infrastructure.

The framework for selecting investments under Component 3 is based on four considerations:

1. Selection and prioritization of investments in market access infrastructure will be within the areas of productive partnerships identified under Component 2.
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 partnership 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.



Location of Call 1 and 2 partnerships in AROB. The same colored in multiple locations partnership into

The Partnerships and the PMUs will work together to identify, screen and priorities market access infrastructure in the partnership's geographical area of operation.

Component 3 has two sub-components as follows:

Sub-component A: Preparation of market access infrastructure investments. The purpose of Sub-component 3A is to identify and evaluate market access infrastructure investments that will improve market access in support of Component 2 partnerships. The output of this Sub-component will be an approved list of sub-projects, most likely on an annual basis, following two cycles of Partnership establishment.

Sub-component B: Market access infrastructure development. This sub-component will finance the investments in infrastructure rehabilitation and maintenance that have been identified, screened and approved in Sub-component 3A. The output of this sub-component will be completed sub-projects placed under sustainable management.



World Bank Environmental and Social Safeguard Policies and Triggers

The Environmental and Social Management Framework (ESMF) is one of the instruments prepared to support the implementation of PAPP. This is intended to ensure compliance with Environmental Laws of PNG and the Environmental and Social Safeguard Policies of the World Bank, and the document can be considered as stand-alone. This is also required to fit with World Bank requirements. The final ESMF was completed in 2010 and integrated comments received after public disclosure of the draft.

The four (4) World Bank policies required under EMSF to support implementation of the PPAP are:

- Environmental Assessment (OP 4.01);
- Pest Management (OP 4.09),
- Indigenous People (OP/BP 4.10) and
- Involuntary Resettlement (OPIBP 4.12).

More information about the Environmental and Social Safeguards is available from the Cocoa PMU and on the cocoa industry website.

Grievances

Partnership Agreements include a mechanisms for resolving any disputes that may arise between the lead partner and sub-partners/farmer groups; and between the lead partner and the PPAP. In the former instances the relevant PMU will explain to each party their rights and procedures for resolving grievances and will seek a resolution by informal arbitration. If the resolution proposed by the PMU is not acceptable to both sides, then the matter will be referred to the relevant Administrative Disputes Tribunal.

A SUMMARY OF PPAP TO DATE

Provision of extension services and other forms of support to rural farming communities has degenerated considerably over the years in many countries including PNG.



Road infrastructure Kariapa Wapo Before (above) and Kariapa Wapo after roadworks (below), Buin, South Bougainville, Autonomous Region of Bougainville



The PPAP is the first model of its kind, piloted in PNG, for the delivery of support to rural cocoa and coffee households. It is proving to be extremely successful. Activation of the Private Sector in the delivery for these services and at the same time establishing strong partnership bonds between farming groups and others in the value chain for sustainable mutual benefit has been extremely well received by both farmers and their Lead Partners.

It is seen by all to be highly transparent, accountable and beneficial – a delivery model where funds go right down to the farmer. When the project commenced in 2011 both farmers and corporate entities viewed it with caution and reservations.

Today, there are many tens of thousands of additional farmers who wish to participate in PPAP. The PPAP came at the right time – a time of devastation of the PNG cocoa industry following the incursion of the Cocoa Pod Borer in 2006. There was a need for change. PPAP has provided a vehicle for that effective change to occur