Papua New Guinea
Productive Partnerships in Agriculture Project

Improving rural incomes and livelihoods in Papua New Guinea.

Background
The majority of Papua New Guinea’s population lives in rural areas, largely dependent on agriculture for their livelihoods. Coffee and cocoa are the main cash crops, with half of the country’s total workforce involved in their production, processing and sale. Despite its importance, the quality and productivity of Papua New Guinea’s coffee has been declining, due in large part to a lack of replanting, limited incentives for smallholder farmers, and poor access to markets. The cocoa industry has been experiencing similar issues, in addition to the threat posed by the Cocoa Pod Borer. The Productive Partnerships in Agriculture Project (PPAP) aims to combat these problems in order to improve the livelihoods of smallholder cocoa and coffee producers, and promote rural development and poverty reduction more broadly.

About the Project
The PPAP’s primary aim is to improve the livelihoods of smallholder cocoa and coffee producers through the enhanced performance and sustainability of value chains. This will be achieved through the implementation of three main project components which are designed to:

- Facilitate linkages between smallholder farmers and agribusiness, through productive partnerships, for the provision of market access, technologies, and services;
- Strengthen industry coordination and institutions; and
- Provide critical infrastructure for market access.

The project will strengthen quality promotion in the coffee and cocoa industries and promote, where appropriate, the adoption of certified sustainability practices (such as Organic, Fair Trade, Rainforest Alliance, Utz or quality certification schemes). Under the Productive Partnerships component, funding will be channelled through partnerships with legal entities in the private sector and civil society, which have already been engaged with smallholders to increase output, productivity, quality and sustainability and which are interested in scaling up those activities. In the cocoa sector, activities could include: support for Cocoa Pod Borer management, production of improved planting materials, and promotion of rotational planting. In the coffee sector, activities could include: adoption of sustainability practices, replanting and coffee garden rejuvenation programs, and training on good farming practices. Further, PPAP will also focus on identifying and financing important maintenance and upgrades to local infrastructure such as access roads and wharfs.

Specific consideration will be given to partnerships with smallholder farmers in less favoured areas—such as more remote areas in the Highlands, or cocoa-dependent areas affected by the Cocoa Pod Borer—and partnerships which mobilise vulnerable groups—such as women and young farmers. Community consultations will continue to take place throughout the duration of the project, including consultations on project activities within communities.

Location: The project will initially be implemented in East New Britain Province, the Autonomous Region of Bougainville, Eastern Highlands Province, Western Highlands Province Jiwaka Province and Simbu Province, as rural household dependency on coffee and cocoa income is high in these areas. A review of possible expansion to other Provinces will be conducted during the second year of the project, and again during the fourth.

Approval Date: 30 April 2010
Closing Date: 30 June 2016
Total Project Cost: US$46.3 million
Donors:
- World Bank (International Development Association)—US$25 million;
- International Fund for Agricultural Development—US$14 million;
- Government of Papua New Guinea—US$2.5 million;
- private sector, including smallholder growers—US$5.8 million.

Implementing Agencies:
- Department of Agriculture and Livestock;
- Coffee Industry Corporation;
- Cocoa Board;

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