

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2006	2007	2008	2009	2010
1712	COCOA AND COCONUT EX	.2	.2	.2			
TOTAL CAPACITY BUILDING PROJECTS		.2	.2	.2			
1998	MADANG SMALLHOLDER C	.4	.3	.2	.2		
2184	ACCDP	.6	.3	.2	.2	.2	
2381	SRCCDP	.8	.2	.3	.2	.2	.1
TOTAL CAPITAL PROJECTS		1.8	.8	.7	.6	.4	.1
TOTAL		2.0	1.0	.9	.6	.4	.1

550 Cocoa Coconut Institute

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST	2004 Actual	2005	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments			.4	.1	.1	.1	.1	
Goods and Other Services		1.6	2.3	.8	.8	.4	.3	.1
Current Transfers								
Sub-Total		1.6	2.7	.9	.9	.5	.4	.1
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		.1	.1	.1				
Capital Transfers								
Sub-Total		.1	.1	.1				
A TOT DIRECT PROJECT COST		1.7	2.8	1.0	.9	.5	.4	.1
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		1.7	2.8	1.0	.9	.5	.4	.1
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		1.6	1.9		.9	.6	.3	.1
b) Self Generating Revenue								
Loan								
Grant								
C TOTAL DIRECT FINANCING		1.6	1.9		.9	.6	.3	.1
D Technical Assistance								
TOTAL FINANCING (C+D)		1.6	1.9		.9	.6	.3	.1
FINANCING SOUGHT								
Direct Project Cost (A-C)		.1	.9	1.0		-.1	.1	
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT		.1	.9	1.0		-.1	.1	

PIP NUMBER: 1712

PROJECT NAME: COCOA AND COCONUT EXTENSION SERVICES PROJECT

EXECUTING AGENCY: Cocoa Coconut Institute

PROJECT OBJECTIVIES:

To contribute to the improvement of rural livelihood through provision of effective and efficient industry based extension service that maximises rural household incomes through the production of good quality cocoa and copra.

PROJECT STATUS:

The MOU for East Sepik Province was signed in June 2004. Meanwhile, Madang Provincial Government MOU is in the process of being finalised. The 12 MOU's between 12 provincial Governments (DPI's) and CCIPNG are being negotiated. Funding limitations have caused the program to downsize. CCIPNG is still maintaining the distribution of seeds and extension to the 14 cocoa/coconut provinces.

PROJECT COMPONENTS:

The components of the project are: 1) Providing training to 120 extension officers in crop technology courses, 2) Train 20,000 farmers in crop husbandry practices for hybrid cocoa and coconuts; 3) Set up 14 offices in the provinces and build 19 staff houses; 4) Purchase vehicles, motorcycles, motorised boats, audio-visual aids, portable generators to enable officers to provide the necessary extension services; 5) Extension staff to conduct monthly extension patrols.

PROJECT LOCATION:

The project is located in the 14 coastal provinces of PNG where coconuts and cocoa are grown.

PROJECT JUSTIFICATION:

In general, agricultural extension services to the smallholder farmers has deteriorated in the last decade. This project intends to reverse that trend by providing industry based extension to the farmers using extension officers who are specialised in the husbandry and agronomy of cocoa and coconuts.

PROJECT CAPACITY:

The former CCEA under which the project was had signed MOAs with some provincial governments to have provincial DPI officers seconded to CCEA in the initial startup year in 1997 so that this project can be established. With the current merge of CCIPNG, the institution is continuing with MOUs & MOAs with provinces. CCIPNG staff will work along with provincial DPIs.

PROJECT BENEFICIARIES:

The immediate beneficiaries are the smallholder cocoa and coconut producers in the 14 coastal provinces. Other beneficiaries will be the processors and exporters of cocoa and copra. The country will indirectly benefit from export earnings from these two (2) crops.

PROJECT SUSTAINABILITY

The project will be sustained through levies imposed by the Cocoa Board and Kopra Industri Kopresion on cocoa and copra exports from the country. Increased cocoa and coconut production will enable this project to be sustained in the years after its implementation.

1712 COCOA AND COCONUT EXTENSION SERVICES PROJECT

ESTIMATED TOTAL PROJECT COST 16,657.3 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments								
Goods and Other Services		950.0	400.0	200.0	200.0			
Current Transfers								
Sub-Total		950.0	400.0	200.0	200.0			
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		50.0						
Capital Transfers								
Sub-Total		50.0						
A TOT DIRECT PROJECT COST		1,000.0	400.0	200.0	200.0			
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		1,000.0	400.0	200.0	200.0			
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		1,000.0	200.0		200.0			
b) Self Generating Revenue								
Loan								
Grant								
C TOTAL DIRECT FINANCING		1,000.0	200.0		200.0			
D Technical Assistance								
TOTAL FINANCING (C+D)		1,000.0	200.0		200.0			
FINANCING SOUGHT								
Direct Project Cost (A-C)			200.0	200.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			200.0	200.0				

CURRENT DONOR INVOLVEMENT

None. The project is fully funded by GoPNG.

POTENTIAL DONOR INVOLVEMENT

Nil.

2006 Budget Votes for this PIP are :-

55031011201 COCOA AND COCONUT EXTENSION SERVICES

PIP NUMBER: 1998

PROJECT NAME: MADANG SMALLHOLDER COCOA COCONUT DEVELOPMENT PROJECT

EXECUTING AGENCY: Cocoa Coconut Institute

PROJECT OBJECTIVES:

(a) To distribute 500,000 hybrid cocoa seedlings to farmers; (b) To rehabilitate 504 ha of cocoa; (c) To distribute 375,000 hybrid cocoa seeds; (d) To distribute 22,000 cocoa hybrid clone seedlings to farmers; (e) To train extension officers and contact farmers to implement the cocoa coconut rehabilitation program; (f) To facilitate the improvement of existing cocoa and copra processing facilities; and To assist farmers to have access to credit facilities.

PROJECT STATUS:

The project is geared towards promoting the development small-medium size cocoa and coconut block holders at the rural setting, covering the seven (7) districts of Madang. The achievements include: 1. 1,000 cocoa clinic books issued to district extension officers for cocoa block rehabilitation. 2. 379.3 ha of new cocoa block development. 3. 313 participants for cocoa technology training. 4. In cocoa advisory visits, 21 farmers were visited, 5 new fermentaries built and 16 were inspected.

5. 7 farmers involved in cocoa rehabilitation, and 1 new area developed. 6. Coconut High Value Products: 4 farmers involved in Virgin Coconut Production, 3 involved in edible products, and 3 in non-edible products.

PROJECT COMPONENTS:

There are six components under the project: (a) Redevelopment, (b) Nursery development, (c) Training, (d) Processing facilities, (e) Extension services, and (f) Program evaluation.

PROJECT LOCATION:

Implementation is now in six districts of Madang Province. Sumkar, Bogia, Usino Bundi, Rai Coast and Middle Ramu).

PROJECT JUSTIFICATION:

The average annual levels of production of cocoa and copra in PNG prior to 1998 were at 31,815 tonnes for cocoa and 144,454 tonnes for copra. Currently, the level of production has dropped and is attributed to the Bougainville crisis, the twin volcanic eruptions and El Nino Drought which destroyed cocoa and coconut trees. The boom in the spice industry has also distorted the focus of farmers and this project provides an avenue to improve and increase the current levels of production by developing new areas to boost the cocoa and copra production in the country. Also importantly to encourage farmers to farm cocoa-coconut as a source of income to improve socioeconomic lifestyle.

PROJECT CAPACITY:

The project has 10 staffs with 3 vehicles and a limited resource for work required. There is a need for increase staffs, vehicles, other support staffs and general workforce for nursery work. This is because the project has now change scope with the inclusion of five other districts.

PROJECT BENEFICIARIES:

The direct project beneficiaries are people of Madang Province, specially the farmers will have increased income levels as well as villagers in the project area will have access to improved road network systems to allow them access to markets as a result of the project. Indirectly, the project will benefit cocoa and copra exporters in Madang, copra mill in Madang, private sector retailers of agricultural supplies, Harbours Board, CCI, Cocoa and Copra producers in other provinces as a result of activities under the institutional strengthening component of the project, local population in nearby villages, local PMV operators, trade store owners, and women and youths in the project area.

PROJECT SUSTAINABILITY

CCI's extension services for cocoa and coconut are funded by the KIK and Cocoa Board through levies collected from exporting copra and cocoa. The increased production of cocoa and copra from this project will contribute to increased levies collected by KIK and CB which will enable the continuity of provision of extension services by CCI to the project.

1998 MADANG SMALLHOLDER COCOA COCONUT DEVELOPMENT PROJECT

ESTIMATED TOTAL PROJECT COST 45,089.7 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments			150.0	50.0	50.0	50.0		
Goods and Other Services		300.0	420.0	220.0	100.0	100.0		
Current Transfers								
Sub-Total		300.0	570.0	270.0	150.0	150.0		
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation			90.0	30.0	30.0	30.0		
Capital Transfers								
Sub-Total			90.0	30.0	30.0	30.0		
A TOT DIRECT PROJECT COST		300.0	660.0	300.0	180.0	180.0		
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		300.0	660.0	300.0	180.0	180.0		
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		300.0	360.0		180.0	180.0		
b) Self Generating Revenue								
Loan								
Grant								
C TOTAL DIRECT FINANCING		300.0	360.0		180.0	180.0		
D Technical Assistance								
TOTAL FINANCING (C+D)		300.0	360.0		180.0	180.0		
FINANCING SOUGHT								
Direct Project Cost (A-C)			300.0	300.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			300.0	300.0				

CURRENT DONOR INVOLVEMENT

None. Fully GoPNG funded.

POTENTIAL DONOR INVOLVEMENT

Nil.

2006 Budget Votes for this PIP are :-

55031011207 MADANG SMALLHOLDER DEVELOPMENT PROJECT

PIP NUMBER: 2184

PROJECT NAME: ANGORAM COCOA - COCONUT DEVELOPMENT PROGRAM

EXECUTING AGENCY: Cocoa Coconut Institute

PROJECT OBJECTIVES:

To establish and promote increased economic activities in the Angoram District through the cocoa and coconut industry.

PROJECT STATUS:

The project is geared towards promoting the development of smallmedium size cocoa and coconut block holders at the rural setting in the Angoram District. The achievements include: 1. 1 conventional cocoa drier constructed on site. 2. Total of 329.5 tonnes of dry cocoa bags sold. 3. 455,500 poly bags (seedling bags) distributed & 241,421 hybrid cocoa seeds distributed. 4. For new development, atotal of 52,000 seedlings field planted is equivalent to 83.20 ha of new land under cocoa. 5. 56 major cocoa nurseries established. 6. 7 additional Ram Press Oil Machines purchased for downstream processing. 7. A total of 218 trees (0.35 ha) rehabilitated through height and sanitary pruning. 8. 1 field demonstration on height, formation pruning & nursery establishment conducted,attracting 401 farmer representatives from 22 villages.

PROJECT COMPONENTS:

The main components of this project includes (i) extension and training of farmers, (ii) rehabilitation of cocoa and coconut plots, (iii) construction of warehouse at Timbunke and repair of Saramandi station,(iv) establishment of nurseries and driers and (v) construction of depots at strategic selling points.

PROJECT JUSTIFICATION:

The development of cocoa and coconut in Angoram District was first initiated in 1998 by the Member for Angoram. PNGCCRI and CCEA were then requested by the Member to assist. Thus, alot of cocoa and coconut related development activities had taken place. This includes the rebuilding of Salamandi Research Stattion, supplying of seedlings and cocoa solar driers, construction of coconut driers and storage sheds and training of farmers. This project is anticipated to build on these inorder to maximise cocoa and coconut production and the benefits to the people of Angoram.

PROJECT CAPACITY:

Project implementation is undertaken by the PNG Cocoa coconut Institute (CCIPNG) CCIPNG has the appropriate personnels to manage and implement the project. However, the project covers a large area and additional staff is needed.

PROJECT BENEFICIARIES:

This project will benefit the people of Angoram District and East Sepik Province. The country will also benefit in terms of revenue from export of cocoa and coconut that will be generated by the project.

PROJECT SUSTAINABILITY

The project is implemented by the CCIPNG & once farmers have been trained they should be able to continue carrying on the activities under the project as it is intended to support their livelihoods.

2184 ANGORAM COCOA - COCONUT DEVELOPMENT PROGRAM

ESTIMATED TOTAL PROJECT COST 6,051.3 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments			230.0	60.0	60.0	60.0	50.0	
Goods and Other Services		300.0	569.0	219.0	150.0	100.0	100.0	
Current Transfers								
Sub-Total		300.0	799.0	279.0	210.0	160.0	150.0	
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation			51.0	21.0	10.0	10.0	10.0	
Capital Transfers								
Sub-Total			51.0	21.0	10.0	10.0	10.0	
A TOT DIRECT PROJECT COST		300.0	850.0	300.0	220.0	170.0	160.0	
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		300.0	850.0	300.0	220.0	170.0	160.0	
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		300.0	550.0		220.0	170.0	160.0	
b) Self Generating Revenue								
Loan								
Grant								
C TOTAL DIRECT FINANCING		300.0	550.0		220.0	170.0	160.0	
D Technical Assistance								
TOTAL FINANCING (C+D)		300.0	550.0		220.0	170.0	160.0	
FINANCING SOUGHT								
Direct Project Cost (A-C)			300.0	300.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			300.0	300.0				

CURRENT DONOR INVOLVEMENT

None. Fully funded by GoPNG.

POTENTIAL DONOR INVOLVEMENT

Nil.

2006 Budget Votes for this PIP are :-

55031011211 ANGORAM COCOA-COCONUT DEVELOPMENT PROGRAM

PIP NUMBER: 2381

PROJECT NAME: SOUTHERN REGION COCOA COCONUT DEVELOPMENT PROGRAM

EXECUTING AGENCY: Cocoa Coconut Institute

PROJECT OBJECTIVES:

(1) Increase rural employment; (2) Provide income earning generating opportunities; (3) Improve rural infrastructure; (4) Decrease law and order; (5) Alleviate poverty and deprivation; (6) Increase tangible involvement of women and youth in the development process; and (7) Improve delivery of services.

PROJECT COMPONENTS:

Kairuku-Hiri Cocoa Coconut Development Project and Manabo Hybreed Coconut Project.

PROJECT LOCATION:

Kairuku electorate in the Central Province, and Manabo in Cape Rodney, Abau District also in the Central Province.

PROJECT JUSTIFICATION:

Not much agriculture activities have taken place in the province but there are run down plantations and facilities that may need some rehabilitation work to once again provide planting material and extension work to the farmers. The resources are readily available and can be fully utilised and also will be a motivation for others to take up cash crop farming. The project will greatly help the farmers to realise the potential of their crops.

PROJECT CAPACITY:

PNG CCI has the capacity to implement however, would require more staff on the ground.

PROJECT BENEFICIARIES:

Direct beneficiaries will be the villages affected by the land redistribution will have immediate income generation. Indirectly, the producers, buyers market owners other traders will benefit from the cash flow created by the developments.

PROJECT SUSTAINABILITY

CCIPNG will provide technical advice and resource support through its provincial establishments while targeted beneficiaries should make available land and labour to ensure smooth implementation and accomplishment of project outcomes.

2381 SOUTHERN REGION COCOA COCONUT DEVELOPMENT PROGRAM

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments								
Goods and Other Services			950.0	200.0	300.0	200.0	150.0	100.0
Current Transfers								
Sub-Total			950.0	200.0	300.0	200.0	150.0	100.0
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation								
Capital Transfers								
Sub-Total								
A TOT DIRECT PROJECT COST			950.0	200.0	300.0	200.0	150.0	100.0
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			950.0	200.0	300.0	200.0	150.0	100.0
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input			750.0		300.0	200.0	150.0	100.0
b) Self Generating Revenue								
Loan								
Grant								
C TOTAL DIRECT FINANCING			750.0		300.0	200.0	150.0	100.0
D Technical Assistance								
TOTAL FINANCING (C+D)			750.0		300.0	200.0	150.0	100.0
FINANCING SOUGHT								
Direct Project Cost (A-C)			200.0	200.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			200.0	200.0				

CURRENT DONOR INVOLVEMENT

Nil.

POTENTIAL DONOR INVOLVEMENT

2006 Budget Votes for this PIP are :-

55031011212 CENTRAL PROVINCE COCOA COCONUT DEVELOPMEI