

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2006	2007	2008	2009	2010
1768	csp	2.3	1.8	1.4	.9		
TOTAL CAPACITY BUILDING PROJECTS		2.3	1.8	1.4	.9		
2228	SHCR	1.2	1.0	.7	.5		
TOTAL CAPITAL PROJECTS		1.2	1.0	.7	.5		
TOTAL		3.5	2.8	2.1	1.4		

554 PNG Coffee Industry Corporation

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								
Goods and Other Services		.5	4.5	2.0	1.5	1.0		
Current Transfers		.3						
Sub-Total		.8	4.5	2.0	1.5	1.0		
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		.1	1.8	.8	.6	.4		
Capital Transfers								
Sub-Total		.1	1.8	.8	.6	.4		
A TOT DIRECT PROJECT COST		.9	6.3	2.8	2.1	1.4		
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		.9	6.3	2.8	2.1	1.4		
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		.3	1.2		.7	.5		
b) Self Generating Revenue								
Loan								
Grant		.4	2.3		1.4	.9		
C TOTAL DIRECT FINANCING		.7	3.5		2.1	1.4		
D Technical Assistance								
TOTAL FINANCING (C+D)		.7	3.5		2.1	1.4		
FINANCING SOUGHT								
Direct Project Cost (A-C)		.2	2.8	2.8				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT		.2	2.8	2.8				

PIP NUMBER: 1768

PROJECT NAME: CIC STABEX PROJECTS

EXECUTING AGENCY: PNG Coffee Industry Corporation

PROJECT OBJECTIVIES:

To enhance extension activities for smallholder plantations to promote simple techniques to improve coffee quality and increase output.

PROJECT STATUS:

CIC stabex project is on-going, one of which is the Extension Activities (coffee) whereby smallholder coffee plantation holders are taught the simple techniques to improve coffee quality and increase output. The Project was not in the 2003 Budget and has re-emerged this year (2004).

PROJECT COMPONENTS:

The project has five components. These are: 1) Research; 2) Extension Services; 3) Mechanised Processors; 4) International Promotion; and 5) Coffee Quality.

PROJECT LOCATION:

In the Arabica and Robusta coffee-growing areas of the country.

PROJECT JUSTIFICATION:

The coffee industry is a major contributor to foreign exchange earnings for the country and this project will assist in maintaining and increasing the export of quality coffee from Papua New Guinea.

PROJECT CAPACITY:

The Coffee Industry Corporation has the capacity to implement the project.

PROJECT BENEFICIARIES:

Plantations and smallholder farmers in the coffee-growing areas of the country.

PROJECT SUSTAINABILITY

The project will train agricultural research scientists, managers and farmers in good husbandry practices of coffee which will help sustain the activities of this project.

1768 CIC STABEX PROJECTS

ESTIMATED TOTAL PROJECT COST 6,000.0 ESTIMATED DURATION OF THE PROJECT 3.0 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		240.0	2,250.0	1,000.0	750.0	500.0		
Current Transfers								
Sub-Total		240.0	2,250.0	1,000.0	750.0	500.0		
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		131.0	1,812.8	812.8	600.0	400.0		
Capital Transfers								
Sub-Total		131.0	1,812.8	812.8	600.0	400.0		
A TOT DIRECT PROJECT COST		371.0	4,062.8	1,812.8	1,350.0	900.0		
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		371.0	4,062.8	1,812.8	1,350.0	900.0		
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input								
b) Self Generating Revenue								
Loan								
Grant		371.0	2,250.0		1,350.0	900.0		
C TOTAL DIRECT FINANCING		371.0	2,250.0		1,350.0	900.0		
D Technical Assistance								
TOTAL FINANCING (C+D)		371.0	2,250.0		1,350.0	900.0		
FINANCING SOUGHT								
Direct Project Cost (A-C)			1,812.8	1,812.8				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			1,812.8	1,812.8				

CURRENT DONOR INVOLVEMENT

European Union (EU) Stabex funding.

POTENTIAL DONOR INVOLVEMENT

2006 Budget Votes for this PIP are :-

55431011202 CIC STABEX PROJECTS

PIP NUMBER: 2228

PROJECT NAME: SMALLHOLDER COFFEE REHABILITATION

EXECUTING AGENCY: PNG Coffee Industry Corporation

PROJECT OBJECTIVES:

To assist coffee growers in the rehabilitation of neglected and rundown coffee plots and gardens around the country.

PROJECT STATUS:

The project should end at the end of 2005. It has been implemented for three years. The first quarter of 2003 saw nil implementation of the project. Funding was only released in the second quarter and a project vehicle was bought. This allowed CRI staff to visit smallholder growers in WHP and Kerowagi in Simbu to Commenc discussions and identification of smallholder plots.

PROJECT COMPONENTS:

The main components of this project will be (i) to consolidate and disseminate research findings to coffee growers, and (ii) to carryout training and extension activities on rehabilitation of coffee plots and gardens.

PROJECT LOCATION:

The project is mainly implemented in the current coffee growing provinces of Western Highlands and Simbu.

PROJECT JUSTIFICATION:

Most of the smallholder coffee gardens and plots in the coffee growing areas are neglected and rundown. Hence, there is a need to rehabilitate these plots and gardens through educating coffee growers on appropriate techniques. Smallholder rehabilitation trails in the Kainantu area has been conducted by Coffee Research Institute (CRI) which has demonstrated that propper rehabilitation of coffee gardens can increase coffee production. Until coffees growers are assisted to rehabilitate their coffee plots and gardens with new scientific information and techniques, we will continue to see a decline in general coffee production.

PROJECT CAPACITY:

Coffee Industry Corporation (CIC) with the assistance of Coffee Research Institute (CRI) will have the capacity to implement this project. CIC would carryout the training and extension activities required to assist coffee growers rehabilitate their plots while CRI will assist with the required research to increase yeilds and production. CIC has technical personals to coordinate and supervise the establishment of demonstration gardens and can adequately train coffee growers.

PROJECT BENEFICIARIES:

Direct beneficiaries of this project will be the smallholders coffee growers and communities. However, the country should benefit through revenue from increased coffee exports.

PROJECT SUSTAINABILITY

CIC will be able to sustain the activities implemented under this project through the provision of extension services that they usually provide to coffee growers.

2228 SMALLHOLDER COFFEE REHABILITATION

ESTIMATED TOTAL PROJECT COST 2,000.0 ESTIMATED DURATION OF THE PROJECT 3.0 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		250.0	2,200.0	1,000.0	700.0	500.0		
Current Transfers		250.0						
Sub-Total		500.0	2,200.0	1,000.0	700.0	500.0		
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation								
Capital Transfers								
Sub-Total								
A TOT DIRECT PROJECT COST		500.0	2,200.0	1,000.0	700.0	500.0		
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		500.0	2,200.0	1,000.0	700.0	500.0		
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		250.0	1,200.0		700.0	500.0		
b) Self Generating Revenue								
Loan								
Grant								
C TOTAL DIRECT FINANCING		250.0	1,200.0		700.0	500.0		
D Technical Assistance								
TOTAL FINANCING (C+D)		250.0	1,200.0		700.0	500.0		
FINANCING SOUGHT								
Direct Project Cost (A-C)		250.0	1,000.0	1,000.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT		250.0	1,000.0	1,000.0				

CURRENT DONOR INVOLVEMENT

POTENTIAL DONOR INVOLVEMENT

2006 Budget Votes for this PIP are :-

55431011205 SMALLHOLDER COFFEE REHAB. DEMONSTRATION 5