



National Coffee Development Roadmap

2020-2030





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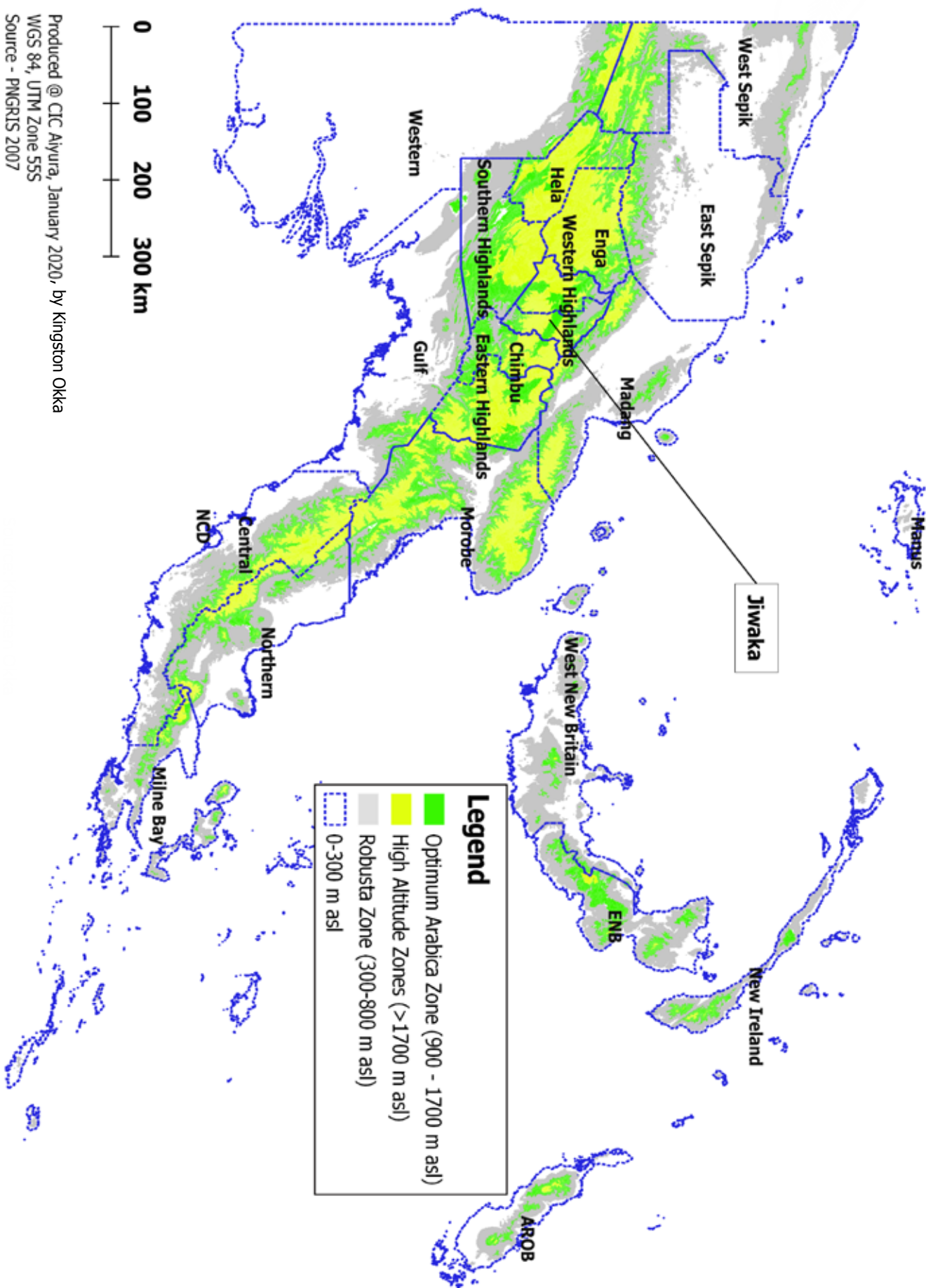
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Map of Potential Arabica and Robusta Coffee Growing Areas in Papua New Guinea



Produced @ CIC Aliyura, January 2020, by Kingston Okka
WGS 84, UTM Zone 55S
Source - PNGGIS 2007





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ACRONYMS

ACIAR	Australian Centre for International Agricultural Research
CEO	Chief Executive Officer
CIC	Coffee Industry Corporation Limited
CIC Act	Coffee Industry Corporation (Statutory Functions & Powers) Act 1991
CIC SBP	Coffee Industry Corporation Strategic Business Plan 2020 – 2024
CIRAD	French Research Center Working with Developing Countries
CRI	Coffee Research Institute
DIRD	Department of Implementation & Rural Development
DPLLGA	Department of Provincial & Local Level Government Affairs
EHP	Eastern Highlands Province
EU	European Union
GB	Green Bean
GDP	Gross Domestic Product
GoPNG	Government of Papua New Guinea
ha	hectare
HIV/AIDS	Human Immune Deficiency Virus & Acquired Immune Deficiency Syndrome
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IOD	Industry Operations Division
JICA	Japan International Cooperation Agency
kg	kilogram
KMSL	Kofi Management Services Limited
KPI	Key Performance Indicators
M&E	Monitoring & Evaluation
MPD	Macro Planning Division
MTDP III	Medium Term Development Plan III
NADP	National Agriculture Development Plan
NARI	National Agricultural Research Institute
NCDR	National Coffee Development Roadmap 2020 – 2030
NEC	National Executive Council
NEFC	National Economic & Fiscal Commission
NPC	National Planning Committee
NPMD	National Planning & Monitoring Department
PIP	Public Investment Program
PNG	Papua New Guinea



FOREWORD - Minister for Agriculture & Livestock



The Marape-Steven Government came with an overarching national Vision to “Take Back Papua New Guinea” and “Make PNG the Richest Black Christian Nation”. The “Take Back PNG” slogan’s intent is to ensure citizens are incentivised through collective and concerted multi-sectoral efforts by them having pride in entrepreneurship and public service and propelling PNG as a progressive state by 2030. A part of that critical challenge is the very ambitious but attainable budget threshold of K15 billion for each economic sector to contribute to achieve over the next few years.

The agriculture sector which engages 75% of PNG’s population and commonly known as the ‘backbone’ of PNG’s economy needs to fully realise its potential and contribute to the Government’s development agenda. The Government’s vision can be accomplished when the bulk of the rural people participate in agricultural production, earn better returns and livelihoods of the mass are improved which will lead to the prosperity of the nation.

The agriculture sector requires short, medium and long-term plans to coordinate sector development through plans for Government and development partners to make strategic investments for growth. The coffee subsector has formulated its 10-year and subsequent 5-year plans to revive and advance the Coffee Industry.

Coffee was once a premier crop pre and post-independence, but of late, oil palm has taken over since 2006 as leader in terms of production and income generation. However, this ambitious roadmap, the National Coffee Development Roadmap 2020-2030 and good leadership in the sector and the Coffee Industry is likely to reposition itself as the principal foreign exchange earner for PNG.

As chief investor, the Government of Papua New Guinea has articulated its expectations and the resource envelope in the Medium Term Development Plan III 2010 - 2022, Jubilee Year 2025 and National Development Strategic Plan 2030. The NCDR adequately captures those expectations and the incumbent Government’s “Take Back PNG” policy slogan.

The NCDR is the strategic guiding beacon for revitalizing the Coffee Industry in the medium to long term. I urge the CIC, development partners and the coffee value chain participants to collaborate in terms of partnerships which is the core feature of this roadmap, invest productively and information sharing to resuscitate and develop the Coffee Industry.

To this end, I commend the NCDR 2020 - 2030 to the Government, industry participants and development partners.

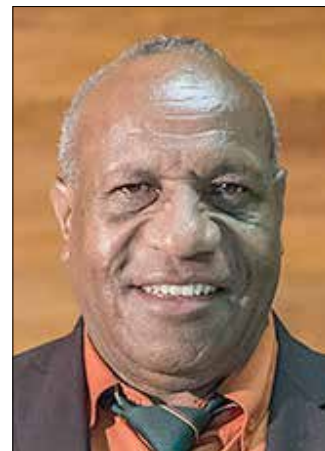


Hon. John Simon, MP
Minister for Agriculture & Livestock



Message by Vice Minister for Agriculture & Livestock

As the pioneer Vice Minister for Agriculture & Livestock - responsible for Coffee, I applaud the active participation of Coffee Industry Corporation Board of Directors, CIC Management, Productive Partnership in Agriculture Project, key value chain participants, my office, strategic partners, industry experts and consultants who participated in the CIC facilitated planning workshops, consultations and dialogue have culminated in the realisation of the National Coffee Development Roadmap 2020 - 2030. The Strategic Planning Committee of CIC played a pivotal role and commitment to this planning process, the patient diligence, good humour, and leadership fortitude in seeing it through to the end.



The outcome of this consultative process has resulted in defining the Coffee Industry's Vision, Mission and Core Values and the main components meticulously analysed to produce the baseline for the NCDR check-points. Dialogue on thematic issues affecting value chain participants and interactive principles of leadership, regulation, management and coordination, strategic partnerships, evolving market forces, research and development, changes triggered by ICT revolution were carefully appraised. These led to consensus on adoption of the best strategies and methodologies with achievable goals, objectives, targets and indicators that will steer the Coffee Industry forward in collaboration with key stakeholders.

This roadmap focuses on the Coffee Industry and its key value chain participants including CIC as equals in development and sustainability of this once thriving industry. In this context, the CIC provides the leadership and facilitates value chain participants and development partners to drive coffee development and ensure the Coffee Industry contributes to fulfilling Prime Minister, James Marape's resolve to "Take Back PNG" and "Make PNG the Richest Black Christian Nation on Earth".

In order for increased margin of success, the CIC, as apex responsible body, will undergo radical changes in terms of organizational restructure, human resource capacity, leadership and management discipline, professional ethics, best business practices, policy and program alignment and streamlining, personnel attitude and work place behavior. The aim of this roadmap is for those farmers that cultivate coffee and value chain participants who ensure a quality product reaches the market in real time to make a living out of coffee.

I urge the CIC Management team to be focused and result-oriented with renewed sense of commitment to systematically implement the strategies defined under each Key Objectives in the CIC SBP 2020 - 2024 and endeavor to achieve the stated goals at each strategic check points during the planned 10-Year cycle.

At this juncture, as the mandated Vice Minister for Coffee, I commend the NCDR 2020 - 2030 to the Coffee Industry stakeholders which is inclusive of the Government, value chain participants and development partners.

Hon. Pogio Ghate, MP

Vice Minister for Agriculture & Livestock - Coffee



ACKNOWLEDGEMENTS

The Coffee Industry Corporation would like to acknowledge the resource inputs from the World Bank and International Fund for Agricultural Development or IFAD funded Productive Partnership in Agriculture Project - Coffee Component, which facilitated the crucial participatory regional forums and consultations to converge views on setting the platform and principles of crafting the long-term National Coffee Development Roadmap 2020 - 2030. Through PPAP, CIC engaged Dr. Eric Omuru to undertake reviews, collate stakeholder workshop findings and prepared the initial draft which was restructured by Jarry Anuk to deliver the final NCDR.

The CIC extends special tribute to value chain participants both in the public and private sectors, who willingly availed time and commitment to engage in participatory workshops, consultations, and conversations which also included external development partners who provided invaluable inputs to feed the plan design.

In all the planning process the PPAP resource intervention was vital in the entire preparatory phases through to the final NCDR. At the helm of the mammoth task was the Strategic Planning Committee, led by Dr. Reuben Sengere who played multiple roles as intervener, facilitator, coordinator, formulator and editor of the ambitious roadmap to revive the once prosperous “green gold”. The SPC was ably supported by the CIC and PPAP managements and the planning consultancy assistance of Jarry Anuk, who reviewed, restructured and realigned the NCDR.

A special mention to the support and ancillary staff of CIC who ensured there were minimal hiccups in logistics, accommodation, receptions, meals, stipends to facilitate the various consultative forums and workshops.





EXECUTIVE SUMMARY

This ambitious 10-Year roadmap for the Papua New Guinea Coffee Industry envisages that the multi-million Kina economic cash crop is transformed into a billion Kina industry with an ultimate aim of producing 3 million bags by 2030. An investment of K513,974,670 is required to realise the strategic intent of the National Coffee Development Roadmap 2020 - 2030. As a consequence of this investment including effective implementation of this Plan, coffee growers and value chain participants are likely to enjoy an affluent livelihood out of coffee as well as contribute to the GoPNG's development aspiration.

The NCDR envisions for a *“Prosperous coffee farming households and communities; in a dynamic, competitive and sustainable coffee industry”*. The Mission Statement of the NCDR is *“to increase incomes, for female and male coffee farmers through improved value chain; including productivity, production and market access”*.

The ultimate goal for CIC is to translate the strategies and proposals encapsulated in the NCDR to help pilot the industry's revival and growth to new heights of increased productivity and production. The incentives focus vis-à-vis price support schemes and allied farmer behavior is to generate renewed interest at base family unit and aggregate levels, and up through the value chain through collaborative networks. This will create efficient supply chain linkages and promote competitiveness of a range of quality value added products that can attract premium prices at domestic and external markets. It is anticipated that the forging of alliances among value chain participants in production and marketing will lead to a thriving and sustainable Coffee Industry going beyond 2030.

Coffee is the second most significant agriculture cash crop after oil palm in terms of its economic importance to PNG. It is a rural based cash crop cultivated by over 500,000 households which translates to more than 2.5 million people in the Highlands and Coastal Regions of PNG. These people depend on coffee as the main cash crop to sustain their rural livelihoods. However, the industry has been on the decline in recent years due to negligence, poor management, legacy issues and other challenges.

These challenges are: climate change, which is intensifying the incidence of diseases and pests, volatile coffee prices, lawlessness, poor extension services; unsustainable grower groups, lack of partnerships, land tenure problems inhibiting new investment in coffee, lack of incentives to diversify into the high value differentiated products and inaccessible rural roads. On plantations and blocks, business leaders are not conscious of the effects of the indigenous economy on their operations and as a result company resources have been diverted into the pursuit of the 'big men' status, which is counterproductive to business. Furthermore, policy failures in the Coffee Industry have contributed to its decline.

Therefore, the NCDR 2020 - 2030 provides the strategic paradigm and direction of the industry's resurgence from its present decline. This calculated Plan is extremely important considering the significance of coffee growing culture to the rural peoples' welfare, the value chain participants and the national economy.



1.0 DIRECTIONAL STATEMENT

1.1 Coffee Industry Corporation's Renewed Commitment to the Industry

The Coffee Industry Corporation (CIC) has entered a new era of renewed business dynamism, re-orientation and zeal for revival to regain control and strengthen its pivotal role as the nation's premier apex body sanctioned with the responsibility to regulate, manage and invest in innovative approaches to resuscitate and transform the Coffee Industry.

The CIC will forge strong partnership with value chain participants and development partners to strengthen collective action among coffee farmers thereby positioning Papua New Guinea's (PNG) unique profile and presence in the home market before expanding reach to traditional and new external markets. The value chain participants and CIC will endeavour to increase production from 900,000 to 3 million bags (60 kg green bean (gb) bags) within the next 5-10 years to contribute to increasing gross domestic product (GDP) and the welfare of the coffee farming communities.

1.2 Strategic Roadmap

Objective

- Coffee Industry has a sound, clear, achievable and progressive long term direction, business policies and programs for sustained revitalisation and growth from 2020 to 2030.

Strategies

- Establish a sound National Coffee Development Roadmap (NCDR) for 2020 to 2030;
- Have two medium term CIC Strategic Business Plans (CIC SBP 2020 - 2024 and 2025 -2030) linked to the Key Objectives; and
- Have result-oriented and performance-based annual operational or financial plans.

Expected Outcomes

- There is a sound and clear long term revival and development direction;
- Outcomes of the CIC SBPs are sequenced for progressive achievement of the NCDR; and
- Key revival programs in the Annual Operational Plans (AOP) are delivered on time and within budget.

Key Performance Indicators

- Key stakeholders at all levels of value chain and development partners align their own mid-term strategies to support NCDR;
- Key value chain stakeholders across the industry are successful and thriving in their coffee enterprises; and
- Over 90% of revitalization programs are implemented successfully to agreed outcomes.



Means of Verification

- Corporate, AOP, CIC SBPs and NCDR of all key value chain stakeholders;
- Annual reports highlighting financial and management performances;
- AOP program/activity reports and independent feedback from clients; and
- Coffee Industry/CIC Monitoring and Evaluation (M&E) mechanism.

1.3 Organisation (CIC) and Systems Strengthening and Alignment

Objective

- Relevant regulatory and support systems that is efficient, effective and dynamic.

Strategies

- Government, business, value chain and partners align their systems and plans to support the NCDR Vision and Mission;
- CIC and value chain processes and procedures simplified and aligned to deliver NCDR outcomes; and
- CIC adequately resourced and supported to deliver the NCDR outcomes.

Expected Outcomes

- Partnership amongst all key value chain stakeholders, GoPNG, business and development partners is positive and results in planned outcomes;
- Necessary services are available, accessible and affordable; and
- CIC and its subsidiaries are performing to high standards.

Key Performance Indicators

- The NCDR Vision, Mission and Core Values are embraced and institutionalized by key value chain and development stakeholders;
- All participants engaged in coffee production are receiving high quality services; and
- Value chain participants and CIC are responding effectively and efficiently to important domestic and international market forces and trends.

Means of Verification

- Corporate, AOP, CIC SBP, NCDR and all key value chain participants;
- Feedback from communities and ranking against global social and economic indicators;
- Annual reports by value chain participants, CIC and national and international partners; and
- Coffee Industry and or CIC overarching performance and M&E mechanism.



2.0 DEVELOPMENT CONTEXT

This NCDR 2020 - 2030 is a 10-Year roadmap that has been designed to help revive and grow the coffee industry as an important sub-sector of the PNG economy. It plots the direction for the industry value chain stakeholders including the CIC to collaborate with unity of purpose, investment and innovative policy interventions between critical check points towards achieving the aspired goals envisioned by 2030.

The purpose and scope of the NCDR articulates the CIC perspectives of inherent impediments and rapidly evolving circumstances in the market place and revolutionary transformation spurred by ICT phenomena and how best these issues can be translated into advantages and induce the industry players to harness and optimise accruing benefits.

As the peak body sanctioned to regulate, manage and promote sustained growth of the industry, CIC aims to achieve the visionary goals, targets, outcomes and indicators through the innovative strategies and activities proposed with the inputs of key Coffee Industry stakeholders and make concerted efforts to ensure vibrancy, sustainability and competitiveness so that the desired goals are achieved at each strategic road marker.

The NCDR is intrinsically aligned to GoPNG overarching policy pillars embracing the agriculture sector and the national economy: (a) MTDP III 2018 - 2022; (b) Development Strategic Plan (DSP) 2010 - 2030; (c) Vision 2010 - 2050; (d) National Food Security Policy 2018 - 2028, (e) National E - Agriculture Strategy 2017 - 2023, and (f) National Agriculture Sector Plan 2020 - 2029. The "Take Back PNG" vision provides a practical dimension to ensuring citizens take pride in entrepreneurial activities or public services.

The national leadership direction and commitment is unambiguous and the relevance of the NCDR provides the Coffee Industry and CIC the opportunity to be strategically positioned to forge proactive partnership and network with the Government and key coffee value chain stakeholders to rehabilitate the industry as it has broad implications on the agriculture sector, foreign exchange earnings and GDP growth.

3.0 INVESTMENT AND COFFEE EXPORT PROJECTIONS - 2030

3.1 Financial Investment into Coffee Industry

The NCDR 2020 - 2030 has forecasted a budget of K513,974,670 over the next 10-Years to revitalize and advance the Coffee Industry. In the medium term, K256,987,335 is projected in the CIC SBP 2020 - 2024 for its six (6) Key Objectives. The Key Objectives to deliver on the CIC SBP and which will facilitate the execution of long-term NCDR are:

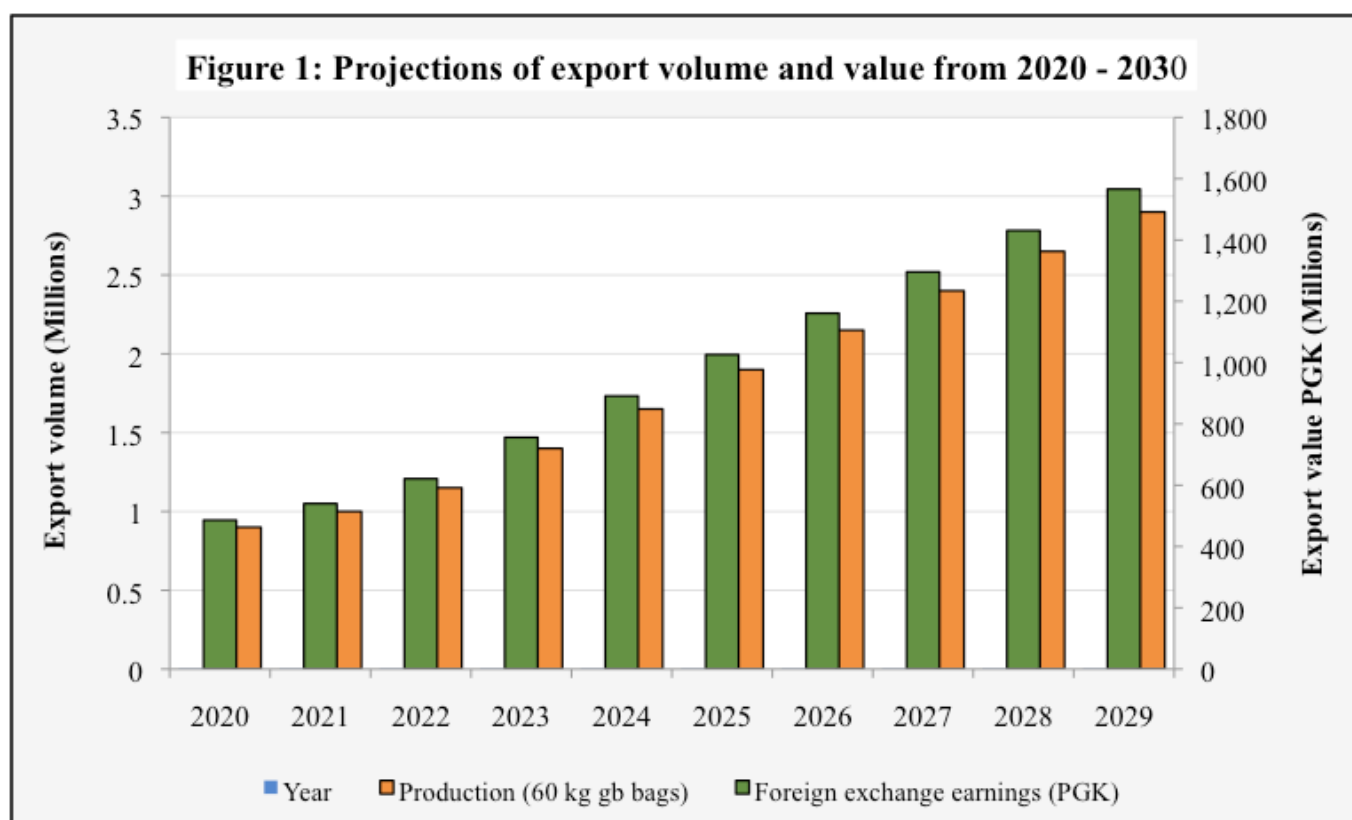
1. Strengthen regulatory functions in the industry for licensed operators;
2. Realign functional areas in CIC to cater to emerging needs, resources, human talents and organisational capacity development;
3. Foster and actively promote partnerships and marketing;
4. Revise and develop a standardized approach to extension inputs to improve market access, production and productivity;



5. Adopt an approach of intervention through organized farmer groups or at aggregate level; and
6. Develop technology-driven systems and processes for market information collection, analysis and dissemination.

3.2 Projected Export Volume and Value - 2030

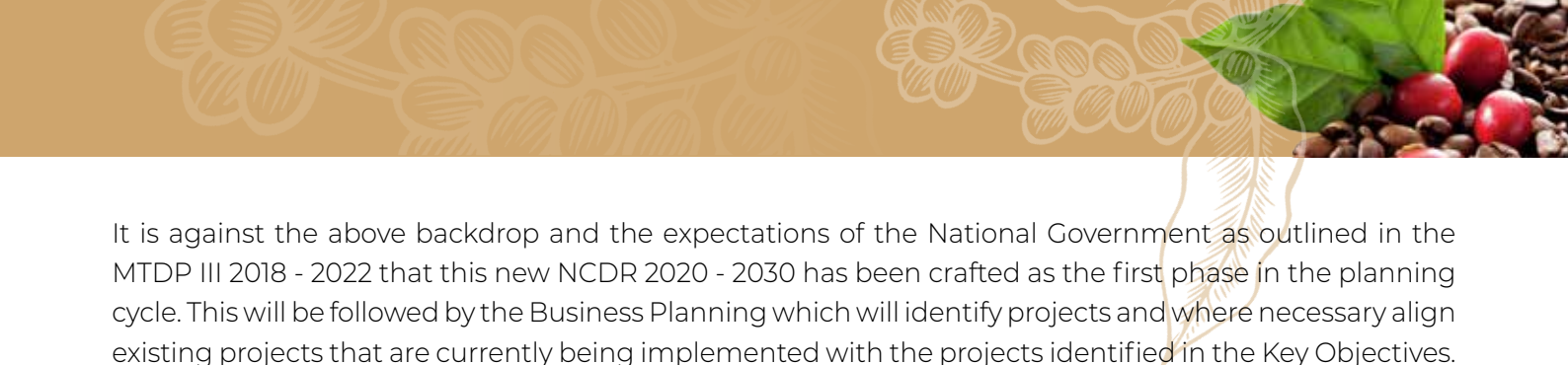
The budget estimate is for projects and activities that will be undertaken by CIC solely or with other value chain participants in the Coffee Industry. However, with the above estimated investment, the Coffee Industry is expected to deliver 3 million bags with an export value of K1.7 billion in foreign exchange earnings by 2030 (Figure 1).



4.0 ELEVATOR PITCH

4.1 Status of Coffee Industry

The Coffee Industry has declined in recent years, and major challenges continue to beleaguer production efforts. The Key Objectives in the CIC SBP 2020 - 2024 have identified strategies to alleviate those issues and plot the way forward to resuscitate the industry in the medium to long-term. Amongst the most defining challenges are: the incursion and infestation of coffee berry borer (CBB) in certain parts of the Central Highlands and Madang Province and posing a threat to spreading into other coffee producing provinces; law and order problems in coffee areas; declining plantation sector which is indirectly affecting smallholder productivity and production; land tenure issues inhibiting new investment in coffee; lack of incentives to diversify into the high value differentiated coffee products and markets; lack of registration and monitoring of parchment coffee buyers and dealers; inconsistency in quality assessment and certification procedures; and poor market access roads.



It is against the above backdrop and the expectations of the National Government as outlined in the MTDP III 2018 - 2022 that this new NCDR 2020 - 2030 has been crafted as the first phase in the planning cycle. This will be followed by the Business Planning which will identify projects and where necessary align existing projects that are currently being implemented with the projects identified in the Key Objectives.

4.2 Factors Affecting Coffee Production

Lack of consistency in Government funding and strategic incentive mechanisms to maintain growers' interest and commitment has had an adverse impact on the industry's sustained growth. Value chain participants should establish price support schemes for smallholder farmers and community aggregates. The GoPNG should assist with funding from Public Investment Program (PIP) 2020 onwards, as coffee is a major export commodity that attracts significant portion of foreign exchange for the national coffers.

The performance of the Coffee Industry has been negatively impacted by the lack of partnerships among value chain participants, which has contributed to the decline in production and coffee quality. The decline of the plantations has resulted in the inconsistent supply of quality coffee to international markets, with PNG farmers consequently receiving discounted prices.

The problematic land tenure system in PNG, undefined demarcation of boundary, lack of proper survey and issue of official State Leases are major obstacles to on-going or new investments in the industry. Even banks and financial institutions have ceased lending to enterprises on customary land and those located in rural areas.

Many plantations and blocks ceased operations because of internal and external problems. The internal problems such as poor management, lack of leadership, poor financial management skills and knowledge, and internal conflicts in group-owned plantations have all contributed to the decline of the subsector. External problems like increased cost of farm inputs, poor rural infrastructure, lawlessness and land disputes are other factors suppressing the subsector.

4.3 Coffee Production, Regulation and Development

Coffee Industry Corporation Ltd

The CIC Act provides the regulatory framework of the industry with powers vested in the Board. In the past, CIC contributed immensely to achievements of industry objectives in improving coffee quality, price stability, increasing smallholder production, containment of coffee leaf rust and promotion of PNG coffee in the market place.

However, CIC with equitable contribution of key stakeholders need to do more to assist smallholders who dominate production to optimize on the large potential the "green gold" holds in store. Government should make strategic interventions through CIC to revive the industry back to its former dynamic performance, as a major foreign exchange earner.



Coffee Quality Standard

Presently, the managed subsector produces 5% of national production, thus forcing buyers to look elsewhere. Also, coffee quality coming from the subsector has considerably declined over the years, due to lack of re-investment and poor management. The top premium plantation grades A and AA declined from about 15% of total national production in the mid-1970s to under 5% from about 2010 onwards. Once coffee from other countries grab PNG's place in the world coffee market it will be difficult to regain it.

PNG's Arabica coffee is intrinsically known for its well-structured body and acidity content hence enjoys a reputation for reliable quality and well-acclaimed aromatic and consuming flavor. It is therefore imperative to be vigilant to protect and retain PNG's spot in the international trading arena. Aggressive production policy should parallel high quality standard for export product.

Current Status and Government's Plan

The NCDR and CIC SBP have mapped out a path for resuscitating the Coffee Industry in PNG, which is on the verge of collapse. The two Coffee Industry Plans focus on reinvigorating the smallholder farms and plantations, facilitate market access and connect farmers with value chain participants.

- Coffee is a major contributor to national income and employment;
- Almost 3 million people depend on coffee for their livelihood and food security;
- Arabica coffee makes up over 95% of produce and exports;
- Robusta produces the balance (5%);
- Bulk or 85% of total coffee is produced by smallholder farmers;
- Plantation sector produces 10%; and
- Blocks produce 5%.

Government strategic funding intervention to resuscitate the Coffee Industry commenced in 2012. This effort is being bolstered by the Productive Partnership in Agriculture Project (PPAP), jointly funded by loan from World Bank and International Fund for Agricultural Development (IFAD). PPAP is making definite headway into organising coffee farmer groups into structured producers and traders as it has committed funds. The concept is being trialled in targeted provinces and then rolled out to others in the country. This will ensure a coordinated and systematic adaptation and acceptance of the productive model.

5.0 INDUSTRY VISION, MISSION STATEMENT AND VALUES

This section briefly outlines what CIC aims to achieve for the industry over the planned timeframe. The Vision and Mission Statement expresses the essence of PNG's Coffee Industry, its evolution and aspiration for the future. CIC, as the custodian of regulating and enforcing quality standards and control protocols has oversight responsibility to police the industry value chain participants to comply with statutory requirements.

5.1 Industry Vision

Prosperous coffee farming households and communities; in a dynamic, competitive and sustainable coffee industry

5.2 Mission Statement

To increase incomes for female and male coffee farmers through improved value chain; including productivity, production and market access

Coffee Industry value chain participants share the risks and rewards of implementing innovative ideas, and can capitalize on ensuring successes over the long term.

5.3 Core Values

In an effort to be ethical, prudent and visionary about decision-making, it is important to set forth the core values of the coffee value chain participants and CIC:

Leadership - As peak industry body CIC will strive to provide strong leadership, management and coordination, regulation, resource sharing with lead partners and establish strong network among value chain actors to promote competitive products.

Teamwork - Requires corporate team culture and collaboration thus value chain participants recognize the benefits that accrue to value chain participants and partners, staff and service providers when resources, expertise, time and energy are shared for common goal.

Governance, Transparency & Accountability - Coffee Industry participants value the robust exchange of information and ideas, compliance management protocols and being accountable for the industry's performance.

Innovativeness - Adaptability to innovation and technology via R&D. The Coffee Industry and CIC intend to be a nimble, flexible and dynamic, willing to meet evolving needs and adjust to shifting industry landscape, fluid market dynamics and revolutions in ICT.

Competence & Professionalism - The Coffee Industry and CIC recognize the need for skilled professionals knowledgeable in best practice business norms dealing with value chain participants that have diverse missions, disparate resources and distinct needs. Decisions undertaken on behalf of the industry are made with the greatest respect and support of these differences.

6.0 SWOT ANALYSIS

The operating environment and strengths, weaknesses, opportunities and threats (SWOT) provided the backdrop that led to deriving the industry Vision, the Mission and Core Values of the NCDR. These are followed by the presentation of the Coffee Industry and CIC corporate goals, indicators and core program areas, their objectives and strategies and implementation and management of the Plan.

Table 1: SWOT Analysis

Strengths <i>Build</i>	Opportunities <i>Invest (growth area)</i>
<ul style="list-style-type: none"> ◆ Currently there is competitive market availability and regular coffee buyers. ◆ Accessibility to producers determines price flexibility. ◆ Market availability will motivate farmers to go into production and acreage planting extension. ◆ Central market convenient for purchasing and processing. ◆ Adequate farmers to meet wet/green bean processing capacity and requirement. ◆ Market advantage in low price, comfortable operating environment. ◆ Less to no competition location specific – ILG/LLG areas. 	<ul style="list-style-type: none"> ◆ No coffee buyers in the remote areas as rural infrastructures are impassable. ◆ Export ability to move from locality to off-shore markets; potential to acquire coffee processing and export licenses. ◆ Accessibility to available agro-credit funds, PIP/PSIP/DSIP or development funds. ◆ No predominant competition in the business location. ◆ Opportunity to attract dedicated coffee producers by opening up market access. ◆ Mobilize and develop available land and manpower resources. ◆ Business management practices to emulate Nucleus Estate Enterprise & cooperative groups for coffee expansion.
Weaknesses (improve) <i>Shore up</i>	Threats <i>Monitor</i>
<ul style="list-style-type: none"> ◆ Accessibility to producers and freighting of produce, especially hinterland. ◆ Increased competition from established local coffee processors and traders. ◆ Poor rural infrastructure and high freighting costs to ports of trade. ◆ Employee response to move into remote locations or zones of tribal conflicts. ◆ Capability of operational & technical management of coffee development program. 	<ul style="list-style-type: none"> ◆ Political interference. ◆ Financing/credit obstacles. ◆ Competition and rivalry with potential or established coffee processors and traders. ◆ Vulnerability to business/industry driving forces; market dynamics. ◆ Price fluctuations leading to farmers' poor response to production. ◆ Regulatory requirements and no sustained Government intervention. ◆ Monitor threats to manage or contain them.
Internal (direct influence/control)	External (less influence)
<ul style="list-style-type: none"> ◆ Executives, board, partners, vendors ◆ Employees ◆ Customers/clients ◆ KPIs (credit performance) 	<ul style="list-style-type: none"> ◆ Mega trends ◆ Industry ◆ Market ◆ Competitors



7.0 BENEFITS OF A STRATEGIC PLAN

There are several distinct benefits or advantages of the NCDR as they have profound effects on the PNG Coffee Industry's sustainability and impacts on people's lives.

7.1 Alignment to Medium Term Development Plan III

In this Plan, particular attention is placed on the MTDP III 2018 - 2022 which has set specific targets and indicators to measure progress for the coffee subsector. The Plan is more innovative and realistic. It replaces the previous 10-Year Plan: the PNG Coffee Industry Strategic Plan 2008 - 2018 (Revised 2013 - 2018) which expired in 2018.

7.2 Align CIC Strategic Business Plan to National Coffee Development Roadmap

The paradigm ensures that CIC programs (Key Objectives), projects and activities articulated in the CIC SBP 2020 - 2024 are streamlined, coherent and aligned to the coffee sub-sector, agriculture sector - the National Agriculture Sector Plan, and ultimately, national development goals in the MTDP III, Development Strategic Plan (DSP) 2030 and Vision 2050.

7.3 Clear Communication among Value Chain Participants

A dedicated channel of communication through advanced ICT platform that connects all value chain participants, external market locations and development partners that assures timely and efficient exchange of critical information in real time.

7.4 Defining Coffee Industry Vision and Mission Statement

The stakeholder workshop in Goroka reviewed the Vision, Mission, Core Values and the Results Framework from the lapsed PNG Coffee Industry Strategic Plan 2008 - 2018 (Revised 2013 -2018) to achieve the new Mission in pursuit of the new Vision.

7.5 Problems with Previous Plan

A review of the PNG Coffee Industry Strategic Plan 2008 - 2018 (Revised 2013 - 2018) which lapsed in 2018 against the activities undertaken by CIC during that period revealed that it has not been implemented. CIC continued to operate on the existing structure that was not aligned to the six Thematic Program Areas and also failed to undertake program level planning which should have resulted in the development of a medium term Business Plan.

When such disconnect exist the performance indicators and targets are hazy and pose problems of measuring actual progress. They compound the most difficult challenges of implementation.



8.0 INDUSTRY GOALS

The NCDR outlines the proposed strategies to attain the industry's goals and to measure and establish the success hallmarks which are critical elements of the Plan over the 10-Year cycle. The interventions will strive to achieve the NCDR goal of:

“Improved livelihoods of coffee farming households and communities; and a dynamic, competitive and sustainable Coffee Industry.”

Productive partnership has merits for resource sharing among collaborators in which coffee farmers or groups can partner with other value chain participants. In the early growth of the Coffee Industry, it thrived because plantations and their mills partnered with village coffee farmers, which ensured high coffee quality production; PNG coffee was renowned for its quality in overseas markets. The demise of plantations and their mills have created new opportunities for current coffee stakeholders to engage in innovative value chain linkages to produce coffee.

The MTDP III 2018 - 2022 has appropriated K40 million in the next five years to improve 628 km of access roads. This may require CIC to assess and select access roads that will generate a relatively higher proportion of quality coffee when it reaches markets. The current coffee road rehabilitation work undertaken by PPAP is a useful benchmark for replication and continuation in new potential coffee growing zones.

8.1 National Coffee Development Roadmap Check Points to Track Strategic Goals

There will be five distinct check points throughout the 10-Year life of the Plan. Reviews of indicators and targets will establish the level of progress being made to ensure strategic approaches are tracking well towards the next road marker and keep in check until the 2030 goal.

PNG Development Strategic Plan 2010 - 2030 Goal

The PNG DSP 2010 - 2030 sets out the broad framework, targets, and strategies to achieve the aspirations of the PNG Vision 2050. The goal of this 20-Year Plan is to attain “a high quality of life for all Papua New Guineans”. The DSP envisioned that “PNG will be a prosperous middle income country by 2030”.

Medium Term Development Plan III 2018 - 2022

The overarching mid-term Plan for the PNG economy will collapse in 2022 when the National Parliament is dissolved. It is a critical check point when CIC, like all sector agencies and institutions of State will produce their respective sector performance and accountability report to Government and demonstrate that they have attained their goals or targets by measuring their indicators. CIC will evaluate its own performance and prepare to adjust and align its revised CIC SBP to the new incoming Governments' policy direction that will feature in the MTDP IV.

The goal of agriculture sector in the MTDP III that should guide progress towards DSP 2030 target is to develop a “world class agriculture and livestock sector that is responsive to international and domestic markets for a diverse range of products”.



This visionary statement goal for the Coffee Industry espoused in MTDP III is “to support the development of a sustainable and competitive Coffee Industry in PNG which will maximize financial returns to coffee producers and contribute to Government’s economic and social policy goals”.

Jubilee Year Goal 2025

PNG will celebrate 2025 as the Jubilee Year marking 50 years of political independence. As an economy the country will seriously reflect on what it has achieved as a sovereign nation and what will she show for all the investments in terms of genuine development, growth and indigenous control of commerce, industry and enterprises. For its part, CIC will be obliged to show how it has managed the productive capacity of industry, made visible impact on farmers’ lives and its share of revenue making to support the budget and contribute to GDP growth, however marginal.

CIC Strategic Business Plan 2020 - 2024 Goal

This is the significant road marker when the CIC SBP terminates and heralds the medium term cycle review for the NCDR 2020 - 2030. CIC will evaluate its CIC SBP indicators and targets (e.g. increased production from 900,000 to 3.0 million bags of export quality green beans). The revised CIC SBP 2025 - 2030 should be launched in 2024 with the necessary policy, strategy and program adjustments which should ensure that the indicators are on track to meet the NCDR 2020 - 2030 goal and indicators.

Annual Operational Plan Targets 2020

Implementation of the AOP will commence in February 2020 and terminates in December. This comprise the first year of implementing the CIC SBP 2020 - 2024. At this first check point the Annual Performance Report and M&E will provide the basis for review of activities and determine level of progress being made to achieve the program Key Objectives, CIC SBP goal and broad NCDR industry goal.

9.0 KEY PERFORMANCE INDICATORS

Track the implementation of Key Objectives in the AOP and CIC SBP 2020 - 2024 to determine performance level. The KPIs for the NCDR 2020 - 2030 are:

- ◆ Increased volume of export quality coffee;
- ◆ Increased high value coffee markets (e.g. differentiated markets);
- ◆ Increased demand for specialty coffee;
- ◆ Consistency in supply of quality and quantity;
- ◆ Increased value addition (products);
- ◆ Improved access to finance for value chain participants; and
- ◆ Improved market incentives.



The Key Objectives of CIC SBP that are associated with the KPIs of the NCDR are shown in Table 2.

Table 2: NCDR and CIC SBP Matrix

NCDR KPIs	Associated CIC SBP Key Objectives
Increased volume of export quality coffee	5, 4, 3, 1 & 6
Increased high value coffee markets (e.g. differentiated markets)	5, 4, 3, 1 & 6
Increased demand for specialty coffee	3, 1 & 6
Consistency in supply of quality and quantity	5, 3, 1 & 6
Increased value addition (products)	5, 4, 3, 1 & 6
Improved access to finance for value chain participants	3, 1 & 6
Improved market incentives	5, 3, 1 & 6

10.0 TARGET STAKEHOLDERS AND CUSTOMERS

Focused approaches to meet expectation (want/need) of target clients and value chain stakeholder groups (Table 3): value chain participants, domestic market consolidation/domination, external market-sustained presence in specialty or high value markets; and new market penetration and geography for diversified quality products.

Table 3: Stakeholders' Expectations and Actions Needed

Stakeholder	Expectations	Strategic Actions Required
CIC	Organizational restructure. Strategic Plan to deliver GoPNG Targets. Plan to contain CBB. CIC SBP relevance with deliverables in digital economy.	Urgent reviews & amend CIC Act. Unlock obstacles to grow industry. Increase benefits to farmers share strategic information with sister entities.
	Drive change to fulfill Government targets/goals. Sustainability to deliver results. Industry regulator-product meets market standards. Farmers core stakeholders-support mechanisms.	Fast track CIC SBP with AOP. Increase quality to capture over 1% of world market share.
Coffee Farmers	Increase productivity & innovative marketing. Effective CBB Containment Plan.	Incentivize farmer.
Processors	Support farmers to ensure supply consistency.	CIC regulate quality products.
Vice Ministry Coffee	Realistic CIC SBP- recognize farmer struggle & translate product flow & business cash flow.	Review outdated CIC Act. NCDR flexible, practical & beneficial to small growers.



PPAP	CIC SBP relevance, sexy-attractive to benefit growers. Put money into growers' pockets.	Strategic engagement at entry point. Integrate PPAP into CIC.
DAL	Oversight of agro-sector & policy coordination.	National Agriculture Development Strategy.
KMSL	Effective participation-increased returns to farmers.	Innovative investment avenues.
UOG & Unitech	Human resource development and collaborative partnership.	Assist design school curriculum and cadetship program.
DNPM	CIC compliance - MTDP III deliverables/ targets.	Monitor CIC performance.
Dept. Treasury	Voluntary customary land registration – Incorporated Land Groups (ILGs) to unlock land for coffee.	Project-work with community.
NAQIA	Bio-diversity- protects industry from pest and disease incursion.	Tighten quarantine at frontiers.
FPDA	Harmonize-align NCDR to MTDP III & NADS.	Align integrated farming.
Cocoa Board	Similarity in issues so share information & support each other.	Share information with sister entities.
KIK	R&D – share experience at implementation stage.	Strong sister partnership.
NARI	Plant protection, extension & thematic research.	Strong sister partnership.
Care International	Competing to reach same beneficiary communities.	Lead partnership role with CIC.
FAO	Focus on drivers of industry-effect on farmer extension core to stimulate-hamstrung with resources.	Listen to farmers-incentive scheme.
World Bank/IFC	Visible /tangible output performance of productive partnerships, etc.	Funder for future programs.
UNCDF	Partnerships-PPP, Pace Financial Inclusion Program, CIC SBP template.	Bridging financial assistance with developed CIC SBP.
ACIAR	Studies in productivity improvement, behavior of farmers and savings schemes.	Collaborative research and capacity building.
WCR	Evaluating new coffee varieties at different coffee growing altitudes.	Collaborative research.
UNCTAD	Coffee traceability and profiling work .	Capacity building.
EU, JICA, CIRAD	Development work and coffee breeding.	Traditional collaborators in R&D activities.

11.0 INDUSTRY ANALYSIS

Brief analysis of what is going on in the market, market size growing, and product demand.

11.1 Coffee Producing Provinces

In terms of provincial production, Eastern Highlands Province is ranked as the highest coffee producer with many family units engaged in cultivating the economic tree crop for their livelihood and socio-economic welfare and obligations (Table 4). Western Highlands Province lost its premier position when Jiwaka Province was created, with the production statistics being shared between the two provinces. The two provinces host some of the largest plantations in the country, if not the Southern Hemisphere.

Emerging coffee growing hubs and zones such as Enga, Southern Highlands, Hela and East New Britain provinces need sustained reach to optimise productivity potential with new adaptable coffee varieties that can thrive in diverse climatic conditions and resilient to climate change phenomena.

Sandaun Province appears to lack production statistics but may be due to most coffee crossing into Indonesia across unsecured border trade routes, or produce being traded in East Sepik Province as the trading system is well established. Similarly, Gulf produces organic coffee that gets absorbed into Central Province, mainly influenced by lack of market access infrastructures.

Table 4: Provinces Ranked in Coffee Production Outputs

No.	Province	Percentage (%)	Total Production 2018 (60 kg gb bags)
1	Eastern Highlands	50.21	443,062
2	Western Highlands	18.78	165,735
3	Jiwaka	11.92	105,143
4	Morobe	8.61	75,983
5	Simbu	7.47	65,913
6	Enga	1.64	14,479
7	SHP	0.39	3,434
8	East Sepik	0.33	2,894
9	Oro	0.21	1,860
10	Madang	0.10	860
11	Milne Bay	0.05	479
12	Central	0.05	432
13	East New Britain	0.03	288
14	Gulf	0.01	65
15	Others	0.20	1,795
Total		100.00	882,421

Source: CIC Data

11.2 Program Objectives and KPIs

The program, project or activity selected by CIC to pursue specific goals identified by the industry stakeholders have clearly defined and articulated objectives, targets and indicators. Implementation of the programs, projects and activities can be designed in either left to right or bottom to top models.

The KPIs for the various programs streamed in Table 5 are very critical at different checkpoints when each Key Objective is evaluated to measure progress made towards the outputs and the outcomes. The productivity program that the Coffee Industry and CIC will pursue over the 10-Year planning cycle is essential to keep track of the industry's performance in terms of actual increase by farmers.

Table 5: Productivity Improvement, Scale of Production, Information Management and Communication with their Objectives and KPIs

Thematic Program	Objective	KPIs
Productivity Improvement	Enhanced and sustainable productivity of farmers and others along the value chain	<ul style="list-style-type: none"> Increased yields; Reduced costs of production of coffee; Increased planting of higher yielding and disease tolerant varieties; Improved management of soil fertility; and Bio-security preparation and response plan in place.
Scale of Production	Optimized scale of production of high quality coffee	<ul style="list-style-type: none"> Economies of scale in coffee production, processing and marketing; Increased yields; Increased proportion of specialty coffee volume; and Increased planting and replanting in existing and new growth areas.
Information Management and Communication	Enhanced information, data management and communication to meet the needs of different stakeholders	<ul style="list-style-type: none"> Different stakeholders are well informed and knowledgeable about Coffee Industry; Improved means of data and information collection for better decision making; Increased adoption and utilization of R&D induced technologies; Improved communication of coffee technical information for different stakeholders; and Increased use of e-commerce.





11.3 Threats and Mitigating Strategies

Climate change phenomenon and its impact on coffee farming with increase in the incidences of diseases and pests such as CBB and coffee leaf rust will adversely affect production. Also lawlessness and land tenure systems are threats to coffee production. Internalised threats and impediments that affect present poor performance can be attributed to chronic shortage of qualified manpower in implementation and poor coordination to optimise use of available resources.

Mitigating strategies to effectively address the threats and inherent obstacles alluded above are captured in the AOP and CIC SBP and will ensure that less adverse impact on the intermediate or final outcomes are minimised.

12.0 COMPETITOR ANALYSIS AND ADVANTAGES

It is vital for the Coffee Industry or CIC to have informed knowledge of who the Competitors are and define their strengths and weaknesses and capitalise on the advantages to be competitive. Through such thorough competitor analysis, coffee value chain participants and CIC can determine the present level of competitive advantage and ways to develop additional advantages to secure market share. A growing competition also exists between various crops including coffee which require the same land for cultivation (Table 6).

Table 6: Major Export Tree Crops, Export Revenue and Share of Total Revenue

Major Export Tree Crop	2017 Export Revenue (PGK, million)	% Share	Rank
Cocoa	202.0	9.2	3
Coffee	450.1	20.4	2
Coconut ¹	193.3	8.7	4
Oil palm	1,339.7	60.8	1
Rubber	13.5	0.6	5
Tea	5.2	0.2	6
Total	2,203.8	100.0	

Source: Bank of PNG Quarterly Export Bulletin (2018)

Some approaches to achieve AOP, CIC SBP, NCDR and MTDP III goals are briefly provided as guide.

12.1 Prioritized Implementation Plan for Aspired Objectives

Establish an Efficient Information System for the Coffee Industry

- ❖ Reinforce the information management system by connecting the entire industry stakeholders (Table 7); and
- ❖ Communicate strategic measures taken to revive the sub-sector.

¹These comprise of copra and crude coconut oil (CNO)

Promote Quality in the Marketing Network

- ❖ Adopt the national norms for determining quality for evolving global markets;
- ❖ Equip producer aggregates with suitable tools such as scales, moisture meters, etc.;
- ❖ Promote general application of pre-control by producer groups, cooperatives and buyers;
- ❖ Elevate measures aimed at giving recognition prizes to best farmers and/or operators;
- ❖ Implement traceability system for specialty and high value coffees; and
- ❖ Train Q-graders and coffee barristers.

Promote Emancipation of Producer Groups

- ❖ Mobilise producer groups and introduce the grower savings and loans schemes;
- ❖ Quality control training for farmers and aggregates;
- ❖ Increased training for producers on community development, coffee husbandry, post-harvest practices, packaging and marketing;
- ❖ Facilitate stable partnerships between coffee producers, processors and exporters;
- ❖ Strengthen producers to liquoring or coffee cupping; and
- ❖ Promote other coffee products other than beans.

Promote Commercial Best Practice

- ❖ Producer organizations encourage collective sales, that follow market calendars;
- ❖ Producer aggregates organize market days in production zones; and
- ❖ Job description drafted for each category of operator in the sector.

Facilitate Financing for Coffee Growing Groups

- ❖ Set up tools more suited to the trade of basic commodities (e.g. warehouse receipts);
- ❖ Expansion of micro-finance for smallholders in production zones; and
- ❖ Set up a credit line or a guarantee fund for crop finance to benefit producer organizations.

Promote a Participative Approach in the Industry

- ❖ Specific professional workshops devoted to targeted topics: exports, quality, markets, regulation, milling, consumption, etc.





Table 7: Results and Progress Indicators on Prioritized Implementation Plan

Expected Results	Indicator of Progress
<ul style="list-style-type: none"> Efficient information management system in the sub-sector is improved and operational. 	<ul style="list-style-type: none"> Number and distribution of relay points and information sources. Number of media involved. Level of territory coverage of disseminated information (number of coffee farmers access to this information).
<ul style="list-style-type: none"> Operators of the coffee sub sector are real professionals. 	<ul style="list-style-type: none"> Quantity of products sold via producer groups (aggregates, co-operatives, grower groups). Directory of available operators with mapping. Regular meetings and good quality reports by various professions.
<ul style="list-style-type: none"> Increase in production of good quality coffee. 	<ul style="list-style-type: none"> Quantity of superior grade coffee produced. Quantity of gourmet coffee exported.
<ul style="list-style-type: none"> Suitable financing mechanisms and price support schemes are put in place. 	<ul style="list-style-type: none"> Number of operator beneficiaries of financing. Number of credits received by operators. A mechanism exists to guarantee credits in favour of agro-sector.
<ul style="list-style-type: none"> Interventions in the industry are better coordinated and synergies are observed. 	<ul style="list-style-type: none"> Less overlaps observed. Number of specific professional workshops.



13.0 MARKETING AND PROMOTION PLAN

13.1 Market Access and Value Addition

This is a critical phase that determines how the end products, in semi-processed or fully processed form make entry into the markets. Value chain participants and CIC will make renewed collaborative efforts to conduct holistic market research and define competitors' current advantage and list their strengths and weaknesses and how PNG products can fare in the competitive environment (Table 8).

The Marketing and Promotions section will be a core functional unit in the restructured establishment of CIC. A comprehensive Marketing and Promotion Plan will be designed and a dynamic team recruited to sell PNG's diverse range of products. Part of the Marketing and Promotion strategies will entail placing of Coffee Attachés in PNG overseas missions.

Table 8: Market Access and Value Addition Program, Objective and its KPIs

Thematic Program	Objective	KPIs
Market Access and Value Addition	Increased market access, through improved roads, communication, and competition and value addition	<ul style="list-style-type: none">• Increased volume of export quality coffee.• Increased high value coffee markets (e.g. differentiated markets).• Increased demand for specialty coffee.• Consistency in supply of quality and quantity.• Increased value addition (products).• Improved access to finance for value chain participants.• Improved market incentives.• CIC appointed Coffee Attachés at strategic PNG missions overseas.





14.0 CIC MANAGEMENT TEAM

14.1 Institutional Capacity Strengthening

The critical task requires urgent review to streamline structures, policy and functional alignment and resource management to pursue targeted check point goals and indicators (Table 9). The CEO will take the lead through the Executive Management to execute on opportunities by taking drastic structural, policy and organisational reforms to coordinate, manage and instil business discipline and cohesion across the industry.

Change management challenges and Key Objectives to be addressed immediately to ground CIC to conduct its business in a conducive environment are:

- Institute structural and functional reforms, realign policy, streamline core program design, strategies and propose activities or projects to achieve results;
- Organizational changes needed to be made;
- Recruitment of specialist (business) personnel to fill critical capacity gaps; and
- Outsource professional consulting and human resource recruitment.

14.2 Changing Policy Direction and Investment Challenges

Specific challenges in shifting policy direction and diversifying investment portfolio that CIC Management will pay focal attention to set the platform to align AOP, CIC SBP and NCDR pertain to:

- Strategic preparation of CIC's commercial enterprise and equity participation in viable or profitable allied industries and projects to boost revenue.
- The evolving policy landscape to 'take back the economy and placing it in the hands of the people' must be at the fore of focal interventions in the AOP, CIC SBP and NCDR.

Table 9: Institutional Capacity Strengthening Program, its Objective and the KPIs

Thematic Program	Objective	KPIs
Institutional Capacity Strengthening	Enhanced institutional capacity and governance to meet the demands of the Coffee Industry stakeholders.	<ul style="list-style-type: none"> • Participatory and effective governance and leadership including gender mainstreaming. • Improved research and development capabilities and links to strategic partners. • NCDR and CIC SBP are approved and launched. • NCDR, CIC SBP, AOP and M&E are implemented. • CIC organizational structure approved against budget allocation. • Infrastructure (HQ) design, rehabilitation and refurbishment progress reports furnished. • ICT platform for e-commerce is installed for trial for innovative market access. • Corporate citizenship: gender equality & social inclusion, gender-based violence, HIV/AIDS workplace policies adopted.

15.0 OPERATIONAL PLANS

The Operational Plans will help transform goals into reality through the selected programs, projects and activities that are articulated in the CIC SBP 2020 – 2024 and the NCDR 2020 - 2030.

15.1 Regulatory Enforcement and Policy Advocacy

Understanding of the cultural, regulatory and policy framework at the national, sectoral and sub-sectoral levels should provide basis for advocacy towards creating an enabling environment for CIC to perform its functions more effectively (Table 10). CIC does not enact laws and higher level policies; however, it has a responsibility to influence those in favour of the sub-sector through regulatory and policy advocacy.

Similarly, the understanding of the cultural environment at the farm level can have a marked impact on CIC's ability to achieve some of its objectives. CIC can exert its influence by ensuring that all value chain participants in the Coffee Industry have a voice. This can be strengthened by conducting appropriate policy research and analysis and using these to advocate for better outcomes.

Table 10: Regulatory Enforcement and Policy Advocacy Program, its Objective and KPIs

Thematic Program	Objective	KPIs
Regulatory Enforcement and Policy Advocacy	Enabling regulatory and policy environment, and value chain stakeholder relations	<ul style="list-style-type: none">• Improved coordination with policy makers and other State agencies.• Increased investment in the Coffee Industry.• Improved financial inclusion for industry participants.• Equitable participation in the Coffee Industry (gender, HIV/ AIDS).• Improved law and order in coffee areas.• Improved compliance by licensed operators and other industry stakeholders.

15.2 Network and Partnerships - Value Chain Relations

Stakeholder partnership strengthens industry profitability and sustainability, reach and presence in the market (Table 11). Therefore, it is vital for CIC to establish or facilitate strategic networking and partnerships among value chain participants to develop efficient coffee supply chain linkages to help deliver consistent premium quality and quantity to local and international markets. Also through mutual collaboration among value chain participants, promote Coffee Industry to reach new production zones and market presence in PNG and the Asia-Pacific markets.

It is widely accepted by cross-section of stakeholders that Networking and Partnership is the quintessence of democratic governance that influences change in industry and civil society. The process is the critical link between CIC and stakeholders or among coffee value chain participants and other third parties to grow and sustain the industry. Thus, a clear understanding of the process allows for effective communication, understanding and service delivery. Partnerships provides a pathway to enhance mobilisation and enforcement of networking at the industry, regional, national and sub-national level, involving key State agencies and lower tier mechanisms.



Key Deliverables

- Volume of quality coffee production for markets increased;
- Implementation of AOP, CIC SBP and NCDR objectives and help improve performance outputs;
- Precinct partnership is re-scoped to undertake the regional programs;
- Products for Pacific Island Countries tailored based on competency-based demands; and
- Conduct Asia, Eastern Europe and Pacific-wide research and marketing road-shows.



Partners Re-engaged with Mutual Understanding and Expectations

- Review CIC organisational needs and commence practical dialogue to re-engage strategic partners to assist in critical areas to strengthen capacity; and
- Specific needs shopping list prepared for discussion with development partners and revised scope of partnership arrangements with counterpart obligations for each side.



CIC Image Promoted to Meet Stakeholder Expectations

- Participate in multi-stakeholder road-shows to promote Coffee Industry and CIC's new coffee products;
- Plan and host awareness and promotional regional workshops and conferences; and
- Special road-show for Pacific Island, ASEAN and APEC countries for market.



CIC Leadership and Governance Training Program

- Conduct region-wide research, marketing road-show and product demand analysis; and
- Introduce innovative quality products to meet client expectations in changing scenarios.



Table 11: Regulatory Enforcement and Policy Advocacy Program, its Objective on Partnerships and KPIs

Thematic Program	Objective	KPIs
Regulatory Enforcement and Policy Advocacy	Network and Partnerships - Value Chain Relations	<ul style="list-style-type: none"> • Heightened level of alliances among value chain participants to foster efficient supply chain linkages. • Strategic partnership among value chain participants is re-scoped to undertake policy interventions. • CIC reputation and credibility and trustworthiness is restored and well-acclaimed.

16.0 IMPLEMENTATION PLANS AND STRATEGIES

16.1 Strategic Objectives, Activities and Key Performance Indicators

CIC CEO, Management and Board prioritised six (6) Key Objectives. These have been translated into the annual operational activities with clear objectives, targets and indicators that are dealt with in the medium-term period from 2020 - 2024 and overlaps MTDP III rolling over in Jubilee Year in 2025 and into the 10-Year NCDR 2020 - 2030.

Some crucial policy issues and operational activities are captured in the first four strategic objectives for priority attention during the transitional phase.

- CIC Act reviews and requisite changes/amendments and organisation structure are revised, and appropriate manpower capacity needs are approved and implemented;
- All CIC transition, transformation and structural adjustment in programming and policy alignment processes and requirements are completed;
- Key value chain stakeholders and partners strengthen CIC reach to producers and sustained presence in traditional markets and penetration into new markets advanced; and
- ICT is recognized and established as smart communication and marketing platform at CIC Head Quarter and its peripheral out stations with further connectivity to value chain participants, research institutions and trading offices locally and abroad.

The six core functional responsibilities are articulated in the CIC SBP 2020 - 2024. They will be streamlined and realigned to the restructured and revised CIC Corporate Chart. The Chart is revisited taking into account the Department of Personnel Management and CIC approved structure. The Board will provide guidance on the matter. Each program has articulated and streamed their respective Key Objectives with strategic objectives, activities and performance indicators in their program's AOP have been endorsed by the Executive Management, Board and responsible Minister.

The AOP, CIC SBP and NCDR performance outcomes and success indicators will be monitored and evaluated at the end of the running year and at critical check-points under an effective M&E Framework. To ensure impartiality and efficiency this task shall be outsourced to independent M&E specialist to assess the performance of Key Objectives, Targets and Indicators.

The proposed core functional responsibilities of the new Business Development Program (and Investment) are presented in Key Objective # 2. The annual work plan will be undertaken by the new program headed by a business professional.



17.0 MONITORING AND EVALUATION FRAMEWORK

CIC will develop a set of performance indicators based on the generic indicators of success identified for the industry goal, purpose and Key Objectives. The performance indicators will be used to design an Impact Assessment Results Framework and M&E Framework that the CEO will use to track indicators of success for the purpose and delivery of Key Objective outputs.

This section describes the operational arrangements, resourcing and the M&E Framework that will see the effective delivery of the NCDR 2020 - 2030.

17.1 Monitoring and Evaluation Framework

CIC will monitor progress in program, project and activity delivery over the planned 10-Year implementation cycle in an attempt to realize the strategic goals. This will indicate whether the strategies chosen have been effective or not. Value chain participants and CIC need to understand how well they are performing now and what changes in performance have occurred over time. The M&E Framework and other performance measurement tools will be used to measure expected outcomes of Key Objectives in the AOP, CIC SBP and NCDR to assist in effective management.

This M&E Framework is designed to establish the logic for the AOP and CIC SBP contribution in terms of inputs and outputs to achieving the three Plans' goals or targets. The M&E Framework will ensure the:

- scope of programs' monitoring and evaluation is clearly stated;
- timely collection and analysis of data to inform and guide strategic program, project and activity development and implementation;
- mechanisms are in place to facilitate the feedback of lessons learned and recommendations for improved program management and implementation, and
- information collected will inform contribution analysis for the programs, projects and activities.

For the purpose of AOP, CIC SBP and NCDR monitoring, reporting and evaluation shall be undertaken at two levels:

- a. Strategic level: Coffee Industry Advisory Committee and the institutional Project Review Committee will ensure that program, project, activity outputs contribute to the outcomes identified (key result areas/performance indicators); and
- b. Implementation level: monitor program, project and activity inputs and outputs to ensure funds are used for intended purpose.

Monitoring entails an on-going process to determine state of progress if project is tracking well, within budget and on schedule.

Evaluation relates to measuring the outputs and outcomes at mid-cycle review and business plan completion stage to determine if prescribed goal and objectives have been achieved.

Table 1: Performance Report Template

Overall Implementation Status for 2019:

[illegible]

Table 2: Indicative MTDP III M&E Implementation Plan 2018-2022

	Key Areas /Strategies/Activities	Involved Stakeholders/Target Audience	Timing	Responsible Agency/Unit
1	MTDP III draft plan approved and launched			
	Draft MTDP III presented to NEC for approval and printed	NEC	Aug-Sept '18	DNPM & Planning Team
2	MTDP III awareness is heightened to all stakeholders			
	2.1 Internal orientation			
	DNPM in-house orientation	DNPM management, policy and PIP officers	Sept-Dec '18	DNPM Macro Planning Division (MPD)
	DNPM intranet site	DNPM	Sep-Dec'18	DNPM MPD & ICT Branch
	2.2 External orientation			
	Media release or article in local media/TV talk shows	General public	Sept-Dec '18	MPD
3	Assess readiness and capacity of key sectors, depts., agencies, provinces, districts and partners to implement MTDP III M&E process			
	3.1 Develop & enhance the sector/agency M&E framework/plan and/or performance assessment frameworks	All key sectors	Sep'18 -Apr'19	MPD and DNPM technical secretariat
	3.2 Develop & enhance the provincial & district M&E framework/plan or performance assessment frameworks	All provinces & selected districts	Sep'18 -Apr'19	MPD and DNPM technical secretariat
	Piloting of M&E toolkit with selected provinces and districts	Select provinces & districts, DPLCA, DIRD, NEFC	Sep'18 -Apr'19	MPD and DNPM technical secretariat
	3.3 Establishment of the policy M&E division/branch within DNPM	DNPM	Sep-- Dec'18	DNPM Secretary
	3.4 Establishment and/or strengthening of sector M&E working groups and agency M&E units	Central and sector agencies	Sep -- Sep'18	Heads of Sector Lead Agencies and heads of agencies
	3.5 Building M&E capacity for national and subnational agencies and partners	Select national and subnational agencies and partners	Sep'18 --Dec'19	MPD and DNPM technical secretariat
4	Development of MTDP III M&E guidelines and toolkit			
	Sector M&E guidelines/toolkits	Select central and sector agencies	Sep-- Dec'18	MPD and DNPM technical secretariat
	provincial and district M&E guidelines/toolkits	Select provinces and districts	Sep-- Dec'18	MPD and DNPM technical secretariat
5	MTDP III M&E implementation process			
	Building alliance with and M&E partnership with key sectors, departments, agencies, provinces and districts	All key sectors, departments, agencies, provinces and districts	Sep'18 --Dec'22	MPD and DNPM technical secretariat
	Undertake routine monitoring			
	5.2.1 Project monitoring visits (including PSIPs, DSIPs & LLCSIPs)	All key sectors, dept., agencies, provinces, districts	Sep'18 -Dec'22	MPD and DNPM technical secretariat
	5.2.2 Sector Quarter performance and budget reviews	All MTDP implementing sectors	Sep'18 -Dec'22	MPD and DNPM technical secretariat
	5.2.3 MTDP III annual performance and budget reviews	All MTDP implementing sectors	January each year	MPD and DNPM technical secretariat, PIP team, Treasury Dept., Finance Dept.
	5.2.4 DNPM results monitoring pocketbook publication	General public	March each year	MPD
	Undertake evaluation & research			
	Mid-term evaluation and reporting	Central and sector Dept., provinces & districts	Aug'20	MPD and DNPM technical secretariat
	Institutionalizing advocacy, communication and promoting M&E culture within DNPM and external audience	Central and sector Dept., provinces & districts	Sep'18 -Jul'22	MPD and DNPM technical secretariat
	Setting up of the National Data Collection Centre	Central and sector departments	Sep'18 -Dec'19	MPD and DNPM technical secretariat
	Publish annual performance reports, evaluation and research studies	Central and sector Dept., provinces & districts	Sep'19 -Dec'22	MPD and DNPM technical secretariat

Table 3: Risk Assessment and Management Framework

All Possible Risks	Consequence	Probability	Risk Rating	Risk Management Strategy
	4. Extreme 3. High 2. Medium 1. Low	4. Almost certain 3. Likely 2. Possible 1. Unlikely	{Multiply columns 2 & 3}	{If risk is medium to high, explain how you manage it; and If the risk is low explain why this is so.
Specialist materials may be delayed in reaching site	3	3	9	Adhere to activity implementation schedule & critical path analysis; different construction teams to undertake various component tasks to fast track to meet completion deadline set by project management.
Lack of local beneficiary village or community support	1	2	2	As province is prone to natural disasters that affects cash crops the community will support project because it provides major source of cash income & equal opportunities for youths to gain employment and children to afford education that assures access to services out of village.
Poor/bad management of DSIP/PSIP/NADP/CIC/donor grants	2	2	4	Adopt stringent management accountability/ transparency in funds usage in project expenditures & for intended purpose. Payment for materials, services, etc. will be priority items for commitment to avoid outstanding logs of claims. Management to oversight commitments.
Lack of good project management team	2	2	4	Dialogue with affected state & provincial agencies to identify/attract qualified & experienced personnel to assist in project management support and implementation of coffee development project.
Drop in quality of coffee premium standards/ grades for export	2	2	4	Project coordinator, provincial & national DAL/DPI/CIC authorities to uphold rigorous quality control guidelines at Mill through regular monitoring & evaluation methods. Adjust strategy to sustain farmer's interest towards self-reliance and wealth creation and be achievers.
Pest invading new coffee plants and other diseases that affects crops	3	3	9	Project Review Committee shall be in constant liaison with DAL/DPI; CIC & technical advisors to ensure that disease do not get out of hand. Line of communication and reporting of such incidence will be in place to safeguard coffee project and out-growers in coffee districts and zones.



Table 4 (a): MTDP III Core Coffee Industry Strategy

	Core Coffee Sector Strategy	Implementation Framework
1	Revive large coffee blocks and plantations	NCDR & CIC SBP
2	Provide extension/training/business support services to cooperatives and smallholder farmers (SMEs, youth and women)	NCDR & CIC SBP
3	Establish internationally certified coffee mills for cooperatives to attract premium prices and ensure quality	NCDR & CIC SBP
4	Promote productive public private partnership for extension, research and industry operations	NCDR & CIC SBP
5	Promote value adding products and domestic consumption of coffee	NCDR & CIC SBP
6	Support integrated farming, food security and sustainable livelihood	NCDR & CIC SBP
7	Defence against pests and diseases of coffee	NCDR & CIC SBP
8	Support market access infrastructure and service delivery	NCDR & CIC SBP
9	Promote green energy, digital agriculture and e-marketing in Coffee Industry	NCDR & CIC SBP

Table 4 (b) Government Target Deliverables and Projected Timeline

Deliverables		Delivery Timeline -Year Forecast				
		2018	2019	2020	2021	2022
1	Improvement in access to coffee markets (km)	124	266	405	528	628
2	Coffee export office constructed	0	1	1	1	1
3	Strategic defence of PNG Coffee Industry against CBB	.	.	.	.	.
4	Coffee plantations rehabilitated and developed (ha)	20x5	40x5	60x5	80x5	100x5
5	Coffee adaptability and risk management to climate change	.	.	.	.	.

Table 4 (c) MTDP III Investments to CIC for Implementation

	Target Investments	2018 (PGK)	2019 (PGK)	2020 (PGK)	2021 (PGK)	2022 (PGK)	Total (PGK)	Fund
1	Coffee access roads program		5.00	10.00	10.00	15.00	40.00	GoPNG
2	Coffee Industry infrastructure development program	4.00	10.00	10.00	10.00	10.00	44.00	GoPNG
3	Coffee rehabilitation and development program	4.00	20.00	10.00	10.00		44.00	GoPNG
4	Strategic defence of PNG Coffee Industry against CBB	5.00	5.00	5.00	5.00		20.00	GoPNG
5	Freight assurance subsidy scheme	5.00	5.00	5.00	5.00		20.00	GoPNG
6	Productive partnership for agriculture development (cost inclusive of activities under cocoa)	21.25	20.00	20.00	20.00	20.00	101.25	PNG, DP



