

STRATEGIC DIRECTIONS FOR THE PAPUA NEW GUINEA CO-OPERATIVE EXTENSION SYSTEM IN THE NEW MILLENNIUM

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1. INTRODUCTION

Recent legislative changes to the structure and functions of Provincial Governments and Local Level Governments (PGLLG) have mandated new roles and responsibilities for national and provincial departments and agencies delivering extension and other services to rural communities in PNG. The legislated mandate places the PNG Department of Agriculture and Livestock (PNGDAL) in an ideal position to review its future role as the lead agency in facilitating agricultural development and serving the rural people of PNG.

The PNGDAL has completed a series of institutional reforms under the government's reform program with the objective of improving delivery of services to the rural sector. These included the establishment of the Commodity Corporations such as the Coffee Industry Corporation (ICI), Oil Palm Industry Corporation (OPIC), Fresh Produce Development Corporation (FPDC), Livestock Development Corporation (LDC), National Agricultural Research Institute (NARI) and the National Agricultural Quarantine and Inspection Authority (NAQIA). In addition, Public Investment Programs (PIPs) jointly implemented with provinces were transferred to provinces. These changes have resulted in PNGDAL retaining the core functions of policy formulation and development and regulatory roles, including monitoring and evaluation.

Significant changes have also occurred in some sectors of the agriculture sector. For example, the recent establishment of the PNG Cocoa and Coconut Extension Agency (CCEA),

a subsidiary of the PNG Cocoa Board and the Copra Marketing Board, to manage, co-ordinate and monitor cocoa and coconut extension services is further extension of the devolution of extension functions initiated with the establishment of Coffee and Oil Palm Industry Corporations.

These legislative changes and mandates dictate new institutional roles for the PNGDAL, which must be clearly defined, and if necessary legislated. It is clear however, that the devolution of roles and responsibilities previously held by PNGDAL to other statutory organisations does not mean a lesser role for PNGDAL in its important role as the lead agency for facilitating agricultural development throughout PNG. It means that PNGDAL and its collaborating partners must forge new working partnerships based on **co-operation, collaboration and interdependence**.

In essence, the changing roles of organisations and agencies involved in promoting agricultural development calls attention to developing and promoting a PNG Co-operative Extension System (PNGCES) in which all stakeholders have a collective input in improving the sector and livelihoods of our rural people.

Under a PNG Co-operative Extension System it is envisioned an agreement between research institutes, national and provincial departments with responsibilities for agriculture and rural development, non government organisations, industry corporations, private sector organisations, institutions of higher education e.g. universities and colleges, and the public at large to respond creatively and co-operatively to the many complex local, provincial, national and international issues affecting agricultural devel-

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opment in PNG.

2. OUR SUCCESSES

In its 40 - plus years, the PNG Agricultural Extension Service (PNGES) has played a key role in the development of Papua New Guinea and its people. Among its contributions are:

- Supporting the growth in agricultural productivity among the various sub-sectors, including coffee, cocoa, coconut, oil palm, tea, rubber, sugar, spices, fruits and vegetables, livestock and food crops through the adoption of improved technologies, management and farming practices.
- Educating and training young people to improve their ability to communicate, make decisions and prepare for the work force in the sector.
- Advising and training farmers to manage their projects (small businesses) and provide employment opportunities.
- Providing information and educational materials on agriculture to schools, local and overseas organizations and the general public.
- Maintaining close liaison with the private sector on agriculture development.
- Corporatizing activities of the department under industry corporations, viz coffee, cocoa, coconut, oil palm, agricultural research, quarantine and inspection services.
- Implementing joint agriculture investment programs with provinces.
- Aggressive and highly successful human resource development program.

3. THE CHANGING CONTEXT FOR PNG CO-OPERATIVE EXTENSION SYSTEM

The PNGES has been successful in serving the needs of families and improving the lives of rural communities throughout PNG.

Today, however, the extension service faces serious new challenges nationwide and outside local communities, and in the nation generally. These changes imply an increased need for strategic planning to achieve the PNG Co-operative Extension's mission and realise the vision for the future. Among the political, social and economic factors affecting the context in which PNGDAL and collaborating organisations and agencies conduct their extension programmes are these key factors:

1. Major restructuring of the Provincial Governments and Local Level Governments (PGLLG) is under the reform program. The low pace of implementing the reforms has frustrated the efforts of both government and non-government organizations involved in agriculture development programs. For PNGDAL and the provincial departments, seven major Public Investment Programs (PIPs) have been suspended by the Department of Finance until provinces have the capacity to manage the resources and implement them, and financial management and accountability procedures are established.
2. A major national economic restructuring during the past five years is due to the Bougainville crisis and the downturn in the economy. The Bougainville crisis and the consequential financial problems faced by the country continue to affect the economy. The government's structural adjustment program (SAP) under the World Bank/international Monetary Fund will continue to be the major source of assistance for getting the economy back on track.
3. A major shift in national priorities and policy. Under the reform program, provinces, districts and local level governments are the key

areas for government intervention, and delivery of education, health, community development and other services.

systems to one that is biologically and managerially intensive, environmentally sensitive, vertically integrated, and large in scale. Accompanying these changes is an increased emphasis on smallholder farms/rural community concerns and alternative farming practices such as organic production.

4. Spreading disenchantment with the role of government, particularly national and provincial governments. There is growing belief that local communities can find solutions to complex issues that affect them, particularly in the delivery of education, extension, marketing, health services and provision of infrastructure to develop these communities.

10. Changing priorities for national government support for agriculture.

5. Increasing demands for accountability in the use of public funds. There is a growing concern over the use of public funds for expenditures that are considered wasteful and unnecessary. The recent cases concerning the NPF, Sandline Affair, Cairns Conservatory, PANSAT and the CIC legal case are examples of the public's demand for greater accountability on state resources.

4. THE TASK

6. Increasing environmental concerns, including land, water, and air degradation and the potential for global climate change. The effects of the El Nino phenomenon have resulted in the long drought and the huge losses in industry revenues. The effects of the drought and frost have been devastating for approximately 1.2m people in rural communities. Rehabilitation program to bring affected areas into production will take up to 2 years for recovery - if the drought does not continue.

The PNGDAL has a history of engaging in strategic planning. Just a week ago, the Department and FAO of the United Nations co-hosted a workshop to discuss proposed changes in the legislation and administrative structure of the department and the sector. Other recent efforts were in 1997 when the DAL initiated a re-structuring program with Technical Assistance from the Asian Development Bank (ADB) and completed in 1999. Prior to that, the department published in 1996 the White Paper on Agriculture and the Medium Term Development Strategy for the Agriculture Sector 1996 - 2000 and beyond. Extensive consultation with provinces through the National Agriculture Council (NAC) and regional meetings with provincial authorities and private sector contributed towards completion of the White Paper on Agriculture and the Medium Term Development Strategy.

7. Growing consumer concern about food supply, such concerns include not only food security, but also food safety, nutrition and equity, that is, which foods will feed the most people at the least cost to the environment.

The establishment of NARI and NAQIA in 1996 and 1997, respectively, were significant milestones in the evolution of a future PNG Department of Agriculture and Livestock and extension service. The initiative to re-structure the PNGDAL and the extension service is appropriate, particularly at this period when roles and responsibilities of national and provincial departments under the reform program are being examined and re-defined.

8. A growing national debt. The debt has been exacerbated by recent economic slowdowns which are being addressed by the SAP.

The restructure of PNGDAL and provincial extension services should be seen as part of one

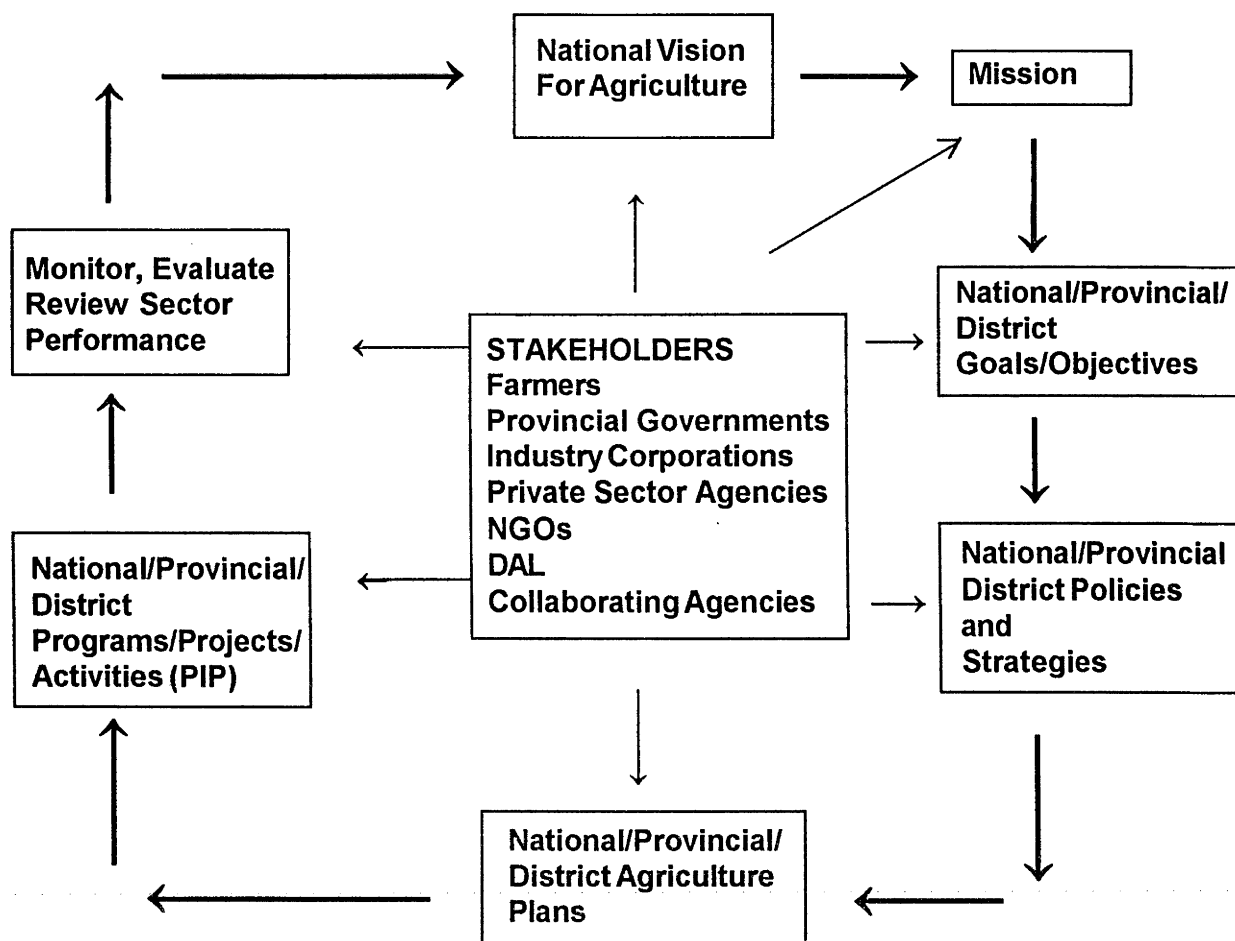


Figure 1: Framework for Cooperation and Linkage Among Various Stakeholders in the Agriculture Sector

major reform program involving all stakeholders in the agriculture sector. In order to produce a meaningful and effective strategy, mission, vision and organisational structure for a future PNG Cooperative Extension System, extensive consultations with provinces, industry corporations, private sector and non-government organisations and key government departments/agencies will be necessary.

The task will be to review existing strategic plans from provinces, industry corporations, research institutes and universities and colleges, national DAL and other collaborating organisations. Workshops should be organised nationally and key stakeholders invited to share

their observations, wisdom and views regarding the future extension system. Strategic issues that have wider implications on the future extension system should be identified and discussed at these workshops.

A quick review of the White Paper on Agriculture, the Development Strategy and other documents indicate the following.

1. There is no consensus among key stakeholders on the mission, vision and values of DAL. The existing statements are vague and need to be re-written. The mission, vision and values statements must be consistent in all official DAL and government

documents.

2. There is no consensus among key stakeholders on the goals (or objectives) of DAL. The existing goals need to be reviewed and re-written to reflect future goals or objectives as seen and agreed by other stakeholders.
3. There are either vague statements or no statements from Provincial Departments on their mission, vision and goals for agricultural development in their respective provinces. These statements should be discussed and agreed upon during consultation meetings/workshops so that a national view on development of the agriculture sector can be formulated. Out of this would emerge a National Agriculture Plan.

The task has begun with an internal re-structuring exercise within National DAL (NDAL) and is continuing with Technical Assistance from the FAO in reviewing agriculture legislation and management structure. Consultations with Provincial DAL (PDAL) in Morobe Province were initiated on future framework for co-operation and collaboration between NDAL and PDAL and other agencies indicated strong support for closer working relationships and linkages at all levels. The framework is shown in Figure 1.

Further and wider consultations with our collaborating partners, particularly, the industry corporations, private sector and non-government organizations are needed.

It is hoped that through these and future consultations will emerge a national mission, vision and values statements that provides a philosophical foundation and framework for PNG Co-operative Extension within the sector's overall mission and vision under the National Agriculture Plan. Secondly, there is consensus that the research/extension linkage remains a key element in the system and it is critical to find ways to maintain, strengthen and manifest this important partnership.

5. MISSION

As stated elsewhere, a mission statement for the sector and NDAL needs to be agreed upon by key stakeholders. Several versions of the mission statement have been published in DAL documents. A mission statement should be succinct and simple, but encompass those core objectives and goals of the sector. If existing mission statements are acceptable to participants of this NAC, then the NAC should adopt the statement for official use in all government documents.

The mission statement for the PNG Co-operative Extension Service should corroborate and support the mission statement of the sector. For example, **the mission statement of the PNG Cooperative Extension Service is to enable people to improve their lives and communities through partnerships that enable experience and research knowledge to be shared and utilized.**

6. VISION

Vision statements have been published in DAL documents. These need to be revised and agreed upon by stakeholders. **A PNG Cooperative Extension Service should provide innovative, flexible and participant-driven programs that promote new ways of learning, thinking and acting. This would enhance the quality of life by promoting individual growth, strengthening families, improving economic well-being of businesses, enhancing the environment, and building stronger communities.**

A future PNG Co-operative Extension Service would be committed to partnerships among districts, provinces and national governments, colleges, universities, industry corporations, private sector and non-government organizations. The strength and durability of these partnerships depend on shared concerns, shared responsibility, shared authority, shared costs, and shared recognition. The key concept in all

these partnerships is **co-operation**, thus, the name **Co-operative Extension Service**.

7. VALUES

A statement of the core values that are important in achieving the mission and vision of the Extension Service and help improve the lives of people and rural communities would re-enforce the mission, goals and objectives for the sector. At present, there are no value statements in current documents.

Some of the values might be:

- excellence in building individual competence, credibility and integrity to deliver innovative and vital programs.
- collaboration: optimize resources and program outcomes through co-operative partnerships both within and outside of extension.
- results oriented programming: deliver programs that are valued by people because they succeed.
- responsiveness: respond to people's needs in a timely, efficient and resourceful manner.
- commitment to the future: anticipate future needs and develop appropriate programming.

8. STRATEGIC ISSUES AND ACTIONS

The strategic issues that will guide the evolution of a PNG Co-operative Extension Service into the 21st century include:

1. Defining and describing the PNG Co-operative Extension System
2. Sharing leadership throughout the system
3. Ensuring high-impact outcome-based programming

4. Optimizing human, financial and technological resources
5. Maximizing collaborative relationships
6. Realizing pluralism
7. Promoting a contemporary image
8. Engaging in organizational renewal and change.

8.1 Define and Describe the PNG Co-operative Extension System

Preferred Future: All stakeholders of the PNG Cooperative Extension System (PNGCES) have a clear and consistent understanding of the mission, vision and values of the organization and are able to apply them in achieving program results in which there are shared concerns, shared responsibility, shared authority, shared costs, shared recognition, and shared accountability.

Strategies: Define and describe the PNGCES to fit contemporary society and higher education. Define roles and relationships both within and with external partners, including the public. Some strategies include:

- Involve system partners in decision making. Make adequate information available for informed decisions. Engage system partners in a process to define and describe the system, including roles, responsibilities, and work functions for various staff and other agencies and organisations.
- Reward meritorious performance with recognition and monetary awards and compensation.
- Assume leadership role and be a team member in the emerging organizational efforts in outreach. Make a strong case to establish a position within the executive of the DAL that has direct responsibility for extension.

sion and outreach.

- Update the organisational structure so that it is flexible and responds to societal needs as they arise.
- Work to establish representation for the interests of outreach and extension on National Planning Committee and Budget Priorities Committee.

8.2 Share Leadership throughout the System

Preferred Future: Leaders from public, private and community articulate the organisation's vision and invite public participation. In addition, they organise human and fiscal resources and retain flexibility to optimize results and respond to changing environments. A culture of shared leadership is developed, supported and rewarded. Leadership involves behaviour that is at times both orderly and chaotic, depending upon the situation. The PNG Cooperative Extension Service consciously seeks and models a variety of leadership styles for achieving balance and success throughout the system, in particular for welcoming new ideas that improve outcomes.

Strategies: Shared leadership is encouraged, supported, and rewarded throughout the system. Strategies include:

- Clearly describe the need for and benefits of shared leadership in the PNG Co-operative Extension System.
- Identify core leadership principles and provide opportunities for both paid staff and others to learn and practise them.
- Establish a series of in-service education experiences for staff and others that are designed to develop and expand their leadership skills throughout their extension career. Experiences may include staff introduction to PNG Co-operative Extension, early career opportunities for staff who inspire to roles of greater responsibility and leadership activities

ties for staff who are in leadership roles.

- Review, renew, and describe the roles of other agency staff in the system and establish meaningful leadership development experiences so that these staff are effective as they carry out roles and responsibilities.
- Use assessment tools from the time of recruitment and hiring and throughout an individual's career that will guide both the design for the system's leadership development program and the individual's leadership development experiences.
- Provide personnel, financial, and other resources sufficient to implement and sustain quality leadership development experiences.

8.3 Ensure High Impact Outcome - Based Programming

Preferred Future: The PNG Co-operative Extension Service should strive for and be recognised for excellent educational programming that strengthens the capacity of individuals and families, businesses, communities, and public and private decision makers to deal effectively with issues. Clear program priorities should provide coherence and direction, and they guide how resources are allocated. Administrators and extension staff should document and communicate the impact of programming and evaluate the effectiveness of alternative delivery methods. Effective advisory structures and program partnerships must exist to assist with priority setting, program design, program evaluation, and communication. Technical assistance would be provided through partnerships among professional and technical staff, educators, and administrator. Reporting processes and structures should be based on accountability and the program management needs of the system.

Strategies:

- Insist on program relevance to priority needs.
 - Refine mechanisms for establishing issue priorities and related programming

- and ensure that resources flow to agreed
 - upon priorities.
 - Sponsor research that addresses identified system priorities.
 - Incorporate the policy aspects of priority issues into programming.
 - Invite input from partners to determine the most appropriate emphasis for programs for specific periods of time.
- Insist on high quality programming.
 - Develop an agreed-upon definition of high impact, outcome-based programming.
 - Hire highly qualified staff or establish alternatives for appropriate professional development.
 - Support productive, committed staff. Divest non-productive programs and staff.
 - Establish recognition and reward systems based on program impact and products, not just activity.
 - Establish a juried curriculum review process.
 - Direct resources to priority programming.
 - Secure funding to support agreed-upon priorities and program direction.
 - Support research, extension, and instruction collaboration that focuses on the highest priority issues; reaches across the entire extension system and effectively builds on partnerships among educators, researchers, extension staff, and administrators.
 - Develop flexible staffing capabilities to address priorities.
 - Reform administrative processes and procedures to better support priorities and high - impact outcome-based programming.
 - Become a learning organization.
 - Develop mechanisms for sharing examples of high-impact, outcome-based programming, assessing program shortcomings, and celebrating success.

- Learn from other organizations through experiences provided by, for example, executives from other organisations, short inter-agency attachments and leadership training programs.

8.4 Optimize Human, Financial and Technological Resources

Preferred Future: Staffing patterns reflect both longer-term commitment to the organisation and flexibility to respond quickly to emerging issues. Non-public service staff and volunteers from the communities fill key leadership and program roles and help to expand PNG Co-operative Extension capacity to reach larger numbers of people with indepth one-on-one educational experiences where appropriate. Policies and procedures are consistent with legislative intent and are minimal in number to allow the greatest amount of flexibility and creativity in the organisation. Professional, technical and extension staff are fairly compensated for the knowledge, experience and skill they bring to their position and for high-quality, outcome-based programming. Technology enhances human resources by providing tools to expand communication alternatives, improve productivity, increase opportunities for collaboration, and allow more timely knowledge access and delivery.

Strategies: To be a viable organisation, the PNG Co-operative Extension Service resources must grow at a rate greater than the rate of inflation

- Tailor staffing to address identified needs and critical issues. Increasing numbers of staff throughout the system will be employed for short-term projects that demand specific expertise, knowledge and skills. Core staff assume responsibilities for organizational leadership and integrative program management.
- Make personnel decisions at the appropriate place, while at the same time ascertain that they are consistent with policies, guidelines, and regulations. To facilitate this, policies and procedures will be reviewed and modified.

fied.

- Support collaboration among professional, technical and extension staff, and administrators that results in documentation of impact and accountability for quality programming.
- Ensure that remuneration is consistent with a person's quality of programming, educational background and experiences, and complexity of responsibility.
- Establish priorities and identify alternative funding sources through the program development process. National, provincial and district appropriations continue to provide a base for operations.
- Support the use of state-of-the-art technology with a commitment of financial resources and use it where appropriate and feasible in implementing administrative functions, connecting with other collaborators regardless of location, and conducting educational experiences that result in high-impact, outcome-based programming.

- Support collaboration among the public and private sectors to reduce duplication, conserve valued resources, and find lasting alternatives for addressing complex issues.
- Share "best practices" and "lessons learned" so that throughout the system, professional, technical and extension staff and educators find ideas and knowledge that fits their experiences and style for initiating, nurturing and completing collaborative relationships.
- Reward collaboration that results in desired behaviours.

8.6 Realize Pluralism

Preferred Future: The PNG Cooperative Extension Service embraces pluralism. The organization creates and fosters environments that promote mutual respect, value human differences, and encourage collaboration among its stakeholders, staff, programs and audiences or clienteles.

Strategies: Differences among all stakeholders are respected and valued.

Promote an agreed-upon definition of pluralism.

- Increase diversity of employees and volunteers.
- Change the culture of the organization so that it is consistent with the changing demographics.
- Expand exchange programs in which professionals who are members of an organization can experience being a member of a different organization.
- Invite other professionals to interact with extension staff and administrators and other stakeholders through seminars, workshops, and other events.
- Expand in-service training that promote diversity and integration.

8.5 Maximize Collaborative Relationships

Preferred Future: To optimize resources and achieve high-impact outcomes from programming, collaborative relationships are essential. Building such relationships is fundamental to making societal change and creating new possibilities that require diverse expertise and harness innovation from both the public and private sectors. Collaboration requires bringing individuals and groups together so that mutually agreed-upon outcomes are the basis on which programming, roles, tasks and responsibilities are defined and acted upon.

Strategies: Professional, technical and extensions staff become effective collaborators and provide leadership for partnerships that promote high-impact programming. An attitude prevails that promotes cooperation around mutual interests.

- Invite other professionals to interact with extension staff and administrators and other stakeholders through seminars, workshops, and other events.
- Expand in-service training that promote diversity and integration.

- Establish measurable objectives to assess program towards diversity of employees.
- Update organizational policies and procedures to ensure support for diverse staff, volunteers and program participants.
- Deliver innovative programming to address the needs of under represented populations.
- Involve representatives from diverse target audiences in planning and evaluating educational programming.
- Expand programming in rural metropolitan areas to diverse audiences including, but, not confined to limited resource populations, provinces and districts and displaced settlers.

8.7 Promote a Contemporary Image

Preferred Future: PNG Co-operative Extension's contemporary image is clearly communicated and understood throughout the nation by all stakeholders.

The public recognises our program achievements and the organization's ability to access knowledge from local and overseas network partners. People value the contribution of research and education in helping them to improve their productivity and quality of life. Staff of partner organizations and community leaders and representatives have a clear and consistent understanding of the mission, vision, and values of the PNG Cooperative Extension Service.

Strategies: System - wide marketing goals relate to high- impact, outcome-based programming. Adequate resources are committed to marketing to achieve agreed-upon goals.

- Create a vision for marketing leadership, re-direct resources or acquire new ones including staff to support and continue a system-wide marketing initiative.
- Identify internal and external audiences and

conduct market research to analyze the organization's current image with each audience, identify strategies for updating perceptions and building a preferred image.

- Position the organization to have greater input into development agenda of the nation, provinces, and local communities through targeted communications.
- Set goals, develop a plan and expand opportunities to remain a lead organization for agricultural development with sufficient resources to carry out the mission and vision.
- Develop a high profile promotional campaign, employ a mix of marketing techniques to create the desired organizational image and convey a specific message that informs people of action required to receive the promised benefit.

- Promote the mission, vision and achievements at the PNG Cooperative Extension Service by developing resources and methods for effective marketing, establish a marketing protocol and instill members of the system in the appropriate use.

- Create a media opportunity that highlights quality programming and promotes PNG Extension Services unique contributions to the nation's well being among targetted audiences.

8.8 Engage in Organizational Renewal and Change

Preferred Future: Throughout the organization, change is viewed as an opportunity for growth and as a way to better fulfill its mission. The PNG Co-operative Extension Service not only advocates change for those to whom its programs are directed but also for itself as it strives to continually improve on its ability to be responsive to the needs of people in rural PNG.

Strategies: Continual self-examination and review is practised in which programs, administra-

tive procedures, and partnerships are critically examined and changes made.

- Improve the efficiency and quality of programming through organizational structures that are based on need and optimize the use of technology.
- Improve program effectiveness and administrative efficiency both in the public and private sector organizations through structural procedures that lead to that end. Collaboration with provinces and with public, private and non-governmental organizations and agencies would continue to develop.
- Engage both public and private sector staff and volunteers in development experiences that increase their comfort with and propensity towards change.

9. THE SMALLHOLDER SUPPORT SERVICES PILOT PROJECT (SSSPP)

9.1 Project Description

The Project will improve agricultural support services to smallholder farmers in the two most populous provinces of Papua New Guinea (PNG): Eastern Highlands Province and Morobe Province. This includes support for performance-based agricultural support services on a contract basis, and for shifting the role of government agriculture agencies from directly providing support services to managing service providers. The Project will assist in establishing a **Support Services Contract Facility (SSCF)** in each of the two provinces, provide capacity building for agricultural staff and service providers, and support Project coordination.

9.2 Rationale

Although smallholders account for about 95 percent of the rural population and contribute 70-80 percent of the value of agricultural production, their needs for agricultural support services have not been adequately addressed in the past.

The reforms in the agriculture sector initiated in the early 1990s and supported by the 1995 Organic Law were aimed at improving service delivery to the rural population and are still in the process of being implemented. They are in line with the Bank's (ADB) operational strategy and, in part, have been supported by Bank assistance.

An innovative approach promoted by the Government is the contracting out of agricultural service delivery to make it more flexible, cost effective, and performance focused, and to reach wider target groups. The Project will support contracting-out arrangements that address smallholder needs in areas such as marketing, crop and livestock production, input supplies, farming systems management, training and awareness, and community development. The Morobe government is the first provincial government to experiment with contracting out support services in the agriculture sector. The Project will help to expand and improve upon this initiative. Both the national Government and the provincial governments accord a high priority to the Project, because it will assist them in testing and refining contracting-out arrangements that better address smallholders' needs for agricultural support services.

9.3 Objectives and Scope

The Project will increase the access by smallholder households in two provinces to improve agricultural support services, thereby increasing agricultural production, productivity, and the income of smallholders and helping to ensure the sustainability of their farming systems. An associated goal is to enhance the status of women in agriculture by focusing support services on food crop production, which traditionally is the domain of women.

The Project has three components: (i) establishment of an SSCF in each of the two provinces to improve performance-based contractual agricultural support services to smallholders, (ii) capacity building for agricultural staff at the national, provincial, district, and local gov-

ernment levels, as well as for smallholder support service providers including semi-private and nongovernment agencies and groups, and (iii) Project coordination.

The Project will pilot test a promising new approach to the delivery of support services contracting out. If the approach is deemed successful, it will be extended and expanded into other provinces after this Project is complete.

9.4 Cost Estimates

The total cost of the Project is estimated at \$11.5 million equivalent, including a foreign exchange component of \$2.3 million and a local currency cost component of \$9.2 million equivalent.

9.5 Financing Plan

Bank financing will amount to \$7.6 million (66 percent of total Project cost). Government financing will amount to \$3.9 million (34 percent of total Project cost) on which 24 percent will be provided by the national Government, 53 percent by the Morobe Provincial Government, and the remaining 23 percent by the Eastern Highlands Provincial Government.

9.6 Loan Amounts and Terms

The loan will be in the amount of \$7.6 million from the Bank's ordinary capital resources and have a maturity period of 25 years, including a grace period of 5 years.

9.7 Period of Utilization

Until 31 December 2004.

9.8 Executing Agency

Department of Agriculture and Livestock at the national level.

9.9 Implementation Arrangements

A Project co-ordination unit established within the national Department of Agriculture and Live-

stock will coordinate Project implementation. An SSCF management unit established in each of the provincial divisions of agriculture and livestock will be responsible for management of SSCF. An SSCF steering committee in each province will provide policy direction to the SSCF management unit.

9.10 Procurement

Procurement of goods and services financed under the Project will be in accordance with the Bank's **Guidelines for Procurement** and Government procedures acceptable to the Bank. Civil work contracts, totalling less than \$75,000 equivalent, will be awarded on the basis of local competitive bidding in accordance with Government procedures satisfactory to the Bank. Supply and service contracts, each of which will be below \$100,000 equivalent, will be awarded on the basis of the direct purchase procedure.

9.11 Consulting Services

The Project will require an estimated 315 person-months of long-term consulting services, consisting of 126 person-months of international consultants and 189 person-months of domestic consultants to assist in Project coordination and in the management of the two SSCFs. In addition, a short-term international consultant will be recruited for conducting workshops under the capacity-building component. Consultants will be selected and engaged in accordance with the Bank's **Guidelines on The Use of Consultants**, and other arrangements satisfactory to the Bank for the engagement of domestic consultants.

9.12 Estimated Project Completion Date

31 December 2004.

9.13 Project Benefits and Beneficiaries

The main Project benefits will include increased agricultural production, productivity and income in the two provinces. The primary beneficiaries will be smallholder households growing cash

crops on less than 0.5 hectare of land. By focusing support services on food crop production, at least a third of the primary beneficiaries include agricultural staff at the different government levels, who will receive formal and on-the-job training. The skills of service providers will be developed and improved through business training.

and improve agricultural extension services delivery to rural PNG. Let's get our act together and get agriculture moving again.

10. CONCLUDING REMARKS

The ideas discussed in this paper are not new. At the 1996 NAC held in Alotau, the concept of "Smart Partnerships" was endorsed by the Council. The ideas explored under the "Smart Partnership" concept are discussed here with the same ends in mind; a better organized and co-ordinated extension service based on co-operative partnerships among collaborating agencies and organizations.

The strategic directions discussed in this paper provides a pathway to achieve ongoing excellence. The PNG Co-operative Extension Service based on these ideals will continue to have a primary responsibility to serve the needs of rural PNG. To fulfill the changing needs of people, businesses, and policy makers, it is imperative that excellence be maintained while at the same time establishing new directions. An era of increasing accountability, a trend among communities toward greater local autonomy, and a new array of funding and human resources are all combining to produce change in extension policies and programming. Therefore, it is important to have a framework from which decisions can be made and resources targetted.

The ideas discussed in this paper provide a context and direction from which realistic goals can be established. The challenge is to have clear direction while maintaining flexibility so that evolution of the extension system is supported and timely opportunities are pursued. An opportunity is before us to create an environment for establishing collaborative partnerships among all stakeholders in the sector that will enhance