



Investing in rural people

Linking farmers to Fairtrade markets in Papua New Guinea through ICT to improve livelihoods in remote rural areas

GRANT RESULTS SHEET



Grant funded by the Republic of Korea



Ministry of Agriculture,
Food and Rural Affairs

The project aimed to strengthen smallholder coffee and cocoa producer organizations in Papua New Guinea through improved access to ICTs



FAIRTRADE
AUSTRALIA
NEW ZEALAND

Introduction

The project “Connecting Fairtrade Communities to ICT” in Papua New Guinea is a small grant of US\$360,000 funded by the Republic of Korea in partnership with IFAD. It was implemented by Fairtrade Australia and New Zealand (Fairtrade ANZ) from November 2013 to June 2016.¹ The programme worked with four Fairtrade certified producer organizations and four pre-applicants to Fairtrade certification.

Goals and objectives

The project was designed to contribute to poverty reduction and livelihood improvement among Fairtrade certified and advanced pre-applicant groups in Papua New Guinea by facilitating communication among farmers, processors and traders, and with consumers through enhanced access to ICTs, as they build their own producer to consumer relations. It aimed primarily to strengthen farmer organizations in planning and developing new and more profitable enterprises by building on better information about markets and collaboration with others in the supply chain.

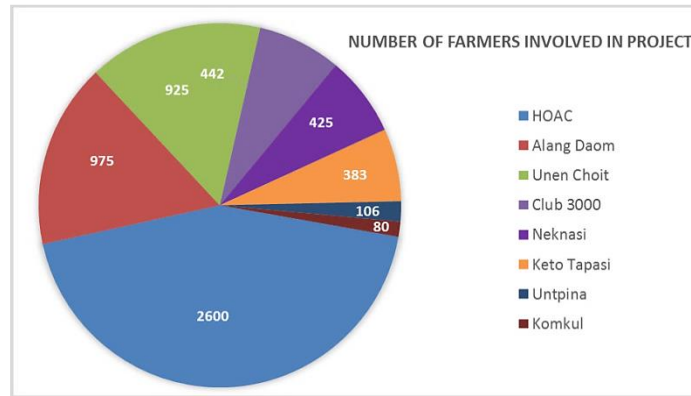
Beneficiaries

The project targeted nearly 6,000 Fairtrade certified and applicant smallholder coffee and cocoa producers, as well as their families and communities.

¹ A six-month no-cost extension was approved by IFAD as the project required more time to engage service providers and extended some interventions to additional beneficiaries.



Number of members of producer organizations involved in the project



Facts at a glance

Grant implementing agency

Fairtrade Australia and New Zealand (Fairtrade ANZ)

Theme

Connecting Fairtrade Communities to ICTs

Benefiting country

Papua New Guinea

Programme cost

Republic of Korea: US\$360,000

Cofinancing:

New Zealand Aid Programme:

NZD 4,560,000

Fairtrade International: €12,000

Effectiveness and duration

2013-2016

Linkages to IFAD investment project

Productive Partnerships in Agriculture Project (PPAP)

Main activities

Capacity assessment. An assessment of the overall ICT systems in the country, including opportunities and challenges for their use by smallholder farmers in rural areas, indicated that the existing communication networks available in the target organizations were hindered by factors such as irregularity of mobile coverage, lack of safe and reliable charging options, and high costs. The study made some recommendations: (i) develop and promote SMS and interactive voice response messaging systems; (ii) install information kiosks in key locations; (iii) develop satellite radio; (iv) provide solar charging stations and cell towers; and (v) source basic office equipment.

Workshops. Two workshops held in 2014 and 2015 conducted an in-depth and consultative assessment of target producer organizations, exporters/technical service providers, and government bodies, and mapped out actors along supply chains.

ICT interventions. Local ICT providers and trainers were engaged to explain to the target organizations the products and services they could offer, provide training in how to use the ICT products, and contribute to defining the programme's interventions to improve the ICT systems for each producer organization. Conventional training was combined with practical workshops.

Producer organizations were provided with basic office equipment, including laptop computers, laptop bags, printer/scanner/copiers, anti-virus and Microsoft Office software, and digital cameras; solar charging packs; and mobile phone packs. Offices were also supported in installing communication applications for mobile phones.

Main results

More efficient and effective communication and greater members' commitment. Producer organizations were able to engage their membership more effectively, by providing timely updates on meeting plans, purchases and sales. This also encouraged stronger commitment among members and enhanced transparency and accountability within the organization. It was estimated that, by the end of the programme, 70 per

ICTs contributed to facilitating the Fairtrade certification process and market access for producer organizations

cent of the target group would continue using Digicel services at their own cost.

Faster and more efficient process for Fairtrade certification. Producer organizations no longer rely on exporters to apply for Fairtrade certification and are now able to conduct the process directly.

Greater access to markets and better market linkages. Connections were improved between producer organizations and buyers, and between exporters in the country, importers, and manufacturers/roasters overseas. Producer organizations are now able to access better and more timely information on shipments, produce quality, weather conditions, and pricing. Improved market linkages translates into higher economic returns for the producers.

Enhanced industry coordination and collaboration along the supply chain. The Digicel closed user group and its associated WhatsApp group are enhancing industry coordination and ensuring regular communication between coffee and cocoa producer organizations, and with the Fairtrade community in Papua New Guinea.

Increased efficiency. 43 per cent of respondents reported having used the office computer provided by the project (67 per cent of these on a daily basis). This enhanced office work efficiency, including processing correspondence and communicating more effectively with members and traders. All respondents reported using the mobile phone solar charger, which increased use of mobile phones by 81 per cent of the members, with 71 per cent continuing to do so after programme completion. Between one third and half of group members also use internet services. The combination of solar chargers and Digicel services

Increasing coffee produce volume

Unen Choit Cooperative Society has continued to use the solar chargers distributed in a number of ways, including charging their newly acquired EFTPOS (electronic funds transfer at point of sale) machine. Unen Choit invested in an EFTPOS machine through Bank South Pacific to enable farmers to sell their coffee at the farm gate and receive payment immediately rather than having to transport it long distances to sell it to the cooperative. This new arrangement has increased the volumes of coffee Unen Choit is able to source from its members, who now receive a fair price in a timely manner.

significantly increased their ability to communicate with other members, Fairtrade ANZ, and partner organizations.

Increased access to electricity and reduced petrol cost. Through the use of the solar panels, producer organizations reduced the use of generators and associated petrol costs. Office staff can now work in the evenings as well. Based on estimates made by the project, the average savings of 791 Papua New Guinea Kina (approximately US\$250) per month.

Increased security. Anecdotal evidence emerging from project implementation shows that producers and people in general have

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experienced increased security levels as a result of regular access to mobile phone charges and solar lighting at night.

Lessons learned

To promote sustainability, the projects need to provide support in a way that will then be taken up by beneficiaries. For example, producer organizations were provided with equipment and services on a limited scale, so that they would then be encouraged to invest their own resources in ICTs based on the level of improvement offered by each ICT they have had experience with.

It is critical to work as much as possible through the existing organizational structures, giving responsibility to lead farmers to make the interventions accessible to all community members. In-kind contributions were also required from each producer organization, in the form of time spent by members to ensure proper roll-out of the interventions, and in supporting the costs associated with installation and maintenance of the equipment.

Conclusion

The project was successful in contributing to strengthening the capacity of smallholder producers and their organizations by enhancing their ICT systems and addressing the communication and transportation challenges they face in Papua New Guinea. Access to ICTs has led to more reliable and frequent interactions both among members and among producer organizations, buyers and partners; more effective and efficient office work; and increased security that is also beneficial to women and children. ICT training and investments contributed to better positioning target producer organizations to plan and develop new and more profitable enterprises, also thanks to better market information, increased reliability in the eyes of their traders, and greater communication with actors in their supply chain.