

Call for Expression of Interest (EOI)

Developing sustainable and traceable supply chains of agri-commodities in Papua New Guinea

1. Overview:

The Australia PNG Economic Partnership (APEP) is leading an initiative to enhance the nation's agricultural supply chains. The cornerstone of this initiative is to improve market access for PNG commodities and facilitate a strategic shift towards sustainable, traceable, and certified supply chains, both domestic and international. This project focuses on critical export commodities such as coffee, cocoa, and vanilla, as well as fresh produce such as sweet potatoes, taro, and onions.

This approach is a response to the growing global demand for ethically produced goods and a necessary step towards ensuring the long-term viability of PNG's agricultural sector. With the European Union (EU) and other major markets increasingly implementing stringent environmental and sustainability standards, PNG's ability to adapt and comply is crucial. The EU's anti-deforestation regulation, known as the EUDR, exemplifies such changes, emphasizing the need for PNG to develop robust traceability systems and sustainable farming practices.

This EOI seeks to galvanize the role of agribusinesses in this transformative journey. Recognizing the challenges and costs associated with upgrading to these new standards, APEP is committed to supporting the agribusinesses, particularly in extension services, traceability, and certification. The goal is not only to enhance market access but also to foster an agricultural ecosystem that is environmentally sustainable and socially responsible.

Through this EOI, we invite experienced exporters and certification providers to submit proposals that align with these objectives. The successful implementation of this project could unlock new market opportunities, enhance the quality of life for smallholders, and position PNG as a producer of sustainable agriculture.

2. Project Objective:

- **Enhance Market Access and Compliance:** Propel PNG's agricultural commodities into competitive and sustainable positions. This involves aligning with international standards, particularly sustainability and traceability, in response to evolving market requirements like the EU's anti-deforestation regulation.
- **Strengthen Private Sector Capabilities:** Foster the development of a robust, sustainable, and traceable agricultural supply chain through the private sector. This includes enhancing the skills and resources of exporters and certification providers in areas such as sustainable agronomic practices, compliance with international standards, and the implementation of effective traceability systems. The goal is to create a collaborative ecosystem where the private sector can drive sustainable agricultural practices, ensuring long-term economic viability and environmental stewardship in PNG's agricultural sector.
- **Improve Smallholder Income:** This project aims to significantly boost the income of smallholders by facilitating their access to premium markets and enhancing the quality of their produce. By integrating them into sustainable and traceable supply chains, smallholders will benefit from higher market prices and increased demand for certified products. The project will enable them to adopt improved agricultural practices, resulting in better yields and quality, thereby enhancing their economic resilience and livelihood.

3. Proposal Requirements:

All proposals must provide:

- Proven experience of marketing agricultural commodities.
- Established relationships with buyers, demonstrating a track record of market access.
- A commitment to sustainable agricultural practices and adherence to environmental and social standards.
- Evidence of financial stability and the ability to co-invest in the project, ensuring long-term sustainability and impact.

- Experience and demonstrated capability for enhancing sustainable and traceable supply chains. This should include specific methods for implementing extension services, developing traceability systems, and achieving certifications for agriculture products.
- An in-depth analysis of current market strategies and supply chain logistics, particularly focusing on how these will be improved or transformed.
- Evidence of prior experience in trading agricultural commodities, especially in managing complex supply chains and complying with international standards.
- A detailed financial plan including cost analysis, revenue projections, and a co-investment strategy. This should demonstrate the financial viability and sustainability of the proposal.
- Outline how the project will involve and benefit smallholders, including plans to improve their income and farming practices.
- Mechanisms for monitoring, evaluating, and reporting the project's impact on sustainable agriculture, market access, and smallholder welfare.
- Proposals should reflect innovative, practical approaches to integrate smallholders into these enhanced supply chains, focusing on improving their incomes and livelihoods while adhering to environmental and social sustainability principles.
- Proposals relating to coffee should outline strategies for managing and mitigating the impact of the coffee berry borer which is a significant pest affecting coffee production.
- Initiatives for reforestation, such as planting shade trees that benefit crop growth and biodiversity that align with environmental sustainability goals and compliance with EU deforestation regulations.
- Proposals must demonstrate a commitment to Gender Equality, Disability, and Social Inclusion (GEDSI), showcasing how these principles will be integrated into the agricultural value chains.

4. Evaluation Criteria:

- **Alignment with Project Goals (30%):** Assessing how well the proposal aligns with the project's objectives, including enhancing market access, implementing sustainable practices, and improving smallholder livelihoods.
- **Technical Feasibility and Innovation (25%):** Evaluating the technical soundness of the proposed methods for extension services, traceability systems, and certification processes. Innovation in approach will also be considered.
- **Financial Viability and Sustainability (25%):** Analysing the financial plan for its realism and sustainability, including cost-effectiveness and potential for long-term impact.
- **Impact on Smallholders and GEDSI Integration (20%):** Measuring the potential impact on improving smallholder incomes and livelihoods and the integration of Gender Equality, Disability, and Social Inclusion principles.

5. Submission Process:

Proposals should be submitted by July 10, 2024, to **PNG Tenders** <png.tenders@amspng.org>.

6. Selection Process:

Shortlisted applicants will be invited to discuss their proposals further. The final selection will be based on the proposal's alignment with the project's goals, sustainability, and potential for impact.

7. Contact Information:

For queries regarding the EOI, please contact: **PNG Tenders** <png.tenders@amspng.org>