

East New Britain Balsa Industry Strengthening Project (Phase II) Papua New Guinea

Final Report

PD 7/99 Rev. 2 (F)

I. Introduction

The project is a follow-up to the Phase I project PD 4/94 Rev.3 (F) which has been successfully completed. It was approved by the Council at its Twenty-sixth Session in May 1999 and financed in full during that same session. The Agreement regulating the implementation of the project was signed on 18th August, 1999. The PNG Forestry Authority failed to open a separate US\$ bank account due to the existing national financial rules and procedures. The first disbursement of funds to the Project was made to the local currency account on 14th July, 2000.

II. Project Objective

The objective of the project is to continue to increase rural employment and incomes, particularly in the Gazelle Peninsular area and New Ireland Province. Its specific objectives are: a) to continue to improve the institutional and organizational effectiveness of the balsa industry in the Gazelle Peninsular area of East New Britain Province as well as New Ireland Provinces, b) to improve silvicultural management of balsa plantations, and c) to continue to improve smallholder incomes through balsa development with emphasis on extension and training as well as genetic improvement.

III. Project Strategy and Activities

The project strategy enlisted the use of Balsa Growers Association and the Project's extension services which include: increased nursery production and distribution, monitoring, the provision of advice and information to further improve the industry infrastructure, resource establishment and management, and to maintain continuity in quantity and quality of balsa wood production. The strategy also aimed to assist the industry to redevelop its own goals and objectives to ensure continuity.

IV. Project Achievements and Outputs

Achievements of the project can be summarized as follows:

- The balsa industry structure and organization had been established with the formation of the Balsa Growers Association (BGA) and the development of the Balsa Industry Programmes;

- Training of PNG Forest Authority staff in silviculture and extension as well as market familiarization with the millers had been expanded and completed;
- Inputs to balsa plantation establishment were provided and training of farmers in balsa silvicultural techniques was carried out;
- The balsa silviculture was upgraded through the conduct of growth and yield studies in twelve plots specifically designed for the purpose, fertilization trials at nurseries, publication of balsa silviculture manual and development of natural regeneration management techniques; and
- A total of 66 seed trees were assessed, seed collection was able to meet the industry's demand and three seed orchards were established and maintained.

V. Target Beneficiaries Involvement

Balsa farmers, the main beneficiary of the project, were actively participating in the BGA's programmes and making full use of its designed documentation systems, enjoyed the services or trainings offered by the project which covered all aspects of growing and harvesting, addressing problem and complaints, and delivering seedlings to farmers. PNG Forest Authority and other Government Agencies were also important beneficiaries of the project who had learned a lot and gained considerable about the industry and would be able to continue the work and train others.

VI. Lessons Learnt

Among the many lessons learnt from the implementation of the project it is worthwhile to highlight the following:

- The most important inter sectoral links which affected the success of the project was the recent enlistment of the project's assistance to develop training opportunities and to engage in cooperative extension;
- There was a need to introduce a regulation in the form of the code of practice to improve cooperation between the project, farmers, PNGFA and companies;
- Monitoring and evaluation of the project was not difficult once the systems of growers registration, purchasing agreements, log tally sheets and nursery recording systems were established;
- There was a need to clearly define the roles and responsibilities of all parties involved in order to minimize conflict from occurring; and
- The project had experience delay in its implementation mainly due to the accounting and disbursement of funds problems.

VII. Dissemination of Results

The project results had been disseminated through the various discussions, trainings and seminars conducted during the implementation of the project. After the project completion, the results will primarily be disseminated through the Balsa Growers Association and its networks and through publication. The Completion Report and the Technical Report are available from the ITTO Secretariat upon request.

VIII. Recommendations Related to Future Work

- There is a need to establish two impressed accounts, one for the ITTO contribution and the other for the GoPNG contribution in order to ease flow of funds;
- There is an urgent need to clearly define the roles and responsibilities of all parties involved in the implementation of a project prior to commencing the operations; and
- To ensure sustainability of project activities, the project has to ensure that the management of such a project is sustainable.

IX. Concluding Remarks

The project was implemented with a substantial time extension due to administrative and technical reasons. Since the ITTO Secretariat has received the Completion Report and Technical Report, this project can be considered as completed pending the Final Financial Audit Report.