



Australian High Commission

Papua New Guinea



## Supporting Private Sector Development in PNG Agriculture: Rural Development, Markets and Trade

The Australian Government's aid policy places private sector-led economic growth at the heart of the aid programme. All new aid investments must consider ways to engage the private sector and promote private sector growth — to create jobs and reduce poverty.

- Over 85 per cent of Papua New Guineans live in rural areas. Subsistence agriculture is the primary economic activity - yet only around 3 per cent of cultivated land is used for export cash cropping.
- Increasing domestic agricultural production and agricultural exports benefits poor rural populations in PNG.



### The four pillars of Australia's Private Sector engagement in PNG



### Key Initiatives

PROGRAM	DESCRIPTION	ESTIMATED
<b>Supporting Rural Development</b>	Support for the Australian Centre for International Agricultural Research (ACIAR) to increase productive capacity and improve access to markets for farmers.	\$18 m (2014–18)
<b>Market Development Facility (MDF)</b>	MDF will stimulate investment, business innovation and regulatory reform to create business opportunities and increase incomes for poor women and men in PNG.	\$8 m (2015–17)
<b>Pacific Horticulture and Agricultural Market Access Program (PHAMA)</b>	PHAMA will provide practical assistance programs to increase the export of horticultural and agricultural produce from PNG to regional and international markets.	\$4 m (2015–17)



## **Transformative Agriculture and Enterprise Development (TADEP)**

The program will work across seven provinces to increase economic opportunities for rural communities, with a strong emphasis on women smallholders, the promotion of business skills and training, and the development of markets and value chains.

There will be a focus on the sweet potato, cocoa and canarium nut industries.

## **Pacific Horticultural and Agricultural Market Access Program (PHAMA).**

There is strong interest from the public and private sector for the regional PHAMA program to expand to PNG in 2015.

PHAMA will look to address the low capacity in the private and public sectors to develop international markets. Activities being explored include:

- assisting commodity sectors develop plans related to development needs and export;
- assisting with ongoing improvements to cocoa and coffee quality standards;
- commencing work on artefacts and handicrafts quarantine compliance awareness; and
- providing assistance to several businesses to further develop spice and chocolate products for export.



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