‘REDD+ Readiness project – Forest carbon Partnership Facility’

Terms of Reference
to conduct an Assessment of Small Scale Agriculture and Rural Livelihoods in PNG

Type of Contract: Grants agreement (TBC)
Duration: 6 months from June – November 2016
Location: Papua New Guinea
Application Deadline: TBC

1. BACKGROUND

Papua New Guinea (PNG) has one of the most significant areas of largely-intact tropical forest in the world, although these forests appear to be facing acute and imminent threats. Forests are also a vital resource for the local population particularly in the remote rural areas of PNG, providing food, fibre, building materials, and support a variety of wildlife and ecosystem services. The Papua New Guinea Forest Authority (PNGFA) estimates that approximately 60% of the total area of the country is covered by natural forests, of which 52% are considered production forests (for timber and other products), and 48% are for conservation (not for timber extraction due to inaccessibility or ecological constraints).

A mechanism for Reduced Emissions from Deforestation and Degradation (REDD+) being developed through the United Nations Framework Convention on Climate Change (UNFCCC) provides an opportunity to support PNG’s efforts to reduce levels of deforestation and help to maintain and protect its natural forest.

PNG has been a leading proponent of REDD+ at the international level, and has made significant progress towards developing the capacity to engage in an international mechanism on REDD+. This progress has initially been supported by the UN-REDD Programme and is now being aided by the Forest Carbon Partnership Facility (FCPF) through a project that will run until the end of 2018.

As part of the REDD+ readiness development process the country must consider a number of approaches to addressing the drivers of deforestation and forest degradation and strengthening land use management. Previous analyses of deforestation and forest degradation in PNG have highlighted the role of agriculture, and in particular small-scale agriculture as a key driver. Deforestation has occurred through the expansion of small-scale semi-permanent agricultural plots around settlements with increasing population. Both degradation and deforestation are also occurring as shifting agriculture increases further away from settlements and as fallow periods reduce due to increasing demand for land and agricultural produce for both subsistence and small scale trade.

The population of PNG is highly rural country with 87% of the population living in rural areas. The country’s population is also growing at a rapid rate of over 3% per annum with its population anticipated to double within the coming 30 years. With an estimated 83% of food energy consumed within the country, mainly through small scale and subsistence agriculture, such a rapid increase in population is likely to put significant pressure on the agriculture systems. The Government of PNG’s National Food Security Policy 2016-25 identifies the potential challenges that this growth would face with an estimated increase in the population dependant on each ha of arable land from 78 people per ha to 168 during the coming 30 years.
A recent assessment by PNGFA has shown that PNG has 3.2 m ha land under of subsistence agriculture, and 330,000ha of land being used for small-scale commercial agriculture outside of forest areas. These studies also identify a further 9.75m ha of disturbed forest that has been degraded by some form of farming, logging or other activities, which are yet to be fully classified although it can be assumed that a significant proportion will result from small scale agriculture practices. The same assessment also identified land under other uses noting the high percentage of the country still covered by forest land and the relatively low percentage of other land use classifications (see figure 3.1.1.) Further encroachment into forest areas is likely as the population increases given the dearth of other available land.

This expansion will also occur in parallel to the ongoing expansion of oil palm and commercial logging, presenting communities with a number of livelihood and land use choices to make, including whether to focus their land use on small scale agricultural production or look to lease their land for other purposes.

Ensuring communities have access to the right information on the benefits and challenges of different land uses, are supported in planning and making decisions, and that systems are in place to help incentivise strong environmental stewardship and sustainability principles, will all be critical to ensuring that PNG both achieves its development objectives and is able to maintain its forests.

This assignment will provide detailed information on the nature of livelihoods and land use decisions being made by rural communities with a particular focus on the role of small scale agriculture in local livelihoods and land use, and identify the range of livelihoods available to landowners.

2. OBJECTIVE OF ASSIGNMENT

The objectives of the assignment are to:

- Assess the current status of small scale agriculture in PNG and its role in rural livelihoods compared with other livelihood (including land use) options;
- Provide a quantitative indication of the potential impacts of ongoing expansion of small-scale agriculture in PNG on forest areas and rural livelihoods, and identify potential ‘hotspot’ areas vulnerable to rapid expansion;
- Identify the range of non-land use livelihood options available to local land owners, including barriers to entry to these options;
- Provide recommendations on actions that can be taken to help incentivise sustainable land use planning and management practices while also strengthening community food security and rural livelihoods within forest areas.

3. SCOPE OF ASSIGNMENT AND METHODOLOGY
The consultant will take conceptual and operational leadership of the tasks under this assignment, while working in close coordination and consultation with the government, UNDP and FCPF staff and the UNDP Regional Hub in Bangkok. Key elements of the assessment will include:

a) **Assess the existing status of small scale agriculture in PNG and its role in rural livelihoods;**

This work is intended to look at both the historical and current context of small scale agriculture in PNG and will include an assessment of the current status of small scale agriculture and its recent history including:

- balance between permanent and shifting cultivation
- levels of productivity per unit area
- priority crops currently cultivated
- impacts of climate change and extreme weather events
- impacts of population growth and growing urbanization
- role of small scale agriculture in the rural economy, including shifting trends over time and differential trends by area.
- the average income and income potential of small scale agriculture when compared to other landuse options

It should also consider the existing policies and actions to support the subsistence agriculture sector and identify areas of strength, weakness, opportunity and threats including:

- central government policies
- provincial and district policies
- implementation capacity
- barriers to implementation
- levels and quality of extension work
- role of alternative livelihoods and access to market for small holders
- institutional arrangements and their strengths and weaknesses

b) **Provide a quantitative indication of the potential impacts of ongoing expansion of small-scale agriculture in PNG on forest areas, and rural livelihoods and identify potential ‘hotspot’ areas vulnerable to rapid expansion;**

This will require an assessment of the potential effectiveness of different government polices as well as broader domestic and international and domestic trends in population growth, infrastructure development and demand / supply of agricultural products. An assessment should include:

- likely trends in the development of small-scale agriculture in PNG and its potential impacts on forests
  - including the identification of potential ‘hotspot’ areas of expansion;
- key barriers to supporting small scale agriculture in PNG;
- identification of areas for further analysis including geographical areas, potential crops, financing systems or training and extension tools.

c) **Identify the range of non-land use livelihood options available to local land owners, including barriers to entry to these options**

This will require an assessment of alternative (non-land use) livelihood options available to land owners, and involve a detailed analysis of the barriers to entry (e.g. cost, capacity, logistics) for each option. It will be important to identify how these livelihood options change across the country and how locally-specific each one is.

d) **Provide recommendations on actions that can be taken to help incentivise sustainable land use planning and management practices while also strengthening community food security and rural livelihoods within forest areas.**

The assessment will look to identify key areas of action that can be taken to help:

- Increase productivity of small scale agriculture
- Strengthen rural food security and livelihoods and
- Incentivise environmentally sustainable land management practices
It is anticipated that these recommendations may focus on a number of target areas given the high levels of diversity of PNG.

To build this body of information and develop recommendations it is anticipated that the Contractor will need to work closely with the national counterparts to:

- consult with a broad range of stakeholders both within and outside of PNG
- undertake field surveys to gain economic and livelihood information as well as consult on potential support mechanisms
- review existing literature and gain access to new data sets and information
- present and gain feedback on recommendations and findings from key stakeholders.

4. TIME FRAME AND OPERATIONAL REQUIREMENTS

The work will be undertaken over a 6 month period from July to December 2016. The Contractor should be able to demonstrate capacity and past experience in key technical areas including research on rural livelihoods, rural development, value chains, small-scale agriculture, microfinance, landuse planning and GIS, and economic analysis.

The Contractor will conduct a small inception workshop to discuss the potential options with key stakeholders at the national level and will follow this with further stakeholder consultations. The contractor will also remain in regular communication with the FCPF project management unit including monthly updates on project activities and a mid point review of project progress.

Following the development of a draft report the Contractor must conduct a validation workshop to present findings and gather final feedback on recommendations.

The FCPF project management unit (PMU) will provide assistance to the Contractor with regard to introductions to key stakeholders and organizations. All expenses related to the assignment should be included into the proposal of the Contractor.

5. EXPECTED OUTPUTS/Deliverables

The Contractor will deliver the following outputs:

1. A detailed work plan (inception report) describing specific methodologies, work flow, structure of deliverables (e.g., an outline of final report), output delivery timeline, consultation plans, inputs required from key experts and stakeholders, and any other items, as appropriate;

2. An assessment report on existing status of small scale agriculture in PNG and its role in rural livelihoods (the report should include all sub-activities highlighted under Section 3a of the given ToR);

3. An assessment report on non-land use livelihoods currently in practice by land owners (geographically specific), barriers to entry to these, and potential other livelihood options that could also be explored (e.g. based on experiences from other countries).

4. Draft analytical report on small scale agricultural expansions in the country

5. Report outlining recommendations on actions that can be taken to help incentivise sustainable landuse
planning and management practices while also strengthening community food security and rural livelihoods within forest areas.

6. Summary policy brief series on small scale agriculture in PNG and options to support it as part of an approach to environmental management;

7. Workshop with key stakeholders to present the recommendations and areas for further investigation.

8. Final report incorporating feedback from key stakeholders;