



Kokoda Initiative Australian Government



MANAGEMENT RESPONSE TO THE KOKODA INITIATIVE LIVELIHOODS PROJECT REVIEW AND SCOPING STUDY

1. Background

The Kokoda Initiative is a partnership between Australia and Papua New Guinea to conserve the special values of the Kokoda Track, Brown River Catchment and Owen Stanley Ranges while improving the lives of the people living along the Track corridor.

This partnership began in 2008 and was renewed in 2010 when the Second Joint Understanding (2010-15) was signed. The agreement has five goals, with Goal 2 focused on an *Enhanced quality of life for landowners and communities through improved delivery of basic services, income generation and community development activities*. The Livelihoods Project, administered by the Kokoda Track Authority (KTA) on behalf of the joint PNG-Australia Kokoda Initiative (KI), has been implemented to contribute to the objectives of this goal, noting that the Kokoda Initiative Development Program also contributes to Goal 2.

As outlined in the Kokoda Initiative Design relating to the Second Joint Understanding, the aim of the Livelihoods Project has been to increase the capacity of Kokoda Track communities to develop skills and generate income from the tourism industry by adding value to the trekking experience. The primary activities have been business and skills training and incentives to stimulate enterprise development related to trekking industry services. The project has not included health, education and law and justice initiatives as these sectors are covered under the Department of Foreign Affairs Kokoda Initiative Development Program, the Strongim Govman Program and other Australian development assistance programs.

2. The current Livelihoods Project

The current Livelihoods Project is a relatively modest program funded through the Kokoda Initiative. The budget for the project from July 2011 to 30 June 2013 was \$270,000. The funding provided for a full time Livelihoods Project Officer based in the KTA and the following initiatives:

- a community based mentor program (CBMs), a train-the-trainer type program where individuals from Kokoda Track communities are provided leadership and small business training so that they can support small business operators
- design and construction of a pilot drying room for trekkers at Efogi Village
- a guesthouse certification scheme including guesthouse management training, audit and certification and installation of 45 toilets for accredited guesthouses
- training in first aid, hygiene and food preparation for porters and guides
- milled timber project to provide sawn timber for local use
- industry skills training (basic financial management for guesthouse owners and tour operators and basic physiotherapy training).

3. Livelihoods Project review and scoping study

In 2013, the KTA commissioned a review and scoping study of the KI Livelihoods Project. The scoping study set out to address two objectives:

- An evaluation of the design and implementation of the project since 2011 against its objectives
- A set of clear, feasible and empirical recommendations (at the project design, delivery and activity levels) to enable delivery of a successful and sustainable livelihoods project which brings benefits to both local communities and trekkers.

Pacific Island Projects was contracted to undertake the Livelihoods Review and Scoping Study. They conducted fieldwork in two teams along the Kokoda Track in late 2013 and consulted with over 500 people covering eight of the fourteen local government wards along the Kokoda Track.

4. Findings on progress of the Livelihoods Project

The review concluded that the Livelihoods Project is highly relevant to all stakeholders of the Kokoda Initiative. The project's efficiency and effectiveness was found to be limited as progress on delivering activities has been constrained due to a range of factors such as delays in manufacture and transport of materials, a scarcity of professional trainers and capacity shortfalls. The impact of the individual activities on the ground was difficult to measure as in most cases they had only been partially completed. More information about progress is in Section 4 of the report.

5. Response to recommendations of the review and scoping study

Under the Second Joint Understanding (to December 2015), the Kokoda Initiative Livelihoods Project will continue to be a small program, constrained by available funding. A number of recommendations made in the report require a significant investment in further research, planning, design, and implementation processes. The opportunity to action these recommendations may be progressed through continued cooperation for Kokoda beyond 2015. The management responses to the report are therefore identified as short-term actions for the current program managed under the Second Joint Understanding to the end of 2015, and long-term actions to be considered for the future phase of cooperation for Kokoda.

The report:

- recommends four future project outputs (i. project management framework, ii. community resource centres, iii. financial support services and iv. transport support services)
- identifies three potential income generation markets (i. tourism, ii. agriculture and iii. payment for environmental services).
- identifies three cross cutting themes (i. climate change, ii. social issues and iii. political trends).

The Kokoda Initiative partners generally agree with the high level recommendations outlined in the Executive Summary that address each of the three key themes: projects outputs, income generation markets and cross cutting themes. A detailed management response to each of themes is at **Attachment A**. The actions under Section 6 are proposed in response to the report's recommendations to guide short and long-term planning for livelihoods activities.

6. Proposed short and long-term actions to address report findings

6(a) Short-term actions (for the current program under the Second Joint Understanding to the end of 2015)

1. Continue to fund the KTA Livelihoods Officer and the Community Based Mentors Program through the KTA.
2. Develop a livelihoods project/work plan that outlines the timeframes and actions for completing current projects and supporting ongoing initiatives such as the community based mentors program.
3. Make sure that gender equity is addressed in planning and implementation of all livelihoods activities.
4. Ensure that all relevant levels of government are involved in, or aware of, planning and implementation of livelihoods activities.

6(b) Long-term actions (for the future phase of cooperation for Kokoda beyond 2015)

1. Ensure that landowners and communities play a central role in the design and coordination of future livelihoods projects.
2. Collaborate with ward councils, local, provincial, national and international governments when designing and planning the livelihoods programs.
3. Consider provision of community resource centres to provide a venue for community based mentors, training and other community development activities.
4. Investigate the demand for, availability and feasibility of microfinance services and a small grants program to support business and community development activities.
5. Consider the most appropriate mechanisms to plan for and encourage tourism diversification opportunities in the Kokoda Track region to support sustainable livelihoods.
6. Investigate the cost benefits of supporting market access through transport subsidies and other means as part of future livelihoods planning and design processes.
7. Explore opportunities for sustainable and environmentally compatible agricultural and horticultural industries in the Kokoda region.
8. Continue to invest in the development and testing of Payment for Environment Service models for social, economic and ecological benefits for communities in the Kokoda Track region.
9. Consider the potential impacts of climate change in livelihoods planning and projects, especially in relation to food security, and horticultural and agricultural activities.
10. Engage local communities in research and monitoring the effects of climate change on livelihoods and forest ecosystems as opportunities arise.
11. Undertake research and develop policies and projects that address the range of social, cultural, environmental and economic impacts of tourism on track communities and their affects on community wellbeing.
12. Mainstream gender in future planning and projects to support gender equality for men and women.

See **Attachment A** for detailed responses.

Table 1: Management response to four recommended project outputs

| Recommendations of the report | Management response | Proposed actions |
|--|--|---|
| <p>A Project Management Framework should provide a combined 'bottom-up and top-down' project delivery mechanism that bridges the gap between the project's external and local level stakeholders. A community based mentors' network has potential to provide important community liaison and community services for the framework.</p> | <p>The Kokoda Initiative agrees that improved coordination is needed for planning and implementation to better reflect community priorities and needs, and the priorities of local and provincial governments.</p> <p>The challenges of thorough consultation will require increased effort and time to coordinate with Ward Councillors, local, district and Provincial Governments, NGO's and the wider community.</p> | <p>Short-term: Develop a livelihoods project/work plan that outlines the timeframes and actions for completing current projects, supporting ongoing initiatives such as the community based mentors program and identifies criteria to guide investment in any new community development projects. Long-term: Ensure that landowners and communities play a central role in the design and coordination of future livelihoods projects.</p> |
| <p>Community Resource Centres should increase village resident access to information, communication and extension services through resource centres equipped with tools, technologies and physical resources for education and training. The centres would be for local community based mentors to manage and share.</p> | <p>The livelihoods review emphasises the need for livelihood resource centres to provide physical meeting points for Community Based Mentors and other community events. The proposed centres would require construction and maintenance of significant infrastructure which is out of scope for the current livelihoods projects under the JU2 agreement. Such infrastructure would need to be considered within the context of Ward Development Plans, Local Level Government and Provincial Government plans.</p> <p>The Kokoda Initiative agrees to continue to support the Community Based Mentors program and provide funding for training and resources including educational materials, stationery and office equipment. The Kokoda Initiative agrees to continue funding the KTA-based Livelihoods Officer under the current agreement.</p> | <p>Short-term: Continue to fund the KTA Livelihoods Officer and the Community Based Mentors program through the KTA.</p> <p>Long-term: Consider provision of community resource centres to provide a venue for community based mentors, training and other community development activities.</p> |

| Recommendations of the report | Management response | Proposed actions |
|--|---|---|
| <p>Financial Support Services should reduce financial constraints for feasible income generation enterprises along the track by providing project funding via a small grants program or credit scheme that combines community ownership and commitment with business training and support.</p> | <p>The Kokoda Initiative supports, in principle, the recommendation to enable communities to access funds for business development projects. Options for delivery and management require further investigation in the next phase of cooperation on Kokoda beyond 2015.</p> | <p>Short-term action: Criteria, as recommended under the Project Management Framework, will guide investment in any new community development projects.</p> <p>Long-term action: Investigate the demand for, availability and feasibility of microfinance services and a small grants program to support business and community development activities.</p> |
| <p>Transport Support Services should reduce provincial market access constraints for feasible agricultural enterprises in areas with airport access only by providing transport subsidies. This would include 9 villages in Central Province within 1 hour's walking distance from an airport with no road access. This is likely to involve farmers from one location supplying a single market in Port Moresby in a way that combines community organisation and commitment with small business training and support.</p> | <p>The Kokoda Initiative agrees in principle with the concept of facilitating access to markets. However airfare subsidisation is beyond the scope of the current program. Consideration to market access and subsidies for the export of produce to larger centres such as Port Moresby should be considered in the next phase of cooperation on Kokoda beyond 2015.</p> | <p>Long-term action: Investigate the cost benefits of supporting market access through transport subsidies and other means as part of future livelihoods planning and design processes.</p> |

Note that more information and detailed conclusions and recommendations on proposed outputs can be found in section 5.2 of the report.

Table 2: Management response to three income generation markets

| Income generation market | Management response | Proposed actions |
|---|--|--|
| <p>Tourism has medium to high potential for the future. Potential markets include Japanese trekkers and the domestic market, such as short distance trekkers and fly-in fly-out tourists who prefer to stay longer at one central location.</p> | <p>The Kokoda Initiative agrees that addressing tourism diversification in the Kokoda Track region to support sustainable livelihoods is important for social and economic development of Kokoda Track communities. Further research, cost benefit analysis and planning is needed to identify sustainable tourism ventures that are in keeping with the natural, cultural and military heritage values of the Kokoda Track.</p> | <p>Long-term: Consider the most appropriate mechanisms to plan for and encourage tourism diversification opportunities in the Kokoda Track region to support sustainable livelihoods.</p> |
| <p>Agriculture has high potential in areas with productive soil and good market access [referred to as area 1], moderate potential in areas with limited land potential and limited market access [referred to as area 2] and low potential in areas with limited land potential and no market access [referred to as area 3].</p> | <p>The Kokoda Initiative agrees that agricultural and horticultural activities have the potential for the development of sustainable livelihoods. Food security is an important issue for the communities along the track irrespective of market access. Support for small scale horticultural and agricultural projects that would help to address food security should be considered.</p> <p>Careful consideration needs to be given to the suitability of crops, livestock, soils, climate and environmental impacts of agricultural and horticultural activities. Ongoing technical support and capacity building is essential to ensure the success of any such activities.</p> | <p>Short-term action: Criteria, as recommended under the Project Management Framework, will guide investment in any new community development projects.</p> <p>Long-term: Explore opportunities for sustainable and environmentally compatible agriculture and horticultural industries.</p> |
| <p>Payment for Environmental Services: Payments for ecosystem services (PES), also known as</p> | <p>The Kokoda Initiative supports the concept of payments to communities in return for the</p> | <p>Short and long-term action: Continue to investigate PES models for social, economic</p> |

| Income generation market | Management response | Proposed actions |
|--|---|---|
| <p>payments for environmental services (or benefits), are incentives offered to farmers and landowners in exchange for managing their land to provide some sort of environmental service such as clean water, natural landscapes, conservation of forests or other important values (in the case of Kokoda, military heritage sites could also be included). PES has good potential for Kokoda Track landowners and communities as the area provides significant water catchment and biodiversity conservation services to the government and tourism sectors. The case for PES would be further strengthened by the implementation of formal protection measures such as a legal declaration of a protected area e.g. national park, world heritage area.</p> | <p>management and conservation of land and resources. Payment for Ecosystem Services models are currently being investigated by the PNG Department of Environment and Conservation in collaboration with the Global Environment Facility (GEF) and the Kokoda Initiative.</p> | <p>and ecological benefits for communities in the Kokoda Track region through the Department of Environment and Conservation.</p> |

Note that more information and detailed conclusions and recommendations on market opportunities are in section 5.1 of the report.

Table 3: Management response to three cross cutting issues

| Cross cutting issue | Management response | Proposed actions |
|---|---|---|
| <p>Climate change has the potential to undermine rural livelihoods in many parts of PNG through sea level rise, temperature increases, higher rainfall and more extreme weather events. While the effects of climate change have been small so far, there is no reason for the Livelihoods Project to be complacent.</p> | <p>Long-term planning for livelihoods initiatives should factor in the possible impacts of climate change on the Kokoda region by consulting relevant research institutions e.g. the PNG National Agriculture Research Institute, and monitoring the impacts of climate change on food security and livelihoods generally.</p> <p>Sustainable forest management is considered to be of paramount importance as forests provide a range of services that safeguard communities against the</p> | <p>Long-term: Consider the potential impacts of climate change in livelihoods planning and projects, especially in relation to food security, and horticultural and agricultural activities.</p> <p>Engage local communities in research and monitoring the effects of climate change on livelihoods and forest ecosystems as opportunities arise.</p> |

| Cross cutting issue | Management response | Proposed actions |
|---|--|---|
| | potential negative impacts of climate change. For example forests offset the carbon emissions, protect soils from erosion, provide habitat for wild food sources, supply clean water and air and are a source of renewable energy. | |
| <p>Social Issues should be alleviated through improved access to income generation services and opportunities. However, tourism activities along the track are also producing some unintended and undesirable effects within participating households, villages and the wider community. The Livelihoods Project should not be complacent with regards to social issues.</p> | <p>The Kokoda Initiative agrees that the Livelihoods Project should not be complacent in regards to harmful externalities. In particular, the negative social impacts of tourism on Kokoda Track communities need to be better understood and effectively mitigated.</p> | <p>Short-term: Make sure that gender equity is addressed in planning and implementation of all livelihoods activities.</p> <p>Long-terms: Undertake research and develop policies and projects that address the range of social, cultural, environmental and economic impacts of tourism and their affects on community wellbeing.</p> <p>Mainstream gender in future planning and projects to support gender equality for men and women.</p> |
| <p>Political trends usually influence sustainable forest management practices. Forest governance involves local, national, regional and global structures and processes, which implies that forest management decision-making is usually complex, and prone to misunderstanding and disagreement. The Livelihoods Project should not be complacent with regards to political trends.</p> | <p>The Kokoda Initiative agrees that planning and implementation of livelihoods projects must take into account the political context and likely policy trends locally and internationally.</p> | <p>Short-term: Ensure that all relevant levels of government are involved in, or aware of, planning and implementation of livelihoods projects.</p> <p>Long-term: Collaborate with ward councils, local, provincial, national and international governments when designing and planning the livelihoods programs.</p> |

Note that more information and detailed conclusions and recommendations on cross cutting issues are in section 5.3 of the report