



The Greater Sepik Success Story

From Experiments to Partnerships

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Papua New Guinea

Sydney Mining
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Teaching people to catch fish



2017 – How things were

Size of the Economy: K500m (est)

Disposable Income: K800 pp per year

Cocoa Nurseries: 5

People trained in cocoa: less than 100

Cocoa Total Export Volumes: 6,062 tons

Vanilla Total Export Volumes: 400 tons

Provincial Government Revenue: K7m pa





Why Cocoa?

PNG was producing 40,000 tons a year

Global Demand is 4.8 million tons (production is at 4.4m tons)

The ICCO produced a report in 2017 that said Cocoa output was expected to decline within 5 years due to disease, climate change and lack of investment in cocoa in West Africa. They expected a 13% decline

PNG needed to invest in the productive capacity of Cocoa (and we didn't know what that meant)

We have land and labor but we lacked capital investment

Opportunity to upscale



What could we do?

ESPG had K1m a year to invest in Economic Production

A global shortage was coming and no one was interested, we needed a major partner

Enter the European Union STREIT Program and partners

**They had a large program fund and we convinced them to spend it in one geographical location.
Stop the scatter gun approach. Focus**



The EU STREIT Program

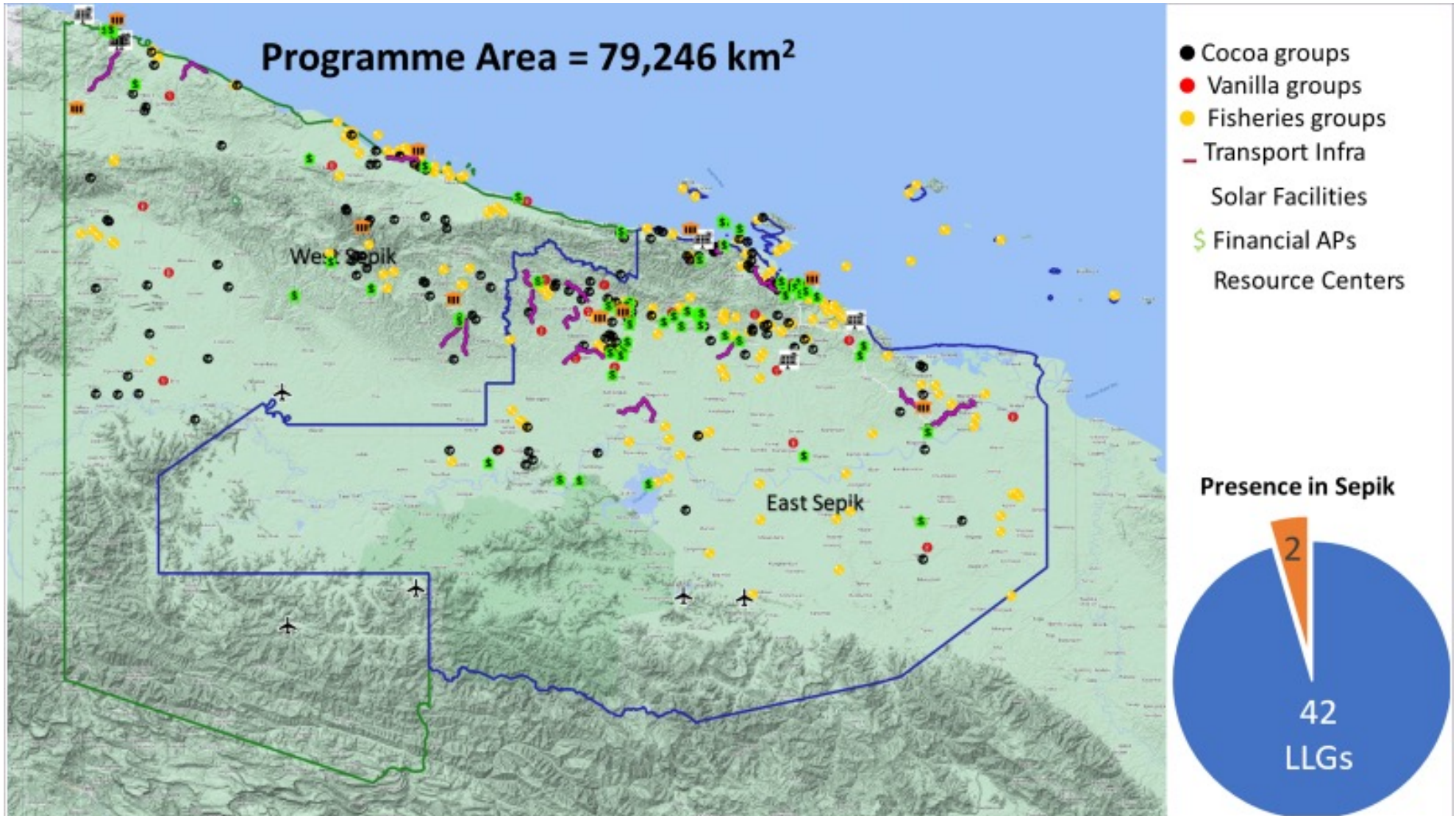
PNG is focused on Infrastructure (anywhere, its not strategic)

STREIT had elements that were not infrastructure heavy

Productive Capacity and market Development in Cocoa, Vanilla and Fisheries

Financial literacy and E-commerce

Renewable Energy





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EU-STREIT PNG Programme



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OUTREACH



Reached out
499,000
Individuals



Benefited
83,200
Families



Supported
750
Groups



Trained
33,600
Farmers (F/M)



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Outcome – Fisheries

- **Aquaculture Farms Development**
 - Significantly improved the nutritional status of the rural families
- **Fish Capture and Handling Equipment**
 - Increased fish catch by at least 40%.
- **Post-Harvest Processing Equipment**
 - Enhance the quality and extended shelf life allowing better transportation, increasing prices and wider markets.





Outcome – Financial Inclusion

GENERATED WEALTH FOR SEPIK FARMERS

DEPOSITS MOBILIZED:

PGK 6,617,840 (USD
1,697,801)

Added to bank account
savings, creating wealth

CREDIT DISBURSED

PGK 1,047,417 (USD
268,714)

Improved livelihood
through access to credit

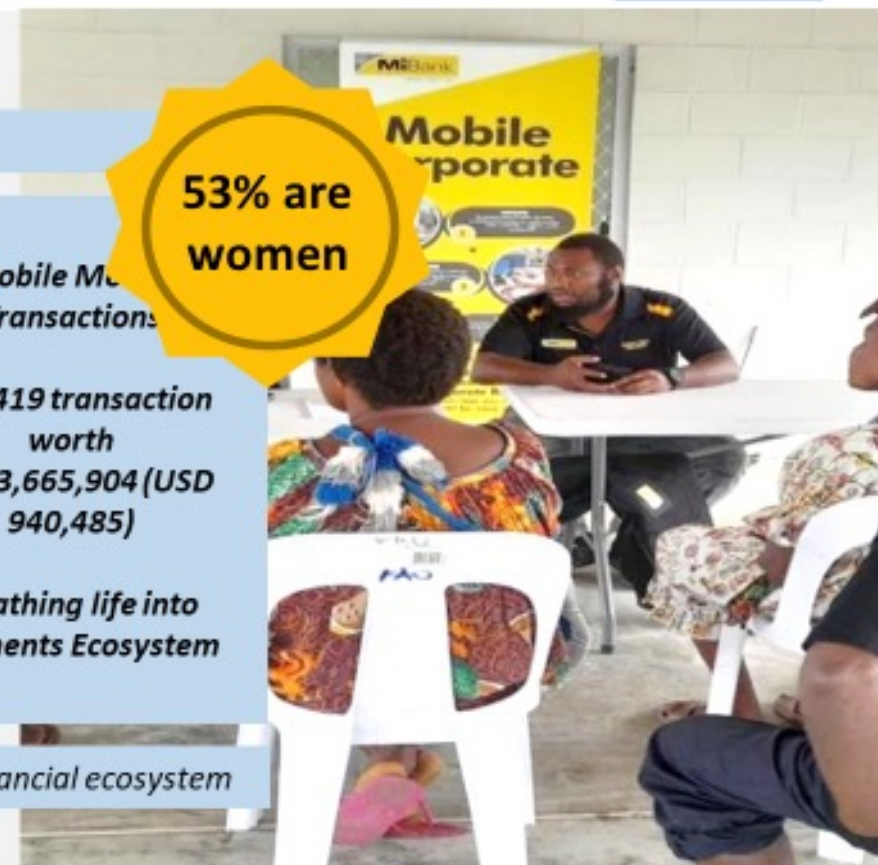
Mobile M... Transactions

346,419 transaction
worth
PGK 3,665,904 (USD
940,485)

*Breathing life into
Payments Ecosystem*

**53% are
women**

GENDER INCLUSION: *Added 60,665 women customers into the financial ecosystem*





Outcome – Digitalization

- **E-Marketplace**
 - The e-commerce skills acquired by farmers enable them to sell their products directly to global markets, increasing income
 - E-commerce platforms and the associated digital infrastructure (RCs) created new job opportunities, especially in rural areas
- **Learning Management System (LMS)**
 - Enhanced educational opportunities and bridge digital divide



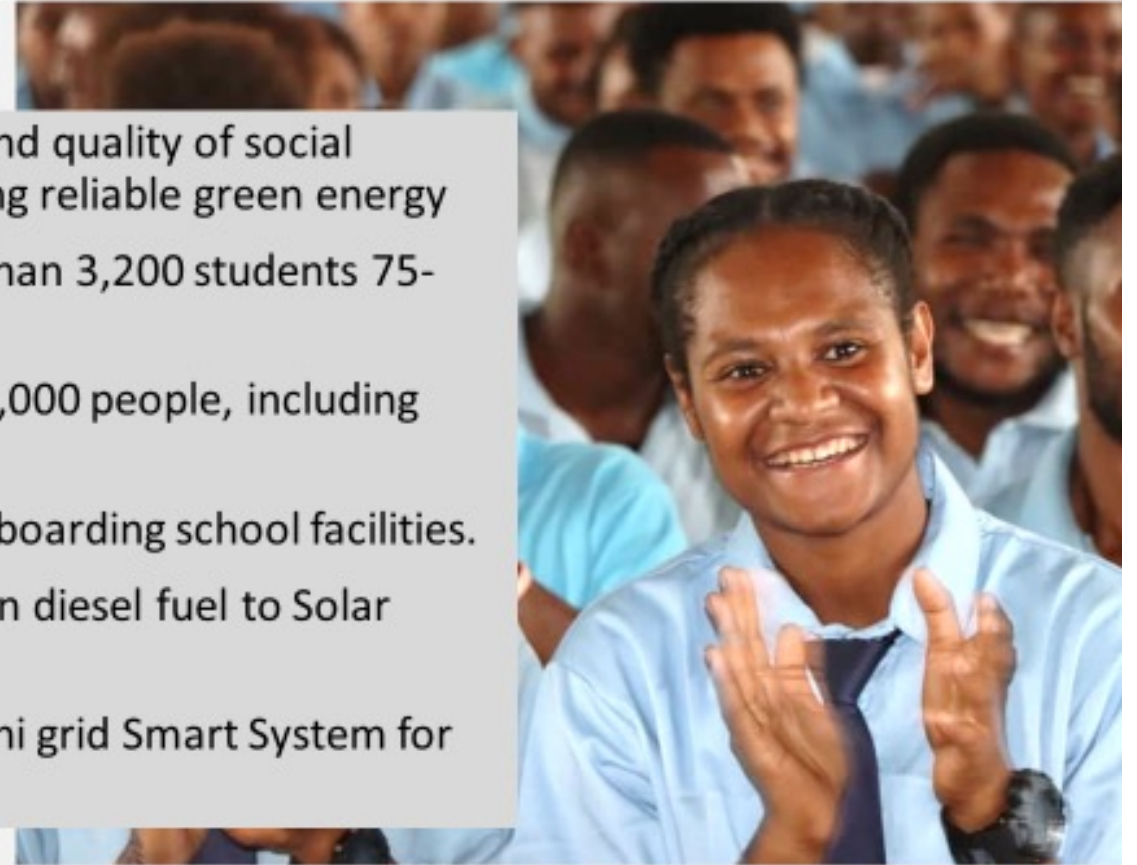


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Outcome – Renewable Energy

- Improved the well-being of communities and quality of social services (Health and Education) by providing reliable green energy
- Improved learning environment for more than 3,200 students 75-80% are from rural households.
- Improved health services for more than 50,000 people, including women, girls and the minority.
- Increased the safety of female students at boarding school facilities.
- Financial savings generated from the shift in diesel fuel to Solar Energy.
- Job creation through Certification Solar Mini grid Smart System for 80 people.





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Cocoa Value Chain



Mupa Cooperative Society

Saparu/Sangriwa, Yuat, Angoram, East Sepik
240 farmers

Support:

- Capacity Building – budding, block management, IPDM, cocoa accessor, Gender, Financial literacy
- Rehabilitated **Nursery** (poly bags and materials)
- Provided **133,506 seedling**
- Distributed Combination Type Fermentary Dryer
- Exposure & Study Visit – Singapore, New Zealand, POM, Rabaul, Buka
- Linked with National and International buyers

Result:

- Exported semi processed Cocoa products
- Contract Signed with Queen Emma and Weave Cacao (NZ) for the supply of 15 tons of dry beans per year
- Exposed to **Niche Market** (Singapore, NZ, UK)
- Contract with premium **overseas markets**
- Upscaled **well-being** at household and community levels





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Vanilla Value Chain



Result:

- Young Innovator candidate for Asia-Pacific region
- Increased quantity to 8 tons with an Improved quality to Category A
- New market linkage business ties with Overseas Niche Markets (Aus, US, NZ)
- E-market place developed (website, linkedIn, Facebook, Online transaction)
- Improved Wellbeing at household and community levels



Mongs AgTrade Services Ltd

Mandi, Turubu, Wewak, East Sepik (162 farmers)

Support:

- Capacity Building – Curing/drying, pollination, block management, Gender and Financial literacy, Business Development, e-commerce
- Establishment of Vanilla **Treatment Shed**
- Distribution **29,140** Vanilla Vines
- Provided Solar Vanilla **Dryer**
- Provided Vanilla Vacuum **Sealer**
- Implemented **FinTech** Solution
- Exposure & Study Visit – **Madagascar, Singapore, POM**





UNITED NATIONS
PAPUA NEW GUINEA



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Transport Infrastructure



Yawasoro-Niewanjie Road

Wewak Rural, East Sepik

Population : 2,200 household

Length : 10.13 km

Contract Value : PGK 2,281,267

Cost Per KM : PGK 228,127

RMG Mobilization : PGK 336,000

Result:

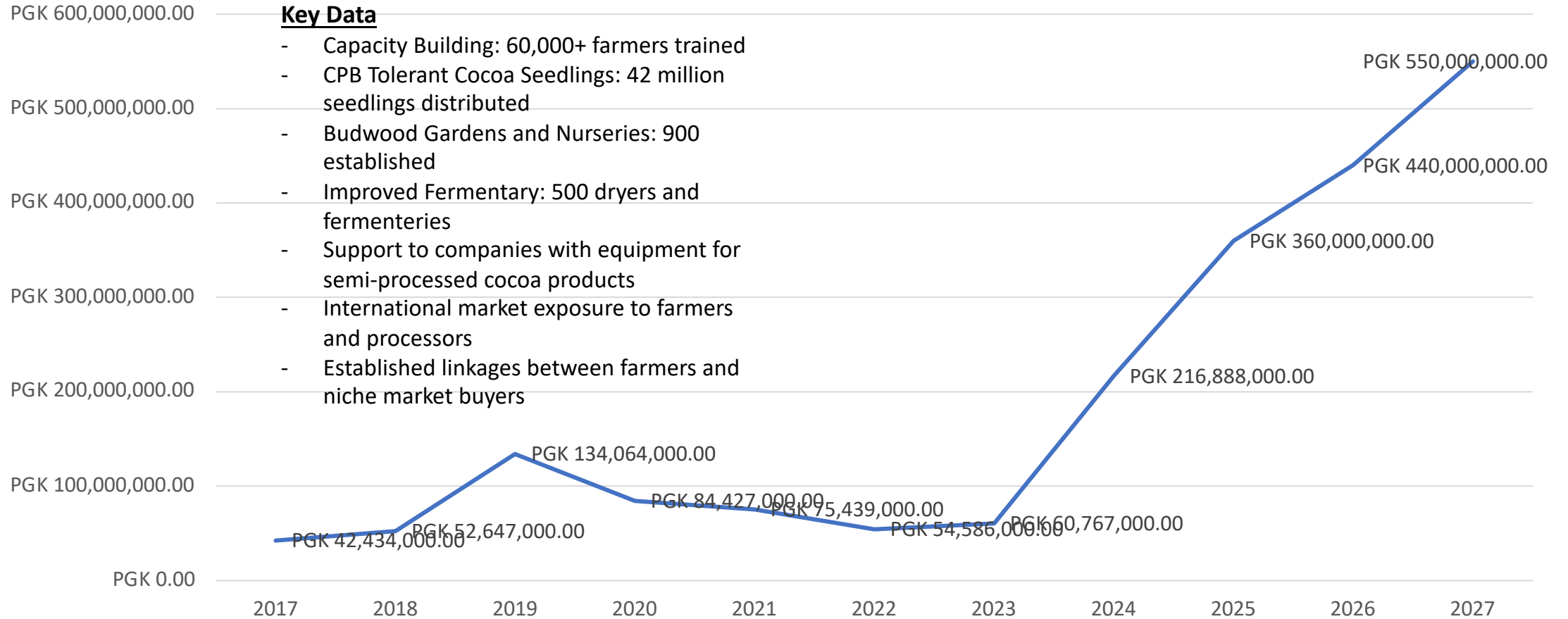
- Improved travel conditions, enabling year-round travel.
- Reduced travel times by 70% and costs
- Increased access to markets, healthcare facilities, and schools
- Enhanced economic opportunities and boosted local agribusinesses
- Employment generation, created about 12,000 days of paid work during its implementation phase
- Revived Cocoa business

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Cocoa – Let's talk about money





Total Investment

ESPG invested about K6m in this program. We couldn't do it alone.

Enter the EU STREIT Programme program fund and we convinced them to spend it in one geographical location. Stop the scatter gun approach. Focus

The program has so far expended around K250m over 4 years and they have one year remaining



What does 2025 look like?

Size of the Economy: K1 billion (est)

Disposable Income: K1,600 pp per year

Cocoa Nurseries: 900

People trained in cocoa: 60,000+

Cocoa Total Export Volumes: 15,000 tons

Vanilla Total Export Volumes: 600 tons

Provincial Government Revenue: K35m pa



Opportunity for CSR Funds?

Ability to have an impact beyond your project footprint

Have a real impact and make a difference

What we have done with between ESPG, EU & FAO, is a great model for development if you have K50 million to invest sustainably over time

We have a proven long term success model

A sustainable ecosystem of people, business, government and non profits



Thank you for your time

