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Final Evaluation EU – STREIT PNG: Support to Rural Entrepreneurship, Investment and Trade in Papua New Guinea

Contract N° SEA-2023-38483

Submitted: April 2026

EXECUTIVE SUMMARY



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Final Evaluation EU–STREIT–PNG: Support to Rural Entrepreneurship, Investment and Trade in Papua New Guinea

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DISCLAIMER

This evaluation is supported and guided by FAO Office of Evaluation and the European Commission and presented by Particip GmbH. The report does not necessarily reflect the views and opinions of FAO nor the European Commission.

Introduction

Evaluation objectives and scope: This final evaluation of the EU-funded programme *Support to Rural Entrepreneurship, Investment and Trade in Papua New Guinea* (EU-STREIT PNG) was commissioned by the European Union Delegation (EUD). The evaluation covers the implementation period from 2 January 2020 to 30 September 2025, with field observations undertaken in November 2025. Its primary purpose is to provide an independent assessment of the extent to which the strategic objectives of EU-STREIT PNG have been achieved. The evaluation addresses nine evaluation questions (EQs) covering relevance, effectiveness (including cross-cutting objectives), efficiency, sustainability and EU added value.

Programme description and country context: With a budget of EUR 81.3 million, the implementation of EU-STREIT PNG follows a One UN approach led by the Food and Agriculture Organization of the United Nations (FAO) with the International Labour Organization (ILO), the International Telecommunication Union (ITU), the United Nations Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP). The programme promotes inclusive and sustainable economic development across ten districts in the East Sepik and Sandaun provinces (Sepik region) by strengthening cocoa, vanilla and fisheries value chains (VCs) and their enablers, targeting around 100,000 farmers and fisherfolk.

Specific Objective 1 (SO1), led by FAO, focuses on increasing income from the three VCs (and enhancing nutrition through fisheries). Outputs under SO1 include sustainable production and inclusiveness in each VC. SO2 focuses on strengthening climate-resilient value chain enablers. Outputs under SO2 include conducive business, trade, policy and regulatory environment for sustainable rural agripreneurs and Micro, Small and Medium Enterprises (MSMEs); strengthened VC support services for financial inclusion (led by UNCDF) and digital inclusion (led by ITU); increased production and access to renewable energy systems (led by UNDP), and improved and climate-proof rural transport infrastructure (led by ILO).

Papua New Guinea presents a challenging context marked by geographic isolation, cultural diversity and institutional constraints. The programme aligns with Vision 2050 and the Medium-Term Development Plan (MTDP) IV, while addressing persistent challenges such as weak capacity, limited infrastructure, inequality affecting women and young people, and climate related risks.

Evaluation methodology: The nine EQs were addressed using an evaluation matrix, in which each EQ was assessed through a selection of judgement criteria and measurable indicators to identify main findings. A mixed methods approach was applied, combining qualitative and quantitative data from both secondary sources and primary fieldwork, as well as existing quantitative data. The analysis was also guided by a Theory of Change (ToC), which was developed by the evaluation team during the inception phase due to the absence of a complete programme-level ToC. The evaluation matrix was informed through triangulated evidence from the document review, field interviews, focus groups discussions and site observations to ensure findings were balanced, justified and as accurate as possible according to the time available. In total, the sample included visits to 31 VC groups and 34 enablers, which is over six percent of the programme's total of 1,047 interventions (772 VC groups and 275 enablers).

Main findings

EQ1: To what extent were the programme objectives, selected value chains, and geographical targeting relevant and suited to the priorities and needs of the PNG government, European Union, UN implementing partners and the beneficiaries, and contextual factors influences these choices?

Findings 1 and 2: The programme is well aligned with national, EU and UN strategies and benefits from a coordinated One UN approach involving five UN agencies specialising in agriculture production and processing, digitalisation, financial services, renewable energy and transport infrastructure. However, its design does not sufficiently address the long-term sustainability needs of its main actions, which is not aided by a general lack of support to the downstream needs of the cocoa and vanilla VCs, notably market and trade development needs through which strong national and subnational ownership and private sector engagement could be harnessed to ensure production gains are fully linked to stable and alternative markets.

Finding 3: The relevance of selected value chains varies significantly, with cocoa highly suitable due to strong institutional support and market demand, whereas vanilla is less relevant due to a constant drop in prices between 2020-2025 and weak leadership on promotion and regulation of vanilla by the Spice Industry Board. Fisheries VCs were found to be the least relevant, because insufficient attention was given from the design phase to key issues such as the lack of quality fish feed and fingerling suppliers for fish farming in the Sepik region to major problems of market access for capture fisheries, which is crucial to sustaining livelihoods of riverine and coastal fishing groups.

Findings 4 and 5: The programme's geographical focus on the Sepik region is considered appropriate given high poverty and isolation rates. However, the basis for selecting specific locations and partners is unclear,

and limited baseline analysis combined with weak inter-institutional coordination between the programme's sub-components contribute to constraining the programme's ability to address systemic constraints such as weak extension services and market access, which are key to optimising effectiveness.

EQ2: To what extent has the programme increased economic returns and opportunities for cocoa, vanilla and fisheries value chains actors?

Findings 6 and 7: The cocoa VC has been the most effective in strengthening sustainable value chains, delivering significant income gains from around USD 35 per household to as much as USD 162 through rehabilitation of resilient cocoa varieties, improved post-harvest handling and favourable global prices, with many households reinvesting in production and improving livelihoods. In addition, the programme is on track to increase cocoa grinding capacity in PNG from 180 tonnes/year in 2025 to over 3,800 tonnes by end of 2026 if three new processors are able to fully install, test and commission new plant and/or equipment supported by the programme in 2026. However, these gains are undermined by persistent weaknesses in farmer group governance, including limited bookkeeping and reporting capacity, which threaten access to more stable markets and, in the absence of a programme strategy to address new government compliance requirements by 2027, risk leaving many groups unable to meet minimum accounting and reporting standards.

Finding 8: The vanilla VC has been far less effective, as gains from increased production and training have been offset by fungal disease on some of the pods, weak market access and sustained global price declines, leading many farmers to reduce or abandon production. This highlights inadequate risk management as well as limited ability to respond to market shocks. Indeed, many farmers complained there was an absence of reliable buyer linkages, forcing dependency on a limited number of aggregators who dictate prices.

Finding 9: Support to the fisheries VC has generated modest improvements in household nutrition, particularly through aquaculture, but the majority of fishers interviewed stated limited impact on income to support the transition to sustainable community-based fisheries management as foreseen in the Financing Agreement. In the case of aquaculture, restricted access to key inputs like quality fish food and tilapia fingerlings the programme has responded by supporting the development of hatcheries and local feed production, but with little or no extension, this has resulted in low-input, low-output systems that generate no surpluses for sale as participants had anticipated to generate an income. In the case of capture fisheries VCs, the creation of large beneficiary groups combined with limited market access and inadequate cold chain infrastructure has restricted income gains, indicating a lack of assessment on underlying constraints and barriers to establishing market-oriented fisher groups.

EQ3: To what extent has the programme strengthened and improved the efficiency of value chain enablers?

Findings 10 and 11: The programme has advanced policy dialogue and aspects of financial inclusion, particularly through its support to the National Financial Inclusion Strategy, reducing "know your customer" requirements and encouraging private sector engagement in financial inclusion. However, its broader contribution to strengthening the enabling environment remains limited. The installation of 21 ICT resource centres compared to nine planned has demonstrated important benefits, such as greater off-grid autonomy, reduced operating costs than previous diesel gensets and enhanced rural access to online services at five ICT centres. Nonetheless, the majority of ICT centres are not fully operational, lack reliable internet and equipment, and do not have business plans or long-term operation and maintenance arrangements. Moreover, the integration of the ICT centres in wider government programmes like the smart villages and islands initiative supported by ITU was not evident.

Findings 12 and 13: The programme has strengthened financial inclusion by improving the capacity and incentives of financial service providers to expand into rural areas, resulting in a significant increase in access points (305) and new accounts (119,500) than planned. Interviews confirm rural access points reduce travel time, lower costs and have improved security. Nonetheless, many accounts are reported to be inactive, in part due to preferences for cash, limited financial literacy and unreliable network coverage, so digital financial services are not yet widely used for VC transactions and uptake of credit remains limited.

Findings 14 and 15: Investment in photovoltaic (PV) systems has produced mixed results. The larger systems (20–100 kW) installed in six schools and three health centres have delivered strong efficiency gains and enabled them to operate as ICTs, resulting in improved access to training among different groups in the local community. This is constrained, however, by the absence of impact monitoring, the risks associated with the lack of maintenance arrangements, and insufficient alignment with wider government programmes mentioned in findings 10–11. The distribution of smaller systems (up to 6 kW) at the VC group level targeting lead farmers/fishers has been less effective due to technical limitations such as low performance in poor weather and corrosion. In contrast, solar dryers have demonstrated clear efficiency gains for on-farm cocoa and vanilla processing, in particular reducing drying times and losses.

Findings 16 to 18: Investment in climate-resilient transport infrastructure has resulted in the rehabilitation of 170 km of rural roads to date, which is lower than planned, while 313 km of spot maintenance is in line with plan. These works have delivered significant efficiency gains for local communities by improving year-round access to main towns, reducing travel time and costs, and supporting increased sales of cocoa. Efficiency gains in terms of system-wide impact are less evident, due to limited active engagement with provincial authorities and poor alignment between infrastructure and VC locations, resulting in a relatively small percentage of VC beneficiaries able to directly access one of the improved roads within a 5 km radius (20 percent). In addition, the labour-based spot maintenance through Road Maintenance Groups (RMGs) supported local employment and community ownership but no longer complies with new regulatory requirements that require all RMGs to be registered.

EQ4: How has the programme impacted gender equality and empowered women and youth in terms of participation, decision-making, and benefits within the cocoa, vanilla, and fisheries value chains, and what factors influenced these outcomes?

Finding 19: The programme achieved satisfactory levels of women's participation in the development of the VC groups (18 percent), especially considering the strong cultural norms in the Sepik region that suggest the original target was unrealistic. Moreover, youth participation has been higher than planned (35 percent), confirming almost 54 percent of all participants have come from marginal groups. However, the quality of their participation has varied across the VCs, especially due to limited access to services such as training at the ICT centres for reasons highlighted Findings 11 and 17.

Finding 20: Progress in strengthening decision making and leadership for women and youths has improved in some cases indicating it is uneven in the VCs, with strongest inclusion rates witnessed in fisheries and MSMEs, while cocoa and vanilla VC remain largely male dominated. Local gains in confidence, voice and institutional representation are evident, but they are not matched by structural needs, notably greater access to assets, especially land tenure, which is an are not monitored by the programme.

Finding 21: The programme has delivered clear human and social capital benefits for women and youths through skills development, group formation and increased confidence, but economic gains have been more limited and uneven. In particular, women's economic empowerment lags behind their increased participation due to persistent social norms, limited control over income, and the absence of targeted measures to address underlying structural barriers.

EQ5: To what extent was the project governance structure appropriate and efficient, including in the context of UN Joint Programmes / One UN Approach? How efficient were the coordination and M&E of the programme?

Findings 22–24: EU-STREIT PNG has integrated environmental protection and climate resilience into its objectives, climate-smart agriculture (such agroforestry and mixed cropping), community-based fisheries management, and climate-proofed infrastructure. Solar PV systems also support climate adaptation and mitigation. However, gaps in environmental and climate monitoring and baseline data, the delayed launch of the agro-meteorological system in the e-Agriculture Strategy, and general lack of monitoring of the outcomes of the above actions in the programme's monitoring system (STREITMIS) has resulted limited information on changes in soil health, biodiversity, water quality, fish stocks or climate vulnerability. Moreover, effective integration of risk management in decision-making and planning is largely missing despite a climatic vulnerability analysis conducted by UNDP and the Climate Change Development Authority in East Sepik in 2017.

Findings 25-28: sustainable farming practices in cocoa and vanilla were evident through the introduction of resilient varieties and their integration in local agro-forestry and inter-cropping systems. However, linkages to certification schemes and attention to ecosystem sustainability to manage and protect fish stocks foreseen in the Financing Agreement were not evident. As such some key environmental risks and data gaps, notably environmental baselines to verify environmental gains, persist in the Sepik region. In summary, the programme has been effective in preventing deforestation by adopting a rehabilitation-only approach but fallen short on raising awareness and action on broader environmental and climate resilience measures, in particular nature-based solutions, that are key to the long-term sustainability and impact of the VCs promoted.

Findings 29–30: The programme's approach to environmental sustainability and climate adaptation has successfully avoided deforestation in the cocoa and vanilla VCs through a strict strategy of promoting only rehabilitation of cocoa blocks and vanilla plots. However, despite clear indications in the Financing Agreement to include ecosystem restoration measures and broader nature-based solutions to address flooding, erosion, coastal degradation, or biodiversity loss, there is little evidence on this in the programme. Consequently, the programme's environmental interventions have not applied a regenerative approach, which is likely to limit long-term resilience and the establishment of sustainable supply-side VCs.

Finding 31: EU-STREIT PNG has exceeded its renewable energy targets by 254 percent, confirming a tangible reduction in carbon emission reductions. For example, the programme's nine PV systems are estimated to have avoided 1,409 tCO₂e over four years, while the deployment of thermal solar dryers for cocoa farmers may have contributed an additional 461,000 tCO₂e avoided. This suggests both actions demonstrate low-carbon impact that aligns with the Government of PNG's climate commitments and MTDP IV priorities.

EQ6: To what extent was the project governance structure appropriate and efficient, including in the context of UN Joint Programmes / One UN Approach? How efficient were the coordination and M&E of the programme?

Finding 32: EU-STREIT PNG had a clear and appropriate governance structure at the strategic level, based on a multi-tiered system of the Programme Steering Committee, aid at the planning and operational level by Technical Working Groups (TWGs) and the Programme Implementation and Management Unit (PIMU) responsible for day-to-day implementation of work plans. However, operationally, coordination was challenging due to the large number of implementing partners, unclear or delayed terms of reference for the TWGs and PIMU, and strong sector-focused planning among the main stakeholders. This limited integrated decision-making, inter-sectoral learning, and sub-provincial coordination, affecting the alignment of interventions with local-level rural development priorities.

Findings 33-34: The programme's governance structure has been effective in convening implementing partners, agreeing annual work plans, monitoring targets via STREITMIS, and addressing logistical and compliance issues. However, structural weaknesses, including low levels of local government engagement at the district level, strong sector-targeted UN agencies who apply their own operational, procurement and reporting procedure, have limited an integrated rural development approach. Similarly, the Contribution Agreement enables each agency to apply their own rules and regulations, which has prevented proactive measures like planned procurement and pooling of resources to take advantages of the economies of scale. As a result, despite the intensification of implementation through the introduction of the Accelerated Action Plan (AAP) in 2023, a fully multi-sector and integrated approach to the implementation of EU-STREIT has not materialised.

Findings 35-36: The STREITMIS M&E system has been highly effective in tracking output delivery to support accountability on annual work planning and progress reporting. Since the launch of the AAP, the establishment of the Targets and Achievements matrix in the STREITMIS has enabled better tracking of the AAP. However, an absence of baseline data, limited tracking of outcome-level indicators, and a focus on compliance and visibility have restricted the system's use for learning, adaptive management, and assessing transformational change. As a result, STREITMIS is primarily used to inform progress reports on output delivery, rather than to guide strategic decision-making on outcomes.

EQ7: To what extent did the programme demonstrate efficient use of resources and capacity to deliver, both financially and technically?

Findings 37-38: The One UN approach initially underperformed financially between 2020 and 2023, averaging annual expenditure rates of 38 per cent. This was due to limited government capacity, high staff turnover, the COVID-19 pandemic and weak multi sector coordination. Performance improved markedly in 2024 and 2025, with expenditure reaching around 85.7 per cent of the EU budget by September 2025, driven by the AAP and adaptive management. However, the Contribution Agreement allows the application of UN accounting rules, which has prevented the disclosure of expenditure against the detailed breakdown of planned costs presented in the work plans. As a result, it is not possible to assess how far the programme has delivered value for money at the sub-component level. However, contractual data shared from the transport infrastructure sub-component does indicate high design and pre implementation costs, confirming the costs associated with the logistical challenges and limited local capacity increase unit costs, which largely explains lower than planned rehabilitation of rural roads.

Findings 39 to 40: The programme mobilised and stabilised a large team of consultants, averaging 67 core staff from 2023, contributing to improved implementation, particularly in cocoa, digitalisation and transport infrastructure. Staff were generally competent with strong provincial collaboration, although gaps in field coverage and expertise in trade, private sector engagement and transport policy limited higher level outcomes and sustainability.

Findings 41 to 42: UN agency procurement procedures and limited forward planning caused significant delays, particularly for roads, ICT centres and renewable energy, ranging from six months to up to three years. Procurement quality issues further reduced efficiency and value for money, as some equipment was unsuitable or incomplete, requiring corrective action and raising concerns about sustainability.

EQ8: What are the financial, institutional, social, and environmental risks to sustaining project results in the long term, and how effectively have these risks been addressed or mitigated? What additional measures are needed to protect and enhance the project's achievements?

Findings 43-45: EU-STREIT PNG faces significant risks that are likely to affect its sustainability. This has not been aided by its exit strategy which became outdated and updated in the final work plan where emphasis remains on implementation, with no clear information on the establishment of comprehensive handover arrangements. Consequently, questions over post-closure oversight, asset operation and maintenance, and institutional ownership remain. Institutional sustainability is further constrained by limited operational capacity at provincial and district levels, weak inter-institutional coordination, and handover of systems like the e-Agriculture and road maintenance (RuTMS) systems that will need populating with data, as well as operation and maintenance support. Meanwhile, financial inclusion risks are more contained, with financial service providers largely able to continue services. However, unless actions are taken to reduce the number of dormant accounts, the long-term sustainability of rural access points where turnover is lowest are likely to become uneconomic and close.

Findings 46-47: The programme's long-term sustainability is most at risk from financial and institutional gaps. There are currently no concrete, costed post-programme funding commitments in place to support handover of the programme's main activities and results to maintain key services that the VC groups and enablers require. This includes funding to maintain critical services like extension, quality improvement and control of cocoa beans, vanilla pods and fish products (such as smoked and frozen fish), or the operation and maintenance of ICT centres, PV systems and rural infrastructure. Limited private sector investment and high dependence on programme resources also appear to be important factors on sustaining their continuation. Institutional and regulatory misalignment, particularly between RuTMS and DWITS procedures, or on the continuity of the RMGs beyond programme closure in early May 2026.

Findings 48-49: EU-STREIT PNG's exit strategy incorporates some environmental, social, and climate safeguards, such as rehabilitation-based production, promotion of solar dryers, and community-based management, but these measures are not formally institutionalised or financed for the post-closure period. Significant gaps remain. For example, in the fisheries value chain, no attention is given to ecosystem management to address declining stocks, and there is no provision on how to manage e-waste. Social sustainability risks persist due to only partial integration of gender, youth, and human-rights considerations, unclear governance around customary land tenure, and a lack of locally resourced mitigation measures. Without a structured and fully financed sustainability strategy aligned with environmental and climate frameworks, the sustainability of the programme's results is uncertain.

EQ9: To which extent has the Action added value over and beyond what could have been achieved by the Member States' acting on their own?

Findings 50-51: EU-STREIT PNG has demonstrated clear added value compared to France, the only EU Member State (MS), that has a cooperation programme in PNG. In particular, the EU acts as important coordination platform and is able to mobilise large-scale resources that France, or other MS would struggle to match. This demonstrated by the EU-STREIT programme, where its budget of EUR 81.3 million is able to leverage political influence (especially through the UN agencies) to address the need for cross-sector reforms, alignment with national strategies, and investments through initiatives funded by EU initiatives such as the Global Gateway (GG) dedicated to infrastructure improvements. At both national and provincial levels, the EU is widely perceived as providing scale, continuity, and visibility, particularly in remote areas. However, this added value is partially offset by complex delivery modalities and the ongoing down-sizing of EU staff in PNG. This highlights its coordinating role to sustain influence and leverage cooperation in areas such as the GG or Team Europe in PNG may decline.

Summary of conclusions and recommendations

EQ	Conclusion	Recommendation(s)
EQ1 Relevance	Highly relevant to PNG government, EU, and partners; relevance to beneficiaries mixed due to limited baselines and analysis, especially on market integration and institutional capacity.	Before closure: Develop STREIT Sustainability Strategy with clear institutional ownership and embed actions in government policies/programmes/budgets. Future programming: Design commodity VCs with evidence-based ToC, integrate quantitative/qualitative indicators, gender/youth objectives, and costed budgets.
EQ2 Effectiveness – VCs	Cocoa: yields and quality improved, but market links underdeveloped. Vanilla: limited impact due to price decline and structural barriers.	Before closure: (i) for cocoa embed sustainability steps in the CB (participatory review, traceability, Memoranda of Understanding, extension support, LMS training); (ii) for vanilla pilot quality improvement, traceability, MoUs, integration of

EQ	Conclusion	Recommendation(s)
	Fisheries: marginal returns; nutrition gains limited; market access barriers persist.	Learning Management System (LMS). (iii) for fisheries embed sustainability steps in the National Fisheries Plan (market linkages, inputs/advisory, post-harvest handling, forward purchase pilots, extension, LMS). Future programming: Base VCs on feasibility and market/trade studies.
EQ3 Effectiveness – VC enablers	Finance, energy, and transport locally strengthened, reducing costs and improving access, but gains uneven due to limited systemic reform.	Before closure: ICT/PV – operational and operations and maintenance plans, align LMS with Digital Government Plan; UniTech as strategic VC hub. Transport – Integrate Provincial Transport Plans, communicate RMG changes, develop training, update policy with local employment focus. Future programming: None specified.
EQ4 Effectiveness – Gender and youth	Significant gains in participation, skills, and frameworks; economic empowerment limited by socio-cultural barriers.	Before closure: Embed in National Women and Youth in Agriculture Policy; formalise provincial partnerships; integrate Gender Action Learning Systems via Training of Trainers. Future programming: Target interventions addressing livelihoods, structural barriers, and economic autonomy.
EQ5 Effectiveness – Environment and climate	Environmental/climate risks mitigated via climate-smart practices and infrastructure, but monitoring and institutionalisation remain weak.	Before closure: Recruit climate expert, develop risk maps, coordinate online training on climate/environment risk. Future programming: None specified.
EQ6 Efficiency – Governance and M&E	Strategic governance appropriate; operational governance fragmented; M&E reactive, compliance-focused, limited learning.	Before closure: None. Future programming: Simplify governance, joint operational guidance, integrate in UN Contribution Agreements, outcome-oriented M&E with baselines and annual tracking.
EQ7 Efficiency – Resource management	Financial and human resources sufficient from 2024; efficiency constrained by lack of cost analysis, reactive management, fragmented procurement, and equipment flaws.	Before closure: None. Future programming: Integrate financial/results management, track unit costs/return on investment, coordinated inter-agency procurement with specialists, harmonised systems, joint dialogue.
EQ8 Sustainability	Sustainability uncertain without costed post-closure arrangements and clear institutional ownership.	Before closure: Extend programme to develop Sustainability Strategy, finalise handover, strengthen capacity transfer, recruit short-term coordinator. Future programming: Secure time-bound institutional commitments to fund priority VC enablers and private-sector initiatives.
EQ9 EU added value	EU scale, integration, coordination, and leverage provide broader coverage, policy alignment, co-funding; complex delivery and downsizing may reduce advantage.	Before closure: None. Future programming: EUD to strengthen coordinating role to unite Member States for joint funding initiatives (e.g., Team Europe).

Lessons learned

20 lessons learned were identified, of which five are of significant strategic importance. They are:

- (i) Programmes achieve lasting impact when design aligns with local systems, capacities, and realistic resources, avoiding over-ambitious target.
- (ii) (VC gains in cocoa and vanilla require alignment of production increases with strong linkages to quality development and alternative markets, while fisheries VCs need to understand their input and economic needs, difficulty to access markets and sustainable resource management to sustain fish stocks.
- (iii) Strengthening financial inclusion and rural infrastructure depends on external support to de-risk entry of the private sector, provide vital skills development, and embed maintenance within local institutions.
- (iv) Long-term sustainability requires an integrated framework combining financial planning, safeguard enforcement, climate risk management, and private sector engagement with clear commercial incentives and risk-sharing.
- (v) Effective governance and adaptive management are essential to ensure harmonised procedures, proactive decision-making, and operational guidance, enabling investments and interventions to deliver sustained impact.