



**USAID**  
DEL PUEBLO DE LOS ESTADOS  
UNIDOS DE AMÉRICA

# Cadenas de Valor Rurales

Huehuetenango y San Marcos



*Annual Work Plan*  
*October 1, 2012 through September 30, 2013*

## **Rural Value Chains Project**

### **Working Plan October 2012 to September 2013**

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## 1. Introduction

Feed the Future (“Feed the Future Initiative” – FtF) is the initiative from the United States of America Government in the frame of the Summit of the Group of Leaders of countries with the largest worldwide economies identified as Group 8 (G8) in L’Aquila, Italy in July 2009. In this summit the G8 committed to take the right measures according to the needed dimension and urgencies in order to look for the sustainability of worldwide food safety. This initiative was developed over the premise that there exists a close link between poverty and hunger. As answer, the Government of the United States of America has decided that all of its efforts be directed to stimulate the financial development in the countries defined as priority, from which Guatemala is part, be combined with the investments in the defined countries in order to fight hunger and malnutrition in an integral way. Due to this perspective, USAID/Guatemala launched in August 2011, a competitive fund of \$40 million to finance Projects directed to the strengthening of rural economies linked to coffee value chains, horticultures and handicrafts. Within this process, a Consortium led by ANACAFE (“From now on ACFF Consortium”) with the participation of the *Confederación de Cooperativas de Guatemala* (through its federations of coffee cooperatives, FEDECOCAGUA, of horticultures, FEDECOAG, and handicrafts, ARTEXCO), also *Fundación de la Caficultura para el Desarrollo Rural* (FUNCAFE) and *Fundación Fundasistemas*, were selected to execute the Project in 18 city towns from Huehuetenango and San Marcos.

As it was proposed by ACFF Consortium, the Rural Value Chains Project (PCVR) is centered in a design that approaches several facets linked to the rural development incorporating the following concepts:

- To provoke a close interaction between financial growth with the improvement of nutritional levels; not as coincidence, but as interdependent objectives;
- To introduce and adopt a solid participative perspective, from the bottom to the top, in order to reach behavioral changes in the producers and in their families which may have an impact on nutrition and financial situation;
- To make a transfer of primordial responsibility over the design and execution of the Project to Guatemalan entities, and
- To stimulate the private sector with the commitment to generate a financial growth which must be more equitable and that includes the agricultural sector.

As consequence, the goals and objectives of PCVR will allow the establishment of the needed conditions so the selected value chains expand their coverage to include smaller producers, and there also be included more women, young people and indigenous groups, in a way that they be better placed to be

benefited from a long term continuous financial growth. The expected results include the increase of incomes of the producers through innovations in production techniques and also the access to markets; as well as improvements in the nutritional level through changes in the behavior based on the educative perspective.

The Cooperative Agreement No. AID-520-A-12-00004 between USAID/Guatemala and ACFF Consortium to finance this Project was signed on May 31<sup>st</sup>, 2012, being as part of the agreement the elaboration of annual working plans which represent the detailed commitment of ACFF Consortium and its organizations, as instruments that direct its actions, in order to have the certainty that it is going on the right direction of the foresee objectives for the five-year-life of the mentioned Project. On Appendix A of the Agreement it is established the obligation to present on August 30<sup>th</sup> of each year these annual working plans that will cover the active term from October 1<sup>st</sup> of the current year to September 30<sup>th</sup> of the following year.

This Working Plan for the first year of execution on the field of PCVR, which covers term between October 1<sup>st</sup> 2012 to September 2013 was elaborated through a participative

COOPERATIVE AGREEMENT NO. AID-520-A-12-00004		
Composition of PCVR/ACFF Consortium		
USAID Donation	US\$19,000,000	
Compensation	US\$ 4,016,802	
Inactivity	US\$ 4,268,104	the
Total PCVR/ACFF-C	US\$27,284,906	30 <sup>th</sup>

process and constitutes the instrument to endorse the actions that on the frame of the mentioned Project will be performed by the organizations of the ACFF Consortium during this first year.

## 2. Brief Description of the Project

As it was already mentioned the PCVR is framed on the initiative Feed the Future (FtF) in order to contribute to feeding safety through financial development and the fighting of poverty. For this long term objective, FtF Initiative centers efforts on three main areas: **(1)** development of agricultural markets, **(2)** prevention and malnutrition treatment, and **(3)** improvement of humanitarian feeding aid and social security networks.

The Rural Value Chains Project (PCVR) has as central objectives:

- To reduce poverty index and malnutrition in the 18 city towns of Huehuetenango and San Marcos; through the improvement of income of small producers who participate in the organizations of coffee chains, horticultures and handicrafts.
- To produce a deep behavioral change so the improvement of incomes be sustainable and also to assure the improvement of nutritional state of beneficiary families, in short, medium and long term.

This objectives will be reached through the expansion of the participation of rural poor homes in the selected value chains and the linking of these chains to the local, regional and international markets. Besides, the Project will propel activities related to nutrition, directed to the improvement on the use of food to reduce infant chronicle malnutrition levels.

In order to reach these objectives, PCVR will implement actions in the component frame as follows:

- I. Improvement in the competitive value chains
- II. Expansion of the participation of value chains
- III. Improvement of agricultural productivity
- IV. *The execution of this component was not included in the Cooperative Agreement between USAID and ACFF Consortium*
- V. Increase in food productivity and improvement in its use
- VI. Improvement of the handicraft value chain

Within this component frame, PCVR will work on the following transversal subjects:

- Education and Training
- Business Development
- Financial Services
- Communication (Information)
- Links with Local and National Governments (political dialogue)

The execution of PCVR will be a shared responsibility with ACFF Consortium formed by ANACAFE, CONFECOOP (FEDECOCAGUA, FEDECOAG and ARTEXCO), FUNCAFE and FUNDASISTEMAS. As it is obvious, small producer organizations are the fundamental partners of the ACFF Consortium and, as such, will perform several roles within the PCVR: they will be beneficiaries/partners, designers and executors, they will also contribute with counterparts and will be the main means in order to reach a sustainable development that might be extended beyond the life of the Project. The agreed foreseen horizon by the organizations of ACFF Consortium is of 20 years and it is planned to expand this corporative perspective to all the areas of coverage in the individual organizations.

The ACFF Consortium strategy is dynamic and flexible, where the activities of PCVR will be institutionalized in producer organizations that will continue with the process of change over a sustainable base. The behavioral change, institutional innovation, commercial and from the homes guide the activities of PCVR and the three pillars for its execution are: **(1)** the participation, **(2)** the competitiveness, and **(3)** the improvement on human conditions of its beneficiaries.

In sum, the challenge for PCVR partners not only are to find the formula to produce the best quality coffee, in the production of high value horticultures, or in the optimized elaboration of handicrafts, but also in how to make the market grow opportunities and expand the participation of small producers in equitable and rentable conditions in these markets. And even more, how to consolidate the producer organizations in order to be participative, included and resilient.

Finally, as it will be seen ahead, the context of the execution of PCVR is the participation of member organizations of ACFF Consortium which has different execution procedures, beneficiary groups, priority order, hierarchical structure, communication systems and institutional cultures. For this reason, the main challenge for this first year will be to consolidate the participation of individuals through the same direction of strategy of the Project, in order to establish the consolidation organizational basis of the participant producer groups and that might advance from a vulnerable fragmented perspective to an integral and sustainable one. For this reason we will begin with a deep base line in order to develop a series of planning actions to reach little by little to cover in an efficient and sustainable way the real needs of the objective groups.

### **3. Execution Context**

#### **a. Institutional (ACFF Consortium)**

As it was already mentioned, ANACAFE is the responsible entity before USAID and ACFF Consortium that will carry out the PCVR activities: *Confederación Guatemalteca de Federaciones de Cooperativas (CONFECOOP)*, as well as its federal affiliates and associated cooperatives together with FUNCAFE and FUNDASISTEMAS. Also together with its partner CONFECOOP, ANACAFE becomes the leader of a value chain that groups over 15,000 producers of the target places. These organizations have been important leading characters in the process through which Guatemala was able to be part of, and even to outstand, in specialized markets in international levels of coffee and horticulture. The fact to have incorporated to the organizations of small producers from high territorial areas of the country since the beginning it has been a way to secure the participation by defining the objectives of the program, also to strengthen its commitment to share the costs and responsibilities of the Project.

In general terms (these details will be widely explained ahead in the description of components), the participation of each member of the ACFF Consortium will be as follows:

- ANACAFE will function as the contractual and legal link with USAID at the same time it will be giving technical services; as well as the identified groups within the coverage area of the Project. The technical services that ANACAFE provides to these groups are divided in three areas: production, after-harvest and organizational strengthening (through the Project now focused as Business Development)

- COFECOOP will function as the coordination point and link with the participant Federations:
  - FEDECOCAGUA will provide technical services to its associate participant cooperatives. Besides FEDECOCAGUA has wide experience in the marketing and export coffee procedures.
  - FEDECOAG will contribute with its affiliate cooperatives and also with process and marketing mechanisms for the horticulture chain.
  - ARTEXCO will grant its wide experience specially working with textiles and blown glass. This Federation is mostly formed by handicraft women who work with textiles, due to this fact its participation strengthens the gender component, which is a transversal character to all the activities of the Project.
- FUNCAFE has a wide working experience with coffee growers in feeding safety, education and health in general.
- FUNDASISTEMAS is the foundation that has been working with the organizational development directed to business strengthening but under a systemic perspective. This Foundation has developed an organizational model that will be adjusted, feedback and validated with the interchange of experiences with executing organizations; besides it will allow the strengthening of other organizational spaces that might need it.
- The Executing Unit Project (UE) will be the only one responsible to promote the coordination, accompanying, financial administration, support, facilitation, report coverage, communication, monitoring and evaluation to all the components of the Project.

Under this institutional structure, PCVR will have all the needed elements and support in order to commit in the development of the communities within the main city towns by USAID. Also, given the nature of the productive activities of the value chains that are being worked and due to the wide coverage of its cooperative organizations in that region, the final influential area of PCVR will not be restricted strictly to the political division of the 18 city towns, but to the area of presence of the associates and its communities. This wide presential coverage will be defined as mutual agreement with USAID.

Anam reports that aside from the 10 percent of the Constitutional Salary mayors receive the 1.5 percent of IVA-Paz; Q0.20 by gallon of gasoline regular or Premium as part of Black Oil Taxes; the 30 percent of Circulation Air Vehicle Tax, 50 percent in Ground Vehicle Tax; 20 percent Industrial Vehicle Tax and 20 percent of the obtained by Maritime Vehicles. *El Periódico, lower left chart from page 6, from August 2, 2012.*

#### **b. Political (Central and Local Government)**

In Guatemala, the largest concentration of general and extreme poverty is in the rural area, where there live at least 72% of all poor people from the country. This is the most affected group by the feeding unsafety which is directly associated to poverty and exclusion.

The Guatemalan State assumed the commitment to comply with the Objectives of Development of the Millennium and, in the specific case of poverty, the goal for 2015 is to down low to 9% the amount of extreme poor people, half of what there was in 1990. Although, for the year 2009 the amount of extreme poor people reached 15.2% which get to thinking, that the current rhythm, will be difficult to achieve with that goal (PNUD, 2010).

The Feeding and Nutritional Safety has been assumed as State Policy with integral perspective within the frame of strategies of reduction of poverty as well as global, sectorial and regional policies (National Feeding and Nutritional Safety Law System, Decree Number 32-2005). In this context, the government has been performing diverse efforts one of which is the Plan "Cero Hunger 2012-2016", conceived as focused strategy specially in the rural area and urban marginal area of the country, to assist chronicle malnutrition, deep malnutrition and feeding unsafety, that mainly affects Guatemalan childhood under five years of age who live in poverty conditions and extreme poverty. This Plan is added to the Strategic Plan of Feeding and Nutritional Safety 2012-2016 and to the National Policy of Rural Development.

The central government transfers to the city towns, significant amounts of financial resources that come from the constitutional area, *IVA-paz*, the tax for circulation of vehicles and other public incomes. In such concepts, in the year 2011 city towns of Huehuetenango received a total amount that overpasses the 358 million Quetzales, and San Marcos received an amount higher to 360 million Quetzales. Therefore, the levels of poverty and extreme poverty of the population of those places, especially in the rural area continue to be very high.

In the majority of the 18 city towns of the coverage of PCVR chronicle malnutrition associated to poverty, reaches levels over 50% and in cases like San Sebastián and Santa Cruz Barillas both from Huehuetenango, it is over 70%. Added to those social problems, the intern communication means in the city town of the coverage area of the PCVR are not paved and it is very difficult to access them especially during rainy season. Although all city towns have development municipal plans for 2011-2025 in which the long term resolution of this problematic, stopped for rural development, is at least foreseen.

It is important to mention that all municipalities of the city towns of the area of PCVR include in their organize structure a Municipal Planning Direction and in most of them there are also Forest Municipal Offices, Woman Municipal Offices and Financial Impulse Commissions, Tourism, Environment and Natural Resources. These organizational levels open possibilities to make

viable Projects directed to the rural development. Besides, in all city towns of the area of PCVR are organized Municipal Development Councils (COMUDE) as well as the Communitarian Development Councils (COCODE), where the population participates in the democratic planning and development. These development councils constitute a potential to impulse the rural development.

### **c. Regional Context**

The 18 city towns assigned to ACFF Consortium are in the areas of:

**Huehuetenango:** (1) Jacaltenango, (2) Chiantla/Unión Cantinil, (3) San Sebastián Huehuetenango, (4) Todos Santos Cuchumatán, (5) Santa Cruz Barrillas, (6) Cuilco, (7) Concepción Huista, (8) San Antonio Huista, (9) La Libertad, (10) La Democracia; and,

**San Marcos:** (11) El Rodeo, (12) San Rafael Pie de la Cuesta, (13) San Lorenzo, (14) San Pablo, (15) Tajumulco, (16) Nuevo Progreso, (17) Sibinal, (18) San Miguel Ixtahuacán.

Most of these city towns are within those that have more feeding unsafety index, also high illiterate index and low and very low road system service and presence of support offices from the central Government (See Appendix I, Huehuetenango/San Marcos, General Index). These conditions make difficult the procedures to transfer technological packages of agriculture production, forest protection, soil and water resources, as well as education and feeding safety, nutritional and environmental sanitation; without mentioning the effect in the marketing of perishable products. For such reason, the participation of the producer organizations which are already established in the area, will be a key factor in order to expand the benefits of financial growth to the residents who are most marginalized from the influential communities.

### **d. Organizational (General estimated level of the organizations, preliminary appreciation of target group).**

As it was presented in the PCVR proposal, the identified organizations as beneficiaries within the Project are classified in three general categories: A, B and C (classification based on business criterion). In general terms, Category A, is that whose members have the highest levels of family incomes, which requires a lower effort for the consolidation of its capacities through a successful rural and sustainable enterprise, these ones demand an assistant term between two to three years in order to reach this consolidation, as well as a subsequent accompanying effort in order to maintain that condition. Then we have those from Type B, which have medium income levels this condition need from 3 to 4 years of assistance and investments to consolidate the enterprise (this means to reach level A); and finally those which are classified as type C, which are seen as “beginners” in value chains, these last ones require a high assistance level because they have a

larger gap between the expected and current condition. The chart that appears below shows a preliminary estimation from the condition of the producer groups identified in the original proposal of the ACFF Consortium.

Value Chains	Number of Groups	Category			Total Number	Producer
		A	B	C		
Coffee	60	12	25	23	7,835	
Horticulture	26	5	12	9	1,800	
Handicraft	16	5	11	0	1,800	
<b>Total</b>	<b>102</b>	<b>22</b>	<b>48</b>	<b>32</b>	<b>11,435</b>	

#### e. Environmental, Natural Resources and Biodiversity

The main city towns are located in two places: the Pacific area and the Gulf of Mexico which contain seven watersheds (Ixcán, Nentón, Selegua, Cuilco, Coatán, Suchiate and Naranjo), which contain important natural resources, such as ecosystems, soils, water, forest and biodiversity. In general these are subject to natural threats, in addition to the ones caused by their population, product of their relationship with USO-AMBIENT. As consequence there are faced so many important risks and vulnerabilities that require attention to protect and improve the living conditions from which their residents depend, also to improve the resilience of the communities. Deforestation, contamination of superficial water bodies and subterraneous (which are directed to the water by insecticides and other means) and the one caused by the contamination of the homes for the use of wood, fires, low levels of environmental sanitation, erosion and lack of care of soil biology, those are subjects of critical importance that affect the current and future sustainability. This Project faces a large number of challenges in these areas, many of which will be assisted through the described activities in the present working plan.

#### 4. Organization of the Project for execution (participation and inter-institutional coordination) - ordering of work and preparation for the execution.

The internal agreement within the consortium for the execution of this Project includes to CONFECOOP as representative partner of the cooperative movement in Guatemala. This arrangement implies the participation of the involved federations: FEDECOCAGUA, FEDECOAG and ARTEXCO. Although, for this corporative arrangement it can also be included the *Federación de Cooperativas de las Verapaces* (FEDECOVERA) for the harvesting of basic grains; additionally, all of the other federations will be able to participate in some interventions of the Project and/or be part of future expansions. It means, that the organize potential of ACFF Consortium is very flexible, precisely

to improve the learned lessons from corporative work under PCVR, not only to consolidate the business model but also to expand this model in time and space; this is to take it to strategic horizons of the Consortium which are about 20 years as minimum and to all regions of the country where partners have presence.

Now, for purposes of the present plan, the operative structure will be organized in general terms according to the following structure:

USAID-ANACAFE (Legal Relationship) ↓

Managing Board (ACFF Consortium) ↓

UE-Technical Teams

According to the prior structure, the rule that governs all other activities of ACFF Consortium for the execution of the Project is the subscribed Agreement between USAID and ANACAFE. Following we have the Managing Board or Managing Team, integrated by Managers and/or Representatives appointed by each of the partners. In the case of CONFECOP it is the Executive Clerk of the Confederation who in a very close and participative communication with the Managers of the participant Federations (FEDECOCAGUA, FEDECOAG and ARTEXCO) according to this Managing Board, that at the same time approves all working plans and all of those actions that are formally linked with the structure of the Cooperative Agreement with USAID.

## **5. Components of the Project**

### **a. Technical Description and Activities for the first year and how they fit within the general perspective of the execution and reaching of goals of the Project.**

#### **i. Component 1. Improvement in the Competiveness of the Value Chain**

This Component was based in the improvement of business competitiveness of the organizations of coffee producers, horticultures and handicrafts its function is: **(a)** knowledge of market requirements on quality, quantity and speed of delivery of the products; **(b)** productivity; and, **(c)** competitiveness of costs of productions. The competitiveness of companies is affected by obstacles and opportunities linked to the size of their operations, but the opportunities to improve the competitiveness grow when it is operated in a big scale.

The defined activities to be executed in the first year of PCVR fit in the planning and general process of this Project and they are directed in the right way to the achievement of set goals in relation to the increase of profits, adoption of good productive practices as well as managing, manage the after-harvest, procedure and creation of jobs. With the execution of these activities the basis will be set so the association of partner producers of PCVR increase their profits and net incomes, to

be able to make renewals and improve their managing practices and, as consequence, create new jobs.

ii. Component 2. Expansion of the Participation of the Value Chain

In order to achieve a larger participation of small producers and communities in the coffee value chains, horticultures and handicrafts it is necessary to provide them with technical assistance, advice and accompanying to eliminate the restrictions that are an obstacle to their integral development.

Among the factors that may be an obstacle for the participation of small producers and communities in value chains can be mention: **(a)** the lack of technological capacities and information; **(b)** the very limited or insufficient access to investment capital; **(c)** the unsatisfying access conditions; **(d)** the lack of productive infrastructure; and, **(e)** weaknesses in sustainability and organizational performance.

In such way, the expansion of the participation in coffee value chains, horticultures and handicrafts require the elimination of such factors through technical assistance, advice, training and accompanying.

As consequence, the interventions of PCVR for the first year are directed to:

- Design answering mechanisms for the financing needs and credit for the producer organizations, including: access to formal credit resources, three way credits among producer companies, the credit lender and the buyer.
- To promote the integrated work with the community, development councils and municipalities at least in 4 city towns, in order to establish the basis for cooperation agreements, territorial investment plans and municipal policies.
- To elaborate integration strategies for women and young people to the development and business administration.
- To begin processes for the approval of high school in horticulture and the process of selection of young people to whom PCVR will grant scholarships to study the coffee culture and horticulture high school.

Additionally, in the frame of this Component will be also developed activities directed to the constitution of risk capital and granting of shareholders and the creation of an electronic platform for the reception and transferring of information. In this line, FUNDASISTEMAS will begin with the training and accompanying of technicians from ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO in the processes for the implementation of business development models

considering the needs to adapt the model to the particular conditions of partner organizations of PCVR, which will widely be known after the diagnosis and self-evaluations.

The activities to be executed in the first year of PCVR will be framed in the general perspective of execution and directed to the foreseen goals in credits, alliances between small producer business and saving and credit organizations, also business strengthening, agreements with city hall governments for territorial investments, public policies, involving of COCODES and COMUDES and graduated people with coffee and horticulture major.

iii. Component 3. Agriculture Productivity Improvement

The increase in financial incomes of small producers through the production and productivity improvement, the added value and market activities are mainly in function of their business process, access to financial resources and use of technology. In this sense, the improvement of skills of small producers to select and apply technology that better fit to their purposes and conditions requires the technical assistance, which will be decreasing to a point that the producers who receive it earn their own experience.

In the frame of this Component PCVR will execute the activities of coffee value chains (renovation of coffee plantation and technical assistance and training on good agriculture practices and harmless) and of horticulture (production under irrigation in open fields and greenhouse crops). There will also be executed activities directed to the adaptation of climate change, such as: systematization of good agriculture practices used for soil conservation and analysis of climate change and global warming, for its incorporation to the dynamic crop system with adaptations and improvements for agricultural procedure.

The mentioned activities are correctly framed in the general procedure of PCVR and they are directed to the compliance of the related goals together with trainings to producers and personnel from the process companies, management and quality, renovation of plantations, production of horticulture using irrigation in open field and greenhouses, systematization of good agricultural practices for soil conservation, etc.

- iv. Component 4. This component was eliminated from the original proposal and for that reason it is not part of the activities of PCVR/ACFF Consortium. Although, in order to maintain coherence in the numeral listing it is included the present note.
- v. Component 5. Increase in food production and improvement of its use

The reduction of malnutrition rates requires not only the increase of financial incomes of producers and food production, but also the performance of changes in their behavior and food habits as well as from their families. Even though such changes seem to be something obvious for those who observe the situation objectively, they are not seemed in the same way by the affected population, as it is shown in the type and limited variety of food that is consumed as part of their traditional diet.

Although it is affirmed that a scarcity of food due to low acquisitive power of the population is the largest impediment to improve their nutrition, it is observed that the consumption of more nutritional food does not happen in a spontaneous way, even in communities where there exist a wider offer of food which have lower cost. Therefore, it can be deduced that there is a lack of information over the need to consume a variety of food and over the nutritional elements that each of them grants.

Besides the increase in production of food and the improvement of its consumption must be considered that the state of their health in general significantly affects the relation between the consumption of food and nutrition. In the area of PCVR are given social-financial and environmental conditions that have a very intense effect over the general health level of the population and their capacity of assimilation of nutrients from the consumption of food.

In this context, PCVR will drive activities directed to increase food production and also to talk about the lack of coherence that is given between the availability of food its consumption and proper use. Some of these activities are related to fundamental health practices, and for this reason they will be executed in a very close coordination with entities specialized on the public and private sector. Among these activities are the following:

- The establishment of family gardens in families that will be identified through base lines that will be created in the first term of the year. In these family gardens will be establish a micro irrigation system by dropping with the capacity to cover 50 m<sup>2</sup> of crop area.

- The establishment of school vegetable gardens of selected communities in these cases the responsibility will be on the teachers duly trained by the Project.
- Training to teachers of elementary level on health and nutrition subjects.
- Training of families on health and nutrition.
- Treatment for internal parasites in children from 5 to 12 years, in coordination with the Department of Public Health and Social Assistance.
- Purification of water, through alternative methods such as: boiling, pouring chlorine, solar water disinfecting and filtrating.
- The promotion of wood saving stoves among the families who have higher limitations for the preparation of safe food.
- Monitoring and evaluation in health and nutrition, in a very close coordination with the districts of the Department of Public Health and Social Assistance and URC (University Research Corporation) in Guatemala.
- Implementation of communication and promotion actions, which will be directed to perform changes on family diet.

All of the above described activities are coherent with the general perspective of the execution of PCVR and they will proportionally reach the goals related to family gardens, school vegetable gardens, availability of basic grains in scarcity season, teachers with knowledge on health and nutrition, improvement of the nutritional state of children and women, consumption of drinkable water and the use of improved stoves. Besides it has begun with the preparation of working conditions in the following years, in the achievement of adoption goals of a diversified diet and the training on health and infant nutrition.

vi. Component 6. Improvement of Handicraft Value Chain

This Component is founded in the improvement that handicraft value chain requires from the production increase and the quality in the traditional textile industry, as well as in other commercial opportunities as ceramic and wooden works and blown glass; and in other fields that can be identified.

The improvement of handicraft value chain requires of the technical assistance of the affiliated handicrafts cooperatives to ARTEXCO so these can increase and/or diversify the production and marketing of elaborated handicrafts; and also that this

federation expands its services to producers who are not integrated to these kind of cooperatives, through the opening of new cooperatives, also to increase the number of affiliates to the existing cooperatives or to affiliate other cooperatives and handicraft associations.

During the first year of PCVR in the frame of this Component will be executed technical assistance activities, financial assistance, accounting and production and also trainings, so that the organizations of handicraft producers be able to: **(a)** strengthen their productive technical areas; **(c)** improve their financial incomes, and **(d)** increase the number of handicraft partners.

In the frame of this Component it will be executed during the first year of PCVR activities directed to the establishment of the basis of compliance of the related goals with business and investment development plans, trained persons in business administration and improvement on productive practices, the production of new designed handicraft products, access to new markets, net additional income by the sale of handicraft products, additional investments in handicrafts and creation of job opportunities.

**b. Result Matrix: Activities and Charts of the Project by Component.**

At the end of this numeral it will be shown the matrix of specific results and their activities during the first year of execution of the Project. These are quantitative results that must be adjusting to the designed diagram of the Performance Monitoring Plan of the Project (PMP- Performance Monitoring Plan, presented as a document additional to what it has been required on the agreement document). Although, in qualitative terms, the PCVR/ACFF Consortium would expect, in a very close coordination among the organizations of the consortium and the Executing Unit, to reach the following results during the first execution year:

- i. Consolidation of the executing team of the Project:
  - a. To the Executing Unit level
  - b. To the Linking Technicians of the Organizations level
  - c. To the Technical Field Teams level
  - d. To the Managing level
- ii. To define the coordination mechanism and intern-institutional collaboration (sub-execution agreements and administration)
- iii. To define the accompanying mechanism and support of the Executing Unit for the actions of the Project.

- iv. To expose, evaluate, validate and agree the vision and strategy shared by all the Consortium.
- v. Design, validate and proceed with the surveying of the Base Line of the target groups of the Project according to the guidelines of the Performance Monitoring Plan of the Project in order to know:
  - a. The capacities and business development levels of the target groups
  - b. The technical capacities
  - c. The organizational and administrative capacities
  - d. The geo-reference of the beneficiary organizations for the first year and the projected for the following five years of the life of the Project
- vi. To carry out the prioritization of the assistance of organizations over the base of:
  - a. Organizations with higher potential
  - b. Those that can produce short term results
  - c. To identify the main weaknesses and needs of the organizations
- vii. To define and validate the Execution Model of the Project (execution manual) to guarantee the efficiency and efficacy of:
  - a. The technical/business assistance
  - b. Administrative financial cash flow
- viii. Consolidation of the Performance Monitoring Plan of the Project
- ix. To define the Mechanism of articulation of the technical/business services with the assistance in food and nutritional safety
- x. To define answering mechanisms for the financing needs (credit) for the target groups of the Project, in proper quantities and conditions.
- xi. To design and put into practice a pilot Project of agricultural insurance to respond to climate risk
- xii. Identification of innovating marketing actions of the Project for each of the three chains
- xiii. To develop a significant advance in the integrated job to a community level, with the development and municipal councils in at least 4 city towns (agreement cooperation basis, investment territorial plans and municipal policies)
- xiv. To design and develop the electronic web site and data system of the Project to be able to work in the web
- xv. To design and create a registry or dynamic catalogue of Good Agricultural Practices in coffee and horticulture directed to climate change
- xvi. To design and begin an integration strategy for women and young people by developing and managing enterprises

- xvii. To complete and begin the environmental mitigation plan of the Project for each one of the three chains
- xviii. To define and begin the coordination arrangements with other Projects/Organizations
- xix. To design and begin with the communication strategy of the Project (in 3 dimensions: to the Consortium members, to the producers and to the public)
- xx. To explore participation mechanisms of the *Federación de Cooperativas de las Verapaces (FEDECOVERA)* in order to guarantee the availability of basic grains to harvest prices in the 18 city towns of the coverage of the Project.

## Rural Value Chains Project (PCVR/ACFF Consortium)

### Activity Matrix, Results and Component Chart

No.	Indicative Activities	Results/Indicators	Total Year 1	Term / 2012-2013				Observations
				Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	
<b>Component 1: Improvements in Competitiveness in Value Chain</b>								
<b>Coffee</b>								
<b>FEDECOCAGUA</b>								
1	Added Value through quality	Increase in profits in fifth year after the renovations	20 qq/Ha: Production Base Average					
2	Added Value through marketing	Net total income due to improvement of managing practices	0					
		Producers receiving technical assistance and adopting the recommendations of BPA	1,141 Producers					
		Renovations and improvements in managing practices	196 Trained Executives					
		Improvement only in managing practices	1,043 Trained Producers					
		Organizations receiving technical assistance and adopting the recommendations of managing after harvesting	29 Organizations					
		New created jobs	100 Jobs					
<b>ANACAFE</b>								

1	Added Value through quality	Increase in profits in fifth year after the renovations	0					
2	Added Value through marketing	Net total income due to improvement of managing practices	\$324,535.00					
		Producers receiving technical assistance and adopting the recommendations of BPA	3934					
		Renovations and improvements in managing practices	Pending to define					
		Improvement only in managing practices	Pending to define					
		Organizations receiving technical assistance and adopting the recommendations of managing after harvesting	40					
		New created jobs	213					
<b>Horticulture</b>								
3	Development of new exportation products that respond to market demands	Increase in net incomes as result of irrigation introduction	0					
4	Intermediate or final procedure to grant added value	Net total income additional coming from the irrigation introduction in open field	\$0					
		Producers adopting greenhouse systems for horticulture productions	10 Producers					
		Horticulture Crop Area under greenhouse	1.37 Has					
		Increases in net profits of greenhouse introduction	1,070 \$/Ha					
		Yearly total increase by producer due to the adoption of improved practices	\$1,443					

		Producers receiving technical assistance and using BPA's	400 Producers					
		Alliances among small producers companies and other members of value chains	1 Alliances					
		New created jobs	615 Jobs					
		New exported crops	0					
		Horticulture crops under intermediate or final process to grant added value	1 Crops					
	<b>General</b>							
5	Technical assistance, consultancy and accompanying for company strengthening	Companies paying high level managing positions	Pending to define					This section includes consolidated goals from Anacafé and Fedecocagua
		Companies with contracts/arrangements for long term technical assistance	Pending to define					
6	Financial Independence, leverage and credit solvency	Individual and companies beginning capital accumulative programs (savings)	8					
7	Short term technical training in agriculture, company development and nutrition	Producers participating in short term training events	3934					
8	Medium term technical trainings in agriculture, company development and nutrition	Producers and personnel of the companies receiving training on process, managing and quality	10					
<b>Component 2: Expansion of Participation in Value Chains</b>								
10	Access through three way credit among producers/companies, lenders and buyers	Three way credits	0					This section includes consolidated goals from Anacafé and
		Alliances among small producers and credit and saving organizations	Pending to define					

11	Alliances between producer companies and saving and credit cooperatives	New Credit Value	Pending to define					Fedecocagua
		Arrangement of capital risk	Pending to define					
12	Credit risk and capital creation	Capital risk investments	Pending to define					
13	Credit classification for individuals and companies	Approved companies in credit registries	Pending to define					
		Financial Institutions using credit registries as financial classification factor	Pending to define					
14	Integration of women and young people to business administration and development	Companies strengthen to member level and on taking decision levels	2					
		Companies with women and young people in taking decision levels	2					
15	Integration and cooperation with municipal governments	Agreements with municipal governments in territorial investments	Pending to define					
16	Funds Leverage to finance the execution of territorial investments	Leveraged capital and invested in territorial plans	Pending to define					
17	Assistance to groups to provide support and advice in community development activities	Number of COCODES and COMUDES involved	1					
18	Assistance to the consortium in the identification, discussion and negotiation of public policies	Number of public policies discussed and negotiated	Pending to define					
19	Electronic Platform	Business transactions performed through the Electronic Platform	0					
20	Secondary Education Pilot Program	People graduated from secondary education with curriculum specialized in coffee and horticulture	15					
20A	New added products as beneficiaries							
		Coffee	20					
		Horticulture	Pending to define					

### Component 3: Improvement to Agriculture Productivity

21	Investment of producers in plantation renovation	Producers	2092					This section includes consolidated goals from Anacafé and Fedecocagua
22	Technical assistance in improvement of agricultural practices	Plantation area with renovated coffee	23.73					
23	Horticulture Production with irrigation in open field	Producers cultivating horticulture using irrigation system	Pending to define					
24	Horticulture Production under greenhouse	Crop area under greenhouse (existing and new ones)	Pending to define					
25	To promote production practices and investments in order to reduce climate change effects	Producers who adopted good agricultural practices and harmlessness	3493					
26	Dar seguimiento a los efectos del cambio climático como base para recomendaciones sobre inversiones y prácticas agronómicas	Área en la que se utilizan buenas prácticas agrícolas y de inocuidad.	4187.6					
		Increase in cultivation of products under irrigation and greenhouse	Pending to define					
27	Systematization of agricultural practices used in effective way for soil conservation and coffee production	Coffee managed under shadow	4773.6					
		Coffee with soil coverage in fragile areas	1511					
28	Systematization of agricultural practices used in effective way for soil conservation and horticulture production	Yearly recommendations of managing of horticulture and coffee	3411					
		Friendly environmental practices, including soil and water conservation and improvement	4252					
29	Analysis of climate change and global warming	Participation of technicians and producers in training programs [separated by categories]	112					

		Annual recommendations for horticulture and coffee	3727					
		New humid benefits or reconditioning in order to comply with the efficiency regulations of use of water and disposition of sewage	9					
Component 4: this component was excluded from the Cooperative Agreement								
Component 5: To increase the Production and Improvement of Food Consumption								
30	Family Gardens	Food availability increased each year	1500 family gardens					During the line base process it will be defined with better precision the interaction and coordination of the activities of this component, due to the fact that it is a transversal component to all chains
31	Viability to improve the production and manage after harvesting basic grains	Availability of basic grains in scarcity season	4 weeks/year					
32	School vegetable gardens	Schools practicing activities SAN	45 schools					
33	Training on health /nutrition for elementary level teachers	Larger knowledge in health/nutrition	45 trained teachers					
34	Training on health and nutrition	Homes/people who adopt a diversified diet	0					
35	Treatment of internal parasite	Nutritional state of children and women improved	5000 children and 1500 women					
36	Alternative methods for purification of water	Families consuming drinkable water	1500 families					
37	Wooden Stoves improved	Schools using improved stoves for the elaboration of school meals in a safety way	45 schools					

		Families using an improved stove for the elaboration of food in a safety way	500 stoves				
38	Following up and evaluation of health and nutrition	Following up of the nutritional state to provide the right treatment	45 communities				
39	Communication and Promotions	Communication Plan in a community level	1200 families adopting the diet changes				

### Component 6: Improvement of Competitiveness of Handicraft Value Chains

40	Diagnosis of production and marketing of handicraft chain	Diagnosis of production and marketing of handicraft chain	1 diagnosis					During the process of base line it will be defined with precision the activities of this component, due to the dispersion and requirements of organization of beneficiary handicraft makers
41	Diagnosis of each participant handicraft cooperative	Diagnosis	6 diagnosis					
		Business development plans and investment	6 plans					
42	Technical assistance for each company in the implementation of the business plan	Trained people in business administration	Pending of definition/base line					
43	Improved quality in products and materials	Trained people in better productive practices	Pending of definition/base line					
		New handicraft products designed and produced	0 products					
		Access to new established handicraft markets	0 markets					
		Additional net income by sale of handicraft/person/year products	\$ Pending of definition/base line					
		New investments /additional in handicraft	\$ Pending of definition/base line					
		New created jobs	Pending of definition/base line					

## COMMUNICATIONS

44	Communication Plan	Communication Plan	1 Plan	1 Plan	P.D.	P.D.	P.D.	These activities will be defined during the first three months of the execution of the Project, with the surveying of the base line
45	Contribution of communications to the diagnosis	Diagnosis	Diagnosis	P.D.	P.D.	P.D.	P.D.	
46	Execution Manual related to participative communication	Operative Manual	Manual	P.D.	P.D.	P.D.	P.D.	
47	Communication products of the component of institutional communications	Communication Materials	Number	P.D.	P.D.	P.D.	P.D.	
48	Communication Product Development for distribution through several channels	Communication Materials	Number	P.D.	P.D.	P.D.	P.D.	
49	Communication events with the main actors/participants of the chains	Informative Events	Number	P.D.	P.D.	P.D.	P.D.	

P.D. Pending of definition

### c. Budget of the Project by Organization

The detailed budgets of the participant organizations can be found in appendixes II.1 to II.6, the total amounts for each of the participant organizations are as follows:

Appendix No.	Organization	Amount Year 2012-13 in US\$
II.1	CONFECOOP/ARTEXCO	700,405
II.2	CONFECOOP/FEDECOAG	544,263
II.3	CONFECOOP/FEDECOCAGUA	456,326
II.4	FUNCAFE	652,802
II.5	FUNDASISTEMAS	192,308
II.6	ANACAFE	1,921,704
	TOTAL	<b>4,467,808</b>

In order to be able to execute this budget, first of all it is necessary the formal approval by USAID. Simultaneously, during the first week of the month of September, there will be distributed among the partners of the consortium, sub-agreements for the administration of resources, with the description of general functions of each one of the participants. There will be done bilateral agreements among ANACAFE and each of the organizations of the consortium. For the case of Cooperative Federations there will be performed only one agreement with the Confederation of Cooperatives (CONFECOOP) according to the approved operative structure in the Cooperative Agreement between USAID and ANACAFE (Page B7 of Appendix B); and at the same time, CONFECOOP, will keep the function of coordination and administrative link with each of the three participant Federations. These agreements should be equally approved by USAID. ANACAFE will also proceed with the procedure of an execution fund advance mechanism with the purpose to speed up the technical execution processes of field activities.

### d. General description of training activities (local, regional and international)

One of the most important activities within the Project is the Training. In general terms the training of the Project is concentrated in the main following areas:

- i. Technical field areas for example: good agricultural practices, after-harvest management of the products, good manufacturing practices, prevention, mitigation and adaptation to climate change.
- ii. Business Areas: organization, finances, accounting, tax paying culture
- iii. Health and Nutrition area.

For training activities on the first three months of execution of the Project during the surveying of the base line, it will be carried out a detailed planning that responds to the main technical, administrative and feeding and nutritional safety deficiencies of the target population of the Project.

## **6. Obstacles of the execution of activities and measures to mitigate them**

According to Cooperation Agreement No. AID-520-A-12-00004 subscribed between ANACAFE and USAID, the execution of PCVR is responsible for three cooperative federations affiliated to CONFECOOP (FEDECOCAGUA, FEDECOAG and ARTEXCO) two foundations (FUNCAFE and FUNDASISTEMAS) and by the own ANACAFE, which takes to complexity levels that might generate some obstacles for the implementation of foreseen activities in order to reach the quoted goals of the Project. Among the possible identified obstacles are the following:

- The existence of different visions of the purpose and operative structure of the Project.
- That the needed adjustment not be introduced for the procedure of the Project in the working structures and methods of the participants organizations.
- Resistance to adopt the conceptual perspectives and methodology of the Project.
- Structure of the traditional credit systems that originate a lack of convenient and efficacy financing for the renovation of coffee plantations, quality managing of products, etc.
- Resistance of some beneficiary handicraft makers of the Project to implement process controls and also to make required investments.

The Execution Unit of the Project will implement or impulse the implementation of measures to mitigate the prior described obstacles. Among these measures are the following:

- Participative definition of a shared vision of the Project from the organizations that are part of the Consortium.
- Periodical meetings with the managing and technical levels of the executing organizations of the Project in order to strengthen the levels in a proper way and also to look for joint solutions to problems that might arise en the execution process.
- Accompanying of field activities that are performed in the frame of the Project.
- Frequent analysis of generated reports for the execution of the Performance Monitoring Plan of the Project to take the corrective pertinent measures.

- Searching of options of access to credit and financing leverage for the organizations of partner producers of the Project.

## **7. Coordination Mechanism, cooperation and interchange of information with other linked institutions with FtF**

Because the Project is only one part from a series of sponsor Projects by USAID within the initiative FtF there will be an interaction to local level among several executing organizations. Therefore, it is important to establish coordination basis in order to assure that such interaction becomes in a higher impact and not in the duplicity of activities.

At the moment of the definition of this first working plan it is clear that there will be a direct complimentary even by the interaction to the level of service receptor families, with University Research Corporation and with two of the ONG's (Catholic Relief Services and Save the Children) from the Program PL-489. With these organizations and with those that are going to be added in the future with this level of interaction, the Project will assure a close coordination that includes periodical meetings about the executing activities not only in a central level but also to field personnel and the exchange of information in individual user level between the respective data bases to identify common users. Within the activities of PL-480 appear some in which are supported activities of organizations of groups for the marketing of farming products. Some of these groups are able to grow in a way that it could be interesting to be incorporated to the organizations of partner producers of PCVR for this reason it will be kept a constant communication between the respective M&E Units to identify the mentioned groups and incorporate them to Value Chains.

On the other hand there are the organizations whom the Project has a strategically and conceptual type relationship like AGEXPORT who leads a similar Project in other three territorial divisions, whom it will be coordinated in order to interchange information on methodology issues and on experiences besides the potential opportunities of market for producers. Besides that it is foreseen to perform joint training activities on common subjects (Regulation 216, Climate Change, Gender, M&E, etc.) when economies and scheduling of each organization scale allows them.

## **8. Performance Monitoring Plan of the Project (Performance Monitoring Plan-PMP)**

All of the members of the Consortium have adopted a Performance Monitoring Plan of the Project (PMP) which is a key element of their execution strategy of the Project. The PMP is included with this working Plan. The Agreement between ANACAFE and USAID identify 90 indicators of performance that will be measured yearly to follow up closely the implementation of the Project. The strategy of USAID/Guatemala called Feed the Future (FtF) Multi-Year Strategy (MYS) has 31 performance indicators that will be used to measure its performance. From that total, 7 are indicators of regional level that will be measured by a

special contract that the Mission will initiate in the following weeks (even though it is still pending a final decision if PCVR might report over one of these indicators: -Expenses Per Capita of the Rural Beneficiary Homes). From the other 24 indicators from FtF, PCVR will produce related results with 16. The project will also be able to contribute with information over a 17th indicator:-Number of Organizations/Supported Women Associations, but the inclusion of such indicator will be considered when the results of the Gender Analysis are obtained as the Agreement requires.

As it is also established in the politics and manuals from USAID, the reported data will be separated by sex when it is appropriate. This will be done for 9 of the 16 indicators of USAID/G FtF and also for the included indicators in the Agreement when it is appropriate.

Sixty of the 90 specified indicators in the Agreement are related somehow with the 16 from USAID/G FtF, while the other remaining 30 will be used only with the purpose to follow up the implementation of the Project but not to report as part of the Result Frame of the Strategy FtF. The PMP attached provides information estimated of base line and yearly goals for the 90 included indicators in the Agreement. Due to the fact that in the Agreement was not specified which indicators have to be reported within the Result Frame of Strategy of FtF it is only up to now that it has been gathering information of base line and yearly goals for them. It is expected to have the complete information for the 16 indicators not later than September 30, 2012 and for that moment it will be modified the PMP in order to reflect this data.

The Executing Unit is sounding options to implement an informatics system in order to manage the financing reporting as the gathering of data over the indicators and the activities of the Project. It is expected to have operating essential functions of this system for December 2012.

The members of the consortium are committed with the idea of actively using the Performance Follow up Plan as a tool to assure the compliance of the objectives of the Project. The data bases are also available for research initiatives and analysis intended for understanding the problematic that affects feeding safety in the country and the measures that could resolve the problematic in an effective way.

In sum, the task that we will execute during the first year of the Project will be:

- To incorporate to PMP the information of base line and yearly goals for USAID indicators and to update those which are listed in the Agreement.
- To establish the reporting electronic system with the active participation from all the personnel and the partners of the Project.
- To provide to all key employees of the partners and the producer groups the PMP training.
- To submit to USAID the trimestral reports with the information of the main result indicators of the Project.

## **9. Consideration of Gender and Vulnerable Groups**

Within the goal population of PCVR in the 18 selected municipalities as geographical areas of the Project will be identified three types of vulnerable population: women, children and young and indigenous people.

The current economy activity in San Marcos and Huehuetenango is given within a system mainly based in agriculture and services where most of the population barely produces the enough to survive in precarious conditions. The located indigene population en the rural area, whatever their occupation (farmworkers, day laborers, small businessmen, handicraft makers, etc.) usually appear among the less favor and are vulnerable to and to be affected by afflictions that are an obstacle to their progress by generations. The survival strategies of these families usually include a combination of featured activities by the use of work force which is not qualified in an intensive way and under capital (cultivation for self-consumption, small production for market, raising of minor farming species, seasonal work, immigration-remittances, etc.) that involve to all members of the family with some capacity to work. This system imposes heave weights of work and high costs of opportunities over the members of the family, but due to the power that men usually concentrate within the family group, women and children are those who pay the larger proportional cost and who receive less dividends.

Despite the unfair that this system might be it is established and by the force of its cyclic repetition has been creating patterns of individual and social behavior which are deeply rooted and that tend to maintain the system without bigger changes.

The PCVR is determined to introduce and adopt a solid participative perspective, from the bottom to the top, in order to reach behavioral changes that influence in the transformation of the living conditions of the population in several dimensions, one of which is the gender equity. As it is described in the Agreements, the Project will use education services, technical and financial, of business development and communication in order to promote positive changes that prepare the target population of the Project to improve their circumstances and at the same time to be aware before possible negative effects not intentional for their social network.

In this sense, the main action lines of the Project will include:

- **To work with men toward the achievement of gender equity as a way to reach the social development and family prosperity.**

The fact that men are able to predominate in number of associates within the producer groups must not prevent the Project to promote the gender equity making relevant for them the multiple ways in which discrimination by gender limits their own development to different levels (individual, familiar, communitarian, etc.) The educative work on this aspect, as well as in others, will look to inspire a change mentality as primary precondition of the subsequent incorporation of changes in patterns and individual behavioral practices and, even more, generational changes.

- **Prioritization of women in service rendering**

The emphasis over the prioritization of women is not only an equity gender matter. San Marcos and Huehuetenango are the two territorial divisions with the largest number of immigrating people who work abroad, except for Guatemala City which is more populated and urban. The reality is that in the 18 city towns where the Project has activities there currently is a large number of homes whose family head is the woman and if PCVR fails in rendering assistance to producer women it would also fail in achieving the objectives that have been foreseen.

The promotion of an enterprising behavior for the solution of problems will be very important in the work of women, not only in their role as producers but also as mothers or social leaders. It will be actively look that women be beneficiated without any kind of discrimination of the activities of the Project by giving them priority in the rendering of services.

Two components of PCVR will focus their services especially in women: activities from ARTEXCO and the assistance initiatives of feeding and nutritional safety of FUNCAFE. Even though cooperatives from ARTEXCO are opened to the participation of both genders and their main objective is to improve their incomes more than to provide developing assistance to women, the reality is that on the membership of handicraft cooperatives predominates women in a good measure and for that reason within the services of this component will be mainly directed to them. In the case of initiatives SAN from FUNCAFE it is given a particular emphasis in activities and services that directly beneficiate women and children.

A detailed analysis from the dimension of gender within the activities of the Project will be performed in October 2012. This analysis will answer to the four exposed questions in the Agreement in order to establish the right basis that assures the gender equity policy of the Project.

The document that contains the Strategy FtF/MYS from USAID/Guatemala includes an appendix that describes the context and the disadvantage and vulnerability situation of women in Guatemala. The appendix highlights the need of promoting the equity to access to technology, also to improve the access to women to financial resources and to the ownership of land as well as to the elimination of legal impediments so women may be full members of the producer associations who receive assistance and be able to assume leadership posts. The Gender Analysis will give special attention to these subjects.

The Gender Analysis will be beneficiated by the diagnosed results of gender that were performed for the Project "Business Competitiveness and Strengthening from the High Territorial Area" sponsored by USAID/ANACAFÉ. The Diagnosis identified the number of social-cultural, legal, institutional and capacity obstacles that limit the possibility that women participate and be fully beneficiated from the improving initiatives of the coffee industry. THE RECOMMENDATIONS of the diagnosis are mostly directly

applicable to PCVR. Although, the Gender Analysis will have to carry out a similar diagnosis for horticulture and handicraft analysis and SAN/FUNCAFE.

- **Youth**

The main activities directed to children and young people within the Project are the interventions that FUNCAFE will implement. The Project will help some educative institutions to consolidate and expand high school with major on coffee plantation and horticulture so students be able to obtain the specialized needed knowledge to obtain a job in the producer organizations.

One of the performance indicators included in the Agreement refer to “Number of companies where women and/or young people can occupy working positions with power of decision making”. The PCVR will actively promote that organizations that receive assistance from the Project consider the inclusion of young people with responsibility positions when they:

- Have studies than older people did not have the opportunity to acquire
- Have successfully assumed responsibilities for agriculture production being very young and, therefore, have earned experience,
- Have a wide knowledge on local development due to the circumstances like migration
- Actively participate in private and public organizations, or
- That simply have inherent leadership skills

Probably the main problem that young people face in this area of the Project be the fact that the size of the cultivation land has been reducing and the families keep being too big and for this reason only a few are able to aspire to be sustained by agriculture (except for those that have access to capital and the required water to be able to work in intensive cultivation and exportation of horticulture). In this case, initiatives that stimulate jobs in activities that do not belong to agriculture could be of bigger help; although it is needed to analyze the situation slowly in order to determine the nature of such initiatives.

- **Indigenous Population**

The population of the area of the Project is largely formed by indigenous people, so most of the beneficiated parts of the Project will be people from this vulnerable group. One of the interventions of the Project that might be necessary is to assure that the mechanisms of leadership selection in the beneficiated groups do not exclude to indigenous people. The Project must also consider to make the needed efforts to assure that women, young and indigenous people have the opportunities to participate when the personnel be selected and at the moment that trainings be given for the employees of the producer organizations.

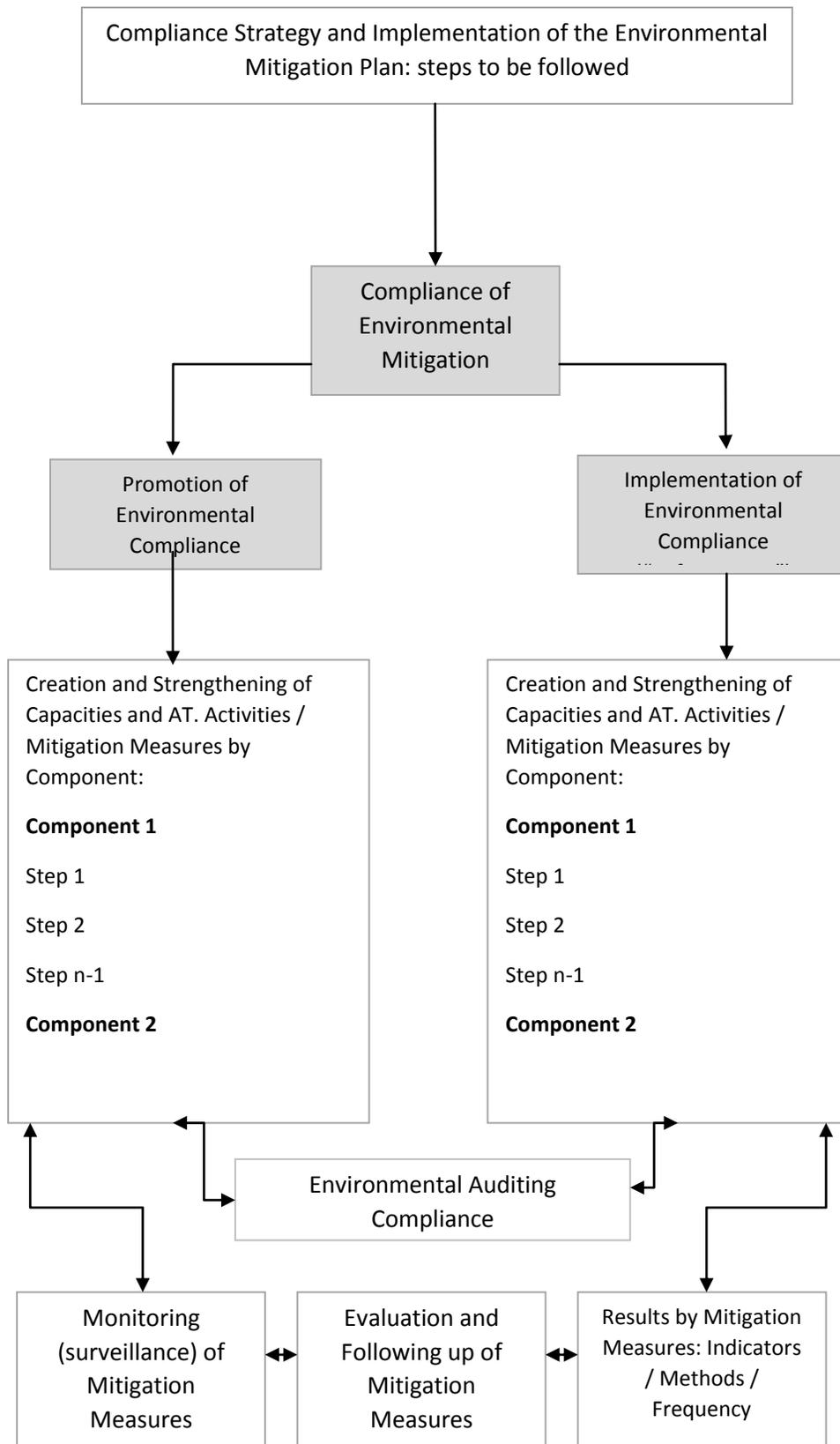
In sum, during the first year of the Project we will take the following steps:

- To make a Gender Analysis and prepare the Project Strategy in this area
- To provide training to all the personnel of the Project on the Gender Strategy, once it is approved
- To develop an strategy so young people from 16 to 25 year be able to actively participate in the Project
- To include separation of data in trimestral reports that reflect how the Project gives priority to gender, young and indigenous population subjects

**10. Steps to assure the compliance with environmental requirements of USAID (Climate Change and Reg. 216) - Capacity Creation.**

With the purpose of contributing in the reduction of risks, improving and managing of environmental quality, to prevent pollution, to sustain environmental uses and clean past pollution, we have previously elaborated a document that contains the development and implementation of a Strategy/Program that includes (See Appendix III and the Chart of the following page):

- A compliance and application strategy (“enforcement”) that promotes the application of the environmental mitigation requirements of the Cooperative Agreement
- Priority Settings
- Compliance Promotion
- Compliance Monitoring
- Answers to mitigation applications: that will estimate the success and environmental results, the compliance tasks, compliance progress, compliance monitoring measure and others
- To determine the participation of roles and responsibilities from the ones that are involved and
- To determine the evaluating measures and output result systems



**e. Appendix**

Appendix I: Selected City Towns of Huehuetenango/San Marcos, General Index.

Appendix II: Budgets

- II.1 CONFECOOP/ARTEXCO
- II.2 CONFECOOP/FEDECOAG
- II.3 CONFECOOP/FEDECOCAGUA
- II.4 FUNCAFE
- II.5 FUNDASISTEMAS
- II.6 ANACAFE

Appendix III: STEPS TO MONITORING AND ASSURING THE COMPLIANCE OF THE ENVIRONMENTAL PROCEDURES CONTAINED IN “Reg. 216” from USAID, AND THE NATIONAL ENVIRONMENTAL LEGISLATION