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Cadenas de Valor Rurales

Huehuetenango y San Marcos



Quarterly Report

January - March 2013

USAID Cooperative Agreement 520-A-00004

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1. Introduction

The Rural Value Chains Project (RVCP) is being implemented by a consortium¹ represented by ANACAFE through a cooperative agreement with USAID (520-A-12-00004). The Project uses a strategic approach to address two complex and very closely related issues: poverty and hunger. Although the relationship between both is very close, research shows that the link between increased income and improved nutrition is not always directly proportional. As a result, the solution to these complex issues calls for systemic approaches integrated to address individual behavior, organizational structures and community issues.

The Project Implementation Unit (UIP in Spanish) was created to coordinate and facilitate the conditions required for the Consortium to meet Project objectives. The objectives are framed within results in two key areas: (1) direct results that are the linear effect of Project assistance and support to producers and producer groups, and (2) comprehensive results which is to say that individual, organizational and community behavioral changes are conducive to comprehensive rural development (the fundamental objective of the Project). The combination of both areas and the complementarity of results will contribute to long-term sustainability and replication in other parts of the country.

To that end, the UIP created and oversaw a participatory process to draft the Year One Annual Work Plan for the period from October 1, 2012 through September 30, 2013. In compliance with the terms of the Cooperative Agreement with USAID, the Project is expected to submit quarterly reports on current results, modifications and scheduled activities for the upcoming period.

It is important to underscore the fact that the Project faced significant contextual adjustments during the current reporting period that constrained RVCP planned activities. To illustrate, the national institutional state of emergency regarding the coffee rust plague (*Hemileia vastatrix*) was a significant event. Nonetheless, the Project leveraged the opportunity to provide technical assistance to producer groups and strengthen their capacity to face the challenge.

This report covers the second quarter of RVCP implementation from January through March 2013. Sections later in this report describe implementation activities per the Work Plan, but also highlight the strengthening of the Project's operational structure and the consensus developed among the technical teams representing each of the organizations in the Consortium. The teams have been working in close cooperation during each of the phases and steps required for the Entrepreneurial Development Model being implemented by the Project. The Model is an innovative approach in that it focuses on the individual while being comprehensive and enriched by the wealth of experience contributed by each of the organizations in the Consortium based on their expertise on organizational strengthening of each type of producer group.

¹ The Consortium is comprised of ANACAFE as the lead institution representing the Consortium before USAID, together with the Guatemalan Confederation of Co-operative Federations, (CONFECOOP in Spanish, represented by the Guatemalan Federation of Agricultural Coffee Producer Co-operatives – FEDECOCAGUA, R.L. in Spanish), the Federation of Agricultural Cooperatives (FEDECOAG, R. L. In Spanish), the Integrated Federation of Handicraft Producer Co-operatives (ARTEXCO, R. L. In Spanish), the Coffee Grower Foundation for Rural Development (FUNCAFE in Spanish) and the FUNDASISTEMAS Foundation.

2. Activities and Progress toward Results

2.1 General

The RVCP Year One Work Plan includes a significant challenge in laying the groundwork that will guide the individual participation of each of the Consortium organizations toward the same strategic purpose. The challenge also lies in laying the groundwork to strengthen local partner organizations enabling them to transition from fragmented efforts to a systemic and sustainable approach that will strengthen entrepreneurial aspects and improve their competitiveness with each of their respective value chains.

As a result, the RVCP implementation activities this quarter called for the UIP to continue to conduct activities that would strengthen the Project's organizational structure while also seeing the Consortium organization's technical staff carry out the field activities under the Work Plan. The following section summarizes progress this quarter.

i. Strengthen Project Implementation Teams

- The UIP fully stepped into a leadership role among the Consortium organization technical and management teams.
- ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO and FUNCAFE established their respective technical teams to provide the RVCP local partner organizations with assistance on matters technical, productive, entrepreneurial and food security and nutritional. Furthermore, FUNDASISTEMAS has actively participated using its own technical team.

ii. Develop and Validate the Project Implementation Model to ensure Efficiency and Efficacy in providing Technical/Entrepreneurial Assistance and Appropriate Financial/Administrative Tasks

- The UPI developed the *Project Financial Management Manual* to comply with USAID regulations and proceeded to train personnel from each Consortium organization in its use.
- To ensure Project implementation viability, the UIP:
 - organized meetings with officials and technical staff from the Consortium organizations to address technical and administrative aspects of the Project, and
 - organized and facilitated workshops with technical teams from the Consortium organizations to:
 - (a) review the RVCP Environmental Mitigation Plan;
 - (b) review/establish Project indicators, and
 - (c) revise the Entrepreneurial Development Model using the systemic approach promoted by the Project.

iii. Create the Inter-institutional Coordination and Cooperation Mechanism

- The sub-contract between ANACAFE and CONFECOOP (representing FEDECOCAGUA, FEDECOAG and ARTEXCO) was drafted, negotiated and signed by all parties on January 31, 2013. The instrument described the process to transfer financial resources from USAID to FEDECOCAGUA and ARTEXCO. At the time of this writing, FEDECOAG had yet to complete the process to receive USAID grant funds, but proceeded to implement RVCP activities with its own funds.
- CONFECOOP set up a follow-up committee comprised of each of the managers from the three federations participating as RVCP organizations (FEDECOCAGUA, FEDECOAG and ARTEXCO). The first meeting of the committee was held on February 26, 2013 and included

the participation of the RVCP Director. One of the results of the meeting was an agreement to review the work plans, budgets and procurement plans to update them for the period from March 1 through September 30. The revised plans will be presented to USAID early next quarter.

- RVCP signed a letter of understanding with the USAID Local Governance Project to coordinate efforts among the communities in San Marcos that have been selected by both projects.
- In close coordination with technical personnel from ANACAFE and FUNCAFE, the UIP negotiated a cooperation agreement with municipal officials from San Miguel Ixtahuacán in San Marcos. The agreement has been approved and will be signed by both parties in the near future enabling the municipal government to contribute funds in the amount of GTQ 18,145,197.00 to work with RVCP on economic and health development issues.
- The UIP negotiated a cooperative agreement for an inter-agency alliance between ANACAFE and the National Forestry Institute (*Instituto Nacional de Bosques -INAB*) to leverage and complement efforts in promoting the Forestry Incentive Program for Owners of Small-scale Lands suited for Forestry and Agroforestry (*Programa de Incentivos Forestales para Poseedores de Pequeñas Extensiones de Tierra de Vocación Forestal o Agroforestal – PINPEP in Spanish*). The Program is appropriate for producer organizations and individual members that will benefit from RVCP providing advice and technical support to access forestry incentives, establish or maintain forest plantations and agroforestry systems. The Project plans to sign the agreement toward the end of May 2013.

iv. Project Base Line Data for RVCP Target Groups

- The UIP worked closely with FUNCAFE to develop the terms of reference to contract the consultancy required to collect the data and develop the base line for the producer families from RVCP partner groups.
- The UIP coordinated efforts among the Consortium members to submit the data on current RVCP partner organizations to the USAID Measure & Evaluation Project. The data will contribute to the USAID base line for the Feed the Future (FtF) Initiative.

v. Strengthen the Project Performance Monitoring Plan

- Project staff reviewed and modified data in the RVCP Performance Monitoring Plan, particularly in regard to the indicator targets for the FtF Initiative.
- With assistance from a consulting firm, the Project began the process of establishing the issues and areas prior to designing the following:
 - (a) online RVCP budget administration, including a review of the ANACAFE system to ensure compatibility and introduce a joint upgrade (leveraging the effort into institutional strengthening);
 - (b) online RVCP M&E system for all parties that tracks and provides updated technical progress across all teams, and
 - (c) the RVCP electronic portal.

vi. Establish the Response Mechanisms for Finance Needs (credit) for the RVCP Target Groups Based on Appropriate Amounts and Conditions

The UIP hired a consultant to deliver this product in the short term. Expected deliverables include:

- Description of the business models appropriate for the RVCP target groups, including financing needs and debt capacity (define demand for credit).

- Diagnostic analysis of credit options available on the local market (define credit supply).
- Design strategy for RVCP partner organizations to access credit under conditions appropriate to their business models.

vii. Significant Progress on Comprehensive Community Efforts with Development Councils and Municipal Authorities in at least Four Municipalities (basis for cooperation agreements, territorial investment plans and municipal policies)

The UIP designed and circulated a global outreach strategy for RVCP with local governments and development councils. The UIP will train, advise and support the technical teams from Project implementing organizations to roll out the strategy.

As RVCP implements the strategy, local producer groups will have an opportunity to: (a) engage with their local governments and development councils to see their communities benefit from food and nutritional security programs being implemented by the central government, and (b) leverage financial resources to invest in infrastructure conducive to rural development.

viii. Design and Implement a Strategy to Include Women and Youth in Development and Business Administration Efforts

RVCP established crosscutting strategies to address the issue as described in the USAID/ANACAFE Cooperative Agreement. To that end, the UIP contracted two experts (one local and one international) to conduct a diagnostic analysis of gender issues and propose a Project gender strategy, as follows:

- Identify the ways in which RVCP expected results will affect men and women differently;
- Assess the Project impact on the lack of gender equality in producer groups and among families;
- Policy, legal and/or socio-cultural restrictions keeping men and women from benefitting equally from Project efforts and identify any design elements that should be adjusted to eliminate or mitigate those restrictions;
- Validate data disaggregated by gender pertaining to the targets set out in the RVCP Performance Monitoring Plan, and
- Determine whether Project-assisted activities have a different environmental impact on men as compared to women, and if so, suggest approaches that mitigate the difference in an effective and sustainable fashion.

The Project expects to take delivery of the consultant products no later than April 19, 2013.

ix. Design and Implement RVCP Environmental Mitigation Plan

Using input provided by the Consortium organization technical teams, the Project hired a consultant to design the RVCP Environmental Mitigation Plan. The USAID Environmental Projects Specialist in the Economic Development Office reviewed and commented on the Plan. As a result, the Project revised the Plan and is planning to submit the new version to USAID early next quarter.

2.2 Components

The following section summarizes the activities implemented this quarter for the coffee, horticulture and handicrafts value chains and describes plans for the upcoming reporting period.

i. **Component 1: Improved Competitiveness along the Value Chain**

This component is based on improvements to entrepreneurial competitiveness within the coffee, horticulture and handicrafts value chains. Technical assistance will target improved performance within the chains to ensure that the chains operate more equitably and that the benefits of taking products to market are more evenly distributed along the chain to reach the small producers/entrepreneurs. As a general rule, competitiveness among associations comprised of small-scale entrepreneurs is constrained by limitations directly related to the size of their operations. Any opportunities to overcome the obstacles and improve competitiveness are directly proportional to increasing the scale of the operations through more efficient association –precisely the approach used by the RVCP.

Given that the RVCP Environmental Mitigation Plan is currently pending review and approval, field activities to date have been limited to those considered Categorically Excluded. That is to say, the Project is focusing efforts on education, technical assistance, training, workshops and other endeavors that have no environmental impact. The following section describes the activities.

- **STRENGTHENING THE ORGANIZATIONAL STRUCTURE OF PRODUCER GROUPS**
 - RVCP provided assistance to ANACAFE-supported coffee producer groups to improve their organizational structures as a means to meet their bylaws and comply with regulatory requirements for each of the various types of organizations (co-operatives, associations, *campesino* enterprises, etc.);
 - RVCP assisted coffee producer organizations to hold their regular annual assemblies in compliance with legal regulations organizational bylaws, and
 - RVCP launched certification courses on organizational management in San Marcos. The Project organized three events in February (six modules) with the participation of 81 representatives from RVCP-partner producer organizations.

- **STRENGTHENING ADMINISTRATIVE CAPACITY AMONG PRODUCER GROUPS**
 - Support in preparing annual reports and work plans;
 - Preliminary efforts on projects for income diversification;
 - Support for accountants and boards of directors in preparing accounting reports and balance sheets;
 - Support for operating accounting ledgers;
 - Support in implementing and designing accounting records, and
 - Support to assess credit portfolios and seek financing sources.

- **FISCAL AND LEGAL ISSUES**
 - Support to those groups with legal personhood in complying with tax obligations;
 - Support to comply with obligations imposed by regulatory entities based on the type of legal personhood used by producer groups;
 - Follow up on appropriate fiscal or legal processes required for export activities;
 - Review files to record the identity of legal representatives or registrations with regulatory entities, and
 - Review files to confirm registration records before regulatory entities.

- **GENDER CONSIDERATIONS**

- The Project funded the participation of women leaders from producer organizations to attend the III International Convention on Women in the Coffee Trade.
- The Project organized eight training activities on gender equality for the same number of producer groups.
- The Project organized 12 site visits to coffee producer organizations to offer technical assistance on gender equity issues.
- The Project promoted women participation during the regular general assemblies organized by coffee producer co-operatives. The assemblies set the stage to making important decisions in which women played an important role in contributing to designing the work plans for the coffee rust management brigades.

In sum, RVCP supported 24 producer groups by providing technical assistance on organizational strengthening and gender consideration issues. The total number of individuals (including members of the board, officials and women) receiving technical assistance equals 122 (120 overall and 62 training participants). Of these, 40 recipients of Project assistance are women and 142 are men.

- i. **Component 2: Broadening Participation in Value Chains**

The RVCP Year One Work Plan lays out the activities to improve participation or increase the membership of small-scale producers or communities as part of the coffee, horticulture and handicrafts value chains. The activities fall into several categories, as follows.

- (a) improve IT capabilities;
- (b) improved access to investment capital;
- (c) improved conditions to access capital;
- (d) Improved productive infrastructure, and
- (e) sustained improvements in organizational performance.

The following section summarizes activities from the current reporting period.

The Project hired a team of consultants to deliver:

- a description of the business models for RVCP producer groups, including an assessment of their financing needs and debt capacity (as demand for credit);
- an analysis of credit options available on the local market (as credit supply);
- a strategy for RVCP local partner organizations to have access to credit under conditions best suited to their business models, and
- a description of innovative financing mechanisms.

A portion of the consultants` fieldwork was completed this quarter and the Project expects delivery of the final report next quarter.

This activity contributes to achieving results in the area of access to financing.

- In close coordination with technical staff from ANACAFE and FUNCAFE, the UIP completed negotiations with municipal authorities from San Miguel Ixtahuacán, San Marcos, to sign a technical cooperation agreement to officially coordinate and describe RVCP assistance. The agreement is expected to be signed next quarter and will increase the number of producers

and communities participating in value chains, and proportionately increase the number of families benefitting from improved health and nutrition. The latter will be the result of access to programs funded by the local government and complementary activities organized by the municipality to expand coverage of RVCP activities. These efforts contribute to achieving results in leveraging funding for local investment and increasing the engagement of producer groups with their local governments.

- The UIP contracted a consultant to conduct a gender analysis to then become the basis for the RVCP gender strategy. The consultancy was included as one of the activities under the Wingerts Consulting subcontract. The deliverables have been received and are currently under review.
- As one of the components from the planning workshops organized by the UIP in collaboration with the technical teams, FUNDASISTEMAS completed the activities required to provide the conceptual and structural framework for the entrepreneurial development model to be promoted by RVCP. The innovative model is comprehensive, focused on the individual, and designed to promote deep-rooted changes in behavior. The behavioral changes are expected to benefit both the organizations, as well as the families of producers. The Project is currently drafting the document that lays out each phase and step for the model.

ii. Component 3: Improved Agricultural Productivity

The Project Work Plan clearly states that any increase in the economic income of small producers will necessarily require improvements in production and productivity, but will also call for increased value added and marketing efforts. Each of these factors is contingent upon aspects of entrepreneurial management, access to financial resources and the use of technology. To that end, improving the skills of small producers to select and apply the technology best suited to their purposes and contexts requires targeted technical assistance, yet that assistance will decrease as the producers gain greater expertise.

It follows that the framework for Component 3 requires that RVCP implement activities designed to improve productivity all along the coffee and horticulture value chains, while also making adaptations for climate change. The activities are designed as part of the RVCP general management approach to meet the targets on training producers and personnel in the following areas: processing, handling and quality control, plantation renovation, open-field irrigation and greenhouse crops, systematic use of best agricultural practices for soil conservation, etc.

As described earlier, the second quarter during Year One of RVCP implementation saw activities focused on those non-risk areas known as discretionary activities as defined in the ***Guía para los Socios Implementadores en el uso del Plan de Mitigación de Impactos Ambientales - USAID LAC (EMP – Annex D to the Cooperative Agreement)***. Said activities do not require an environmental mitigation plan and progress to date is described below.

Coffee Value Chain:

I. Activities with ANACAFE Producer Groups

It bears mentioning that the coffee harvest period concluded this quarter, as did the bulk of sale and export activity. The following section lists the interventions carried out by the ANACAFE team in Huehuetenango (Region V) and San Marcos (Region I).

▪ **Huehuetenango:**

Agricultural Technical Assistance

- Training activity for 249 producers (60 women and 189 men on (a) soil sampling; (b) integrated coffee rust management, and (c) productive tissue handling.

Post Harvest

- Technical assistance on quality controls using 71 samples. In addition, technicians prepared presentations on wet milling and conducted field visits to assess operations on site.

▪ **San Marcos:**

Agricultural Technical Assistance

- The Project designed 15 specific programs for activities on managing productive tissue, nursery production for coffee seedlings and integrated pest management.
- Technical staff provided assistance to prepare and lay a total of 6,716 coffee borer beetle traps throughout 373 hectares.
- The Project provided assistance to produce a total of 253,000 coffee seedlings grafted with plant varieties that are resistant to coffee rust.
- Technical support to renew a total of 132.17 hectares of coffee plantations using productive tissue management (compact and selective pruning).
- The Project provided instruction to implement soil conservation practices and structures throughout 17.15 hectares of coffee plantations.
- The technical team conducted a total of 60 field visits to provide technical supervision and monitoring of productive processes.
- The Project implemented practices to adapt to climate change, including soil conservation, use of coffee-rust resistant varieties and the etiological control of the coffee borer beetle (traps).

Post Harvest

- Out of the 20 RVCP-selected organizations, a total of 11 have coffee wet mill facilities shared among the members, while the members of the remaining nine organizations have individual artisanal wet mills.

The breakdown of the coffee produced by the 20 grower organizations is as follows: 13 produce strictly hard bean, six produce hard bean and one organization produces extra prime.

The equipment and machinery the groups are using requires updating and improvements to maintain the quality of the coffee being produced. All the coffee samples sent to the ANACAFE tasting lab were found to have areas for improvement.

- The technical staff performed quality control activities that included sending three pounds of parchment coffee to the ANACAFE tasting lab for testing. Over the current reporting period, producers submitted a total of 48 samples, 21 of which produced acceptable cups and 27 samples were found defective.
- The *Miguelenses* association of coffee growers participated in the national Cup of Excellence competition with a lot of 30 100-pound sacks submitted by its members. The competition provided an opportunity to showcase the quality of the coffee being produced in their region.

Training

- The Project launched two certification courses on modern coffee growing techniques that include the participation of 48 members from RVCP grower organizations.
- The Project launched two certification courses on post-harvest techniques for members from RVCP organizations.
- The Project organized a total of 75 workshop activities to provide instruction on integrated pest and disease management, management of productive tissue, soil and leaf sampling. The events benefitted a total of 1,439 participants (an average of 19 participants per activity).
- The national coffee rust awareness campaign is designed to reach all coffee growers to raise awareness regarding the significance of integrated coffee-rust management. RVCP contributed with the effort by including the posters, flyers and presentations in Project workshops to benefit small producers that are not currently members of organizations. The Project organized a total of 94 training events attended by 2,784 coffee producers.

II. Activities with FEDECOCAGUA Producer Organizations

As part of Component 3 (Improved Agricultural Productivity), the Project organized activities to assist the members of the FEDECOCAGUA producer groups as described below.

- Training activities on integrated coffee-rust management, including productive tissue, shade management, soil management to nourish coffee trees and regenerating plantations.
- A newly established team of nine inspectors funded by each of the member cooperatives worked this period to monitor each cooperative to assess coffee-rust damage. In addition to having generated the nine inspector jobs, the effort also produced temporary jobs to be filled during harvest season, particularly in the Huehuetenango region where the harvest extends well into April.
- The Project provided technical assistance using technical and hands-on training events and field visits on integrated coffee-rust management. The effort included assessing the degree of damage and infestation prior to providing technical recommendations for appropriate management. The technical team set up demo plantations to validate the various pest-control options in the field.
- RVCP organized training events on productive tissue management, compact and/or selective pruning by sections at the appropriate time as a measure to ensure the health of the plantation. Again, the technical team set up demo areas to validate the management approach.
- The team organized training events on coffee plantation regeneration issues, providing field visits or direct assistance to lay out new plantations and include soil conservation measures.
- The Project provided training to coffee producers on establishing nurseries and seedlings and is currently following up to track progress.
- The technical team provided training on medium- and long-term alternatives for integrated coffee-rust management using resistant or tolerant varieties and promoting the diversification of plant varieties to avoid crop collapse when facing varying climate conditions.

- The Project engaged several private companies working on precision agriculture to set up alliances and leverage their expertise on plant nutrition and soil amendments, equipment efficiently, agricultural techniques and technologies to mitigate climate change, etc.
- As a result of the institutional coffee-rust emergency, the team provided assistance in creating 28 appropriate management brigades for cooperatives in Huehuetenango and San Marcos, which included management committees, technical personnel and overseers to set up a rust-control strategy as a model for replication among other organizations nationwide.
- RVCP provided technical assistance to comply with certification standards in the use and appropriate management of agro-chemical and organic supplies, including aspects of social responsibility and fair trade (equal wages, non-discrimination, etc.).

Horticulture Value Chain:

In working on the horticulture value chain, FEDECOAG hired three technicians to provide technical assistance on productivity and one additional technician to promote the RVCP Entrepreneurial Development Model. Over the current reporting period, FEDECOAG financed the activities summarized below.

- Technical assistance to seven cooperatives (five in San Marcos and two in Huehuetenango) on aspects pertaining to horticulture production to benefit a total of 850 producers, 225 of which are women (30%).
- Install 148 micro tunnels using mini drip irrigation systems. As a result, 15 growers in San Marcos planted 50,000 mini Loman-variety potato plants. A grower requires five macro tunnels to plant an area measuring 21 meters by 21 meters. The total area planted with potatoes equals one hectare.
- FEDECOAG built and equipped a laboratory in San Marcos to produce potato seeds. They proceeded to hire personnel and expect to begin production in the short term to increase the number of their members that benefit from the new facility. The Guatemalan Ministry of Agriculture certified FEDECOAG as a seed producer.

*iii. **Component 4:** This component was eliminated from the original proposal and is not included in the RVCP/ACFF Consortium activities. This paragraph is included however to maintain consistency in numbering.*

iv. Component 5: Increase Food Production and Improve Food Use

- **High School Program on Coffee Production Underway**

Using a location provided by the Las Nubes Farm in Suchitepequez, the Project began the school year in January with the launch of the high school studies program on coffee production. A total of 15 students (13% of which are women) representing nine of the producer groups (see Table 1) entered the program. The students were provided an orientation and familiarization process and the Project monitored their progress during follow-up visits over the course of the reporting period.

The students appear motivated and are studying well using group projects to keep their interest and progress up. The Project has organized visits to other schools in Huehuetenango and to coffee plantations to locate a future location to open up a second program in that area.

Table 1
Organizations Offering the High School Program on Coffee Studies

	Province (<i>departamento</i> in Spanish)	Municipality	Organization	Total Students
1	Huehuetenango	La Libertad	<i>UPC La Democracia</i>	1
2	Huehuetenango	La Libertad	<i>Cooperativa San José El Obrero</i>	2
3	San Marcos	San Miguel Ixtahuacán	<i>Cooperativa Sanmiguelense</i>	4
4	San Marcos	San Pablo	<i>Cooperativa La Igualdad</i>	2
5	San Marcos	San Pablo	<i>Cooperativa 21 de octubre</i>	1
6	San Marcos	Tajumulco	<i>APECAFORM</i>	2
7	San Marcos	Nuevo Progreso	<i>Asociación Campesina Unidos Para La Paz</i>	1
8	San Marcos	Nuevo Progreso	<i>Cooperativa Nuevo Edén</i>	1
9	San Marcos	Nuevo Progreso	<i>Empresarios Campesinos, Nueva Escocia</i>	1
TOTAL				15

▪ **Selecting Organizations and Target Population**

The Project team made efforts to ensure an equitable participation under similar conditions for members of the selected organizations considering their number as a percentage of members and RVCP geographic target areas for support through the food and nutritional security component. The Project found, however, that progress was hampered because the producer groups had varying degrees of organizational development so the team moved forward with the more advanced groups that are best structured to represent their membership. The team prioritized the coffee value chain focusing on the problems currently facing coffee growers and the effects and financial consequences of the coffee-rust plague in Huehuetenango and San Marcos. ANACAFE and FEDECOCAGUA selected the organizations with assistance from FUNCAFE. Table 2 lists the names of the selected organizations, their location and the name of the RVCP Consortium organization that works with them.

FUNCAFE uses the nuclear family as the primary operational unit, but RVCP has planned activities that include both male and female participants, but not always simultaneously. Some of the activities are designed exclusively for one or the other gender, as necessary.

RVCP identified a total of 700 families that participate in the coffee value chain (ANACAFE and FEDECOCAGUA) and began raising awareness regarding Project activities while setting up demo plots to illustrate the Project methodology. The Project is prepared to expand the number of families as activities unfold and expects to meet the indicator target for Year One.

- **RVCP Alliances**

Over the course of the first quarter of 2013, the Project scheduled meetings to coordinate activities with local actors implementing projects designed to improve health and nutrition services many of the communities in which RVCP is providing assistance.

RVCP selected the *NutriSalud* Program to provide 100% coverage in Project-selected municipalities and proceeded to schedule coordination meetings. The meetings provided an opportunity to coordinate complimentary assistance activities in those communities

The technical team actively participated within the municipal commissions on food and nutritional security (COMUSAN in Spanish). RVCP successfully engaged local government officials in San Miguel Ixtahuacán in San Marcos to coordinate the RVCP-planned activities on education and food and nutritional security. To that end, a FUNCAFE representative will be a permanent member of the COMUSAN committee in that municipality. The Project expects an increased level of participation and leadership in laying the groundwork to achieve RVCP objectives on food and nutritional security.

Table 2
Organizations receiving RVCP Support in 2013 on Food and Nutritional Security

Province (<i>departamento</i> in Spanish)	Municipality	Organization	RVCP Consortium Organization Providing Support	
			ANACAFE	FEDECOCAGUA
Huehuetenango	La Libertad	<i>San José El Orebro</i>		X
		<i>Cooperativa Esquipulas</i>	X	
Huehuetenango	Todos Santos	<i>Cooperativa Todosantera</i>		X
		<i>ASODIETT</i>	X	
		<i>ASDEFLO</i>	X	
Huehuetenango	La Democracia	<i>Cooperativa Nuestro Futuro</i>		X
		<i>UPC</i>	X	
Huehuetenango	Jacaltenango	<i>Cooperativa El Porvenir</i>		X
		<i>Cooperativa Rio Azul</i>	X	
Huehuetenango	Unión Cantinil	<i>ASCAFCA</i>	X	
		<i>GAT Buenos Aires</i>	X	
		<i>Río Limón</i>		X
San Marcos	San Miguel Ixtahuacán	<i>Asociación de Caficultores de San Miguel Ixtahuacán</i>	X	
San Marcos	San Pablo	<i>Cooperativa 21 de Octubre R.L</i>		X
San Marcos	San José El Rodeo	<i>Cooperativa San José R.L</i>		X
		<i>Cooperativa La Esperancita R.L</i>		X

v. Component 6: Improvements to the Handicrafts Value Chain

This component centers on improvements to the handicrafts value chain, calling for increased production volumes and improved quality throughout the traditional textile industry while identifying trade opportunities in more profitable yet demanding markets. It also calls for exploring other trade opportunities in markets demanding woodworking, ceramics, metalworking and blown

glass. These are activities that could require increased participation of women while also diversifying income sources for small-scale producers benefitting from the RVCP.

Improvements to the handicrafts value chain will also enable ARTEXCO to increase services to include producers that are not currently members of federated cooperatives. It will encourage the establishment of new cooperatives (or other types of associations), increase the membership of existing organizations or bring other cooperatives or associations into the federation.

The RVCP Year One Work Plan includes activities under this component to provide technical assistance, financial/administrative assistance, accounting, production and training support to enable handicraft producers to accomplish the following:

- (a) strengthen productive techniques;
- (b) open new domestic and international markets;
- (c) increase income, and
- (d) increase membership.

Over the January to March quarter, ARTEXCO scheduled several activities to organize the upcoming fieldwork as summarized below.

- USAID and ARTEXCO worked out the guidelines governing implementation of field activities and financial issues. The team updated RVCP indicators for San Marcos and Huehuetenango and reviewed the budget line items for the fiscal year covering October 2012 through September 2013. The team also reviewed the joint implementation team working on the RVCP Entrepreneurial Development Model.
- The ARTEXCO General Assembly was held in March 2013 to elect new members to the board of the Federation. The Project is preparing to brief the new board members on RVCP implementation.
- The team coordinated efforts on budget implementation and RVCP activities, particularly in regard to standardizing the implementation strategy. A number of issues have been addressed including the lack of procurement and acquisition mechanisms as a constraint to implementation progress. The team reviewed annual budget line items (throughout the life of the project from October 2012 through September 2017 or May 2012 through April 2017) and requested a reallocation of budget resources to increase the line item for the Federation (US\$2.5 million) and reallocate a portion of the October 2012-September 2013 budget to reflect the fact that implementation did not actually begin until February 2013. The updated budget was approved.
- The Federation appointed full time personnel to make progress on marketing issues and financial resource management.
- The team worked with ARTEXCO to adjust internal procedures and organization to better implement RVCP activities.
- The team made progress on an internal diagnostic assessment of ARTEXCO with particular attention on legal, financial, accounting, fiscal and costing aspects. The report included findings and recommendations.
- The team produced a market diagnosis report based on product, price, location, promotion, public relations and publicity, including recommendations.
- The team reached out to engage two cooperatives in San Marcos and Huehuetenango to brief them on RVCP.

- Project technical staff worked to set up work teams to implement the RVCP Work Plan as it pertains to marketing, financial and publicity issues.
- RVCP completed the staff hiring process.
- The team made significant progress in drafting internal procedures manuals, petty cash procedures and workplace rules.
- The team developed a personnel performance evaluation instrument for RVCP staff.

2.3 Coordination, Cooperation and Exchange Mechanisms with other Institutions Working on Feed the Future (FtF)

Given the strategic nature of RVCP components and the plans for sustainability and replication, the Project team is making increased efforts to forge alliances to facilitate coordination, cooperation and information/experience exchanges with other projects and or institutions, especially those that fall within the geographic and subject area covered by the FtF Initiative. To that end, RVCP engaged projects and institutions with direct links or support for Project activities as summarized below.

- The UIP scheduled meetings with Ivan Buitron, Chief of Party, to move forward on cooperation and coordination agreements.
- The UIP set up working meetings with the USAID Monitoring & Evaluation Project to coordinate RVCP implementation.
- The UIP met with the Associate Director of The Nature Conservancy (TNC) to begin discussing cooperation and coordination agreements for Objective 3 (Adaptation to Climate Change) under the USAID Environmental Project. The responsibility for achieving Objective 3 falls to TNC.
- In early February, the UIP signed a Letter of Understanding (LOU) with the USAID Local Governance Project (LGP) describing the joint efforts in the municipalities in San Marcos selected by both LGP and RVCP. The projects developed a work plan to fulfill the terms of the LOU.

Annexes:

1. Indicator Report
2. TRAINET Certification: There were no training activities carried out during the first quarter of RVCP implementation that fit the criteria to report on TRAINET (16 or more hours).
3. Federal Financial Form (SF-425)

Annex 1
RVCP Indicator Report

Data for the FY2013 Second Quarter

Although the indicators are still under review pending final approval, this report includes some data on the indicators that received preliminary approval. Over the course of the upcoming quarter, the Project will complete the PMP.

FtF Title No. In HB	Indicator	Baseline	FY 2013 TARGETS	CHANGE 1st. QUARTER	CHANGE 2nd. QUARTER	% Progress to date
4.5-9	Per capita expenditures (as a proxy for income) of USG targeted beneficiaries (R)¹	TBD				
4.5-4	Gross margin per hectare of selected products (US\$)					
	a. Coffee				378	
	b. Potato	TBD				
	c. Carrots	TBD				
	d. Cabbage	TBD				
	e. Lettuce	TBD				
	f. Snow Peas	TBD				
4.5.2-7	Number of individuals who have received USG supported short-term training		11,088	1,051	3,871	35%
	a. Producers	0	11,088	1,051	3,871	35%
	i. Men		7,802	809	2,923	37%
	ii. Women		3,286	242	948	29%
4.5.2-2	Number of hectares under improved technologies or management practices	0	8,317	789	1,161	14%
	3.1 Total new			789	372	
	3.2 Total continuing			-	789	
	a. Ha farmed by Male producers		5852	607	893	15%
	b. Ha farmed by Female producers		2465	182	268	11%
4.5.2-13	Number of rural households benefiting directly from USG interventions - cumulative(*)	0	10,534	1,051	5,904	56%
	1. New			1,051	4,853	
	a. Households with male and female					
	b. Households with only male					
	c. Households with only female					

	d. Households with only children					
	2. Continuing				1,051	
	a. Households with male and female					
	b. Households with only male					
	c. Households with only female					
	d. Households with only children					
4.5.2-28	Number of private enterprises, producers organizations, water users associations, women's organizations, trade and business associations, and community-based organizations receiving assistance	0	100	40	75	75%
	a. Producer organizations	0	80	40	75	94%
	b. Women's organizations	0	20			0%
	c. Community-based organizations	0	0			0%
4.5.2-23	Value of incremental sales (US\$)	0	10,827,200	-	9,376,878	87%
	i. Coffee(*)		8,500,000		9,376,878	110%
	ii. Horticulture		577,200			0%
	iii. Handicrafts		1,750,000			0%
4.5.2-36	Value of exports		8,600,000		9,376,878	109%
	a. Regional trade		100,000		-	0%
	i. Coffee		0			0%
	ii. Horticulture		100,000			0%
	iii. Handicrafts		0			0%
	b. Extra regional trade		8,500,000		9,376,878	110%
	i. Coffee(*)		8,500,000		9,376,878	110%
	ii. Horticulture		0			0%
	iii. Handicrafts		0			0%
4.5.2-12	Number of public-private partnerships formed	0	4			0%
4.5.2-38	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	0	1,296,000			0%
4.5-2	Number of jobs attributed to FtF implementation: Total (all rural)(*)	0	4,000		3706	93%
	a. Of total, number of females		800		741	93%

	b. Of total, number of youth		1,600		1,482	93%
4.5.2-14	Number of vulnerable households benefiting^{2(*)}	0	8,427	841	4,723	56%
	a. Households with male and female		0			0%
	b. Households with only male		0			0%
	c. Households with only female		0			0%
	d. Households with only Children		0			0%
3.1.9-1	14. Number of people trained in child health and nutrition	0	0			0%
	a. Males	0	0			0%
	b. Females	0	0			0%
3.1.9-15	Number of children under five reached by nutrition programs	0	5,000			0%
	a. Males	0	2,450			0%
	b. Females	0	2,550			0%
GCC SUSTAINABLE LANDSCAPES AND ADAPTATION 4.8.2 Clean Productive Environment 4.8.2-8	Number of Climate Mitigation and/or adaptation tools, technologies, and methodologies developed, tested and/or adopted as a result of USG assistance.		10		7	70%
GNDR-2	Proportion of female participants in USG assisted program designed to increase access to productive economic resources (assets, credit, income or employment)		25%		22%	88.00%
¹ Data for this indicator will come from a household survey planned for the last quarter of FY2013.						
² Pending a precise definition of "vulnerable" (poverty, indigenous, health, climate risks, etc.), the presumption is that at least 80% of the participant families are vulnerable, based on data available at departmental level.						
(*) 2013 targets for these indicators have been revised						

Annex 2
TRAINET Certification

There are no training activities to report during RVCP second quarter implementation that fit the TRAINET criteria (16 or more hours).