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Cadenas de Valor Rurales

Huehuetenango y San Marcos



Rural Value Chains Project

USAID Cooperative Agreement 520-A-00004

Annual Report

October 2012 through September 2013

Guatemala, October 30, 2013

1. Introduction

The Rural Value Chains Project (RVCP) falls within the framework for the Feed the Future Initiative (FtF) and is being implemented under a Cooperative Agreement 520-A-12-00004, signed on May 31, 2012 between the National Coffee Association (ANACAFE) and the United States Agency for International Development (USAID).

The responsibility for RVCP implementation lies with a consortium that includes ANACAFE (as the lead entity with 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.

RVCP seeks to accomplish the following objectives:

- Reduce poverty and malnutrition rates in 21 municipalities located in the provinces (*departamentos* in Spanish) of Huehuetenango and San Marcos¹ by increasing the household income of small producers that participate in the coffee, horticulture and handicrafts value chains.
- Promote deep-rooted behavioral changes among the producers and their families to ensure that their increased income is sustainable, but also contributes to improved nutrition over the short, medium and long term.

RVCP implementation activities are organized under the following components:

- I. Improved competitiveness along the value chains;
- II. Expanded participation in the value chains;
- III. Improved agricultural productivity;
- IV. Expanded trade and increased markets (private consolidator);
Note: implementation activities for this Component were excluded from the USAID/ANACAFE Agreement.
- V. Improved food production and use, and
- VI. Improvements to the handicrafts value chain.

¹¹ Huehuetenango: Jacaltenango, Chiantla, San Sebastian Huehuetenango, Todos Santos, Santa Cruz Barrillas, Cuilco, Concepcion Huista, San Antonio Huista, La Libertad and La Democracia.

San Marcos: El Rodeo, San Rafael Pie de la Cuesta, San Lorenzo, San Pablo, Tajumulco, Nuevo Progreso, Sibinal, San Miguel Ixtahuacan, Tejutla, San Marcos and San Pedro Sacatepequez.

Although structured around the components listed above, the Project is also designed to include the following crosscutting themes.

1. Education and Training
2. Entrepreneurial Development
3. Financial Services
4. Communications (information)
5. Engaging local and national government (political dialogue).

The Project Implementation Unit (UIP in Spanish) is responsible for coordinating and providing the conditions so that the Consortium can work toward attaining RVCP objectives. The objectives are designed to produce two types of results: (1) direct results that are the product of linear effects from technical assistance and support to producer groups, and (2) systemic results that effect changes in individual, organizational and community behavior to drive comprehensive rural development as a means to improve the quality of life of producers and their families. The combination and complementarity of results in each of the two categories will ensure their sustainability over time (long term) and their replication in space (expand to other parts of the country).

To this end, the UIP designed and coordinated a participatory process to draft the Year One RVCP Work Plan for the period from October 1, 2012 through September 30, 2013. Furthermore, the terms of the Cooperative Agreement with USAID, require three quarterly reports (October to December 2013, January to March 2013 and April to June 2013) together with one annual report summarizing the implementation activities and progress toward expected results.

In compliance with the above, the UIP submits this report covering Year One of RVCP implementation (from October 1, 2012 through September 30, 2013). The technical staff from ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO, FUNCAFE and FUNDASISTEMAS provided input for this report.

In order to ensure that the reader can frame the scope of the activities undertaken to meet the RVCP objectives, the report is based on brief descriptions of Project implementation within the following contexts:

- (a) social and political;
- (b) institutional;
- (c) community, and
- (d) organizational.

In addition, the report describes obstacles and the measures taken to overcome them. The report also covers the general activities under each component, as well as the crosscutting themes and any coordination, cooperation and information exchange mechanisms in place with other institutions working on FtF. In support of the narrative sections, the report also includes a table summarizing progress toward each indicator target.

2. RVCP Implementation Overview

2.1 Social and Political Factors

The greatest concentration of people living in poverty and extreme poverty in Guatemala is in rural areas (72% of people in poverty). This is the same population most threatened by food insecurity, which is directly linked to poverty and social exclusion.

The Government of Guatemala assumed a commitment to meet the Millennium Development Objectives and in the particular case of poverty, the target for 2015 is to reduce the number of people in extreme poverty to 9%, half of what the number was in 1990. Nonetheless, the percentage of inhabitants in extreme poverty in 2009 had increased to 15.2%. If conditions remain unchanged, it is unlikely that the country will be able to meet the target for 2015 (UNDP, 2010).

Food and nutritional security are included within government policy under a comprehensive approach and within the strategic framework in place to reduce poverty applying regional, sectorial and national policies (Law on the National System for Food and Nutritional Security, Decree 32-2005). To that end, the Government of Guatemala has undertaken a number of efforts, one of which is known as the 2012-2016 Zero Hunger Plan conceptualized as a strategy focused on working in marginalized rural and urban regions in the country. The Plan addresses chronic malnutrition, acute malnutrition and food insecurity as they specifically affect children under the age of five living in poverty and extreme poverty. The Plan dovetails with the Strategic Food and Nutritional Security Plan for 2012-2016 and with the National Rural Development Policy.

The central government transfers significant amounts of funds to municipal governments according to constitutional provisions for the distribution of fiscal revenue. As a result, municipal governments in the province of Huehuetenango received total amounts over GTQ419,000,000. Similarly, local governments in San Marcos received transfers for more than GTQ429,000,000. Notwithstanding these resources, the rates of poverty and extreme poverty in these provinces, especially in the rural areas, remain high.

In most of the 18 municipalities covered by RVCP, chronic malnutrition related to poverty lies at 50% and in the cases of San Sebastian and Santa Cruz Barillas, both in Huehuetenango, rates surpass 70%. In addition to these widespread social problems, roadways in the areas covered by RVCP are in poor condition, often unpaved, which makes access difficult during the rainy season.

2.2 Institutional Factors

ANACAFE is the lead organization within the Consortium implementing RVCP activities. The Consortium includes several institutions; CONFECOOP, through FEDECOCAGUA, FEDECOAG and ARTEXCO; together with the FUNCAFE and FUNDASISTEMAS foundations. The organizations have been significant stakeholders in the process that

has placed Guatemala in a very favorable position within international coffee and horticulture markets.

Generally speaking, each member of the Consortium has participated as described below.

- ANACAFE operates as the contractual and legal liaison with USAID while it also provides technical services to the producer groups in the coffee value chain regarding improved production, post harvest management and entrepreneurial development.
- COFECOOP operates as the coordination and contact point for the participating federations:
 - FEDECOCAGUA provides technical services to the participating co-ops while it also offers significant expertise in the coffee trade and export markets.
 - FEDECOAG contributes efforts through its member co-ops on production mechanisms, processing and trade for products from the horticulture value chain.
 - ARTEXCO provides broad experience in working with textile and blown glass producers. Given that this federation is comprised primarily of female members working on textiles, it makes a significant contribution to equitable gender participation (a cross-cutting theme throughout all of the Project components).
- FUNCAFE operates within the Project applying extensive work experience with coffee grower groups and their families on food and nutritional security, together with education and health in general.
- FUNDASISTEMAS is the foundation that addresses organizational development to strengthen entrepreneurship using a systematic approach. The foundation developed an organizational model and tailored it using feedback and a participatory process for validation. ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO all participated in the process that resulted in the Integrated Entrepreneurial Development System (*Sistema Integrado de Desarrollo Empresarial* –SIDEM in Spanish), an RVCP proprietary method.
- The Project Implementation Unit (*Unidad de Implementación del Proyecto* –UIP in Spanish) is responsible for the coordination and support functions, including financial administration, facilitation, reporting, communications, monitoring and evaluation of all Project components.

2.3 Community Factors

The Project works with coffee, horticulture and handicraft producer groups in communities located within 18 municipalities in the provinces (*departamentos* in Spanish) of San Marcos and Huehuetenango. The communities were selected based on the following:

- They are found in remote locations, at a distance from their local seat of government (*cabeceras municipales* in Spanish) and almost 70% of their roadways are in poor condition, with difficult access that limits their ability to transport products.
- Most of the population lives in poverty and extreme poverty, in precarious conditions. In addition, the communities lack many basic services such as clean water, sewers, latrines or indoor plumbing. Their homes are often built out of adobe and they have dirt floors.
- The communities rely about 95% on coffee production, primarily by micro, small and medium sized growers. Much of the population's livelihood depends of selling their labor to coffee plantations as day workers (*jornaleros* in Spanish) combined with small-scale subsistence farming and informal handicraft production. The land on which they are growing coffee is quite steep (80%) or hilly (20%).

2.4 Organizational Factors

During Year One of RVCP implementation, the team worked with 76 producer groups (coffee: 30 co-ops, 4 pre co-ops, 19 associations, two associations and 13 groups; horticulture: five co-ops and two associations, and handicrafts: one co-op). Generally speaking, the organizations share common characteristics as described below.

- About 90% of their members have little schooling and high rates of illiteracy.
- About 90% of the organizations have an ageing membership, on average, their members are over 45.
- About 90% of the organizations use vulnerable administrative processes and, as a result, find themselves with limited management capability.
- About 95% of the organizations lack capital and require external financing, which is difficult to access given with their lack of a credit history, lack of effective guarantees and lack of access to credit lines under acceptable terms and conditions.
- About 80% of the membership lacks legal certainty regarding land ownership and in the best of cases, are forced to use municipal certifications to attempt to prove ownership.

- Only a very few organizations are structured around a manager position. This makes their administrative processes difficult and in cases in which the organization has hired staff, they usually have frequent personnel rotation and limited opportunities for professional growth. Most managers have remained in the position for an average of only two years.
- Almost 80% of the organizations lack appropriate accounting procedures.
- Of the 10,000 artisans identified by ARTEXCO (95% of which are women), most are working on an individual basis. The Project is therefore providing support to promote their organization as co-operatives.

3. Implementation Obstacles and Mitigation Measures

- There were certainly a number of obstacles in setting up the Project around a group of five organizations structured as a consortium. The difficulties were primarily due to: (1) differences among the parties regarding their visions for the purpose and operational structure of the Project; (2) difficulties in making modifications as necessary for Project management as to the structures and work methodologies of each of the consortium organizations, and (3) some resistance to adopting the RVCP methodologies and conceptual approaches.

The Project overcame these obstacles by implementing fluid and transparent communications between the UIP and each of the Consortium organizations on an individual basis, while also working through a Coordination Committee, originally promoted by CONFECOOP and comprised of the managers from FEDECOCAGUA, FEDECOAG y ARTEXCO. The RVCP COP is invited to attend the Committee meetings.

Further to the point, the UIP set up a Technical Committee in May 2013 comprised of at least one technical representative from each Consortium organization. The Committee meets to discuss operational aspects of RVCP implementation.

The Project also schedules working meetings and training sessions for the Consortium technical team that ensure a shared RVCP vision using participatory construction. To this point, FUNDASISTEMAS organized a team-building workshop in May 2013.

- A delay in signing subcontracts between ANACAFE (as the Consortium's lead organization) and the other members of the Consortium in turn produced delays in scheduling RVCP field activities. The subcontracts were a necessary step prior to transferring USAID funds to each. The subcontracts were signed as follows:
 - End of November 2012: subcontracts between ANACAFE and FUNCAFE and between ANACAFE and FUNDASISTEMAS.

- January 31, 2013: subcontracts between ANACAFE and CONFECOOP (representing FEDECOCAGUA, FEDECOAG and ARTEXCO).

The subcontracts were signed in compliance with Section A.9 of the USAID Cooperative Agreement 520-A-12-00004, as approved by the USAID Regional Contracting Officer in El Salvador on November 28, 2012.

As a means to overcome the obstacle, the Consortium organizations contributed their own funds and the UIP made significant efforts to lay the groundwork that would ensure effective and expeditious field activities as soon as the subcontracts were signed. To wit, the UIP completed the financial/administrative management handbook, drafted the monitoring plan, set up the Technical Committee, drafted environmental mitigation plans, trained technical teams on the RVCP conceptual framework, etc.

- The surge in coffee rust disease incidence and greater prevalence at higher altitudes has affected coffee plants to greater extent. In fact, losses are now estimated to be about 15% of the 2011-2012 harvest levels. The disease is caused by a fungus known as *Hemilea vastratrix* that leads to loss of foliage and even the death of the plant. The disease is reducing yields and increasing maintenance costs for coffee producers overall, but the problem is felt more strongly among the grower groups that produce organic coffee. In addition, the effects of the disease are magnified in older coffee plantations and current estimates are that about 60% of the country's coffee is 15 years or older (productive life of a coffee plant is estimated at 25 years).

These are conditions that are sure to constrain RVCP expected results to increase production and economic income among producers.

To mitigate the effects of these conditions, the Project set up phytosanitary brigades to control and eradicate coffee rust disease. The effort called for purchasing 102 spray pumps and for ramping up the training activities for producers to increase their awareness regarding the disease. In addition, the Project worked on activities to renew older coffee plantations using tissue management and replanting as measures to curb the spread of the disease. Further to this effort, RVCP technicians are planting nurseries (30% of the seedlings are tolerant or resistant to coffee rust disease).

- The steady drop in coffee prices on the international market discourages growers from investing in their plant management and pushes them to find other options to meet their families' needs. These conditions will also have an affect of the RVCP expected results in terms of increasing crop yield and increasing the income from coffee sales.

The Project's efforts to mitigate the effects of these obstacles include having FEDECOCAGUA work with growers to gain certifications such as those for organic coffee

production (NOP/USDA, UE and JAS), FAIRTRADE, Rainforest Alliance, UTZ Certified, C.A.F.E Practices for STARBUCKS and the 4C Association. The Project expects that co-ops attaining these certifications will have access to new market niches. Furthermore, ANACAFE is undertaking efforts to see that coffee producers become more efficient and reduce their costs.

- Another obstacle lies in the lack of an entrepreneurial perspective among members as individuals or the associations as a whole. In conjunction with members' minimal schooling, these are issues that also present obstacles to RVCP successfully increasing competitiveness among the grower groups.

In mitigating this obstacle, the Project ramped up technical assistance designed to improve producer performance, paying particular attention to learn-by-doing methodologies, participatory processes and the use of audio/visual aids.

4. Activities and Results Progress

4.1 General Activities

- **Set up and Strengthen Technical Teams**
 - The UIP includes key personnel: the COP, specialists on rural development and on M&E; the Administrative/Financial Manager, an administrative/financial assistant and a field technical coordinator. As an in-kind contribution, ANACAFE assigned a staff member with responsibility for environmental issues.
 - ANACAFE set up specific technical teams to provide technical assistance during Year One. The assistance focuses on production issues and entrepreneurial strengthening for 40 grower groups (six co-ops, 19 associations, 2 associations and 13 GAT groups).
 - FUNCAFE established a multi-disciplinary team to work on Food and Nutritional Security (*Seguridad Alimentaria y Nutricional* –SAN in Spanish). The technical team leader is an RVCP coordinator who works with a nutritional specialist and two horticulture advisors, an IT specialist, two education specialists, three SAN specialists and four health and nutrition instructors. The technical team was established and trained to implement high-quality activities and to understand and address the realities facing communities.
 - FEDECOCAGUA contracted 11 technical advisors with a range of expertise: seven technical specialists on sustainable production; two on organizational strengthening and two on certifications and liaising with other Consortium organizations and third parties.

- FEDECOAG set up a technical team for RVCP implementation as follows: the COP, a horticulture specialist, four agriculture technicians, a specialist on organizational strengthening, a management coordinator and an administrative assistant.
 - ARTEXCO established a technical team with five specialists on entrepreneurial organization and development, seven marketing and trade specialists, seven financial and accounting experts and an M&E specialist.
 - FUNDASISTEMAS hired a Project manager responsible for coordinating the entrepreneurial development process within the RVCP coffee, horticulture and handicraft producer groups in San Marcos and Huehuetenango. The FUNDASISTEMAS technical staff provided training and support throughout the process.
- **Select Producer Groups for RVCP Year One**
 - ANACAFE selected 40 coffee producer groups; six are co-ops, 19 are associations, two are associated enterprises and 13 are GAT groups.
 - FEDECOCAGUA selected 18 coffee producer organizations; 24 are co-ops and four are pre co-op groups.
 - FEDECOAG selected seven horticulture groups, five of which are co-ops and two of which are associations.
 - ARTEXCO selected two handicraft co-ops then reviewed and classified more than 10,000 of their members (95% of which are women) in preparation for helping them organize into co-operatives.
- **RVCP Awareness among Local Producer Organizations**

Once the technical teams were set up and trained, the team began raising awareness about the Project among the target organizations to discuss the objectives, activities and expected results and create ownership of the Project among the members.
- **Determine and Validate the RVCP Implementation Model to ensure Efficiency and Efficacy of Technical/Entrepreneurial Assistance and Appropriate Financial/Administrative Flow**
 - The UIP drafted the RVCP Operations Manual for submission to the Consortium technical staff in November 2012. Following initial experience in implementing the Project, the UIP is making modifications to the Manual for final approval by ANACAFE.
 - The UIP prepared the Project Financial Administration Manual in compliance with USAID regulations. Once the manual was validated, the UIP scheduled training sessions on its implementation and applied the use of administrative/financial liaisons among the Consortium organizations.

▪ **Establish an Institutional Coordination and Cooperation Mechanism**

- The team completed the subcontract between ANACAFE and FUNCAFE for signature toward the end of November 2012.
- The team also completed the subcontract between ANACAFE and FUNDASISTEMAS toward the end of November 2012.
- In addition, the team completed the subcontract between ANACAFE and CONFECOOP (representing FEDECOCAGUA, FEDECOAG and ARTEXCO) on January 31, 2013.

By completing the subcontracting, ANACAFE was able to proceed with transferring USAID financial resources and provide RVCP field activities with the necessary resources to keep up momentum.

- The Project established and operates a follow up committee comprised of the CONFECOOP Executive Director and the managers from FEDECOCAGUA, FEDECOAG and ARTEXCO. The committee was established to review Project implementation and the RVCP COP is invited to attend.
- The Project Technical Committee is established and operational, comprised of technical representatives from ANACAFE, FUNCAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO and FUNDASISTEMAS. The RVCP UIP chairs the committee.
- The UIP coordinated efforts with ANACAFE technical staff and negotiated a Cooperative Agreement with municipal authorities from San Miguel Ixtahuacan, San Marcos. The parties signed the agreement on June 11, 2013 with the purpose of *“formalizing and strengthening technical cooperation between ANACAFE and the Municipality of San Miguel Ixtahuacan, San Marcos, to implement the RVCP as part of a joint effort to reduce the effects of poverty, food and nutritional insecurity and environmental damage within selected communities in the area.”*

The Agreement describes the Municipality’s commitment to allocate funds during three consecutive years for a total of GTQ18,145,197.00 for the purpose of *“promoting coffee and horticulture crops and handicraft production while implementing activities in favor of food and nutritional security with support from RVCP for producer organizations jointly selected by the municipal government and ANACAFE.”* The team completed the operational planning process by the end of July 2013 to begin implementing the components described in said Agreement.

- The Project signed a Letter of Understanding with the USAID Local Governance Project in late January 2013 to describe coordination efforts in selected municipalities in San Marcos common to both projects.
- The UIP negotiated terms for a Letter of Understanding with The Nature Conservancy (TNC) to coordinate RVCP activities under the climate change component in cooperation with the USAID Climate, Nature and Communities in Guatemala (CNCG) Project in

selected municipalities in San Marcos and Huehuetenango that are common to both projects. The LOU is pending signatures.

▪ **The RVCP Entrepreneurial Development System (SIDEM in Spanish)**

The UIP and FUNDASISTEMAS worked to facilitate a participatory process on May 16-17 to provide opportunities for the technical liaisons from ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO to reach agreement as to the structure for the RVCP SIDEM. The System provides a systemic approach that consolidates previous experience in entrepreneurial development.

FUNDASISTEMAS is developing the tools to implement SIDEM and will then lead an awareness campaign and training events for Consortium organization technicians. The System will be offered to RVCP producer organizations when applicable. ANACAFE opted to implement SIDEM throughout each of the producer organizations it works with in Guatemala and the Project considers this an important step toward ownership and long-term sustainability.

▪ **RVCP Performance Monitoring Plan**

- The team drafted the Performance Monitoring Plan and set the indicator targets for Feed the Future.
- The team designed the instrument to establish the baseline data for families under the Food and Nutritional Security Component and hired a consultant to gather and process the data.
- The team worked with the Measure and Evaluation Project to set the baseline to assess the impact of Feed the Future activities.
- ANACAFE officials and technical staff worked with the UIP on the terms of reference to hire a consultant to design:
 - a) an online budget management system for the Project, including an internal review of the ANACAFE system to ensure compatibility and provide a systems upgrade (institutional strengthening);
 - b) an online M&E system to track RVCP technical progress using a coordinated approach that is accessible to all interested parties.
 - c) the RVCP website.

The consultant provided each of the above deliverables and the UIP proceeded to hire a consultant to set up the products and make them operational.

4.2 Components

4.2.1 Component 1: Improved Competitiveness along the Value Chains

▪ ANACAFE (Coffee Value Chain)

- To ensure that coffee producers increase their crop yield, the Project worked in Year One to ensure optimum maintenance of coffee plantations to maintain and increase production. The activities included managing productive plant tissue, shade management, fertilization and soil amendments, integrated pest and disease management (primarily coffee rust disease) and seedling production using improved plant varieties. Increased production will be confirmed following the 2013-2014 harvest.
- In regard to increased employment opportunities, the Project promoted job creation to: (1) renew coffee plantations over 83.88 hectares, and (2) establish new coffee plantations over 29.40 hectares for producer organizations in San Marcos. As a result of both activities, a total of 134 new jobs were created during Year One. These jobs are in addition to the 520 jobs created to produce 12,295 sacks of parchment coffee.
- Organizing producers into groups or associations then leads to the creation of new companies in rural communities to provide goods and services. As such, these companies create jobs (from managers to operators); the 20 RVCP producer organizations in Huehuetenango required the creation of eight permanent jobs. In addition, 2,237 more jobs were created during the 2012-2013 harvest season.
- The Project completed diagnostic assessments for the 20 coffee producer groups in San Marcos over three technical assistance areas: agriculture, post-harvest and organizational/entrepreneurial strengthening. The agricultural assessment is based on the ten pillars of Guatemalan coffee production; the post harvest assessment is based on the current state of infrastructure, equipment, machinery and process evaluation, while the organizational/entrepreneurial strengthening assessment focused on empowerment of members, application of bylaws, rules and regulations as well as management of financial and economic resources, accountability, storing and warehousing processes and coffee sales.
- Upon improving the management structures in RVCP coffee producer groups, the team laid the groundwork for optimized use of human and financial resources. This step will have the effect of minimizing unnecessary expenses, while also avoiding late fees or fines levied for late payments or incomplete tax forms.
- The technical team went beyond just improving management processes for the 20 RVCP coffee producer groups in Huehuetenango by implementing planning and control tools that allow for timely decision making. Similarly, the team worked to update accounting records for the same purpose. By improving management processes, RVCP is ensuring that they optimize the use of their human and financial resources.
- Based on the results from the diagnostic assessments for each area, the team then prepared assistance plans for each of the 20 RVCP producer groups in San Marcos.

- In regard to management practices, the team completed the following activities.
 - Implement SIDEM among three coffee producer groups in San Marcos.
 - Work with ten organizations to successfully renovate their organic production processes (complying with regulations prior to an evaluation by a certification agency).
 - As a result, ten producer groups in San Marcos sold their coffee as organic certified, at better prices and bonuses than they would have received on the local market.
 - The International Organization for Fair Trade Certification awarded seven producer groups in San Marcos an average of GTQ100,000 to each organization in recognition of their efficient and transparent management practices.
 - Four producer co-ops in San Marcos complied with official requirements (as stipulated by the Superintendent for Tax Administration –SAT in Spanish, the National Institute for Co-operatives –INACOP in Spanish and the Inspector General for Co-operatives –INGECOP in Spanish) to establish their legal personhood in Guatemala.
 - Two groups in San Marcos are up-to-date with the requirements for legal personhood and tax compliance, as well as with those under SAT and the National Land Fund (FONTIERRAS) to obtain legal personhood in Guatemala.
 - Ten producer groups in San Marcos complied with official requirements (SAT and the Ministry of Government) for legal personhood.
 - Two producer groups in San Marcos lacking their ANACAFE producer registration have since completed the process for registration.
 - Five producer groups in San Marcos drafted and reviewed their board of directors' manuals.
 - Three producer groups in San Marcos updated their operations handbooks including improvements to their management and entrepreneurial procedures.
 - Three producer groups in San Marcos drafted and reviewed their travel and per diem regulations.
 - Twenty producer groups in Huehuetenango promote best management practices, i.e. strategic planning, budgeting, budget implementation, accounting nomenclature, management controls, accounting records, etc.
- Twenty coffee producer groups in San Marcos implemented agricultural and management practices as listed below.



- Biological: produce 668,000 nursery seedlings using varieties of plants resistant to coffee rust disease at an investment of GTQ1,336,000.00. The producers assumed the direct costs while RVCP provided technical assistance and support.
 - Mechanical and Physical: Work on 255 hectares to ensure soil conservation measures in place: terracing, crating, live and still barriers at an investment of GTQ439,875.00.
 - Chemical: Apply soil amendments over 178 hectares at an investment of GTQ89,100,00.
- Grower groups in San Marcos used at least one technological tool during coffee production on a total of 433 hectares.
 - In working toward financial independence, leverage and credit solvency, 20 RVCP grower groups worked this year as follows.
 - Members from four GAT groups in San Miguel Ixtahuacan, San Marcos that belong to the *Asociacion de Caficultores Miguelenses* –ACMI in Spanish) made capital contributions in the amount of GTQ258,977.34.
 - ACMI received additional capital from the municipal government in San Miguel Ixtahuacan in the amount of GTQ898,510.00 to promote coffee production. The organization invested the resources in production supplies.
 - ACMI submitted an application to the Rural Economic Development Program (PDER in Spanish) under the Ministry of Economy for a project to strengthen coffee production in the vicinity of San Miguel Ixtahuacan. The Program subsequently approved the request for GTQ239,795.96 and ACMI members contributed in kind with an additional GTQ60,000.00 (20% of the total project funding requirement of GTQ299,795.96).
 - Members from the *Cooperativa Integral Agricola Nuevo Eden* provided capital contributions of GTQ72,000.00.
 - The *Cooperativa Integral Agricola Nuevo Eden* efficiently managed funds in the amount of GTQ100,000,00 provided by the National Agriculture Fund (*Fondo Nacional para La Agricultura* –FONAGRO in Spanish) for credit lines open to its members. Effective accountability measures led to the amount being offered to the Co-op as a grant in 2014.
 - RVCP support to the *Cooperativa Integral Agricola Nuevo Porvenir, R. L.* was instrumental in pardoning debt and interest in the amount of GTQ450,000.00 trust funds provided by the *Asamblea Consultiva de Poblacion Desarraigada* (ACPD) and *Proyectos Productivos de la Poblacion Desarraigada* (FIPOFLADES). As a result, the organization is financially stable.

- RVCP provided technical assistance to the *Empresa Campesina Asociativa Nueva Escocia* as to the agrarian policy implemented by FONTIERRAS and managed to get 75% of the outstanding debt forgiven (a total of GTQ1,000,000 remained outstanding from a total loan of GTQ3,000,000).
- In regard to post-harvest issues, the Project worked in San Marcos on activities following results from the diagnostic assessment as to increasing the value added to coffee through certifications, quality control, environmentally friendly practices and good industrial practices, as follows.
 - The Project conducted the diagnostic assessment on seven organizations with shared wet mill facilities. An additional 13 RVCP organizations process their coffee individually by hand.
 - A total of 15 organizations jointly sell their coffee while the remaining five organizations have their members sell their coffee on an individual basis.
 - The Project implemented eight industrial safety programs at the organizations using shared wet mill facilities.
 - Three organizations applied best food safety and hygiene practices to transform their ripe coffee beans into parchment coffee.
 - The Project evaluated the infrastructure, machinery and equipment improvements as follows.
 - The *Asociacion Campesina Unidos para La Paz y el Desarrollo Integral Comunitario* (ACUPDIC in Spanish) built a retaining wall in the drying area and repaired water troughs in the wet mill. Tourists visiting the facilities donated funds equal to GTQ38,000.00 and the organization used additional funds for the balance (total investment of GTQ53,000.00).
 - The *Cooperativa Integral Agricola Nuevo Eden* completed maintenance and repairs on coffee processing equipment. The organization financed the repairs in the amount of GTQ11,200.00.
 - The *Asociacion de Desarrollo Integral Buenos Aires* (ADIBA in Spanish) completed construction at the wet mill facility; repaired the coffee drying area, water troughs and other improvements at an investment of GTQ110,000.00.
 - RVCP technical staff assessed quality control measures and evaluated a total of 35 parchment coffee samples provided by 11 organizations. ANACAFE test results included recommendations for corrective action when applicable. In addition, six organizations provided cupping samples as required prior to marketing their coffee.
- RVCP scheduled training activities for the 20 grower groups in Huehuetenango on the following subjects.
 - Coffee quality improvements and consistency by controlling wet mill processing.

- Quality control through tasting.
 - Repairs and maintenance on de-pulping equipment.
 - Waste management at wet mill facilities (pulp, wastewater).
 - Quality assurance and cup characteristics.
- RVCP provided assistance to the *Asociacion de Caficultores Miguelenses* to improve marketing efforts. The assistance included having the association participate in the national Cup of Excellence competition. Their entry scored a total of 82 points, falling short of the minimum required to continue on to the next international round, but the association gained valuable experience for future competitions.

Cup characteristics confirmed the quality of the coffee being produces by three RVCP organizations and RVCP will provide assistance to see them participate in next year’s Cup of Excellence.

- Over Year One, RVCP focused intensely on training to yield the results described in this report. Training activities were designed to instruct technical skills throughout agricultural processes, post harvest procedures, management and marketing techniques that could be measurable and attainable in the short term. In addition the training program includes longer-term objectives such as deep-rooted behavioral changes, changes in production models, attitudes and relationships. Training covered a wide range of subjects including interpersonal relations, teamwork, communication, conflict resolution, accountability, etc.
- RVCP organized 227 training events in San Marcos with a total of 956 participants representing 20 organizations (including 217 women equivalent to 23% and 739 men equaling 77%). The events included nine certification courses (human resource management, wet mill processing, coffee production and effective organizational strengthening); 185 short courses on organizational strengthening, modern coffee production, post harvesting and accounting, fiscal and legal issues. In addition, the program provided 19 workshops on coffee rust disease and 14 observation tours.
- Beneficiaries included a total of 1,520 members from 20 coffee grower groups in Huehuetenango (1,300 men equal to 86% and 220 women equaling 14%).



Workshop on coffee tissue management.

Workshop on proper maintenance for depulping equipment.



Closing Ceremony, Certification Course on Coffee Production, San Miguel Ixtahuacan 2013

- Overall, the Project organized 801 technical assistance visits among the 20 RVCP organizations in Huehuetenango during Year One. The visits provided opportunities to inspect coffee plantations, supervise post harvest processes, assess coffee plant nurseries, demonstrate methods, organize training, etc.



Technical assistance for coffee producers in San Miguel Ixtahuacan

▪ FEDECOCAGUA (Coffee Value Chain)

– **Increased Yield**

As a result of Project efforts in RVCP selected municipalities in San Marcos and Huehuetenango, average yields for the 2012-2013 harvest increased by 20 sacks per hectare. Using data from this harvest as the baseline, the team planned activities and set targets; RVCP technical assistance is expected to increase yield for the 2016-2017 harvest by 30 sacks per hectare.

– **Increased Income**

Project activities to implement and support best management practices helped 24 co-ops and four preliminary co-ops sell their coffee at higher prices, avoiding losses due to price speculation and international market fluctuations. In addition, seven co-ops were awarded prizes averaging GTQ100,000 each as a result of their compliance with certification requirements, i.e. Tully's Coffee Award, prizes given by FLO for productivity and quality, Starbucks awards, etc.

Similarly, the Project team noted increased interaction among buyers and producers from RVCP grower organizations.

– **Renew and Improve Management Practices**

During RVCP Year One, FEDECOCAGUA completed the process to renew and improve the management practices as follows.

- a. Implement and adapt certification requirements to be met by producer groups.
- b. Establish phytosanitary brigades to control coffee rust disease.
- c. Set up controls and records for coffee traceability from field to buyer to ensure high quality.
- d. Implement and comply with social and environmental policies, as well as with handbooks and manuals for certifications.
- e. Implement internal management systems to track certification processes from within the organization out to individual producers.
- f. Produce information on each productive area using internal inspections to develop work plans for continuous improvement.

- g. Coordinate mission and vision implementation according to each co-operative's services and activities.
 - h. Involve managerial staff in greater use of technology and the Internet.
 - i. Promote optimal planning, supervision and management controls.
 - j. Increase compliance with tax requirements.
 - k. Monitor grower groups updating their records (ANACAFE, SAT, INACOP, INGECOP and FEDECOCAGUA).
- **Post Harvest Management Improvements**
RVCP activities this period included the following.
- a. Training and support for effective management of controls during coffee processing (whether using shared or individual wet mills).
 - b. Monitor and evaluate coffee quality (visual inspections and tastings).
 - c. Improved waste management within wet mill facilities, recycling organic waste as fertilizer or soil amendments and assistance to improve wastewater treatment.
 - d. Install and maintain wastewater treatment tanks.
 - e. Install and improve water circulation systems at shared wet mill facilities.
 - f. Improve electrical wiring to ensure energy efficiency at shared wet mill facilities.
 - g. Set up records to track energy use, fuel (gasoline or diesel), fuel wood or water use at shared or individual wet mills to conserve and optimize use.
 - h. Improve storage facilities for parchment coffee (pallets, roof repair, signage).
 - i. Set up logs to track and monitor janitorial duties and vehicular maintenance..
 - j. Correct labeling of product leaving the co-op for the dry mill (date, lot, weight and origin).
 - k. Implement the use of specific forms according to the type of coffee and the certification (date, weight, origin and seal).

- l. Acknowledge receipt to track quality within the FEDECOCAGUA dry mill facility and store product according to quality.
 - m. Promote and plan coffee sales through the FEDECOCAGUA trade department and accessing niche sales.
 - n. Work with FEDECOCAGUA dry mill facility to process parchment coffee using state of the art technology.
 - o. Increase installed storage capacity to warehouse coffee in Guatemala until buyers can accept delivery.
 - p. Obtain ANACAFE permits to ship green coffee overseas.
- **Employment Generation**
RVCP grower groups recorded a total of 2,637 new jobs. In addition, organizations created 112 administrative positions and 410 seasonal jobs (phytosanitary brigades or internal inspectors).
 - **Entrepreneurial Strengthening**
 - a. The FEDECOCAGUA technical team worked closely with FUNDASISTEMAS to set up four training sessions to implement SIDEM. The training covered the importance of a diagnostic evaluation for RVCP grower groups prior to implementing Phase I (Governance) under SIDEM.
 - b. FEDECOCAGUA has an Internal Management System responsible for internal audits to determine compliance with certification requirements and advise on corrective action when applicable. The purpose is to ensure the sustainability of certification processes within the grower groups. The system has effectively strengthened processes throughout the grower groups as well as at the dry mill facilities.
 - c. The Project hired external consultants to audit Best Management Practices and assess compliance among members of boards and management staff. The activity led to corrective action and work plans.
 - d. RVCP organizations completed management, accounting and financial diagnostics prior to drafting work plans or assistance strategies.
 - e. The Project worked with co-ops to implement internal regulations on certifications, new membership, credit and petty cash use.
 - f. The Project worked with grower groups to implement policies on labor rules, sexual harassment, environmental issues, non-discrimination and other issues.

- g. The Project validated allowable phytosanitary products used to curb the spread of disease in organic or non-organic plantations.
- **Financial Independence, Leverage and Credit**
- a. FEDECOCAGUA worked with local banks to pre-approve credit lines to finance RVCP coffee harvests.
 - b. The Project worked with co-ops to request access to funds from the trust fund established for the Guatemalan coffee sector being managed by BANRURAL.
 - c. Considering FEDECOCAGUA as the link between co-op members and prospective buyers, the Project made efforts to ensure compliance with yearly contributions into the trust fund established for the Guatemalan coffee sector, managed by BANRURAL using the coffee harvest to guarantee the loan.
 - d. The Project worked with several grower groups to set up bank accounts for their membership as a means to improve their credit history for future access to loans.
 - e. Some co-ops have joined forces with FEDECOCAGUA to set up saving and loans co-ops or negotiate to have bank branches open in their communities.
 - f. Some of the members of RVCP organizations are also active members of savings and loans co-ops in the region.
- **Training on Agriculture, Entrepreneurial Development and Nutrition**
- a. RVCP organized workshops (four modules each) for the *Cooperativa San Jose* and *Cooperativa La Esperancita* in San Marcos on internal management systems as a means to organize committees to oversee and manage all certification processes, particularly for FLO.
 - b. The Project organized a leadership workshop for managers from grower groups in San Marcos and Huehuetenango. The workshop was designed to promote leadership skills, strengthen entrepreneurial development and new skills for more efficient co-op management. A total of 33 leaders and managers attended the workshop.
 - c. The Project organized workshops on citizen participation regarding local government management and the development councils in San Rafael Pie de la Cuesta, San Marcos, La Democracia and Santa Cruz Barillas, in the province of Huehuetenango. The workshops were organized to instill a sense among leaders regarding management and public policy that could positively impact on their communities,

much of that as a result of the Community Development Councils (COCODEs in Spanish). A total of 100 community leaders attended the RVCP activities.

- d. The workshop organized two workshops on credit management; one in San Marcos and one in Huehuetenango, for managers and members of the co-operative credit committees. A total of 77 individuals participated.
- e. The Project organized six training workshops of Good Management Practices for six grower groups in Huehuetenango; a total of 38 managers and administrative personnel participated.
- f. RVCP technicians organized 28 training events for the phytosanitary brigades working on curbing the spread of coffee rust disease.
- g. The Project coordinated efforts with MAYECA to organize nine training workshops on the use of spraying equipment to control the spread of coffee rust disease. Two of the workshops were offered in San Marcos and seven in Huehuetenango for a total of 335 members of the phytosanitary brigades.
- h. The Project coordinated efforts with AGREQUIMA to organize nine training workshops on the use of pesticides (two in San Marcos and seven in Huehuetenango) for a total of 347 members of the phytosanitary brigades.
- i. RVCP organized ten workshops on criteria and compliance for a Fair Trade certification. The workshops included participants from the following co-ops: *Rio Limon, Tajumulco, Chojzunil, San Jose, Union Coataneca, Pena Roja, Nuestro Futuro, Hoja Blanca, Agua Dulce, El Porvenir, Nuevo Progreso, La Esperancita, La Bendicion, Comunidades Unidas* and *21 de Octubre*. The workshops were designed for members in general, as well as to target the members of the internal management committees.
- j. Members from 28 co-ops in San Marcos and Huehuetenango participated in workshops on integrated coffee rust disease management.
- k. Members from 28 co-ops in San Marcos and Huehuetenango participated in training activities, lectures and hands-on demonstrations to teach Good Agricultural Practices.
- l. The Project organized five training workshops of effective management of shared wet mill facilities for co-ops in San Marcos. A total of 70 individuals participated, including employees, technical staff, internal inspectors and board members from the five shared wet mills in the region.

- **FEDECOAG (Horticulture Value Chain)**

- **Increased Income as a Result of Irrigation Systems**

The Project provided assistance to plant 1.26 hectares with potato plants (mini root vegetables using registered seed) in greenhouses and introduced drip irrigation systems. A total of 15 horticulturists participated and earned an income of GTQ56,920.00 from the sale of 11,500 pounds of Loman potatoes.

- **Increased Income from Open Field Irrigation**

During RVCP Year One, technical staff provided assistance to market produce grown with mini-irrigation systems. Revenues totaled US\$735,365 in increased income.

The Project is currently working with mini-irrigation systems installed prior to RVCP activities. The Project did not expand the systems due to their high cost requiring long-term bank funding and readily available water sources that are lacking in those communities. RVCP sees the need for long-term financing and water sources for optimal irrigation systems as significant challenges for Project implementation.

As a result, RVCP decided in the meantime to promote horticulture production using macro tunnel greenhouses with drip irrigation systems that consider the lack of water resources in the area.

- **Producers Using Greenhouses**

Fifteen producers from a co-op in San Marcos (*21 de Abril*) planted potato seed under controlled conditions using 144 macro-tunnel greenhouses.

- **Crop Area planted under Greenhouses**

The total area planted under greenhouses (144 macro-tunnels) covers 1.26 hectares planted with 100,000 Loman mini-tubers. FEDECOAG provided the seeds.

Potato production followed a specific plan, applied appropriately with technical assistance, training, evaluation and monitoring to control pests and diseases in a timely fashion.

- **Increased Yield through the use of Greenhouses**

Based on the material used to build macro-tunnel greenhouses (acryl, nylon, galvanized tubing) together with the drip irrigation systems allowed for more advanced and uniform growth and development of the potato plants, with improved roots, greater plant vigor and foliage and increased number of potatoes per plant. Technology use increased the yield from certified seed.

- **Increased Production through the Use of Best Agricultural Practices**

By adopting and implementing best agricultural practices, horticulturalists saw increased growth and development while minimizing pests and disease. Best practices led to an overall increase in production of 5% as compared to last year's crop.

The Project organized 47 soil analyses to assess nematode infestation and draft fertilization plans for potato and pea crops, while ensuring that the soil was free of *Globodera rostochiensis*.

– **Producers receive Technical Assistance for Good Agricultural Practices (GAPs)**

RVCP provided technical assistance to 1,085 horticulturists from seven grower groups. GAPs included the following:

- Soil use, management and conservation;
- Correct use of crop protection products;
- Availability, use and management of water;
- Use of phytosanitary products;
- Harvest, storage, packing and transportation;
- Record and track production;
- Horticultural varieties
- Fertilization
- Waste and pollutant management
- Environment;
- Traceability.

– **New Employment Creation**

Activities generated 249 new jobs (172 filled by men and young men and 77 filled by women). The new jobs reflect day laborers working regularly over a five-month period.

– **New Export Crop**

RVCP assistance and training were instrumental in seeing 166 producers growing peas. Growers completed Phase I in September 2013 to plant an area of 285 *cuerdas*. Producers plan to take their crops to market through two agribusinesses and use trade agreements.

– **Technical Assistance and Support for Entrepreneurial Strengthening**

- The Project worked with seven horticulture producer organizations on an overall diagnostic of current status and measures required for corrective action..
- The Project began to apply SIDEM Phase I on Governance in five producer organizations (three in San Marcos and two in Huehuetenango). To this end, RVCP technical staff organized workshops to complete the organizational diagnostic and include the participation of board members, managers/leaders and employees..
- The Project provided management and accounting assistance to managers, assistant managers and accountants from seven horticulture producer groups.
- RVCP technicians worked with managers from six organizations to update their credit records and controls.
- The Project worked with organizations to update their inventory records on fixed assets.

- Technical staff worked with three organizations in San Marcos to comply with tax obligations.
- RVCP staff worked with accounting personnel in two organizations to improve their procedures.
- The Project worked with board members and employees from a grower group to develop their organizational chart.
- The Project worked with the manager, assistant manager and accountant from a grower group in San Marcos to implement INGECOP audit recommendations.
- The Project provided assistance to update the membership files in seven organizations (five in San Marcos and two in Huehuetenango).
- RVCP offered a training process for the manager from an organization in San Marcos.

– **Financial Independence, Leverage and Credit**

Two horticulture producer groups in San Marcos leveraged GTQ3,760,567.00 in credit lines available to their membership to fund productive activities and improve quality of life. The leveraged resources benefitted 206 producers (152 men and 54 women).

Leveraged funds were made available as follows:

- *Cooperativa 10 de Abril*: GTQ.2,987,867.00, spread among 130 individual loans (92 to men and 38 to women) for potato and carrot crops, and
- *Cooperativa El Paraiso*: GTQ.772,700, divided into 76 individual loans (60 to men and 16 to women) for potato crops.

– **Training: Agriculture, Entrepreneurial Development and Nutrition**

Agriculture

- Significance of post-harvest handling for potato crops
- Producing registered seed for potato crops
- Use and handling to protect crops
- Soil sampling and fertilization analysis

Entrepreneurial Development

- Organizational structures
- SIDEM (diagnostic before Phase I on Governance)
- Significance of the organization
- Management role

Nutrition

- Clean water
- Hygiene and cleanliness

4.2.2 Component 2: Broadened Participation in Value Chains

▪ ANACAFE (Coffee Value Chain)

- Members of the *Empresa Campesina Asociativa (ECA) Emanuel* and the *Cooperativa Integral Agrícola Nuevo Porvenir, R. L.* in San Marcos filed loan applications to the trust fund established in support of Guatemalan coffee producers and were required to draft 18 investment plans for coffee plantation renewal (for an equal number of members) in the amount of GTQ320,699.96.
- The *Asociacion Manos Campesinas* sells coffee through specialized organic coffee markets and received funding that in turn was made available to members in San Marcos. The organizations benefitting from the funding are as follows:
 - *Asociacion Flor del Cafe*: GTQ150,841.14.
 - *Asociacion de Pequeños Caficultores de Liberacion*: GTQ65,301.70.
 - *Asociacion de Pequeños Caficultores Media Cuesta*: GTQ5,785.40.
 - *Asociacion de Desarrollo Integral Buenos Aires (ADIBA)*: GTQ40,087.94.
 - *Cooperativa Integral Agrícola Entre Rios*: GTQ218,300.00.
 - *Asociacion de Pequeños Caficultores Organicos Mayas-Mames*: GTQ1,460,818.09.
- The municipal government of San Miguel Ixtahuacan and ANACAFE signed a technical cooperation agreement within RVCP to join efforts in a public-private partnership under a rural development model. The municipality contributed funds in the amount of GTQ18,145,197.00. The agreement allows for expanded coverage to bring in additional producers and communities. Photographs below recorded the signing of the agreement.



- The *Asociacion de Caficultores Miguelenses* (ACMI in Spanish) is divided into two groups; the first group is comprised of 15 groups from 15 communities and the second group includes four GATS.
 - The Project worked with 20 coffee producer groups in Huehuetenango to lay the groundwork for access to credit, as follows:
 - Pre-feasibility analysis to select funding sources for either an organization or an individual.
 - Support producers in filing loan applications.
 - Support producers in tracking applications.
 - Joint efforts to draft credit policy and regulations, including criteria for qualification.
 - Create credit controls.
 - ACMI increased its membership by 10% from 424 to 457 active members of which 20% are women and 8% are youth (from 18 through 25).
 - The high school program for coffee studies includes 14 students representing nine RVCP organizations.
 - Twenty RVCP producer groups in Huehuetenango strengthened the capacity of women and youth regarding management issues, organizations and entrepreneurship. The Project also raised awareness regarding boards of directors and gender equality to encourage increased participation by women and include the children of members to participate in workshops on gender considerations.
 - Two grower groups in Huehuetenango added 46 new members to their organizations.
- **FEDECOCAGUA (Coffee Value Chain)**
 - **Including Women and Youth in Developing and Managing Producer Organizations**
 - A total of 23 women from co-ops in San Marcos and 28 women from co-ops in Huehuetenango have been elected board members or have assumed management positions.
 - Three groups of women (from *Cooperativa La Bendicion* and *21 de Octubre* in San Marcos and from *Cooperativa Rio Limon* in Huehuetenango) are implementing productive projects in handicrafts, growing Oyster mushrooms, honey production, baking and coffee seedling production.

- **Including and Working with Local Governments and Municipal Development Councils (COMUDEs in Spanish) and Community Development Councils (COCODEs in Spanish)**
Some of the board members or co-op members working with RVCP have joined COCODEs. In efforts to strengthen their role, the Project organized two workshops on citizen participation to improve cooperation between co-ops and local governments through the development councils operating in the RVCP region.
- **Leverage Funds to Finance Regional Investment**
The *Tajumuco*, *Todosanterita*, *Hoja Blanca*, *Agua Dulce* and *Chojzunil* co-ops invested financial resources in maintaining roads in their districts and benefit their members by improving coffee transport.
- **Pilot Program for Secondary Education (Participants or Alumni) Specializing in Coffee or Horticulture Production**
 - A total of 12 students from co-ops in Huehuetenango are enrolled in the associate degree program on Cooperative and Association Management being offered by Rafael Landivar University at the Huehuetenango campus (with support from Fair Trade International).
 - Two students from the *Todosanterita* and *San Jose El Orebro* co-ops are enrolled in teaching certificate programs being supported by the UGK Foundation in FEDECOCAGUA.
- **New Producers as Beneficiaries**
Ever changing numbers in members joining or leaving grower groups make it difficult to track, but a total of 128 individuals joined RVCP producer groups over the course of Year One. In addition, the Project began working with grower groups to implement regulations for new members.
- **FEDECOAG (Horticulture Value Chain)**
 - **Access to Credit**
 - The Project worked with five grower groups (three in San Marcos and two in Huehuetenango) to file loan applications under the Land Lease Program (FONTIERRAS) and 121 families benefitted from funding in the amount of GTQ311,575.00.
 - The Project worked with *Cooperativa Los Cuchumatanes* to negotiate a grant from FONAGRO for GTQQ502,380.00 to implement a project to strengthen agricultural production and trade that benefits 104 women.

- **Alliances between Grower Groups and Savings and Loan Co-ops**
Over RVCP Year One, the Project did not see a need to have grower groups seek funding from savings and loan co-ops. Most of the co-ops working with the Project have sufficient capital to loan funds to their members (especially for horticulture production).
- **Credit Ratings (Individuals or Organizations)**
Farmers using funding during RVCP Year One have positive credit ratings.
- **Include Women and Youth in Developing or Managing Producer Groups**
 - As a result of RVCP assistance a grower group created the position of General Accountant and hired a woman. The Project provided training and support during her orientation process.
 - In addition, a woman also filled the position of assistant manager at another co-op and RVCP again provided assistance and training during orientation.
- **FUNCAFE (Education)**
 - **High School Pilot Program on Specialized Studies in Coffee Production.**
FUNCAFE launched the first class for a high school pilot program specializing in coffee production during RVCP Year One. Members of nine coffee grower groups in Huehuetenango and San Marcos received assistance from ANACAFE and FEDECOCAGUA and a total of 15 students (13% female) enrolled. Unfortunately, one of the students left the program offered on the grounds of the *Finca Las Nubes* coffee plantation in Suchitepequez.

FUNCAFE proceeded to initiate the paperwork to authorize specialized high school study programs on coffee production in the western region of Guatemala, but the process did not go forward. The Ministry of Education issued a ministerial agreement on August 13, 2013 that transferred accreditation authority to a separate entity (*Escuela Nacional Central de Agricultura* –ENCA in Spanish).

To further the effort through ENCA, FUNCAFE worked to ensure that the coffee program at *Finca Las Nubes* would continue and even expand it to Huehuetenango. Unfortunately, ENCA has no experience with this type of program and progress has been very slow. As a result, the Project is confident that the high school studies program at the *Las Nubes* plantation will be accredited and continues uninterrupted through the 2014 school year.

The 14 RVCP-scholarship student at *Las Nubes* have continued to study coffee value chains and the organizations that these students represent have noticed their progress and improvements in their knowledge base to date. Interest in the program remains high

among the grower groups seeking scholarships for students applying for the 2014 school year.

The following photographs capture moments in the lives of students enrolled in the coffee studies program doing their fieldwork or attending class.





4.2.3 Component 3: Improved Agricultural Productivity

▪ ANACAFE (Coffee Value Chain)

- To improve coffee productivity during RVCP Year One, the Project organized the following activities in San Marcos:

- Renew a total of 83.88 hectares within older coffee plantations at a cost of GTQ2,935,800.00. The producers covered these costs.

- Plant 29.40 hectares with new coffee plants at a cost of GTQ1,176,000.00.

- Produce 668,000 coffee seedlings using coffee rust resistant plants at a cost of GTQ1,336,000.00.



- Build soil conservation structures for 255 hectares at a cost of GTQ439,875.00.

- Set up 63 demo lots using appropriate technology to improve productivity over the area.

- To address improved coffee productivity, the Project worked in Huehuetenango during Year One to renew 19 hectares planted with coffee at a cost of GTQ679,250.00 covered by the producers themselves. The Project also worked on renewing coffee plantations using tissue management techniques.

- The Project worked with coffee grower groups in San Marcos to implement Good Agricultural Practices (GAPs), as follows:

- Plantation renewal through the use of selective tissue management (pruning).

- Soil and foliage samples to design fertilization and amendment programs based on lab results provided by ANACAFE (ANALAB).

- Adding organic waste to new plantations.

- Integrated pest and disease management:

- **Coffee Borer Beetle**

- sampling using method developed by ANACAFE to find focalized pest infestation.
- setting insect traps over 335 hectares (7,715 traps)
- Second sweep to collect coffee berries remaining after initial harvesting

- **Coffee Rust Disease**

- Sampling to determine prevalence and severity
- Tissue management (pruning damaged plants)
- Use disease-resistant varieties

- Use of personal protection equipment.



- Shade management.
- Track activities during the production process.
- Use organic waste (pulp and wastewater) to plant coffee seedlings or shade trees.
- The Project promotes Good Agricultural and Industrial Practices by means of technical programs and operational guidance. As such, RVCP developed 65 programs to address an array of issues:
 - tissue management
 - shade management
 - integrated pest and disease management
 - plantation renewal
 - new plantings
 - fertilization and soil amendments
 - plant seedlings and nurseries
 - food safety and hygiene during wet mill processing
 - industrial safety
- RVCP designed the following activities regarding soil conservation for grower groups in San Marcos:
 - manual weed control to avoid bare ground and reduce soil erosion
 - 255 hectares using soil conservation practices and structures, terracing, crating and the use of live and still barriers
 - new plantings placed along contoured levels to avoid soil erosion
 - all coffee plantations use *Inga* shade trees that yield organic material.
- The Project promoted the use of GAPs among grower groups in Huehuetenango as follows:
 - soil conservation as a pillar for plantation maintenance and measures to mitigate the effects of climate change by implementing the use of crates and terracing
 - organic fertilizer from composting and shade plants
 - tissue management using selective pruning to encourage new growth
 - integrated pest and disease management specifically to curb the spread of coffee rust disease using pruning, fertilization, weed control and shade planting together with specific chemical applications

- technical assistance over the year for plant nurseries using the Sarchimor variety to renew plantations susceptible to coffee rust disease infestation
- use and safe handling of pesticides to reduce environmental damage
- appropriate use of mulch from shade management, avoiding bare soil, erosion and improved soil nutrients.
- The Project worked on the following activities for measures to adapt to climate change:
 - produce and plant shade trees that can be used as lumber throughout the coffee production process
 - protect natural springs
 - waste water treatment at wet mill facilities.
- **FEDECOCAGUA (Coffee Value Chain)**
 - **Producers Invest to Renew Coffee Plantations**
 Growers from 28 RVCP groups renovated a total of 419.26 hectares planted with coffee using tissue management or new plantings. Growers invested GTQ14,674,100.00 (GTQ35,000.00/hectare).
 - **Technical Assistance on GAPs**
 The Project worked with 1,124 members from 28 RVCP grower groups that jointly manage 3,047 hectares of coffee to provide comprehensive technical assistance, including training, presentations or individual counseling and demonstrations on GAPs, as follows:
 - a. managing productive tissue
 - b. plantation renewal (seedlings and nurseries using disease-resistant varieties)
 - c. soil and water conservation
 - d. fertilizer plans following results from soil analyses that include organic fertilizers together with chemical applications
 - e. responsible pest management (avoid the use of banned substances)
 - f. integrated pest and disease management
 - g. shade management (agroforestry system)

– **Climate Change Adaptation**

The Project provided assistance to the 28 RVCP groups to promote practices to adapt to the effects of climate change within an environmental policy to govern the activities. The Project mapped out fragile areas for each group member detailing linear meters of live barriers and buffer zones together with crated areas, terracing and watershed protection measures. The Project is implementing these activities with the 16 co-ops that are undergoing certification processes (a total of 1754 members that include both men and women).

Grower groups in San Marcos are working to improve shared wet mill facilities by optimizing water use and reusing water whenever possible. Four of the five shared wet mills installed water treatment plants. As a means to avoid polluting local water sources, the Project also provided assistance to build holding tanks for those grower organizations in San Marcos and Huehuetenango relying on individual wet mills.

▪ **FEDECOAG (Horticulture Value Chain)**

▪ **Technical Assistance and Support to Horticulture Producers to Promote the use of Irrigation**

RVCP worked with producers from seven grower groups to promote the appropriate use and management of water resources in greenhouse crops.

The Project also provided assistance of the use and installation of drip irrigation systems (pallets, plastic drums, tubing, valves, filters and accessories).

▪ **Assistance for Greenhouse Crop Production**

RVCP technicians worked with growers producing greenhouse potatoes, considering that growers are required to take ownership and direct responsibility for high quality produce, increased yields and seeking attractive market prices. To this end, Project assistance focused on designing appropriate production areas, drafting phytosanitary management plans, fertilization plans, soil use plans, transportation strategies, follow up, evaluation and monitoring.

▪ **Promote Practices for Climate Change Adaptation**

The Project worked with grower groups to promote container recycling. Technicians also promote the use of organic waste for composting.

In addition, the Project worked with two grower groups in San Marcos to organize presentations on climate change and on the importance of reforestation to protect watersheds. An additional benefit from this activity was that producers reforested a large area with over 11,000 trees.

4.2.4 Component 4: Increased Trade and Expanded Markets (Private Consolidator)

This Component was eliminated from the original proposal and is not covered by RVCP/ ANACAFE-CONFECOOP-FUNCAFE-FUNDASISTEMAS Consortium activities.

4.2.5 Component 5: Increase Food Production and Improve Food Use

– Family Garden Plots

- The Project distributed seed packages among families of 1,180 coffee growers in San Marcos and Huehuetenango. Each family received packages (one ounce of seed) for seven different crops to plant in their family garden plots. About 80% of the families already have family gardens and have been harvesting their produce; beets, radishes, carrots and chard along with other herbs and greens commonly used in local dishes.
- Coffee producers participated in eight hour training activities on the following subjects: setting up family gardens, soil conservation, seed production and the use of natural pesticides. More than 80% of the participating families attended the training activities. The Project also offered training on pest and disease control. Table 1 below summarizes participation data from each training activity. FUNCAFE records indicate that the use of family garden plots is benefitting a total of 4,957 individuals (51% men and 49% women).

**Table 1: Consolidated Data on Member Participation
Family Garden Training**

LOCATION	Anacafe	FEDECOCAGUA.	MEN	WOMEN	Family garden design	Soil conservation	Seedling	Plague and disease control	Development of natural pesticides
Huehuetenango	336	271	413	194	569	569	562	438	424
Jacaltenango	24	61	67	18	73	73	69	59	59
La Democracia	14	4	12	6	17	17	17	12	11
La Libertad	110	113	142	81	220	220	219	185	185
San Antonio H.	98	55	55	43	84	84	82	53	53
Todos Santos Cuchumatán	45	44	79	10	87	87	87	65	66
Union Cantil	45	49	58	36	88	88	88	64	50
San Marcos	382	191	401	172	378	357	325		201
El Rodeo		72	54	18	52	52	27		19
San Miguel Ixtahuacan	382		259	123	260	239	232		140
San Pablo		71	54	17	23	23	23		11
San Rafael Pie de la Cuesta		48	34	14	43	43	43		31
TOTAL	718	462	814	366	947	926	887	438	625

– **School Gardens**

A total of 41 schools are participating in RVCP activities to improve food and nutritional security. Project assistance succeeded in establishing 34 school gardens; teacher and students participated in training sessions on designing and implementing their plots, planting vegetables and producing natural fertilizers.

Students harvested their vegetables and used them in nutritious dishes served for school lunches. The Project also planned training events on nutritious food preparation based on the produce from the school gardens. Both teachers and students attended the training.

The following photographs illustrate how students participated in school garden activities.



– **Training on Health and Nutrition for Elementary School Teachers**

A total of 165 elementary school teachers worked with 3,557 students from 41 schools to organize six training events on health and nutrition.

The Project also organized workshops on nutrition (cleanliness and hygiene, clean water, nutritional value and nutritious foods), agriculture (design and implement school gardens, planting and seedlings, composting and natural pesticides). Many schools set up student governments responsible for coordinating the gardening activities.

– **Training Producer Families on Health and Nutrition**

The Project began to train 1,180 families in the coffee value chain by organizing six workshops (families received an average of nine hours of training). A total of 366 women attended the workshop (equal to more than 70% of members or their families from the coffee value chain) (see Table 2). RVCP expects to see that 100% of the women members of producer groups will participate. The workshops also cover hygiene, cleanliness and clean water. To this end, the families participating in the training also received a water purification filter and additional information on food preparation, nutrition and a varied diet.

It is worth mentioning that the families' enthusiastic participation and motivation allowed for rapid progress and significant results in improving nutrition. Nevertheless, the growing cycle for coffee hampered attendance of some growers so the technical staff is planning to adjust schedules to ensure greater participation. Table 2 summarizes the variations in attendance.

The training results will be measured using the baseline data from September 2013.

– **Alternative Methods for Water Purification**

A total of 843 families in Year One participated in the training activity on clean water and received additional information on the most frequently used methods approved by the World Health Organization (WHO) for use in rural areas: chlorination, boiling, SODIS and filtering.

The Project provided 1,000 water filters among communities in the ten municipalities included in the food and nutritional security component. When providing the filters, RVCP technicians also offered training on how to assemble, maintain and make appropriate use of the filters. FUNCAFE records indicate that the filters are benefitting 4,957 individuals (51% male and 49% female).

**Table 2. Consolidated Data on Member Participation
Nutrition Training**

LOCATION	PARTNERS	MEN	WOMEN	Cleaning	Safe water	Nutritional content	Nutritional preparations	Family diet diversification	Cooking methods
Huehuetenango	607	413	194	558	556	540	207	531	122
Jacaltenango	85	67	18	74	74	74	59	74	16
La Democracia	18	12	6	17	16	15	12	15	
La Libertad	223	142	81	211	211	201	54	193	24
San Antonio H.	98	55	43	86	86	81		81	
Todos Santos Cuchumatán	89	79	10	84	83	83	66	82	68
Union Cantil	94	58	36	86	86	86	16	86	14
San Marcos	573	401	172	325	287	256	165	232	
El Rodeo	72	54	18	24	16				
San Miguel Ixtahuacan	382	259	123	257	242	256	165	232	
San Pablo	71	54	17	13					
San Rafael Pie de la Cuesta	48	34	14	31	29				
TOTAL	1180	814	366	883	843	796	372	763	122

– **Efficient Fuel wood Stoves for Schools and Residences**

The Project selected families that would benefit from RVCP assistance to procure efficient fuel wood stoves and the technical team provided training on health and nutrition as a prerequisite for the use of the stove. As a result, the families are better prepared to make appropriate and sustainable use.

FUNCAFE assessed all fuel wood stove options available on the market to ensure that families received the optimal choice to ensure food and nutritional security.

– **Communication and Community Outreach**

FUNCAFE developed a set of educational material to organize workshops on food and nutritional security and also brought in material on sexual and reproductive health prepared for other USAID funded projects. The material is designed with a specific audience in mind and in relevant Maya languages. In addition, some of the technical staff speak Maya languages and can reinforce the messages and concepts.

4.2.6 Component 6: Improvements to the Handicrafts Value Chain

– **Selecting Artisans**

Given that the only handicrafts co-op established within the RVCP target area is *La Jacaltequita* with 208 members, ARTEXCO proceeded to select artisans from all 18 municipalities within the Project area. As a result, the technical team prepared a detailed list of 10,525 artisans (95% women). Once the artisans were listed, the team classified them and produced a shorter list of 3,000 handicraft producers, followed by a second screening for a final list of 1,027 artisans (1,002 women and 25 men) who will be working with RVCP.

– **Initial Diagnostic on Production and Marketing**

The Project conducted a participatory diagnostic process with the *Cooperativa La Jacaltequita* to assess designs, costs, raw material and innovation.

The team later conducted diagnostics on production and marketing for handicrafts produced in Chejbal and Tzibaj (Jacaltenango, Huehuetenango), Txejoj and Piol (San Sebastian, Huehuetenango) and Baljetre (San Miguel Ixtahuacan, San Marcos). The results confirm the various products available, production capacity, costs, necessary supplies, quality and innovation so that the Project can tailor assistance (production methods, timing and costing).

– **Entrepreneurial Development and Investment Plans**

The Project launched the process to run SIDEM at the *Cooperativa La Jacaltequita* and has tabulated the results of the initial diagnostic prior to developing a business and investment plan for the organization.

– **Opening New Markets**

In order to work on opening new markets, ARTEXCO made arrangements to have a group of artisans exhibit their wares and sell products during the OAS General Assembly held in Antigua. In addition, ARTEXCO also arranged for handicraft exhibits during large expos such as Xelaju.es and Transactel in Quetzaltenango and participation in New World Kraft. At the international level, the Project team identified the most significant tradeshows and expos (Germany and New York Gift show).

RVCP provided assistance to set up a website and post recent information on ARTEXCO, artisans and new product offerings. Technical staff also set up a Facebook page, a Pinterest account and posted videos on YouTube showcasing RVCP artisans and handicrafts.

– **New Product Development**

The Project contracted a designer to develop a new collection for selected artisans and oversee initial production processes.

ARTEXCO provided assistance to a group of women artisans from *Cooperativa La Bendicion*. FEDECOCAGUA will provide follow up in close coordination with ARTEXCO and both consortium organizations will continue to work together on sourcing raw material and monitoring production.

4.3 Cross Cutting Issues

▪ **Gender:**

- The Project developed a gender analysis for the RVCP target area. To that end, the UIP hired a local expert and an international consultant through Wingerts Consulting.
- ANACAFE drafted and is currently implementing a work plan to promote gender equality throughout all RVCP activities.
- Two organizations in San Marcos, *Asociacion de Pequeños Caficultores Organicos Mayas – Mames* and the *Asociacion de Pequeños Caficultores Comunidades Unidas*, elected two women to their boards, unprecedented.

- Five organizations from Nuevo Progreso, San Marcos worked with nine youngsters and two women to produce coffee seedlings.
- Upon leaving office as President of the Board of Directors, *Cooperativa Integral Agricola Nuevo Eden, R. L.*, Carmen Gregoria Cano was elected to represent women before the Municipal Development Council (COMUDE) for Nuevo Progreso, San Marcos.
- A total of 217 women participated in the 227 training events organized by RVCP for coffee growers in San Marcos. Women accounted for 23% of total participants.
- The Project promoted the participation of women leaders in RVCP coffee grower groups to attend the III Annual International Coffee Convention and the Women in Coffee Trade meeting.
- The Project organized an experience exchange on nutrition and food safety for female members of the *Cooperativa Esquipulas R.L* in La Libertad, Huehuetenango together with post graduate students on Food Technology and Quality Management from Del Valle University in Guatemala City.
- The Project technical team completed ten participatory diagnostics on gender considerations.
- The Project drafted and began implementing Phase I of the Gender Equality Plan to work with coffee grower groups.
- ANACAFE designed, promoted and developed a certification course on gender considerations for coffee grower groups. A total of 196 individuals took the course (137 men and 59 women).
- FEDECOCAGUA informed the Project that 51 women have been elected to boards or are in management positions in RVCP grower organizations.
- RVCP issues all invitations to participate in Project activities using gender-neutral approaches and based on gender considerations to ensure that men and women have equal opportunity to participate.
- The 16 co-ops participating through FEDECOCAGUA hold an array of certifications. The Project is promoting social policies that include gender considerations, forbid child labor (those under the age of 15) and prohibit inappropriate behavior. Each co-op approved the policies during their respective general assembly.

- FEDECOCAGUA provided assistance to three groups of women that are members of the *Rio Limon*, *La Bendicion* and *21 de Octubre*. The women are pursuing additional productive projects.
 - FUNCAFE organized activities to work with both men and women equally. Community workshops were designed with no restrictions to encourage broader participation. As a result, 69% men and 31% women attended the agricultural workshops; while 51% men and 49% women attended workshops on health and nutrition. The fact that the largest percentage of participants in the workshops on health and nutrition is men is conducive to raising awareness and encouraging attendance by husbands and wives.
 - ARTEXCO established a Gender Steering Committee to promote affirmative actions to encourage women to take advantage of equal opportunities. The Project provided assistance to conduct quick diagnostics on current female participation as a baseline.
 - ARTEXCO designed an orientation program for female members of co-ops and outreach activities to organized women’s groups. The Project began developing this approach with members from the *Cooperativa La Jacaltequita*.
 - The Project designed an awareness program using gender considerations for use by the ARTEXCO technical staff or by authorities from co-ops or other grower groups.
 - ARTEXCO designed a training program for female artisans as the basis for future training and assistance interventions. The Project is developing guidance for the facilitators and material for the participants.
- **Climate Change**
 - The UIP promoted implementation of environmental mitigation plans for the coffee, horticulture and handicrafts value chains, while also using them for any activities under the food and nutritional security component. The Project also promoted the use of the work plan on safe pesticide use.
 - The Project promoted producing and planting trees suitable for lumber use as part of the coffee production system.
 - The Project is working to ensure the conservation of natural springs and bodies of water.
 - A total of 13 grower organizations in San Marcos avoid any use of chemicals for their organic production.
 - Coffee plantations in San Marcos are using 32 demo plots to showcase soil conservation measures using techniques and structures to avoid erosion.

- The Project is promoting measures to conserve water during the wet mill processing stage and treating wastewater for recycling.
- The Project provided informal presentations on waste management (bottles, plastic, etc.) to ensure reuse, recycling and reduction throughout the community and raise awareness among participants to take environmentally friendly measures.
- The Project is promoting practices to conserve moisture in the soil (crates, terracing, live and still barriers and contour planting). Coffee growers are increasingly applying these practices.
- Technicians are promoting the efficient use of water resources during wet mill processing by recirculating water and treating wastewater.
- In adapting to climate change, 16 co-ops have adopted environmental policies promoted by FEDECOCAGUA and approved by their respective general assemblies to comply with any number of certifications. In addition, the Project is promoting these policies among six more co-ops.

The Project provided assistance to grower groups to ensure that their environmental policies are the responsibility of internal management committees for annual monitoring and verification.

The policy encompasses ecosystem conservation, wildlife protection, water conservation, integrated coffee production management, soil conservation and integrated waste management.

- The Project is promoting the use of coffee byproducts for composting and organic soil amendments that will improve soil structure and nutrients. An additional benefit is that byproducts do not end up polluting the vicinity.
- The Project provided assistance to implement signage to prohibit forest harvesting and to protect flora on lands belonging to co-op members. Signage is also in place to forbid littering, hunting and to protect local fauna.
- Two horticulture groups in San Marcos reforested a large tract of land with 11,000 trees of various species that are specially adapted to local growing conditions.
- FUNCAFE includes training on soil conservation when providing instruction on family garden plots, including reducing or eliminating the use of pesticides, chemical fertilizers, waste management, recycling, water re-use, etc. In addition, the training on environmental issues is offered to schools working on food and nutritional security.

- FEDECOCAGUA technicians actively participated in the regional forum on climate change organized by the USAID Climate, Nature and Communities Project together with the *Asociacion de Desarrollo Integral de Municipalidades del Altiplano Marquense* – ADIMAN in Spanish.

- **Entrepreneurial Development**

- The Project took into consideration experiences in organizational development provided by the Consortium organizations together with lessons learned when implementing RVCP SIDEM to promote entrepreneurial development using a systemic approach. To that end, the Project worked closely with FUNDASISTEMAS to also raise awareness regarding SIDEM and train technical staff from each RVCP consortium organization regarding the conceptual framework, objectives, phases, steps and activities. SIDEM is currently being implemented with coffee, horticulture and handicraft organizations.

ANACAFE opted to implement SIDEM in each of the organizations it works with nationwide –a significant step toward institutionalizing the system. RVCP trained all ANACAFE technicians on SIDEM as a means to strengthen any of the coffee grower groups that are members of ANACAFE.

- In a parallel effort, RVCP consortium organizations completed the following activities.
 - Training events to encourage coffee growers to transition from producers to entrepreneurs and to establish family businesses.
 - Encourage members of coffee grower groups to hire a manager. Two organizations in San Marcos have already done so.
 - Train organizations to transparently leverage credit resources and manage grants while ensuring that the board and general assemblies demand accountability.
 - The Project trained board members and managers on financial, fiscal and legal issues so that they can be capable of using electronic means to efficiently manage resources.
 - The Project produced 20 diagnostics on coffee grower groups in Huehuetenango to assess their current organizational, management, accounting, legal, fiscal and financial situation.
 - The Project launched strategic planning processes for two coffee grower groups in Huehuetenango to define their mission, vision, strategic objectives and work plans.

- The Project organized 34 training events for 20 coffee producer groups in Huehuetenango on the following subjects:
 - associations and effective leadership;
 - mission and vision;
 - policies and regulations;
 - roles and responsibilities of upper management;
 - managing and controlling credit;
 - using financial scenarios, and
 - effective organizational management.

- **Financial Services**

- The Project subcontracted Wingerts Consulting and hired a consultant to analyze credit supply and demand for local RVCP organizations while assessing their debt capacity and business models. The product will become the basis to train producers on the issues and develop guidelines to access credit.
- Any legally constituted organization in Guatemala has legal personhood and the ability to take on credit or use other resources as legally mandated. As a result, twelve organizations are working to submit loan applications and leverage funding.
- In increasing and strengthening management capacity among upper management levels, the Project organized three certification courses on effective organizational management. The purpose of the courses is to promote and develop management, entrepreneurial and administrative capacity while strengthening and developing the organizations themselves.
- The Project provided assistance to six coffee grower groups and 19 of their members to develop investment plans for their coffee plantations as a means to access trust funds offered through BANRURAL.
- The Project worked with two organizations (ASODIET and ASDEFLO) to forge an alliance with *Cooperativa de Ahorro y Credito Esquipulas, R. L.*, whereby the organizations received advanced funds in the amount of GTQ400,000.00 to lock in coffee sales and benefit 59 members.
- The Project worked with five horticulture producer groups (three in San Marcos and two in Huehuetenango) to manage their loans through the FONTIERRAS lease program and benefit 121 member families in the amount of GTQ311,575.00.
- The Project worked with FONAGRO to submit grant applications for horticulture producers from *Cooperativa Los Cuchumatanes* to obtain funding in the amount of



GTQ502,380.00 to strengthen agriculture production and trade efforts to benefit 104 women.

- **Communications**

- The Project produced a video to showcase RVCP results in San Miguel Ixtahuacan.
- The Project set up agreements with three community radio stations in San Pablo and San Miguel Ixtahuacan, San Marcos to broadcast the show entitled “*El Cafetal Radio*” free of charge. Members from RVCP organizations tune in to the show.
- To strengthen communication and information for horticulture grower groups working with RVCP, FEDECOAG contracted a consultant to produce and analyze data to design the Analysis and Technical Support Center (*Centro de Analisis y Apoyo Tecnico –CAAT* in Spanish) that will fit within their current organizational structure.

- **Coordination with Local and National Governments (Political Dialogue)**

- The UIP drafted and began implementing a global strategy to coordinate RVCP with local governments and development councils (*Estrategia Global de Vinculacion del Proyecto con los Gobiernos Locales y Consejos de Desarrollo*). The strategy will enable RVCP partner groups to:
 - a) seize and promote opportunities with local governments and development councils to ensure that communities benefit from current social programs offered by the central government on food and nutritional security;
 - b) leverage funds provided by the central and local governments to invest in infrastructure that promotes rural development, and
 - c) improve advocacy efforts regarding development processes in each community.
- Members comprising the four GAT groups from 15 communities in San Miguel Ixtahuacan are currently serving as members of their community development councils (COCODEs).
- Members from five coffee grower groups in Nuevo Progreso, San Marcos are currently members of their community development councils (COCODEs).
- Board members from the *Asociacion de Caficultores Miguelenses* in San Miguel Ixtahuacan meet yearly with municipal authorities to review budget allocations to promote coffee production in the area.

- Women members of the *Asociacion de Campesinos Unidos por La Paz y el Desarrollo Comunitario* managed and implemented a program to provide 72 families with residential *pilas* (sturdy laundry sink).
- The Municipality of San Miguel Ixtahuacan signed a technical cooperation agreement with ANACAFE as part of RVCP to join efforts in a public-private partnership to strengthen rural development models. The local government in San Miguel Ixtahuacan contributed GTQ18,145,197.00. The agreement is the basis for including more producers and communities in coffee production.
- The Project organized workshops with technical staff from FEDECOCAGUA and the leadership from co-ops in La Democracia and Santa Cruz Barillas, Huehuetenango and from San Rafael Pie de la Cuesta in San Marcos to provide training on citizen participation in local government and on development councils.
- FUNCAFE technicians are participating in monthly COCODE meetings in most of the RVCP target municipalities to have a voice on food and nutritional security issues through the working committees (COCOSAN). Technicians are supporting local efforts to ensure food and nutritional security including expos and fairs, monitoring, health clinics and others.



Local Authorities and Producers attend Signing Ceremony for Agreement between ANACAFE and the Municipality of San Miguel Ixtahuacan, San Marcos

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

- The UIP engaged representatives from the Rural Value Chains Project being implemented in Quetzaltenango, Totonicapan and Quiche through a consortium led by AGEXPORT.
- The Project signed a Letter of Understanding in late January 2013 with the USAID Local Governance Project to coordinate activities in the areas in San Marcos common to both projects.
- The UIP negotiated a Letter of Understanding with The Nature Conservancy to coordinate activities under Objective 3 on adapting to climate change under the USAID Climate, Nature and Communities Project in Guatemala (CNCG) working with municipalities in San Marcos and Huehuetenango that are common to both projects.
- RVCP participated in meetings of the Central Coordination Committee and the Departmental Coordination Committees for Huehuetenango and San Marcos, a USAID initiative to promote greater cooperation among projects under the FtF initiative.
- FUNCAFE worked to identify FtF alliances within the RVCP target areas. In Huehuetenango, technicians approached PCI, working on a sexual and reproductive health component and emergency food supplies to organize field visits and discuss future referrals.
- FUNCAFE scheduled meetings with the NutriSalud Program and signed cooperative agreements to support families living within RVCP target areas to ensure that they receive support from Project health services.

6. Financial Reports