



**Guatemalan Exporters Association –
AGEXPORT-**

Development Division

**QUARTERLY REPORT
Rural Value Chains Project**

Corresponding to the period

January to March 2013

Cooperative Agreement No. AID-520-A-12-00003

May 2013

Guatemala



**PROYECTO
CADENAS DE
VALOR RURALES**
de **AGEXPORT**



AGEXPORT
ASOCIACION GUATEMALTECA DE EXPORTADORES

“Trabajando con Responsabilidad Social Empresarial y Ambiental”



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General Data

Executor	JUNAM's Consortium
Consortium Representative	Guatemalan Exporters Association (AGEXPORT) www.export.com.gt / www.encadenamientoempresariales.com
Name of the Project	Rural Value Chains
Cooperation Agreement	AID 520-A-12-000003
Sub Grantees	Save the Children. www.savethechildren.org Rainforest Alliance. www.rainforest-alliance.org
Sub Contracts	INCAP www.incap.org Vital Voices. Capitulo Guatemala www.vitalvoicesguatemala.org Sotzil www.sotzil.org IICA www.iica.int/esp/regiones/central/guatemala/ Laboratories Commission of AGEXPORT www.glabs.com Differentiated Coffee Commission of AGEXPORT Handicrafts Commission of AGEXPORT www.handmadeinguatemala.com School of Foreign Trade.
Strategic Alliances	Associations, Cooperatives, Service Providers, Brokers, Public and private Organizations and institutions, international cooperation, Finance companies, SESAN, MAGA, and others
RVCP Time Period	May 29th 2012 – May 22nd 2017
Geographical Area	12 municipalities in the department of Quiché, Totonicapán and Quetzaltenango.
Targeted Sectors	Horticulture, Coffee and handicrafts
Total Budget	US\$ 23,000,000
Project's General Objective	Expand the participation of families in the rural area by selected value chains to increase their incomes.
Name of the document	Quarterly Report January-March 2013



ACRONYMS

AGEXPORT	Guatemalan Exporters Association
BPA's	Good Agricultural Practices
BPM's	Good Manufacturing Practices
COMUDES	Municipal Development Council
COSANE's	Food and Nutritional Security Committee
EE	Business Chains
FIDA	The International Fund for Agricultural Development –IFAD-
GABAS	Dietary Guidelines for Guatemala
HIVOS	Humanist Institute for Cooperation with Developing Countries
IICA	Inter-American Institute for Cooperation on Agriculture
INCAP	Institute of Nutrition of Central America and Panama
MAGA	Guatemalan Ministry of Agriculture, Livestock and Food –MAGA-
MSME	Micro-Small and Medium Enterprise
PEE	Business Chains Program
PLANOCC	Strategic Plan of Food and Nutritional Security for the Western Highland.
PLAVINE	Nutritional Surveillance Plan
PYME's	SMEs- Small and Medium Enterprise
SAN	Nutritional and Food Security
SESAN	Secretariat of Nutrition and Food Security
USAID	U.S. Agency for International Development
VVG	Vital Voices Guatemala



Index

General Data.....	3
Acronyms.....	4
Index.....	5
I. Introduction.....	7
II. Objectives.....	9
III. Interinstitutional Coordination (partners).....	9
IV. Coordination with other USAID’s projects.....	10
V. Activities carried out by the project’s component.....	11
VI. Transverse Themes.....	33
VII. Communication.....	38
VIII. Monitoring and Evaluation.....	40
IX. Budget.....	43



Index of Tables

Table No. 1	List of approved chains
Table No. 2	List of hired promoters in the chains
Table No. 3	List of hired promoters in the Chains
Table No. 4	List of organizations that participated in the coffee table in the Ixil region
Table No. 5	Roya Management Plan for the Ixil Region.
Table No. 6	List of organizations identified by Save The Children of Component 2
Table No. 7	List of organizations supported with drip irrigation.
Table No. 8	List of selected organizations that will work in the handicraft sector



QUARTERLY REPORT JANUARY-MARCH 2013

RURAL VALUE CHAINS PROJECT

I. Introduction

The following report encloses the main activities and results carried out by the Rural Value Chains Project –RVCP- for its acronym in English- executed by the Guatemalan Exporters Association – AGEXPORT- within JUNAM’s framework conformed by Save the Children, Rainforest Alliance, Institute of Nutrition of Central America and Panama -INCAP-, Vital Voices Guatemala, Sotzi’l Association and the Inter-American Institute for Cooperation on Agriculture –IICA- and The Cooperative 4 Pinos. The Activities were developed in the period from January to March 2013.

The Coordination between the different consortium partners involved in the execution of the project has been one of the priority elements in terms of definition, strategies adjustment and the implementation of each of the components.

A jointly work with other USAID’s partners implementing other projects in prioritized municipalities under the Feed the Future –FTF- initiative; is a continuous and permanent activity, as these are initiatives that complement and focus to reduce poverty, malnutrition in targeted population working on health, food security, environment, monitoring and evaluation, therefore, follow up meetings, agreements and an agenda development for coordination at a national and department level has been one the main elements of this period.

Parallel, this quarter began with RVCP’s field execution, with the design, presentation and approval of the chain selection committee, for the first 18 rural value chains, (15 in vegetables, and 3 in coffee). Each of these chains were previously evaluated by the PEE, through assessments made in the organizations, development of business and investment plans and inputs presented to the committee for their endorsement.

These first 18 cases, represent 2,690 producers (941 are women) which are expected to generate 1,542 employments, in a production area of 1,726.9 hectares (447.9 hectares of vegetables and 1,279 hectares of coffee) and projected sales in approximately USD 8,271,425.34.

The signing of Agreements and memorandums between AGEXPORT, has been of the first actions carried out mainly to benefit organizations and buyers, hence, to constitute alliances of approved value chains and the beginning of the execution.

17 technicians and 32 promoters have been hired and assigned to the organizations of producers, as part of the first actions set on the business plans and that are aimed to provide technical assistance to producers partners for each of the chains mainly for vegetable and coffee production.



In the case of coffee chain, its production focuses in three of the twelve municipalities of the RVCP's coverage, such as Nebaj, Chajul, and Cotzal in the department of Quiché, mainly impacted by a disease called roya of the coffee (rust- *Hemilea vastatrix*) hitting coffee plantations which caused a drastic drop down on production volumes and in the generation of informal jobs of the 2012-2013 season.

The PEE aware of this issue and taking into consideration the impact mainly for small producers of the Ixil area, began a space for dialogue with leaders of the 8 main organizations that gather more than 3,000 small producers in the region for the integration of a technical table for the roya control. The 2012-2013 season has identified a 44% of roya impact in the region equals 0, 23857 kilograms left without production which implied an economic loss of Q 19.000,000 from which Q 4.700,000 correspond to informal jobs (coffee harvest without production).

A plan for Roya control was developed along with organizations, highlighting as cross cutting themes the renewal of coffee plantations, integrated coffee management, application of organic fertilizers, organic fungicide and technical assistance with a cost of Q 53.100.000 from which AGEXPORT through RVCP will allocate Q 4.600.000, in specialized technical assistance for a 3.5 years period, with the purpose of providing field support to small producers and technically support them in improving coffee management. These resources are part of what was set forth on the approved business plans. On the other hand, organizations will contribute with Q 40,000,000 as leverage in workforce necessary for all the activities for crop management and Q 8,500,00 expected to be obtained by the different donors through a jointly management.

During this period, Save the Children began with the execution of activities of Component 2 and 5, having a direction and field personnel according to what was set forth in the sub-agreement signed with AGEXPORT. The technical team of SC has visited the municipalities of coverage, identifying 11 organizations of producers type B and C, which currently are under assessment in order to define the work plan of each organization.

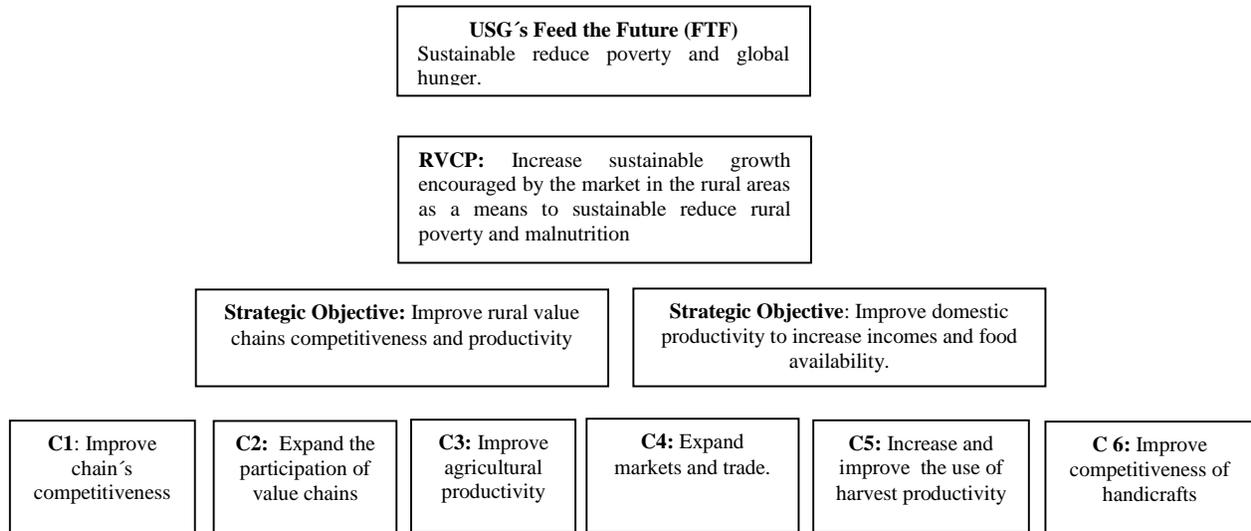
Some of the activities of this period were aimed to improve vegetable productivity in value chains, and follow up to 15 producers' organizations that were supported in reconvertng from a sprinkler to drip irrigation in the municipalities of Quiche and Totonicapán. As a result of this new technological implementation, 12% increase in production yielding in green beans and peas and 25% in onion. Additionally, technology has allowed producers to use less water for harvest production, lower incidence of diseases and reduction in fungicides applications for control.

The handicraft chain within its competitiveness component, has identified 9 artisanal (women) organizations under the project's coverage mainly in the weaving branch which will be selected in the next period.



II. Objectives

Increase sustainable economic growth encouraged by the access to markets through value chains in rural areas as a means to sustainably reduce rural poverty and malnutrition, reaching the global objective of the Initiative Food for the Future (FTF) of the Government of the United State that is “to sustainably reduce poverty and hunger at a global level”.



III. Inter-institutional Coordination (partners)

The RVCP multi-actor strategy implemented by AGEXPORT, requires a permanent coordination between members of the consortium, therefore, in this launching phase several meetings were held, in the beginning at a bilateral level with each of the partners that will execute at a sub-agreement level or sub-contract, to analyze some parts of the project (strategies, products, and activities).

The Terms of reference and contracts have been set as a result of these meetings aimed to be executed with the following institutions:

- Sub-agreement with Save The Children for the execution of project's components 2 and 5.
- Sub-agreement with Rainforest Alliance for the design of the environmental mitigation plan of the consortium and environmental mitigation plans of each of value chains executed within the framework of the Project
- Sub-Contract with INCAP, for the execution of food security and nutrition activities in each of the rural value chains implemented in Component 1, 5 and 6.
- . Sub-Contract with Vital Voices for the execution of promotion activities for gender equity in all chains of Component 1, 2, and 6.

In the case of Sotzil and IICA who are members of the consortium and who will also execute some of the elements of the Project, are still defining the scope of each of the sub-contract, therefore, next quarter the project will provide complete information regarding the collaborative work of these two institutions.



IV. Coordination with other USAID’s projects.

In January 2013, the follow up for the coordination process with USAID’s partners, held a meeting in Santa Cruz, Quiché, to sign a letter of understanding hence constitute the coordination processes between the different USAID’s partners, moreover, the integration of the Department Coordination Committee. The purpose of the letter of understanding is to establish a coordination mechanism and a programmatic operative synergy between operators/Projects as well as the coordination with USAID and other government offices at a central and municipality level prioritized in the Western highland of Guatemala.

The coordination mechanism between Projects of USAID, will be integrated by: i) A central Coordinator Committee, ii) a Department Coordinator Committee; and iii) an Executive Secretary for the Department Coordinator Committee.

The Central Coordinator Committee. It will be integrated by the Directors of each of the operators/projects that subscribed the letter of understanding. It will be directed by a Coordinator, elected by members of the Committee. Said coordination will be rotated and will have a 1 year duration. The Committee will meet ordinarily every three every months and extraordinary as times necessarily. Calls could be made by requirement of one of the parties with at least 15 days of ahead of time, same that will develop an agenda. Decisions will be taken by a consensus. Reports containing the agreements made during meetings will be socialized with members of the Central Coordinator Committee and the Department Coordinator Committee.

The committee will coordinate and harmonize approaches and interventions and general subjects such as the strategy to undertake baselines to avoid field visits in the same communities and targeted population, communication strategies for a social change behavior to targeted population avoiding repeated messages, inter cultural, gender and environment transverse approaches, in order to synchronize them; provide USAID subjects that arise at a departmental committee as well as, the communication with USAID, government authorities and actors at a central level thus the action of each one of them will be recognized as part of the USAID’s integral strategy.

The coordination of this committee will orientate and support the agreements of the Departmental Coordination Committee in optimizing resources and achieving greater effectiveness in field projects. The Committee will develop an annual work program and will submit it to USAID and the departmental committees of coordination a joint report of achievements

Departmental Coordinator Committee. This committee will be integrated by delegated members appointed by the project’s directors. The Coordinator of this committee will be elected by departmental delegates. This position will be rotating and will be elected each year. In January 2013, Leonardo Argueta was elected by Save the Children as coordinator of the Departmental Committee in Quiché. The Departmental Coordination Committee was conformed as follows:

- | | |
|-------------------------------------|--------------------------------|
| • PAISANO Project Save The Children | Leonardo Argueta (Coordinator) |
| • Value Chains Project - AGEXPORT | Carlos Urizar y José Hernández |
| • LEER JUNTOS Project | Lilia Cifuentes |
| • ALIANZAS /FUNCAFE | Luis Wohlers |
| • HEPP Project | Griselda Lorenzo |
| • NUTRI-SALUD Project | José Pérez y Aroldo Barrios |
| • PLANFAM Project | José Carlos Quiñonez |
| • IMARE Project | Manuel Aceituno |



Some of the first actions of the Departmental Committee, was to hold a meeting with the governor of the department of Quiché, Licentiate Ever Cabrera and Mayors of the municipalities of Cotzal, Chajul, Nebaj, Uspantan, Cunen, Sacapulas and Chichicastenango. David Delgado from USAID and projects’ directors Elena Hurtado from URC, Carlos Cardenas from Save the Children, Iván Buitrón and Carlos Urizar from AGEXPORT and Leonardo Argueta Coordinator of the Departmental Committee.

The purpose of this meeting was the presentation of Feed the Future Initiative by David Delgado, and the presentation of Health Initiatives, Title II and Value Chains, objectives, components, scope and others. This meeting fostered a dialogue with Mayors and Governors, stating their approval in the initiative and willingness for coordination aspects at a departmental and municipality level that they may considered necessary to complement actions within the initiative framework.

V. Activities carried out by the component of the Project.

Implementation Strategy

Component 1: Improve value chains competitiveness

Leader of C1: AGEXPORT

Strategic Objective: Improve competitiveness and expand capacities of associative rural MSME’s through specialized technical assistance which will increase productive capacities and their access to markets management.

Business Chains Organization:

In January 2013, AGEXPORT’s Business Chains team Program, worked on the structuring of a Business and Investment Plan and a Power Point Presentation of the 18 business chains (2 in coffee and 16 in vegetables) as part of the points of discussion and analysis of the Selection Committee for its approval and activities launching.

Business Chains Selection:

The Selection Committee was held on January 18th, where Glenda de Paiz, Janet Lawson and Mathew Udziella USAID’s representatives and from AGEXPORT Francisco Menéndez, Luis Godoy, Iván Buitrón, Carlos Urizar José Antonio Hernández and Julio Domínguez participated.

18 chains were presented and approved by said committee for an amount of US\$ 1.508,676.77 used for technical assistance mainly to strengthen organizational capacities of producers.

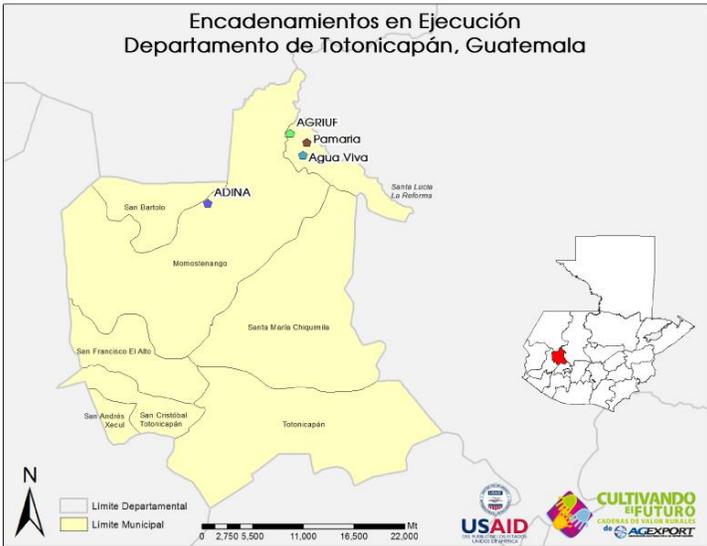




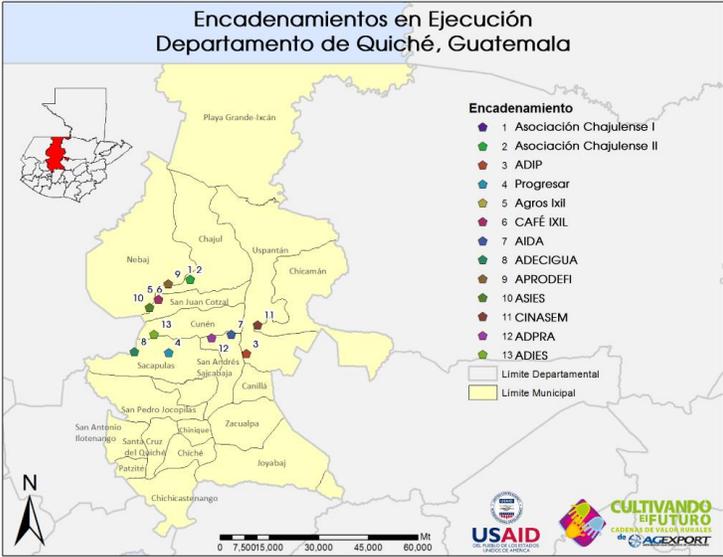
Constitution of business chains:

In February and March 2013 business specialists began with notice visits and the launching programming for the activities of the 18 chains approved; moreover, agreements and memorandums of understanding were legally constituted with producer organizations, buyers and AGEXPORT.

The 18 chains all together conform a production area of 1,726.9 hectares (447.9 hectares in vegetables and 1,279 hectares in coffee) and it is expected to benefit with this first phase of intervention to 2,690 producers (942 are women) through the generation of 1,542 employments and sales approximately in USD 8,271,425.34. Producers' organizations are geographically located as follows:



Chains under implementation, Department of Totonicapán, Guatemala.



Chains under implementation, Department of Quiché, Guatemala.



Table No. 1 List of the 18 business chains approved by the Selection Committee.

No.	Name of the Organization	Communities under coverage	Municipality	Partners to attend			% of women	Buyer	Harvest	Production area in Hectares	Sales Volume in Kilograms	Employments
				M	W	T						
1	Asociación Chajulense I	Chel, Ilom, Sotzil, Xemac, Sajisban	San Gaspar Chajul	532	43	575	7%	Green Mountain Coffe	Organic coffee	715.00	11,116	468
		Santa avelina, Xeputul I and II, San Marcos Cumbra, Vichivala, San Felipe Chemla, Chemal	San Juan Cotzal									
2	Asociación Chajulense II	Chajul, Xolcua, Xix, Chacalte, Juil, Vichox, Visiquichum, Ciomientos, Xaxbai, Chaxa, Santa Sumualito, Xeucaulvitz, Trapichitos, Batzchocola, Xecotz	San Gaspar Chajul Santa María Nebaj	528	41	569	7%	Green Mountain Coffe	Organic coffee	414	8,239	271
3	ADIP	Ojo de Agua Camino Real, Palqui, Chitapol	San Miguel Uspantán	41	10	51	20%	Coop. Cuatro Pinos	French Beans	16.80	3,747	28
4	Pamaría	Pamaría	Santa Lucía la Reforma	39	29	68	43%	UNISPICE	French beans, sweet peas,	11.84	3,133	19
5	AGRIUF	Cantón San Luis Sibilá, Caserío Bella Vista	Santa Lucía la Reforma	25	25	50	50%	San Juan Agroexport	French Peas, Chinese Peas.	11.00	2,378	16
6	ADINA	Patulup, Caserío Paxmaramac	Momostenango	26	30	56	54%	San Juan Agroexport	French Beans, Chinese Peas.	13.13	2,696	19
7	Agua Viva	Pamaría	Santa Lucía La Reforma	60	20	80	25%	San Juan Agroexport	French Beans, Chinese Peas.	27.10	5,745	43
8	Progresar	Pachuch, San Jorge, Primer Centro Río Blanco, Segundo Centro Río Blanco, Paché, Xecorral Pie del Aguila, Tierra Colorada	Sacapulas	163	30	193	16%	Unispice	French Beans	40.00	7,317	68
9	Agros Ixil	Pulay, Batzcorral	Santa María Nebaj	275	75	350	21%	Siesa, Alimentos Congelados, S.a.	Grain Beans, Sweet Peas, French Beans.	43.00	8,849	64
		Xeltze, Batzul	San Gaspar Chajul									
10	Café Ixil	Tu Choc, Xolco, Belen, San Nicolas, La Esperanza, Los Angeles, La Bendicion, Ojo de Agua, Asich, Villa Hortencia I y II, Chichel	San Juan Cotzal	214	86	300	29%	Atlas Coffee Importers	Conventional Coffee	150.00	2,268	63
		Sumalito, Trapichitos, Buena Vista, Xecotz, Ixtupil, Xeucaulvitz	Santa María Nebaj									
		Sajsivan, Ilom	San Gaspar Chajul									
		Santa Avelina, Villa Hortencia	San Juan Cotzal									
11	AIDA	El Pericon	Cunen	90	20	110	18%	SIESA	French Beans	26.80	4,545	39
12	ADECIGUA	Aldea Guantajau	Sacapulas	139	18	157	11%	SIESA	French Beans	38.00	6,875	63
13	APRODEFI	Xolcuay, Sontzaj, Batzul, Pulay, Xix, Chajul, San Nicolas Cotzal, Pexla, Xollacul, Río Azul, Jacaná, Neba.	Chajul	114	110	224	49%	San Juan Agroexport	French Beans, Chinese Peas, Sweet Peas,	22.40	4,447	34
14	ASIES	Antigua Xoncá, Xolacul, Pexla, Vipilá, Vipecalam, Coralca, Xemamatzé, Tzalbal, Salquil, Vicalamá, Vicotz, Jactzal, Xoncá, Xecax, Villalá, Xevitz, Xeucaulvitz, Xepiun	Nebaj	211	227	438	52%	Unispice, San Juan Agroexport, Alimentos	Sweet peas, Grain Peas, French Beans.	36.41	7,688	65
15	CINASEM	Los Platanos, Puente Seco, Las Anonas, Chola, Poblaj, Rincon	San Miguel Uspantán	192	138	330	42%	Frutesa, Global Ex inc.	French beans	60.00	12,197	90
16	ADPRA	La Hacienda, Llano Grande, San Siguan, Santa Clara.	Santa María Cunen	41	39	80	49%	Cuatro Pinos, Alimentos	French Beans, Sweet Peas.	18.78	3,615	28
17	ADIES	Aldea Magdalena la Abundancia	Sacapulas	70	43	113	38%	CENMA	Cebolla	22.00	23,330	58
18	ADIBA	Caserío Semejá, Semejá Primero, Semejá Tecero, Canton Pocoil, del municipio de Chicicastenango, Quiché Caserío Portosuelo del Municipio de Santa María Chiquimula, Totonicapán. Caseríos San Francisco, El París, Vista Hermosa de Aldea los Encuentros, Sacbochol, Chaquijya, El Tablón del Municipio de Sololá.	Chicicastenango.	134	25	159	16%	SIESA	Sweet Peas	60.71	10,819	106
Totales				2,894	1,009	3,903	26%			1726.97	129,002.95	1,542



Business Chains Execution.

Technical Assistance in Selected Value Chains

One of the elements to improve rural value chains competitiveness, is constituted by the technical assistance during the production process, harvest and post-harvest which guarantees that offer will meet with quality standards required by markets.

The RVCP's strategy focuses on providing an accompaniment to partners of producers organizations in two levels; first, the planning all the elements that involves the development of a chain, beginning with the definition of sowing areas, training, support in field throughout the production and harvest processes; this level is supported by agronomists or agricultural specialists depending of the demand and level of the chains.

The second level focuses on field through rural promoters that provide to each farmer personalized assistance on harvest management.

The first level of technical assistance is agreed between the buyer and the producer organization based upon requirements set forth by PEE. The promotor will have as headquarter the communities under coverage of the organization and is responsible to define the work plan which will develop the technical assistance and the assigned rural promoters for each chain. The PEE assigns a specialist who is responsible of supervising the technical performance. This level of technical assistance will be provided by an agronomist depending of the size of the chain.

The second level of technical assistance, is the rural promoter, who is in charge of the benefited organization according to the PEE's established requirements and shall have as minimum the following characteristics; be an associated organization producer, know how to write and read, has demonstrated to be a remarkable producer, well regarded within the community and was selected by the organization's board of directors. The rural promoter depends on the technical assistant and shall monthly submit a planning and report of activities which shall be approved by the technician and business specialist of the PEE.

At a field level, the technician is responsible for the overall production process, beginning with the planning and implementation of the technical assistance for crops under production. He is responsible to train and supervise the promoter's performance as well as the definition of his weekly planning.

To operate this strategy, in the first quarter, it was selected and hired 17 technicians and 32 promoters which are working in the selected chains.

Above, there is a detail list of hired technicians and promoters as well as the coverage of work for each of the chains:



Table No. 2 Technicians´ list in Selected Chains.

No.	Chain	Municipality	Department	Community under coverage	Name of Technician
1	Asoc. Chajulense I	Chajul	Quiché	Aldea Chel	Manuel Mendoza Hú
				Aldea la Perla	
				Aldea Sajsiban	
		Cotzal		Aldea Sotzil	
				Aldea Llom	
				Las Aldeas Sta. Avelina, Xetupul, y II, San Marcos Cumla, Sn. Felipe Chenla, Chichel y Cotzal.	
2	Asoc. Chajulense II	Nebaj	Quiché	Aldeas Xeucalvitz, Trapichitos y Batzchocola	Miguel de León Raymundo
		Chajul		Aldeas Xecotz y Sumalito	
				Aldeas Pal, Cimientos y Tziaja	
				Aldeas Júa, Xolcuay y Xix	
				Juil, Vichox, Visiquichum y Chacalte	
				Chajul, Xaxboj, Sta. Rosa y Chaxa.	
3	Asoc. ADIP	Uspantán	Quiché	Caserío Palquí	Luis Alberto Zacarías Zepeda
4	Asoc. Pamaría	Santa Lucía la Reforma	Totonicapán	Santa Lucía la Reforma.	Pending recruitment
5	Asociación Civil de Agricultores Unión y Fuerza- AGRUIF	Santa Lucía la Reforma	Totonicapán	Paraje centro Xejuyup, Aldea Pamaría.	Viviano Adolfo Torres
6	Asoc. Adies	Sacapulas	Quiché	Paraje Chujuyup y Caserío Paquix	Pending recruitment
				Pareje Xechaj y Aldea Magdalena La Abundancia.	
7	Asoc. Adina	Momostenango	Totonicapán	Paraje Paxmaramc, Caserío Patulup	Elfido Tzunum
8	Asoc. Agua Viva	Momostenango	Totonicapán	Aldea Pamaría, Santa Lucía La Reforma	
9	Asoc Agrosixil	Cotzal	Quiché	Cajixay y la Esperanza	Leonardo Baltzar Gomez Toma
				Batzul y Xetzé del Municipio de San Gaspar Chajul y Ojo de Agua y San Nicolás de Cotzal.	
10	Asoc. Café Ixil	Nebaj	Quiché	Sumalito, Trapichitos, Batzchocolá, Xecotz y Xeucalvitz	Juan Byron Bargas Brito
		Cotzal		Villa Hortensia Anfigua, Santa Avelina y Pamaxan	
11	Asoc. Aida	Cunen	Quiché	Aldea El Pericón	Baltaar Chipel Lux
12	Asoc. Adecigua	Sacapulas	Quiché	Aldea Guantajau	Marvin Alizandro Martínez.
13	Asoc. Pro Desarrollo de la Familia Ixil, APRODEFI	Chajul	Quiché	Comunidades de Xolcuay, Chajul Cabecera, Bichivalá, Cotzal Cabecera, Batzul, San Nicolás y San Felipe, Chenlaj, en Aldea Xix, Municipio de Chajul del Departmaneto de El Quiché.	Tomas Anay Ijom
14	Asoc. Cinasem	Uspantan	Quiché	Aldeas La Ciénaga, Tierra Colorada, Las Colmenas, Sechum, Chola, El Chaj, Poblaj, Pedras Negras, Cotoxac, Xejul y Tierra Blanca.	Juan Sebastián Us López
				Aldeas Las Anonas, Punete Seco, Los Plátanos, Xew inicabaj, Xeacaxlut del Municipio de Cunen y Buena Vista.	
15	Asoc. Adpra	Cunen	Quiché	La Hacienda,	Carlos Ariel Carrillo López
16	Asoc. Adiba	Chichiscatenango.	Quiché	Chichiscatenango- Departamento de Quiché.	Mariano Cojin González
17	Asoc. Progresar	Sacapulas	Quiché	Comunidades de Parrax tut, San Jorge, Pié del Aguila, Chuzacleu, Tierra Caliente, en el Municipio de Sacapulas, El Quiché.	Jorge Alfredo Sarat Oxlaj
					Santos Chic Chanchavac

Table No. 3 Promoters' list in Selected Chains.

No.	Chain	Municipality	Department	Community under coverage	Name of the Promoter
1	Asoc. Chajulense I	Chajul	Quiché	Chel communitiy	Pablo del Barrio Hernández.
				Perla community	Elson Beltrán Soto Villatoro
				Sajsiban	Agustín Marcos Santiago
				Sotzil	Pedro Hu Caba
				Ilom	Tomas del Barrio Hu
2	Asoc. Chajulense II	Nebaj	Quiché	Villages Xeucalvitz, Trapichitos and Batzchocola	Diego Raymundo Ceto
				Aldeas Xecotz and Sumalito	Eías Vrito Santiago
		Chajul		Aldeas Pal, Cimientos and Tzajaja	Pedro Anastacio Caba Caba
				Aldeas Júa, Xolcuay y Xix	Pedro Pacheco bop
				Juil, Vichox, Visiquichum and Chacalte	Vicente Raymundo Chávez
Chajul, Xaxboj, Sta. Rosa and Chaxa	Pablo Asicona del Barrio				
3	Asoc. ADIP	Uspantán	Quiché	Caserío Palquí	José María Reyes Reyes
4	Asoc. Pamaria	Santa Lucía La Reforma	Totonicapán	Santa Lucía la Reforma	Juan Pu Imul
5	Asociación Civil de Agricultores Unión y Fuerza –AGRIUF-	Santa Lucía la Reforma	Totonicapán	Paraje Centro Xejuyup, Aldea Pamaria	Miguel Tojin Pu
6	Asoc. ADIES	Sacapulas	Quiché	Paraje Chujuyup y Caserío Paquix	Miguel Tum Us
				Paraje Xechaj and village Magdalena La Abundancia	
7	Asoc. Adina	Momostenango	Totonicapán	Paraje Paxmaramac Caserío Patulup	Julian Ixcoy Martínez
8	Asoc. Agua Viva	Monostenango	Totonicapán	Aldea Pamaria, Santa Lucía La Reforma	Manuel Perpuac Pú
9	Asoc. Agrosixil	Cotzal	Quiché	Cajxay and la Esperanza	Domingo Ostuma Aguilar
				Batzul and Xetzé, Municipality of San Gaspar Chajul and Ojo de Agua and San Nicolás de Cotzal	Jorge Ajanel Castro
10	Asoc. Café ixil	Nebaj	Quiché	Sumalito, Trapichitos, Batzchocolá, Xecotz and Xeucalvitz	Torbio Ávila Marcos
		Cotzal		Villa Hortensia antigua, Santa Avelina and Pamaxan	Pedro López Canto
11	Asoc. Aida.	Cunen	Quiché	Aldea El Pericón	Santiago Tojin Pu
12	Asoc. Adecigua	Sacapulas	Quiché	Aldea Guantajau	Jerónimo Castro Acabal
13	Asociación pro Desarrollo de la Familia Ixil, Aprovefi,	Chajul	Quiché	Jacaná, Río Azul, Pula, Xix, Chacalté and Sontaj, Aldea Xix	Guillermo Luis López Acabal
				Communities Xolcuay, Chajul, Bichivalá, Cotzal Cabecera, Batzul, San Nicolás and San Felipe Chenlaj, in the Village Xix, Municipality of Chajul, Department of Quiché.	Felipe López Acabal
14	Asoc. ASIES	Nebaj	Quiche	Municipality of Santa María Nebaj	Gaspar Daniel López Ramírez
15	Asoc. Cinasen	Uspantán	Quiché	Villages La Ciénaga, Tierra Colorada, Las Colmenas, Sechum, Chola, El Chaj, Poblaj, Piedras Negras, Cotoxac, Xejul and Tierra Blanca.	Victor Nemecio Ixcoy Tojin
				Villages Las Anonas, Puente Seco, Los Plátanos, Xew inicabaj, Xecaxlut of the Municipality of Cunen and Buena Vista.	José Lux Chic
16	Asoc. ADPRA	Cunen	Quiché	La Hacienda	Nicolas Us Tum
17	Asoc. ADIBA	Chicicastenango	Quiché	Chicicastenango, Department of Quiché.	Bartolomé Tuis Tuy



AGRITADE’s participation.



The Business Chains program and 35 leaders of the 18 organizations of the business chains participated at the AGRITRADE Expo & Conference 2013 Fair, which was designed to promote competitiveness in the agricultural sector of the Central America region and expand business opportunities abroad. The event allowed producers to know the offer and the products exportable demand at an international level.

The event was held on March 14th and 15th in Santo Domingo del Cerro, La Antigua Guatemala. 70 international buyers attended and 13 specialized conferences where producers had the opportunity to participate and address subjects such as: safety, FDA policies, climate change impact, carbon footprint, USDA parameters, and the new challenges and opportunities for agriculture in Central America.

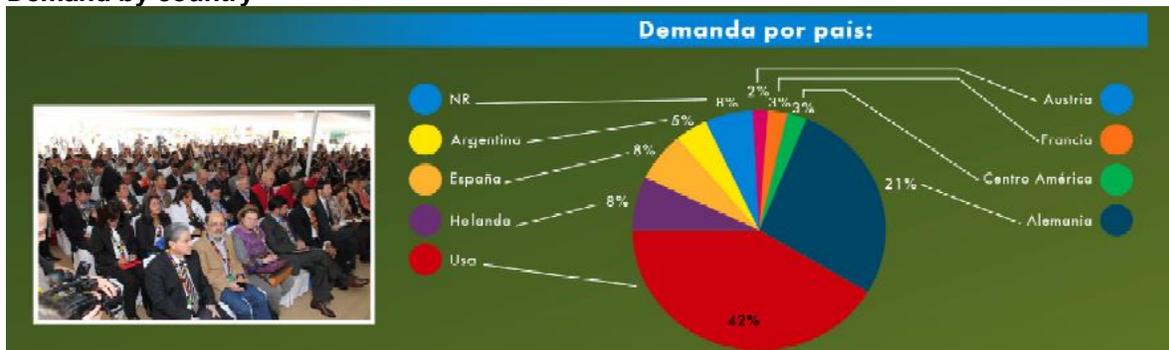


The event gathered producers and exporters of Central America with international buyers, supermarket chains, investors, brokers coming from: United States, Mexico, Central America, The Caribbean, South America, and Europe, as well as inputs and services companies that belong to the chain of the agro industrial sector, becoming an effective tool to focus and optimize their trading efforts.

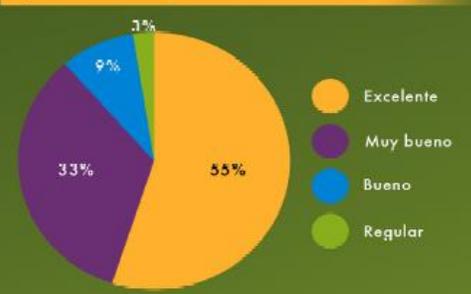
Demand (Importers companies)



Demand by country

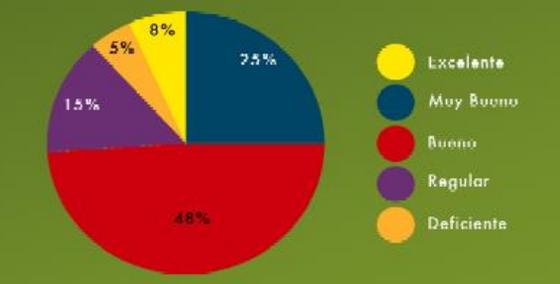


Evaluación General del Evento (XVI Edición)



RUEDA DE NEGOCIOS

- 70 Compradores Internacionales (Delegación de 20 compradores Europeos).
- 76 Empresas con Oferta Exportable (EXPOSITORES).
- 1,020 Citas de Negocios entre compradores y Exportadores.
- Proyección de cierre de negocios de \$40 Millones de Dólares negociados durante la feria.



PROGRAMA DE CONFERENCIAS
 13 Conferencias en temas especializados para los sectores de frutas, vegetales, plantas ornamentales, flores, follajes y productos diferenciados. Se contó con la participación de 676 personas dentro del programa.
 El Promedio de Puntuación del Programa de Conferencias es: 90.

AGRITRADE, por primera vez, mide la emisión de huella de carbono, convirtiéndose en una feria Carbono Responsable.

PARTICIPE EN LA XVII EDICION DE LA FERIA AGRICOLA INTERNACIONAL MÁS IMPORTANTE DE CENTROAMÉRICA 12 Y 13 DE MARZO 2015.



Integral Rural Development Forum “Social Innovation”: The new face of Rural Entrepreneur”.



Within AGRITRADE’s framework, it was carried out the Integral Rural Development Forum “Social Innovation: The New Face of Rural Entrepreneurship” organized by PEE which aims to dialogue with leaders of the new rural entrepreneurship and decision makers to visibilize the endeavor made by rural organizations to generate capacities for business management, increase productivity, innovation, market access, sustainable environmental management and discuss their valuable contribution to social and economic development in the communities.



Some of the attendants of this forum were RVCP’s Chief of Party, Licentiate Iván Buitrón who was accompanied by the government representative, Engineer Juan Carlos Paiz, Presidential Commissioner for Competitiveness in the business sector, Engineer Tulio García, Executive Director of the Integral Union Agricultural Cooperative 4 Pinos, R.L. and Engineer Francisco Méndez, Business Leader and President of the industrial and Agexport’s former President. Some of the rural leaders who attended to this forum were Mr. José María Reyes, President and Legal Representative of ADIP, Mrs. Piedad Flores, In charge of the Women Cooperative 4 Pinos, Ms. Teresa Sánchez, Treasurer and Partner of Asociación AGROSIXIL, Mr. Arcadio Galindo, President of Asociación Chajulense and partner of AGROIXII, Mr. Arcadio Galindo, President of Asociación Chajulense and Mr. José Tzep, President and Legal Representative of APRODEFI.



The forum focused on the importance of producing, managing and trading with efficiency to achieve an integral rural development through private-public alliances.



IWCA’s III International Convention held during February in the facilities of ANACAFE Guatemala.

The business Chains Program supported the participation of small (female) producers from the coffee chains in the Ixil region during the III IWCA Convention (International Women Coffee Alliance), the Women Association in Coffee, which will be held in Guatemala from the 7th to the 9th of February, will focus on coffee and trading. The objective is to promote and strengthen abilities and capacities of women involved in the coffee production chain.

The convention had as main objective provide a greater visibility to women and men involved in the coffee industry, foster trading and business opportunities as well as promote social and environmental sustainability in the sector.

Considering the new challenges of the coffee industry, said activity will offer small producers an extraordinary opportunity to analyze today’s challenges. This way, it is expected to strengthen the sector at a local level and promote the expansion of its sustainability in an environment based upon the market’s economy, thus, to increase women participation, stated Eugenia Díaz, business chains specialist.

The agenda stood out by the making of business roundtables; an element that allows them to establish direct relationships; close businesses and exchange experiences. Moreover, ongoing seminars focusing on subjects such as coffee in the market, development of relationships between coffee roasters and producers, cupping techniques, and coffee production.



Limitations:

Coffee production is one the most important production sectors in the region and a sector that RVCP is supporting within FTF’s framework. This harvest is produced with greater intensity in three of the twelve municipalities under coverage of the RVCP, mainly in the municipalities of Nebaj, Chajul, and Cotzal in the department of Quiché.

Generally, these municipalities have harvested coffee varieties, Tipica, Borgon and Caturra, belonging to the Arabic coffee species, with an excellent agronomic behavior but susceptible to fungus which causes coffee rust (roya), Hemileia vastatrix.



In this region, the model for coffee production is based upon small extensions of land with an average of 0.75 to 1 hectare per family, it is estimated that 3,000 small producers depend from this crop and produce an average of 50 00000 kilograms of parchment coffee.

Most producers are partnered with a producer organization. The Ixil region identifies 9 organizations of producers that facilitate the accompaniment throughout the production and trading coffee process.

Table No. 4 List of organizations in the Coffee Table in the Ixil Region.

No.	Type of Organization	Jurisdiction
1	Chajulense Association	San Gaspar Chajul, El Quiché
2	APROCAFI	Cantón Vikola, Village Río Azul, Nebaj, Quiché
3	Agricultural Integral Cooperative. Vertice Del Norte R.L. (Covenorte)	Village La Planta, Nebaj, Quiché
4	Agricultural Integral Cooperative Las Pilas	Village Las pilas, Santa María Nebaj, Quiché
5	Pre Cooperative Group Estrella Polar	Village Nueva Estrella Polar, Chajul, Quiché
6	ASAUNIXIL	Community Simocol, Santa Maria Nebaj, Quiché
7	Maya Ixil Cooperative	Village Santa Avelina, San Juan Cotzal, Quiché
8	APDK	Village Xix, San Gaspar Chajul, El Quiché
9	Flor del Café Chel	Village Chel, San Gaspar Chajul, El Quiché

The growth of Roya in the Ixil region obeys to different factors such as old coffee farms older than 15 years, susceptible varieties, inappropriate harvest management, and changes of climate conditions (rainfalls, temperature and relative humidity) have influenced in the development of the fungus.



As part of developed actions by the Business Chains Program in the Ixil region, was to establish a technical table for roya’s management integrated by 9 organizations of small producers.

It is estimated that 2,920 producers are involved in organic coffee harvest in at least 9 producer organizations in the Ixil region. The following table broke down the total data from producers according to the organizations by municipality and data collected by the Business Chains Program.

Production Losses caused by Roya:

For the 2012-2013 season, it is expected to have losses that represent 36% of production in 9 organizations. Losses are classified as follows:



- The number of producers involved in the coffee production is 2,920, from which 2,512 are men and 308 women
- Number of hectares in production: 3,034
- Kilograms without production: 23,85700 kilograms
- Economic losses:
 - Q.19,000.00
 - From which Q4.700,000 correspond to wages that were not used for the unproduced coffee harvest.
- These losses have a direct effect in the food security of hundreds of families that depend on the coffee production.

Roya’s Control and Management Program:

The Business Chains Program together with the organizations of coffee producers in the Ixil region, have created a program for the management of the roya, based upon the assessment made by each organization that take part of the coffee technical table.

This program includes the renewal of the coffee plantations, the integral management of the coffee plantation, application of preventive and permitted fungicides in agricultural organic production, curative fungicide purchasing for the case of the conventional coffee production, some organic spraying equipment and technical assistance.

Roya’s Control and Management Program includes some essential aspects inside its execution, which are described below:

Table No. 5. Plan of the leaf rust (roya) Management and Control in the Ixil Region.

Activity	Organizations	Area HA	No. of Partners	Amount Required Quetzals	Amount Counterpart Quetzals	Total Amount Quetzals
Total renewal	9	196.71	477.00	2,262,133	3,166,986.30	5,429,119
Management of Coffee Plantations with partial losses	9	2,563.00	2,608.00	0.00	14,737,250.00	14,737,250
Application of organic fungicides	9	2,563.00	2,608.00	3,183,714	3,077,137.80	6,260,851
Spraying equipment	9	2,563.00	2,608.00	249,000	000	240,000
Fertilization	9	2,483.03	0.00	2.658,128	19,206,980.53	21,865,109
Technical Assistance				4.600,000		
TOTAL		7,805.74	5,693.00	12,943,975	40,188,354.63	53,132,330

The aforementioned producer organizations in the Ixil region produce 90% of **organic** coffee and 10% of conventional production, this proposal is mainly focused on this principle.



The proposal has been estimated in approximately Q53.132,330 quetzals for 2012, from which producers organizations would be contributing with Q40.188,354.63, equivalent to the work force for all management practices that requires the harvest, including the renewal and management of the coffee farms, the work force for the application of fungicides and fertilizers. AGEXPORT through RVCP will contribute with an amount of Q4.600.000 for the technical assistance in field, targeted to the producers for a period of 3.5 years. These funds correspond to the technical assistance of the cases approved by the selection committee.

However, given the magnitude of the problem, organizations do not have the necessary funds to begin the plan, it has been estimated a funding request for Q8.343, 975 which are oriented to the purchase of preventive fungicides, spraying equipment and organic fertilizers. These funds will be managed together with producer's organizations.

Component 2. Expand the participation in the rural value chains.

Leader of C2: Save the Children.

Strategic Objective: Expand the agricultural and coffee production and the sales model to benefit poor rural households.

Save the Children has already a human resource structure to operate the component 2 and 5 of RVCP, hiring a manager, a coordinator and four field technicians.

On this quarter the SC team held different meetings with the technical team of AGEXPORT's Chain Program with the purpose of defining the proceedings and strategies for the operation of the component.

AGEXPORT socialized the progress in the chains of C1 regarding commercial products, markets and models of management, generating new adaptations to the model proposed by Save the Children in a way to form groups in C2 to effectively articulate with groups of C1 according to the design provided, as well as, groups that incorporate to C1 to receive an extended intervention inside the project.

From the field work it has been identified to share information between AGEXPORT and Save the Children in a regular basis in order to avoid duplicity in the phase of group identification. It is also necessary to improve proceedings related to the mechanisms of linking with the companies and identification of markets, availability of teaching resources in training processes and others; for which it is proposed to hold periodic meetings with AGEXPORT, leader of the consortium and executor of C1.

Save the Children has integrated to the institutional coordination table established at the department level of Quiché to facilitate information exchanging and coordination mechanisms between entities that work locally in subjects related to Food and Nutrition Security. Furthermore, Save the Children participates in the Directors Table of Feed the Future Projects and execution units of USAID.

For the next quarter there are expected intense coordination processes jointly with other actors involved in the JUNAM consortium, in order to establish and improve the methodologies of intervention of each one of the entities participating; this will provide the mechanisms for coordination.



Furthermore, the coordination with entities that execute crosscutting themes, it is particularly relevant, for Save the Children, the coordination and harmonization of methodologies with INCAP for C5 to assure that the working models are compatible, particularly in sites areas with coincident intervention. It is also relevant the coordination with other Feed the Future projects such as “El Paisano” executed by Save the Children itself and Prosalud. Implementation of administrative support and logistic resources.

During this quarter, Save the Children facilitated a site in Santa Cruz del Quiché, with capacity to accommodate up to 10 technicians and it is equipped with office facilities, internet service, fixed line telephone and a meeting room. The new office will accommodate Save the Children coordinators, an administrative assistant, a person performing monitoring and evaluation activities and up to 4 technicians that would have a nearby coverage to Santa Cruz del Quiché, basically in the municipalities of Chichicastenango and Zacualpa.

The technicians have been provided with a laptop, a cellphone and a motorcycle, parallel geographical areas are being delimited for assignment. It is expected the integration with other projects of Save the Children, such as “El Paisano” and Green Mountain, with the purpose to identify sites in the headquarters of Cunen and Nebaj and to confirm the location of local headquarters with office resources for technicians, as they will work in C1 and in C2.

In the headquarter of Santa Cruz the possibility to accommodate up to 2 technicians of AGEXPORT is expected and also a working station to give support to the itinerant partners of the JUNAM Consortium, given that it is not expected that other institution would have office resources in the area.

For next quarter it is expected to complete a logistic resources acquisition through the purchase of a new vehicle assigned for the project and also to repair and use another one. New equipment is under process for technicians who will incorporate and develop activities for the C2 regarding the increase of crops productivity for self-consumption developed by management tools.

Simultaneously, the launching of activities in field, mainly oriented to begin the implementation of the chains that will be developed directly by Save the Children, they have drafted planning instruments and project management, based on the Annual Operational Plan. These tools are: The Logic Framework and the Detailed Plan of Implementation. Additionally, it is under process the development of the guiding instruments or specific plans of implementation for modular implementation units, such as:

1. Model of a Business Organization
2. Plan for Business Strengthening
3. Format and Guidelines for a Business Plan
4. Format and Guidelines for a Production Plan
5. Training Plan in GAP's



Identification and selection of Groups:

According to the general strategy of the RVCP, which establishes that SC will organize new organizations or will strength those in a starting level of organization, it is planned to develop a methodology of accompaniment during at least two to two years and a half per organization and subsequently transfer these organizations to PEE of AGEXPORT so they could be strengthened through component 1.

Additionally SC will identify those producers that are producing for the national or the export markets so they can be incorporated into the type A chains that are developing in the component 1 from the RVCP or to the type B chains from the component 2.

The specialists team from AGEXPORT's Chains Program has shared with the SC technical team, its methodology, the list of the 18 organizations with all its characteristics, what they produce, number of beneficiaries, geographical location. All of these elements are necessary thus SC develops its strategy in field, working together for the implementation of this component.

Save the Children technical team will visit the intervention area to identify beneficiary groups to begin with the intervention of the chains groups who will be directly developed by Save The Children. The activity has developed the following stages:

Review of the Regional and Municipal Situation through secondary sources

With the purpose of broaden the knowledge of the regional and municipal context, relevant situational reports have been consulted, with updated information for the intervention areas, such as the one developed by AGEXPORT (Component 3) as well as other available information. Mainly, information consulted in SEGEPLAN contained in the plans of municipal development and available at http://www.segeplan.gob.gt/2.0/index.php?option=com_k2&view=itemlist&layout=category&task=category&id=1&Itemid=333.

Development of Collection Information Tools

In order to systematize and standardize the process of the regional assessment, guides of interviews were made in order to collect relevant information regarding their context and then for each one of the groups that are about to be selected. The detail level expected on this phase was designed to obtain relevant information from the context of working groups (crops in the area, institutional presence, local government, productive resources: land, irrigation, infrastructure, etc.) as well as, general information about the groups, hence, to allow decision making regarding their eligibility to be incorporated as formal beneficiaries of the project.

Visits for the identification of Producers Organizations by municipality

Local organizations have provided contacts which have aided to identify organizations in each of the municipalities under coverage applying an initial filter criteria, some of them are type of activity and harvest, previous inclusion of C1 coverage, a tentative membership, access and drip facilities among others.



Interview with the Leaders of the Organizations

In order to measure the suitability of intervention groups, interviews have been developed with the leaders of different producers groups. It is pursued to obtain detailed information to evaluate their general situation and qualify its suitability for the project.

Save the Children has identified in this quarter 11 organizations of producers of vegetables, potentially able to work on this component, which are in the process of an initial assessment.

Table No. 6. List of organizations identified for Component 2

No.	Name, Group, Association, Cooperative, other	No. of members	Current Agricultural Activity
1	Asociación de Desarrollo Integral Ixil, Aldea Xevitz, Nebaj, Quiché	70	Sweet peas and grain, French green beans
2	Asociación Nuevo Amanecer, Aldea Xexuxcap, Nebaj, Quiché	55	Potato
3	Aldea Palop Grande, Nebaj, Quiché	48	Sweet peas
4	Aldea Juil, Chajul, Quiché	55	Sweet peas
5	Aldea Poblaj, Uspantan, Quiché	95	French green beans
6	Aldea El Caracol, Uspantan, Quiché	50	Potato
7	Aldea Chiul, Cunen, Quiché	60	Potato
8	Asociación de Desarrollo Integral Carrilacenses	75	French green beans, sweet peas
9	Asociación de Desarrollo Integral Agrícola Zacualpenses	50	French green beans
10	Aldea Xetzac, Cunen, Quiché	100	Potato
11	Asociación de Agricultores Semela III, Chichicastenango, Quiché	40	Sweet peas

Component 3. Improve Agricultural Productivity.

Leader of C3. AGEXPORT

Strategic Objective: Improve agricultural productivity through the access to new technologies for innovation, the mitigation and the adaptation to the climate change, Good Agricultural Practices, certifications required by the market that improve the competitiveness of associative MSME´s.



In terms of productivity improvement of value chains, this quarter, 15 organizations of producers located in the department of Quiché and Totonicapán were followed up supported in the reconversion of their irrigation systems from sprinkler to drip irrigation in the final phase (September 12), from the bridge project of rural value chains. 82 hectares approximately 1,874 strings of 22x22 yards were reconverted to drip irrigation, benefiting an approximately of 1,061 families. The accompaniments consisted of providing technical assistance on the use and management of the drip irrigation systems, the correct frequency according to the crop and fertilizer dosage. Positive impacts are being achieved in the terms of productive unit's productivity highlighting the following:

- In the case of productivity by drip irrigation, compensated for both green beans and pea productions, there was a yield increase between 12 to 15%.
- For the case of the productions under drip irrigation, not compensated for green beans and peas, there was a yield increases between 10% and 12%.
- For the case of production under drip irrigation, not compensated for the production of onions, the yield increase was 25%.
- More efficiency in the water use.
- Lower incidence of diseases.
- Decrease in the application of fungicides.

The following table displays beneficiary organizations, its location, the producing crop and the beneficiaries:

Table No. 7. List of organizations supported by Drip Irrigation.

No.	Name of the Organization	Municipality	Department	Community	Crop	Reconversion in CDAS.	No. Beneficiaries	Irrigation System Compensated	Irrigation System not Compensated
1	CINACEM	Uspantan	Quiché	Cholá	Green bean	9.85	75	x	
2	ADECIGUA	Sacapulas	Quiché	Guantajau	Green bean	7.66	157	x	
3	AGROS-IXIL	Cotzal	Quiché	Belén, La Esperanza y La Bendición	Peas	8.75	100	x	
4	ADEAGROFANS I	Zacualpa	Quiché	San Antonio Sinache	Green bean	4.38	60		x
5	ADIES	Sacapulas	Quiché	Magdalena la Abundancia	Onion	4.38	50		X
					Green bean	2.19	50		X



6	AIDA	Cunen	Quiché	El Pericón	Green bean	2.84	65		x
7	ADINA	Momostenango	Totonicapán	Paraje Maxmarama c	Green Bean	6.56	50		x
8	AGRIUF	Santa Lucía La Reforma	Totonicapán	Caserío Bella Vista	Green bean	4.38	50		x
9	PROGRESAR	Sacapulas	Quiché	Pacuch, Turbalya, Tzununul, Xecanap, Pie del Águila, Primer y Segundo Centro de Río Blanco	Green bean	13.39	173		x
10	APRODEFI	Chajul	Quiché	Xix	Peas	6.56	75		x
11	ASIES	Nebaj	Quiché	Tzabal, Canaquil	Peas	1.75	29		x
12	ADPRA	Cunen	Quiché	San Luis, La Hacienda, Xeul, Santa Clara		5.25	68		x
14	ADIP	Uspantan	Quiché	Palquí	Green bean	3.28	50		x
15	ADIBA	Chichicastenango	Quiché	Semejá	Green bean	0.74	9		x
						81.97	1061		

Component 4. Expand markets and commercialization through the Innovation of the Private Sector.

Leader of the C4. AGEXPORT and 4 Pinos Cooperative

Strategic Objective: Facilitate, through the creation of a Federation of Cooperatives, the incorporation of small vegetable non-traditional producers to the export market through their insertion to vegetable value chains, generating an exportable productive offer, extension of services, transformation and commercialization of its production, in a strategic alliance with the Cuatro Pinos Cooperative and its model of horticulture development.

To follow up this C4, there have been held different meetings with Cuatro Pinos Cooperative to define the critical route to follow for the design and implementation of this component in the RVP.

It is expected that for the second quarter of the current fiscal year to draft the terms of reference for the design of the component 4 strategy.



COMPONENT 5: Increase crops productivity for self-consumption and improve the use of food.

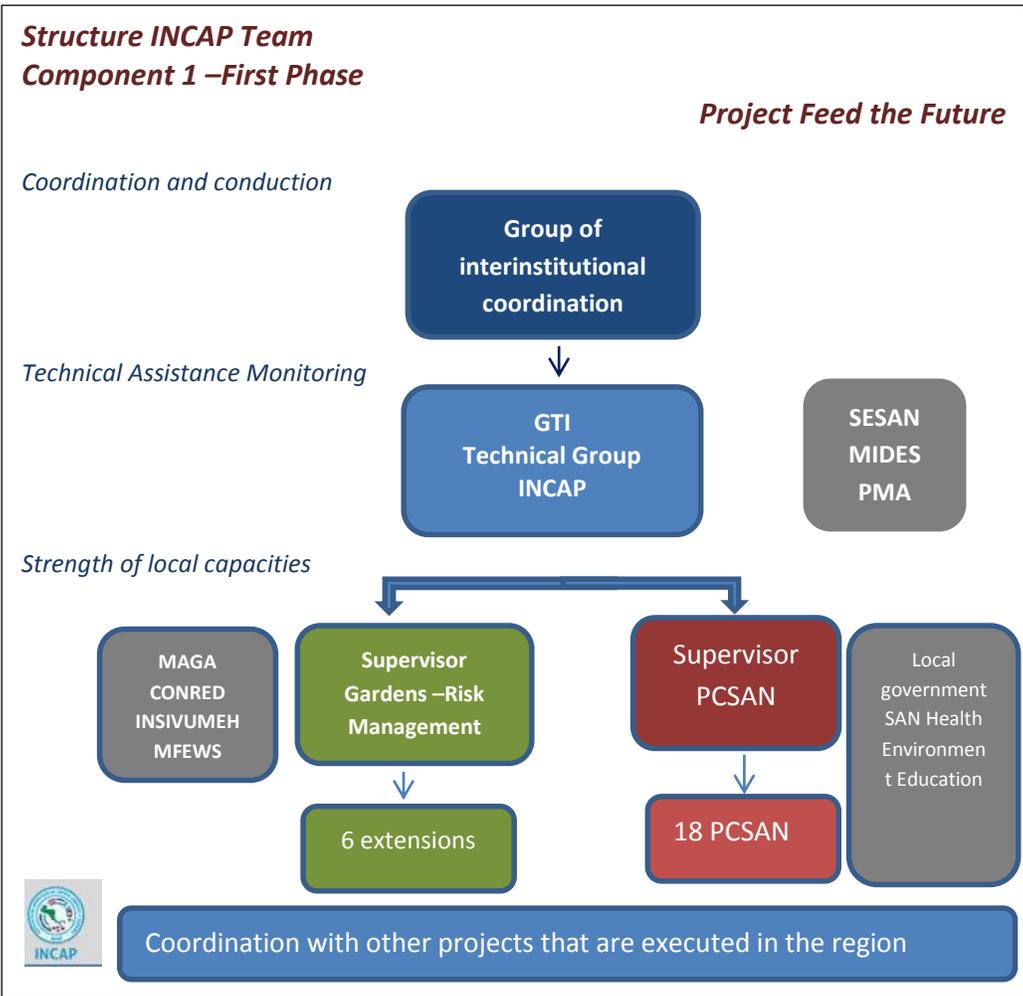
Leader of C5: Save the Children and INCAP

Strategic Objective: Increase and improve crops productivity produced in rural households for domestic consumption.

During this period, the Development Division of AGEXPORT and INCAP developed the strategy for implementation of the SAN subject for the components 1 and 6. This strategy is based in six steps, described as follows:

SAN strategy from RVCP

1. Improve the availability of nutritional and safety food as a result of the productive activities for self-consumption, that guarantee a greater diversity for the family diet through the promotion of good agricultural practices, the implementation of gardens and fruits trees for self-consumption, promotion of breeding and consumption of barnyard animals and its products, production and consumption of improved basic grains, such as good practices of basic grains postharvest storage and their use in the households.
2. Improve the access of a diversified and quality diet, prioritizing an adequate investment of the income in nutritious food, both in quantity and quality.
3. Improve the level of knowledge, for the adaption of recommended behaviors related with nutrition through promotion interventions, communication and advising, focusing on nutrition and health (Group and individual educational processes, including activities offered in the Demonstrative Community Centers of Food and Nutrition Security, CCDESAN, and advising at a household level).
4. Promote in the EE families to use in an optimum and appropriate way health and maternal /infant nutrition services ***(with priority approach in the window of the 1,000 days)*** to take advantage of the opportunities related to the 13 measures of the SUN Initiative locally available.
5. Establish a nutritional surveillance Plan by Chain that allows taking the appropriate actions in the management that will be carried out by Community Promoters of Food and Nutrition Security PCSAN, with the support of the Committees of Food and Nutrition Chain Security, COSANES.
6. Reinforce the direction mechanisms, intersectoral coordination and technical planning in the structures of the National System of Nutritional and Food Security, SINASAN in the national and local scopes.



Save the Children, who is responsible for the chains implementation from the C2, have held several coordination meetings with AGEXPORT’s team and INCAP to define an aligned strategy, in a way that interventions developed by Incap and Save the Children in RVCP’s beneficiaries have one same logic of intervention and the same key messages.

Component 6. Improve competitiveness of the Handicrafts value chains

Leader of C6: AGEXPORT through the handicraft Commission

Strategic Object: Strengthen the participation of women in the handicrafts value chains and increase MSME productivity and competitiveness on artisanal products.

Identification and Structure of Handicrafts Business Chains

During this quarter, AGEXPORT’s Handicrafts Commission began the project’s mapping for the identification of beneficiary organizations in the Western Highland of Guatemala. Nine groups of



organizations conformed by women dedicated to the development of handicrafts mainly in the textile industry were identified.

From this initial sample, a process of intervention began with six organizations. These organizations are able to begin the project and its subsequent follow up.

The field visits were made according to what is showed in the following table.

Table No. 8. List of identified organizations working on the handicrafts component.

No.	Group visited	Date	Direction Phone Number	Contact	Type of Product
1	Handicrafts Project, Ixil Concept, Agros Foundation	01/23/2013	Santa María, Nebaj, Quiché/ 4007-5063	Rosa Elena Nazarit	Textile
2	Ixil Association, El Sembrador –ASIES-	01/24/2013	Nebaj, Quiché/ 4539-6213	Gaspar Brito	Textile
3	Tejidos Cotzal Cooperative	01/24/2013	San Juan Cotzal, Quiché / 4621-9725	Pedro Marroquín Chamay	Textile, Natural fibers
4	Association from Chajul de Mujeres Unidas por la Vida	01/24/2013	San Gaspar Chajul, Quiché, 4216-5735	Magdalena Brito, Juana Hu Mateo	Textile, Accessories
5	Progresar Foundation	01/25/2013	Sacapulas, Quiché/ 7755-6806	Leticia Velásquez	Natural fibers
6	Mujeres Indígenas de Tierra Colorada	02/14/2013	Tierra Colorada, Momostenango, Totonicapán / 4397-3508	Sara Tzun	Plastic baskets
7	Asociación de Mujeres Tejedoras para el Desarrollo Integral de Concepción Chiquirichapa –AMTEDICH-	02/15/2013	Concepción Chiquirichapa, Quetzaltenango/ 7768-5950	Lidia de León	Textile, accessories
8	Asociación para el Desarrollo Integral Buenos Aires – ADIBA-	03/13/2013	Caserío Los Encuentros, Sololá / 5751-2440	Luis Tuis	Jewelry imitation
9	De Colores Art	03/13/2013	Chichicastenango / 5905-2660	Juan José Ventura	Textile, accessories



During the visit, a participatory assessment was undertaken with the support of the representatives of every group where basic information was collected from the organization: economic situation, productive capacity, infrastructure, costs, commercial information, business management, access to credit, environmental management, food and nutrition health, gender equity, strategic alliances, among others. Furthermore, the business dynamic and their social situation was socialized with the members of every organization.



Representatives of ASIES during the Ixil assessment, handcraft sample Fundación Agros



Representatives of the Project of Handcrafts Concepto



Representatives of Fundación Progresar



Representatives of the Board of Directors of AMTEDICH during

After the field visits, the information was compiled, tabulated and analyzed, obtaining an initial base of six beneficiary organizations for the first phase of the project's intervention, these are described as follows:

- Asociación Chajulense de Mujeres Unidas por la Vida
- Asociación de Mujeres Tejedoras para el Desarrollo Integral de Concepción Chiquirichapa –AMTEDICH-
- Project of Handcrafts Concepto Ixil, Agros Foundation
- Progresar Foundation
- Asociación para el Desarrollo Integral Buenos Aires –ADIBA-
- Ixil Association El Sembrador –ASIES-





The rest of visited organizations were still on a weak phase and were not qualified to be incorporated into the Project; however, they will be considered for a second intervention of new beneficiaries.

A business and investment plan was developed for each established chains containing the intervention and implementation activities according to the objectives set forth in component 6.

Design and Development of Products

Some of the strengthening activities of the aforementioned organizations, was the first approach with potential buyers such as Vestex (Commission of Garment and Textile, AGEXPORT) and Calzado Cobán de Guatemala, to measure the demand capacity of the handicraft products in a local level and in the export markets. It was possible to make some prototypes design proposals that at the same time were used as a base to measure the design, tailoring and production capacity of some of the project’s beneficiary handicraft groups such as Agros Ixil of Fundación Agros.

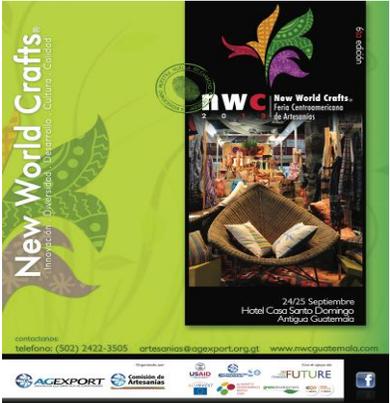
Development of the Promotional Material

Regarding promotional material, a flyer was designed for the New World Craft Fair. The fair will be held on September 24th and 25th in Antigua Guatemala, and the flyers would be delivered to participants and international buyers.

Promotional Flyer of the New World Craft Fair 2013



It was also designed the art for a promotional Muppy for the event that will be used to inform the participants and public in general.



Promotional Muppy of the New World Craft Fair 2013



Business Training

The strengthening of good commercial practices and actions oriented to expand the export culture, planned a workshop “Basic Requirements to Export”. The event will be held next Monday, on April 29, in the facilities of AGEXPORT’s subsidiary, located in the city of Quetzaltenango.

Trade Promotion

Due to weak trading systems in beneficiary groups, it was carried out a strategic field visit in order to participate in the launching of the Exporter Municipality, organized by the agriculture and fishing sector of AGEXPORT on March 20, in Santa María Nebaj, Quiché. An invitation was submitted to exporter’s entrepreneurs of the handcraft sector to socialize the artisanal offer of the area and to bring awareness to trading channels between artisanal producers and buyers.



Presentation of the handcraft offer to the exporters entrepreneurs

Exhibit and sale of products to the visitors of the event

Participation in Fairs

This component has had an approach with organizers of artisanal festivals in stores chains in Guatemala, such as Wal Mart, Cemaco and Simán; also, with some of its providers to display the artisanal offer of the Western Highland Region, especially from craftswomen to expand local markets and to diversify the existing offer in this market.



Products presentation of the arisanal Project - Ixil Handcrafts of Fundación Agros- to a buyer from Cemaco.



VI. Crosscutting themes

- **Environmental Sustainability**

During the second quarter the FY2013 made a strategic planning regarding how the Environmental Sustainability can be mainstreamed into the different components of RVCP.

The development of the Environmental Mitigation Plan (EMP) began. This plan has been developed to address not only the impact of coffee, vegetable and handicrafts value chains, but also incorporates the environmental impact that will linked actions to the promotion of the food and nutritional security, mainly referring to the investments focused in strengthening the productivity of basic grains and the development of demonstrative family gardens.

The EMP has made a direct consulting with all the members of the JUNAM consortium, who also have been informed about the nature of EMP, the instrument in general states, how the practices of environmental management are linked to the day to day of value chains and also how to search for synergies and complementarities between the different subjects that will be attended during the intervention of the Project.

The EMP will be delivered to USAID for its endorsement during the first days of May. After the approval of the EMP, it has been defined to begin the specific EMP for each chain, which will designed according to the conditions and needs of each MSME supported through the intervention of RVCP. Furthermore, the EMP will include environmental impacts, investments for the production and other investments for the development of SAN. All of this guaranteeing that there is equal conditions and that the rights of women are not affected. A chronogram of field visits is being defined for the beginning of the EMP and will be coordinated by Rainforest Alliance with AGEXPORT team, Save the Children and INCAP, with the purpose of having a better use of the resources and to obtain better results in field visits.

In overall, the EMP will comprise the 18 Business Chains of C1, 26 planned groups of C2 and 6 Handicrafts Chains from C6, this will be the first input to begin designing the Environmental Management System –EMS- in a way that mitigation to climate change, adaptation and environmental actions and proceedings can be documented and systematized, allowing a rural MSME to make a transition from a traditional productive system towards an approach of an eco-business company. This EMS will generate information, tools and protocols that facilitate decision making regarding environmental actions according to the productive sector and at the same time, it will be a methodical support of the Eco-company approach.

The initial document would be financed by HIVOS and will contain the theoretical conceptualization of what an Eco-business is. It initially has been defined as “an organization that generates goods and services, that acts inside the economic, social and environmental system stimulates a sustainable economy, makes a responsible use and management of the natural resources (water, soil, forests and biodiversity)”.

The concept of an eco-business is based on a productive system that has a balance between economic, social and environmental benefits. These benefits represent each one, a line of action. An eco-business is able to lead a group of producers and share with them an associative model that evolves towards a business structure that is economic, social and environmental self-sustainable.



Participation in a payment workshop for Environmental Services

The Business Chain Program of AGEXPORT participated during March 14 to 16 in the workshop named “RETRIBUTION FOR THE ECOSYSTEM SERVICES IN LANDS MANAGED BY FARMERS: LESSONS LEARNED AND CHALLENGES”. It took place in Tarapoto, a city from the region of San Martin, Peru.



Representatives of different countries as Peru, Bolivia, Ecuador, Brazil, Costa Rica, Honduras, Chile and Guatemala participated in the workshop.

The objective of the workshop was to contribute in the establishment of specific and achievable actions oriented to consolidate and expand payment initiatives for the eco-systems services, within the frame of forest conservation and biodiversity and the sustainable territorial development. The workshop was financed by HIVOS from Holland.

- **Financial Rural Services**

Strategic Objective: Promote the banking process for producers. This process will begin with the selection of producers by a Selection Committee and the support of design of the beginning chain of value.

On this quarter the RVCP has assumed the mission of identifying the deficiencies in the access to credit from the small and medium business in Guatemala, such as an institutional analysis that allows to know the sector performance inside the market’s dynamic and with those results, to have certain future lines of action to overcome potential disadvantages that present the Financial Market. This has been a constant worry in the development of the productive chains from the country in general.

A high proportion of small and medium business count with projects of high performance (potential) that cannot be materialized because the private banks do not provide the financing required or provides it imposing unacceptable conditions of rate, guarantee and term, determined by the financial market.

The Project has identified this problem and has achieved to stablish a strategic alliance with HIVOS and OIKOCREDIT to develop a methodology that provide the Producer Groups credit options to generate a remarkable net social benefit to the producer’s partners. The proposal is based on the premise of facilitating to the business chains services of support for the access to the finance of rural MIPYMES.

The RVCP will be the facilitator bridge between the finance sector and the productive rural export sector, contributing to expand the access to business to competitive financial resources and their capacity to successfully compete in the global markets.



Financial Fair in alliance with HIVOS-AGEXPORT-USAID:

AGEXPORT in an alliance with HIVOS and the Agency of Financial Services for Sustainable Agriculture –SEFAS organized the I Financial Fair, carried out within the framework of the AGITRADE Expo & Conference Fair 2013; where a total of 49 meetings were held with the participation of 16 sustainable productions companies (with a group represented in 5 small business, in total 11 groups participating in the Fair) and 6 financial institutions (Root Capital, CAMBio-BCIE, EcoEnterprises Fund, Oikocredit, Alterfin and ASDIR).

The organizations that submitted financing requests represent approximately more than 24.857 Guatemalan families, mainly from rural areas. Financial applications previous to the meetings accounted more than \$16.076.010.

Some of the groups that participated represented products such as: coffee, French peas, sweet peas, snow peas and macadamia. The organizations that participated were: ADESC, ADINSE, ALIANZA, APRODEFI, CADECH, CIATRI, Cooperativa Nahualá, FEDECOCAGUA, Peña Roja Cooperative, Progresar Foundation (representing: El Amanecer, Pache, Pacuh, Los Triunfadores and San Jorge), UPC and Quebrada Seca. From the ones mentioned above, ADINSE, Progresar Foundation and APRODEFI will be beneficiaries of RVCP.

The organizations are in a process of negotiation with the financing institutions, there is a follow up thus producers can access to financing.

- **Promotion of Gender Equality:**

Strategic Objective: Promote the incorporation of rural women to the economic development of their community, facilitating their active participation in the associations where they belong through the promotion of gender equality, the strength of their leadership and access to improve the economic, personal and technical capacities.

During the first quarter of 2013, they were held a series of meetings and workshops to organize the strategy of intervention for the Gender Equality crosscutting theme, focusing on the priority of women economic empowerment.

AGEXPORT and the partners of the consortium will develop the gender equality subject in a transversely way by incorporating the subject in all the strategies, activities and actions of the Project Cultivating the Future.

A gender equality policy will be implemented from the Consortium that will give guidelines on how to address the subject in the different implementation stages in the value chains in each one of the components. This policy aims to socialize the vision of gender equity by all actors highlighting women economic empowerment and to achieve since the initial phase a consensus and transparency in all the activities of the project including the gender equality and assuring that the final results comply with the established indicators.

AGEXPORT and VVG will be responsible for conducting and lead the subject, but each one of the partners of the JUNAM Consortium will be responsible for the implementation of activities by incorporating the elements set forth in the gender equality policy. This means that a joint approach will be made as it is established in the following chart:



Implementing partners	Component	Contribution to the Strategy
AGEXPORT	Value chains C1, C6	AGEXPORT will incorporate a gender approach in the development of all the components of the Project and in the chains using the business chains methodology, assuring that in each one of the phases is promoting the participation of women, their access to productive, financial and technology resources and their economic empowerment.
SAVE THE CHILDREN	C2	Save the Children will prioritize in the initial process of the new MSMEs, women incorporation and the gender equality in all the productive activities.
INCAP	Food and Nutritional Security (C1, C5, C6)	INCAP within the SAN strategy considers the active participation of women in the implementation of SAN good practices at a family level, emphasizing in pregnant and breastfeeding women and children from 0 to 2 years old to implement the SUN methodology (Scaling Up Nutrition) to address the window of opportunity of the 1000 days. This strategy will improve health and the nutritional situation of participating families in the 90 business chains, vegetable (45), coffee (15) and handicraft (30) of rural communities with low levels of development in 3 departments of the Western highland of Guatemala, through the transfer of knowledge and technologies that allows them to improve the availability, access, consumption and biologic use of food, focusing the interventions in pregnant women in the breastfeeding period and children under 24 months old.
RAINFOREST ALLIANCE	Environmental Sustainability	In the transverse axis of environmental sustainability it will be guaranteed that the implementation of the PMA's does not affect or inhibits the involvement and participation among men and women.

Moreover, for the project's implementation, it will be included in the gender equality policy of the Consortium, the coordination and technical planning at an intersectoral level on behalf of the national and local instances that promote the participation of women in productive and social activities, as well as, the coordination with Women Municipalities Offices (OMM) that facilitate the dialogue between the municipalities and women, thus women from the RVCP can benefit with the actions that also implement other USAID's programs such as the Project of Local Governance, URC, Nutrisalud, among others.



Operational development of the gender component:

During this period different meetings have been developed to structure the operational modality of the Gender Equality Component in the implementation of the activities for the Value Chains Project, it was proposed to use an execution methodology by cyclical phases that are developed according

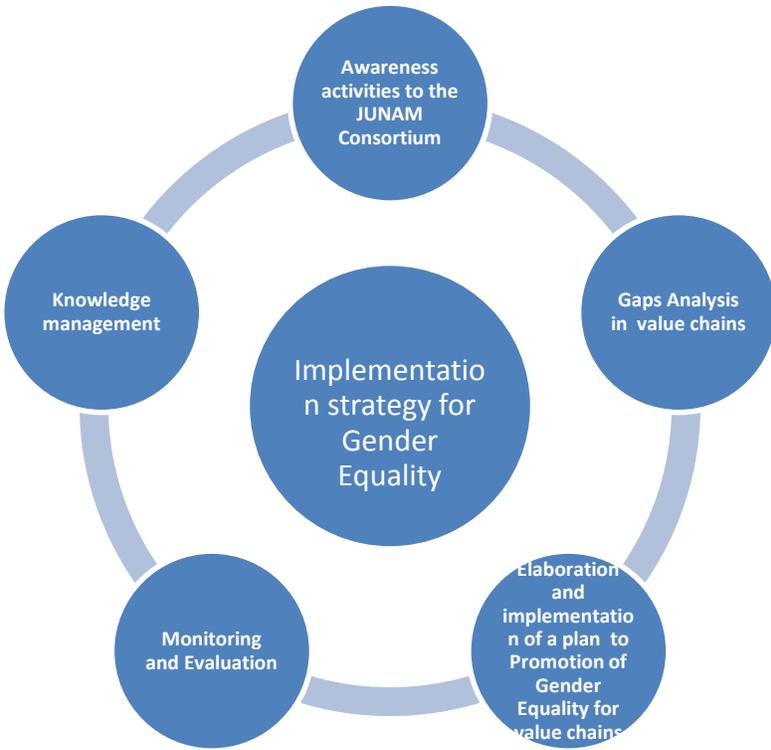


to stages of identification and implementation of value chains in the Components 1, 2 and 5, which is described as follows:

This period began with the designing of the coordination structure with INCAP for the coordinated work of SAN and Gender Equity, planning the creation of a structure for community promoters who will work for INCAP and VVG, as well as, the hiring of 2 AGEXPORT specialists that will cover the 3 departments under supervision.

There were also conversations that aimed to strength VVG work in the implementation of indigenous women approach in the RVCP.

Cycle of implementation of the gender strategy in value chains



VII. Communication

During the second quarter of the current fiscal period, AGEXPORT hired a Communication Coordinator and a Web Master to integrate the Communication Unit. This team will be responsible to generate, inform and manage the communication for the Rural Value chains Program and the Consortium.

This period developed the following activities:



February

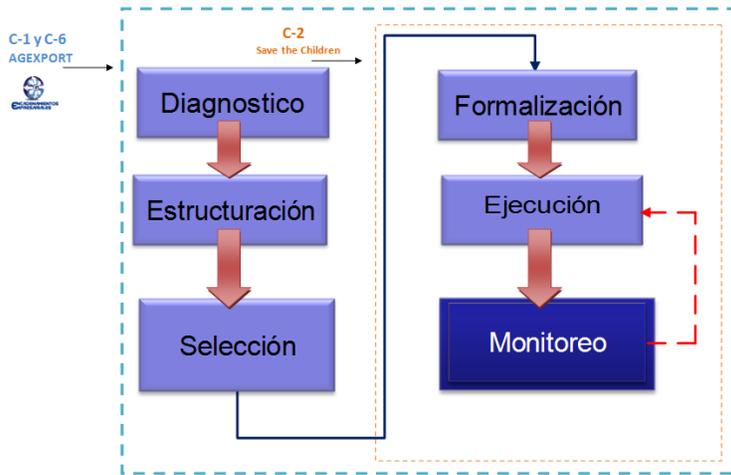
- **The PEE**, within the Feed the Future initiative, of the United States supported the participation of a group of small producers from the Coffee Chains in the Ixil region, in the III Convention of the International Women Coffee Alliance, which main subject was Coffee and Commerce.
- **Victor Bullen and Paul Schmidke**, Environmental Officers for Latin-American, The Caribbean and Central America, respectively, both from USAID, and Alejandro Santos, from Rainforest Alliance and specialists from PEE visited three organizations of producers in Quiché to supervise the implementation of good environmental practices implemented in their productions. The associations visited were:
 - The Association Agros Ixil in Nebaj, that is integrated by 350 partners (75 women and 275 men) dedicated to produce pea beans and French green beans that is latter commercialized to SIESA.
 - The Integral Agricultural Cooperative “El Sembrador” Responsabilidad Limitada (CINASEM R.L.) in Aldea Cholá, Uspantán, is integrated by 3330 partners (192 women and 198 men) dedicated to export French green beans.
 - The Association of Integral Development of Palquí Agricultural Producers (ADIP) located in Uspantán is integrated by 51 partners (41 men and 10 women) dedicated to produce French green beans, which is exported through the Cooperative 4 Pinos.
- **To stablish** how roya will be combated and the damages that this disease has caused in the 3,000 hectares of coffee that take part in the chains in Quiché, the specialists of PEE met with the leaders of 5 organizations that gather 2,864 small producers.
- One of the measures planned is training to technicians and promoters in the organizations, renew the old or sick coffee farms, replant areas targeted and apply curative and preventive plant protection according to what is necessary.

March

The Development Division participated in the forum “Retribution for Eco-Systemic Services in lands managed by farmers” that took place on March 14 to 16 in the San Martín Region, Peru. The objective was to share experiences and challenges in the implementation of mechanisms for Payment in Environmental Services such as water, carbon, biodiversity and experiences that combine forest and agricultural landscape.

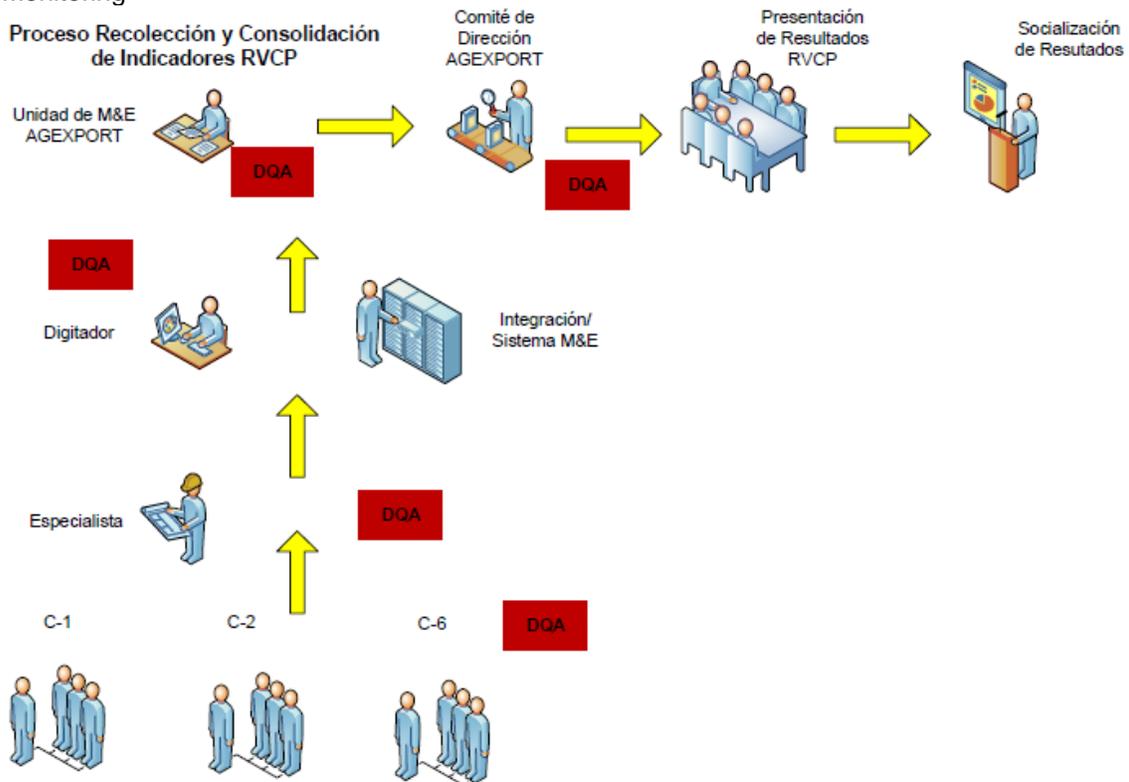
VIII. Monitoring and Evaluation

In the quarter from January-March the Monitoring and Evaluation Unit continued with the adaptation Process for the Business Chains Model and with the design of the system and its operation in field.



A joint work with the program coordination established a process and resources flow which will be used in field. Considering this assumptions it was developed the collection tools and moreover, there was a definition for responsibilities and the moments in which field technicians and field promoters will report the progress of indicators and goals achieved for Components c1, c2 and c6.

1. Assessment
2. Structuring
3. Selection
4. Legalization
5. Implementation
6. Monitoring



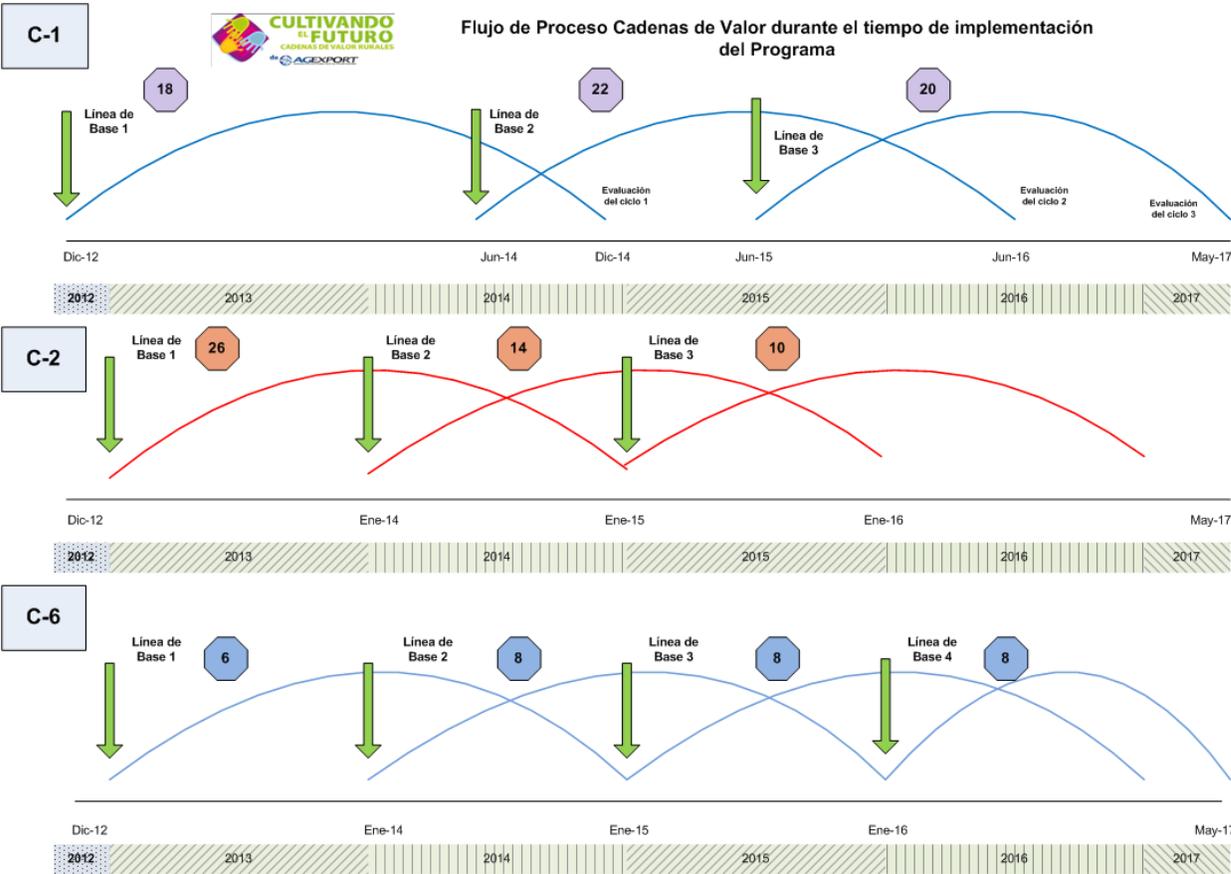


Last February, the RVCP, was informed by USAID/ Guatemala Monitoring and Evaluation Office that the DevTech would be responsible for the implementation of the Monitoring and Evaluation Program of FTF in Guatemala. Up to that date, the RVCP Monitoring and Evaluation Unit has held constant meetings to define the areas of support where DevTech could strength the RVCP.

Recently, AGEXPORT’s Development, leader of the RVCP, has requested to Devtech specific support to facilitate the Monitoring and Evaluation of the activities that the consortium will carry out.

- a) Support the design and implementation of the income base line (proxy) of the beneficiaries of the 140 Value Chains.
- b) Support the design of a Software to systematize the information generated by the RVCP.

In the next months it is expected to define the scope and the support objectives that Dev Tech will provide in these two subjects. Meanwhile, the RVCP will continue undertaking 25 based platforms to determine the nutritional status of beneficiary families by the Project.





IX. Budget Execution

During the period from January to March 2013 the legalization process of the different strategic alliances of the consortium began. Among them are INCAP, Vital Voices, as well as, the sub ward approval for Rainforest Alliance during March 2013.

As it was planned in the annual operative plan 2012-2013 there is a follow up for the activities established in the different components and lines.

Component 1:

From January to March 2013, 18 chains were approved by the Selection Committee, starting the hiring of 17 technical assistants and 32 Rural Promoters, in order to attend the productive activities of the 18 business chains approved. On March, 15 Rural Promoters and 3 Technical Assistants were hired to attend the Chajulense Associations and Cinacem, making the first service payment during March.

Also, to this quarter payments under the wages concept for the market intelligence personnel were made, this personnel is about to begin the legalization process and agreements that follow up the fulfillment of different investment plans approved.

Within the expenses covered by this component is a mobilization, travel expenses and others used to the supervision and follow up of chains approved. Also, several activities were developed, among which are the following:

- The PEE and the beneficiary organizations from C1, participated in the Agritrade Fair, which was held on March 14 and 15 of 2013, in the Convention Center of Santo Domingo del Cerro, La Antigua Guatemala. 8 stands displayed products samples from the beneficiaries.
- 35 representatives of the PEE and of rural organizations participated in the Agritrade Fair. They were provided with accommodation and food during their stay. Also, tickets to attend to conferences in production subjects to improve their commercialization level of their productive offer, according to the requirements of the products demands.
- Women representatives from the chains of coffee producers, Chajulense and Aprocafi participated in the III International Convention of IWCA, held in February in the facilities of ANACAFÉ Guatemala. This event was developed as a space to generate coffee activities in Guatemala and to promote the commerce of this product. The PEE financed the participation and travel expenses of the participants, considering that these spaces are important to promote a better visibility from both men and women in the coffee industry and to improve the business opportunities.
- Travel and mobilization expenses of specialists and PEE team were covered in order to execute a follow up and supervision of activities in the field in the implementation and execution of the business chains and planned activities in the context of the FTF initiative.
- The Committee of Differentiated Coffees of AGEXPORT developed the course “The Coffee Leaf Rust (Roya), integrated control” on March 2013. The course had the participation of the representatives of producer organizations of coffee Aprocafi and Chajulense, which are beneficiaries of the PEE in the context of the FTF initiative. There was also the participation of the representatives of the organizations that conform the Technical Coffee table (Maya Ixil, Vértice Norte and Asaunixil) to learn about the integrated management of the leaf rust and



the application of this knowledge in the coffee production to benefit their organizations. The cost for this activity was covered, along with the cost of lodging and meals, for the 13 participants, during the development of the event.

Regarding the commercial promotion, the hiring of AIADOS Company who is assessing a study to market access for the Mesoamerican export sector. As a part of the support for AGEXPORT's Commercial Promotion to socialize the exportable offer of national products and to strength the commercial relations at a regional and international level, during the Agritrade Fair held on March 2013 in Antigua Guatemala, the costs for simultaneous interpretation were covered, also the promotion of the fair through advertisements and audiovisual equipment to provide a better quality during the development of the event and to achieve proposed objectives.

In February 2013, the International Fair Fruit Logistic was held in Berlin, Germany, and AGEXPORT participated with a stand exhibition, taking advantage of this platform to socialize the national products to the international market. The cost for this event was covered by this component.

The execution for Component 1 for this quarter is of US\$186,230.02.

Component 6:

Within this component different payments were made to cover the wages of the market intelligence personnel on the AGEXPORT's Handicraft Commission. This personnel continues with the identification of organizations that could be eligible to become beneficiaries of the project. There are also expenses related to personnel traveling, mobilization and office equipment that are currently covered by this component.

The execution for Component 6 during this quarter is of US\$15,775.12.

Communication Area

During this quarter it was hired a graphic designer- web master for the Chain Program. This person will manage the designs of the project. The expenses incurred during this period correspond to wages and materials used.

The execution for the communication area during this quarter is of US\$948.43.

Monitoring and Evaluation

Within this line expenses related to the monitoring and evaluation coordinator for the Chain Program were covered. This person has made during this period the review and the validation of indicators assigned to the Rural Value Chains project.

The execution for the monitoring and evaluation during this quarter is of US\$7,783.73.

Administration

During this period expenses were made under the concept of salaries payment and labor benefits for the administrative personnel assigned to the FTF Project. During this quarter the administrative process begins according to the compliance of the investment plans for the 18 value chains approved. The administrative area is responsible of the follow up the different hiring services processes to



strengthen the chains and acquisition of necessary goods for the activities of the personnel of the Chains Program.

Also, within this line item, expenses related with office leasing and personnel office expenses are covered, among them: paperwork, consumer goods, cleaning supplies, electricity, water, telephone, etc.

The execution for the administration during this quarter is of US\$ 62,126.93.

Indirect Costs

Within this line item it is expected to cover institutional personnel costs directly linked with the execution of Rural Value Chains Project. The support for this personnel is percentage and in areas such as shopping, general services, maintenance, collections, cash, among others. The execution for indirect costs during this quarter is of US\$23,515.78.

Total Execution of the quarter from January to March 2013

The total execution of this quarter is of US\$296, 38001 according to the following financial report.