



Expanding Opportunities Worldwide

February 22, 2008

TO: USAID Development Experience Clearinghouse
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Re: CA No. 514-A-00-02-00227-00

We respectfully submit our final report for the Specialty Coffee Program, along with a financial summary and form 269A. An original hard copy version of this report, along with one copy, has also been sent to both Mr. Camilo Sanchez and Mr. Sunil Xavier at USAID/Colombia in Bogotá.

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FINAL REPORT

COLOMBIA SPECIALTY COFFEE AND SUPPORT FOR USAID/GOC PUBLIC-PRIVATE PARTNERSHIP PROGRAM

Period: June, 2002 – September, 2007

1. BACKGROUND

A five-year Cooperative Agreement No. 514-A-00-02-00227-0 for the implementation of the “Colombia Specialty Coffee and USAID/GOC Public-Private Partnership Program”, was signed on June 28, 2002 between USAID/Colombia and ACDI/VOCA. The Program was executed between June 29, 2002 and September 30, 2007. This report covers the activities carried out during the Program.

2. GENERAL ASPECTS OF THE PROGRAM

For ACDI/VOCA is important to highlight significant facts that support the recognition of its managerial and operational capacity in the management of projects and activities in Colombia, as follows:

2.1 Components of the ACDI/VOCA Specialty Coffee Program with resources from USAID

ACDI/VOCA's focus for the Program was to develop integrated projects in regard to coffee quality and the improvement of coffee growers' income as well as of their families. This is why in order to obtain high quality coffee it is essential that the plantations be young, well maintained, fertilized, protected against pests and diseases, with cherry borer under control and clean of weeds. The grower should harvest the ripe bean carefully (not harvest green beans nor over-ripe ones either), carry out the wet processing properly and in a timely fashion, pulping with little water and with a well-calibrated machine. The coffee's fermentation should not exceed the recommended time. The same recommendation should be followed for sun drying. In order to achieve this, it is necessary to render personalized technical assistance, using the most appropriate extension methods (workshops, field days, method demonstrations, producer tours, farm visits, meetings, among others), train producers in topics such as coffee quality and cupping and in the construction or improvement of coffee processing installations (wet processing and drying facilities and the respective huts or sheds, tanks, tubs, pulp extracting machine, coffee dryers with plastic roofs (parabolic), pits for processing coffee pulp for the production of organic fertilizer (compost or fertilizer), worm cultivation, support the coffee growers in the production of food on their farms with food security components, and strengthen their organizations and their leaders. Something else that is very important within the Specialty Coffee Program is making commercial contacts and seeking to bring smallholder coffee producers in contact with buyers abroad to gain recognition of the coffee's quality through premiums that benefit the producer directly. To achieve this, ACDI/VOCA designed and implemented the following components:

2.1.1 Coffee Plantation Renovation and Maintenance. The Program supports the idea that younger coffee trees are a key to product quality, in agreement with the parameters of Fedecafé, as indicated by their technicians. The Program supplied seeds, part of the fertilizer and other minor inputs and the producers supplied manual labor for renovating and maintaining the crop, materials for the farm and the complement for the fertilizer.

2.1.2 Coffee Processing Equipment. Producers were supported in the construction and improvement of sheds for pulping, along with their hoppers, tub tanks, pits for processing pulp, worm cultivation, dryers and shelters for drying, purchases or repairs of the machines and their motors. In some cases, we supported the construction of filter systems for domestic sewage and filter systems for processing wastewater. This component represented a high commitment by farmers to provide materials that the projects didn't, as well as the manual labor for the construction and adaptations for the *beneficiarios*, dryers and filter systems, to keep them in operating conditions.

2.1.3 Food Security. Its purpose was to promote the production of food on the farm itself to provide balanced nutrition for the family and improve its budget by not having to buy some basic food and promote initiatives to diversify complementary income for the coffee-growing family. The project supplied corn, bean, vegetable and fruit seeds, fruit trees and small-animal breeding stock.

2.1.4 Coffee Quality Improvement. As a pillar of the Program, this was geared towards training producers and their children, as well as technicians, in the production of high-quality coffee for the specialty market. Along with the improvement of farm infrastructure for processing the bean, this component was and still is essential for achieving the objectives of the production of high-quality coffee that can be marketed with better prices for producers.

2.1.5 Marketing and Commercialization. The objective of this component was commercial promotion in order to bring together and link the producers with possible clients and exporters of the external market. To do this, the Program financed the attendance of producers to the Annual Specialty Coffee Conference and Exhibition organized by the Specialty Coffee Association of America (SCAA) and visits of commercial missions to the country of foreign clients. Likewise, the Program financed promotional material.

2.1.6 Technical Assistance and the Environment. With this component we sought to ensure, with the Program's resources and co-financing from other entities, that producers were technically guided and permanently advised by specialized personnel in the development of all of the farm's components, with personal technical assistance and by using the most adequate extension methods (workshops, field days, methods demonstrations, producer tours, farm visits, and meetings, among others).

ACDI/VOCA was in charge of leading environmental workshops whose objective was to guide in the preparation of the Environmental Review Cards (at the beginning it was one card per municipality and later it was one per project), of the Environmental Review Card for the Use of Pesticides (one per project) and the Semester Report (later quarterly) of the Implementation of the Environmental Impact Mitigation Measures. Likewise, we were responsible for its review and presentation to USAID.

2.1.7 Institutional Strengthening and Training. This component had the objective of supporting the producers' associative tendencies and the strengthening of their organizations in administration, finance, accounting, legal issues, and commercialization and strengthening of people and the family nucleus as the base of the entire organization. We programmed training sessions along the links of the coffee productive chain as well as that of other crops by using different extension methods such as workshops, method demonstrations, field days, tours, demonstration plots and meetings, among others.

ACDI/VOCA, along with the field projects' technical staff, ensured that farms were and continued to be free of illicit crops and that the commitments, those of the co-financing entities and the producers were fulfilled in accordance to the operative plans and on the established dates.

2.2 Design of the methodology for the verification of the eradication of illicit crops

In July 2002 USAID imparted guidelines which revised the conditions for the assistance to alternative development programs. The basic condition was that 100% of the eradication was to be carried out and verified within a period of thirty days following the eradication agreement with potential beneficiaries as prerequisite for having access to assistance from programs and projects financed by USAID.

In response, ACDI/VOCA designed and implemented a methodology for ensuring the compliance of such guidelines in all of its projects, given the presence of illicit crops in coffee areas participating in the Program, along with some particular characteristics: we were dealing with smallholder producers who for the most part do not have more than three hectares and whose cultivation of illicit crops, in the majority of cases, has taken place in reduced spaces in the farms, always associated or mixed with the coffee plantations, but never in big extensions since the size of the farm does not allow it and because the basic purpose of these farms is the cultivation of coffee.

ACDI/VOCA designed a methodology to verify the eradication (existence and later non-existence) of illicit crops in the farms of beneficiary producers who committed themselves to voluntarily eradicate such illicit crops and manifested their commitment to not replant them and make coffee a sustainable activity again. The methodology consisted in identifying and re-counting the number of existing plants on the farm, applying a conversion factor on the basis of an estimated density of plants per hectare in each geographic area. This conversion factor fluctuated between 1,800 and 2,000 plants per hectare, an equivalent that is the result of the experience and the work carried out by different entities and organizations in the coffee-growing areas, where illicit crops are associated and camouflaged with coffee plantations and where no plantings of industrial illicit crops are to be found. Prior to this, we conducted a geo-referencing of farms and lots where illicit crops used to exist and photographs were taken as proof of the existence of the crop (before) and of its later eradication (after), in compliance with the commitments undertaken with respect to eradication signed by the coffee growers. All of this information comprised an integral part of the beneficiaries' files.

In 2004 the guidelines were modified so that projects had to be executed under the condition that the beneficiary farms were free of illicit crops. Those who had illicit crops had to eradicate them and those who didn't promised to not get involved in these types of activities. We continued applying the eradication verification methodology and that of the non-existence of illicit crops through geo-referencing, photographs and files.

Following these guidelines we were able to achieve an eradication of 785 hectares of illicit crops - 687 hectares of coca and 98 hectares of poppy. In addition, we achieved the elimination of seeds, seedlings and trees equal to 659 hectares - 357 hectares of coca and 302 hectares of poppy. Eradication plus the elimination of illicit crops totaled 1,444 hectares - 1,044 hectares of coca and 400 of poppy (see Attachment No. 1 Program Statistics).

2.3 Follow-up on the projects in the field

ACDI/VOCA conducted permanent control of the projects by means of their accompaniment, starting with their formulation and organization with each one of the executing parties, followed by their start-up and implementation in the field. In order to do this, technical personnel visited the beneficiaries' farms to evaluate the progress or termination of the components, with the investment of resources committed through donations and in the compliance of commitments acquired through contributions from the producers, executing parties and other co-financing entities. Visits were

conducted to a sampling of farms that totaled close to 50% of total beneficiaries. Reports were prepared after these visits; the reports facilitated making decisions on necessary adjustments, improvements and changes in planning.

Likewise, we participated in Operative Committees with the executing parties in their headquarters to obtain information on the progress in technical, administrative and financial execution. In relation to the USAID-PDA public bid projects Procurement Committees were carried out in person and in a "virtual" manner to define the terms of reference for materials and inputs to be purchased, analyze proposals and select suppliers, elements, quantities and amounts to be purchased.

The Program technical and transfers coordinator conducted 122 monitoring trips to farms and follow-up visits to executing parties. Likewise, the projects co-financed a project coordinator, who conducted 79 supervisory trips to the projects.

2.4 Follow-up and evaluation system

The Program designed and implemented a computerized system to follow up on and evaluate the different projects. The system's technical aspects were designed and incorporated into a contract with a consulting company specialized in the subject, and the operational rationale was conceived to allow the input of information by the implementers in the field and subsequent review, analysis and evaluation in ACDI/VOCA Bogotá. The system's main components were:

1. Basic system for follow-up and evaluation
2. Quality and marketing component
3. Volunteer program component
4. Environmental review component

Of these, modules 1 and 3 were used the most and a great deal of indicators and reports are based on their findings.

3. PROJECTS AND WORK PLANS WITH THE COFFEE GROWERS COMMITTEES AND COOPERATIVES, BID PROJECTS AND STRATEGIC ALLIANCES

Objectives of the Program's Projects

General Objective: Improvement of coffee growers' socio-economic conditions by means of the handling and improvement of coffee crops and adapting farm infrastructure, supported by training and technical assistance in production, post-harvest handling and coffee commercialization, through the establishment and strengthening of producer groups to facilitate the development of high-quality coffees to be offered to the specialty coffee market as a development alternative to illicit activities in coffee-growing communities with the commitment to eradicate and prevent illicit crop production.

Specific Objectives:

- Substitution of areas with illicit crops under the care of beneficiaries.
- Increase of coffee plantation productivity by means of their renovation, management and improvement.
- Coffee quality improvement by means of adapting *beneficiarios* and dryers and applying appropriate practices in the process.

- Training of farmers in coffee production, *beneficio* and commercialization.
- Improvement of technological conditions in production and *beneficio* obtain coffees with a clean cup profile that facilitates its commercialization as specialty coffee, thus seeking to improve beneficiaries' income.
- Establishment of a protocol in the coffee productive chain that strengthens ties between producers and consumers.
- Motivation of the production of food for families on the farm so family income is increased and, more importantly, a healthy and balanced family diet is provided.
- Development of coffee productive projects and those of other crops, taking into account activities and practices that are environmentally friendly and that guarantee environmental protection and sustainability for future generations.

Below we present a summary of the projects. It is necessary to emphasize that the financial figures correspond, in each case, to the initial allocated budget. The actual cost share provided by our partners could have deviated from the original estimates.

3.1 Projects and work plans with the Coffee Growers Committees and Coffee Growers Cooperatives

3.1.1 Projects with the Coffee Growers Committees

With the National Federation of Coffee Growers of Colombia, through its Departmental Committees in the five assigned departments, thirteen projects were executed in the following manner: ten projects (two for each department), called Phase I and Phase II and three Phase III projects, one of them with the support of Carrefour resources (see Annex No. 1 Program Statistics). All of the projects included the seven components mentioned above. In Phase II of the projects, the food security component was financed by RESA, of *Acción Social*.

- **Two projects were executed with the Coffee Growers' Committee of Huila, in addition to the Rainforest Alliance Certification project**

Huila Phase I: The project was located in the municipalities of Pitalito, San Agustín, Nátaga, Iquira, Colombia, Algeciras and in the *Colegio Agropecuario Cristóbal Colon* (agricultural school) of the small town of Rio Negro (Iquira). We assisted a population of 157 families (785 people) in six organizations that operate in the selected municipalities.

The total cost of this Phase was U.S. \$281,064, contributed in the following manner: USAID-ACDI/VOCA – \$109,256; Coffee Growers' Committee of Huila – \$28,606; Coffee Growers' Cooperative of Huila – Cadefihuila – \$51,848; community – \$91,354.

35 hectares of poppy were eradicated and seeds for an equivalent of 48 hectares were destroyed by means of burning and drowning.

Huila Phase II: Had a total cost of U.S. \$1,113,384, contributed in the following manner: USAID-ACDI/VOCA - \$101,659; Coffee Growers' Committee of Huila – \$149,553; *Acción Social* – RESA - (food security) – \$53,406; Coffee Growers' Cooperative of Huila – Cadefihuila – \$15,698; producers – \$793,068. We managed to eradicate four has. of coca and 30 of poppy and eliminate the equivalent of four has. of coca in seedbeds and seedlings and poppy seed for the equivalent of 19 has.

The project benefited 474 coffee growers and their families, comprised of 2,449 people. The beneficiaries belonged to 17 organizations located in seven municipalities of the department: Pitalito, San Agustín, Nátaga, Iquira, Colombia, Algeciras and Rivera.

- **Two Phases were executed with the Coffee Growers' Committee of Tolima**

Coffee Growers' Committee of Tolima Phase I: 203 families comprised of 914 people in small-scale coffee production were benefited in three municipalities: San Antonio, Ortega and Roncesvalles. The total cost of Phase I was U.S. \$235,309, contributed by: USAID-ACDI/VOCA – \$128,981; Coffee Growers' Committee of Tolima – \$40,017; community – \$66,311. In this department we obtained the eradication of 10 has. of poppy and the elimination by burning and drowning of seeds equivalent to 157 has.

Coffee Growers' Committee of Tolima Phase II: This phase benefited 500 families comprised of 2,455 people in the municipalities of Ataco, Chaparral, San Antonio and Rovira. The execution of this phase had a total cost of U.S. \$1,339,595, of which USAID-ACDI/VOCA contributed \$201,216; *Acción Social*, through its program RESA, \$62,668; Coffee Growers' Committee \$108,764; community - \$966,947, consisting of manual labor and construction and farm materials for the execution of agreed-upon works. We achieved an eradication of 17 has. of coca and seven of poppy and the elimination of coca seedlings equivalent to one ha.

At the end of the project's execution we carried out a project-completion event with the producers of the project in the municipalities of Chaparral, Planadas, Ataco and San Antonio, on July 24th, 2007, during which the results achieved were presented, highlighting the following:

- The strengthening of associations created by beneficiary coffee growers.
- The increase of regional production of food for household consumption/food security.
- The sensitization of the community on the magnitude of contamination caused by coffee-growing activity and management to encourage mitigation measures and environmental protection.
- The participation in quality competitions such as the CUP OF EXCELLENCE™.
- The training of young people who are members of beneficiary families in cupping and coffee mechanics, as a sign of interest and concern awakened by the quality of coffee produced in their land and in the region.
- The reduction of the sale of wet coffee by the Program's coffee growers.
- The increase of coffee sales with significant premiums attributable to the quality of the coffee being produced.
- Management conducted by coffee growers to enable them to initiate Rainforest Alliance and Fair Trade certification processes.

- **Two projects were executed with the Coffee Growers' Committee of Cauca**

Coffee Growers' Committee of Cauca Phase I: A total of 302 beneficiary families comprised of 1,510 people in small-scale coffee production were benefited in the municipalities of Morales, Santander de Quilichao, Buenos Aires, El Tambo, Suárez and Cajibío. The total cost of Phase I was U.S. \$455,374, contributed by: USAID-ACDI/VOCA – \$243,744; Coffee Growers' Committee of Cauca – \$43,721; Jesús María Obando Foundation – \$3,883; community – \$164,026. 124 hectares of coca were eradicated; coca seedbeds and seedlings equivalent to 34 hectares were eliminated.

To guarantee the continuity of the project after the first year, when the financing phase with external resources ended, follow-up and technical assistance continued to be provided by the Coffee Growers' Committee of Cauca. Training for the community was organized around production and commercialization activities.

Coffee Growers' Committee of Cauca Phase II: A total of 400 beneficiary families of small-scale coffee producers comprised of 1,802 people were benefited in the municipalities of Piendamó, Morales, Santander de Quilichao, Buenos Aires, El Tambo, Suárez and Cajibío. The total cost of Phase II was U.S. \$717,109, contributed by: USAID-ACDI/VOCA – \$201,805; Coffee Growers' Committee of Cauca – \$143,787; community – \$371,517. The eradication reached 51 hectares and 33 has were eliminated.

- **Two projects were executed with the Coffee Growers' Committee of Nariño**

Coffee Growers' Committee of Nariño Phase I: 351 families of small-scale coffee producers, comprised of 1,755 people, were benefited in the municipalities Samaniego, Los Andes, El Tambo, La Florida, Sandoná, Consacá and Buesaco. The total cost of Phase I was U.S. \$443,212, contributed by: USAID-ACDI/VOCA – \$146,195; Coffee Growers' Committee of Nariño – \$77,097; community – \$219,920. 123 hectares of coca were eradicated as were two hectares of poppy. 49 hectares of coca were eliminated as were 48 hectares of poppy.

Coffee Growers' Committee of Nariño Phase II: 400 families of small-scale coffee producers comprised of 1,800 people participated in this project in the municipalities of Samaniego, Los Andes, El Tambo, La Florida, Sandoná, Consacá and Buesaco. The total cost of Phase II was U.S. \$443,212, contributed by: USAID-ACDI/VOCA - \$210,110; Coffee Growers' Committee of Nariño – \$77,097; community – \$219,920. We eradicated 46 hectares of coca and eight hectares of poppy, and eliminated 33 hectares of coca and 30 hectares of poppy.

- **Two projects were executed with the Coffee Growers' Committee of Caldas**

Coffee Growers' Committee of Caldas Phase I: The project had the objectives of the eradication of 130 hectares of illicit crops, with an average of 2,000 plants per hectare, including seedlings (approximately 260,000 plants), and assisting 320 small-scale coffee producers and their families with 460 hectares planted in coffee in the Eastern Caldas municipalities of Marquetalia, Pensilvania and Samaná. Three laboratories were supplied for the analysis of samples and training in cultivation, harvest, post-harvest handling and cupping processes and to support 16 community groups comprised of an average of 20 coffee growers each.

The total cost of the project was U.S. \$287,186, of which USAID contributed \$190,453, Coffee Growers' Committee of Caldas \$20,848, Coffee Growers' Cooperative of Manizales \$14,686, and \$61,186. We managed to eradicate 46 hectares of coca crops and eliminate an equivalent of 175 hectares in coca seedlings and seedbeds.

Taking into account the vocation in coffee growing that selected municipalities have, at the request of the region's coffee growers and the mayors of said municipalities the Coffee Growers' Committee of Caldas and ACDI/VOCA selected an external group of professionals with experience and aptitude to establish the baseline of producers taken in by the Program and verify the existence and eradication of illicit crops, before proceeding with the implementation of the components. This stage involved the following activities:

- Sensitization of the community affected by illicit crops having the potential to produce high-quality coffees to be offered to the specialty coffee market, given the social, economic and environmental consequences of illicit crops.
- The socio-economic characterization of the population.
- Analysis of information on land parcels and maps supplied by SICA (*Sistema de Información Cafetera* – Coffee Information System) of the Coffee Growers' Committee of Caldas. Verification of presence of illicit crops.

- Establishment of voluntary eradication commitment actions by beneficiary coffee growers.
- Manual eradication by farmers.
- Verification of eradication through GPS geo-referencing and photographic evidence.

Coffee Growers' Committee of Caldas Phase II: The project benefited 845 producers and their families comprised of 3,451 people in the municipalities in eastern Caldas mentioned above, at a total cost of U.S. \$954,641, contributed by: Federacafé Central Office – \$84,556; Coffee Growers' Committee of Caldas – \$124,714; governor's office of Caldas – \$147,966; mayors' offices of Samaná, Pensilvania and Marquetalia – \$42,276; Coffee Grower's Cooperative of Manizales – \$15,550; *Acción Social* – food security, \$123,446; USAID – \$190,453. We eradicated 145 hectares of coca crops and eliminated seedbeds and seedlings equivalent to 10 hectares of coca.

The governor's office of Caldas was in charge of coordinating the eradication and elimination of illicit crops (coca), the reason for their agreement with the Army and the National Police for sealing off all of eastern Caldas. Once areas were free of illegal armed forces, groups of manual eradicators entered in all of the farms and proceeded to uproot coca plants and destroy seedbeds and seedlings. After this, the Coffee Growers' Committee of Caldas entered and proposed the development of a high-quality coffee project with ACDI/VOCA.

3.1.2 Project with the firm “*Empresa Cooperativa del Sur del Cauca*” (Cosurca)

General Objective: Execute an investment project for improving and diversifying family income, increasing food supply on the farm and establishing agreements for the eradication of 61 hectares of coca associated with the production of coffee, in 245 farms of organic coffee producers (1,103 people) in municipalities in the mountainous southern regions of Cauca: Sucre, Patía, Mercaderes, La Vega, La Sierra, Almaguer, Balboa and Argelia, organized in nine producer organizations, and supporting the strengthening of Cosurca as a second-level cooperative entity. We eradicated 92 hectares of coca crops.

Total investment of the project was U.S. \$146,328, of which USAID contributed \$99,000 and the community \$47,328. The method of support to Cosurca, its coffee organizations and producers, was conducted by means of the donation of resources to Cosurca for revolving credit lines from which loans were made (and continue to be made) to project beneficiaries for the renovation and maintenance of coffee plantations, coffee processing equipment and food security. Cosurca was in charge of providing technical assistance.

Cosurca is comprised of nine organizations: Asprosucre, Asprocop, Asprosan, Asprosi, Asprovega, Aspromavec, Asproalmaguer, Cooinprobal and Asoproa.

3.1.3 Project with Caficauca for the production of organic coffee

The project, “The Production and commercialization de Certified Organic Coffee”, assisted farmers linked to the Coffee Growers' Cooperative of Cauca – Caficauca – in the Municipality of El Tambo, Department of Cauca.” Project components were:

- Voluntary eradication through manual labor supported licit rural activities and strengthened this socio-entrepreneurial farmer's organization.
- 15 hectares of coca plants were eradicated and an equivalent of 10 hectares in coca seedbeds and seedlings were eliminated.
- We assisted 19 families of small-scale producers comprised of 95 people, with farm sizes of between 0.5 and 5.0 has. with an average in the area of 1.5 has.
- 47 hectares in coffee were assisted.

- Farmer selection was made under the following parameters and considerations:
 - Producer organizations interested in converting to organic coffee growing.
 - Producers manifested moral and ethical attitudes against illicit production.
 - Producers were members of the cooperative.
 - Coffee would be produced employing natural or semi-technified techniques.
 - Willingness of producers with illicit crops to eradicate them voluntarily and manually before entering the project, based on prior agreement for eradication.
- The project's components were coffee plantation renovation, coffee processing equipment and family food security.

Costs assumed by ACDI/VOCA were \$23,919 and those by the cooperative \$23,626. The cooperative committed to follow the methodology agreed upon for gathering information from SICA, ground and aerial photography, maps, and geo-referencing, both for the stage involving the verification of the existence of the crops and their later eradication. Likewise, *Caficauca* was responsible for organizing the files per organization and per farm and for classifying, cataloging and incorporating updated data into the SICA coffee information system, coordinating this activity with the Coffee Growers' Committee of Cauca.

Caficauca had knowledge of and accepted USAID policies on early or anticipated eradication, which meant that there were no disbursements of money until illicit crops were eradicated and the eradication and elimination of these crops was verified as well, along with the corresponding evidence.

3.2 Projects participating in the First Joint USAID/PDA bids

Starting August 15, 2004 and until September 30, 2007, the execution of the five projects under the First Joint USAID-PDA bids were carried out as follows: Corpoagro (Tolima), *Federación Campesina del Cauca* (Cauca), Agroempresarial (Huila), Irrimer Ltda. (Nariño) and Coffee Growers' Cooperative of Cauca (Cauca); the latter continued to be executed into December 2007 with financing from the Coffee Growers' Cooperative of Cauca and the Coffee Growers' Committee of Cauca. Among the activities scheduled for the quarter of October-December 2007 were the selection, hiring and fielding of the first external inspection visit of the certifying firm. Among the specific objectives of the projects under the competed bids were to:

- Implement truly alternative development programs for generating growth opportunities for associations pertaining to different municipalities that, in addition, believe in farmers' social and environmental awareness.
- Achieve the commitment of the community in being and remaining free of illicit crops, which is guaranteed by the creation of citizen surveillance and social control through its organizations.
- Train farmers and technicians related to these associations in aspects of organic agriculture.
- In some projects, process and obtain certification in organic agriculture.
- In some projects, obtain certified and optimal-quality organic coffee and commercialize it in different markets that have been previously analyzed.
- Develop complementary components to the project: a food security and environmental impact control plan that meets the expectations generated in Phase II of the program for cold-weather fruit trees.

3.2.1 Corpoagro, Tolima

The Corpoagro project was executed between July 15, 2004 and December 31, 2006. It supported 300 producers for the conversion of 300 hectares of conventional coffee to organic on land that

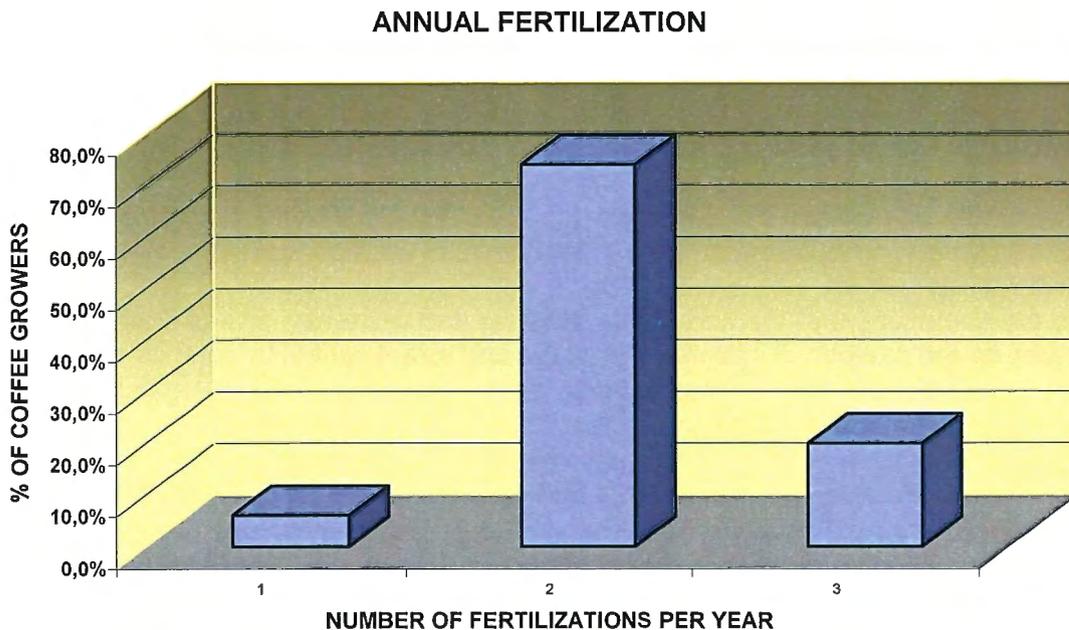
belongs to seven base organizations. The purpose was to strengthen agricultural development in the region and to increase the potential for the municipalities of Chaparral, Planadas and Rioblanco, as a continuation of the plan for substituting illicit crops in these areas and improving living conditions. One hectare of coca was eradicated, as were eight of poppy.

The project was executed by Corpoagro with a total investment of U.S. \$768,597, of which USAID contributed \$284,567 operated by ACDI/VOCA, the community \$429,747, the municipality \$12,051, Corpoagro with \$7,402, and others \$34,839.

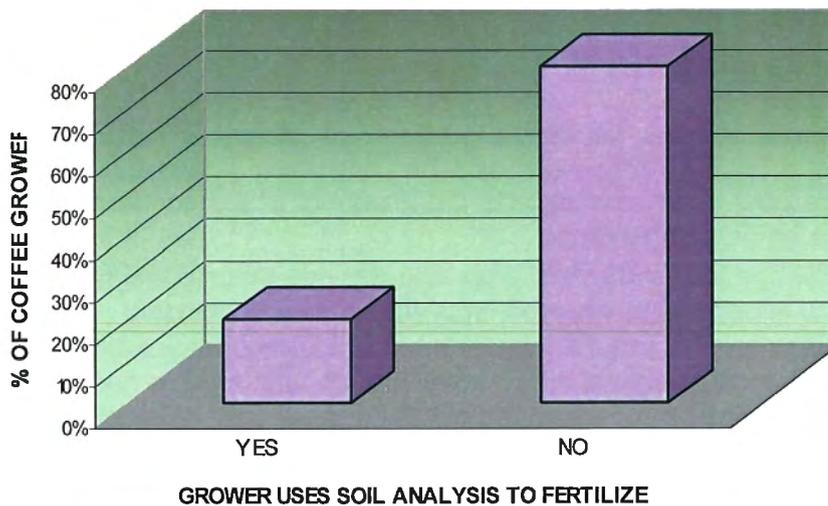
In January 2007 we began the second phase to continue with the certification process in agriculture and to move into the FLO – Fair Trade - certification process, with an additional investment of U.S. \$40,000 by the Program. During the month of May 2007 the first certification in organic agriculture was obtained for 79.17 hectares. In September 2007 Corpoagro was granted the FLO - Fair Trade certification, which is given for one year to the organization (see the information in the section on certification projects). On September 30, 2007 the execution of the second phase of the Corpoagro certification project in Tolima was completed.

3.2.2 Agroempresarial, Huila

Within the First Joint USAID-PDA call for bids, the project entitled “Support and accompaniment in the productive chain for 321 small-scale coffee producers, for the production de coffee with the potential of having access to the specialty coffee market, in five focus locations: two in the municipality of La Plata and three in the municipality of Pitalito, in the department of Huila”, was granted to the consortium comprised of Agroempresarial, Coomagro and Corfruhuila. This project was approved to be executed by Agroempresarial over five years, with a total cost of U.S. \$910,568, with a contribution from USAID of \$318,711 and involving seven components. Some of the main results obtained during the execution of the project were the following:



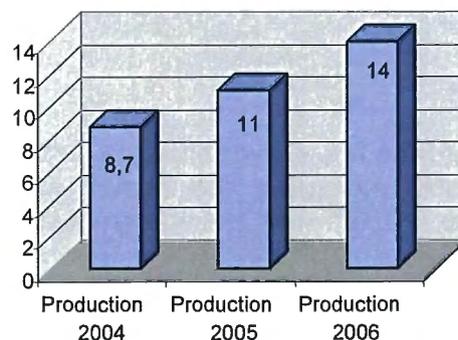
FERTILIZATION AND SOIL ANALYSIS



The graphs show the progress achieved during the execution of the project. At the beginning of the project close to 70% of producers fertilized only once a year; currently, the same percentage of producers is conducting two fertilizations a year. At the beginning of the Program growers were not using soil analysis as a guide to fertilization; after three years almost 15% of them have adopted this practice.

Productivity of the farms improved considerably, with positive repercussions in the finances of the beneficiary family. At the beginning of the project average production was approximately 8.7 *cargas* of dry parchment coffee per hectare (one *carga* = 125 kilos) and this increased to 14 “*cargas*” per hectare in less than three years under the Program. This can be observed in the following diagram:

GRADUAL INCREASE IN THE PRODUCTION OF DRY PARCHMENT COFFEE “CARGAS” (125Kg) per hectare



3.2.3 Irrimer, Nariño

The project, executed by Irrimer Ltda, benefited 330 small-scale coffee producers, whose families are comprised of 1,981 people in the municipalities in the Department of Nariño of La Unión and San Pedro de Cartago. (Initially we foresaw assisting three municipalities, but San José de Albán

did not have an environmental offer for plantain cultivation.) We programmed supporting 250 hectares of coffee in association with plantain, with a total investment of U.S. \$1,296,268, of which USAID, with resources operated by ACDI/VOCA, contributed \$484,572, the community \$748,594 and Irrimer \$63,102. We eradicated 23 hectares of coca and eliminated an equivalent of eight hectares of coca.

The project's specific objectives were to:

- Obtain greater profit margins for coffee growers, by means of scheduled production, the standardization of production processes and the elimination of intermediaries, thus generating a fair price, decreasing price volatility and the instability of the coffee market as a main crop and of plantain as an associated crop.
- Transfer of technology to the plantain crop and develop commercialization channels for this product. Technical aspects to be covered regarding plantains included:
- Harvesting the plantain crop, including all of the activities involving cutting the bunches, cutting time, transportation and handling of the product throughout the entire harvest process.
- Cultural activities and/or post-harvest handling of the crop, both of which involve all actions for correctly handling the crop throughout the development starting from the sowing up until the production.
- Plantain pre-harvest, covering everything related to the selection of the product in the field and the handling of packaging.
- Harvest indices, norms and requirements of the national and international markets, and transportation.
- Commercialization: Different norms required by national and international markets were covered (specialized chains, wholesale venues), as well as their frequencies, volumes, product situation, payment conditions and types of presentations for the product.

3.2.4 *Federación Campesina del Cauca*

The project titled “Renovation and improvement of 370 hectares of coffee, adaptation of *beneficio* infrastructure and promotion of food security with 285 families of small-scale farmers-producers, comprised of 1,425 people, in four main zones in the municipalities of Rosas, Timbío, Popayán and Piendamó, department of Cauca”, was implemented by the *Federación Campesina del Cauca* – FCC, a second-tier non-profit apex organization, comprised of seven primary-level Associations of Agricultural Producers, with 719 families grouped in seven local organizations located in seven municipalities on the Popayán plateau. The project's total cost was U.S. \$1,349,642, of which USAID contributed \$435,797, the community \$733,544, FCC \$56,191, and loans of \$124,110.

3.2.5 *Caficauca organic production*

As a response to the First Joint USAID-PDA request for bids, the Coffee Growers' Cooperative of Cauca – Caficauca - formulated and presented the project titled “The Production and Commercialization of Certified Organic Coffee”. The project was approved to assist 300 small-scale coffee producers (ultimately, as a result of the process towards organic certification, 212 coffee-growing families remained, comprised of 779 people) in the municipalities of Tambo, Timbío, Piendamó and Cajibío, leading efforts in a transition process toward certifying organic coffee, which will offer excellent quality coffees to potential customers in the international specialty coffee market, while generating better prices for farmers. Two hectares of coca were eradicated.

The project had a total cost of U.S. \$639,369, to which USAID contributed \$247,000, the community \$126,665, Coffee Growers' Committee of Cauca \$46,565, and Coffee Growers' Cooperative of Cauca \$219,139.

This project required special dedication in technical assistance and follow-up on farms, given the level of requirements of certification processes and of the certifying entities, in relation to planning and adapting the farms to organic agriculture requirements, coffee plantation shading, handling of soil, *beneficio* and drying infrastructure, water, soil and air protection and that of other environmental resources, as well as for the design and implementation of the Internal Control System - SIC - and the internal preparatory inspections for the certifier's external inspection.

3.3 Strategic alliances with the private sector for the development of projects

3.3.1 Strategic alliance with Coffee Company Huila (Coproagro), International Coffee Partners - ICP- and SKN Caribecafe

San Rafael Project

Between October 2005 and June 2007 the San Rafael project was carried out, a result of ACDI/VOCA's steps taken to develop strategic alliances with the private sector, executed by Coffee Company Huila and its social arm Coproagro, in the municipalities of Gigante and La Plata (Huila), including the following components: coffee processing equipment, quality improvement, marketing and commercialization, technical Assistance, the environment, and institutional strengthening and training, benefiting 400 producers and their families, or approximately 5,000 individuals.

The San Rafael project had a total cost of US\$ 818,728, which were contributed in the following manner by: USAID - \$246,573 operated by ACDI/VOCA; International Coffee Partners - ICP - \$281,900; SKN Caribecafe – \$74,600; Coffee Company Coproagro - \$55,350; the community – \$150,405.

Santa María Project

From March 2006 to June 2007, Coffee Company Huila – Coproagro - executed the Santa Maria project in the municipality of Santa Maria (Huila), carrying out the following components: coffee processing equipment, quality improvement, marketing and commercialization, technical assistance, the environment, and institutional strengthening and training, benefiting 400 producers and their families.

The Santa María project had total costs of U.S. \$ 598,825, which were shared in the following manner: USAID – \$110,000, operated by ACDI/VOCA; Tim Hortons (roaster from Canada) \$286,938; SKN Caribecafe – \$40,480; Coffee Company Coproagro - \$61,376; the community – \$100,031.

3.3.2 Strategic Alliance with Carrefour supermarket of France

In the development of a strategic alliance with Carrefour supermarkets of France, we agreed to execute a project for the construction of filter systems for wastewater from the coffee process for 55 farms belonging to families who are beneficiaries of the project of the Coffee Growers' Committee of Cauca Phase II, in the municipalities of Morales, Buenos Aires, Piendamó and El Tambo (Cauca). The project had a total cost of U.S. \$10,650, which were shared in the following

manner: Carrefour – \$3,250, from the sale of freeze-dried coffee in France; ACDI/VOCA - \$3,250; Coffee Growers' Committee of Cauca – \$2,500; the producers – \$1,650.

3.4. Participation of the Presidential Agency for Social Action and International Cooperation in the Program

3.4.1 Red de Seguridad Alimentaria (RESA) co-financing of projects

ACDI/VOCA negotiated and obtained resources with RESA in order to support second-phase projects with the Coffee Growers' Committees of the five departments assigned to the Program: Huila, Cauca, Tolima, Nariño and Caldas. This component is based on the philosophy of producing the family's food on their farm (as farmers colloquially say, "shop on the same farm"), thus ensuring a balanced diet, with animal and vegetable origins. We proposed principally to change the farmer-producer's awareness so he/she can see the farm as a true source of wealth that will provide nutritional subsistence and the generation of value for the land.

This is how the Program promotes the establishment of the household garden, delivering supplies in the form of selected seeds for corn, beans, fruits (citrus and avocado), vegetables (lettuce, tomatoes, onions, coriander, parsley, carrots, cabbage), and provides the basis for the establishment of breeding stock (chickens, hens or *cuyes*), taking into account the agri-ecological and cultural conditions and food preferences in the municipalities in which the program was applied and the species that are required for a varied menu which is also rich in constructive, regulating and energy-filled food that improves the beneficiaries' nutritional conditions.

Total funding from RESA for this activity was U.S. \$349,954, distributed as follows: Huila - \$ 53,406; Tolima - \$ 66,400; Cauca - \$ 53,333; Nariño - \$ 50,480; Caldas - \$126,335.

3.4.2 Participation of the Presidential Agency for Social Action and International Cooperation in complementary projects for adapting farms for future certification and/or verification processes

ACDI/VOCA and *Acción Social* agreed to join technical, administrative and financial efforts to implement a second phase as a complement to the specialty coffee projects that were carried out within the framework of the First Joint USAID-PDA call for bids that ACDI VOCA was implementing.

In order to achieve these objectives, ACDI/VOCA acted as operator of the resources, for which memoranda of understanding were signed with each one of the executing parties, and coordinated the development and implementation of the projects with the executing parties: Corpoagro, for the municipalities of Planadas, Chaparral and Rioblanco (Tolima); Agroempresarial, in the municipalities of Pitalito and La Plata (Huila), and Irrimer in the municipalities of La Unión and San Pedro de Cartago (Nariño), in order to carry out the following activities:

- Implementation of filter systems for wastewater from the coffee process and for household wastewater.
- Establishment of shading for coffee, when necessary and in accordance with the needs of each plot of land.
- Promotion of the strengthening of the social fabric, supportive work, peaceful co-existence, respect, equity and the tolerance of beneficiary families participating in the projects.
- Technical assistance assurance for the design of an internal control system and for farm planning, geared toward undertaking certification and/or verification processes in the near future.

- Training for the project's beneficiaries regarding the environmental impacts of the coffee production process and the way to minimize them
- Informing technicians and producers of socio-environmental norms related to certification and verification processes
- Implementation of procedures and technologies for taking advantage of, handling and disposing of sub-products and waste generated on coffee-growing farms.
- Prevention of illicit crops in the project's areas and its surroundings through workshops with the communities.
- Confirmation that the executing parties in each department duly executed the resources contributed by *Acción Social*
- Management, through the executing parties, of the contributions in manual labor and some materials by the communities which are beneficiaries of the projects.
- Monitoring of administrative and field activities on technical aspects to ensure that works are executed and training sessions and technical assistance are delivered.
- Facilitation and management of the contributions of cooperation resources
- Preparation of monthly reports to the PCI regarding the projects' advances and results.
- Organization of and participation in operative and procurement committees for each project.

The projects were executed between March 15, 2007 and September 30, 2007. Their main objective was to prepare users and their organizations for future certification and/or verification processes. Resources were invested in the construction of filter systems for household wastewater, filter systems for wastewater from coffee processes, technical assistance and administration of the projects, design and implementation of Internal Control Systems, management plans for farms, training in certification and verification processes, construction of filter systems, and in other required by the donor.

Funding from *Acción Social* was U.S. \$295,000, distributed as follows: Agroempresarial project – \$82,522; Corpoagro project – \$112,500; Irrimer project - \$99,978. ACDI/VOCA contributed \$5,247 for technical assistance and \$5,734 for training, in addition to the coordination of projects and the support for the trips of producers within these projects to the SCAA Conference and Exhibition in the United States.

3.5 Agreement with SENA – Good Agricultural Practices Program (BPA)

ACDI/VOCA and SENA/Quindío, with the participation of the Armenia Chamber of Commerce, signed an agreement for developing a process for training in Good Agricultural Practices - BPA -, which was carried out between June 20 and October 20, 2007, at a total cost of U.S. \$29,035, distributed as follows: ACDI/VOCA with resources from USAID - \$13,110; SENA/Quindío, Armenia Chamber of Commerce – \$13,925; local executing parties - \$2,000. Relating to technical execution, the agreement stipulated the execution of training programs as follows:

A. Train ACDI/VOCA coordinators as multipliers and technical personnel from the Agroempresarial, Irrimer and Corpoagro projects – 10 project technicians plus eight instructors from the SENA centers that participated in the project. These multipliers had the responsibility of executing training actions in the areas targeted for the project. This training in BPA was carried out in Armenia from July 10 to 13, 2007. In order to update technicians and instructors in Good Agricultural Practices, we conducted a workshop with the following content:

- Introduction to BPA (origin is important as a tool for continuous improvement)
- Handling of documentation and records as basic tools for traceability
- Soil management and material to be spread
- Safe handling of pesticides in the protection of crops

- Coffee *beneficio*
- Handling of contaminating waste (waste water that is the product of *beneficio*, household wastewater, organic material, glass, plastic, metal)
- Hygiene for handling food
- Protection and conservation of the environment
- Work safety and well-being and fair trade of the product
- Certifications in BPA for specialty coffee.

In order to execute the agreement in each one of the three departments, the sub-directors of SENA contributed a total of 12 instructors to the agreement, who then established alliances with the representatives of the operating organizations and executed different training and advisory activities for producers.

B. The 10 technician leaders trained in the departments of Nariño, Tolima and Huila, belonging to SENA, ACDI/VOCA, Agroempresarial, Irrimer and Corpoagro, were to be in charge of training 200 producer leaders in the three areas as multipliers at the level of each one of their groups.

Participants: In this second training stage, the technicians prepared as multipliers trained 250 producers, who will follow the multiplication process for Good Agricultural Practices and share them with their neighbors and with the partners of their organizations. The program was executed between August 8 and September 29, 2007, as a complement of the quality improvement component of the initial projects, strengthening of producers and organizations and preparation for the certification and verification processes.

- In Nariño, the executing party was Irrimer. 105 producers participated, 80 in la Unión and 25 in San Pedro de Cartago. The focus was on production for markets with the CAFE Practices verification (Starbucks).
- In Huila, the executing party was Agroempresarial. 105 producer leaders were trained, 78 in Pitalito and 27 in La Plata.
- In Tolima, the executing party was Corpoagro. A total of 40 producers were trained, in Planadas 20 producers from Rioblanco and Planadas were trained, in Chaparral 20 people participated.

Other SENA commitments included:

1. Advising the three teams of instructors and technicians at the regional level on developing training and advisory actions for the implementation of BPAs. SENA instructors in each one of the regions continued after the training sessions by developing additional accompaniment activities to achieve implementation.
2. Preparing 1,000 copies of a pamphlet that guides in the filling-out of records by producers. The pamphlet has already been prepared and is pending delivery from the publisher for distribution to producers.

3.6 Support of certification and verification projects

3.6.1 Support to certifications in organic agriculture and Fair Trade - FLO, producers of the Corpoagro project

On September 30, 2007 the second phase of the Corpoagro project in the Department of Tolima was finalized, a project executed within the framework of the First Joint USAID-PDA bid, which supported the certification process in organic agriculture and Fair Trade.

During May 2007 the first certification in organic agriculture was obtained for 79.17 hectares that can produce 31.03 tons of gold coffee (dry parchment) on 139 farms of project producers. In 2006, 48 farms were organic; 23 farms are in transition, in the third year of conversion (T3); 31 farms are in transition, the second year of conversion (T2); 23 farms are in transition, the first year of conversion (T1). 14 farms are conventional.

In September 2007, after the certifying firm Flo-Cert visited the producers' farms and Corpoagro headquarters and after verifying the entire productive, stocking and commercialization chain, Corpoagro obtained the Fair Trade – FLO - Certification, which is granted for one year to the organization, in charge of marketing its members' coffees. This certification will allow farmers to consolidate commercial relationships with Sustainable Harvest and Green Mountain Coffee.

3.6.2 Support for Rainforest Alliance certification for producers in the department of Huila, with the Coffee Growers' Committee of Huila

The National Federation of Coffee Growers of Colombia and ACDI/VOCA, during the five years of the Specialty Coffee Program, brought processes forward in order to consolidate coffee quality, in the search of achieving the participation of producers in coffee-growing areas influenced by problems of illicit crops, in specialty coffee markets. Certification plans through the production of high-quality coffee, socio-environmentally certified with a seal such as that of Rainforest Alliance (RA), will help to consolidate this work and that of the coffee growers' organizations that, day-to-day, manage to obtain a value-added for their products, which will allow them to improve the well-being and the quality of life of coffee growers and their families. The objectives of the RA certification project were:

- a. Support the certification process for coffee-growing organizations in the department of Huila, aimed at achieving the consolidation and participation of producers in the international sustainable specialty coffee market.
- b. Improve the income of coffee growers' families in Huila, organized in associative groups, by obtaining better prices due to the commercialization and sale of certified high-quality coffee in international specialty niches.
- c. Give coffee growers and technicians knowledge of the characteristics and environmental impacts of the coffee production system and its management, and of the legal socio-environmental aspects relating to certification processes.
- d. Determine and adopt the procedures and technologies for taking advantage of, handling and disposing sub-products and waste generated in coffee growing farms that are considered technically, economically and environmentally viable.
- e. Achieve a change of attitude and sense of belonging of coffee growers towards the culture of quality, adopting recommended practices.
- f. Strengthen producer organizations and achieve their cohesion so as to penetrate markets, with volumes of high-quality coffee socio-environmentally certified.
- g. Promote, by means of the work of the coffee growers' associative groups of the area, the strengthening of social fabric, community work, peaceful coexistence, respect, the highlighting of values, equity and tolerance, and the training of young leaders.
- h. Transform and adequately handle the processes and infrastructure of wet *beneficio* for coffee of all the participants, minimizing water contamination and use in said processes.

The project, between July and October 2005, covered 472 coffee growers and their families, with 1,079 hectares technically grown established in an optimal area in 12 municipalities as follows: El Pital, Nátaga, La Plata, Acevedo, Pitalito, San Agustín, Garzón, Tarqui, Suaza, Gigante, Guadalupe and Iquira. The coffee growers are linked to 18 organized groups that promote the production of high quality-coffee.

The contribution of ACDI/VOCA was part of an integrated project that sought to obtain Rainforest Alliance Certification (Socio-Environmental) with a total cost of U.S. \$320,710, with the following co-financing: *Corporación Autónoma del Magdalena* – CAM - \$18,455, in materials for agro-forestry arrangements and work on the farm facing the legal issues involved in certification; Coffee Growers' Committee of Huila – \$28,283, for technical assistance; National Federation of Coffee Growers of Colombia – \$37,817, for assuming costs of certification; the beneficiary community – \$205,842, in cash and manual labor for agro-forestry arrangements and adjustments of farms to certification's legal aspects; ACDI/VOCA, \$30,313 for technical assistance, the cost of 14 technicians for two months.

3.6.3 Support for the Nespresso AAA Certification of producers in the department of Nariño, with the Coffee Growers' Committee of Nariño

USAID-ACDI/VOCA participated in a Nespresso AAA verification project with a contribution of U.S. \$15,000 that was matched by the Nariño Committee. This project was part of a larger project of the Coffee Growers' Committee of Nariño which aimed to certify 2,400 coffee growers' farms in 21 municipalities in the northern and western part of the department, with Nespresso AAA verification. The Program entered and supported 400 of these producers from five municipalities in Western Nariño. The main objective of this project was to visit, plan and organize, in a personalized manner, coffee farms to obtain a high-quality product for the Nespresso AAA program. The Nespresso AAA certification is based on coffee quality profile, due to the fact that premiums are acknowledged for the producers of the bean which attain these characteristics. The technicians carried out the following activities:

- Socialization of the program
- Farm-to-farm visits
- Self-diagnosis
- Action plan
- Training in the production and *beneficio* of high quality coffee
- Training in environmental topics and the defense of natural resources
- Training in management of the coffee farm
- Quantification of commercialization per farm and per region
- Constitution of an organization of Nespresso producers.

4. QUALITY IMPROVEMENT

The Program utilized the Cascade Training System for the improvement of coffee quality control. It was used by Colombian Cupping Judges trained in the Coffee Quality Institute (CQI) at the Specialty Coffee Association of America (SCAA) headquarters in Long Beach, CA, which trained technicians, coffee producers and young coffee growers from the Program's different projects. Highlights of the cascade strategy on training for quality control included:

- 105 cuppers trained in cup testing by CQI-SCAA in Long Beach and *El Agrado*, Quindío, Colombia (Coffee Lab on the farm and property of Coffee Growers Committee of Quindío)
- 85 technicians of committees and cooperatives
- 1,442 small producers trained in basic knowledge on cupping
- seven producers trained by CQI-SCAA in Long Beach, California
- 16 certified cuppers on an internship program for one to two months in the USA
- 87 Q-Graders certified by CQI-SCAA.

4.1 Training trainers in cup testing

The SCAA, through the Coffee Quality Institute, certified 105 cuppers as cupping judges upon satisfactory completion of practical examinations, demonstrating requisite sensory skills and

expertise in evaluation of coffee through standardized methods of cupping established by the Technical Standards Committee of the SCAA. The training consisted of intensive sessions on theoretical topics and practical workshops, using coffees from different regions of the world and oriented towards marketing for which cup testing was included.

- In CQI, Long Beach, California: 88 participants attended. These training sessions were led by the buyers for coffee roasters, importers and consultants in the U.S.
- In Colombia: 17 participants, organized by CQI, the Coffee Growers' Committee of Quindío and ACIDI/VOCA at the *El Agrado* farm in Montenegro, Quindío, from April 16th to April 20th, 2007. Two trainers came as ACIDI/VOCA-CQI consultants and another came as an ACIDI/VOCA-CQI volunteer; all three are American citizens working in the specialty coffee industry in the United States.

4.2 Cupping training overview

The National Federation of Coffee Growers of Colombia and the Coffee Growers' Committee of Quindío, with the support of ACIDI/VOCA-CQI, organized an event to gather the cuppers trained in SCAA by the Program on September 8, 2006 in Armenia. 62 cuppers were invited and three coffee cuppers-buyers from the coffee industry in the United States also attended it: Mr. Chad Trewick from Caribou Coffee in Minneapolis, MN, Christy Thorns from Allegro Coffee in Thornton, CO and Willem Boot from Boot Coffee Consulting and Training in Mill Valley, CA came as volunteers of the Program.

4.3 Internship Program

Cupping internship: With the support of CQI and different American roasters and importers, the internship programs gave 15 Colombian cuppers the opportunity to expand their knowledge regarding cupping, coffee quality control and roasting, to cup coffees from several origins and countries, and to cup with cuppers from different American roasters at Coffee Lab International (CLI) in Waterbury, Vermont; Atlas Coffee Importers in Seattle, Counter Culture Coffee Roasters in Durham, North Carolina, Groundwork Coffee in Los Angeles, and Trabbant Coffee & Chai in Seattle.

Barista Internship Program: A coffee barista internship took place on September 17-25, 2007 in Trabbant Coffee & Chai. The selected Colombian barista, Luis Fernando Vélez, enriched his knowledge in barista techniques in order to train and transfer his knowledge to other baristas in Colombia through the Specialty Coffee Association of Colombia – ACCE and the Barista Championship.

4.4 Q-grader tests Phase I and II

The Q Grader™ Program is a rigorous testing and certification process. This is the first comprehensive professional accreditation for coffee graders and cuppers, recognizing the best talent at work in the industry. The Q Grading System, developed by the Coffee Quality Institute (CQI), defines standards for quality, both cup and grade. The result is a grading certificate that offers potential buyers a “picture” or tangible measure of the individual flavor profile for a specific lot of coffee. 87 Colombian cuppers were certified as Q-graders under the Program.

Phase I: Mr. Ted Lingle, Executive Director of CQI, came to Colombia to coordinate the whole process and 58 cuppers were certified as Q-graders. This event took place in the *El Agrado* farm in Montenegro, Quindío, on April 16-20, 2007.

Phase II: Mr. Lingle managed the process with the support of Federacafé Coffee Quality staff in Bogotá from August 14 to 16, 2007. 29 cuppers were certified as Q-graders.

4.5 Barista Judges Training

The coordinator for Latin America of the World Barista Championship (WBC), Mr. Jose Arreola, came as ACDI/VOCA-CQI volunteer from Mexico to Bogotá in order to train two groups of Colombian barista judges. The judges who were trained work in the coffee industry in Colombia. The purpose of the training was to prepare them to be judges in the First and Second National Barista Championship organized by Federacafé, the Specialty Coffee Association of Colombia and ACDI/VOCA, with the support of different entities and resources from USAID. Mr. Arreola trained 16 judges on July 25-30, 2006 and 20 judges on March 5-9, 2007, following the highest standards of the WBC.

4.6 Barista training

A training program for Colombian baristas took place at the beginning of March 2007 in order to prepare them to participate in the Second National Barista Championship. A barista-instructor from the U.S. was the trainer for this session. The instructor was Mrs. Ellie Hudson-Matuszak, of Intelligentsia in Chicago, who came as an ACDI/VOCA-CQI volunteer. She trained 40 baristas on March 5-9, covering all the high standards of the WBC, with the logistical support of the Specialty Coffee Association of Colombia.

The second barista training was on September 3-7, 2007 under the auspices of the Specialty Coffee Association of Colombia. The event was attended by 24 individuals interested in expanding their knowledge of the topic and in getting more insight into the World Barista Championship's (WBC's) high standards. The training session was held in Bogotá, organized by ACDI/VOCA and the Coffee Quality Institute – Coffee Corps™, at *Amor Perfecto* headquarters and was led by Mrs. Matuszak.

4.7 First and Second National Barista Championship

The Specialty Coffee Association of Colombia, ACDI/VOCA and Fedecafe organized the First and Second National Barista Championships. The first was carried out in August 2006 during the *Alimentec* Fair, in Corferias-Bogotá. A representative of the World Barista Championship came as ACDI/VOCA-CQI volunteer August 12-20, 2006 to support, coordinate and supervise this event. 34 baristas participated.

The Second National Barista Championship took place on November 14-18, 2007 during the *Gastronomía* Fair, in Corferias-Bogotá. 47 baristas participated, some of whom were trained by ACDI/VOCA and CQI in the barista training programs. The winner will participate in the next World Barista Championship-WBC in Europe in 2008.

4.8 Coffee post-harvest workshops

The workshops covering the production of high-quality coffee with a view to export were carried out with the participation of small coffee growers. These workshops consisted basically in harvest training on farms to groups of producers, ecological wet processing and drying, using appropriate handling indicators, all of this improve quality, beginning with the production of the coffee berries.

4.9 Quality Contest designed and implemented by Federacion Campesina del Cauca - FCC

To promote quality among its partners, the FCC decided to create, design and implement the first quality competition called "The taste of quality". From a total of 77 samples 44 were selected by yield factor (parchment to green coffee ratio). Then, 40 samples were selected following cupping criteria. Later, 15 samples were selected by their physical aspect. Finally, Ms. Lelly Espitia, a highly-recognized Colombian cupper and ACDI/VOCA volunteer, ranked the 15 samples. The owners of the three best samples received cash prizes. The first and third scores were achieved by women. The first-place coffee belonged to a widow and head of household. Some photographs of the Taste of the Quality competition are included below.

4.10 Cup of Excellence

In the third and fourth editions of the Cup of Excellence (COE) for Colombia in 2006, nine beneficiaries of the program were finalists. The internet auctions of April 13 and October 26 and their corresponding quotations were as follows:

Buyers	Country	Bags	Price/Pound	Beneficiary	Project	Place
Maruyama Coffee for Mikatajuku Group Stumptown Coffee Roasters Intelligentsia Coffee Roasters	Japan Portland (Oregon) Chicago (Illinois)	17	US\$ 12.05	Luis Alberto Jojoa	Huila project	1 st
Nippon Coffee Trading Co. Ltd.	Japan	15	US\$ 4.90	Germán Caviedes	Huila project	7 th
Solberg and Hansen, Victrola Coffee Roasters and Barefoot Coffee Roasters	U.S.A.	15	US\$ 6.10	Helio Francisco Rico	Huila project	8 th
Russian Coffee Company Ltd.	U.S.A.	15	US\$ 4.55	José Nolby Rodriguez	Huila project	13 th
Arab Coffee Co. Ltd	U.S.A.	16	US\$ 4.20	Jairo Sandoval	Huila project	16 th
Wataru for Beans Coffee Sales	Japan	15	US\$ 3.08	Luis Alfonso Lasso	Tolima project	13 th
Nippon Coffee Trading Co., Ltd.	Japan	16	US\$ 2.45	Roberto Quijano	FCC	17 th
Wataru & Co., Ltd.	Japan	15	US\$ 2.45	Miller Pinilla	Tolima project	27 th
Katocoffee Inc.	Japan	30	US\$ 2.25	Luis Victor Burbano	Tolima project	29 th

Equipping Coffee Quality Labs

The Specialty Coffee Program equipped the following coffee quality labs:

Project name	Recipient	Date
Comité de Cafeteros de Caldas	Cooperativa de Caficultores, Samaná, Caldas	09/23/2003
Comité de Cafeteros de Caldas	Pensilvania, Caldas	09/23/2003
Comité de Cafeteros de Caldas	Marquetalia, Caldas	09/23/2003
Comité de Cafeteros de Caldas	Florencia, Caldas	09/23/2004
Comité de Cafeteros de Caldas	Arboleda, Caldas	09/23/2004
Comité de Cafeteros de Cauca	Fundación José María Obando, Timbío, Cauca	12/02/2004
Comité de Cafeteros de Nariño Phase II	Cooperativa de Caficultores de Occidente, Sandoná, Nariño	12/02/2004
Comité de Cafeteros de Tolima	<i>Corregimiento</i> Santiago Pérez, Ataco, Tolima	12/02/2004
Caficauca Orgánico	Cooperativa de Caficultores del Cauca, Popayán, Cauca	06/04/2003
Agroempresarial S.A. Convocatoria USAID/PDA	Pitalito, Huila	07/15/2004
Agroempresarial S.A. Convocatoria USAID/PDA	<i>Vereda</i> Charguayaco, Pitalito, Huila	07/15/2004
Agroempresarial S.A. Convocatoria USAID/PDA	<i>Vereda</i> Moserrate, La Plata, Huila	07/15/2004
Federación Campesina del Cauca Convocatoria USAID/PDA	Popayán, Cauca	07/15/2004
Irrimer Convocatoria USAID/PDA	La Unión Nariño	07/15/2004

5. MARKETING

5.1 Specialty Coffee Association of America Conference & Exhibitions

The Colombian Specialty Coffee Program, implemented by ACDI/VOCA, participated annually in the Specialty Coffee Association of America Conference & Exhibitions with a booth and an active promotion of the Program by means of numerous meetings with buyers, roasters and other industry players, and distributing printed materials specially prepared for the event.

The program also financed the participation of 42 small coffee growers in the exhibitions and in the cycle of marketing conferences called "Amigos del Café" to provide training for them in marketing and specifics about the market in the United States. The following were the venues where ACDI/VOCA attended the SCAA conferences:

- Boston, Massachusetts, 2003
- Atlanta, Georgia, 2004
- Seattle, Washington, 2005
- Charlotte, North Carolina, 2006
- Long Beach, California, 2007

5.2 Commercial missions to Colombia

Centro de Inteligencia en Mercados Sostenibles - CIMS Consultancy: Two consultants from CIMS presented their seminars on sustainable coffees in three different cities - Popayán, Neiva and Manizales, on August 1-3, 2005. The target was coffee farmer leaders from the Program and technicians from the Coffee Growers' Committees. The objective was to learn about the sustainable coffee market, clarify ideas about prices and market trends and learn about the different certifications. The seminars were held for one day per city and more than 50 participants were invited for each seminar.

Coffee Quality Institute Committee visit: The executive director and the chief technical director of CQI and two members of their Coffee Corps Committee, representing CABI from Great Britain and Peets Coffee, an important roaster from California, visited Colombia in August-September, 2005. The objective was to analyze the progress and needs of the Program to define how Coffee Corps and CQI could support it. Additionally, they met with several organizations such as USAID, the National Federation of Coffee Growers, Cenicafé, the Specialty Coffee Association of Colombia, Asoexport and CIAT to reinforce their relationships with these entities.

Relationship coffees from the Program sold to Sustainable Harvest (SH): ACIDI/VOCA developed strong contacts and networked aggressively abroad to promote the coffees from the Program's beneficiaries. Sustainable Harvest a, U.S. importer with a strong commitment to source coffees from the world's finest growing regions, developed a particular way of doing business - "Relationship Coffees". The Program managed to open a market for organic and/or Fair Trade certified or in transition coffees from "*Federación Campesina del Cauca – FCC* and *Corpoagro* projects approved by the USAID/PDA public-private partnership. Project producers benefited not only from selling the coffee with a premium that helps them to improve their standards of living but also they built a strong and deep relationship with one of the most conscious and committed importers in the coffee industry. According to Sustainable Harvest the quality of the coffee was so good they were interested in buying more coffee from the next harvest.

Caribou Coffee and Allegro Coffee: These roasting firms from the United States visited farms and talked with coffee farmers with the objective of analyzing, evaluating and providing feedback about coffee processing methods at farm level (*beneficio*, fermentation and drying methods). The objective was to evaluate and profile the coffees and the cuppers. ACIDI/VOCA-CQI volunteers Chad Trewick from Caribou Coffee of Minneapolis and Christy Thorns from Allegro Coffee of Thornton, Colorado, visited the Coffee Growers Cooperative in Manizales, Caldas. The volunteers:

- Visited to farms and talked with coffee farmers. The objective: to analyze, evaluate and provide feedback about coffee processing methods at farm level (*beneficio*, fermentation and drying methods).
- Evaluated and profiled samples. The objective: to evaluate and profile the coffees and also to evaluate the cuppers.
- Conducted cupping training sessions.

Green Mountain Coffee Roasters – GMCR: Between November and December of 2006 ACIDI/VOCA organized the visit to Colombia of Lindsey Bolger and Ed Canty from Green Mountain Coffee Roasters, an important American roaster located in Waterbury, Vermont, and Jorge Cuevas and Claudia Aleman from Sustainable Harvest, one of the largest importers of sustainable and certified coffees located in Portland, Oregon, and with local offices in Mexico City and Lima. The purpose of the visit was to reinforce the relationship between GMCR, Sustainable Harvest and *Federación Campesina del Cauca (FCC)* and *Corpoagro*.

SCAA Roasters Guild origin tour to Colombia: The Program supported Federacafé in the organization and SCAA in financing the Roasters Guild origin tour to Colombia on July 9-14, 2007. 10 specialty coffee roasters and one importer visited farms throughout the country's coffee-growing regions. During their visit, the group received valuable information about the intricate steps involved in the growing, harvesting and milling of coffee. The six-day tour, hosted by Federacafé and SCAA with ACDI/VOCA support, also included a visit to a growers' cooperative where the harvested coffee was sold. In addition, visitors toured Cenicafé, Colombia's National Coffee Research and Development Center, where they learned about important topics related to agriculture, environmental protection and development of new coffee varieties. Tour attendees also had numerous opportunities to cup some of Colombia's finest coffees.

5.3 Marketing Tour in Colombia

To establish contacts with organic coffee projects, ACDI/VOCA organized the visit of Ed Canty from Green Mountain Coffee Roasters, importer Jorge Cuevas from Sustainable Harvest and Diego Brenes from Ecological Finance/Root Capital/Boston, in August 2004. The American clients were interested in buying coffees from the Caficauca, *Federación Campesina del Cauca* and Corpoagro projects once they have been certified both organic and Fair Trade. They were also willing to support such projects through the certification process, and in the specific case of Ecological Finance/Root Capital, there was interest in financing cooperatives that already have a contract with well-known clients abroad. The following graphic presents several of the industry entities attracted to Colombia by the Specialty Coffee Program during the 2002-2007 period:



5.4 Commercial missions from ACDI/VOCA to other countries

ACDI/VOCA's marketing coordinator visited the U.S.A. to conduct the following activities:

- The Program's presentation to the "Network of Colombian Women in Washington" and "The Inter American Dialogue".
- Meeting at USAID headquarters with Mrs. Carol Wilson to discuss the Program's goals in the U.S. market and opportunities in the Japanese market.
- The Program's presentation at the SEEP annual general meeting: "Creating wealth: How the poor can benefit from participation in global markets." <http://www.seepnetwork.org/>
- Meeting in Boston with Coffee Solutions owner Rob Stephen to establish a work plan to define marketing activities including the creation of a portfolio of highly- differentiated specialty coffees from Colombia.
- Meeting in Vermont with Coffee Lab International owner Mane Alves to discuss the experiences of CLI's internship program for Colombian participants that started in August, 2004. In addition, other marketing activities such as the organization of regional contests were discussed to be carried out during 2005.
- Meeting in Vermont with Green Mountain Coffee Roasters' Lindsey Bolger and Ed Canty) to discuss their interest in coffee from the "*Cooperativa de Caficultores del Cauca*"). They want to buy both Fair Trade and Organic and commercial coffees.
- Meeting at the National Federation of Coffee Growers of Colombia, New York City office to discuss the new projects to be undertaken between FEDECAFE and the Program.

5.5 Let's talk coffee, Sustainable Harvest

ACDI/VOCA was invited to participate in three "Let's Talk Coffee" events, organized by Sustainable Harvest. The events took place in Oaxaca, on October 1-4, 2005, Antigua, Guatemala on March 30 to April 2, 2007, and San José, Costa Rica, October 5-8, 2007.

The events were attended by producers from Central America, Mexico, Bolivia, Peru, Brazil, Rwanda and Colombia, American and Japanese roasters, importers, and special guests related to coffee's productive and commercial chain, who follow the business model developed by Sustainable Harvest that supports the creation of "Relationship Coffees". The purpose was to connect all of the chain's players with total transparency, discuss alternatives for managing remunerative prices, strengthen the marketing of coffees in different markets and promote producers' loyalty and commitment with their clients in such a manner that safe and reliable supply is guaranteed while clients contribute to improving the producers' quality of life.

Particular attention was paid to trends and data on the global coffee markets and trends towards a transparent supply chain system, the importance of cupping and how it adds value to coffee, new ideas on how to improve coffee productivity with irrigation systems and the use of new information technologies to connect roasters with producers. The events were attended by the directors of ACDI/VOCA Colombia, *Corpoagro*, *Coomcafe* and *Federación Campesina del Cauca* of the USAID/PDA public bids project.

5.6 Videos

1. The video of the visit of the coffee purchasing manager of Green Mountain Coffee Roasters to Popayán and Timbío, along with the experiences and contacts established with coffee institutions and the Program's beneficiaries.

2. The video of the Specialty Coffee Program prepared by the National Federation of Coffee Growers of Colombia, ACDI/VOCA, and with the participation of USAID, was presented on March 27, 2006. The objective of this video is to provide ACDI/VOCA and USAID a tool to disseminate the Program's achievements at both the national and international levels through the testimonials of the Program's beneficiaries. The video reflects all the major impacts of the Program through statements of producers who tell their own story.

5.7 Brand names

The following brand names were created during the Program. As a result, some coffee growers who were Program beneficiaries received extra premiums for their coffees, increased their respective incomes and improved their standards of living:

- Intelligentsia Coffee Roasters launched its new brand of coffee from Colombia called *Tres Santos*.
- The exclusive firm Terroir Select Coffees managed by the guru of Specialty Coffee in USA, Mr. George Howell, launched its new brand of coffee from Colombia called *Almaguer Farm, Cauca, Colombia*.

5.8 Café Iguana

Taking advantage of the launching of the publication "Bogotá for Beginners" held on October 30th, 2006 and geared toward promoting Bogotá among the foreign community and the tourists that visit the city, advertising for "Café Iguana" was purchased to start this brand's promotion in the local market. *Café Iguana* was an initiative with the Colombian roaster *Amor Perfecto*, which is supplied with coffees from beneficiaries of projects supported and financed by USAID and *Accion Social*. These projects were operated by ACDI/VOCA within the framework of this Program.

ACDI/VOCA established an alliance with *Amor Perfecto* as a marketing alternative for its beneficiaries geared toward improving their income and their quality of life by means of premiums paid for high-quality coffees and an absolute traceability from the origin. The idea was to construct direct relationships between producers and the roaster called "Relationship Coffees" to assure the sustainability of coffee production within the framework of a mutual interest of providing, maintaining and improving quality.

5.9 Examples of coffee exports of the Program

It is important to illustrate that coffees of improved quality, produced by organized groups of farmers, as in the case of the new CAFES Program, can obtain better prices. A detailed description of these prices is relatively difficult because they depend on quality, on different types of certification and on mainstream coffee prices. They depend also on the negotiation power of individual sellers and buyers. The relationship between seller and buyer can lead to very particular situation that the marketplace describes as "relationship coffee".

We make reference to the following presentation of National Federation data¹ that show that on average the premium over regular coffees paid to the specialty coffee growers were, on average, U.S. \$0.11 per pound in 2006 and U.S.\$0.151 in 2007 in the internal coffee market. The *Federación Campesina del Cauca* (FCC), an organization certified as FLO-Fair Trade, sold, through this channel in 2005 594,562 pounds of coffee with a premium of U.S. \$0.12 per pound on internal market terms. During 2006, FCC sold 582,188 pounds of FLO-Fair Trade coffee with a

¹ Informes del Gerente General 2006, 2007

premium of U.S. \$0.06 per pound on internal market terms. During the quarter of April-June 2007, FCC sold three regular container loads of Fair Trade organic coffee with a premium of U.S. \$0.48 per pound on internal market terms. During the quarter of July-September 2007, FCC sold Fair Trade and organic coffee with a premium of US \$0.45 per pound, internal market terms.

Los Magníficos and Atlas Coffee Imports “Relationship Coffee”

Los Magníficos, a producer group from La Plata, Huila, beneficiaries of the First Joint USAID-PDA bid project with Agroempresarial. During the quarter of July -September 2007, it made its first sale to Craig Holt of Atlas Coffee Import, a US client contacted by ACDI/VOCA who became interested in this group’s coffee. There was a premium of U.S. \$0.041 per pound due to a better yield factor, plus U.S. \$0.103 per pound due to quality (organoleptic characteristics of the bean, clean cup). The overall premium over conventional coffee was U.S. \$0.144 per pound.

Regarding this sale, the buyer Craig Holt wrote the following note to the president of the organization: “Don Gabriel: Greetings from Seattle and thank you for your message. Please excuse me since there are no accents in this computer, which is why my Spanish will seem a bit strange. Thanks to all of you in Monserrate for your excellent work during the past harvest. I understand that you did a lot of work to prepare an exceptional quality coffee, and I always speak with my clients of the fantastic people in your community – they are professional and kind. Negotiating with you is a pleasure. My clients and we really like the profile of Monserrate coffee during this harvest. The acidity is excellent– very citric and very clear– and the aroma has floral and elegant notes. The coffee is very clean and has very good intensity in the cup. This is why we had such good sales of Monserrate coffee. I am ready for a conversation on business during this harvest. I will be in Quindío in April (to be an instructor during the cupping course) but there is not enough time for a visit to Monserrate. I hope to return to Colombia in August as well to visit your community with some clients. For now, if you prefer, tell me how many containers you are going to produce and let’s start talks on more business. Once again, thank you so much to all. (And again I apologize for my mistakes in Spanish!). Greetings, Craig.” Between July and August 2007, the group made the second sale with a premium of U.S. \$0.232 above conventional coffee.

The *Corporación Agraria del Cucuana y Alto Saldaña* - Corpoagro, an organization that was awarded the First Joint USAID-PDA call for bids, in 2006 sold 160,568 pounds of coffee in transition to organic at U.S. \$0.90 a pound, with a premium of U.S. \$0.12 per pound. Between January and August 2007 Corpoagro sold, through a private exporter 21,840 pounds of coffee with Organic and FLO-Fair Trade Certifications, with a premium close to U.S. \$0.60 per pound.

6. ENVIRONMENTAL REVIEW

With the participation of the USAID Environment Official to the training sessions, environmental workshops were conducted in the Program’s five projects; for the remaining projects, ACDI/VOCA carried out training sessions for technicians and leaders of the beneficiary producers. The purpose of these training sessions was to create awareness of everyone’s responsibility in regard to the protection of the environment and to identify, throughout the activities of cultivation and coffee processing and that of other associated crops, the possible environmental impacts and recommended prevention, mitigation and control measures. The analysis that was carried out and the commitments of applying the measures that are to be applied during the time the project is in effect were duly documented. As a result of this, Environmental Review Cards were prepared. Likewise, and with the same methodology, Environmental Review Cards for the use of pesticides

were prepared. Throughout the Program's execution, we followed up on all of the projects in regards to their compliance in the application of environmental measures and we solicited reports on the progress in the application of these measures.

The following environmental cards were presented to USAID:

Pesticide Cards: The Environmental Review Cards on the Use of Pesticides for Caficauca were sent to the USAID Environment Official, as well as the sole card of the National Federation of Coffee Growers of Colombia, since it was agreed that it should be only one card with which all projects executed with the Departmental Coffee Growers' Committees in the five departments assigned to the Program are covered, given the business unit and also sole guidelines issued by the Central Office of the Federation for the Committees. Later, we sent the five cards of the projects belonging to the First Joint USAID/PDA bidding process. The Federacafé card only included pesticides to be recommended in all of its coffee projects, as follows: For coffee germinators, Tiabendazol™ at a dose of 5cc/m²; for weed control in coffee, Glifosato 480-50 cc/450c.c. of water; for pest control in corn and beans, only Malathion™, to be applied in low concentrations - 5% preparations.

Environmental Cards: We sent USAID the Environmental Review Cards of the five Phase I projects with the Coffee Growers' Committees and of the five Phase II projects. Likewise, we delivered the cards for the five USAID-PDA bid projects and those of the two strategic alliance projects with private entities: the Santa María and San Rafael projects in the Department of Huila.

Follow-up of Mitigation Measures Cards: We sent USAID a CD with the form and instructions to fill out the Follow-up of Mitigation Measures Card prepared by ACDI/VOCA with contributions and approval of Federacafé. Subsequently, we sent the CDs of the Reports on Mitigation Measures sent by Federacafé.

All cards were prepared in a format that was in effect during the first years of the Program and later, in 2005, in a new format. Finally, and with the design and implementation of the Environmental Information and Follow-up System - SIGA, to be applied through internet, it was agreed with the environment official that only those Cards of the projects (as follows) in effect are to be incorporated: San Rafael, Santa María and *Caficauca Orgánico*.

7. VOLUNTEER PROGRAM'S CONTRIBUTION

One renowned characteristic of ACDI/VOCA's worldwide programs is its volunteer component, comprised of highly-skilled professionals, most of them North American, who place their experience and knowledge at the service of projects that have been carried out in 140 countries. In ACDI/VOCA headquarters there is a database with more than 10,000 registered volunteer specialists in approximately 250 specialties.

Given the law and order circumstances and the evolution of the coffee sector in Colombia, ACDI/VOCA's volunteer organization for the Specialty Coffee Program funded by USAID/Colombia has had some different and very particular connotations in relation to other countries. Once the Program started in mid-2002, the areas of work that required special support were identified with the Coffee Growers' Committees, the projects' executing parties, and it was determined that the most prudent and efficient thing to do was to use volunteers from the region who were willing to work in the field and travel in the midst of difficult circumstances from the geographical and, specially, security point of view due to the existence of illicit crops and the presence of armed groups. "International" volunteers, North Americans and third-country nationals, would be placed in selected assignments that presented favorable security conditions. SCAA and CQI assisted the

Program in the recruitment and fielding of international specialty coffee sector volunteer specialists, predominantly from the United States, for a variety of targeted assignments.

By the end of 2005, 82 professionals, for the most part young Colombians, had completed 118 missions as volunteers, during which they traveled to the municipalities and *veredas* where the Program's beneficiaries live and carried out 1,169 workshops and more than 3,000 farm visits, thus providing technical assistance and training to producers and their families in topics relating to human development, institutional strengthening of producer organizations, food security and coffee quality.

The volunteer program has its particular characteristics in each department. In Nariño, for example, ACDI/VOCA assigned a Colombian volunteer with ample experience in the coffee sector and in the international arena, to coordinate and lead an interdisciplinary group of local volunteer professionals who worked for three months in the field, side by side with the Program's coffee growers.

In Cauca a similar methodology to that of Nariño was initially followed, but later agreements were made with the Universidad del Cauca and with the *Fundación Universitaria de Popayán* - FUP, by means of which students from the agricultural administration, accounting and psychology departments carried out scopes of work geared towards the institutional strengthening of the producer associations as a part of their business *practicums*, coordinated by ACDI/VOCA volunteers.

Huila was the first department to receive support from volunteers, which began with a team of women coordinated by the person in charge of the social development issues in the Coffee Growers' Committee. The dedication, mystique and the mutual understanding with the families was the main characteristic of these volunteers.

In Caldas, the Coffee Growers' Committee incorporated and adopted the volunteers as their own, who entered to reinforce the extension teams to ensure that the Program's beneficiaries received the attention they required. The optimal coordination with sectional coordinators has been a great advantage for the associations since it has given continuity to strengthening activities and obtaining specific guidance in regard to recommended strategies and practices for commercialization of specialty coffees.

In Tolima, volunteers accompanied two associations founded around the Program in their consolidation process, working especially with women in activities relating to the sensitization and socialization of policies and legal norms with respect to gender.

Additionally, ACDI/VOCA has considered it important and necessary that producers know the quality of their coffee in the cup; for which technicians trained in the United States and paid for by the Program acquired the commitment to train other technicians and producers as volunteers. Under this type of organization basic training workshops in cupping have been organized for coffee growers and special activities have been realized for young people with the purpose of making them leaders in quality processes in their communities and at the same time giving them the opportunity to develop themselves in a new field of work.

7.1 Principal achievements

Volunteer work has contributed to bringing changes in coffee growers' mentality and attitude, motivating them to organize themselves for the sustainable production of high- quality specialty coffee for the external market. Likewise, training and technical assistance have allowed the

optimization of investments that have been made, especially with respect to coffee-growing infrastructure by means of appropriate installations and food security, so many families today have the necessary knowledge for the handling and health of pigs, *cuyes* and hens and know how to reach an adequate family nutrition and diet by using the resources from their own farm.

Within the main achievements, we can highlight the strengthening of 64 small producer associations and the creation of 34 new organizations that group more than 3,000 associates, as well as the advances in regards to the reconstruction of the social fabric of the areas affected by violence, by means of activities that have gathered more than 8,000 people. Equally significant is the work carried out in order to reinforce the coffee quality culture, during which close to 5,000 producers have received training and technical assistance from volunteers in the field and 1,500 people have received basic training in cupping.

7.2 Work areas

Human development

Even though it is true that the Specialty Coffee Program reinforces the concept of the association, it is necessary to work mainly on the person and his/her family. Therefore, psychologists and social workers conducted more than 480 workshops and numerous farm visits in the five departments, in which topics such as self-esteem, ethics, values, leadership and conflict management were discussed, thereby seeking to reduce the negative impacts that are characteristic of excluded areas and of armed conflict..

Organizational development

Work has been focused on sensitizing and motivating communities regarding the importance of establishing coffee growing associations and strengthening those already in existence. In this respect more than 220 workshops have been carried out during which local associations have been trained, accompanied and given technical assistance, which has allowed them to fulfill legal requirements, have updated bylaws, rely on a structure, appropriate administrative and accounting procedures and a management style required in a highly-competitive market. The end goal was to help associations manage their own development and leave behind paternalistic and overprotective attitudes.

Food Security

In the 142 workshops conducted and in farm visits with the participation of more than 4,700 people, aspects such as family diet, food preparation, the handling and health conditions of small animals and the adequate infrastructure for their maintenance have been included, promoting greater efficiency and effectiveness in the use of resources. Work was geared towards improving the families' quality of life and guaranteeing the sustainability of investments

Coffee quality

Training has been focused twofold: On one hand, it has promoted quality throughout the entire productive chain by means of 200 workshops where producers were trained and made aware of the importance of quality starting from hand picking, passing through the processing, drying and storage, up to commercialization. On the other hand, quality has been enhanced by taking basic training in cupping to technicians and producers

7.3 Testimonials

Following are some of the testimonials given by the people who participated in the volunteer's activities:

- "We have attended meetings and workshops where we have stopped listening and we can now participate. They let us talk."
- "Illicit crops have been eradicated and with licit crops we will generate income, food and honest work with specialty coffee."
- "We have more calm and less violence with these programs."
- "These training sessions are a privilege that we are receiving. I never imagined being in a coffee cupping course learning things we didn't know about our own business. I feel happy and thankful for all the knowledge we have acquired."
- "As people we feel valued and proud to be coffee growers."
- "We will show that women have the attitude and the desire to move forward."
- "What we have received is a stimulus and the beginning of moving ahead."

The feedback presented above reflects the impact of work carried out by Colombian volunteers and reflects how the beneficiaries have taken full advantage of the Specialty Coffee Program, sometimes adopting it as a life program.

Volunteer Activities Facts and Figures September 2007

Foreign volunteers	19
Colombian volunteers	108
Missions	158
Beneficiaries who received volunteer support	6,000
Other people who received volunteer support	3,000
Workshops	1,315
Visits to farms	3,573
New associations created	38
Strengthened associations	105
Women trained in gender aspects	629
Valuation of volunteer contributions (cost share)	US \$ 540,520

8. STUDY ON IMPACT EVALUATION FOR THE SPECIALTY COFFEE PROGRAM

We received the results of the study conducted by UNIMINUTO for the evaluation of the Program's impacts with a presentation of their final report. The objectives proposed for this evaluation were the following:

- Identify the economic impact generated by the Program on the beneficiary producers, detailing if there was or not an increase in their income.
- Identify the social impact generated by the Program, evaluating if there was or not any improvement in the quality of life of the beneficiary population.
- Evaluate the effects of the Program on coffee quality, achieved through the improvements of productive processes, farm infrastructure and commercial promotion.
- Identify the aspects in which the producer organizations have been strengthened, as well as their base organizations, as a consequence of the Program and the lessons learned and practices that determine their sustainability.

The instruments defined for the process were as follows:

- Survey of beneficiaries and non-beneficiaries
- Interviews of the field projects' directors and technicians
- Interviews of volunteer focal groups
- Workshops with producer leaders
- Model of coffee cultivation.

Methodologically, the evaluation presents the results obtained by the Program, in systematized and analytical manner, the lessons learned and the impacts identified in the process.

Prior to this, Uniminuto checked and analyzed the program's documented information, both in the general aspect as well as in the specific aspect in each Department. Instruments for gathering information on beneficiaries (80%) and non-beneficiaries (20%) of the Program and on institutional actors related to the Program were designed, validated and applied. Likewise, indicators for validating the scope of the results achieved were designed and visits were carried out to allied institutions and executing parties of the Program in each department and visits and interviews were conducted with other relevant actors or social entities.

In the following paragraphs we will present a summary of some of the impacts by variables, which were identified in the evaluation of the impacts of the Program.

8.1 Characterization of the beneficiaries

The majority (79.5%) of the Program's beneficiaries are **heads of households**: 59.9% are married and 22.1% are living with someone, which allows us to conclude that a social system where production is the basis of sustenance is being formed. The average family size is five people, of whom three are females and two are males.

The beneficiaries' **education level** is as follows: 54% have incomplete elementary school; 26% have completed elementary school; 7% have incomplete high school; 7% have completed high school; 1% has university studies; 5% have no studies at all.

Participation in organizations: Almost 80% of the beneficiaries surveyed belong to associative groups, management groups, agricultural associations, cooperatives or agricultural entities under transformation.

Beneficiaries highly value **training and technical assistance** received in all areas and they apply much of what they have learned on their farm and in their coffee crop. They remember the topics they consider relevant and pertinent.

The participants, technicians and volunteers acknowledge the Program's openness policy, which permitted the **participation of non-beneficiaries** in basic training activities and advisory in the field, thus achieving a secondary effect by imitating good practices, which even though is hard to capture and measure, does in fact integrally promote the improvement of the quality of the coffee produced in the *veredas*.

8.2 Improvement of income

Income, economic security and employment generation: 86% of the beneficiaries consider that production volume has increased and 78.71% state that they have needed greater use of manual labor - family or hired, for picking. The majority state that their income has increased thanks to the improvement of production processes that have been implemented by the Program.

8.3 Improvement in coffee quality

Given the complexity of the coffee production process, the Program's actions in this area were as follows:

- Training in the improvement of crops, coffee picking, *beneficio* processes, drying and in new topics such as the determining coffee quality in the lab and cupping (especially among young people).
- Perception on behalf of the beneficiaries regarding quality improvement of the coffee production process.
- Improvement of the coffee production process: harvest or picking, pulping, fermentation, washing, drying, clean production, storage and records for quality control. This was the result of, in addition to the training, the support of the Program in the improvement of physical infrastructure conditions (pulping machines, *beneficiaderos*, dryers, pits for processing pulp), reinforced with the contribution of coffee growers in order to broaden or improve the Program's initial offer.
- Perception of the production of high-quality coffee to be offered to specialty coffee markets: the perception of being or not a producer of high-quality (or differentiated) coffee, improvement of income due to the sale of this coffee and sustainability in the production of quality coffee. The first thing to remember is that a specialty coffee presents itself thanks to the recognition given to it by the final consumers themselves, which is not easy to achieve since each day the demands of a quality product and one that complies with certain characteristics is greater in the global coffee market.
- Commercialization: Work was conducted in complementary activities: training, knowledge of the productive and value chain and participation of leaders in international coffee and specialty coffee fairs, which allowed small-scale producers to have access to greater information on the manner in which the coffee business moves at a national and global levels.

8.4 Producer or entrepreneurial associations

79.73% of those surveyed stated they belonged to one of the following types of organizations: associative groups - 46%, management groups - 35%, agricultural associations - 7%, cooperatives - 3%, agricultural entities under transformation - 1%, and other associative types or forms - 7%. The strengthening of organizations was aimed at achieving the production and commercialization

of quality coffee and the possibility of being able to sell, in the future, their coffee as specialty. The beneficiaries surveyed consider that due to the effects of training, their organizations improved administrative aspects (40%), legal aspects (34%), accounting issues (33%), commercial aspects (27%), participation in the organization (24%), training leaders (22%), planning (14%) and project formulation (10%).

8.5 The environment

A large majority of the participants surveyed (82%) stated that as a result of the Program they have adopted new practices in regard to the control and conservation of the environment. Likewise, they have reduced environmental contamination, although in the interviews and later workshops we could see that this contamination is still high, since not all beneficiaries have filter systems neither for wastewater from the coffee process nor from households.

Environmental practices are directed at the improvement of production techniques and diversification of the shading, the care of soils in the consumption and surroundings of water sources, the proper use of chemicals, the disposal and treatment of waste, the planting of diverse crops, the care of the health of those who are undertaking work in the coffee plantation, and the disposition of waste and its use to generate organic material as fertilizer.

8.6 Illicit crops

50% of the beneficiaries surveyed stated they participated directly or indirectly in some form of activity related to illicit crops before the arrival of the Program. The perception of the Program's effects on illicit crops in the project areas is reflected in that 70% of the beneficiaries surveyed consider that this illegal activity decreased, and only 4% say it remained the same, compared to 75% of the non-beneficiaries who think it decreased and 11% who think it remained the same. Some think the Program had a positive impact and achieved its purposes not only by offering a legal alternative with the production of coffee under quality conditions and the promotion of the environment, but also because this Program, along with other similar ones supported by the State, created the conditions necessary for generating the establishment of a legal, licit and legitimate economy by articulating actors and results that would be sustainable over the medium and long terms.

9. FINANCIAL INFORMATION

9.1 Program budget

The cooperative agreement originally signed stipulated a five-year budget of U.S. \$7,000,000. In 2004, as a result of the public bids organized by the Colombian government and the support of *Accion Social* and USAID, an addition of US\$ 2,870,000 was made, raising the total budget allocation to U.S. \$9,870,000. Total expenditures to September 30, 2007 were U.S. \$9,633,641, with U.S. \$5,237,067 invested directly in the field projects of the program. The table below shows in detail the use of these resources by project and by strategic component.

The 13 projects implemented with the National Federation of Coffee Growers received U.S. \$1,852,787 (35%); the five projects organized as a result of the *Accion Social* request for bids represented an investment of U.S. \$1,858,603 (35%); the creation of revolving lines of credit with COSURCA represented U.S. \$99,000 (2%); the CQI activities represented U.S. \$897,000 (17%); the projects with Coffee Company in Huila required U.S. \$356,573, and general support activities led by the Bogotá office had a cost of U.S. \$173,104 (3%).

The same projects budget detailed by specific components of the Program is presented as follows:

Coffee plantation renovation	10.4%
Processing facilities	34.0%
Food security	24.6%
Marketing	2.4%
Technical assistance, environment	2.8%
Institutional strengthening	19.3%
Mapping	6.3%

9.2 Program cost share

Cost share: During the execution period of the Program, from June 2002 to September 2007, the total reported and verified cost sharing reached U.S. \$9,049,613.47. The Cooperative Agreement established a minimum cost-share requirement of U.S. \$2,201,361; the actual share processed and approved to date equals almost 92% of the total award. To a great extent this very positive result is due to the considerable added value generated by community participation in the Program.

Principles of accounting: Following the basic principles established by USAID, the amounts that constitute cost share should be reasonable, real and verifiable. To correctly register them, several forms were designed. Information was compiled following specific criteria such as activity and periodicity (normally monthly). All the executors were duly informed to keep detailed files of the reported amounts and to request, from the beneficiaries of the Program, files of documents and registers that made possible the verification and analysis of its reasonableness.

Contributors: The reported cost share amounts correspond to the resources contributed by institutions and beneficiaries of the projects implemented with Federación Nacional de Cafeteros de Colombia, with those of the joint call for bids USAID – Acción Social (PDA) - *Federación Campesina del Cauca*, Corpoagro, Agroempresarial S.A., Irrimer Ltda. and Caficauca, with private companies such as Coffee Company and Carrefour, and with other public institutions and programs as SENA and RESA.

Nature of resources involved in cost sharing: It should be underlined that the cost share consists of:

a) Cash and in-kind contributions from institutions and beneficiaries, b) supplies of different elements either purchased or taken directly from the beneficiaries' farms, c) supplies, buildings, equipment, furniture, imputed cost of technical assistance personnel and cost for other technical and administrative personnel assigned to the specific projects, d) daily wages to cover effective work time of the beneficiaries or time and transportation costs to attend extension activities, and e) cost of technical services paid by beneficiaries to help them in the construction of required infrastructure on their farms for coffee processing and drying.

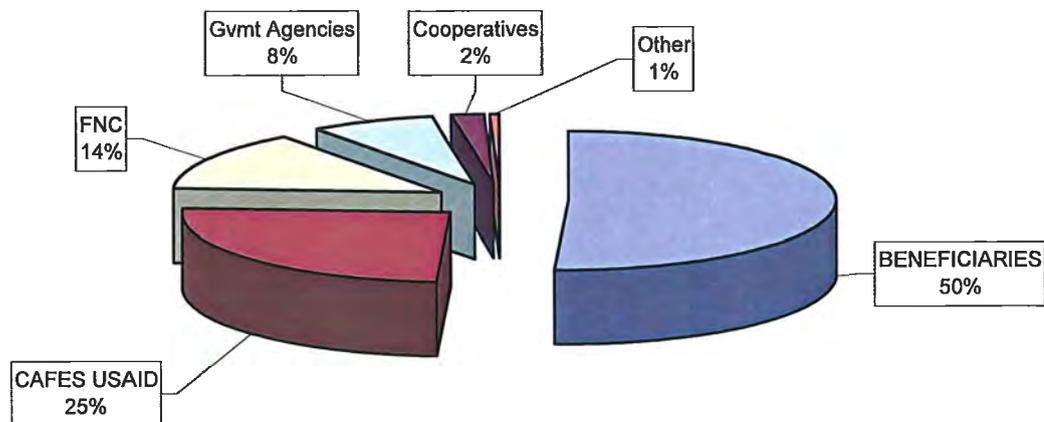
Imputation principles

The criteria to value the different components of the cost share were:

1. Infrastructure construction was valued only if totally completed (the corresponding certifications were duly signed by the technical responsible, the community supervisor and the beneficiary owner. In most of the cases there are photographic registers).

2. Daily wages are taken at full cost according to Colombian regional practices, including the daily food expense (even in those cases where meals were provided in kind by the farm owner). The level of qualification of different tasks was also a factor taken into account for this type of valuation.
3. Cost for all type of material supplies (construction elements or agricultural inputs) taken from the farms is valued according to prices prevailing in the specific regions of the projects.
4. Transportations cost were valued after analysis of their prevailing rates (either by unit or by trip). In many cases those cost were assumed by the beneficiary communities.
5. Fertilizers and material supplies (wood, cement, bricks, steel rods, nails, screens, sand, etc.) were valued as per invoice and supply orders.
6. All date were gathered in individual files for each and every one of the coffee growers participating in the program.
7. The cost of volunteer services by Colombian professionals was fixed in accordance with USAID. The daily value of U.S. \$100 was imputed when a precise task (in time and place) was implemented and when a final report was presented by the volunteer. In the case of foreign volunteers the daily rate to value their services was fixed following international consultant remuneration criteria.

COST SHARE - PROJECTS WITH FNC



ACDI/VOCA
Colombia Specialty Coffee and Support for USAID/GOC Public-Private Partnership Program
USAID TOTAL BUDGET EXECUTION

	(US\$)
Total budget allocated	9.870.000
Total administrative expenses	3.344.654
Total passthru	5.239.602
Total overhead	1.054.414
BALANCE	231.330

PASSTHRU EXECUTION BY PROJECT AND BY COMPONENT

PROJECT	Renovation	Processing	Food security	Quality improvement	Marketing and promotion	Technical assistance and environment	Institutional strengthening	Total
Cosurca	39.400	9.600	32.500		17.500			99.000
Agroempresarial	46.091	86.880	6.723	13.898	4.735	114.554	45.830	318.711
F. C. C.	88.841	94.131	66.333	15.112	31.842	128.095	11.444	435.798
Corpoagro	61.920	91.658	20.434		24.688	143.522	30.301	372.523
Caficauca	14.608	88.822		12.066	3.494	107.230	20.781	247.001
Irrimer	131.112	23.494	31.947	9.582	9.309	227.567	51.564	484.575
Coffee Company:								
San Rafael		138.292		2.367	4.396	95.406	6.113	246.574
Santa María		104.521		5.479				110.000
Fedecafe:								
Caficauca	6.933	11.849	5.137					23.919
C. Caldas Fase I	6.583	161.146	22.722					190.451
C. Caldas Fase II		165.937		13.103			4.838	183.878
C. Cauca Fase I	59.813	65.440	118.492					243.745
C. Cauca Fase II	18.736	135.480		8.077		12.799	26.713	201.805
C. Huila Fase I	625	92.096	16.536					109.257
C. Huila Fase II		80.172		10.227		10.462	798	101.658
C. Huila Fase III						18.253	12.047	30.300
C. Nariño Fase I	20.825	71.442	32.808				21.121	146.195
C. Nariño Fase II	23.295	133.593		7.658		28.412	17.152	210.110
C. Tolima Fase I	12.220	73.865	42.896					128.981
C. Tolima Fase II	18.040	149.236		6.505			27.435	201.216
Other activities						29.582	51.689	81.271
Coffee Quality Inst.				899.535				899.535
Support activities					23.481	52.999	96.622	173.102
Total Passthru	549.041	1.777.653	396.528	1.003.607	119.445	968.881	424.447	5.239.602

9.3 Form 269a Financial Status Report

FINANCIAL STATUS REPORT
(Short Form)

	1. Submitted to: USAID M/FM/CMP/GIB, Room 7.07-110 1300 Pennsylvania Avenue, NW Washington, DC 20523-7700	2. Federal Identifying Number: 514-A-00-02-00227-11 Technical Office: SO#2	Page 1	of 1 pages
	3. Recipient Organization: <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  </div> <div> 50 F Street, NW, Suite 1075 Washington, DC 20001 </div> </div>			
4. Employer Id Number: 52-0811461	ACDI/VOCA ID: J391 Recipient note: Closeout pending final NICRA	6. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7. Basis <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	
8. Funding/Grant Period From: 28-Jun-2002 To: 30-Sep-2007		9. Period Covered by this Report From: Expired (see box 12) To: 30-Sep-2007		
10. Transactions:	I Previously Reported	II This Period	III Cumulative	
a. Total outlays	12,480,173.83	6,208,109.36	18,688,283.19	
b. Recipient share of outlays	2,848,234.72	6,201,378.75	9,049,613.47	
c. Federal share of outlays	9,631,939.11	6,730.61	9,638,669.72	
d. Total unliquidated obligations			0.00	
e. Recipient share of unliquidated obligations			0.00	
f. Federal share of unliquidated obligations			0.00	
g. Total Federal share			9,638,669.72	
h. Total Federal funds authorized for this funding period			9,870,000.00	
i. Unobligated balance of Federal funds			231,330.28	
11. Indirect Expense	a. Type of Rate <input checked="" type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed			
	b. Rate 34.55%	c. Base (6,275.28)	d. Total Amount (2,168.11)	e. Federal Share (2,168.11)
12. Remarks:				
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.				
			Date report submitted: 1/29/2008	
Frank J Wellner Office of Accounting and Finance			Voice: (202) 393-9766 Fax: (202) 783-7204 Email: fwellner@acdivoa.org	

facsimile of Standard Form 269a (REV 4-98)

10. PROGRESS TOWARDS STRATEGIC GOALS

10.1 Strategic Objective 2 – Indicators Aggregated

The Specialty Coffee Program's Highest-level Indicators	Cumulative Results to Sept 30, 2007	End-of-Program Targets (9/30/07)
Number of hectares of coca or poppy eradicated by farmers	784	1,300
Number of hectares of coca seedbeds and poppy seedlings eliminated	659	0
Number of hectares which remain free of illicit crop production	32,651	5,250
Number of families with small farms benefiting from licit productive activities in coca and poppy areas	7,391	2,550
Hectares of licit crops supported through alternative development projects in coca and/or poppy areas	13,686	5,000

ANNEXES

ANNEX No. 1
ACDI/VOCA COLOMBIA
 Statistics of the Specialty Coffee Program and Support of the Public-Private Participation of USAID/Government of Colombia
 From August 1, 2002 to September 30, 2007

PROJECTS WITH COFFEE GROWERS' COMMITTEES AND COFFEE GROWERS' COOPERATIVES

Data	Cosurca	Caficauca	Coffee Growers' Committee of Cauca	Coffee Growers' Committee of Huila	Coffee Growers' Committee of Nariño	Coffee Growers' Committee of Tolima	Coffee Growers' Committee of Caldas	Coffee Growers' Committee of Huila II	Coffee Growers' Committee of Caldas II	Coffee Growers' Committee of Tolima II	Coffee Growers' Committee of Nariño II	Coffee Growers' Committee of Cauca II	Huila Committee III Rainforest Alliance	Cauca Committee III ACDI/VOCA Carrefour Coffee Growers' Comm.	Nariño Committee III Nespresso AAA	TOTALS
Number of Municipalities	8	1	6	6	7	3	3	7	3	4	8	7	12	4	5	84
Number of veredas	88	5	68	33	64	22	25	97	54	33	88	104	ND	5	ND	686
Number of Organizations	9	1	70	6	30	6	20	17	42	4	4	ND	18	ND	ND	227
Number of beneficiary families -farms-	245	19	302	157	351	203	320	474	845	500	400	400	472	55	400	5,143
Number of families in coca areas	245	19	302	-	263	-	320	-	845	300	392	400	-	55	400	3,541
Number of families in poppy areas	-	-	-	157	88	203	-	474	-	200	8	-	472	-	-	1,602
Number of people benefited	1,103	95	1,510	785	1,755	914	1,469	2,449	3,451	2,455	1,800	1,802	1,888	248	1,600	23,323
Total hectares in farms (hectares free of illicit crops)	814	67	1,490	1,429	473	1,624	960	2,633	3,358	4,134	1,153	1,805	1,079	248	400	21,667
Number of hectares in coffee	344	45	323	447	246	407	540	765	1,301	1,313	553	504	472	69	400	7,729
hectares Food Security	61	10	151	40	175	101	106	156	336	124	100	100	-	-	-	1,460
hectares of licit crops supported (coffee plus food security)	405	55	474	487	421	508	646	921	1,637	1,437	653	604	472	69	400	9,190
hectares of licit crops supported (coffee plus food security) in coca areas	405	55	474	-	321	-	646	4	1,637	1,245	420	604	-	69	400	6,280
hectares of licit crops supported (coffee plus food security) in poppy areas	-	-	-	487	100	508	-	917	-	192	233	-	472	-	-	2,909
hectares of coca eradicated	92	15	123	-	123	-	48	4	145	17	46	51	-	-	-	662
hectares of poppy eradicated	-	-	-	35	2	10	-	30	-	7	6	-	-	-	-	90
Total hectares of illicit crops eradicated	92	15	123	35	125	10	48	34	145	24	52	51	-	-	-	752
Number of hectares eliminated in coca seedlings and seedbeds	-	10	34	-	49	-	175	4	10	1	33	33	-	-	-	349
Number of hectares of poppy seed eliminated	-	-	-	48	48	157	-	19	-	-	30	-	-	-	-	302
Total hectares eliminated in coca seedbeds and seedlings and poppy seeds	-	10	34	48	97	157	175	23	10	1	63	33	-	-	-	651
Total hectares of coca and poppy eradicated and eliminated	92	25	157	83	222	167	221	57	155	28	115	84	-	-	-	1,403
Commitment in regards to eradication in hectares	61	26	150	42	100	100	130	30	155	100	60	60	NA	NA	NA	1,014
Sum of Investment -Pass Through- with USAID resources in US\$	99.000	23.919	243.744	109.256	146.195	128.981	190.453	101.659	183.878	201.216	210.110	201.805	30.313	-	10.000	1,880.529

Bogotá D.C., September 30, 2007

ANNEX No. 2
ACDI/VOCA COLOMBIA

STATISTICS OF THE SPECIALTY COFFEE PROGRAM AND SUPPORT FROM THE PUBLIC-PRIVATE PARTICIPATION OF USAID/VOCA OF COLOMBIA

August 1, 2002 to September 30, 2007

PROJECTS OF THE FIRST JOINT USAID-PDA CONVOCATORIA

Data	Federación Campesina Cauca	Agroempresarial	Irrimer	Corpoagro	Caficauca Orgánico
Number of Municipalities	4	2	3	3	4
Number of veredas	47	33	32	65	61
Number of Organizations	8	9	19	7	6
Number of beneficiary families -farms-	285	321	330	300	212
Number of families in coca areas	285	-	330	1	212
Number of families in poppy areas	-	321	-	299	-
Number of people benefited	1.425	1.655	1.981	1.587	779
Total hectares of the farms (hectares free of illicit crops)	833	1.460	911	3.252	376
Number of hectares in coffee	394	722	656	662	210
hectares Food Security	95	110	109	249	-
hectares licit crops supported (coffee plus food security)	489	832	765	911	210
hectares licit crops supported (coffee plus food security) in coca areas	489	-	765	-	210
hectares licit crops supported (coffee plus food security) in poppy areas	-	832	-	911	-
hectares of coca eradicated	-	-	23	1	2
Hectares of poppy eradicated	-	-	-	8	-
Total hectares of illicit crops eradicated	-	-	23	9	-
Number of hectares eliminated in coca seedbeds and seedlings	-	-	8	-	-
Number of hectares of poppy seed eliminated	-	-	-	-	-
Total hectares eliminated in coca seedbeds and seedlings and poppy seeds	-	-	8	-	-
Total hectares of coca and poppy eradicated and eliminated	-	-	31	9	-
Commitment in regards to eradication in hectares	NA	NA	NA	NA	NA
Amount of Investment -Pass Through- with USAID resources in US\$	435.797	318.711	484.572	332.524	247.000
Bogotá D.C., September 30, 2007					

ANNEX No. 3			
ACDI/VOCA COLOMBIA			
STATISTICS OF THE SPECIALTY COFFEE PROGRAM AND SUPPORT OF THE PUBLIC-PRIVATE PARTICIPATION OF USAID/GOVERNMENT OF COLOMBIA			
STRATEGIC ALLIANCE PROJECTS WITH THE PRIVATE SECTOR			
From August 1, 2002 to September 30, 2007			
Data	Coffee Company Huila San Rafaél	Coffee Company Huila Santa María	TOTALS
Number of Municipalities	2	1	3
Number of veredas	67	33	100
Number of Organizations	2	1	3
Number of beneficiary families - farms-	400	400	800
Number of families in coca areas	-	-	-
Number of families in poppy areas	400	400	800
Number of people benefited	1.952	1.600	3.552
Total hectares of the farms (hectares free of illicit crops)	2.952	1.200	4.152
Number of hectares in coffee	890	600	1.490
hectares Food Security	-	-	-
hectares of licit crops supported (coffee plus food security)	890	400	1.290
hectares licit crops supported (coffee plus food security) in coca areas	-	-	-
hectares licit crops supported (coffee plus food security) in poppy areas	890	400	1.290
Amount of Investment -Pass Through- with USAID resources in US\$	246.573	110.000	356.573
Bogotá D.C., September 30, 2007			

**ANNEX No. 4
ACDI/VOCA COLOMBIA**

**STATISTICS OF THE SPECIALTY COFFEE PROGRAM AND SUPPORT OF THE PUBLIC/PRIVATE
PARTICIPATION OF USAID/ GOVERNMENT OF COLOMBIA**

**Projects for the adaptation of coffee growing farms for future Certification and/or Verification
processes**

August 1, 2002 to September 30, 2007

Data	Accion Social Agroempresarial	Accion Social Corpoagro	Accion Social Irrigacion	TOTALS
Number of Municipalities	2	3	2	5
Number of veredas	33	65	32	97
Number of Organizations	9	7	2	9
Number of beneficiary families -farms-	100	176	141	317
Number of familias in coca areas	-	-	141	141
Number of familias in poppy areas	100	176	-	176
Number of people benefited	516	931	846	1,777
Total hectares de las farms (hectares libres de ilícitos)	455	1,908	389	2,297
Number of hectares in coffee	225	388	280	668
hectares Food Security	34	146	47	193
hectares licit crops supported (coffee plus Food Security)	259	534	327	861
hectares licit crops supported (coffee plus Food Security) in coca areas	-	-	327	327
hectares licit crops supported (coffee plus Food Security) in poppy areas	259	534	-	534
Amount of Investment -Pass Through- with USAID resources in US\$	82,522	112,500	99,978	212,478
Bogotá D.C., September 30, 2007				

ANNEX No. 5
HIGH LEVEL INDICATORS, APPLICABLE TO THE SPECIALTY COFFEE PROGRAM AND SUPPORT OF THE PUBLIC-PRIVATE PARTICIPATION OF USAID/GOVERNMENT OF COLOMBIA
INDICATOR REFERENCE SHEET
Strategic objective: Promotion of economic and social alternatives to the production of illicit crops

ACI Indicator 1: Hectares (Has.) of licit agricultural crops developed or expanded in areas receiving USAID assistance	Planned per year	Actual per year	Planned Cumulative	Actual Cumulative
2002-2003			2.550	2.159
2004	1.900	3.497	4.450	5.656
2005	550	3.912	5.000	9.568
2006	0	3.649	5.000	13.217
2007	0	469	5.000	13.686

ACI Indicator 4: Progress in increasing the number of new direct jobs created in USAID - assisted areas	Total 8 hr/day wages	Persons equivalent
2004	856.551	4.924
2005	1.247.346	7.087
2006	1.196.136	6.775
2007	172.963	983

Based in the total hectares of coffee developed per year. Specific labor demand of 302 day wages per year and per hectare has been used. A fully employed person in the Colombian countryside provides 175 days of labor per year.

ACI Indicator 5: Number of families benefited by Alternative Development Assistance	Planned per Year	Actual per Year	Planned Cumulative Total	Actual Cumulative Total
2002-2003			1.500	1.700
2004	950	1.597	2.450	3.297
2005	100	2.145	2.550	5.442
2006		1.494	2.550	6.936
2007		455	2.550	7.391

ACI Indicator 6: Number of social and/or productive infrastructure projects completed	Planned per Year	Actual per Year	Planned Cumulative Total	Actual Cumulative Total
2004	5	7	5	7
2005	2	0	7	7
2006	5	6	12	13
2007	10	9	22	22

ACI Indicator 9: Sales (or Gross Market Value of Product) of private firms (US\$000) enterprises or associations that have benefited from AD	Planned per Year	Actual per Year	Planned Cumulative Total	Actual Cumulative Total
2004	0	2.787.342	0	2.787.342
2005	0	10.449.413	0	13.236.755
2006	0	17.017.894	0	30.254.649
2007	0	19.212.276	0	49.466.925

ACDI Indicator 10: Has of coca eradicated manually or voluntarily by AD partners in USAID target areas	Planned per Year	Actual per Year	Planned Cumulative Total	Actual Cumulative Total
2002-2003			620	
2004	280	389	900	389
2005	100	283	1.000	672
2006		4	1.000	676
2007		10	1.000	686

ACI Indicator 11: Has of opium poppy eradicated manually or voluntarily by the AD partners in USAID target areas	Planned per Year	Actual per Year	Planned Cumulative Total	Actual Cumulative Total
2002-2003			260	
2004	40	77	300	77
2005		19	300	96
2006		2	300	98
2007			300	98

ACI Indicator 12: N° of community producer groups of associations that signed agreements to become and/or remain "coca free"	Planned per Year	Actual per Year	Planned Cumulative Total	Actual Cumulative Total
2002-2003			105	21
2004	60	138	165	159
2005	10	93	175	252
2006		22	175	274
2007		5	175	279

ACI Indicator 13: Number of USAID assisted families that have signed or are included under "coca free" agreements	Planned per Year	Actual per Year	Planned Cumulative Total	Actual Cumulative Total
2002-2003			1500	1700
2004	950	1597	2450	3297
2005	100	2145	2550	5442
2006		1494	2550	6936
2007		455	2550	7391

ANNEX No. 6

Lessons Learned
A Program priority was to bring producers and markets closer together. It effectively facilitated the producers' access to new buyers and better prices.
Project clients now understand the business approach or "language" of the markets and appear to have the basic understanding of how to pursue further interactions.
Many producers are receiving better prices for their coffee, greater recognition in competitions, more efficient and professional farm practices, and in nearly all cases they and their organizations have the mechanisms in place in the communities to achieve even better results over the medium term.
The Program developed a strategy and methodology to achieve results consistently in different parts of the country and with different actors.
Understanding how the complex pieces of product, quality, consistency, certifications, and delivery fit together, and then actually making it happen is crucial to success in business. We and our partners are comfortable addressing these issues, as noted in the external USAID evaluation.
Providing assistance on other coffee differentiation dimensions: environmental, social, traceability, which are critical to gain the experience necessary to independently pursue different business opportunities. All of these aspects are present and monitored in the current program.
The Program's various sub-projects are credited with bringing about several changes: educating farmers about how markets work and the value of differentiation; instilling an understanding of why quality is relevant; investing in local cupping programs so that the requirements of the market are understood at the village level; and, developing an understanding of the intimate relationship between farm processes and cup quality.
The targeting of efforts to critical quality-related factors can even contribute to lower production costs and higher return on investment from specialized extension services.
Strengthening pre-associations and associations as players in the coffee value chain by improving their production conditions and commercial negotiating skills was a key and successful component in the program.
Implementing an important agricultural practices program (BPA) in all productive projects will be introduced under this Program with the support of SENA, which is renowned for its BPA work with a diverse range of crops all over Colombia.
Networking with national institutions and social services actors to improve the general situation of beneficiaries, an important theme of the current Program, was a major focus of the Colombian volunteer component.
The importance of supporting generational continuation on the farm by involving producers and their families, especially the young, in the coffee value chain through quality improvement and strong marketing.
Recognizing the role of women and value of the gender aspect in beneficiary families was another strong focus of the volunteer component cited above.
Improving the information system for planning, monitoring and accompanying projects since the beginning has been applied all through the current Program.