

ECUADOR LOCAL ECONOMIC DEVELOPMENT PROGRAM (PRODEL) DRAFT

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Fiscal Year 2010 Annual Progress Report



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Acronym List

AAPPSME	Agro-artisan Association of Producers of Dry Medicinal Plants of Ecuador
AAPROCASH	Shushufindi Cacao Producers Association
APROCA	Atacames Cacao Producers Association
AED	Academy for Educational Development
ASOGUABO	Association of Small Banana Producers of Guabo
CTB	Belgian Technical Cooperation Agency
CQI	Coffee Quality Institute
CISAS	Sucumbios Center for Agricultural Investigation and Services
CORPEI	The Ecuadorian Export and Investments Corporation
ECOLAC	The Technical University of Loja Dairy Factory
EDF	Economic Development Fund
FFS	Farmer Field Schools
FAPECAFES	Organic Producers Federation of the South
FY	Fiscal Year
GOE	Government of Ecuador
GTZ	German Agency for Technical Cooperation
GOLDEN CUP	Taza Dorada
IPM	Integrated Pest Management
INAGROFA	Freund Arroyo Industrial Agriculture Company
JUGO FACIL	Leenrike Frozen Food
LWA	Leader with Associates
MAGAP	Ministry of Agriculture, Livestock & Fisheries
MCPEC	The Ministry for Coordination of the Production, Employment, and Competitiveness
MOU	Memorandum of Understanding
NGO	Non Governmental Organization
PERSUAP	Pesticides Environmental Review and Safe Use Action Plan
PRODEL	Ecuador Local Economic Development Program
RFR	Rural Financial Network
SCAA	The Specialty Coffee Association of America
UTPL	Technical University of Loja
UNOCACE	Union of Cacao Farmer Organizations of Ecuador
USAID	United States Agency for International Development

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Program Overview

PRODEL, an associate award under USAID's FIELD-Support Leader with Associates (LWA), aims to increase income and employment for families along the northern and southern border areas of Ecuador by supporting the expansion of private enterprises that will rapidly generate income and employment, and by strengthening local private producer groups and associations. Managed by the Academy for Educational Development (AED) and implemented by ACDI/VOCA in the field, PRODEL provides demand-driven assistance packages (technical assistance, targeted training and small grants) to stimulate and facilitate increased investments in strategically-selected agribusiness and non-agricultural value chains and their networks of suppliers and ancillary firms with a commitment to the growth of their businesses and the potential to generate significant increases in income and employment.

In support of the above objectives, PRODEL has created the Economic Development Fund to provide technical and co-financing assistance to value chain actors, tailored to their specific needs. The assistance packages include a combination of market development, financing, accounting, management assistance and skills training depending on the specific challenges facing each value chain. PRODEL collaborates with banks, finance companies and microfinance institutions to facilitate the provision of additional credit to participating anchor (lead) firms and producer groups.

AED and ACDI/VOCA received a modification to the level of effort for PRODEL in September 2009 extending the program to September 30, 2012 and increasing the number of participating anchor firms by 34 firms.

The second phase of PRODEL is implemented through five key areas:

- Promoting Anchor Firm and Value Chain Competitiveness
- Upgrading Vertical and Horizontal Linkages
- Fostering the Provision of Financial Services
- Expanding and Transferring the Value Chain Model
- Pulling in Local Service Providers

In the new phase of the program, PRODEL will monitor its progress against the following targets:

Table 1: PRODEL Program Indicators

INDICATOR	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	LIFE OF PROJECT
Number of urban and rural anchor firms	10	12	12	34
Number of beneficiary families	4,000	4,800	4,800	13,600
Number of hectares of new and improved licit crops	2,800	3,400	3,400	9,600
Number of full time employees	2,000	2,400	2,400	6,800
Increase in family (household) income	25%	25%	25%	75%
Increase in sales of producer groups to the anchor firm	25%	25%	25%	75%
Number of technicians trained from NGOs and the GOE	80	100	120	300

Executive Summary

This report covers activities undertaken and results achieved during the period of Fiscal Year 2010 (October 1, 2009–September 30, 2010). Some 4th quarter FY 2010 information is provided as well. The indicators for PRODEL goals and objectives are being reported on a cumulative annual basis. The information included in this annual report addresses activities and tasks listed in the PRODEL annual work plan for FY 2010 submitted to USAID on November 15, 2009. Below are PRODEL’s main achievements during this fiscal year:

- PRODEL met or exceeded six of the seven targets for FY 2010.
- A total of \$ 4,061,386 in grants to 24 anchor firms was processed and approved by the PRODEL Grant Committee and pledges for \$ 7,293,386 of counterpart funding from anchor firms and producer groups were received during FY 2010. This funding will help buy down risk for PRODEL anchor firms and their producers through access to new market opportunities and technologies facilitated through the program. PRODEL held business planning and Economic Development Fund (EDF)* workshops with each of these 24 anchor firms and their producers to design the grant projects. Of that amount, \$1,359,673 was disbursed through the PRODEL EDF during FY 2010 to benefit 17 anchor firms and the 4,578 producers currently linked to these companies.
- The PRODEL team has met with and evaluated a total of 119 companies for potential participation in the second phase of the program. By the end of the 4th quarter for FY 2010, the team had selected 24 of these companies as PRODEL lead firms to benefit small producers in Ecuador’s border regions, representing six value chains.
- Technicians from 18 anchor firms and PRODEL technical staff conducted 172 farmer field school trainings focused on productivity and quality enhancing techniques, benefitting 3,122 producers in Ecuadorian border regions.

The following are consultancies that were conducted in in the 4th quarter of FY 2010:

- Whit Miller - Cacao expert and consultant visited Ecuador from July 13 – July 23, 2010 to assess the state of cacao production in Ecuador and give technical and advice to Ecuadorian producers for complying with US marketing requirements. Taking into account that cacao prices are currently high on the global market with increasing demand, Mr. Miller made it clear that any energy spent debating the merits of National cacao versus CCN-51 would be better spent on getting the best yield per hectare possible.

** The name of the Enterprise Partnership Fund has been changed to the Economic Development Fund in keeping with the program name of Local Economic Development Program*

- Impact Consulting Inc. - The PRODEL team organized an event entitled “Doing Business in the United States,” to orient our anchor firms regarding the procedures, requirements, and opportunities for selling their products in the US market. The US-based consulting firm, Impact Consulting Inc. facilitated the event, sharing its expertise in helping foreign businesses to penetrate the US market. Impact Consulting will perform follow up to this event in the form of teleconferences with groups of anchor firms and on an individual basis to ensure concrete advances are obtained for entrance into the US marketplace.
- Coffee Quality Institute - PRODEL partnered with the US-based Coffee Quality Institute (CQI) to improve coffee quality production in Ecuador. As part of this partnership, CQI developed and facilitated a course to train and certify Q-Graders, as well as to recertify SCAA Coffee Tasters. This is the first course of its kind in Ecuador and is seen as an important contribution to fostering higher quality standards for Ecuadorian coffee and promoting a coffee culture in Ecuador.

Lessons Learned

A number of lessons were learned during this past year of PRODEL that will help to plan for the implementation of the program in the coming year. The team considers the following as the most important lessons learned during FY 2010.

Lessons Learned During FY 2010 as a Result of PRODEL Implementation:

- Due to a comparative lack of strong management abilities on the part of some of the anchor firms that participated in the first phase of PRODEL, the decision was made during FY 2010 to increase the size of companies targeted by the program in its second phase. This lack of management skills on behalf of some of the anchor firms resulted in a slower pace of adaptation of program concepts to their businesses and comparatively lower raw material purchasing capacities from participating producers. As a result, the anchor firm selection tools used by the PRODEL team have been modified to incorporate four components as follows: market development potential, management capacity, potential to include larger numbers of producers, and compliance with good environmental, social and human resource practices. With the larger firms, PRODEL has been able to devote even greater levels of program and counterpart resources to the producer beneficiaries targeted through these larger companies.
- The PRODEL technical team has included public sector representatives in its activities to train trainers through farmer field schools in an effort to transfer this knowledge beyond the list of direct program beneficiaries and promote a more

sustainable process for this proven training methodology in Ecuador. Although public sector representatives have attended the PRODEL farmer field school training of trainer events; to date, these participants have been low to mid level employees sent by their superiors that unfortunately, possess relatively little decision making power to adopt this important training methodology within their public sector offices or agencies. Greater effort will be placed on encouraging the participation of private sector representatives and public sector extension agents with greater decision making abilities during this coming year. Emphasis will be placed on those individuals that the PRODEL team considers have the greatest potential for replication of the program methodology

- Initial PRODEL Monitoring and Evaluation trainings at all levels of management and operations for both participating anchor firms and producer groups should be reinforced with follow up trainings. These additional trainings will allow for a greater level of quality control and ensure that the person responsible for remitting information to PRODEL for M & E program reports is fully trained in the specified formats as established by the PRODEL team in Quito and can train their colleagues within the anchor firm or producer group as well.
- In an effort to ensure sustainability for program initiatives, the identification of partners that share similar objectives to benefit small producers through strengthened value chain connections and possess flexible planning and budgetary systems has been a key strategy and lesson learned. A prime example of an institution that demonstrates these characteristics is the Technical University of Loja (UTPL) that has been instrumental in hosting and promoting coffee quality improvement events within university installations and has expressed interest to continue to make a name for Ecuadorian specialty coffees in both the domestic and international marketplace.
- During the past year, PRODEL financial services team members joined representatives from Ecuadorian public and private financial institutions, Ecuadorian financial networks and additional cooperating agencies to conduct a series of training and workshop events targeting anchor firms, producers and associations participating in the program. These trainings have allowed for the sharing of new reimbursable (i.e. credit) and non-reimbursable (i.e. grants) financial sources and products that have led to funding opportunities from both the private and public sectors.
- It became evident this past year that the Farmer Field School methodology is adaptable to other products to include guayusa and fish and seafood targeted by PRODEL. To date, this training methodology has been primarily used for the coffee and cacao sectors in Ecuador. During this past year however; the fish and seafood sector has successfully used this methodology through fish artisan's schools that have been established to improve product quality through participatory exercises

and self-discovery that have demonstrated large acceptance among fish producers. The Farmer Field Schools for guayusa have also experienced high levels of approval among producers in the Ecuadorian Amazon region.

1. Promote Anchor Firm and Value Chain Competitiveness

The PRODEL team organized events to promote products from participating anchor firms, and conducted workshops with PRODEL value chain representatives to define strategies, objectives, goals, and activities that will enable them to identify opportunities in end markets, meet consumer demand, and adjust to a changing environment – key components for increasing value chain competitiveness.

This section describes how PRODEL is meeting challenges in the border regions in an effort to increase the competitiveness of selected value chains and ensure that producers benefit from that growth.

1.1. Achievements during FY 2010

A. Anchor Firm Selection

To date, PRODEL is working with 39 anchor firms, of which 24 were selected during Phase II of the program. A total of six firms – Sweet & Coffee, Ecocafé, Agriexell, Hoja Verde, Nutrivital and Exofrut– were selected during the 4th Quarter of FY 2010. Of the 39 anchor firms, 22 operate in the Northern Border Region and 17 operate in the South (see Graph 1).

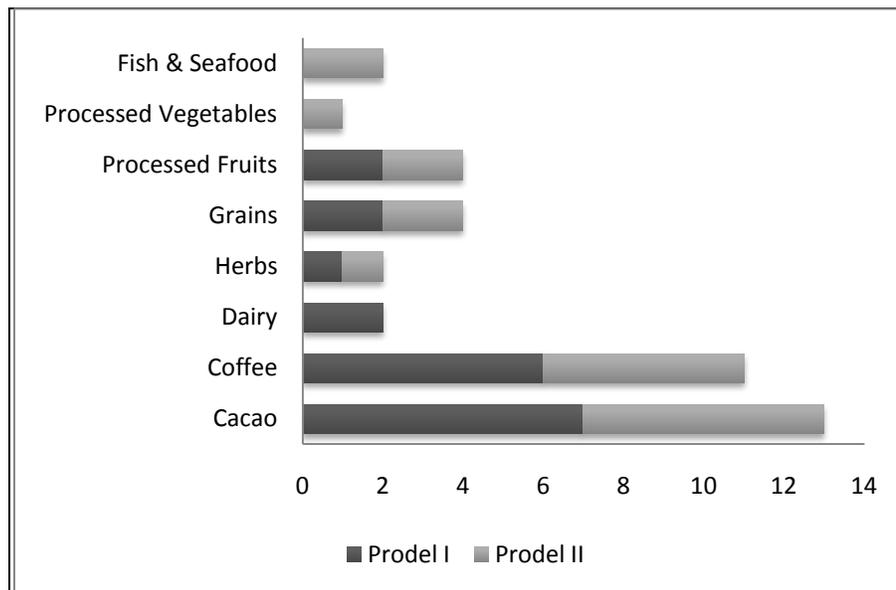
Graph 1: Geographic Distribution of PRODEL anchor firms



The geographic distribution of the anchor firms is balanced between the North and South, but also among border municipalities. For example, in Esmeraldas, on Ecuador’s Northern Coast, PRODEL anchor firms can be found in seven of the eight municipalities that are projected to work with nearly 4,000 producer families by the end of PRODEL in FY 2012. (See Annex III for a list of anchor firms, according to sector and area of influence.)

Of the anchor firms that were selected at the beginning of PRODEL II, firms from the cacao and coffee sectors continue to demonstrate the greatest capacity to incorporate producers from the border regions. In fact, 62% of the anchor firms are associated with cacao and coffee production (Graph 2).

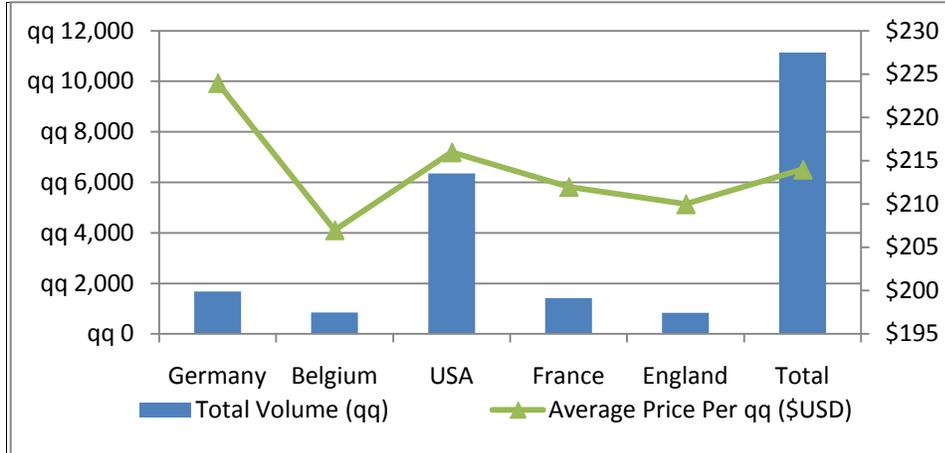
Graph 2: Distribution of anchor firms according to value chains and PRODEL phase



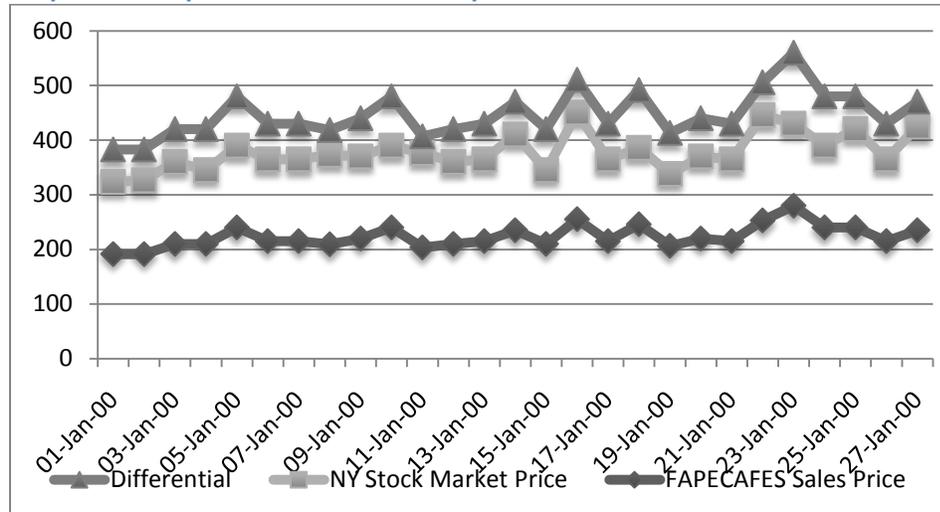
The large number and potential of coffee and cacao anchor firms in the program is particularly interesting given the competitiveness of cacao and coffee on the world market, the ability to include significant numbers of producers, the environmentally friendly nature of these crops and the fact that most Ecuadorian sellers receive higher prices for their product than those established on the New York Stock Exchange.

The Ecuadorian coffee producers have a competitive advantage in terms of coffee quality. For example, Fapecafés is the main coffee seller in Ecuador. This PRODEL anchor firm has developed a marketing strategy based on selling specialty coffee varieties to niche markets. In 2010, Fapecafés sold a total of 11,138 quintals (100 lb. bags) of coffee, valued at \$2,398,424 (an average sales price of \$214 per quintal). Fapecafés sold most of its product to specialty coffee markets in the US, Germany, and France. The following tables show Fapecafés 2010 sales, according to final market destination and coffee type, in comparison with sales prices published by the New York Stock Exchange:

Graph 3: Fapecafés sales, according to final market destination

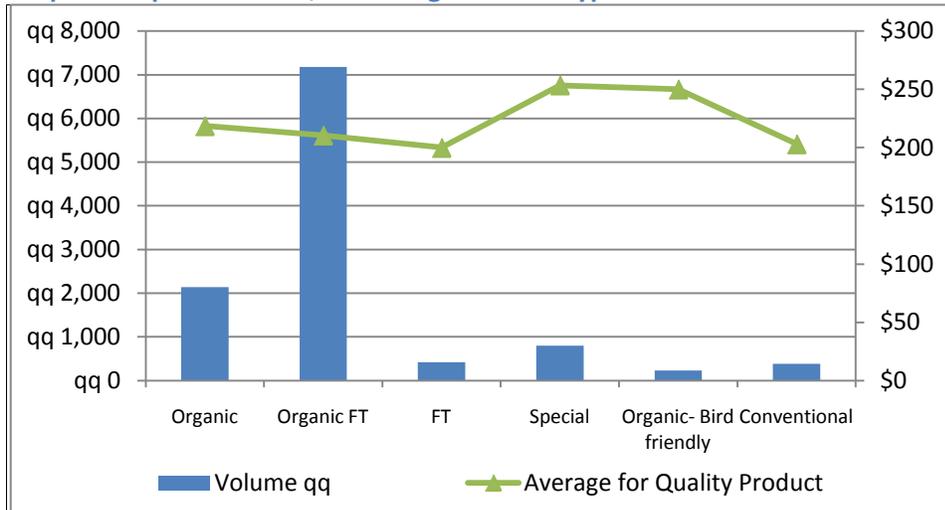


Graph 4: Comparative Sales Price Graph FAPECAFES-Stock Market NY



Source: Fapecafés – International Monetary Fund

Graph 5: Fapecafés sales, according to Coffee type



To date, 33% of PRODEL's anchor firms are associations or not-for-profit, while the other 67% are private, for-profit enterprises. All of the firms are SMEs and are diverse in nature, with great potential to incorporate significant numbers of producers. A total of 63% of the firms are working with value added products, including some that are producing gourmet items; a similar percentage of firms are currently exporting their products to markets abroad to include the United States, France, Great Britain, Holland, Belgium, and Italy.

B. EDF Business Planning Workshops and Management Capacity Strengthening

PRODEL led a series of workshops with anchor firms to develop business plans as part of each firm's Economic Development Fund application. The business plans were constructed based on tools developed by PRODEL to outline specific objectives, goals, strategies and budgets that are aimed at ensuring greater quantities of higher quality products from their producer partners. In general, the anchor firms allocated 15-20% to generating demand and the other 80-85% to supporting the producer groups.

The series of business strengthening and capacity building events during FY 2010 have allowed for the sharing of knowledge between PRODEL I anchor firms and new firms that have joined the program in its second phase. For example, PRODEL I anchor firm representatives, Jaime Erazo of Mondel and Ena Galletti of Café Galletti have shared their product portfolio analysis experience with PRODEL II anchor firms during several PRODEL sponsored events. The results of these analyses that have lead the companies to focus on the most profitable products, have created significant impact in profitability for both PRODEL I and PRODEL II anchor firms due to greater emphasis of resources placed on lead products that have been determined to make the lion's share of the profit for these companies.

C. Partnership with MCPEC

During this past year, PRODEL established a strategic partnership by signing a memorandum of understanding with the Coordinating Ministry of Production, Employment, and Competitiveness (MCPEC, according to its Spanish name) to work together on initiatives that address three areas of common interest from both institutions' perspectives: Strengthening sub sectors like coffee, cacao, grains, processed fruits, processed vegetables that do not currently dominate Ecuadorian exports, and developing new markets for these products; supporting SMEs to gain greater access to new technology and buyer information; and facilitating access to credit.

PRODEL considers some of the Ecuadorian Government initiatives, such as CreEcuador, EmprendeEcuador, and InnovaEcuador as complementary to its own activities in the border region. For example, PRODEL anchor firms, Escoffee and Runa Tarpuna have been pre-

selected to receive training and technical assistance support through the InnovaEcuador program as a result of the MCPEC and PRODEL partnership.

D. Doing Business in the United States



USAID Director, Beth Cypser, inaugurating the event

The PRODEL team organized an event entitled “Doing Business in the United States,” to orient Anchor firms in the procedures, requirements, and opportunities for selling their products in the US market. The US-based consulting firm, Impact Consulting Inc. facilitated the event, sharing its expertise in helping foreign businesses break into the US market.

Representatives of PRODEL’s anchor firms, as well as from the Ministry of Foreign Affairs and Commerce

(MMRREE, according to its Spanish name), MCPEC, USAID, USDA, and CORPEI (The Ecuadorian Export and Investment Promotion Corporation) attended the event. Impact Consulting will assist PRODEL anchor firms with support to enter the southeastern US specialty food marketplace (to include Alabama, Georgia, Florida, Tennessee, North Carolina, and South Carolina) as a result of the hire of this consulting firm.

E. Market Analysis of the Cacao Value Chain

Cacao expert and consultant, Whit Miller, visited Ecuador from July 13 – July 23, 2010 to assess the state of cacao production in Ecuador and give insights to Ecuadorian producers for complying with US marketing requirements. Mr. Miller traveled to various cacao growing regions, meeting with several anchor firms and visiting farms owned or operated by members of their producer organization partners.

The key findings of this analysis were:

- Taking into account that cacao prices are currently high on the global market, with increasing demand, any energy spent debating the merits of National cacao versus CCN-51 should be re-focused on efforts to get the best yield per hectare possible.
- Increased yields combined with increased quality are the best hedge for the farmer, even when prices decline in the future.
- The niche for Ecuadorian cacao beans is well established; therefore, the key bottleneck to overcome is joining sellers and buyers in mutually beneficial partnerships.

- Mr. Miller indicated that Ecuador is well positioned to provide quality raw material in the international marketplace and sees great potential compared to other principal producers in Asia and Africa.
- A list of key contacts was provided in Mr. Miller's final consultant's report that will allow for potential market development in the US market for PRODEL cacao anchor firms. Mr. Miller is willing to provide follow up support to those firms requesting US market entry guidance.

F. Promoting Quality in the Coffee Value Chain



Judges tasting specialty coffees -FAPECAFES
techniques.

In an innovative move to promote quality and competitiveness among its producer partners, anchor firm Fapecafés hosted an event to taste and select the best coffee produced by its member coffee growers' associations. The winning coffee was then packaged and sold through Fapecafés micro lots (small traceable coffee lots). Fapecafés also facilitated an exchange between its producer partners and Colombian growers linked to the Virmax coffee company in Colombia to learn new post-harvest and quality control

G. Participation in events as a national block

To promote Ecuadorian products at important international business fairs and arenas, PRODEL has partnered with the Ecuadorian Ministry of Foreign Relations (MMRREE), leveraging government funding, to participate in international events as a national block and to encourage Ecuador's commercial attaches abroad to engage in this process as well. This partnership will benefit the participating firms as well as the Ecuadorian market as a whole.

H. Investing in Human Resources

Learning from PRODEL's Phase I, in this period, PRODEL negotiated an agreement with the Polytechnic Military School's (ESPE) Junior College program to offer a nationally accredited Master's degree in Marketing. PRODEL will help develop some of the modules, to which representatives from PRODEL partner firms can attend and receive a diploma for participants. The representative can then choose to complete the Master's degree, with financial support from his or her respective firm or through personal financing. As a result of this course, participants will be better prepared to compete in both the domestic and international market.

I. Major Trade Fairs and Events attended by PRODEL in FY 2010

- **Fancy Food Show**

PRODEL participated in New York's world-renowned Fancy Food Show in coordination with Janis Grover who was hired as a consultant to help PRODEL anchor firms – Runa Tarpuna, Jugo Fácil, SKS Farms, and Inagrofa establish new strategic contacts and explore options for developing new markets. Ms. Grover's services added significant value to the firms' participation in the event. Ms. Grover, with 30 years of experience in the specialty food industry, is guiding PRODEL companies through the process to enter the US market with their specialty products. Her expertise in US import requirements for these specialty goods and coupled with her extensive roster of contacts in the industry have been and will continue to be indispensable in helping anchor firms enter or increase their presence in the US market. Some of the results for PRODEL anchor firms in attendance include: strong possibility for each and every participating anchor firm to negotiate sales with buyers in the US market, understanding of the various US channels of distribution and their specific requirements, and benchmarking comparison to other similar companies from around the world.

- **SCAA Exposition**

A total of seven PRODEL anchor firms participated as part of a national Ecuadorian stand in the Specialty Coffee Association of America (SCAA) Trade Exposition held in Anaheim, California this year and returned to Ecuador with increased knowledge to maximize their potential within the specialty coffee niche market. As a result, PRODEL and anchor firm representatives reached out to the Starbucks Coffee Company to explore options for partnering with this multinational enterprise. After meeting with PRODEL and associated coffee anchor firms, Brent Denniston, Vice President of Starbucks Coffee Company for Manufacturing, Engineering & Quality Assurance Supply Operations, informed that Starbucks will be launching Ecuadorian coffee varieties in its specialty lines and is interested in continuing to work with Ecuadorian specialty coffee value chains. As follow up, anchor firms sent specialty coffee samples to Mr. Denniston's office in Starbucks headquarters located in Seattle, Washington.

J. Q-Graders Training Course



Participants taking the sensory skill test

To improve coffee quality production in Ecuador, PRODEL partnered with the US-based Coffee Quality Institute (CQI). As part of this partnership, CQI developed and facilitated a course to train and certify Q-Graders, and to recertify SCAA Coffee Tasters. Of the 23 participants, 11 are now in the process of becoming certified Q-Graders, from which four will become licensed SCAA Judges. This is the first course of its kind in Ecuador and is seen as an important contribution to increasing quality standards for Ecuadorian coffee and promoting a coffee culture in Ecuador.

The course took place at the Private Technical University in Loja (UTPL, according to its Spanish name), which was well equipped to host the event, given previous support from PRODEL through their partnership with the Café Velez anchor firm. UTPL is proving to be a promising In-Country Partner for both the program and CQI.

1.2. Challenges Encountered and Alternatives Employed

The PRODEL team has encountered difficulties working with anchor firms whose main production and export plants are centered in and around Ecuador's main port, Guayaquil due to the cost of transport from the border regions to Guayaquil. In some cases, the firms prefer to import raw materials, especially grains, from Colombia, Peru, or Bolivia, which can be sold at half the price (given greater and more efficient production in these neighboring countries).

For reasons such as this, anchor firms like Facundo and Triari have made the decision to leave the program after having gone through the entire selection process. PRODEL is working with companies to determine the benefits of purchasing their raw materials from local Ecuadorian producers where it makes sense due to lower transportation costs, greater risks that come with reliance on foreign product shipments and the better quality levels of certain Ecuadorian products.

1.3. Activities Planned for Next Quarter

During the next quarter, the PRODEL team will develop and lead the following activities:

- Business strengthening workshops;
- Participation in trade fairs and other events to include the 1st Annual Cacao Congress to be held in Guayaquil in coordination with CORPEI, an event focused on doing business in Canada, and the Taza Dorada specialty coffee competition to be held in Quito from October 27-28, 2010.
- Evaluate and select new anchor firms (see annex III);
- Follow up on market development activities in coordination with CORPEI and through the Economic Development Fund. These development activities include: anchor firm commercial missions, market investigations, marketing plans and implementation

2. Strengthen Vertical and Horizontal Linkages

2.1 Achievements during FY 2010

PRODEL trained technicians associated with partner anchor firms, NGOs, and government entities through the Farmer Field School (FFS) methodology. The FFS creates a space to train local technical experts selected by anchor firms and producer groups who facilitate the process whereby farmers adopt new techniques and methods to improve productivity and ensure crop quality.

The PRODEL team has achieved important outcomes during this period through the “Training of Trainers” series, using the FFS methodology.



**Insect Zoology Exercise -
Quevedo, April 2010**



**Soil conservation activity, 2nd Training of
Trainers Workshop – Quevedo, July 2010**

The anchor firms have used the FFS to ensure their producer partners are adopting the new techniques and ultimately, increasing productivity and efficiency on their farms. Notably, 17 of PRODEL II anchor firms and one anchor firm from PRODEL I have facilitated the implementation of 172 FFS during FY 2010, reaching 3,122 producers, of which 2,170 producers (139 FFS) have already begun the training cycle, while the remaining 1,012 (33 FFS) will begin in October 2010.

The PRODEL team works with each anchor firm's technicians to 1) plan workshops, 2) develop relevant and meaningful curriculum tailored to the needs of each producer group, and 3) provide on-going assistance to producer groups.



**Wapilar Farmer Field School -
Esmeraldas, June, 2010**



**San Roque FFS, Inalproces – Antonio Ante,
September 2010**

PRODEL has also helped facilitate information and technical exchanges among its anchor firm partners. For example, AACRI Rio Intag has established contracts with other anchor firms, including Jugo Fácil, Fapecafes and Cereales Andinos to provide them with bio-catalysis and organic fertilizers for improved pest management.

During this period, the PRODEL team helped establish communal nurseries for producer organizations. The farmers use the saplings that are produced in these nurseries to renew their crop, improve the technical management of their plots, and increase crop density within their plots. Together, these improvements are helping make production more efficient, and thereby, contributing to overall productivity.



**Technical assistance for post-harvest quinoa handling, Cereales Andinos, Cotacachi-Imbabura
September, 2010**



Coffee Nursery – GRUPPO SALINAS

The PRODEL team also worked closely with the anchor firms to carry out Pesticide Evaluation Report & Safer Use Action Plans (PERSUAP) and Environmental Reviews in the different regions where the program is operating. The Environmental Reviews and PERSUAPs provided information and recommendations that will help PRODEL support its partners in adopting more environmentally sound practices.



**Environmental Review at CORCAVIC (Facundo) -
Chota Valley, Imbabura, July, 2010**

Quinoa producers from the Runa Yuyai Association based in Otavalo, Imbabura linked to the Cereales Andinos anchor firm for the program organized a study tour to visit production units connected to the Gruppo Salinas anchor firm in the Guaranda Municipality of Bolivar Province in central Ecuador. Runa Yuyai producers observed cooperative methods for product sales and marketing and witnessed a successful experience to improve and add value to specialty food products.

In addition to these overall achievements at the program level, the PRODEL team realized important accomplishments in each region where PRODEL works, which are described in the following sections:

A. Producer strengthening activities in Esmeraldas

Nearly 2,300 cacao growers are currently linked to three PRODEL anchor firms in Esmeraldas. Mainly through technical assistance, PRODEL has helped improve the quality and consistency of the cacao being produced for these anchor firms.



A Giant African Snail (*Achatina fulica*) on a cacao plant

During this period, cacao producers from the Municipalities of Quinindé, Esmeraldas, and Atacames have reported the presence of the Giant African Snail (*Achatina fulica*), a pest that could cause significant financial losses. In response, PRODEL has been working closely with its partner anchor firms and the regional MAGAP office in Esmeraldas to provide specific trainings to local cacao producers in techniques to combat the snail. These trainings have been carried out using the Farmer Field School methodology.

The PRODEL team has also supported anchor firms from the fish and seafood value chain to work closely with fish producer groups to develop new products. For example, the fish producer group, UCOOPPANE, helped develop the idea for packaged prawns, which the Universal Seafood anchor firm is now exporting to US markets. Similarly, the fish producer associations have taken a proactive role in proposing training topics to be covered in their Artisan Fish Producer School (AFS, the seafood sector equivalent of the FFS). The formation of these AFS was a direct result of the implementation of PRODEL in the Esmeraldas Province. Many of these topics are related to strengthening their organizations, as well as improving the quality of the post-catch handling process.



Artisan Fish Producer School - Esmeraldas, August, 2010

The PRODEL team has been working closely with the technical teams of two anchor firms – Deprodemar and Universal Seafood to develop the materials for the AFS. To date, PRODEL has assisted in the establishment of 14 AFS, reaching 294 fish producers. In addition,

PRODEL technical staff and anchor firm technicians conducted a total of 54 FFS to benefit 1,161 producers in Esmeraldas during FY 2010.

PRODEL has also helped secure critical support from local governments for the regional seafood value chain. Specifically, the San Lorenzo, Eloy Alfaro, and Rio Verde Municipalities have made important financial contributions to supporting PRODEL's partners in the region, due in large part to PRODEL's advocacy work. Rio Verde donated machinery and land to the Eloy Alfaro Calamari Association to help them set up a new storage space. Rio Verde has also allocated \$8,000 to four fish producer groups linked to UCOOPPANE for organizational strengthening activities. The Provincial Government of Esmeraldas committed \$30,000 toward strengthening the fish & seafood value chain in the region. The Eloy Alfaro Calamari Association and the "January 21" Seafood Cooperative will use some of these funds to improve ice production, which is a necessary component for ensuring post-catch handling and quality control.

At the same time, PRODEL continues to support the processed fruit value chain in Esmeraldas. Jugo Fácil has strengthened its linkages in the region during this last period, purchasing between 1,500 and 2,000 Kg of guanabana each week. Having hired new technicians with PRODEL funding, the firm expects to increase its presence in Eloy Alfaro, Quinindé, and San Lorenzo in the coming year.

B. Producer strengthening activities in the Northern Sierra

During this period, PRODEL assisted the Cereales Andinos anchor firm with co-financing for the acquisition of a new threshing machine that will be used by the Mama Murucuna Growers' Association to process their quinoa. In addition, as a follow up to conversations between PRODEL and the Mayor of Cotacachi, the Municipality donated seven hectares to the quinoa growers association for new quinoa production, while also committing to locate additional space for a new quinoa processing and storage plant.

During FY 2010, a total of 23 farmer field schools were implemented in the northern Sierra region of Ecuador to benefit 341 producers participating in PRODEL.

C. Producer strengthening activities in the Southern Sierra

PRODEL anchor firms in the Southern Sierra region have strengthened their partnerships with local producer groups through FFS. As in the other regions where PRODEL works, the FFS have provided an opportunity for structured exchange of information and agricultural techniques between the anchor firms and producer groups. A total of 43 farmer field schools were implemented in this region to benefit 941 producers during FY2010. In the Southern Sierra region the FFS have focused on improving coffee and cacao plantation management, setting up nurseries, installing irrigation systems and crop drying infrastructure, and applying Integrated Pest Management (IPM). The producer groups have quickly integrated the new techniques into their daily agricultural practices.



Clearing out old coffee groves – GRUPPO SALINAS



Coffee seedlings – GRUPPO SALINAS

D. Producer strengthening activities in the Amazon Region

During this period, the PRODEL team has reached out to new producer groups that can link into the coffee, cacao, and guayusa value chains. New linkages include cacao producers from the Payamino-Juan Pío Montúfar area in Orellana and the APANEC Association in Sucumbíos.

The San Carlos Association also made significant progress in setting up and managing new nurseries and increasing productivity among its cacao producers. Specific details are included in Annex V.

A total of 52 farmer field schools were implemented during FY 2010 to benefit 679 PRODEL participating producers in the Amazon region of Ecuador.

2.2 Horizontal Linkages



Mondel, Jugo Facil and SKS meet to discuss potential areas of collaboration

The PRODEL team continues to meet with Phase I and II anchor firms to foster horizontal linkages. During this period, PRODEL anchor firms developed a strategy to promote gourmet products using a socially responsible business label, and worked to host events that promote a gourmet consumer culture, such as “Ecuador Cultura Gourmet”. The anchor firm representatives have taken a proactive role in developing and implementing these proposals.

The coffee anchor firms have been particularly successful in developing fruitful horizontal linkages, with support from the PRODEL team. Café Vélez and Fapecafés have teamed up with UTPL to support the certification of Q-graders, as well as to identify new varieties and marketing programs in favor of specialty coffee from Loja.

The Ecuadorian Foundation for Progress for the People (FEPP) has worked this past year with PRODEL anchor firms and producers to provide technical assistance and train in the area of organizational strengthening.

2.3 Challenges Encountered and Alternatives Employed

The field technicians trained through the FFS have required more support from PRODEL staff than initially anticipated, especially in terms of the need for practical tools and methods for executing FFS techniques with individual farmers. Therefore, PRODEL is planning events to reinforce basic FFS concepts and techniques with previously trained field technicians from each anchor firm.

Finally, AACRI Rio Intag, the anchor firm responsible for supplying bio-catalyzers from micro-organisms grown in its pest control laboratory in Apuela, Cotacachi has taken longer than expected to sign the contracts and provide the supplies necessary due in large part, to the firm’s limited administrative capacity. This relatively slow process of implementation has been corrected through increased micro-organism production levels and follow up from the PRODEL team during this past quarter and PRODEL expects that AACRI Rio Intag will provide better services in the area of pest control to additional anchor firms participating in PRODEL during the coming months.

Approximately 10% of Ecuadorian farmers have joined an association based organization and this has presented a major challenge for the PRODEL team that must facilitate the

organization of farmers as a precursor to participation in a value chain for agribusiness development. Many of these individual farmers do not possess the necessary product volumes to access the market and this creates a need for additional organizational strengthening efforts for successful program implementation.

2.4 Activities Planned for Next Quarter

The PRODEL team will continue to work with anchor firms and producer groups to improve productivity, quality, and organizational capacities through the Farmer Field Schools. Some of the topics the PRODEL team will work on include: preparing organic fertilizers, biofertilizers, beneficial microorganisms, renewing coffee plantations, and irrigation management. PRODEL will also continue to promote a consumer culture around high quality, specialty Ecuadorian coffee, at the local and national level.

Other activities include:

- Continue to seek new anchor firms and producer groups, and promote their incorporation into the Program and linkages among them;
- Work with MAGAP-Esmeraldas to facilitate two events for field technicians in Esmeraldas on combating the Giant African Snail;
- Organize five regional events with anchor firms from the same sectors to develop training methodologies that address their specific needs and interests;
- Facilitate a Training of Trainers workshop using the FFS methodology for the technical staff of new PRODEL anchor firms;
- Host a Training of Trainers (TOT) event on the use of micro-organisms to control pests and diseases for anchor firm local technical trainers.

3. Foster the Provision of Financial Services

3.1 Achievements during FY 2010

During this period, the PRODEL team made significant progress in three areas of its strategy to extend access to financial services. First, PRODEL made significant headway in introducing the concept of “Value Chain Financing” at the national level. Second, PRODEL established strategic partnerships to develop and expand financial service products for PRODEL’s anchor firm clients and associated stakeholders. Finally, the PRODEL team initiated a financial literacy program, entitled “Rural Business: Financial Literacy for Rural Producers”.

To sustainably and effectively extend access to financial services, PRODEL carries out activities at three levels: macro (e.g. influencing relevant national regulations and institutions); meso (e.g. working with financial institutions to develop and execute new products and services); and micro (e.g. at the individual farm level through its Financial Literacy initiative). PRODEL promotes knowledge management at all three levels through the construction of manuals and resource tools that will guide financial institutions and their clients in the improvement of access to financial services in Ecuador.

3.1.1 Macro Level



“Value Chain Financing” events in Quito and Ibarra

- PRODEL organized and hosted three “Value Chain Financing” Seminars in Quito, Ibarra, and Coca, which 227 finance sector representatives attended. Through these seminars, PRODEL made important contacts with financial institutions interested in working with the program to design and deliver new types of financial products for rural businesses, in addition to representatives from governmental entities that are currently considering the norms and regulations that will provide guidelines for the new Ecuadorian microfinance law.

- PRODEL signed a Memorandum of Understanding (MOU) with the Rural Financial Network (RFR, according to its Spanish name) which is structured around two objectives: influencing national policies affecting financial institutions and lending in the rural sector; developing, executing, and monitoring value chain financial products.
- The PRODEL team facilitated the production of a computer-based financial services mapping tool entitled: “Organizations that offer financial services in Ecuador’s border regions”. So far, the National Program on Socially Responsible Community Finances, Entrepreneurship, and Economies expressed interest in adopting the tool within its programming. This tool locates and describes the various financial institutions operating primarily in the border regions of Ecuador.
- The Technical Secretariat of the National Program on Socially Responsible Community Finances, Entrepreneurship, and Economies invited the RFR and PRODEL to partake in drafting the regulations relating to a law currently up for approval in the National Ecuadorian Assembly, which focuses on a socially responsible and

community financial system to facilitate greater financial service access to small producers and businesspersons in both rural and urban areas of Ecuador.

3.1.2 Meso Level

- PRODEL and the Savings and Loan Union of the North (UCACNOR, according to its Spanish name), are negotiating an MOU that will allow PRODEL to work with 2-3 of its member cooperatives to extend financial services and products to at least 300 producers in the northern Sierra region.
- PRODEL has also developed strong ties to the COOPMEGO Savings and Loan Cooperative in Loja and the CODESARROLLO Savings and Loan Cooperative that offers national coverage. PRODEL expects to sign MOUs with both financial institutions during the next quarter, in order to provide access to financial services to at least 200 coffee growers in Loja and at least 150 coffee and cacao growers in the northern Amazon Region, respectively. With both institutions, there is significant potential to increase the number of beneficiaries after an initial pilot run.



“Financial Products for Value Chain Stakeholders, with a Special Focus on SMEs” Seminar in Quito

PRODEL hosted an event, entitled “Financial Products for Value Chain Stakeholders, with a Special Focus on SMEs”, which presented different financial products and services that anchor firms and producer groups can access. A wide variety of program allies presented at the event, including the National Finance Corporation, MCPEC, the Andean Development Corporation, and CORPEI. As a result of this event, the PRODEL anchor firm, Runa Tarpuna, was able to secure \$85,000 from the Andean Development Corporation to extend technical assistance to 400 additional guayusa growers.

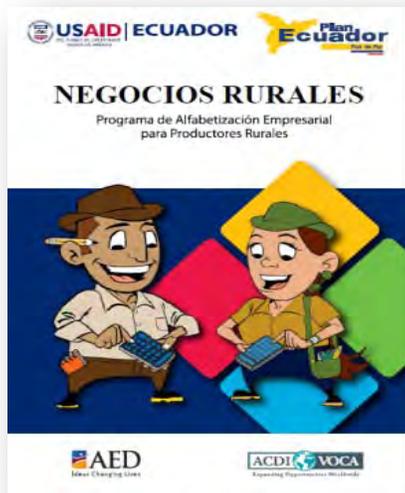
- The PRODEL team developed a protocol for financial institutions interested in implementing the program’s value chain financing methodology. The protocol describes the policies, procedures, and documents that must be taken into account in order to be able to access financing in Ecuadorian border regions.

3.1.3 Micro Level

PRODEL developed educational and promotional materials for its Financial Literacy Program, called “Rural Business: Financial Literacy Program for the Rural Sector”.

Various institutions are interested in working with this financial literacy program, including the Provincial Government of Loja and The San Carlos anchor firm.

- The San Carlos participants consistently express their satisfaction with the financial literacy program, indicating that it has helped them make more sound financial and agricultural decisions, as well as facilitated access to financial services and products that they couldn't access previously. See Table 2 for an overview of pilot program participation.



A presentation by participants during a Financial Literacy workshop with the San Carlos Association of Cacao Growers

Table 2. Overview of Participation in Pilot Program

	Informational Meeting	Session I	Session II
No. of Workshops	8	9	9
No. of Small Business Participants	142	163	163
% Men	65%	58%	60%
% Women	35%	42%	40%

Testimonies of two participants from the pilot Financial Literacy Program

 <p>I am happy participating in these workshops, and am grateful to those who make this type of program available to us. We have never had this type of workshop, which is helping us use our time and money better and administer our resources more effectively, which is so important for farmers.</p>	 <p>Until now, the only workshops we ever received were focused on how to improve our crops. Never before has anyone come to show us how to administer and distribute our resources more appropriately. If we had received these workshops a long time ago, maybe we wouldn't have had so many failures, since very few farmers plan what they are going to grow in advance. Through these workshops, I have learned how to manage my farm like a business, so I am really happy and grateful to continue participating in these classes.</p>
<p>Señor Servilio Ortega: Coordinator of the New Ecuador Financial Literacy School, Cacao Grower from the New Ecuador community, in the Joya de los Sachas Municipality.</p>	<p>Señora Susana Erraez: Farmer from the San Carlos Township and member of the Golden Seed Group</p>

3.2 Challenges Encountered and Alternatives Employed

3.2.1 Macro Level Challenges

One of PRODEL's major challenges is to design a sector-specific proposal that will guide the on-the-ground implementation of the microfinance law based on widespread and meaningful participation from the diverse financial sector stakeholders from various parts of Ecuador, especially those in microfinance. It is particularly critical for PRODEL to secure such participation in the formulation and implementation of the new regulations and financial system that are included in the Socially Responsible Community Economies Law, which is currently pending approval by the Ecuadorian National Assembly. Often it is difficult for such disparate and distant stakeholders to reach timely agreements regarding laws and their regulations that govern financing alternatives.

PRODEL will work closely with RFR and other development agencies, especially public entities, to ensure widespread and meaningful participation among diverse stakeholders. RFR and PRODEL's other partners will help bring together proposals from different actors and facilitate the process to develop a single, inclusive proposal that represents the microfinance sector's interests and objectives.

3.2.2 Meso Level Challenges

PRODEL's main challenge during this last period was to facilitate the promotion of access to financing specifically designed for value chain stakeholders. There is widespread interest in this initiative among financial institutions, especially local savings and loan cooperatives. PRODEL will work closely with these financial institutions to facilitate new types of financing mechanisms that mitigate risks to reach larger numbers of rural businesses and smallholder farmers. The recently developed PRODEL protocol for applying value chain financing mechanisms will also help make this process run more smoothly.

Finally, the MOUs that PRODEL is in the process of signing with each financial institution will formalize partnerships that are anticipated to demonstrate the benefits of value chain financing for the productive and financial sectors in Ecuador and foster implementation of these value chain financing concepts on behalf of participating Ecuadorian financial institutions.

3.2.3 Micro Level Challenges

Local PRODEL partners have limited understanding of financial concepts, which makes it more challenging for them to understand some of the new approaches PRODEL's team disseminates. The Financial Literacy Program, with its clear and appropriate educational materials, will help the PRODEL team overcome this barrier. Program impact will continue to grow as PRODEL collaborates with new strategic partners who are interested in helping scale up the financial literacy offerings throughout Ecuador.

3.3 Activities Planned for Next Quarter

The following activities will be carried out during this next quarter in the financial services component of PRODEL:

3.3.1 Macro Level Activities

- Work with the Rural Financial Network to organize at least one meeting with representatives from the Network's member institutions to identify aspects of existing legislation that negatively impact the rural financial sector and to develop proposals to overcome these barriers. An expert consultant and the National Institute for Socially Responsible Community Economies (IEPS, according to its Spanish name) will support this process.

- PRODEL will create videos and informational CDs for each of the events it hosts in order to facilitate more widespread coverage of the events, and ultimately, reach a greater audience for disseminating information about value chain financing.
- With support from ACDI/VOCA Washington staff member, Geoffrey Chalmers, PRODEL will host an event prior to the 10th Ecuadorian Forum on Microfinance to formally introduce the program's value chain financing mechanisms. PRODEL will also present its financial sector work in Ecuador during the Forum.
- PRODEL will present, "A New Perspective on Economic Development – Value Chain Financial Services" at the 4th International Summit for Credit and Microfinance Advisors, which will be held in Quito in October 2010.

3.3.2 Meso Level Activities

- PRODEL will sign MOUs with UCACNOR, Santa Anita, COOPMEGO and the CODESARROLLO Savings and Loan Cooperatives, to provide the framework for the implementation of at least four pilot programs intended to extend financial services to local producers and develop a value chain financing mechanism that can be used throughout the country.

3.3.3 Micro Level Activities

- Lead at least one "Training of Trainers" workshop for the Financial Literacy Program facilitators, who will not only carry out the program in the field, but also participate in selecting local technical advisors for the initiative.
- Implement the Financial Literacy Program, starting with cacao and coffee farmers in the southern Sierra and northern Amazon regions through locally contracted institutions with guidance from PRODEL.
- Transfer knowledge on the concepts behind and the methods to implement the Financial Literacy Program to the Loja Provincial Government, which will include training local trainers and coordinating activities in the field.

4. Expand and Transfer the Value Chain Model

4.1 Achievements during FY 2010

During this period, the PRODEL team organized and hosted the, "Value Chains in Local Economic Development," workshop in the city of Loja in Ecuador's southern Sierra region. During the three-day event, the PRODEL team trained 34 people representing different regional governmental entities in the value chain methodology, and business and financial

planning. In addition, they explored opportunities to leverage funds from publically funded programs with existing private value chain initiatives. Representatives from the Loja Provincial Government, including the Departments of Production, Community Development, and Tourism, as well as personnel from the Loja Municipality and MCPEC attended the event.



Representatives from MCPEC, the Loja Provincial Government, and PRODEL at the “Value Chains in Local Economic Development” event in Loja, Ecuador

After the workshop, the Loja Provincial Government made a proposal to PRODEL to work jointly in a number of specific areas in order to strengthen value chain competitiveness in Loja. Specifically, they seek technical support from PRODEL to increase financial literacy and access to financial services among the rural sector in Loja Province; the promotion of private-public partnerships to respond better to rural sector needs; the identification and strengthening of specific, high-potential value chains such as coffee, corn, and goat husbandry; and the fostering of social entrepreneurship among Loja’s youth as part of an existing pilot program sponsored by the provincial government. The Loja Government is clear that it wants to work with PRODEL to adopt and expand the value chain model in Ecuador’s southern border region.

During this period, a number of development agencies from the US, Belgium, and Holland have become important allies in promoting the value chain model in their own projects. This complementarity has helped PRODEL make inroads with regional governments where these agencies work, as in the case of the Carchi Provincial Government that has requested that PRODEL host an event similar to the workshop implemented with the Provincial government of Loja.

4.2 Challenges Encountered and Alternatives Employed

Despite PRODEL team efforts to share and expand the value chain model through the federal government, there has been limited reception, especially in comparison with the interest expressed by local and regional governments. The latter have demonstrated particular excitement and active commitment to incorporating the value chain model into their local economic development plans and leveraging public funds. PRODEL has continued to explore options to coordinate its work with governmental agencies at the federal level and has recently achieved successes with the Ministry of Coordination of the Production, Employment, and Competitiveness (MCPEC) through its InnovaEcuador program. The MOU signed between PRODEL and MCPEC this year also allowed for the presence of this ministry at several of the program's key events. In addition, the Ministry of Livestock & Agriculture (MAGAP) recently agreed to host the 2010 Taza Dorada (Golden Cup) specialty coffee competition at its facilities in Quito.

4.3 Activities Planned for Next Quarter

- The PRODEL team will work with strategic public and private partners to apply the value chain model in the areas where it is currently working. Priority partners for this next period include the Carchi Provincial Government in coordination with the Belgian and Dutch Development Agencies, as well as strengthening existing partnerships with governmental and additional development agencies in Loja.
- Propose the transfer of concepts and experiences based on the value chain model to the Technical University of Loja (UTPL).

5. Pulling in Local Service Providers

5.1 Achievements during FY 2010

- The PRODEL team disseminated the supplier database to partner anchor firms that are currently implementing projects. This database offers PRODEL and its partners a list of recommended suppliers based on a rigorous selection process that takes into account: prices, product quality and quantity, and overall market dynamics.
- The PRODEL team promoted the integration and diversification of goods and service suppliers in each of the value chains and sectors associated with the program. As a result, the PRODEL anchor firms have established new commercial relationships with suppliers of construction materials and tools, agricultural equipment, quality control

equipment, irrigating systems, specialized technical services, organic inputs, and marketing and promotional services.

- PRODEL invested Economic Development Funds in subcontracts to finance strategic initiatives including staff training, attending international trade shows, hiring financial experts, attending and organizing sector-specific events, hiring field staff, promoting a consumer culture, and stimulating exports.
- PRODEL hired two local consultants to carry out Environmental Reviews and develop Pesticides Environmental Review and Safe Use Action Plans (PERSUAP) – US Government requirements for US-funded activities, which ensure that all PRODEL activities comply with USAID regulation 216.

5.2 Challenges Encountered and Alternatives Employed

- The EDF rules and regulations are new and often complicated for anchor firm representatives to follow without orientation from PRODEL staff members. As a result, the PRODEL team organized two workshops for anchor firm administrative and technical personnel to explain the rules and regulations for the correct use of EDF resources.
- Local tools and equipment suppliers rarely have enough stock available to deliver goods and equipment immediately. As a result, the subcontract and grants department team has continued to identify and evaluate new entities to expand the PRODEL supplier database.

5.3 Activities Planned for Next Quarter

- Publish announcements in local media outlets in an effort to identify and evaluate new local suppliers as part of the continual process of updating the supplier database.
- Share the updated database with all of the PRODEL anchor firms as a way of supporting the acquisition of goods and services through local providers.

6. Monitoring and Evaluation

6.1 Achievements during FY 2010

- During this period, PRODEL adopted the Qlik View software program to manage and analyze project data. Qlik View allows PRODEL to create graphs and tables, organize

information from multiple sources, and report anchor firm and producer group information more effectively.

- The PRODEL team updated its Monitoring and Evaluation tools. Tool # 7 (see annex VIII) emphasizes value chain competitiveness, negotiations, product management, and commercial strengthening. The new version of tool # 7 has been broken down into three areas as follows: a) Analysis of competitiveness, or anchor firm marketing capacity; b) management analysis, or how the anchor firm administrative and operational systems have been strengthened; and c) analysis of vertical linkages, which relates to how the firm has strengthened its commercial and training relationships with its producers/suppliers.
- The 24 anchor firms from Phase II with which PRODEL is currently working represent 70% of the 34 firms that will ultimately be integrated into the Program. PRODEL has established the following indicator goals in coordination with these 24 firms: 11,848 new beneficiary families (87% of the final goal of 13,600 families); 12,962 new and improved hectares (135% of the final goal of 9,600 hectares); 7,010 new jobs (103% of the final goal of 6,800 new jobs). Taking into account that producer sales to anchor firms are a way in which PRODEL can measure the strength of the commercial linkages, 24 anchor firms are projecting a 126% increase in producer-anchor firm sales, while the global anchor firm sales are expected to increase by 43%.

Table 3: Cumulative Projected Goals for 24 PRODEL II anchor firms

Indicator	Baseline	Final Goal	Increase
Number of beneficiary families	2,967	14,815	11,848
Number of hectares of improved licit crops	3,106	13,386	10,280
Number of hectares of new licit crops	98	2,780	2,682
Number of new full time employees	1,744	8,754	7,010
Producer-Anchor Firm Sales (\$)	\$5,393,284	\$12,190,920	\$6,797,636
Increase in Anchor Firm Sales (\$)	\$76,447,828	\$109,761,161	\$33,313,333

- During FY10, 45 field technicians were hired with PRODEL and anchor firm funding. These technicians trained 4,578 families from 17 PRODEL anchor firms in new cultivation and post-harvest techniques that have strengthened their commercial processes.

Table 4: Number of trained families per anchor firm (Oct. 2009-Sept. 2010)

Cafecom	100
Cereales Andinos	180
Cofina	713
Deprodemar	300
Ecuacocoa	417
El Café	598
Fapecafes	393
Fino de Aroma	208
Gruppo Salinas	43
Inalproces	30
Jugo Fácil	186
L'Verde	12
Runa Tarpuna	172
San Carlos	637
Universal	242
UNOCACE	236
Urocal	111
17 anchor firms	4,578

- PRODEL II producers improved 3,429 hectares of crops during this past year. An example of this is the 1,023 hectares of cacao in Esmeraldas, El Oro and Sucumbios that are being grown according to principles of organic agriculture.

Table 5: Number of Hectares of New or Improved Licit Crops per Anchor Firm (Oct. 2009-Sept. 2010)

Anchor Firm	Hectares
Cafecom	122.75
Cereales Andinos	101.96
Cofina	734.00
Ecuacocoa	219.50
El Café	397.50
Fapecafes	314.40
Fino de Aroma	348.10
Gruppo Salinas	131.25
Inalproces	3.22
Jugo Fácil	8.75
L'Verde	17.50
Runa Tarpuna	88.00
San Carlos	377.98
UNOCACE	236.00
Urocal	328.60
15 anchor firms	3,429.51

The Universal and Deprodemar anchor firms work with fish producers to which the number of hectares indicator does not apply

- This past year, PRODEL II created 2,325 full time equivalent jobs, representing \$5,154,140 of new household income overall, based on a \$10/day rate.

Table 6: Number of New Full Time Employees per Anchor Firm (Oct. 2009-Sept. 2010)

Anchor Firm	Employees
Urocal	164
Unocace	118
Universal	242
San Carlos	189
Runa Tarpuna	44
L'Verde	7
Jugo Fácil	86
Inalproces	1
Gruppo Salinas	65
Fino de Aroma	174
Fapecafes	157
El Café	198
Ecuacocoa	109
Deprodemar	300
Cofina	367
Cereales Andinos	40
Cafecom	61
17 anchor firms	2,322

- The average monthly income for producer families has increased from \$ 1,111 (baseline) to \$ 1,305. Producer families linked to the Fino de Aroma anchor firm and the cacao anchor firms earn the highest average monthly incomes. On the other hand, guayusa producers earn the lowest average monthly income. According to the guayusa anchor firm, Runa Tarpuna, this is due in large part to the low density of the guayusa crop that each family manages. Due to the nature of the implementation and incorporation of new anchor firms on an ongoing basis, the family income indicator is only calculated for those anchor firms and producers that have on-the-ground projects underway.

Table 7: Average Producer Family Income per Anchor Firm (Oct. 2009-Sept. 2010)

Anchor Firm	Family income (US\$)
Cafecom	576
Cereales Andinos	666
Cofina	2,082
Deprodemar	2,967
Ecuacocoa	636
El Café	580
Fino de Aroma	2,988
Runa Tarpuna	26
San Carlos	926
Urocal	2,530
Universal	373
Average	1,305

- Comparing productivity data from December 2008 and December 2009, PRODEL's impact is significant. Productivity has increased among coffee and cacao growers, due in large part, to improved technical management of the crops, such as better pruning techniques, shade management, weed control, and fertilization practices. In the dairy sector, increased productivity is due to improved pasture management and better animal husbandry. Overall, anchor firms have generated \$1,271,703 in new income due to greater productivity during this period.

Table 8: Impact generated by PRODEL in productivity and income (January - December 2009)

Value Chain	Anchor firm	Unit	Year		Number of families	Number of improved hectares	Additional production	Value of additional production in \$USD
			2008	2009				
Coffee	AACRI	100 pound bag/He	2.88	5.03	409	221	475	57,018
	Escoffee	100 pound bag/He	2.7	6.83	448	110	454	54,516
	Fapecafes	100 pound bag/He	7.6	8.36	688	1016	772	92,659
	Café Galletti (2)	100 pound bag/He	4.9	7.1	235	222	488	58,608
	Café Velez	100 pound bag/He	8.46	10.18	457	686	1,180	141,590
	Sol de Oriente	100 pound bag/He	2.44	4.05	986	215	346	41,538
Cacao	SKS	100 pound bag/He	2.66	2.82	352	963	154	18,490

	Gruppo Salinas	100 pound bag/He	3.94	4.25	307	400	124	14,880
	Aroma Amazónico	100 pound bag/He	4.48	5.9	1869	1500	2,130	255,600
	Cofina	100 pound bag/He	2.94	3.07	373	633	82	9,875
	Ecuadoriana de Chocolates	100 pound bag/He	3.94	4.25	427	600	186	22,320
	Aaprocash	100 pound bag/He	2.17	2.17	308	427	0	0
	Aproca	100 pound bag/He	3.5	5.7	470	665	1,463	175,560
Dairy	Mondel	liters of milk/year	2254	2724	402		188,940	75,576
	Ecolac	liters of milk/year	586	611	197		4,925	1,970
Quinoa	Inagrofa (1)(3)	100 pound bag/He		10.06	216	122	1,227	147,278
	Cereales Andinos (1)(3)	100 pound bag/He		10.76	100	71	764	91,675
Herbs	AAPPSME	100 pound bag/He	34.97	46.59	310	9	105	12,550
							TOTAL	\$1,271,703
(1) small-scale farmers did not harvest quinoa on a regular basis before PRODEL intervention (2008-2009 was the first harvest season).								
(2) does not include 132 families from Mira who have new coffee plantations.								
(3) do not include a small group of families that have larger farms (hacendados).								

- PRODEL I firms have continued working with their partner producer groups. During this past quarter, PRODEL I firms have incorporated 68 new producer families and 342 hectares of new or improved licit crops. Although these firms no longer receive direct financial support from PRODEL they are invited on a regular basis to participate in events funded by PRODEL that reinforce the progress achieved during the first phase of the program. PRODEL is reporting on this continued sustainable momentum created during the first phase of the program to benefit producers and their anchor firms.

Table 9: PRODEL I Key Indicator Achievements (Reported for 20 Value Chains)

INDICATOR	BASELINE	PRODEL I TARGETS	PROGRESS TO JUNE 2010	PROGRESS FOR 4 TH QTR FY 2010	CUMULATIVE PROGRESS TO 4 TH QTR FY 2010
Number of Urban and Rural Value Chains	0	20	20	N/A	20
Number of Municipalities assisted and that contributed to improve the business environment	0	10	12	N/A	12
Number of beneficiary families (1)	2,295	8,000	9,573	68	9,641
Number of hectares of new and improved licit crops (1)	2,296	4,000	15,228	342	15,570
Number of new full time employees (1)	1,032	4,000	10,051	171	10,222
Increase in family (household) income from targeted sectors (\$) (3)	845		1,549	N/A	1,549
Increase in anchor firms sales (\$) (2) (3)	43,025,058	51,762,500	47,344,753	N/A	47,344,753

(1) Does not include information from Cereales Andinos, COFINA, Fapecafes, Jugo Fácil, and Gruppo Salinas. This data will form part of PRODEL II given that these firms continue to work with the Program.

(2) Progress measured to December 2009, in accordance with the Ecuadorian fiscal year.

(3) This data is no longer being collected for PRODEL I anchor firms and producers.

Table 10: PRODEL II Key Indicator Achievements (Reported for 24 Value Chains)

INDICATOR	BASELINE	PRODEL II TARGETS	PROGRESS TO JUNE 2010	PROGRESS FOR 4 TH QTR FY 2010	CUMULATIVE PROGRESS TO 4 TH QTR FY 2010
Number of Urban and Rural Value Chains	5	34	18	6	24
Number of beneficiary families*	1,621	13,600	3,203	1,375	4,578
Number of hectares of new and improved licit crops	2,339	9,600	2,546	883	3,429

Number of new full time employees	1,122	6,800	1,822	503	2,325
Increase in family (household) income from targeted sectors (\$)**	1,111	75%	N/A	17%	17%
Increase in Farmer Group's sales to Anchor Firms***	969,132	75%	N/A	N/A	969,132
Increase in anchor firms sales (\$)**	25,594,176	31,754,762	N/A	N/A	25,594,176
Number of GOE/NGO Technicians Trained	0	300	92	13	105

*These families included in this baseline were connected to the five anchor firms that continued from PRODEL I to PRODEL II and will not be counted for reporting purposes.

**Corresponds to 11 anchor firms that are able to be measured as of September 30, 2010 according to their harvest seasons, PRODEL rate of implementation, and the characteristics of the value chains. Due to the PRODEL implementation schedule, this indicator was only measured starting with September 2010.

***This information will be reported as of December 2010, in accordance with the Ecuadorian fiscal year. Starting with the second quarter of FY 2011, PRODEL will report on these indicators on a quarterly basis.

- To date, PRODEL has trained 14,219 families that are now applying new productivity and quality enhancing techniques on their farms and productive units. Trainers and technical assistants saw best results when they used Farmer Field Schools to impart new knowledge and practices.
- A total of 12,547 full-time equivalent jobs have been created for families that were dedicated to improving their farms and applying technical recommendations received through PRODEL.
- A total of 105 technical advisors from 47 development agencies, NGOs, and regional governments have received training in the Farmer Field School (FFS) methodology and in Integrated Pest Management (IPM), in Esmeraldas, the Amazon, and the southern border region.

Table 11: PRODEL Cumulative Key Indicator Achievements

INDICATOR	LOP TARGETS	PROGRESS TO JUNE 2010	PROGRESS FOR 4 TH QTR FY 2010	CUMULATIVE PROGRESS TO 4 TH QTR FY 2010
Number of Urban and Rural Value Chains (1)	49	33*	6	39
Number of Municipalities assisted and that contributed to improve the business environment	10	12	N/A	12
Number of beneficiary families (1)	21,600	12,776	1,443	14,219
Number of hectares of new and improved licit crops (1)	13,600	17,774	1,225	18,999
Number of new full time employees (1)	10,800	11,873	674	12,547
Increase in family (household) income from targeted sectors (\$)	75%	1,111	194	1,305
Increase in Farmer Group's sales to Anchor Firms	2,151,050	969,132	N/A	969,132
Increase in anchor firms sales \$(1)	56,761,263	51,100,780	N/A	51,100,780
Number of GOE/NGO Technicians Trained	300	92	13	105

(1) Includes 39 anchor firms (20 from PRODEL I and 19 from PRODEL II).

*The Tropicano and Facundo anchor firms have left the Program

6.2 Challenges Encountered and Alternatives Employed

- Technical staff personnel assigned to anchor firms in the field are not experienced in registering field data, which makes monitoring and tracking impact more difficult. As a result, the Monitoring & Evaluation Specialist has proposed follow up workshops with targeted anchor firm personnel to ensure greater data management quality levels for the PRODEL Monitoring, Evaluation & Reporting system.

6.3 Activities Planned for Next Quarter

- PRODEL will design a digital page for the M & E tool #1 (see annex IX) used to register beneficiaries in order to standardize the information provided by the anchor firms.
- Gather baseline data for the six new anchor firms and their producers selected during the 1st quarter of FY 2011.
- Make site visits to anchor firms to ensure efficient and accurate reporting system for monitoring and evaluation and a working knowledge of the tools necessary for keeping track of program progress.

7. Subcontracts and Grants

7.1 Achievements during FY 2010

The PRODEL subcontract and grants department focused on the following activities during this past year: (1) setting up and monitoring 13 small grants with PRODEL I anchor firms, (2) supporting the selection of 24 anchor firms for PRODEL II, (3) reviewing applications from interested anchor firms, (4) creating six internal committees to review proposals, (5) developing and processing grants, (6) processing funds disbursements based on the program work plan, (7) hiring field staff, and (8) monitoring and following up on activities.

As part of the subcontracts component of the program, the PRODEL team has implemented a series of strategic activities during FY10 that have generated the following impacts (see Table 12):

- PRODEL's support for partner anchor firms to participate in international trade shows created important commercial opportunities and helped promote Ecuador as a key specialty product exporter in the world marketplace.
- The national and regional events that PRODEL organized this year helped (1) promote local interest in Ecuadorian products, (2) disseminate information about increasing access to financing for value chain stakeholders, (3) facilitate strategic connections among stakeholders in each sector, and (4) improve local capacity to respond to market demand.

Table 12: Subcontract Details

ACTIVITY	SUB-SECTOR
Three “Training of Trainers” Workshops, using the Farmer Field School methodology	Cacao, Coffee, Fruits, Medicinal herbs, Dairy products, Grains and Fish & Seafood
SCAA Trade Exposition in Anaheim, California, USA	Arabica Coffee Private companies from the Ecuadorian coffee sector
Three regional events to promote value chain-specific financing strategies – Quito, Ibarra and Coca	Cacao, Coffee, Fruits, Medicinal herbs, Dairy products, Grains, Fish & Seafood, and local financial institutions
Event to promote value chain- financing strategies for micro and medium enterprises	Cacao, Coffee, Fruits, Medicinal herbs, Dairy products, Grains, Fish & Seafood, and local financial institutions
Supported the “Forum on Developing a Sustainable Cacao Value Chain in Ecuador”	Cacao Public and private stakeholders from the cacao sector
Hired technical staff to begin technical assistance activities	Cacao and Coffee
Organization of the “Ecuador Cultura Gourmet” event	Cacao, Coffee, Fruits, Medicinal herbs, Dairy products, Grains and Fish & Seafood
Development of Environmental Reviews for PRODEL II anchor firms	Cacao, Coffee, Fruits, Vegetables, Grains and Fish & Seafood
Updated and revised the PERSUAP	Cacao, Coffee, Fruits, Vegetables, Medicinal herbs, Dairy products, Grains and Fish & Seafood
Organization and sponsorship for the “Doing Business in the US” training and coaching event	Cacao, Coffee, Fruits, Vegetables, Medicinal herbs, Dairy products, Grains and Fish & Seafood
Supported the “Baristas Training” event performed by Luigi Luppi of Italy	Arabica coffee Private companies from the Ecuadorian coffee sector
Technical Assistance from the Coffee Quality Institute (CQI) to improve the quality of Ecuadorian coffee	Arabica coffee Private companies from the Ecuadorian coffee sector

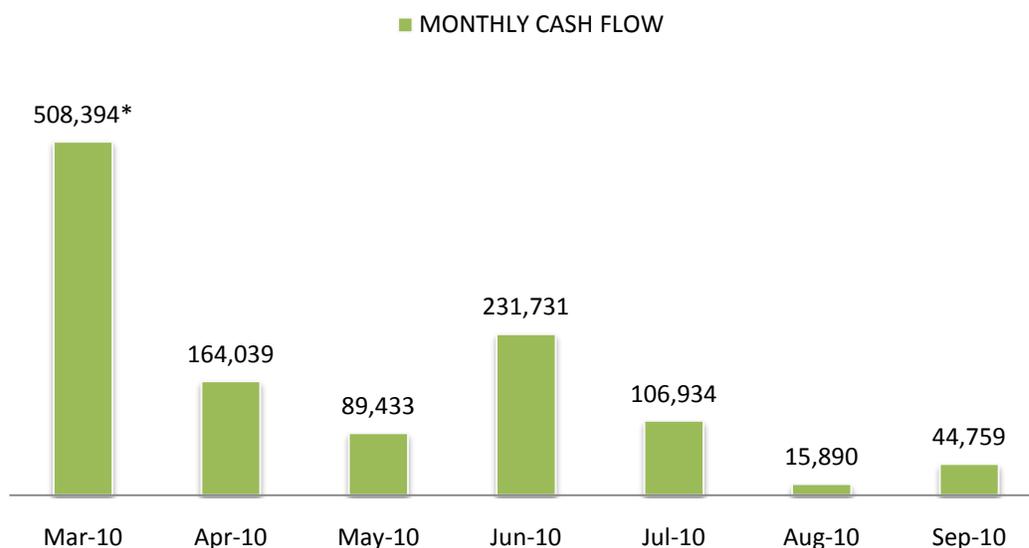
PRODEL achievements in the area of subcontracts and grants during FY 2010 include:

- The PRODEL team formed six internal committees to review and award 24 applications. During this process, the committees focused on (1) technical and financial feasibility, (2) the extent to which the proposal contributed to achieving program goals, and (3) medium- and long-term sustainability.
- PRODEL invested a total of \$ 208,960 in strategic activities implemented by 13 PRODEL I anchor firms through small grants (see table 13).
- To date, a total of 24 applications for co-financing for PRODEL II anchor firms and producers have been presented to the Economic Development Fund and have

planned for a total of \$ 4,061,386 in direct investments from the Program and pledges for \$ 7,293,386 of counterpart funding from anchor firms and producer groups (see table 14).

- Through the EDF, PRODEL assisted 17 anchor firms from the second phase of the program to hire 62 field technicians and local staff to strengthen producer groups that supply coffee, cacao, grains, fish and seafood, fruit, and vegetable products. The technical assistance focuses on improving productivity and quality.
- As of September 2010, 17 anchor firms have begun implementing activities with partner producer groups, having received a total of \$ 1,161,180 in PRODEL financing. The additional anchor firms will receive EDF funding beginning in the 1st quarter of FY 2011.

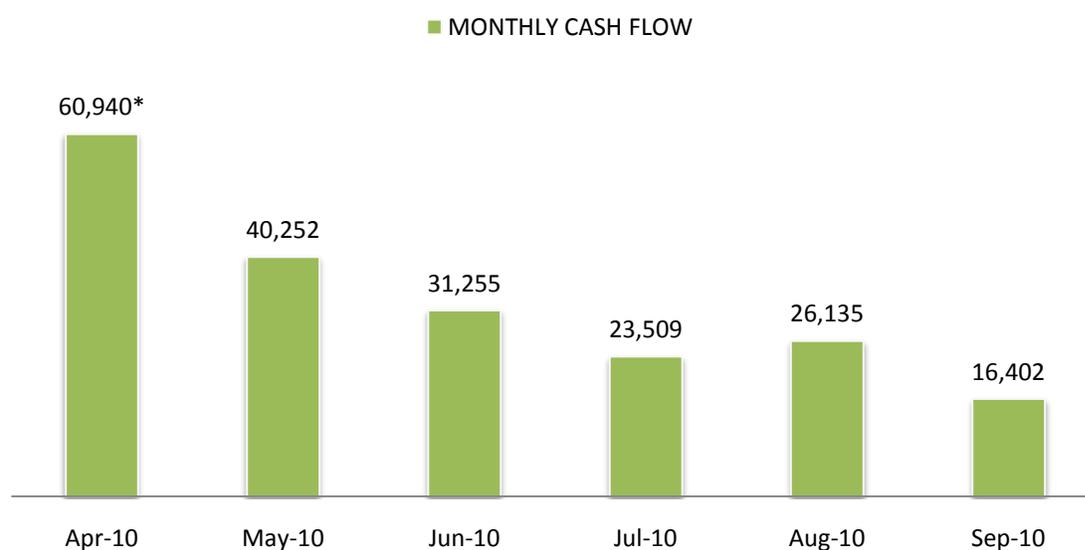
Graph 7: EDF GRANTS CASHFLOW AS OF SEPTEMBER 30, 2010



*Grant disbursements through the EDF began in March of 2010

- PRODEL awarded a total of \$ 198,493 USD in subcontracts during FY 2010 to local firms to carry out specific strategic activities, including training and technical assistance, and organizing financial and sector-specific events.
- PRODEL has disbursed \$ 1,359,673 in EDF funds through both grants and subcontracts during FY 2010.

Graph 8: EDF SUB CONTRACTS AS OF SEPTEMBER, 2010



***Sub-contract disbursements through the EDF began in April of 2010**

Table 13: PRODEL-funded Small Grants

Anchor firm	Value chain	PRODEL Funds Disbursed
APROCA	Cacao & Chocolate	\$20,000
AROMA AMAZÓNICO	Cacao & Chocolate	\$ 8,000
SKS FARMS	Cacao & Chocolate	\$20,000
AAPROCASH	Cacao & Chocolate	\$13,000
AACRI Rio Intag	Coffee	\$20,000
CAFÉ GALLETTI	Coffee	\$23,000
CAFÉ VÉLEZ	Coffee	\$23,000
CEREALES ANDINOS	Grains	\$ 4,960
INAGROFA	Grains	\$17,000
AAPPSME	Tea	\$15,000
ASO GUABO	Fruits	\$14,000
ECOLAC	Dairy products	\$14,000
MONDEL	Dairy products	\$17,000
TOTAL		\$ 208,960

Table 14: PRODEL II and counterpart

Anchor firm	Value chain	PRODEL Funds Approved	LOP Estimated Anchor Firm Contribution
FAPECAFES	Coffee	\$ 248,700	\$ 564,000
CAFECOM	Coffee	\$ 182,247	\$ 315,600
MINERVA	Coffee	\$ 113,000	\$ 169,000
EL CAFÉ	Coffee	\$ 300,000	\$ 733,000
FINO DE AROMA	Coffee	\$ 106,900	\$ 323,005
HOJA VERDE	Coffee	\$ 101,397	\$ 119,850
SWEET & COFFEE	Coffee	\$ 97,500	\$ 219,100
COFINA S.A.	Cacao & Chocolate	\$ 437,300	\$ 753,000
GRUPPO SALINAS	Cacao & Chocolate	\$ 206,200	\$ 206,000
ASOC. SAN CARLOS	Cacao & Chocolate	\$ 249,400	\$ 321,100
ECUACOCOA	Cacao & Chocolate	\$ 299,250	\$ 408,850
UNOCACE	Cacao & Chocolate	\$ 124,502	\$ 666,780
ECOCAFE	Cacao & Chocolate	\$ 95,200	\$ 159,000
JUGO FACIL	Fruits	\$ 167,500	\$ 171,788
UROCAL	Fruits	\$ 112,350	\$ 195,120
AGRIEXELL	Fruits	\$ 99,100	\$ 99,116
EXOFRUT	Fruits	\$ 94,700	\$ 149,000
CEREALES ANDINOS	Grains	\$ 99,400	\$ 113,060
L' VERDE	Grains	\$ 93,140	\$ 124,950
NUTRIVITAL	Grains	\$ 97,200	\$ 114,667
DEPRODEMAR	Fish & Seafood	\$ 181,300	\$ 323,700
UNIVERSAL	Fish & Seafood	\$ 228,900	\$ 306,900
INALPROCES	Vegetables	\$ 105,900	\$ 270,300
RUNA TARPUNA	Tea	\$ 220,300	\$ 466,500
TOTAL		\$ 4,061,386	\$ 7,293,386

Table 15: Total Funds Disbursed to Anchor Firms from October 1, 2009 to September 30, 2010

Anchor firm	Value chain	PRODEL Funds Approved	Total Funds Disbursed
<i>PRODEL I Small Grants</i>			
APROCA	Cacao & Chocolate	\$ 20,000	\$ 20,000
AROMA AMAZÓNICO	Cacao & Chocolate	\$ 8,000	\$ 8,000
SKS FARMS	Cacao & Chocolate	\$ 20,000	\$ 20,000
AAPROCASH	Cacao & Chocolate	\$ 13,000	\$ 13,000
AACRI	Coffee	\$ 20,000	\$ 20,000
CAFÉ GALLETTI	Coffee	\$ 23,000	\$ 23,000
CAFÉ VÉLEZ	Coffee	\$ 23,000	\$ 23,000

CEREALES ANDINOS	Grains	\$ 4,960	\$ 4,960
INAGROFA	Grains	\$ 17,000	\$ 17,000
AAPPSME	Tea	\$ 15,000	\$ 15,000
ASOGUABO	Fruits	\$ 14,000	\$ 14,000
ECOLAC	Dairy products	\$ 14,000	\$ 14,000
MONDEL	Dairy products	\$ 17,000	\$ 17,000
<i>PRODEL II GRANTS</i>			
FAPECAFES	Coffee	\$ 248,700	\$ 129,341
CAFECOM	Coffee	\$ 182,247	\$ 79,747
FINO DE AROMA	Coffee	\$ 106,900	\$ 9,350
COFINA S.A.	Cacao & Chocolate	\$ 437,300	\$ 52,499
GRUPPO SALINAS	Cacao & Chocolate	\$ 206,200	\$ 124,178
ASOC. SAN CARLOS	Cacao & Chocolate	\$ 249,400	\$ 168,774
UNOCACE	Cacao & Chocolate	\$ 124,502	\$ 9,200
JUGO FACIL	Fruits	\$ 167,500	\$ 102,520
CEREALES ANDINOS	Grains	\$ 99,400	\$ 71,920
DEPRODEMAR	Fish & Sea Food	\$ 181,300	\$ 130,034
UNIVERSAL	Fish & Sea Food	\$ 228,900	\$ 72,600
TOTAL		\$ 2,441,309	\$ 1,159,123

7.2 Challenges Encountered and Alternatives Employed

During this past quarter, the Assistant to the Subcontracts and Grants Department accepted a job and PRODEL has begun looking for a new Assistant to fill this role.

The lack of a signed Strategic Objective Agreement between the government of Ecuador and USAID caused funding delays that affected the planned disbursement schedules for each of the signed grants. Project implementation was slowed and priorities were established by the PRODEL team as a result. The decision was made to halt the signing of new grant agreements and focus was placed on the existing agreements. Nevertheless, the PRODEL selection and planning initiatives had begun for a number of firms that had raised expectations and the PRODEL team felt the need to explain the funding constraints caused by the SOAG issue with program beneficiaries in an official communication to all participating anchor firms.

7.3 Activities planned for next quarter

The Subcontracts and Grants Department will prioritize the following activities during the 1st quarter of FY 2011:

- Organize and facilitate a training workshop with selected personnel from new participating anchor firms and producer groups focusing on the rules and regulations that apply while administering resources provided through the PRODEL EDF.

- Conduct field visits to verify anchor firm activities and contributions related to EDF-supported projects.
- Coordinate visits with new program anchor firms and producers to assist in the development of their proposal and complete required paperwork. During this stage, PRODEL will focus on (1) reviewing application forms, (2) verifying budgets and counterparts, (3) articulating goals and strategies, (4) analyzing product management indicators, and (5) the process to contract technicians and providers.

8. Management

8.1 Achievements during the Year

The PRODEL team faced two changes at the local economic development advisor level, one resignation within the Subcontracts and Grants Department and two new hires during this past year of the program:

- José Jiménez joined the PRODEL team in November of 2009 as its local economic development advisor in the southern region of the country based in Loja. Mr. Jiménez came to us after having worked for the Federation of Coffee Growers (Fapecafés) in Loja, and has overseas experience working in the Dominican Republic.
- PRODEL hired Verónica Molina in September of 2010 who functions as the local economic development advisor for the northern Sierra region of Ecuador. Ms. Molina has worked as a Technical Trainer of Natural and Community Health Programs for Peace Corps Ecuador, Logistical and Administrative Operator for Ecuadorian banana exports with Caritas of Ecuador, Local Coordinator for the “Food for Progress” project in Guatemala, and volunteered for the Italian International Volunteer Agency (VOICA) in Africa.
- Fernanda Vega left PRODEL in September of 2010. The team is currently in the process of locating her replacement.
- PRODEL hired Catalina Rehpani as an assistant to the PRODEL Financial Services and Agribusiness Specialists in August of 2010. Ms. Rehpani most recently worked for the Banco de Guayaquil as a credit risk analyst.
- PRODEL re-hired Jorge Gaibor in May of 2010 to lead producer trainings in coordination with participating anchor firms. Mr. Gaibor previously worked for the ARD, Inc. Pronorte project and with the Ecuadorian NGO, Conservación y Desarrollo.

Despite these changes, all key personnel positions remained unchanged during the year, creating a stable human resource environment for PRODEL implementation.

8.2 Challenges Encountered and Alternatives Employed

As mentioned above, the lack of a signed Strategic Objective Agreement (SOAG) between USAID and the Government of Ecuador created funding constraints on the PRODEL program starting in July of 2010. After having identified 20 anchor firms, conducting strategic and business planning workshops, and formulating projects for the Economic Development Fund with each of these companies, the PRODEL team found it necessary to slow down its implementation process due to a funding shortage. As a result, letters were sent to each of the anchor firms to explain the delays in program disbursements. In addition, PRODEL lost its purchasing assistant due to a decreased level of perceived job security caused by the lack of a signed SOAG. The uncertain funding situation also caused a drop in morale among PRODEL staff due to the affects from an unstable work environment. Of course, every effort was made to reassure the staff that everyone involved was acting on good faith; nevertheless, the lack of a signed document between the US government and the Ecuadorian government to implement the program created a feeling of unavoidable uneasiness by PRODEL team members. Fortunately, USAID worked to solve the immediate funding limitations by processing temporary funds to bridge the gap until the SOAG is signed, which as of September 30, 2010 had still not been accomplished.

ANNEX I. Success Stories

A coffee grower with a long, promising future: Don Castillo improves his technique while improving his income



Don Daniel, a forward thinking coffee grower

Don Daniel Castillo is almost 65. He has lived nearly his entire life in the “Valley of Longevity”, in which the small town of Vilcabamba is located, in the Loja Province along Ecuador’s southern border. Don Castillo, like many of his longtime friends in Vilcabamba, supports his family by growing coffee. However, Don Castillo is unique among his peers since he has taken his profession to a whole new level with support from the Local Economic Development Program (PRODEL for its name in Spanish), funded by the United States Agency for International Development (USAID), and

implemented by the Academy for Educational Development and ACDI/VOCA in Ecuador. By increasing his coffee production through new and improved management techniques taught through PRODEL financed farmer field schools, Don Castillo is now reaping important financial rewards for himself and his family.

The differences are marked. While many of his neighbors have committed their entire lots to coffee trees with a few other plants interspersed, Don Castillo has planted at least 10 other crops alongside his coffee plants. On the two hectares he owns, Don Castillo cultivates one hectare of Arabica coffee (caturrea varietal) combined with other crops such as sugar cane, papaya, citric fruits, avocado, and mango. On the other hectare, he has planted short-cycle crops such as beans, tomatoes, yucca, pepper, and corn.



Don Castillo in his diversified plot

Despite such a diversified plot of cultivated land, Don Castillo has still been able to increase his coffee output. In 2008, he produced eight quintals per hectare (qq/ha), in 2009 - 11 qq/ha, in 2010 - 15 qq/ha and in 2011 he expects to produce 20qq/ha. Such dramatic improvements are due in large part to technical support that he has received through

PRODEL. Associated with the Apecael Coffee Growers Association, which is linked to the Fapecafés anchor firm for PRODEL, Don Castillo has had access to high quality technical assistance and infrastructure financed by the program. With PRODEL funds, Apecael not only helped its members improve their plantation management techniques, but also set up a new irrigation system, which has led to important gains in productivity. And these simple, but critical contributions to Don Castillo's coffee farm have cost PRODEL only \$580 for the entire two hectares he cultivates.

Moreover, Apecael's linkage to Fapecafés secured a stable, fair, and informed buyer for association members. Since 2008, when Don Castillo joined Apecael, he has been able to sell his coffee to Fapecafés under a specialty, single origin coffee label sold directly to buyers in Germany at prices far above the world market rate: at \$230/quintal in 2008 and 2009 and \$246/quintal in 2010.

Don Castillo is quick to recognize the fruits of his budding relationship with Apecael. "Being a member of Apecael has helped me improve my living conditions by helping me improve the way I manage my farm and connecting me with a good buyer. Before, I didn't know how to manage my coffee like I do now, so I sold it as natural coffee to intermediaries, who gave me very little in return. The sprinkler system disperses water like rain, which is better for my plants, and now I am watering the plants four times a month, using very little water, compared to eight times a month with the old system, which used much more water. The new system also helps me prevent pests from attacking my plants."



The sprinkler system watering a field of beans

Don Castillo's experience can easily be replicated throughout the southern region of Ecuador which constitutes one of the top specialty coffee growing regions in the country. His story provides solid evidence that with a modest investment, important gains can be realized in family income and greater standards of living for PRODEL beneficiaries. If the local legend about Vilcabamba is true and a long and prosperous life is ahead of him, Don Castillo can now breathe a little easier and expect a stable economic base for which to live out the rest of his life growing coffee in southern Ecuador.

January 21 Fish Producers Cooperative and Deprodemar: together leading the way in local development

Any member of the “January 21” Fish Producer’s Cooperative will tell you that it has not always been easy trying to make a living as a fish producer in Esmeraldas, Ecuador. The 22 members of the Cooperative have had a long, often difficult road to travel, especially when it came to finding people to buy their seafood. Until recently, the Cooperative sold its catch to intermediaries who sought them out, in a small fishing village by the name of Tonchigue, in the Esmeraldas Province of the northern border region of Ecuador. A story all too familiar for small producers, the intermediaries offered low prices, taking advantage of the Cooperative’s limited contact with larger buyers and their minimal resources for ensuring the quality of post-catch handling.



A member of the “January 21” Cooperative fillets seabass to be sold to DEPRODEMAR

However, the situation has changed significantly since the January 21 Fish Producer’s Cooperative linked up with the Deprodemar Cía. Ltda. anchor firm as part of the USAID Local Economic Development Program (PRODEL for its name in Spanish). Now with direct ties to Deprodemar, not only does the cooperative have a more favorable and sustainable commercial relationship in the region, but it also has increased its capacity to ensure the quality of its product from the moment it leaves the sea until it is purchased at competitive prices by Deprodemar.

The AED and ACDI/VOCA implemented PRODEL program fosters value chain connections and works to improve producer and anchor firm competitiveness for a more sustainable method of economic development. With funding and technical support from PRODEL, Deprodemar started an Artisan Fishing School (AFS) to impart knowledge and skills for high quality seafood management. Similarly, Deprodemar has been able to provide new infrastructure to the January 21 cooperative in an effort to limit the amount of physical contact with the product and keep the seafood cold for extended periods of time. This allows for Deprodemar’s commercial needs to be met as well. The firm now has a more consistent supply of fresh seafood to sell to its buyers in both the national and global marketplaces.



Improved infrastructure for post-catch handling

According to Mr. Gerardo Estupiñan, President of the cooperative, prior to this new commercial relationship forged with Deprodemar, “The highest price we could get from an intermediary was \$1.50 a pound, and that was on a good day. Now, Deprodemar pays \$2.00 a pound, consistently.” This increased income goes along way toward building trust between the January 21 Fish Producer’s Cooperative and the Deprodemar anchor firm, which is an important foundation for a long-lasting commercial relationship, and ultimately, more sustainable levels of economic development for fish producers in Esmeraldas Province that result in increased incomes and job opportunities.

Doña Teresita de Jesús Chuqui's cacao "super trees" help reunite her family



Sra. Teresita de Jesús with the cacao she harvests from her "super trees"

Doña Teresita de Jesús Chuqui loves her cacao "super trees". A member of the San Carlos Cacao Growers Cooperative in Orellana Province in the northern Amazon region of Ecuador, Doña Teresita is constantly amazed at how prolific her cacao "super trees" have become since she planted them four years ago. This past year alone Doña Teresita harvested 28 quintals of cacao from a one hectare plot – or more than five times the national average. The concept of "Super trees" has caught on in places like the Amazon Region of Ecuador in addition to Esmeraldas Province and constitutes a high yielding variety that is selected from the same vegetable material found on specific farms in already established production areas. The key to super trees is the process of selection that includes characteristics such as disease resistance, solid plant structure, high

productivity levels, and the quality of the plant material.

These cacao "super trees" – as Doña Teresita calls them – are one of the benefits that nearly 1,000 cacao growers associated with the Cooperative have received through the USAID financed Local Economic Development Program (PRODEL for its name in Spanish). Through PRODEL, the San Carlos Cooperative not only received financial support to purchase these plants, but also technical support to improve plantation management for increased productivity and product quality.

According to Doña Teresita: "I started planting these seeds based on all of the attention the San Carlos technical staff was providing me, and I don't regret my decision. Now, I can expect each tree to produce 200 high quality cacao pods, whereas before, almost half would be affected by pests. My husband said I was crazy for doing this, so he stayed in Quito to work as a construction worker. But this year, after so much production, he came

home to me after realizing that together, we could make a better living off of cacao than if he stayed in Quito."



San Carlos Nursery

Through financial and technical assistance from PRODEL, the San Carlos Cooperative has set up a nursery with 120,000 plants that upon reproduction, are distributed among the cooperative membership every six months. This has vastly improved cacao plant material in this region of the Ecuadorian Amazon. The San Carlos experience through this type of innovative crop improvement activity provides proof that local economic development through the strengthening of links in the value chain and a focus on increased productivity can not only make important contributions to local family incomes and standards of living, but can reunite families and communities and instill a sense of empowerment among individuals like Doña Teresita who's cacao farm is now her pride and joy and a great source of happiness for her and her family.

ANNEX II Analysis of Project Expenses by Geographical Area

PROVINCE	Imbabura	Carchi	Esmeraldas	Orellana	Napo	Sucumbios	El Oro	Loja	Zamora Chinchipe
Expenses by Province	\$530,372	\$658,169	\$1,296,544	\$599,458	\$170,396	\$747,088	\$441,722	\$995,678	\$408,537
ZONE	SIERRA NORTE		ESMERALDAS	AMAZONIA			SOUTH		
Expenses by Zone	\$1,188,541		\$1,296,544	\$1,516,942			\$1,845,937		
TOTAL									5,847,964

ANNEX III. Potential anchor firms for FY 2011

Potential Firm	Value Chain	Region
CHOCONO	Agroforestry - cacao	Northern Coast
PALFRUT	Processed Fruit	Northern Coast
NATURALMENTE RICO FROZEN TROPIC	Fruit	Northern Coast
PROFRUIT	Processed Fruit	Northern Coast
AGROFACILE	Processed Fruit	Northern Coast
EXPORGANIC S.A.	Processed Fruit	Northern Coast
FLP LATINOAMERICAN PERISHABLES DEL ECUADOR S.A.	Processed Fruit	Northern Coast
AGRICOLA OFICIAL AGROFICIAL S.A.	Processed Fruit	Northern Coast
AMERIFOODS S.A.	Processed Fruit	Northern Coast
COMPAÑÍA AGRÍCOLA INDUSTRIAL ECUAPLANTATION S.A.	Processed Fruit	Northern Coast
ROMERO KOTRE AGRÍCOLA GANADERA	Processed Fruit	Northern Coast
Solipesca	Seafood	Northern Coast
INPROMAR	Processed Vegetables	Northern Coast
LA PORTUGUESA	Processed Vegetables	Northern Coast
NATECUA	Processed Vegetables	Northern Coast
CEPROMAR	Seafood	Northern Coast
INCAFOOD S.A	Grains	Northern Sierra
EXPOAROM CIA. LTDA.	Processed Vegetables	Northern Sierra
CULTIVOS ORGÁNICOS DEL ECUADOR S.A.	Processed Vegetables	Northern Sierra
EUROAGRO S.A.	Processed Vegetables	Northern Sierra
PADECOSA	Processed Vegetables	Northern Sierra
PROTROPIC	Processed Vegetables	Northern Sierra
PROVEFRUT	Processed Vegetables	Northern Sierra

TRADING CORP ECUATORIANA	Processed Vegetables	Northern Sierra
CEREALES LA PRADERA	Grains	Northern Sierra
MAS CORONA	Grains	Northern Sierra
CEREALES DEL CAMPO	Grains	Northern Sierra
SCHULLO	Grains	Northern Sierra
ANDEAN PASSION	Processed Fruit	Northern Sierra
TERRAFERTIL	Processed Fruit	Northern Sierra
EXOTIC BLENDS	Processed Vegetables	Northern Sierra
REPUBLICA DEL CACAO	Agroforestry - cacao	Amazon
COCOAMARKET	Agroforestry - cacao	Amazon
OSELLA S.A.	Agroforestry - cacao	Amazon
FG ENTERPRISE	Processed Vegetables	Amazon
VERVESA	Agroforestry - cacao	Amazon
ECOFRUT	Processed Vegetables	Amazon
TERRANOVA GOURMET	Aquaculture	Amazon
EXIMORE	Agroforestry - cacao	Amazon
ARTEAGRÍCOLA	Processed Vegetables	Amazon
PECESTROPICALES	Aquaculture	Amazon
AGRO TRADING CIA. LTDA.	Processed Vegetables	Southern Border
GARDELA	Agroforestry - coffee	Southern Border
WAYNE	Grains	Southern Border
FRUTOS DEL PACÍFICO SUR S.A.	Processed Fruit	Southern Border
FRUTPASUR S.A.	Processed Fruit	Southern Border
UOPPAO	Seafood	Southern Border
ILE	Processed Vegetables	Southern Border
PCC & CONGELADOS FRESCOS	Seafood	Southern Border
CHOCONO	Agroforestry - cacao	Southern Coast
PALFRUT	Processed Fruit	Southern Coast
NATURALMENTE RICO FROZEN TROPIC	Fruit	Southern Coast
PROFRUIT	Processed Fruit	Southern Coast
AGROFACILE	Processed Fruit	Southern Coast
EXPORGANIC S.A.	Processed Fruit	Southern Coast
FLP LATINOAMERICAN PERISHABLES DEL ECUADOR S.A.	Processed Fruit	Southern Coast
AGRICOLA OFICIAL AGROFICIAL S.A.	Processed Fruit	Southern Coast
AMERIFOODS S.A.	Processed Fruit	Southern Coast
COMPAÑÍA AGRÍCOLA INDUSTRIAL ECUAPLANTATION S.A.	Processed Fruit	Southern Coast

ANNEX IV. Current anchor firms for PRODEL II value chains as of the 4th quarter of FY 2010

Anchor Firm	Value Chain	Region
CEREALES ANDINOS	Grains	Northern Sierra
COFINA	Cacao	Northern Amazon
FAPECAFES	Coffee	Southern Sierra
GRUPO SALINAS	Cacao	Southern Coast
JUGO FÁCIL	Processed fruit	Northern Coast
SAN CARLOS	Cacao	Northern Amazon
CAFECOM	Coffee	Southern Sierra
CAFÉ MINERVA	Coffee	Southern Sierra
ELCAFÉ	Coffee	Northern Amazon
ECUACOCOA	Cacao	Northern Coast
DEPRODEMAR	Seafood	Northern Coast
INALPROCES	Processed vegetables	Southern Sierra
FINO DE AROMA	Cacao	Northern Coast
LA VERDE	Grains	Northern Sierra
UNIVERSAL	Seafood	Northern Coast
UNOCACE	Cacao	Southern Coast
UROCAL	Cacao	Southern Coast
RUNA TARPUNA	Herbs	Northern Amazon
AGRIEXELL	Processed fruit	Southern Amazon
EXOFRUT	Processed fruit	Northern Coast
NUTRIVITAL	Grains	Northern Sierra
ECOCAFÉ	Cacao	Southern Coast
SWEET & COFFEE	Coffee	Southern Sierra
HOJA VERDE	Coffee	Southern Sierra

ANNEX V: Value Chain Competitiveness Strengthening During the 4th Quarter of FY 2010

Anchor Firm	Strengthening Activities And Results
GRUPPO SALINAS	<ul style="list-style-type: none"> - In coordination with CORPEI, the Ministry of Foreign Affairs, and the Ministry of Foreign Commerce, a Gruppo Salinas representative traveled to Japan and Korea to establish new market relationships. - Signed contract to sell cacao through Agroindustria Unidas de Cacao S.A. - Technical personnel participated in an exchange with technical teams from Fedecade and Apecam to share expertise in coffee management.
ASOGUABO	<ul style="list-style-type: none"> - Presented projects to the Ministry of Production, Employment, and Competitiveness and to MAGAP's National Program for Rural Businesses, to improve product quality, productivity, and competitiveness. - Actively participated in the Regional Coordinating Body of Small Banana Growers and collaborated with MAGAP to promote the State Export Entity and generate institutional support for small-scale banana producers.
INALPROCES	<ul style="list-style-type: none"> - Registered its KIWA label in Peru and Canada. - Signed contracts to export its KIWA Mix to France and Chile. - Participated in the SIAL Trade Fair in Montreal. - Sent samples to Japan, Chile, USA, Canada, Peru, Mexico, Guatemala, Belize, and Turkey in an effort to expand markets.
SAN CARLOS	<ul style="list-style-type: none"> - Participated in two Expofairs organized by the Orellana Provincial Government. - Sold 432 quintals of high quality dried cacao in collaboration with APROCANE-ESMERALDAS. - Finished construction on fermentation bins at its collection site and a 4000m2 nursery with the capacity to produce 120,000 plants every 6 months.
CAFECOM	<ul style="list-style-type: none"> - Participated in the Ecuador Cultura Gourmet event in Quito in June, 2010. - Organized two Barista Workshops in Guayaquil and Quito to promote a consumer culture around fine coffee. - Participated in the 1st Food and Beverages Trade Show in Guayaquil in August, 2010.
UNOCACE	<ul style="list-style-type: none"> - Sold 2,356 quintals (qq) of certified organic, fair trade cacao. - Facilitated a workshop on accounting and tax requirements for personnel in charge of its collection center. - Followed up on the cacao marketing funds allocated to its member organizations.
FAPECAFES	<ul style="list-style-type: none"> - Exported 1,580 qq of coffee to US, Belgium, France, and Germany for a total of \$324,400. - Established sales contracts amounting to 9,720 qq of coffee for the 2010 harvest, including organic, fair trade, specialty, and micro lot varieties, valued at approximately \$2,281,000. - Negotiated exports of 2,500 qq of organic and conventional coffee grown by FECAFEM (Manabí) for the 2010 harvest, valued at \$513,053. - Organized and hosted three regional contests for the best coffee among its producer partners, with international coffee judges from US (Stumptown) and Colombia (Virmax). - Equipped its laboratory with a toaster, precision scales, a tasting table, and two threshing machines.
FINO DE AROMA	<ul style="list-style-type: none"> - Established new direct marketing channels for its own coffee and other gourmet Ecuadorian products through a 500m2 store, "Galeria Ecuador Gourmet" and three

	<p>smaller stores, “Fino de Aroma”, including one in the duty free section of Quito’s international airport.</p> <ul style="list-style-type: none"> - Hired a quality control technician who assessed the current status of the firm’s coffee quality and is implementing a work plan according to specific objectives established by the firm. - Set up an on-line, direct sales operation.
DEPRODEMAR	<ul style="list-style-type: none"> - Established new strategic contacts within the national market through its participation in national trade shows, such as Ecuador Cultura Gourmet and the Esmeraldas “Entrepreneurs and Business Roundtable and Fair”. - Traveled abroad (Germany, Colombia, Peru) to identify new buyers. - The SuperMaxi national supermarket chain Supermaxi agreed to carry Deprodemar seafood products. - To date, has purchased \$18,000 worth of sea bass from the January 21 Fish Producer’s Cooperative.
UNIVERSAL	<ul style="list-style-type: none"> - Strengthened its commercial relationships with buyers in the US and Colombia, where it is marketing and selling its “Seafood Harvest” product (a mix of seven seafoods) and a variety of other specialized seafood products supplied by the Fish Producer’s Union, UCOOPANE. - Participated in the Esmeraldas 2010 Tourism Fair in San Lorenzo where they promoted their products and made important contacts with potential buyers and supporters, including the National Director of Artisan Fishing (Gladys Cedeño).

ANNEX VI: Selected Strengthening Activities and Results for Value Chain Vertical and Horizontal Linkages

Anchor Firm	Strengthening Activities And Results
GRUPPO SALINAS	<ul style="list-style-type: none"> - Quality control activities in nurseries and processing plants as well as experiments to increase productivity using demonstration plots. - Member associations, San Antonio de Zaruma and PROBECA, visited two other PRODEL partner associations – Fapecafés and Cepicafe – to learn about their coffee and cacao management techniques.
INALPROCES	<ul style="list-style-type: none"> - Established 1.7 hectares and 1 hectare of new beet and sweet potato production, respectively. - Established new partnerships with local producers: the Santa Bernardita Association in Antonio Ante and the Association of Sweet Potato Farmers in Zapotillo.
UNOCACE	<ul style="list-style-type: none"> - Sold 2,356 qq of cacao, valued at \$ 330,098. - Led a workshop to promote their plan to improve partner cacao plantations for increased productivity. - Worked with producer partners on organizational strengthening and to help formalize institutional legalities.
CAFECOM	<ul style="list-style-type: none"> - Received formal certification from BCS OKO – Grantie GmbH of organic production by the El Airó Producer Organization for a total of 115.3 hectares of organic coffee. An additional 13 has. are still being converted to organic production. - Built new infrastructure and provided new tools and machinery to its producer partners. - Began publicizing its single origin coffee line. - Increased the number of producer partners.

SAN CARLOS	<ul style="list-style-type: none"> - Implementing Farmer Field Schools in 27 communities, which have already begun to lead to noticeable improvements in productivity and quality control among producer partners. - Finished building the nursery for the cacao super trees. The saplings will be distributed among the Cooperative's membership.
FAPECAFES	<ul style="list-style-type: none"> - Organized 19 Farmer Field Schools, including 338 producers associated with APECAEL, PROCAFEQ, and APECAM. - Producer partners have produced 180,600 coffee saplings in nurseries. - Recovered 28 hectares of coffee. - Installed new infrastructure and irrigation systems and provided tools and equipment to producer partners. - Received 2,718 quintals of coffee from producer partners (456 from APECAEL, 1,309 from PROCAFEQ and 953 from APECAM).
ASOGUABO	<ul style="list-style-type: none"> - Presented project proposals to MAGAP's PRONERI Program and Heifer International. - Installed new infrastructure to ensure product quality and distributed organic fertilizers to producer partners. - Initiated the Leadership School and Organizational Strengthening Program among its member organizations.
EL CAFÉ	<ul style="list-style-type: none"> - Organized 24 work groups representing 466 beneficiaries and facilitated 10 workshops with a total of 157 participants from different communities of producer groups, to carry out participatory assessments of current local production, with a focus on productivity and product quality.
DEPRODEMAR	<ul style="list-style-type: none"> - In coordination with the Catholic University in Esmeraldas, organized and facilitated nine workshops through the Artisan Fish Producer Schools (AFS). - Provided new infrastructure and improved existing installations among its producer partners to ensure post-catch handling and preservation quality.
UNIVERSAL	<ul style="list-style-type: none"> - Provided technical assistance to UCOOPANE so that the fish producers can meet the UNIVERSAL quality and volume standards. - Organized 11 Artisan Fish Producer Schools, in which they are currently training the producers in areas such as leadership and environmental conservation (for ensuring higher quality and a more abundant catch). - In the process of improving producer group infrastructure for ensuring quality post-catch handling and preservation.
FINO DE AROMA	<ul style="list-style-type: none"> - Hired coffee and cacao specialists. - Began training 128 farmers. - By offering to train coffee and cacao growers, promote their products, increase purchasing volume, and improve the quality of the packaging, the firm has improved its commercial partnerships with local partners.

ANNEX VII: Inter-institutional Linkages

During FY 2010, PRODEL established strategic partnerships with a variety of local institutions that are committed to working with the value chain model as well.

Entity	Type	Role
Plan Ecuador	Government Institution	Coordinates development initiatives in Ecuador's northern border region
MAGAP	Government Institution	Ecuador's principal authority on agricultural policy
Carchi Provincial Government	Government Institution	Regional government entity that promotes local economic development in Carchi
Undersecretary of Fishing Resources	Government Institution	Develops policies and supports initiatives that strengthen the seafood industry in Ecuador
Production and Development Department of Esmeraldas Provincial Government	Autonomous Regional Government	Promotes productive activities in Esmeraldas Province
Municipal Governments of San Lorenzo, Eloy Alfaro, Rio Verde, Esmeraldas, Quinindé.	Autonomous Regional Government	Promote social and economic development in their respective jurisdictions
FIE-Fishing in Rio Verde Project	International Development Agency	Implements a project to improve the seafood value chain in the Río Verde Municipality
Program for Integrated Municipal Development (PIDEM)	International Development Agency	USAID Program aimed at improving community infrastructure
ACNUR	International Development Agency	UN Program to support refugees and displaced peoples, leads a few productive initiatives in the border regions
USAID Sustainable Coasts and Forests Project	International Development Agency	Promotes biodiversity conservation through improved livelihoods
Rural Development Program for Northern Ecuador- PDRN-CTB	International Development Agency	Program that promotes economic-productive development in Ecuador's northern border region
GTZ	International Development Agency	Works to strengthen the cacao value chain in Esmeraldas Through the GESOREN Program
CORPOESMERALDAS	NGO	Promotes economic development in Esmeraldas
Cacao Roundtable in Esmeraldas	NGO	Coordinates cacao value chain initiatives in Esmeraldas
Fundación Altrópico	NGO	Promotes socio-economic development in the northern municipalities of Esmeraldas (San Lorenzo – Eloy Alfaro)
Fundación Ternura	NGO	Promotes socio-economic development in the Municipality of Quinindé
NAZCA Institute	NGO	Research institute working in the Galera-San Francisco

		Reserve through the PESCAR Project
San Lorenzo Agricultural High School	Educational Institution	Secondary education institution that focuses on improving agricultural and fishing systems
Luis Vargas Torres Technical University	Higher Education	The Agricultural and Environmental Sciences Department of this University contributes to the development of productive initiatives in Esmeraldas
Catholic University of Ecuador, Esmeraldas – PUCESE	Higher Education	Contributes to strengthening the fishing sector in Esmeraldas through its Research Department
HCPL	Provincial Government	Coordinates and supports the coffee sector in Loja through the Province’s Production and Development Department
UTPL-Coffee Laboratory	Higher Education	Coordinates quality control activities for the coffee sector through CETTIA
Municipality of Olmedo	Municipal Government	Contributes plants and logistical support to PRODEL partners through its Production and Development Department
Municipality of Quilanga	Municipal Government	Supports the PROCAFEQ-FAPECAFES coffee growers’ association
ETG-CONSULTING	Consulting Firm	Currently helping to set up the Coffee Cluster in Loja Province
Municipality of Espíndola (FONES)	Municipal Government	Works on water management initiatives through the Espíndola Water Fund (FONES)
FUNDACIÓN ARCOIRIS	NGO	Supports FONES in Espíndola
FUNDACIÓN COLINAS VERDES	NGO	Contributes plants to the APECAEL association from its agroforestry nursery
Municipal Governments of Zaruma and Las Lajas– El Oro	Municipal Government	Helps produce coffee plants and coordinate technical assistance for local coffee farmers
CISAS (Sucumbíos Center for Agricultural Research and Services)	Provincial Government Institution	Agricultural research and technical assistance to PRODEL coffee and cacao partners in Sucumbíos
DIDEEA (Socio-Economic and Environmental Development Department)	Municipal Government	Potential partner in supporting cacao and coffee producers in the Putumayo Municipality
National Institute for Agricultural and Fishing Research (INIAP), Central Amazon Research Station	Government Institution	Potential partner in supporting cacao and coffee producers in the northern Amazon region
Municipality of Shushufindi	Municipal Government	Supports cacao farmers associated with APROCASH in the Municipality of Shushufindi
Municipality of La Joya de los Sachas – EMSAP (Agricultural Services Company)	Municipal Government	Supports coffee and cacao producers in northern Amazon Region
Production and Development Department of the Orellana Provincial Government	Provincial Government	Promotes agricultural and productive initiatives in Orellana Province

Municipality of Archidona	Municipal Government	Supports Asociación Napo – Runa producers linked to the Runa Tarpuna anchor firm and donated land for productive activities
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ANNEX VIII:

PRODEL – PROGRAMA DE DESARROLLO ECONOMICO LOCAL

HERRAMIENTA 7 (a): ANALISIS DE COMPETITIVIDAD

Asesor de Negocios Local _____

Empresa: _____

Fecha de reporte _____

Oportunidades de Mercado:
<ul style="list-style-type: none">• Cuál es su mercado meta• Como aprovechar mejor las oportunidades• Atributos del producto para esos mercados
Satisfacer necesidades del consumidor:
<ul style="list-style-type: none">• Cuáles son los requerimientos del segmento de mercado• Cuál es la proposición de valor de la empresa
Ajustarse al cambio:
<ul style="list-style-type: none">• Actividades de innovación implementadas o introducidas

HERRAMIENTA 7 (b): ANALISIS DE GESTION

Asesor de Negocios Local _____

Empresa: _____

Principales logros en el trimestre:
Área Gestión Administrativa Contable Financiera: <ul style="list-style-type: none">••
Área Gestión Comercial: <ul style="list-style-type: none">•
Área Gestión Operativa-Procesos: <ul style="list-style-type: none">•
Área Gestión Desarrollo del Talento Humano: <ul style="list-style-type: none">•
Dificultades encontradas en la ejecución del trabajo:
<ul style="list-style-type: none">••
Alternativas empleadas para superar las dificultades:
<ul style="list-style-type: none">••
Acciones previstas para el próximo trimestre:
<ul style="list-style-type: none">••

PRODEL – PROGRAMA DE DESARROLLO ECONOMICO LOCALES

HERRAMIENTA 7 (c): ANALISIS DE VINCULOS VERTICALES

Asesor de Negocios Local _____

Empresa: _____

Principales logros en el trimestre:
Productividad: <ul style="list-style-type: none">••
Calidad: <ul style="list-style-type: none">•
Fortalecimiento Organizacional: <ul style="list-style-type: none">•
Relación Empresa - Productores: <ul style="list-style-type: none">•
Dificultades encontradas en la ejecución del trabajo:
<ul style="list-style-type: none">••
Alternativas empleadas para superar las dificultades:
<ul style="list-style-type: none">••
Acciones previstas para el próximo trimestre:
<ul style="list-style-type: none">••

ANNEX IX

LOCAL ECONOMIC DEVELOPMENT PROGRAM -PRODEL-
TOOL 1: TRADE PRODUCERS LINKED TO ANCHOR FIRMS

NAME OF THE ANCHOR FIRM:																		REPORT DATE:			
Canton:						Parish:						Sector:						Organization:			
#	Province	Canton	District	Name	# I.D number	Race						Crop Area (Ha)	Improved Hectares	New Hectares	Certification		Volume (quintals)	Production Value US \$.			
						Male	Female	Native	Afro-Ecuadorian	Mixed Race	Handicapped				Yes	No					
1																					
2																					
3																					
4																					
5																					
6																					
7																					
8																					
9																					
n.																					
TOTAL						0	0	0	0	0	0			0	0	0	0	0			

* This tool will be filled out on an ongoing basis, and quarterly summaries will be produced