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Huehuetenango y San Marcos



Rural Value Chains Project

USAID – ANACAFE COOPERATIVE AGREEMENT 520-A-12-00004

ANNUAL REPORT

OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014

Guatemala, October 31, 2014

1. Introduction

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

The responsibility for RVCP implementation lies with a consortium that includes ANACAFE (as the lead entity with USAID), together with the Guatemalan Confederation of Co-operative Federations, (CONFECOOP in Spanish, represented by the Guatemalan Federation of Agricultural Coffee Producer Co-operatives – FEDECOCAGUA, R.L. in Spanish), the Federation of Agricultural Cooperatives (FEDECOAG, R. L. in Spanish), the Integrated Federation of Handicraft Producer Co-operatives (ARTEXCO, R. L. in Spanish), the Coffee Grower Foundation for Rural Development (FUNCAFE in Spanish) and the FUNDASISTEMAS Foundation.

RVCP seeks to accomplish the following objectives:

- Reduce poverty and malnutrition rates in 22 municipalities located in the provinces (*departamentos* in Spanish) of Huehuetenango and San Marcos¹ by increasing the household income of small producers that participate in the coffee, horticulture and handicrafts value chains.

Promote deep-rooted behavioral changes among the producers and their families to ensure that their increased income is sustainable, but also contributes to improved nutrition over the short, medium and long term.

RVCP implementation activities are organized under the following components:

- I. Improved competitiveness along the value chains;
- II. Expanded participation in the value chains;
- III. Improved agricultural productivity;
- IV. Expanded trade and increased markets *Note: implementation activities for this Component were excluded from the USAID/ANACAFE Agreement, but they are being covered by another Project with similar objectives being implemented in municipalities in Quetzaltenango, Totonicapan and Quiche;*
- V. Increased food production and use; and
- VI. Improvements to the handicrafts value chain.

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

¹¹ Huehuetenango: Jacaltenango, Chiantla, San Sebastian Huehuetenango, Todos Santos, Santa Cruz Barrillas, Cuilco, Concepcion Huista, San Antonio Huista, La Libertad, Union Cantinil and La Democracia. San Marcos: El Rodeo, San Rafael Pie de la Cuesta, San Lorenzo, San Pablo, Tajumulco, Nuevo Progreso, Sibinal, San Miguel Ixtahuacan, Tejutla, San Marcos and San Pedro Sacatepequez.

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

The Project Implementation Unit (UIP in Spanish) is responsible for coordinating and facilitating activities to ensure that the Consortium complies with the terms and conditions stipulated in the USAID-ANACAFE Cooperative Agreement.

As part of its duties, UIP designed and promoted a participatory process to draft the RVCP Year Two Work Plan covering the period between October 1, 2013 and September 30, 2014.

Furthermore, the terms of the Cooperative Agreement with USAID, require three quarterly reports (October to December 2013, January to March 2013 and April to June 2013) together with one annual report. The reports should summarize activities within each reporting period and progress toward expected results and targets for the implementation period.

To this end, the UIP prepared this report describing progress toward RVCP results for the second year of Project implementation from October 1, 2013 through September 30, 2014. The technical staff from ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO, FUNCAFE and FUNDASISTEMAS provided input for this report.

2. RVCP Implementation Overview

The following section describes implementation highlights over the reporting period.

- ANACAFE worked with 23 coffee grower organizations in San Marcos; of these, four are constituted as cooperatives, ten are associations, two are associative enterprises (*Empresas Campesinas Asociativas* –ECAs in Spanish) and the remaining seven are worker groups (*Grupos de Amistad y Trabajo* –GATs in Spanish). The organizations comprise a total of 1,482 members, of which 1,134 (77%) are men and 348 (23%) are women. The members grow coffee on a total of 1,483.06 hectares averaging out to about one hectare per member. The 2013-2013 coffee harvest yielded 1,084,100 pounds of parchment coffee averaging out to about 73,100 pounds produced by each member.

A total of 35% of the organizations (eight) are certified as organic producers and, as such, as selling to specialized markets. The members of 18 grower groups are from the Mam ethnic group and the members of one of the organizations belong to the Sipakapense ethnic group.

- ANACAFE worked with 30 coffee grower groups in Huehuetenango. Of these, two are cooperatives, 13 are associations and 15 are GATS. Total membership to date stands at 2,388 small-scale producers, 1,927 (81%) of which are men and 461 (19%) are women. Producers are planting over a total of 2,602 hectares. The 2013/2014 coffee harvest yielded 6,374,400 pounds

of parchment coffee. Producers are primarily from the Mam, Qanjobal and Popti ethnic groups. Women and youth are in positions of authority in nine (30%) of the organizations.

- FEDECOCAGUA worked with 28 coffee producer groups (eight of them in San Marcos and 20 in Huehuetenango) to benefit a total of 2,813 members. Of these, 2,259 (80%) are men and 449 (20%) are women. The organizations include 24 co-ops and four precursor co-operatives. The groups are growing coffee on 4,438 hectares, 17% of the area is used for organic production and the remaining 83% is standard. The 2013/2014 harvest yielded a total of 8,082,700 pounds of exportable green coffee. A total of 18 organizations (64%) have one or more certifications, i.e. Utz Certified, Rainforest Alliance, organic production (NOP USDA, EU, JAS), Starbucks Cafe Practices and/or FLO Fair Trade.
- FEDECOAG worked with 14 organizations (nine co-ops and five associations); nine are located in Huehuetenango and five are in San Marcos. Membership totals 1,456 horticulture producers, of which 1,227 (84%) are men and 229 (16%) are women. Producers are growing potatoes (on 88.87 hectares), snow peas and sweet peas (on 37.79 hectares) and lima beans (on 12.86 hectares). In addition, 15 growers are producing potato seed (Loman and Toyocan varieties on 4.48 hectares). The sell to agribusinesses and sell any surplus on the local market.
- ARTEXCO worked with 20 handicraft producer groups (17 in Huehuetenango and three in San Marcos). Of these, one is a co-op, one is an association and 18 groups are working on their legal personhood. The organizations have 1,027 members. RVCP provided training and technical assistance to 895 members -- 886 (99%) of which are women, plus an additional nine (1%) men. The members represent 30 communities in six municipalities in Huehuetenango (Cuilco, La Democracia, San Sebastian Huehuetenango, Todos Santos Cuchumatan, Concepcion Huista and Jacaltenango) and three municipalities in San Marcos (San Miguel Ixtahuacan, San Lorenzo and Sibinal).
- FUNCAFE expanded coverage for food and nutritional security to include the families of coffee growers in El Progreso, San Marcos and those from two co-ops in Tajumulco bordering San Pablo municipality in San Marcos. Coffee growers from these organizations subsist in poverty. Their communities are remote and difficult to access due to poor infrastructure and roadways.

FUNCAFE also began working in Santa Cruz Barillas, Huehuetenango to identify the members from co-ops and associations already working with RVCP through ANACAFE and FEDECOCAGUA. Coffee producers from the communities in this municipality are widely scattered so FUNCAFE focused on working in communities that had at least 20 or 25 members that met the criteria for inclusion in the food security component. FUNCAFE also began working with handicraft producer families in Jacaltenango, Todos Santos, San Sebastian Huehuetenango, La Democracia and Concepcion Huista in Huehuetenango.

- FUNDASISTEMAS planned training events for technicians from ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO as to the five phases in the system developed by RVCP for entrepreneurial development (*Sistema de Desarrollo Empresarial* –SIDEM in Spanish). The Project selected 73 producer organizations (34 in San Marcos and 39 in Huehuetenango) to implement SIDEM.

Furthermore, FUNDASISTEMAS selected five potato producers in San Marcos to validate SIDEM application as a prototype that could be expanded later to include additional horticulture producer groups.

- Rainfall was very heavy this year in the RVCP implementation area –unfavorable conditions for family and school gardens, further aggravated by landslides blocking roads or access to communities, making it difficult for FUNCAFE field technicians to implement activities.
- Members of RVCP coffee grower groups in Huehuetenango and San Marcos have low incomes, primarily from the sale of agricultural products (where coffee accounts for about 80% to 90%). A very minor percentage of the members supplement their income by offering their labor on coffee plantations in the vicinity. Most coffee producers in the RVCP target area are illiterate, with little schooling, and this is further constrained by the lack of job opportunities.
- The incidence of coffee rust disease in some of the RVCP target communities has also affected producer income levels. Experts projected that the 2013/2014 harvest would suffer reduced yields of about 35% as a result of the disease. The precarious conditions of the coffee growers are further affected by fluctuations in international coffee prices. As a result, members of the RVCP organizations are more vulnerable to food insecurity and more prone to emigrate to other parts of Guatemala or to Mexico seeking employment opportunities.
- Public education services in most of the RVCP communities in Huehuetenango and San Marcos, are limited to primary school. Electricity is not available in 100% of the communities and 70% of the roads are difficult to traverse year round –further increasing transportation costs to take agricultural products to market or to bring in crop supplies.

3. Implementation Obstacles and Mitigation Measures

- The surge in the incidence of coffee rust disease and greater prevalence at higher altitudes has remained a constant concern for RVCP producers. ANACAFE estimated in January 2014 that incidence of the disease was at about 46% nationwide and at about 40% in the RVCP target area. In addition, the effects of the disease are magnified in older coffee plantations and current estimates are that approximately 60% of coffee plantations is 15 years or older (productive life of a coffee plant is estimated at 25 years).

In some instances, the problem of coffee rust disease is an obstacle to RVCP implementation, particularly those designed to increase production and income for growers in the coffee value chain.

To mitigate the effects of these conditions, the Project continued to promote RVCP grower groups to access funding through the Trust Fund for the Guatemalan Coffee Sector (*Fideicomiso Apoyo al Sector Cafetalero Guatemalteco* in Spanish). Growers can request funding on an individual basis or collectively. In addition, ANACAFE and FEDECOCAGUA technicians continue to monitor the spread of coffee rust disease to contain the disease. The Project also set up phytosanitary brigades to chemically control and eradicate coffee rust disease.

- RVCP encountered significant obstacles this reporting period and was unable to mitigate the impact. The obstacles included mass demonstrations to block traffic in some instances and crop damage from prolonged drought in others. The latter hampered RVCP technical assistance for horticulture production and nutrition programs, as well as efforts to renew plantations using varieties resistant to coffee rust disease. Despite these constraints, Project technical staff rescheduled activities to continue with implementation progress.
- Some members from RVCP producer organizations in San Marcos and Huehuetenango speak one of the Mayan languages, limiting the ability of Project technicians to communicate effectively. To remedy the situation, the Project is using other members of the grower groups as interpreters.
- Some of the communities in which ARTEXCO is working with artisans are plagued by crime and drug activity. To mitigate risk, RVCP technicians reached out to community leaders in each location to share information about Project objectives. As a result, leaders are supportive of the Project and technicians have gained the trust of the community, ensuring they can work more freely.
- RVCP had been working with 280 members from *Asociacion de Caficultores y Agricultores de Sipacapa* (ACAS) in Sipacapa, San Marcos. Unfortunately, the organization assumed a political stance in opposition to mining operations in the vicinity. For security reasons, Project technicians were forced to pull out of the area. Despite Project withdrawal, the Sipacapa City Council conveyed the interest of the coffee growers to continue to receive RVCP assistance through the Community Development Councils (COCODEs in Spanish). To that end, growers organized themselves into three GATs (Aldea Las Minas, Caserio Magueyes and Sipacapa).
- Another obstacle RVCP faces in producing expected results is that coffee producers are struggling to cope with reduced yields and lower market prices, hence they have very limited capacity to re-invest in production. In consequence, efforts to recover plantations affected by coffee rust disease are postponed for medium or long-term.

To aggravate the situation, producers that met the requirements to request funding from the Trust Fund in Support of the Guatemalan Coffee Sector have faced delays in disbursements thereby limiting their ability to implement measures in a timely manner.

- Project technicians also faced challenges reflecting the degree of organizational maturity of the grower groups. Problems included lack of attendance at FUNCAFE workshops, incorrect household use of supplies, non-compliance with field activities, etc. In mitigating these problems, FUNCAFE worked on strengthening communication and coordination with RVCP Consortium technicians working on organizational strengthening to request additional support to reduce or eliminate the problems.
- Many communities in the RVCP target area avoided using technology, equipment or tools because they lacked ready access to electricity. FEDECOCAGUA addressed this by procuring generators or surge protectors for some of the co-op offices.
- Many of the horticulture producers participating in the RVCP component on food and nutritional security are scattered throughout the target area and this limits progress in providing training or in recruiting new members. To mitigate this, the Project plans to have technical meetings with FEDECOAG representatives to develop agreements for a more effective strategy to meet RVCP targets.

4. Activities and Results Progress

4.1 General Activities

- The following section summarizes ANACAFE activities in San Marcos.
 - The Project coordinated efforts during the 2013/2014 crop year with technical personnel from the Catholic Relief Services (CRS) “Green Coffee” Project in La Reforma and Nuevo Progreso. Efforts focused on organizing activities for six grower groups i.e. *Asociacion Campesina Unidos Para La Paz y el Desarrollo Integral Comunitario*, *ECA Nueva Escocia*, *ECA Emanuel*, *Cooperativa Integral Agricola Nuevo Porvenir*, *Cooperativa Integral Agricola Nuevo Eden* and *GAT Nuevo San Luis*. The organizations represent a total of 214 members.
 - The Project coordinated efforts with FUNCAFE to launch the food and nutritional security component with eight organizations in Nuevo Progreso and Tajumulco: *Cooperativa Integral Agricola Entre Rios*, *Asociacion de Pequeños Caficultores Comunidades Unidas (ACIPACU)*, *Cooperativa Integral Agricola Nuevo Eden*, *Cooperativa Integral Agricola Nuevo Porvenir*, *ECA Emanuel*, *ECA Nueva Escocia*, *GAT Nuevo San Luis* and *Asociacion Campesina Unidos Para La Paz y El Desarrollo Integral Comunitario (ACUPDIC)*.
 - The organizational strengthening team (five technical advisors) participated in two training workshops organized by FUNDASISTEMAS on the SIDEM content. The training activity covered SIDEM phases on governance and management strengthening.

- The Project moved forward in monitoring those organizations using the SIDEM diagnostic to collect data on the development and implementation status for each of the five SIDEM phases. The data is useful to tailor RVCP technical assistance where most needed.
- Agriculture technicians participated in workshops on safe use and storage of pesticides and climate change adaptation. They also participated in the second Latin American workshop on biological beds organized by AGREQUIMA. The events enabled technicians to acquire tools that will be useful in implementing the Environmental Mitigation Plan for the Coffee Value Chain as approved by USAID.
- RVCP/ANACAFE technicians in Huehuetenango participated in the following events:
 - Workshop on climate change adaptation organized by The Nature Conservancy as part of their efforts to strengthen capacity to implement the Environmental Mitigation Plan for the coffee value chain.
 - The Second Latin American Workshop on biological beds provided the basis to implement their use to treat pesticide residue.
 - A workshop for coffee producer groups on preparing environmental mitigation plans in preparation for the first RVCP environmental audit.
 - Workshops on governance, management and financing sources to increase the SIDEM knowledge base.
- FEDECOCAGUA and FEDECOAG technicians participated in training activities on the safe use and management of pesticides and climate change adaptation. The technicians increased their knowledge to benefit the members of RVCP grower groups.
- FEDECOAG technicians participated in a workshop sponsored by IICA and USDA on regulations to export products to the U.S. As a result, technicians are better prepared to work with horticulture producers.
- FUNCAFE selected the candidates hired to strengthen the technical team for field activities on food and nutritional security.
- ARTEXCO completed the following activities:
 - Coordinate efforts with FUNCAFE to include 345 families as beneficiaries under food and nutritional security activities (76% of the target). Of these, 192 families from Cooperativa la Jacaltequita are working directly with FUNCAFE technicians while ARTEXCO technicians undergo training to work with the remaining 19 handicraft groups.

Technicians organized 49 workshops on agricultural issues and health and nutrition aspects for a total of 1,274 participants. The workshops focused on 1) creating vegetable gardens, 2) cleanliness and hygiene, 3) safe water, 4) good nutrition, 5) organic insecticides, 6) mini irrigation systems, 7) use and installation of water purification filters and 8) double digging and seedling production.

- Partner with the technical degree program on agricultural production at the San Marcos University Center campus (*Centro Universitario de San Marcos –CUSAM* in Spanish) from San Carlos University to join efforts in selecting 452 families that meet the criteria to benefit from food and nutritional security activities. Two members of CUSAM are working with the team to identify 326 families to date.
- Work with technicians from the National Co-operative Institute (*INACOP* in Spanish) to schedule meetings with precursor co-op groups to work on their legal status. At the time of this writing, technicians have completed seven files.
- Partner with Wanderlust, a product design and innovation company in Guatemala City, to produce a shoe line for distribution in the markets already being supplied by the company. Production would include supplies such as typical Guatemalan textiles made by RVCP artisans.
- The following section summarizes efforts to increase ARTEXCO institutional capacity to in turn better assist RVCP artisans.
 - Technical personnel working on entrepreneurial development, production and marketing participated in workshops to transfer the SIDEM methodology for phase two and three (strengthen management and associative trade, respectively).
 - The technical team for design and marketing participated in a training event organized by AGEXPORT in preparation for participation in New World Craft Fair.
 - The Production Department Coordinator participated in a course organized by INLAC on processes, quality control, statistical tools and methodology for Lean Six Sigma.
 - The management team participated in a workshop organized by INLAC on BSC and strategic planning and indicators.
- The ARTEXCO Board visited 17 RVCP handicraft groups in Huehuetenango to engage the boards of directors for each group and assess progress toward RVCP targets.
- Gather base line data on taking products to market for each of the members of RVCP producer groups to verify sales figures and income levels. The data will be used to monitor project impact.

4.2 Components

4.2.1 Component 1: Improved Competitiveness along the Value Chains

▪ ANACAFE (Coffee Value Chain)

– Increased Coffee Production

Members from 23 producer groups in San Marcos harvested an average of 73,100 pounds of coffee per hectare –a total yield of 1,084,500 pounds of parchment coffee (100% of the target). As a result of RVCP activities, the 30 producer groups in Huehuetenango increased their yield from previous years to harvest 6,374,400 pounds of parchment coffee.

ANACAFE technicians implemented the following activities to increase production.

- Technical assistance to RVCP organizations, emphasizing field supervision as required to prepare agricultural management plans.
- Technical assistance to renew coffee plantations using disease-resistant varieties.
- Training on integrated coffee rust disease management in areas where crops sustained the greatest damage.

– Plantation Renewal

A total of 735 producers (41 women and 694 men) from 23 organizations in San Marcos renewed a total of 269 hectares of coffee plantations (584% of the target), as follows:

a) Productive Tissue Management

Renew a total of 207 hectares to regenerate productive tissue and increase yield during the second year following the process (selective pruning and compact blocks).

b) Renewal through Replacement

Replace unproductive and aged plants over 62 hectares in Nuevo Progreso and San Pedro Sacatepequez, San Marcos.

The renewal process required 761,000 new seedlings, primarily disease resistant varieties.

The group of 735 coffee producers invested GTQ6,523,300 to renew their plantations (averaging about GTQ8,875.23 per producer).

Training is essential if transferred technology is actually to be effective. The Project planned 108 training events this period for a total of 1,357 participants from the 23 producer groups in San Marcos, as follows:

- 15 events on coffee seedling production;
- 16 events on soil conservation;
- 11 events on productive tissue management;
- 13 events on pests and disease;

- 22 events on the use and maintenance of spraying equipment;
- 11 events on sustainable production;
- 9 events on coffee plantation renewal;
- 5 events on production costs;
- 4 on planting and digging techniques, and
- 2 on shade management.

In addition to the training events listed above, the Project organized three certification courses on agricultural issues (seven modules each in each).

- ANACAFE technicians in Huehuetenango provide technical assistance and training on coffee plantation renewal using disease-resistant varieties. To this end, technicians established ten nurseries with the Sarchimor variety using 250 pounds of seed provided by RVCP to produce 250,000 seedlings.

RVCP technicians worked with 359 producers to renew a total of 96.2 hectares of coffee (investing a total of GTQ4,139,298.90 averaging GTQ 42,934.50/hectare).

– **Post-Harvest Management Improvements**

- The Project supervised and supported efforts to build of a wet mill facility for use by the members of GAT La Lima in San Miguel Ixtahuacan, San Marcos. The wet mill can process 1,200 pounds of coffee per hour and required an investment of GTQ100,000.00.
- The Project provided assistance in San Marcos to *Asociacion Civil de Pequeños Caficultores de Liberacion (APECAFEL)* to finish installing a guardiola dryer with capacity to process 1,500 pounds of parchment coffee. FONAGRO provided funding in the amount of GTQ105,000.
- A total of 325 members in San Marcos from *Asociacion de Pequeños Productores Agrícolas Entre Cerros (APPAECE)*, *Cooperativa Integral Agrícola Nuevo Porvenir*, *ECA Emanuel*, *ECA Nueva Escocia*, *GAT El Cafetalito*, *GAT La Lima*, *GAT Legual*, *GAT La Pena*, *Asociacion de Pequeños Caficultores Mayas Mames (APECAFORM)*, *Cooperativa Entre Rios*, *Asociacion Media Cuesta*, *Cooperativa La Igualdad*, *Asociacion Flor del Cafe* and *Asociacion de Desarrollo Integral Buenos Aires (ADIBA)* participated in a training event on quality control in wet mill processing, food safety and waste product management (pulp and waste water). The Project structured 24 workshops to provide the training.
- The Project implemented two certification courses on wet mill processing for 14 members from *Cooperativa Integral Agrícola Nuevo Porvenir*, *Cooperativa Integral Agrícola Nuevo Eden*, *ECA Emanuel*, *GAT El Cafetalito*, *GAT Nuevo San Luis*, *Cooperativa La Igualdad*, *Asociacion Flor del Cafe*, *Cooperativa Entre Rios*, *Asociacion de Pequeños Caficultores Mayas Mames (APECAFORM)*, *Asociacion Civil de Productores Comunidades Unidas (ACIPACU)* and *Asociacion de Pequeños Caficultores de Liberacion (APECAFEL)*.
- The Project moved forward with a program to monitor quality coffee and took 110 samples (three pounds of parchment coffee for each sample) from 14 producer groups in San Marcos (*ECA Nueva Escocia*, *Cooperativa Nuevo Eden*, *Cooperativa Nuevo Porvenir*, *Asociacion Campesina Unidos por la Paz y Desarrollo Integral Comunitario (ACUPDIC)*, *Asociacion de*

Pequeños Productores Entre Cerros (APPAECE), GAT El Cafetalito, Asociación Flor del Café, Asociación Civil de Pequeños Productores Comunidades Unidas (ACIPACU), Asociación de Pequeños Caficultores Liberación (APECAFEL), Asociación de Pequeños Caficultores Mayas Mames (APECAFORM), Cooperativa Entre Ríos, Asociación Media Cuesta, Cooperativa La Igualdad and Asociación de Caficultores Miguelenses (ACMI)).

Technicians sent the samples to the ANACAFE Quality Lab. Test results revealed that 65% of the samples were Strictly Hard Bean coffee, 22% were hard, 6% were semi-hard, 6% was extra prime and the remaining 1 % was prime.

The cup quality in the 110 samples revealed that 47% were clean cups –that is to say no defects that would alter the quality of the bean. Another 13% of the samples presented fruity cups, 23% were winey, 9% were harsh, 2% were astringent and the last 3% were fermented. The results allowed technicians to make recommendations for corrective action.

- Technicians also sampled parchment coffee to update their regional coffee characteristics (Volcanic from San Marcos) to convey the qualities and traits of the specialized coffee. To that end, Project technicians submitted samples from *Cooperativa Nuevo Porvenir, Asociación de Pequeños Productores Agrícolas Entre Cerros (APPAECE), GAT El Cafetalito, Asociación de Pequeños Caficultores Mayas Mames (APECAFORM)* and *Asociación de Pequeños Caficultores Liberación (APECAFEL)*.
- As a result of the particular characteristics found in their coffee profile, APPAECE in San Pedro Sacatepequez, San Marcos, prepared a lot of 3,000 pounds of parchment coffee to compete in the Cup of Excellence. Their coffee was awarded 86.23 points and they classified to move on to the international round of the competition. In addition, the organization was selected to become a supplier of Volcanic San Marcos coffee for ANACAFE (for sale on domestic and international markets).

The RVCP team worked in Huehuetenango as follows:

- Monitor crop quality control for the 2013/2014 harvest by tasting samples from 30 organizations to check cup quality.
- Complete 30 diagnostic assessments on wet mill processing for the same number of RVCP organizations.
- Conduct 250 field visits to producer groups for assistance on maintaining their de-pulping equipment.
- **Employment Generation**
Coffee producer groups in San Marcos generated 896 jobs as follows:
 - A total of 466 jobs to harvest 1,084,600 pounds of parchment coffee (11 man/days; 256 man/days equals one job).

- An investment of GTQ6,523,300 for plantation renewal generated 430 jobs (based on the monthly minimum wage for agricultural and non-agricultural activities, (plus the legally-mandated bonus for 2014 GTQ, 2,530 divided by six months to represent a job).

Producer groups in Huehuetenango generated 2,746 temporary jobs (549 for women and 2,197 for men) plus 49 permanent positions (11 for women and 38 for men). A few of the permanent positions are in management, accounting and semi technical fields.

- **Technical Assistance for Improved Practices and Technology**

A total of 588 members from the producer groups in San Marcos adopted new technology for an aggregated total of 1,238 producers over RVCP Year 1 and Year 2 (84% of the membership total).

- **SIDEM Implementation**

As a result of RVCP assistance, *Asociacion de Pequeños Productores Organicos Mayas Mames (APECAFORM)* and *Asociacion Nuevos Horizontes* in San Marcos have full time managers in place.

In addition, eight producer groups in San Marcos instituted continuous capital contributions from member dues and donations, as summarized below.

1. As a result of productive projects (interest from loans to members, fees for wet mill processing, macadamia nut processing and revenue from sales of supplies), *Cooperativa Integral Agricola Nuevo Edenha* increased working capital during the 2013/2014 harvest season from GTQ38,000 to GTQ68,000.
2. *Cooperativa Integral Agricola Nuevo Porvenir* has working capital in the amount of GTQ7,600 as the product of their annual membership dues.
3. *Asociacion Civil de Pequeños Productores de Cafe Liberacion (APECAFEL)* and *Asociacion de Pequeños productores Agricolas Flor del Cafe* accrued working capital in the amount of GTQ 177,700 from donations and annual profit.
4. *Asociacion de Caficultores Miguelenses*, comprised of GATs -- Legual, La Lima, La Pena and Siete Platos—developed capacity to manage their own projects. Together with member contributions in 2014, the revenue increased working capital by 7% for an aggregated total of GTQ 280,175.75.

In addition, *Asociacion Nuevos Horizontes* and *GAT El Cafetalito* launched programs to increase working capital by GTQ 3,000 in each of the organizations.

The Project also completed participatory diagnostics with 22 producer groups in San Marcos using the SIDEM methodology. The results are the basis to select priority areas for organizational strengthening activities.

RVCP technicians worked with 30 coffee producer groups in Huehuetenango as follows.

- Technical assistance to implement best practices over 564 hectares of coffee plantations i.e. improved genetics, pest management and soil management.

- A total of 447 site visits to produce 24 tissue management plans, 30 fertilization programs 16 shade management plans, four plant nursery plans and 20 integrated coffee rust disease management plans.
- Technicians scheduled field visits, residential visits, coordination meetings and training and awareness events i.e. 67 activities with the participation of 762 producers (204 women and 558 men).

- **FEDECOCAGUA (Coffee Value Chain)**

- **Increased Coffee Production**

As a result of RVCP technical support, producers increased their productivity by 2,276 pounds of parchment coffee/hectare (4% higher than originally targeted). The positive impact of increased productivity is the result of concerted action in response to the spread of coffee rust disease. The actions were part of FEDECOCAGUA's overall national strategy. In the case of RVCP organizations in San Marcos and Huehuetenango however, the procurement of spraying equipment was key to increasing productivity.

- **Plantation Renewal**

The Project worked with 280 growers to renew their coffee plantations. The Project contributed seedlings of the Sarchimor disease-resistant variety (74,000 plants, of which 50,000 were grafted with Robusta variety plants and distributed among co-ops in San Marcos) plus 24,000 non-grafted plants distributed in northern Huehuetenango. Growers replanted a total of 17 hectares with the seedlings plus an additional 41 hectares planted with the Sarchimor seedlings. In total, RVCP support contributed to renovating 58 hectares of coffee plantations.

That said, members procured or grew their own seedlings to renew an additional 33.3 hectares at a total investment of GTQ1,165,500 (an average cost of GTQ35,000/hectare).

Furthermore, 80% of members in RVCP organizations renovated 1,775 hectares by managing productive tissue with selective or block pruning.

RVCP provided assistance to procure 25 pruners and 13 perforators to mechanize coffee renovation tasks. As a result, co-ops could establish brigades and diversify the services they offer members. The equipment went to 11 co-ops (four in San Marcos and seven in Huehuetenango) as part of a pilot project to increase mechanization and profitability.

- **Post Harvest Management Improvement**

The Project provided assistance and technical support to remodel 309 manually operated wet mills, improving infrastructure and equipment while remodeling waste water treatment areas. The Project also worked on remodeling a shared facility by implementing a water recycling system.

Technicians moved forward on promoting industrial safety by including protective shields.

Technicians installed 60 new de-pulping machines, 20 electric motors and built 12 fermentation tanks to benefit a total of 92 members (22 women and 68 men).

RVCP provided financial assistance to distribute 25 manual modules for environmental wet mills, including fermentation and rinsing equipment. The assistance benefits small scale producers in Santa Cruz Barillas (*Cooperativa Cocola, Cooperativa Maxbal, Cooperativa La Providencia* and *Cooperativa Coatan*) in western Huehuetenango (*Cooperativa Tajumuco, Cooperativa Pena Roja* and *Cooperativa Hoja Blanca*) together with producers in San Marcos (*Cooperativa San Pablo* and *Cooperativa Nuevo Progreso*). The Project invested a total of GTQ256,262.65.

In addition, the UGK Foundation worked to establish de-pulping centers and distributed semi-integrated modules to *Cooperativa San Pablo, Cooperativa Todosantera, Cooperativa San Jose El Obrero, Cooperativa Hoja Blanca, Cooperativa Cocola* and *Cooperativa Rio Limon*.

To complete the processing cycle and complementary to the semi-integrated modules described above, the Project also procured seven dryers (four gas-fired and three wood-fired). The dryers use silos for continuous flow with capacity to dry 1,250 pounds of coffee every 24 hours.

– **Increased Income**

Fifteen co-ops with FAIRTRADE certification were awarded prizes for productivity and quality for the 3,752,500 pounds of coffee sold on the specialized market. Prizes amount to US\$ 221,674 (GTQ 1,729,055.47).

In addition, three RVCP co-ops also ranked quite high in the TULLY'S COFFEE auction at FEDECOCAGUA in March 2014, as follows:

- a. *Cooperativa San Jose el Oreburo* received first place and a US\$ 5,000 prize;
- b. *Cooperativa Agua Dulce* ended up in fifth place and received a US\$ 2,000 prize, and
- c. *Cooperativa El Porvenir* in sixth place received a US\$2,000 prize.

Furthermore, *Cooperativa San Jose El Oreburo* with a Rainforest Alliance certification received a prize for GTQ43,800. The co-op also produces additional revenue from a tortilla factory (about GTQ12,000/quarter). *Cooperativa Tajumuco* produces additional revenue in the amount of GTQ 2,500 from photocopier and fax services.

– **Employment Generation**

RVCP activities generated 4,273 formal jobs (502 permanent positions for management personnel hired by producer groups). New jobs account for a 5% increase over the expected target of 4,055 jobs.

– **Technical Assistance for Improved Practices and Technology**

As a result of RVCP support, 280 coffee producers (56 women and 224 men) applied improved practices or technologies over 281 hectares (56 hectares worked by women and 225 hectares tended by men).

RVCP technical assistance trained 1,161 producers during 26 workshops on the responsible use and handling of pesticides, coffee rust disease management and control, spray equipment use and maintenance, integrated pest management, plantation renewal, soil use and conservation, water use and conservation, plant nutrition and productive tissue management.

▪ **FEDECOAG (Horticulture Value Chain)**

– **Crops under Controlled Conditions**

The Project provided technical assistance and training to 93 horticulture producers from 12 organizations in the use of macro tunnels to grow tomatoes, onions, cucumbers, bell peppers, jalapeno peppers, lettuce and potato seed under controlled conditions. Producers are planting a total of 3.1 hectares. The choice of crops enables producers to become familiarized with new production technologies, costing systems and selling their produce on the local market.

– **Technical Assistance for Improved Practices and Technology**

RVCP provided 424 horticulture producers with technical assistance in the use of new technology or improved practices for an aggregated total of 1,020 producers to date using improved practices and technology as follows:

- soil conservation
- safe use and handling of pesticides
- pesticide formulation and dosing
- responsible use and handling of agricultural products
- personal protection equipment
- improved crop varieties
- soil sampling and fertilization
- forestry
- climate change and mitigation measures
- climate change adaptation
- harvest and post-harvest handling

The Project promoted the use of improved practices over 25 hectares planted with vegetables and increased the knowledge of RVCP growers in San Marcos and Huehuetenango. That said, technical assistance and training remain ongoing processes and the implementation of improved practices remains contingent upon soil conditions and crop type.

– **Employment Generation**

Cooperativa San Bartolo in San Sebastian Huehuetenango generated employment for 60 women as part of a process to add value to snow pea and sweet pea crops. Each employee earned an average of GTQ100/day during harvest season.

RVCP activities led to a total of 322 new jobs; of these, 225 were filled by men/youth and women filled the remaining 97 positions.

– **Export Crops**

RVCP provided technical assistance to members from five producer groups in Huehuetenango to plant, harvest and handle snow pea, sweet pea and lima bean crops for export markets. In addition, Project technicians moved forward in seeking market opportunities or niches to expand horticulture production in San Marcos.

The following table summarizes income from export crops in the amount of GTQ3,381,047.02. Producers groups sold their crops to four agro-export companies (Grupo CEIS, San Juan Agro export, SIESA and Grupo ALIAR).

Table 1
Horticulture Production and Sales

| Organization | Producers | | | Crop type | PRODUCTION IN 2014 | | | | Gross margin |
|------------------------|------------|-----------|------------|-----------|--------------------|------------------|---------------------|---------------------|-------------------|
| | M | W | TOTAL | | Extension | Yield | Cost | Incomes | |
| Coop. Los Cuchumatanes | 27 | 6 | 33 | Snow pea | 1.58 | 529.5 | 94,960.50 | 162,090.00 | 67,129.50 |
| Coop. San Bartolo | 126 | 24 | 150 | Snow pea | 14.29 | 4,191.58 | 786720 | 1314154.35 | 527,434.35 |
| Coop. Nueva Esperanza | 190 | | 190 | Snow pea | 14.33 | 2,651.12 | 724256.25 | 840146.22 | 115,889.97 |
| Asociación ADAT | 114 | | 114 | Snow pea | 5.11 | 1,200.00 | 258,340.63 | 360,000.00 | 101,659.37 |
| | | | | Bean | 12.86 | 2,750.13 | 443,232.00 | 453,771.45 | 10,539.45 |
| Asociación AMAS | 0 | 34 | 34 | Snow pea | 2.48 | 865.50 | 148,202.50 | 250,885.00 | 102,682.50 |
| TOTAL | 457 | 64 | 521 | | 50.65 | 12,187.83 | 2,455,711.88 | 3,381,047.02 | 925,335.14 |

– **Value Added**

Cooperativa San Bartolo used an intermediate process to add value to the snow pea crop and generated 60 jobs filled by women.

– **Partnerships**

FEDECOAG signed a technical cooperation agreement with ASOCUCH to work with producer groups on organizational strengthening, horticulture production, marketing and health and nutrition.

FEDECOAG is also coordinating efforts with the municipal committees on food security and nutrition (COMUSANs in Spanish) to organize and structure activities to improve health and nutrition. In addition, FEDECOAG works closely with SESAN to provide training and technical assistance for improved packaging and labeling.

– **Management Level Hiring**

Ten RVCP organizations have been able to hire and pay for full time managerial positions using their own budget resources --a woman filled one of these positions. RVCP provided training and assistance on administrative, management, accounting, financial, legal and fiscal issues.

– **SIDEM Implementation**

The Project began working with six organizations to implement the SIDEM phase on Governance. Results are as follows:

- 6 annual work plans drafted, reviewed and approved by general assemblies;
- five organizations reviewed bylaws;
- one co-op reviewed and amended bylaws, submitted to a special meeting of the General Assembly for approval and filed the changes with INACOP;
- 4 organizations updated and implemented credit policies and regulations as approved by their boards;
- draft and implement membership policies as approved by the board;
- three groups undertook organizational restructuring processes,
- a co-op drafted and implemented procedures manuals for positions of authority (board, oversight committee, credit committee, education committee) and staff.

– **Increased Working Capital**

Four organizations (three co-ops and one association) took steps to increase capital contributions based on profits from FY2013 (GTQ954,895.15). The organizations converted profits to capital contributions using legal reserves as summarized in Table 2.

Table 2
Horticulture Group Capital Contributions

| | Organization | Capital Contributions (GTQ) |
|---|------------------------------------|------------------------------------|
| 1 | <i>Cooperativa El Paraiso</i> | 360,141.35 |
| 2 | <i>Cooperativa 10 de Abril</i> | 525,882.88 |
| 3 | <i>Cooperativa San Pedro Unido</i> | 18,003.53 |
| 4 | <i>Asociacion El Esfuerzo</i> | 50,867.39 |
| | Total | 954,895.15 |

The FEDECOAG fund for co-op stabilization was created to provide member co-ops with financial resources for working capital. The fund provided GTQ150,000 in grant money to Cooperativa Cuchumatnes and Cooperativa San Pedro Unido.

▪ **FUNDASISTEMAS (SIDEM Implementation)**

i. **SIDEM Development**

Technicians completed the design process for the diagnostic and finished validating each of the four versions (one for each organization). FUNDASISTEMAS then input the results from 12 producer groups working with FEDECOCAGUA; eight of which are rated C (weighted less than 50%) and four of which are rated B (weighted from 50-75%).

In addition, FUNDASISTEMAS also input the data on five producer groups implementing the methodology as a means to validate the methodology directly. Of these organizations, four are rated C and one is B.

The IDEA consultant team organized a number of on-site and distance meetings then validated results with FUNDASISTEMAS and ARTEXCO personnel prior to completing the following: 1) curriculum and studies program, 2) governance and 3) management strengthening. In addition, the team developed a first draft of the handbook on strengthening associative trade.

Furthermore, FUNDASISTEMAS completed the following:

- a. A teaching kit with support material for each technician applying the methodology plus an additional kit for each member organization, and
- b. A series of 14 meetings to determine the types of videos required, select the supplier and select the graphics for each video. FUNDASISTEMAS contracted local experts for the videos and additional audiovisual material and also drafted the first script for the video to support the governance handbook.

ii. SIDEM Implementation

RVCP technicians transferred the Governance Handbook to the contact points appointed by four of the Consortium organizations and also presented the studies program. Recipients expressed their intention to comply with the requirements and achieve certification.

Survey responses from participants in the SIDEM Phase I workshops conducted by partner organizations revealed that 93% of the 43 participants found the activity to be excellent. The remaining 7% rated the activity as good. Each of the participating technicians received training material packages.

The Project also transferred the handbook on strengthening administrative and management functions to the technical contact points appointed by ARTEXCO, FEDECOAG and ANACAFE. The Project seized the opportunity to provide standard concepts and definitions for SIDEM Phase II implementation. Facilitators from FUNDASISTEMAS later requested feedback to ensure continuous improvement.

Survey responses from participants in all three workshops revealed that 95% of the 19 participants described it as excellent while the remaining five percent rated the activity as good.

FUNDASISTEMAS transferred the handbook on strengthening associative trade to the five participants appointed by ARTEXCO. The activity included a discussion of the handbook, some general concepts and definitions for SIDEM Phase III. Facilitators from FUNDASISTEMAS helped participants practice the activities in the handbook and organize a workshop for entrepreneurs

as a means to reinforce team work. Survey responses revealed that 96% of the participants found the workshop to be very good or excellent and the remaining 5% described it as acceptable.

FUNDASISTEMAS technical personnel validated and systematized the learning process for SIDEM implementation by applying the instrument directly with five potato producer groups in San Marcos.

iii. Web Platform

FUNDASISTEMAS explored the possibility of setting up a web platform to promote commercial trade activity (buy/sell) and found the need to first design a marketing strategy.

In working toward this result, technicians organized approximately 15 working meetings to assess market needs. Technicians also worked with Keurig Green Mountain to factor in buyers' traceability requirements.

FUNDASISTEMAS scheduled meetings with Keurig Green Mountain Coffee (buyer), Root Capital (loan expert for local development), Sustainable Food Laboratory (local economic development experts using systemic thinking) and Grameen Foundation (potential investor with funding capital).

iv. Investment Funds

FUNDASISTEMAS explored, validated and negotiated investment or impact funds.

As a means to validate the objective of impact funds, technicians prepared the conceptual framework and designed a trade platform as a communication tool between negotiating parties. In addition, technicians drafted the Terms of Reference to contract Ocre, S.A. as marketing strategy experts.

In order to develop a tool to negotiate impact funds, FUNDASISTEMAS met four times with the Management Board and with an advisor on web page design from Ocre, S.A. to complete the design and develop a case to generate interest among potential donors.

The draft document on impact funds will select three producer organizations to benefit from impact funds. The organizations must consider sectorial inclusion all the way from agricultural activities through trade and each one of those should include several options for working capital, including incentives, risk capital and credit.

The Project laid out the structure and organization for impact funds and validated the prototype. In addition the Project took advantage of the opportunity presented by participating in an impact fund fair and at the Fifth Annual ANDE Conference in Glen Cove, New York to confirm that RVCP had a better chance at succeeding by organizing an impact investment fair in Guatemala rather than an impact funds fair.

Table 3
Results Summary for RVCP Component 1

| Component 1: Improved Competitiveness along the Value Chains | | | | |
|--|-----------------|---------------|----------------|-------------------|
| – FY2014 Results Summary | | | | |
| Description | Life of Project | FY2014 Target | FY2014 Results | FY2014 Progress % |
| Total 100 lb. sacks of parchment coffee per hectare | 19 | 14 | 18 | 129% |
| Total number of horticulture producers implementing controlled conditions (greenhouses, macro-tunnels) | 90 | 30 | 93 | 310% |
| Partnerships between small grower groups and other actors along the horticulture value chain | 10 | 1 | 4 | 400% |
| Organizations paying for high level management positions | 30 | 15 | 32 | 213% |
| Organizations launching capital accrual programs | 10 | 19 | 43 | 226% |
| Credit leveraged through Project coordination, assistance or support | 40 | 34 | 3,510 | 176% |
| Alliances among small producer groups and savings and loan organizations | 12 | 5 | 10 | 200% |
| Arrangements for capital investment in producer groups | 5 | - | - | 0% |
| Producers developing credit history (confirmed access and prompt repayment of loan) | 200 | 1,589 | 1,341 | 84% |
| Financial institutions that consider credit history when reviewing loan application | 2 | 2 | 13 | 650% |
| Organizations strengthened through increased membership and improved decision making | 80 | 28 | 59 | 211% |
| Organizations including women and youth in their decision making processes | 40 | 20 | 63 | 315% |
| Agreements in place with municipal governments in support of producer group activities | 4 | 3 | 2 | 67% |
| Funds leveraged or invested in RVCP activities (in GTQs) | 24,000,000 | 25,250,000 | 14,381,122 | 57% |
| COCODES and/or COMUDES involved with RVCP | 15 | 14 | 31 | 221% |
| Number of public policies discussed or negotiated | 1 | - | - | 0% |
| Funds involved in trade transactions conducted on the internet (in GTQs) | 8,000,000 | - | - | 0% |

Component 2: Broadened Participation in Value Chains

- **FUNCAFE**

- **High School Pilot Program (alumni specializing in coffee or horticulture production)**

- High School Degree plus Certification in Coffee Production**

- The first class of RVCP scholarship recipients completed the program in November. A total of 13 students graduated from high school certified in coffee production after completing supervised internships and complying with academic requirements. In addition, FUNCAFE continued to provide scholarships for ten additional first year students.

- High School Degree plus Certification in Horticulture**

- FUNCAFE continued to process paperwork with schools specializing in horticulture, entrepreneurship and technology. These schools are not certified by the middle school agricultural and forestry education (CENAF in Spanish) and the Project previously processed requests with the National School of Agriculture (*Escuela Nacional Central de Agricultura -ENCA* in Spanish) that were unsuccessful.

- In order to continue to move forward and explore other possibilities, FUNCAFE technicians organized a visit to the Del Valle University (UVG) campus in the Guatemalan western highlands near Solola. The visit afforded RVCP staff a chance to assess installed capacity, teaching methodology, academic studies program and training opportunities. Unfortunately, the unit cost per student exceeds the RVCP budget. Nonetheless, the Project plans to screen students that would meet the university admission requirements and be able to provide ten scholarships for this select group of young horticulturists.

- In addition, RVCP engaged with the FORJA agricultural education program implemented by Helvetas Guatemala in Huehuetenango and San Marcos. Students entering their program are trained as “young agro-entrepreneurs” as stipulated by the Ministry of Agriculture, with a specialization in horticulture. The FORJA program provides an excellent opportunity for young horticulturists wanting to continue their education. RVCP staff reviewed budget allocations for 2015 and found that at least 20 students could be provided scholarships.

- In cooperation with FEDECOAG, the Project plans to provide scholarships for a total of 30 students whose parents are members of RVCP horticulture organizations. Ten of the scholarships will be for students attending UVG and the remaining 20 will be for the FORJA program.

- **ANACAFE (Coffee Value Chain)**

- **Producers Obtain Financing**

RVCP technicians worked with 66 coffee growers from eight producer groups in San Marcos (*Asociacion de Pequeños Productores Entre Cerros (APPAECE)*, *Cooperativa Integral Agricola Nuevo Eden*, *ECA Emanuel*, *GAT Nuevo San Luis y El Cafetalito*, *Asociacion de Pequeños Productores Agricolas Flor del Cafe* and *Asociacion de Pequeños Caficultores Comunidades Unidas*) to submit loan applications. Project assistance included technical production forecasts, profitability, return on investment, projected cash flows and asset analysis. As a result of Project assistance, the Trust Fund for the Guatemalan Coffee Sector (*Fideicomiso Apoyo Financiero para los Productores del Sector Cafetalero Guatemalteco*) and the National Agricultural Fund (*Fondo Nacional Para La Agricultura -FONAGRO*) authorized loans to the producers in the amount of GTQ968,382.

The Project also supported 97 producers from coffee grower groups in Huehuetenango to submit loan applications resulting in loan authorizations in the amount of US\$ 336,103.85.

- **Alliances between Grower Groups and Savings and Loan Co-ops, Local Governments, NGOs, etc.**

The Project worked with the USAID MASFRIJOL project to supply 1,980 pounds of seed to 396 coffee producers from *Asociacion de Caficultores Miguelenses (ACMI)* in San Miguel Ixtahuacan, San Marcos (five pounds each of improved black bean seeds --Hunapu, Super Chiva and Altense varieties). The seeds will enable coffee producers to plant beans together with their coffee in those areas undergoing plantation renewal. The bean crop is conducive to improved household nutrition while any surplus can be taken to market to increase family income.

The growers receiving the black bean seeds committed to reporting on their yield (the seed is expected to yield more than 40,000 pounds of beans). In addition, each grower voluntarily paid GTQ10 to cover follow up and monitoring costs incurred by ACMI.

Furthermore, Project technicians worked with the World Food Programme to provide 120 producer families from five organizations in Nuevo Progreso, San Marcos with 10,800 pounds of rice and 2,400 pounds of black beans to improve household nutrition. The donation is worth GTQ59,900.

To increase coffee trade, RVCP also promoted partnerships in Huehuetenango between Esquipulas Savings and Loan Co-op and grower groups ASODIET and ASDEFLOL. The partnership yielded US\$38,560.41 from the sale of 210,000 pounds of parchment coffee. In addition, ASCAFCA and ADICEP obtained financing in the amount of US\$59,719.79 as part of a commitment from Esquipulas Co-op to sell 92,900 pounds of parchment coffee.

- **Increased Membership**

Three coffee grower groups in San Marcos (*Cooperativa Integral Agricola Nuevo Porvenir*, *GAT Legual* and *GAT La Pena*) increased their membership in 2014, but compensated by attrition from departing members.

RVCP expanded and increased project coverage by adding seven additional GATs and three producer organizations for a total of 262 new beneficiaries (221 men and 41 women).

- **Include Women and Youth in Producer Group Decision Making**

As a result of RVCP interventions in San Marcos, 26 women and 22 youth have joined boards (*Asociacion de Pequeños Productores Agricolas Flor del Cafe*, *Asociacion de pequeños Productores Organicos Mayas Mames(APECAFORM)*, *Asociacion Nuevos Horizontes*, *Asociacion de Desarrollo Integral Buenos Aires*, *Asociacion de Pequeños Caficultores Comunidades Unidas*, *GAT La Lima*, *GAT La Pena*, *GAT Legual*, *GAT Siete Platos*, *Cooperativa Nuevo Eden*, *Cooperativa Nuevo Porvenir*, *Asociacion de Pequeños Productores de Cafe Liberacion*, *Cooperativa Integral Agricola Entre Rios* and *Asociacion Civil de Productores de Cafe Media Cuesta*).

As a result of Project assistance to 30 coffee producer groups in Huehuetenango, 15 women have taken up board positions (*GAT Buenos Aires*, *GAT San Felipe Sajchen*, *GAT San Jorge*, *ASOBAGRI*, *Asociacion BITENAM*, *Asociacion UPC* and *ADICEP*). One woman at *Cooperativa Esquipulas* is in a board position.

- **Municipal Government Support to Producer Organizations**

Under the agreement signed between the Municipal Government in San Miguel Ixtahuacan and *Asociacion de Caficultores Miguelenses (ACMI)*, the local government continued to provide financing in the amount of GTQ800,000. In addition, the Project provided technical assistance to budget supplies based on the technical specifications for ANACAFE’s agricultural management program to establish and maintain new coffee plantations and maintain older plantings.

- **Development Council Participation in RVCP Activities**

Members from producer groups in San Marcos are actively participating on 29 community development councils (COCODEs in Spanish) and promoting efforts to improve the quality of life for producers and their families. These efforts include a potable water project (promoted by members from *Cooperativa Integral Agricola Nuevo Porvenir*) construction of a primary school in San Luis (promoted by members of *GAT Nuevo San Luis*), improved roadways (promoted by members of *GAT La Lima*, *La Pena*, *Siete Platos* and *ECA Nueva Escocia*) and purchasing land with water springs for use in La Lima (promoted by members from *GAT La Lima*).

- **FEDECOCAGUA (Coffee Value Chain)**

- **Financing**

Table 4 summarizes results for 17 coffee grower groups receiving financing from FEDECOCAGUA in the amount of GTQ24,628,000 for advance payments against coffee crops.

Table 4
Financing for Coffee Producer Groups

| | Co-op | Financing (in GTQ) |
|----|---|-------------------------|
| 1 | <i>Cocolense and La providencia</i> | 2,352,427.00 |
| 2 | <i>Cocola Grande and San Jose Maxbal</i> | 500,000.00 |
| 3 | <i>Cooperativa Union Coataneca</i> | 465,000.00 |
| 4 | <i>Cooperativa Agua Dulce</i> | 536,000.00 |
| 5 | <i>Cooperativa Hoja Blanca</i> | 2,050,000.00 |
| 6 | <i>Cooperativa Pena Roja</i> | 2,500,000.00 |
| 7 | <i>Cooperativa Nuestro Futuro</i> | 2,500,000.00 |
| 8 | <i>Cooperativa San Jose El Obrero</i> | 2,838,575.00 |
| 9 | <i>Cooperativa Tajumuco</i> | 6,775,998.00 |
| 10 | <i>Cooperativa Rio Limon</i> | 250,000.00 |
| 11 | <i>Cooperativa Chojzunil</i> | 800,000.00 |
| 12 | <i>Cooperativa Nuevo Progreso</i> | 190,000.00 |
| 13 | <i>Cooperativa San Pablo</i> | 970,000.00 |
| 14 | <i>Cooperativa 21 de Octubre</i> | 500,000.00 |
| 15 | <i>Cooperativa Comunidades Unidas</i> | 500,000.00 |
| 16 | <i>Cooperativas San Jose and La Esperansita</i> | 900,000.00 |
| | TOTAL | GTQ24,628,000 00 |

Furthermore, *Cooperativa Pena Roja* received GTQ2,401,000 and *Cooperativa La Bendicion* received GTQ1,000,000 from the Trust Fund for the Guatemalan Coffee Sector. In addition, *Cooperativa El Porvenir* provided used their own funds to advance members GTQ1,000,000 against their crop sales.

– **Increased Membership**

Changes in membership rolls are commonplace as members become inactive or withdraw. Some of these changes take place when producers migrate to sell their labor or because they sell their coffee to third parties to pay off debt. Regardless, 129 new members joined 17 co-ops as summarized in Table 5.

Table 5
New Members in Coffee Producer Organizations

| | Co-op | New Members |
|----|---------------------------------------|-------------|
| 1 | <i>Cooperativa Chojzunil</i> | 8 |
| 2 | <i>Cooperativa Union Coataneca</i> | 6 |
| 3 | <i>Cooperativa El Porvenir</i> | 8 |
| 4 | <i>Cooperativa Cocolense</i> | 3 |
| 5 | <i>Cooperativa Teogal</i> | 2 |
| 6 | <i>Cooperativa Riviera del Cabuz</i> | 2 |
| 7 | <i>Cooperativa Comunidades Unidas</i> | 2 |
| 8 | <i>Cooperativa 21 de Octubre</i> | 9 |
| 9 | <i>Cooperativa Nuestro Futuro</i> | 3 |
| 10 | <i>Cooperativa Hoja Blanca</i> | 3 |
| 11 | <i>Cooperativa Pena Roja</i> | 3 |
| 12 | <i>Cooperativa Agua Dulce</i> | 5 |
| 13 | <i>Cooperativa El Porvenir</i> | 6 |
| 14 | <i>Cooperativa La Bendicion</i> | 1 |
| 15 | <i>Cooperativa 21 de Octubre</i> | 9 |
| 16 | <i>Cooperativa Tajumuco</i> | 34 |
| 17 | <i>Cooperativa San Jose El Obrero</i> | 25 |
| | TOTAL | 129 |

– **Include Women and Youth in Producer Group Decision Making**

About 80% of the members in RVCP producer groups under FEDECOCAGUA are men. Despite that fact, the Project promoted the inclusion of 40 women in decision-making positions within ten co-ops as summarized in Table 6.

Table 6
Women in Decision Making Positions in Coffee Producer Organizations

| | Co-op | Women |
|-----------|---|--------------|
| 1 | <i>Cooperativa San Jose</i> | 3 |
| 2 | <i>La Esperansita</i> | 7 |
| 3 | <i>Cooperativa Nuevo Progreso</i> | 2 |
| 4 | <i>Cooperativa Tajumuco</i> | 2 |
| 5 | <i>Cooperativa San Jose El Obrero</i> | 3 |
| 6 | <i>Cooperativa Pena Roja</i> | 2 |
| 7 | <i>Cooperativa Nuestro Futuro</i> | 2 |
| 8 | <i>Cooperativa El Porvenir</i> | 3 |
| 9 | <i>Cooperativa Rio Limon</i> | 2 |
| 10 | Among Co-ops 21 de Octubre, La Bendicion and Comunidades Unidas | 14 |
| | TOTAL | 40 |

– **COCODEs Participate in Project Interventions**

RVCP promoted ten members of producer groups to join the COCODES in Cocolense, Nueva Providencia and Maxbal within the municipality of Santa Cruz Barillas.

▪ **FEDECOAG (Horticulture Value Chain)**

– **Producer Financing**

A total of 125 producers from four RVCP horticulture groups benefited from a land lease program with financing in the amount of GTQ321,875. Table 7 summarizes the breakdown of GTQ 262,500 in the form of loans and the remaining GTQ59,375 as grant funds.

Table 7
Funding for Horticulture Producers

| No | Organización | Solicitudes | | | Total | Total | Total | Total |
|-----------|-----------------------|--------------------|------------------|-----------------|----------------|-----------------|-----------------|----------------|
| | | Entregadas | Aprobadas | Cobrados | Credito | Subsidio | Aprobado | Cobrado |
| 1 | Coop. San Pedro Unido | 13 | 13 | 13 | 27,300.00 | 6,175.00 | 33,475.00 | 33,475.00 |
| 2 | Coop. 10 de Abril | 55 | 55 | 55 | 115,500.00 | 26,125.00 | 141,625.00 | 141,625.00 |
| 3 | Coop. El Paraiso | 44 | 44 | 44 | 92,400.00 | 20,900.00 | 113,300.00 | 113,300.00 |
| 4 | El Esfuerzo | 13 | 13 | 13 | 27,300.00 | 6,175.00 | 33,475.00 | 33,475.00 |
| | Totales | 125 | 125 | 125 | 262,500.00 | 59,375.00 | 321,875.00 | 321,875.00 |

In addition, FONTIERRAS granted financing in the amount of GTQ2,100 in loans and GTQ475 in grant funds per beneficiary.

Furthermore, ten grower groups leveraged credit for 817 horticulture producers (potato, potato seed, peas and lima beans). Of these, 657 are men and 160 are women. Total financing amounts to GTQ7,628,290.50 for productive activities to improve household finances. Table 8 summarizes the results.

Table 8
Financing for Horticulture Producers

| No. | Organización | CARTERA CONCEDIDA | | | Beneficiarios | | |
|---------|--|-------------------|--------------|--------------|---------------|-----|-------|
| | | TOTAL Q. | Hombres | Mujeres | H | M | Total |
| 1 | Cooperativa Integral de Ahorro y Crédito "La Esperanza", R.L. | 257,000.00 | 217,000.00 | 40,000.00 | 12 | 2 | 14 |
| 2 | Cooperativa Agropecuaria y de Servicios Varios "Nueva Esperanza", R.L. | 5,194.50 | 5,194.50 | - | 13 | 0 | 13 |
| 3 | Cooperativa Integral Agrícola "Joya Hermosa", R.L. | 581,380.00 | 396,980.00 | 184,400.00 | 43 | 20 | 63 |
| 4 | Cooperativa Agropecuaria y de Servicios Varios "San Bartolo", R.L. | 130,000.00 | 130,000.00 | - | 15 | 0 | 15 |
| 5 | Asociación de Agricultores Tinecos -ADAT- | 277,000.00 | 277,000.00 | - | 277 | 0 | 277 |
| 6 | Asociación el Esfuerzo | 321,000.00 | 251,000.00 | 70,000.00 | 4 | 3 | 7 |
| 7 | Cooperativa Integral Agrícola El Paraiso, R.L. | 703,200.00 | 491,100.00 | 193,100.00 | 63 | 30 | 93 |
| 8 | Cooperativa Integral de Producción Artesanal "San Pedro Unido", R.L. | 260,000.00 | 119,000.00 | 141,000.00 | 8 | 8 | 16 |
| 9 | Cooperativa Integral Agrícola 10 de Abril, R.L. | 5,065,316.00 | 3,404,457.00 | 1,661,359.00 | 214 | 96 | 310 |
| 10 | Asociación ADIS | 28,200.00 | 26,500.00 | 1,700.00 | 8 | 1 | 9 |
| TOTALES | | 7,628,290.50 | 5,318,231.50 | 2,291,559.00 | 657 | 160 | 817 |

– **Individual and Organizational Credit Ratings**

A total of 817 producers made timely loan repayments and received favorable credit ratings from financial institutions.

– **Include Women and Youth in Producer Group Decision Making**

Twelve producer groups have 138 members in board, support and control positions (board of directors, oversight committee, education committee and credit committee). Of these, men fill 100 and women filled the other 38 positions.

– **Increased Membership**

As of September 30, 2014, membership in horticulture producer groups had increased by 120 (50 men and 70 women), as summarized in Table 9.

Table 9
Horticulture Producer Group Membership

| No | Nombre completo de la organización | Ubicación | Membresía Inicial | | | Membresía Final 30/09/14 | | | Aumento | | |
|----|--|---|-------------------|------|-------|--------------------------|------|-------|---------|----|-------|
| | | | H | M | Total | H | M | Total | H | M | Total |
| 1 | Cooperativa Agrícola Integral El Paraiso R.L | Tejutla, San Marcos | 257 | 91 | 348 | 280 | 97 | 377 | 23 | 6 | 29 |
| 2 | Cooperativa Agrícola Integral 10 de abril R.L | San Marcos, San Marcos | 334 | 145 | 479 | 359 | 161 | 520 | 25 | 16 | 41 |
| 3 | Cooperativa Integral de Producción Artesanal San Pedro Unido R.L | San Pedro Sacatepéquez, San Marcos | 27 | 27 | 54 | 27 | 27 | 54 | 0 | 0 | 0 |
| 4 | Asociación ADIS | Sibinal, San Marcos | 219 | 86 | 305 | 186 | 125 | 311 | -33 | 39 | 6 |
| 5 | Asociación EL ESFUERZO | San Pedro Sacatepéquez, San Marcos | 22 | 13 | 35 | 24 | 22 | 46 | 2 | 9 | 11 |
| 6 | Cooperativa Agrícola de Servicios Varios Los cuchumatanes, R.L. | Chiantla, Huehuetenango | 111 | 103 | 214 | 111 | 103 | 214 | 0 | 0 | 0 |
| 7 | Cooperativa Agropecuaria y de Servicios Varios Nueva Esperanza, R.L. | San Sebastián, Huehuetenango | 88 | 34 | 122 | 88 | 34 | 122 | 0 | 0 | 0 |
| 8 | Asociación ADAT | Todo Santos Chuchumatan, Huehuetenango | 137 | 36 | 173 | 137 | 36 | 173 | 0 | 0 | 0 |
| 9 | Cooperativa Integral Agrícola Joya Hermosa, R.L. | Chiantla, Huehuetenango | 1607 | 535 | 2142 | 1607 | 535 | 2142 | 0 | 0 | 0 |
| 10 | Cooperativa Agropecuaria y de Servicios Varios San Bartolo, R.L. | Chiantla, Huehuetenango | 1779 | 592 | 2371 | 1779 | 592 | 2371 | 0 | 0 | 0 |
| 11 | Cooperativa de Ahorro y Crédito La Nueva Esperanza, | Todo Santos Chuchumatan, Huehuetenango | 191 | 64 | 255 | 191 | 64 | 255 | 0 | 0 | 0 |
| 12 | Asociación AMAS | Aldea Quilínco, Chiantla, Huehuetenango | 0 | 65 | | 0 | 65 | | 0 | 0 | 0 |
| | Totales | | 4772 | 1791 | 6498 | 4789 | 1861 | 6585 | 17 | 70 | 87 |

▪ **ARTEXCO (Handicraft Value Chain)**

– **Increased Membership**

Three producer groups increased membership as follows: 1) a group comprised of members from communities in San Marcos --Sibinal, Barrancas and Checamba, 2) *Asociación ADAIN* in Chalhuitz, Huehuetenango and 3) a group comprised of members from other communities in San Marcos --Nuevo Mexico, Santa Rosa and los Canaques.

– **Include Women and Youth in Producer Group Decision Making**

Each of the 18 groups that are still working on establishing their legal personhood have set up temporary boards and women filled 90% of the board positions.

Table 10
Results Summary for RVCP Component 2

| Component 2: Broadened Participation in Value Chains | | | | |
|---|-----------------|---------------|----------------|-------------------|
| FY2014 Targets | | | | |
| Description | Life of Project | FY2014 Target | FY2014 Results | FY2014 Progress % |
| Individuals graduated from specialized coffee and horticulture studies programs | 120 | 14 | 23 | 96% |

Component 3: Improved Agricultural Productivity

Coffee Value Chain

– **Technical Assistance on Good Agricultural Practices (GAPs)**

In an effort to improve production processes among 23 RVCP grower groups in San Marcos, Project staff planned 263 technical assistance visits to monitor specific programs, demonstrate methods, train, supervise processes and follow up on recommendations.

Among others, technical staff promoted the following GAPs:

a. Specific Programs

Technicians designed 123 specific programs relevant to production activities as summarized in Table 11.

Table 11
Programs for Coffee Producer Groups in San Marcos

| PROGRAMS | TOTAL |
|--|------------|
| Nursery Development | 20 |
| Productive Tissue Management | 19 |
| Shade Management | 20 |
| Waste Management | 17 |
| Integrated Pest and Disease Management | 33 |
| Fertilization and Soil Amendments | 14 |
| TOTAL | 123 |

b. Disease Resistant Varieties

The Project provided assistance to produce 761,000 coffee seedlings using disease resistant varieties (Catimor and Sarchimor). One of the GAPs for nursery production is to graft the selected variety onto *Robusta* plants to take advantage of the latter's resistance and tolerance to nematodes –one of the pests causing most severe damage throughout the region.

c. Plantation Renewal

Plantation renewal by replacing coffee plants has become a high impact practice in light of its significant contribution to rejuvenating plantations, especially among those heavily damaged by coffee rust disease. This period, the Project renewed plantations through replacement of new plantings over 62 hectares.

Plantation renewal through tissue management is one of the key practices used to maintain plantation productivity and wellbeing. This period, the Project implemented tissue management over 207 hectares in Nuevo Progreso, San Pedro Sacatepequez, San Pablo, Tajumulco and Sibinal in San Marcos.

d. Integrated Pest and Disease Management

In response to the spread of coffee rust disease and the negative impact on production, the Project developed capacity among coffee producers by providing training on integrated disease management. Results included curbing damage below 10% on the 560 hectares that were subjected to integrated management. Of these, Project technicians worked on 225 hectares this period and will continue next year to work on 335 more hectares.

Integrated management for the coffee borer beetle is key to bean quality and crop conversion. Technicians implemented environmental controls to reduce the need for insecticides and keep down costs. Technicians covered 225 hectares this period using 23 traps per hectare.

RVCP worked in Huehuetenango to provide technical assistance to implement the following agricultural practices:

- Selective pruning to renovate 227.4 hectares using various techniques as appropriate to the condition of the plants;
- Soil analysis results to create fertilization plans for 30 organizations;
- Shade management and use of forestry resources for energy while composting dead leaves and twigs;
- Prepare and manage nursery seedlings, and
- Preventive control and curative measures for coffee rust disease.

– **Climate Change Adaptation**

a. Soil and Water Conservation Practices

The Project organized training workshops, demonstrations and field tours to promote shade management in established plantations or the use of shade for new plantations through temporary or permanent shade plants, as appropriate. Technicians also implemented soil conservation techniques and structures over 62 hectares of coffee owned by producers in San Marcos.

b. Turning Crop Residue into the Soil

Project technicians worked with five organizations (*Asociacion Flor del Cafe, Asociacion de Desarrollo Integral Buenos Aires, Cooperativa Integral Agricola Nuevo Eden, Asociacion de Campesinos Unidos para la Paz y Desarrollo Integral Comunitario* and *ECA Enmanuel*) to address wet-mill processing and compost organic sub products as fertilizer and soil amendments for nursery plants.

As a result of RVCP technical assistance and training, members of 23 organizations in San Marcos are making appropriate use of coffee byproducts.

c. Waste Water Recycling

Producer groups in San Marcos using individual hand-operated wet mills use waste water and coffee pulp as organic fertilizer for their plantations and other crops. In order to optimize the use of waste products and minimize the risk of contaminating water sources, the Project scheduled ten training workshops for instruction on appropriate waste management.

The Project implemented a waste water recycling system for the wet mill operated by *Cooperativa Integral Agricola Nuevo Eden* to make more rational use of valuable water resources.

The Project also implemented a wastewater treatment system for *Asociacion Flor del Cafe* in Santa Rita, Sibinal, San Marcos to separate out the solid waste first and avoid contaminating water sources.

▪ **FEDECOCAGUA (Coffee Value Chain)**

– **Technical Assistance on Good Agricultural Practices (GAPs)**

One of the key RVCP technical assistance components is to ensure the sustainability of coffee certifications as a means to ensure environmentally-friendly production. The certifications call for the implementation of GAPs.

RVCP works through FEDECOCAGUA with 17 certified producer organizations. Table 12 summarizes the data.

Table 12
Certified Coffee Producer Organization

| | CO-OP | Fairtrade FLO | UTZ CERTIFIED | C.A.F.E PRACTICES | RAINFOREST ALLIANCE | ORGANIC PRODUCTION |
|----|---|--------------------------|--------------------------|------------------------------|--------------------------------|-------------------------------|
| 1 | <i>Cooperativa Agricola Integral Pena Roja</i> | X | X | X | | |
| 2 | <i>Cooperativa Agricola Integral Tajumuco</i> | X | X | X | | |
| 3 | <i>Cooperativa Agricola integral Todosantera</i> | X | X | X | | |
| 4 | <i>Cooperativa Integral Agricola El Porvenir</i> | X | X | X | | |
| 5 | <i>Cooperativa Agricola Integral Nuestro Futuro</i> | X | X | X | | |
| 6 | <i>Cooperativa Agricola Integral San Jose El Obrero</i> | X | X | X | X | |
| 7 | <i>Cooperativa Agricola Integral San Pedro Necta</i> | | | | X | |
| 8 | <i>Cooperativa Agricola Integral Hoja Blanca</i> | X | X | X | | |
| 9 | <i>Cooperativa Agricola Integral Rio Limon</i> | X | | | | |
| 10 | <i>Cooperativa Agricola Integral Chojzunil</i> | X | | | | X |
| 11 | <i>Cooperativa Integral Agricola La Bendicion</i> | X | | | | X |
| 12 | <i>Cooperativa Integral Agricola San Pablo</i> | X | | | | X |
| 13 | <i>Cooperativa Integral Agricola 21 de Octubre</i> | X | | | | X |
| 14 | <i>Cooperativa Integral Agricola Comunidades Unidas</i> | X | | | | X |
| 15 | <i>Cooperativa Integral Agricola Nueva Coataneca</i> | X | | | | x |
| 16 | <i>Cooperativa Integral Agricola La Esperancita</i> | X | | | | X |
| 17 | <i>Cooperativa Integral Agricola Cocolense</i> | | | | | X |

RVCP promotes the following GAPs:

A. Agricultural Assistance

1. productive tissue management,
2. shade management,
3. contour planting,
4. soil conservation,
5. disease resistant varieties,
6. appropriate water use and management,
7. traps to control borer beetle pests,
8. live plant barriers for soil conservation,
9. plant nutrition and commercial enterprise support to control fungal disease,
10. soil analysis for appropriate fertilization,
11. soil analysis,
12. use coffee byproducts for earthworm fertilization,
13. water treatment tanks.

B. Spray Equipment

Project technicians trained the coffee rust disease brigades to appropriately maintain their spraying equipment and ensure that fungicides are applied correctly. The Project also promoted methods to control coffee rust disease by sampling plantations and using appropriate products, organic or conventional.

C. Plant Nurseries

The Project worked in San Marcos to promote grafted plant nurseries using Robusta variety plants to take the graft. Given that the Sarchimor variety is resistant to coffee rust disease, technicians promoted the establishment of nurseries using said variety in both San Marcos and Huehuetenango.

D. Shade Management

RVCP worked with grower groups to promote selective pruning and shade management.

– **Climate Change Adaptation**

1. Training and presentations, use of demo plots, exchange tours and method demonstrations.
2. Shade management using techniques factoring in weather forecasts to protect coffee plants from full sun, avoid soil erosion and reuse organic waste and trimmings.
3. Implement soil conservation practices over 281 hectares s follows:
 - contour planting (91.3 hectares);
 - live plant barriers where coffee plantations have been removed (122 hectares);

- sectional terracing (63.7 hectares), and
 - individual terracing (four hectares).
4. Soil analysis prior as required for an effective fertilization plan using chemical or organic products to retain soil nutrients and avoid leaching during heavy precipitation.
 5. Promote the use of plant varieties resistant to coffee rust disease.
 6. Protect water sources within buffer zones (4.13 hectares).
 7. Promote the use of phytosanitary kits with material consistent with coffee markets, WHO agreements, EPA records and certifications by using awareness campaigns targeted to users.
 8. Distribute wet mill modules as demo units to show efficient water use and solar energy for drying processes (mobile platforms, continuous flow dryers and dryers under plastic sheeting).
 9. Procure 212 personal protection equipment sets for phytosanitary brigades working with 28 RVCP grower groups.
 10. Implement the Coffee Value Chain Environmental Mitigation Plan to reinforce environmental policy within certified co-ops.
 11. Activate and/or install one regional bin (at La Democracia, Huehuetenango) and 16 bins at co-op headquarters to collect used pesticide containers.
 12. Build 18 storage units to house pesticides at co-op headquarters.
 13. Recycle water from a wet mil operation to use no more than 250 liters of water per 100 pounds of parchment coffee.
 14. Build 71 improved waste water holding tanks for individual wet mills.
 15. Improve 329 hand-crafted holding tanks to filter waste water. To date, producers are using a total of 2,584 holding tanks and respective treatment plants for wastewater.
 16. Install and improve 156 wastewater holding tanks for members of *Cooperativa San Jose El Obrero* and *Cooperativa San Pedro Necta*.
 17. Install 190 bio-dep stations for pesticide application equipment to avoid contaminating watersheds or water sources.

- **FEDECOAG (Horticulture Value Chain)**

- **Technical Assistance on Good Agricultural Practices (GAPs)**

RVCP technicians from FEDECOAG provided technical assistance on GAPs to 1,456 horticulture producers (1,227 men and 229 women) from 12 organizations, as follows.

1. Soil conservation using live plant barriers, still barriers, retaining walls, ditches, dikes and terracing.
2. Safe use and management of pesticides, including training on number of applications, dosage, application days, frequency, spray head types and personal protection equipment (masks, gloves, protective eye gear, boots and appropriate outerwear).
3. Harvest and post-harvest management, including training on safety, production handling, presorting, transportation, handling, drying and hygiene and sanitation.
4. Use and management of organic fertilizers to improve plant nutrition.
5. Use and management of biodeps to collect and biologically degrade pesticide residues.
6. Soil sampling and lab analysis to design technical fertilization plans. To that end, RVCP provided FEDECOAG with assistance to set up a soil, plant and water analysis lab and to procure supplies. The lab is in San Sebastian, San Marcos and provides services to growers in the five provinces covered by the USAID Feed the Future (FtF) Initiative. FEDECOAG joined efforts with *Cooperativa 10 de Abril* to build the facility.
7. Use of improved varieties (snow pea and sweet pea, lima bean and potato).
8. Production traceability and awareness raising among producers regarding the measures, actions and procedures that record and/or certify a product from origin to end user.

- **Technical Assistance and Support to Horticulture Producers using Irrigation**

The Project provided technical assistance and training for producers using irrigation to increase their efficient use of water and maintain their water sources.

- **Greenhouse Production**

The Project provided producers with technical assistance and training to raise their horticulture crops under greenhouses using appropriate varieties, registered seed, certified seed, temperature and humidity controls.

– **Macro tunnel Production**

RVCP provided 93 producers with technical assistance and training to grow horticulture crops under controlled conditions through the use of RVCP-procured macro tunnels.

– **Climate Change Adaptation**

The Project trained horticulture producers on four hectares as to the following measures to adapt to climate change.

- Efficient use of water for human consumption and irrigation (improve mini-irrigation technology).
- Soil and water conservation practices.
- Crop residue as soil amendments.
- Drought-resistant varieties.
- Greenhouse and macro tunnels.
- Harvest rainwater for irrigation during prolonged drought.
- Agroforestry systems.
- Information distribution (digital or print versions of newsletters and brochures).

Table 13
Results Summary for RVCP Component 3

| Component 3: Improved Agricultural Productivity – FY2014 Targets | | | | |
|--|-----------------|---------------|----------------|-------------------|
| Description | Life of Project | FY2014 Target | FY2014 Results | FY2014 Progress % |
| Coffee: | | | | |
| Number of producers that invest in plantation renewal | 2,253 | 1,890 | 1374 | 73% |
| Area (hectares) growing renewed coffee plantations | 1,397 | 776 | 456.8 | 59% |
| Number of new or remodeled wet mill processing facilities that meet efficient water use and waste water disposal standards | 16 | 2 | 1 | 50% |
| Horticulture: | | | | |
| Number of horticulture producers that use irrigation systems | 1,800 | 400 | 620 | 155% |
| Crop area under controlled conditions (greenhouses, macro tunnels) | 2 hectares | | 3 | 150% |

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

This Component was eliminated from the original proposal and is not covered by the Cooperative Agreement between USAID and the Consortium.

4.2.5 Component 5: Increase Food Production and Improve Food Use

- **Number of Participants in Training Events on Nutrition and Child Health**

FUNCAFE recorded, monitored and accounted for 17,281 participations (7,890 men and 9,391 women) in training activities on nutrition and child health. The training covered food and nutrition, sexual and reproductive health, family gardens and use of garden produce.

- **Number of Individuals in Training Events on Nutrition and Child Health**

A total of 6,036 members from RVCP co-ops and organizations attended training. Each member was represented by one or two additional individuals –most often, one

Number of Children Benefitting from Nutrition and Health Activities

FUNCAFE accounted for a total of 1,865 boys and girls under the age of five directly or indirectly benefitting from RVCP assistance under the Food Security and Nutrition Component. Of these, 942 (50.50%) are boys and 923 (49.50%) are girls. Table 14 summarizes the data.

**Table 14
Beneficiaries from Activities on Health and Nutrition**

| Member Organization | Total Membership | Total Children under Five | Gender | |
|---------------------|------------------|---------------------------|------------|------------|
| | | | Male | Female |
| ANACAFE | 1,342 | 881 | 469 | 412 |
| FEDECOCAGUA | 733 | 392 | 189 | 203 |
| FEDECOAG | 598 | 488 | 234 | 254 |
| ARTEXCO | 345 | 104 | 50 | 54 |
| TOTAL | 3,018 | 1,865 | 942 | 923 |

The Project underscores the significance of covering health and nutrition issues with RVCP producer families because, on average, 61.79% have at least one child under the age of five. FEDECOAG covers families and 82% of them have children under five; ANACAFE has children under five in 66% of producer families; FEDECOCAGUA with 53% of families with children under five and ARTEXCO families include 30% with children under five. FUNCAFE will redouble efforts to train and educate producer families on best practices for food and hygiene to benefit children.

- **Family Gardens**

A total of 2,593 families (74% of the target) set up gardens for their own household use. The total represents 86% of families benefitted in 2014. The remaining 14% (425 families) merely cleared the land and laid out their plots. In addition, 1,950 families have installed drip micro-irrigation systems

to ensure produce throughout the dry season. During the first quarter of FY2015 the Project will distribute an additional 1,068 irrigation systems to ensure that 100% of the families under the Food and Nutritional Security component have access to that technology.

▪ **School Gardens**

The Food and Nutritional Security activities throughout 55 schools in Huehuetenango and San Marcos (92% of the target) included setting up gardens and 50 schools received tool kits for that purpose. RVCP also procured improved woodstoves for 47 schools to safely prepare school meals. Using funding provided and leveraged by FUNCAFE, 23 schools participated in activities to strengthen reading and writing skills, primarily for first and second grade students. Table 15 summarizes the FUNCAFE activities.

▪ **Training on Health and Nutrition for Primary School Teachers**

The Project organized training events of health and nutrition for 305 teachers and 6,331 students from 55 schools as summarized below. The number of children benefitted represents 62.82% of the total student body from participating schools.

Table 15
RVCP School Gardens

| | Province | Municipality | EORM Community | Total Teachers | Participating Teachers | Total Students | Participating Students |
|----|---------------|------------------|-------------------------------|----------------|------------------------|----------------|------------------------|
| 1 | Huehuetenango | La Libertad | La Cipresada | 5 | 5 | 124 | 124 |
| 2 | Huehuetenango | La Libertad | Huica | 16 | 16 | 340 | 292 |
| 3 | Huehuetenango | La Libertad | Palmira Vieja | 5 | 5 | 126 | 126 |
| 4 | Huehuetenango | La Libertad | El Aguacatillo | 5 | 5 | 123 | 123 |
| 5 | Huehuetenango | La Libertad | La Montana | 13 | 13 | 404 | 214 |
| 6 | Huehuetenango | La Libertad | El Sauce | 4 | 4 | 155 | 133 |
| 7 | Huehuetenango | Jacaltenango | Culuz Sajilaj | 8 | 8 | 137 | 69 |
| 8 | Huehuetenango | Jacaltenango | Kajxik'oma | 3 | 3 | 40 | 40 |
| 9 | Huehuetenango | Jacaltenango | Buena Vista | 15 | 15 | 269 | 234 |
| 10 | Huehuetenango | Jacaltenango | San Felipe San Andres H | 23 | 23 | 587 | 483 |
| 11 | Huehuetenango | Jacaltenango | San Andres H | 22 | 22 | 595 | 308 |
| 12 | Huehuetenango | La Democracia | San Isidro | 13 | 13 | 327 | 191 |
| 13 | Huehuetenango | La Democracia | El Pinal | 7 | 7 | 214 | 214 |
| 14 | Huehuetenango | Todos Santos | Tuiboch | 6 | 6 | 129 | 129 |
| 15 | Huehuetenango | San Antonio H | Rancho Viejo | 10 | 10 | 144 | 86 |
| 16 | Huehuetenango | San Antonio H | La Estancia Rancho Viejo | 2 | 2 | 40 | 40 |
| 17 | Huehuetenango | San Antonio H | El Pajal | 11 | 11 | 272 | 159 |
| 18 | Huehuetenango | Union Cantinil | Buenos Aires | 9 | 9 | 139 | 90 |
| 19 | Huehuetenango | Union Cantinil | Villa Nueva | 2 | 2 | 43 | 43 |
| 20 | Huehuetenango | Union Cantinil | Villa Linda | 6 | 6 | 192 | 192 |
| 21 | Huehuetenango | Union Cantinil | La Esperanza 1 | 5 | 5 | 121 | 104 |
| 22 | Huehuetenango | Union Cantinil | La Esperanza | 3 | 3 | 75 | 45 |
| 23 | Huehuetenango | Concepcion Husta | Trapichitos, Santiago Petatan | 4 | 4 | 84 | 84 |
| 24 | San Marcos | San Pablo | Nuevo San Carlos | 16 | 2 | 386 | 56 |
| 25 | San Marcos | San Pablo | El Matazano | 13 | 2 | 220 | 65 |
| 26 | San Marcos | San Pablo | Tojoj | 7 | 2 | 200 | 40 |
| 27 | San Marcos | San Pablo | Zelandia | 11 | 2 | 345 | 67 |
| 28 | San Marcos | San Pablo | San Pablo | 19 | 2 | 465 | 68 |

| | | | | | | | |
|---------------|---------------|-----------------------|---|------------|------------|---------------|--------------|
| 29 | San Marcos | San Pablo | Santo Domingo | 11 | 2 | 310 | 54 |
| 30 | San Marcos | San Pablo | Tocache | 13 | 2 | 445 | 62 |
| 31 | San Marcos | El Rodeo | La Esperanza | 6 | 2 | 108 | 28 |
| 32 | San Marcos | El Rodeo | Venezuela | 2 | 2 | 50 | 50 |
| 33 | San Marcos | Nuevo Progreso | Instituto Nacional de Educacion Basica Emmanuel | 6 | 6 | 80 | 80 |
| 34 | San Marcos | San Pablo | Instituto Nacional de Educacion Basica | 9 | 2 | 270 | 100 |
| 35 | San Marcos | San Miguel Ixtahuacan | Alen | 3 | 3 | 73 | 73 |
| 36 | San Marcos | San Miguel Ixtahuacan | Shanshegual | 6 | 6 | 145 | 145 |
| 37 | San Marcos | San Miguel Ixtahuacan | La Lima Instituto Basico | 1 | 1 | 23 | 23 |
| 38 | San Marcos | San Miguel Ixtahuacan | La Lima | 3 | 3 | 66 | 66 |
| 39 | San Marcos | San Miguel Ixtahuacan | Arenal | 4 | 4 | 79 | 79 |
| 40 | San Marcos | San Miguel Ixtahuacan | Tierra Blanca | 3 | 3 | 71 | 71 |
| 41 | San Marcos | San Miguel Ixtahuacan | La Union | 3 | 3 | 105 | 105 |
| 42 | San Marcos | San Miguel Ixtahuacan | La Pena | 3 | 3 | 90 | 90 |
| 43 | San Marcos | San Miguel Ixtahuacan | Sacpic | 2 | 2 | 70 | 70 |
| 44 | San Marcos | San Miguel Ixtahuacan | Siete Platos | 7 | 7 | 150 | 150 |
| 45 | San Marcos | San Miguel Ixtahuacan | San Jose Ixcaniche | 7 | 7 | 203 | 203 |
| 46 | San Marcos | San Miguel Ixtahuacan | San Jose Nueva Esperanza | 3 | 3 | 124 | 124 |
| 47 | San Marcos | San Miguel Ixtahuacan | Cabecera | 10 | 10 | 366 | 366 |
| 48 | San Marcos | San Miguel Ixtahuacan | Chisnan | 4 | 4 | 135 | 135 |
| 49 | San Marcos | San Miguel Ixtahuacan | Salitre | 10 | 10 | 250 | 250 |
| 50 | San Marcos | San Miguel Ixtahuacan | Cabecera | 10 | 1 | 45 | 45 |
| 51 | San Marcos | San Miguel Ixtahuacan | La Estancia Instituto Basico | 3 | 3 | 40 | 40 |
| 52 | Huehuetenango | Chiantla | EORM, Climentoro | 6 | 4 | 220 | 27 |
| 53 | Huehuetenango | Chiantla | EORM, Canton Nuevo Progreso Quilincó | 9 | 3 | 225 | 37 |
| 54 | Huehuetenango | San Sebastian H. | EORM, Quiajola | ND* | ND | ND | ND |
| 55 | Huehuetenango | Todos Santos | EORM, Aldea Koquia, San Martin | 2 | 2 | 39 | 39 |
| TOTALS | | | | 409 | 305 | 10,078 | 6,331 |

*ND: no data

- Training on Health and Nutrition for Coffee, Horticulture and Handicraft Producer Families**
 FUNCAFE trained 3,018 families (67.79% of producer groups in Huehuetenango) on health and nutrition issues. The number represents 86% of the total RVCP target (3,500 families). Table 16 summarizes the data.

Table 16
RVCP Training Participants in Health and Nutrition Disaggregated by RVCP Consortium Organization

| | Total Members | ANACAFE | FEDECOCAGUA | FEDECOAG | ARTEXCO |
|-------------------|---------------|--------------|-------------|------------|------------|
| TARGET | 3,500 | 1,566 | 760 | 735 | 439 |
| Total Trained | 3,018 | 1,342 | 733 | 598 | 345 |
| % of Target Total | 86% | 86% | 96% | 81% | 79% |

- **Alternative Methods for Water Purification**

To date, FUNCAFE has provided water filters to 2,440 families (70% of the target) to ensure access to safe water. Of these, 1,119 (46%) received a filter in 2014 and participated in training on alternative methods for water purification tailored to the conditions in their community. RVCP benefitted more than 10,000 by distributing the water filters. In addition, FUNCAFE distributed educational material describing safe water for human consumption and water purification methods appropriate for rural areas.

- **Efficient Fuel wood Stoves**

FUNCAFE finished distributing and installing improved fuel wood stoves for homes and schools that met RVCP requirements. In light of a target to benefit 5,000 families, and in order to maximize budget resources allocated to procure only 1,500 clean stoves over the life of the Project, technicians used a rigorous selection method to identify each beneficiary.

Following the application and selection process, the Project procured the first 586 ONIL clean stoves (59% of the target). Of these, 539 went to families and 47 were procured for schools. Table 17 summarizes the data on stove distribution.

FUNCAFE technicians set up monitoring visits to ensure appropriate use of the stoves and assess fuel wood savings of at least 66%. The savings in fuel wood has a direct impact in monetary savings and also provides for a safer home environment by extracting indoor smoke.

FUNCAFE also selected an additional 116 families and six more schools in Huehuetenango to receive clean stoves. The Project is procuring the additional stoves.

Table 17
Data on Clean Stove Distribution

| LOCATION | HOUSEHOLD STOVES | SCHOOL STOVES | TOTAL STOVES IN EACH MUNICIPALITY |
|----------------------------|------------------|---------------|-----------------------------------|
| Jacaltenango | 69 | 5 | 74 |
| La Democracia | 10 | 4 | 14 |
| La Libertad | 122 | 4 | 126 |
| San Antonio Huista | 25 | 3 | 28 |
| Todos Santos Cuchumatan | 55 | | 55 |
| Union Cantinil | 13 | 6 | 19 |
| TOTAL HUEHUETENANGO | 294 | 22 | 316 |

| San Marcos | HOUSEHOLD STOVES | SCHOOL STOVES | TOTAL STOVES IN EACH MUNICIPALITY |
|-------------------------|------------------|---------------|-----------------------------------|
| San Pablo | 38 | 11 | 49 |
| San Miguel Ixtahuacan | 145 | 14 | 159 |
| San Marcos | 62 | | 62 |
| TOTAL SAN MARCOS | 245 | 25 | 270 |

| | |
|--------------------|------------|
| GRAND TOTAL | 586 |
|--------------------|------------|

▪ **Communication and Community Outreach**

FUNCAFE designed awareness and communication material on specific nutrition and health issues of concern to the families participating in the Food and Nutritional Security Component. In addition, FUNCAFE provided material to its in-house trainers and to those from FEDECOAG and ARTEXCO. The material will be used for future training activities and workshops.

FUNCAFE also:

- supported 12 health and nutrition promoters working in San Miguel Ixtahuacan, San Marcos, on community education, and
- participated in a series of events and fairs in San Marcos and Huehuetenango to reach 4,000 individuals and raise awareness about RVCP food and nutrition activities.

Table 18
Results Summary for RVCP Component 5

| Component 5: Increased Food Production and Improved Food Use – FY2014 Targets | | | | |
|--|-----------------|---------------|----------------|-------------------|
| Description | Life of Project | FY2014 Target | FY2014 Results | FY2014 Progress % |
| Total number of family gardens installed to improve food availability | 5000 | 2500 | 2593 | 104% |
| Total number of families that use an efficient fuel wood stove to prepare their meals safely | 1500 | 1000 | 539 | 54% |
| Total number of families that are using a water filter to provide them with safe water | 5000 | 2500 | 2440 | 98% |
| Total number of families trained in food and nutritional safety issues | 5000 | 1500 | 4192 | 279% |
| Total number of schools using food and nutritional security practices for their students | 60 | 60 | 55 | 92% |
| Total number of schools using an improved fuel wood stove to safely prepare students' meals | 60 | 60 | 47 | 78% |
| Total number of schools using a water filter to provide safe water | 60 | 60 | 55 | 92% |
| Total number of schools planting garden plots with students | 60 | 60 | 55 | 92% |

4.2.6 Component 6: Improved Handicraft Value Chain

- **Handicraft Production and Marketing Diagnostic**

ARTEXCO completed a diagnostic on the handicraft value chain paying particular attention to production and marketing as it affects management and organizational areas, finances, technology and trade. To this end, the diagnostic analyzed 19 handicraft production processes (300% of the target) by 520 artisans from 19 groups based on data provided by each group as to labor costs, raw material, production times by product, access to raw material, sales price, type of raw material, production tools and current status. ARTEXCO then used the findings to tailor assistance toward targeting consumer preferences, trends and tendencies on international and domestic markets.

ARTEXCO also completed the marketing diagnostic for 360 artisans, of which 354 (98%) are women and six (2%) are men. The diagnostic covered 15 of the 20 RVCP handicraft groups and produced results to guide changes that would positively impact on handicraft sales.

The Project used the findings to conclude that an artisan in RVCP target areas takes an average of five weeks (27.08 business days in rural areas) working an average of three hours a day to generate a daily income of GTQ5.11. This results from the fact that artisans only complete two products a year –very low productivity. In addition, raw material available locally is poor quality and does not meet export standards, plus it sells for 49% more than in urban markets (GTQ85/pound in rural areas versus GTQ42 in urban areas).

The Project underscores the fact that the provinces of Huehuetenango and San Marcos are not traditionally handicraft markets and production is primarily for consumption. As a result, RVCP assistance should support artisans in producing crafts for domestic and international markets, with

increased competitiveness, productivity and lower costs for raw material. Artisans could add value to their handicrafts and improve production for greater revenues and more job creation.

- **Technical Assistance Plans**

ARTEXCO completed four diagnostics on co-ops and other producer groups using SIDEM methodology as a departure point for their respective assistance plans. The Project completed two assistance plans (*Cooperativa La Jacaltequita* and *Asociacion ADAIN*).

- **Entrepreneurial Development and Investment Plans**

Based on the findings from the diagnostics, the Project began to draft entrepreneurial development and investment plans as instruments to promote handicraft trade within the RVCP target area under secure conditions, minimizing management, commercial and productive risks. As the point of departure, ARTEXCO provided technical assistance to producer groups.

- **Business Administration Training**

ARTEXCO provided technical assistance and support to 1,091 artisans on trade and marketing, accounting, finance, fiscal and legal issues to prepare them for developing business plans. In addition, the Project began working on a marketing assessment. Technicians also provided technical assistance on financing and tax issues while also providing support to complete legal processes for preliminary groups organizing themselves into co-op.

To this end, the Project made significant progress in supporting and training seven artisan groups still lacking legal personhood, but working to organize themselves into co-ops and completing their paperwork at the INACOP regional office in Huehuetenango. ARTEXCO technicians completed 76 training activities for a total of 1,092 artisans.

- **Training on Best Productive Practices**

ARTEXCO organized 13 training events to improve productive processes for 150 artisans by determining production times, assembly processes, cost reductions and product design and innovation.

- **New Product Design**

ARTEXCO technicians promoted diversification approaches among members from 20 producer groups in San Marcos and Huehuetenango to design and produce new products demanded by domestic and international markets. An ARTEXCO design expert designed and produced 15 samples. Furthermore, ARTEXCO partnered with Wanderlust to design 11 samples together with a set of 18 samples designed through a trade partnership with Las Marias Ceramic Federation and one sample developed with La Jungla. Table 29 itemizes the 45 samples designed and produced.

Table 19
New Product Design and Production

| COLLECTION | ITEM | PRODUCT | DESIGNER |
|------------------------------|------|---------------------|---------------------|
| <i>Ixchel</i> | 1 | Ikal handbag | ARTEXCO, R.L. |
| | 2 | Quetzali handbag | |
| | 3 | Nicte handbag | |
| | 4 | Kef handbag | |
| | 5 | Gize handbag | |
| | 6 | Litza handbag | |
| | 7 | Yunu handbag | |
| | 8 | Ixmucane handbag | |
| | 9 | Laptop cover | |
| | 10 | Alitze handbag | |
| | 11 | Itze handbag | |
| <i>Pottery</i> | 12 | large cylinder | Las Marias Ceramics |
| | 13 | medium cylinder | |
| | 14 | small cylinder | |
| | 15 | large oval | |
| | 16 | medium oval | |
| | 17 | small oval | |
| | 18 | large jug | |
| | 19 | medium jug | |
| | 20 | small jug | |
| | 21 | large leaf jug | |
| | 22 | medium leaf jug | |
| | 23 | small leaf jug | |
| | 24 | large drop jug | |
| | 25 | medium drop jug | |
| | 26 | small drop | |
| | 27 | large Qantara jug | |
| | 28 | medium Qantara jug | |
| | 29 | small Qantara jug | |
| <i>Shoes and Accessories</i> | 30 | laced baby shoes | Wanderlust |
| | 31 | Nifty flats | |
| | 32 | hat | |
| | 33 | bracelet | |
| | 34 | platform bootsylust | |
| | 35 | Wanderinas | |
| | 36 | ballet flats | |

| | | | |
|---------------|----|-------------------|---------------|
| | 37 | velcro baby shoes | |
| | 38 | Wanderlust | |
| | 39 | Chill | |
| | 40 | camera strap | |
| Pillows | 41 | pillowcases | La Jungla |
| Miscellaneous | 42 | cell phone covers | ARTEXCO, R.L. |
| | 43 | woman's belt | |
| | 44 | knapsack | |
| | 45 | envelope bag | |

▪ **New Handicraft Markets**

ARTEXCO opened four new domestic markets i.e. Almacenes SIMAN, Almacenes CEMACO, Wanderlust and Novica.

In addition, the Project facilitated 25 contacts to identify potential buyers as listed below:

1. Maya Works
2. San Pedro Carcha / Artesanias Yolanda
3. Asociacion Ajchela
4. The Mayan Store
5. Maria's Bag
6. United States Embassy
7. Mexican Embassy
8. Spanish Embassy
9. German Embassy
10. Canadian Embassy
11. Guatemala Aurora International Airport
12. FEDECOCAGUA
13. La Jungla
14. Del Palomar
15. Central Handicraft Market
16. Mint Design Center
17. B Frog
18. El Cieno S.A.
19. Zle S.A.
20. Coactemal S.A.
21. Musicaspa
22. Estilo Quetzal
23. Alterna
24. El Jaguar
25. Kalea

▪ **Net Annual Income per Producer from Handicraft Sales**

ARTEXCO planned to determine net annual income that each producer earns from the sale of handicrafts. To that end, the Project reviewed accounting records, internal controls, financial

aspects and management risk based on legal and fiscal issues. ARTEXCO Trade Division specialists completed a diagnostic evaluation of 260 artisans and found that the activity is considered non agricultural rural employment (ERNA in Spanish) considering that the products are for household consumption with a small percentage going to local markets.

Handicrafts account for 40% of family income from ERNAs and are therefore considered to have a positive impact on poverty reduction and improve standard of living. Findings revealed that the producer generates a net income of GTQ508.52 by producing two items a year after investing three hours a day (3.5 months/annually).

- **Promote New or Additional Investment in Handicrafts**

RVCP procured 20 foot looms at a cost of GTQ103,039 to reduce production costs by using new tools and optimize production times. Technicians also trained producers in the use of the looms.

Furthermore, artisans invested GTQ56,926 to procure additional tools e.g. back strap looms.

- **Employment Generation**

The 20 RVCP handicraft producer groups generated 145 new employment opportunities as a result of Project interventions. The employment is considered ERNA since the end products are for household use with a very small percentage going to the local market.

- **Sales**

The 20 RVCP producer groups generated annual revenue from the sale of handicrafts in the amount of GTQ180,170.66. Sales were on the local market and the biggest sellers were bracelets, wraps and embroidered textiles (used as raw material for product innovation).

Table 20
Results Summary for RVCP Component 6

| Component 6: Improvements to the Handicrafts Value Chain | | | | |
|--|-----------------|---------------|----------------|-------------------|
| FY2014 Targets | | | | |
| Description | Life of Project | FY2014 Target | FY2014 Results | FY2014 Progress % |
| Total number of individuals trained in business administration | 1800 | 600 | 895 | 149% |
| Total number of individuals trained in best productive practices | 1800 | 600 | 511 | 85% |
| Total number of new handicraft products designed and produced | 5 | 2 | 45 | 2250% |
| Total number of new markets for handicrafts accessed | 4 | 1 | 4 | 400% |
| Additional net income per producer as a result of handicraft sales | \$ 1000 | \$100 | 65 | 65% |
| New/additional investment in handicraft production | \$ 1,250,000 | n/a | 20,508 | 103% |

4.3 Cross-cutting Issues

4.3.1 Gender

- The RVCP organizations working under ANACAFE have membership comprised of both men (77%) and women (23%) and the Project has encouraged more women to join organizations and take positions of authority. As a result, 24 women are in board positions for seven organizations (*Cooperativa Integral Agrícola Nuevo Eden, Cooperativa Integral Agrícola Nuevo Porvenir, Asociación de Desarrollo Integral Buenos Aires, ECA Emanuel y GAT Legal, GAT La Lima and GAT La Pena*). In addition, two women from *Cooperativa Integral Agrícola La Igualdad* entered a regional competition for coffee grafting and encourage other women to participate in the coffee production chain.
- RVCP worked in Huehuetenango as follows:
 - Validate both the ANACAFE and the RVCP gender strategies with authorities and technical staff.
 - Offer certification courses (in locations around Santa Cruz Barillas and La Democracia) to train 206 members from producer organizations (81 women and 125 men) on improving productivity, entrepreneurial competitiveness, learning facilitation with additional training on comprehensive participation, leadership and attitude.
 - Draft phase one of the equal opportunity policy for *Las Asociaciones Union de Pequeños Caficultores* (UPC) and ASODIET.
- FEDECOCAGUA worked on gender equality as follows:
 - Female participation in training events on good agricultural practices, certification compliance, climate change adaptation, post harvest handling and organizational and management issues.
 - A group of 14 women participated in the mandatory FEDECOCAGUA Regular General Assembly for 2014 as members of the delegations from each co-op.
 - A total of 40 women took board positions for 28 RVCP organizations. This number is in addition to the 51 board positions filled by women last year.
- FEDECOAG activities are designed to promote opportunities for women and meet their needs as different from those of men. The approach also reduces inequalities between the genders, as summarized below.
 - Support producer organizations to design and draft gender equality policies.
 - Technical assistance to restructure membership policies to encourage more female participation.
 - Promote producer groups to set up committees on women's issues.
 - Seek financing for productive projects proposed by women.

- Develop five training modules on:
 - ✓ sex and gender;
 - ✓ gender roles and power relationships;
 - ✓ planning using a gender equality approach;
 - ✓ women’s rights;
 - ✓ leadership to assume positions of authority, and
 - ✓ reproductive and productive roles.
- FUNCAFE continued to promote active participation by both men and women in educational workshops on health and nutrition, sexual and reproductive health and family gardens for household use.

FUNCAFE records for FY2014 indicate that 54.34% of workshop participants were women and 45.66% were men. The data reveals that the workshop methodology created more empowerment among women in regard to health and nutrition. The women participating in training also strengthened their capacity to prepare meals using nutritional produce from their family gardens.

- ARTEXCO designed activities to increase opportunities for women and meet their specific needs while reducing inequality between the genders along each step in the handicraft value chain.

The Project notes that 99% of the beneficiaries of RVCP technical assistance to 20 handicraft producer groups are women; in 19 of the 20 organizations, women are presiding over the board of directors.

Activities this period are summarized below.

- Nine leadership training activities as part of a strategy to empower women and increase their participation.
- Workshops to promote motivation and self-esteem among 18 of the 20 producer groups with the participation of 385 artisans.
- Publish and deliver planning agendas including a brief history of RVCP, implementation and Year One achievements together with contact information on trainers using the methodology known as “Hand in Hand with the Artisan.”
- First meeting of female leaders (12 participants) hosted by the National Council of Female Co-op Members (CNMC in Spanish).
- First meeting of female artisans (30 participants) at ARTEXCO headquarters.
- First orientation workshop in Huehuetenango for RVCP female leaders (29 participants) to discuss gender methodology (a total of nine workshops scheduled for next period).
- First orientation workshop in San Marcos for RVCP female leaders (five participants) to discuss gender methodology (a total of nine workshops scheduled for next period).
- First workshop on gender methodology (Cycle One on Self-esteem, Dignity and Women’s Rights) for 29 artisans in leadership positions within 17 RVCP producer groups in Huehuetenango.

4.3.2 Environmental Mitigation

- RVCP worked through ANACAFE in San Marcos as follows:
 - Apply soil conservation techniques and structures over 62 hectares. A total of 735 producers from 23 organizations benefitted from activities to implement contour planting, live plant barriers, still barriers, lumber producing trees as coffee shade, composting and crating.
 - Train 509 members (125 women and 384 men) from 23 producer groups on safe use and handling of pesticides and on an environmental mitigation plan for the coffee value chain (a total of 33 training events).
 - ANACAFE technicians from the San Marcos district office in San Miguel Ixtahuacan participated in a workshop hosted by the local government and facilitated by the Agricultural Chemical Association (*Asociacion del Gremio Quimico Agricola - AGREQUIMA*) to certify participants as instructors in safe pesticide use and handling.
 - Encourage planting of lumber species as shade for coffee plantation to produce agroforestry products.
 - The Project provided assistance for the wet mill facility operated by *Asociacion Flor del Cafe* in Santa Rita, Sibinal to treat wastewater and avoid contaminating water sources before filtering the water in holding tanks.
 - Five wet mills operated by producer groups (*Asociacion Flor del Cafe, Asociacion de Desarrollo Integral Buenos Aires, Cooperativa Integral Agricola Nuevo Eden, Asociacion de Campesinos Unidos para la Paz y Desarrollo Integral Comunitario* and *ECA Enmanuel*) are composting solid waste and fertilizing their nursery seedlings.
 - Producer groups working with individual hand-operated wet mills are using the wastewater and solids for compost and fertilizer.

- RVCP coffee producer groups working through ANACAFE in Huehuetenango completed the following:
 - 30 diagnostic assessments prior to implementing an environmental mitigation plan.

 - Six training activities –four on shade management with special focus on avoiding erosion and conserving biodiversity plus two on integrated pest and disease management and safe pesticide use.
 - Technical assistance to producer groups using individual hand-operated wet mills to treat waste water and compost solids for use as fertilizer in their coffee plantations or other subsistence crops.
 - Field visits to *Cooperativa Esquipulas* and *GAT Buenos Aires* in preparation for the first RVCP environmental audit.

- FEDECOAG worked on implementing environmental mitigation plans for the coffee value chain as summarized below.
 - Work through *Centro de Generacion y Analisis de Informacion para el Diseno y Apoyo Tecnico* (CAAT in Spanish) to publish newsletters on climate change and help producers implement environmental mitigation measures as appropriate.
 - Produce and disseminate information (brochures) on agricultural and climate issues for horticulture producers.
 - Produce information (posters) on pest and disease control for pea and potato crops.
 - Train horticulture producers on chemical products to curb pests and disease.
 - Implement technology to produce horticulture crops under controlled conditions (macro-tunnels and efficient mini drip irrigation).
 - Use disease- and pest- resistant seed appropriate to weather conditions.

- FUNCAFE completed the following activities.
 - **Waste Recycling**
FUNCAFE promoted solid and liquid waste recycling in tending family and school gardens to encourage composting for fertilizer and the use of liquid fertilizers.

 - **Housing and Sanitation**
FUNCAFE promoted practices on a community level to encourage sanitation and good practices for appropriate residential waste management (appropriate human and animal waste disposal, disposal of plastic and glass containers, wastewater management, kitchen waste management and others). The activity benefitted 3,018 families.

 - **Reduced Fuel wood Consumption**
The Project promoted the use of clean woodstoves to benefit 3,018 families under the RVCP food and nutritional security component. A total of 586 families received clean stoves this period and participated in activities to raise awareness as to eliminating indoor air pollution, reduce respiratory disease among women and children exposed to smoke.

 - **Soil Conservation Practices**
The Project promoted good practices for soil conservation among 2,500 families with gardens by using live and still barriers, contour planting, terracing, ditches and tilling organic material back into the soil.

- Environmental Mitigation: ARTEXCO completed the following activities.

- Design an environmental management strategy for dye operations and implement an environmental mitigation plan specifically for the thread dyeing phase of production as this represents a key step in the handicraft value chain.
- Complete the contracting process for a consultant to design the above-mentioned strategy and train thread producers in Salcaja, Quetzaltenango who are the primary purveyors of supplies for the textile products in the RVCP target area.

4.3.3 Financial Services

- ANACAFE worked in San Marcos as summarized below.
 - Technical support to *Asociacion Campesina Unidos para la Paz y el Desarrollo Integral Comunitario* (ACUPDIC) to update accounting records and correctly reflect financial status.
 - Support *Asociacion de Pequeños Caficultores de Liberacion* (APECAFEL) to manage a loan (GTQ40,000) to *Asociacion Manos Campesinas* to build a coffee warehouse.
 - Work with *GAT El Cafetalito* to apply for a loan (GTQ90,698.40); and with *Asociacion de Pequeños Productores Agrícolas Entre Cerros* (APPAECE) and *GAT Nuevo San Luis* to apply for a loan (GTQ212,782.05 each). The funding was provided by the Trust Fund for the Guatemalan Coffee Sector.
 - Work with *GAT El Cafetalito* and *GAT Nuevo San Luis* to initiate accountability procedures for their general assemblies.
- The ANACAFE Organizational Strengthening Team worked in Huehuetenango to assist producer groups in filing applications to request funding from the Trust Fund for the Guatemalan Coffee Sector for a combined total of US\$ 336,103.85.
- ARTEXCO signed an agreement with CONFECOOP that included GTQ15,000 in funding for RVCP handicraft organizations to transform handicraft products.

4.3.4 Communications

- FUNCAFE worked on this cross-cutting issue as summarized below.
 - A multi-disciplinary team validated food and security educational content using a community-based approach and promoted its use throughout communities in the RVCP target area. To leverage and expand the reach of the educational content, FUNCAFE shared it with other organizations implementing USAID projects.
 - Support the preparation of a methodological handbook through the Nutrition Alliance that works on good practices at the community level for a comprehensive approach to food and nutritional security.
 - Complete nutritional evaluations in two communities within the municipality of San Miguel Ixtahuacan, San Marcos and share the results with USAID partner organizations implementing activities in the area, as well as with the Nutrition Alliance and other

community actors through the community committees on food and nutritional security (COCOSANs in Spanish).

4.3.5 Coordination with Local and National Governments (Political Dialogue)

- ANACAFE worked in San Marcos as follows:
 - Organize six training events on responsible citizen participation and local governments with participation of members from *Asociacion Campesina Unidos Para La Paz y El Desarrollo Integral Comunitario (ACUPDIC)*, *Cooperativa Integral Agricola Nuevo Porvenir*, *Cooperativa Integral Agricola Nuevo Eden*, *ECA Emanuel* and *GAT El Cafetalito*.
 - Encourage members of *Cooperativa Nuevo Porvenir* to take an active role in their community development council (COCODE in Spanish) in Nuevo Porvenir. During the October through December 2013 quarter, the COCODE oversaw and implemented a project to introduce potable water and benefit 48 families. The Departmental Development Council (CODEDE in Spanish) for San Marcos financed the project through the municipal government in Nuevo Progreso.
 - Coordinate efforts through the Ministry of Agriculture to provide food supplies for 117 coffee producer families from *Asociacion de Caficultores Miguelenses (ACMI)* that have been affected by coffee rust disease in San Miguel Ixtahuacan.

- FUNCAFE contributed to establishing COCOSANs in San Miguel Ixtahuacan, San Marcos and further promoted the participation of producer associations and co-ops on COCODEs to promote responsible citizen participation.

- ARTEXCO signed a letter of commitment with the local government of Salcaja, Quetzaltenango. This community provides about 90% of the supplies consumed by ARTEXCO artisans. ARTEXCO also committed to train supplies in the area to ensure that they improve environmental practices when dyeing thread.

4.3.6 Entrepreneurial Development

- ANACAFE technicians worked in San Marcos as follows:
 - Work with seven producer groups to apply at least one of the five phases in the RVCP SIDEM methodology.

- Train board members and high level authorities from *Asociacion Civil de Pequeños Agricultores Flor del Cafe*, *Asociacion de Pequeños Caficultores Comunidades Unidas (ACIPACU)*, *Cooperativa Integral Agricola Entre Rios*, *Asociacion de Productores de Cafe Media Cuesta*, *Asociacion de Pequeños Caficultores Organicos Mayas Mames*, *Asociacion Nuevos Horizontes de Proyectos Fronterizos (APROFRO)*, *Asociacion de Desarrollo Integral Buenos Aires (ADIBA)* and *Asociacion de Pequeños Productores de Cafe Liberacion (APECAFEL)* on the SIDEM methodology.
 - Assist *Cooperativa Integral Agricola Nuevo Eden* to implement projects to market macadamia nuts and sell supplies to members for a profit of GTQ12,000 a year –also conducive to organizational strengthening through entrepreneurship.
 - Work with *Cooperativa Integral Agricola Nuevo Eden*, *Cooperativa Integral Agricola Nuevo Porvenir* and *Asociacion de Campesinos Unidos Para La Paz y El Desarrollo Integral Comunitario (ACUPDIC)* to comply with their fiscal obligations (special invoices, tax withholding).
 - Train 76 members from 17 organizations on a) role and responsibilities of the treasury and oversight committees, b) budget control, cash and assets and c) interpreting and analyzing financial statements.
 - Work with *Cooperativa Integral Agricola Nuevo Eden*, *Asociacion de Campesinos Unidos Para la Paz y el Desarrollo Integral Comunitario (ACUPDIC)*, *GAT Nuevo San Luis* and *GAT El Cafetalito* to update and distribute credit and internal regulations and comply with legal requirements.
 - Work with *GAT La Pena* and *GAT Legal* to account for their assets while taking advantage of the opportunity to promote accountability by the board of directors and build trust with the membership.
- ANACAFE worked in Huehuetenango to complete 30 diagnostics of coffee producer organizations prior to designing the RVCP assistance plans and implement SIDEM.
 - FEDECOCAGUA promoted SIDEM implementation within RVCP producer organizations and worked with them to comply with the Federation regulations, as well as those for SAT, INACOP, INGECOP and ANACAFE.

FEDECOCAGUA also provided assistance to accounting staff to review records and financial statements. Technicians also promoted the creation of committees for trade, sustainability and international certifications while providing training on drafting internal regulations, amendment procedures and dissemination of bylaws.

- FEDECOAG provided technical assistance and training to strengthen horticulture producer organizations in entrepreneurial capacity as summarized below.
 - Implement and use position descriptions for boards (of directors, oversight committees, credit and education committees).
 - Set up a management structure and organizational chart to determine decision making and operational roles.
 - Implement and apply membership policies (one organization).

- Analyze and modify bylaws (one organization) as approved by the General Assembly and filed with INACOP for authorization.
- Define organizational values as part of the process to establish organizational mission and vision (three organizations).
- Establish, draft and apply credit policies and regulations (four organizations).
- Produce annual work plans, budgets and annual reports for annual general assemblies.
- Update and/or implement accounting records (cash, deposits, credit, capital contributions, retained earnings and member contributions).
- Implement and update control records for crop sales (three organizations).
- Create financial plans to produce horticulture crops for export markets.
- Review credit portfolios and plan collection efforts (five organizations) in an effort to reduce payments in arrears.
- Quarterly financial analysis (five organizations) for decision-making processes and financial statements (three organizations).
- Employee performance evaluation (one co-op).
- Prepare and apply management handbooks to comply with financial, terrorism and money laundering regulations.
- Train management personnel on roles and responsibilities (three organizations).
- Balance accounting records according to respective financial statements (five organizations).
- Use SAT electronic platform to file tax returns (two organizations).
- Comply with audit recommendations.

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

- RVCP continued to participate in meetings of the Central Coordination Committee and the Departmental Coordination Committees for Huehuetenango and San Marcos, a USAID initiative to promote greater cooperation among projects under the FtF initiative.
- FUNCAFE worked on food and nutritional security while coordinating efforts with NutriSalud, PCI, CRS and PASMO.
- FUNCAFE continued to actively participate on the Nutrition Alliance and reached cooperation agreements with other USAID implementing partners working in the RVCP coverage area. To this end, the community of El Zapote in San Miguel Ixtahuacan, San Marcos was selected as a pilot community for the alliance and will benefit from specific activities under joint efforts to affect the community. The principal participants in the Nutrition Alliance include PASMO, NutriSalud and CRS.