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Rural Value Chains
Huehuetenango and San Marcos



RURAL VALUE CHAINS PROJECT

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

QUARTERLY REPORT
January 1 through March 31, 2015

Guatemala, April 29, 2015

1. Introduction

The Rural Value Chains Project (RVCP) is implemented under Cooperative Agreement 520-A-12-00004 subscribed on May 31, 2012 between the Guatemalan National Coffee Association (ANACAFE) and the United States Government Agency for International Development (USAID). Project implementation is the responsibility of a Consortium that includes ANACAFE as the lead institution before USAID. In addition to ANACAFE, the Consortium includes the Guatemalan Confederation of Cooperatives (*Confederacion Guatemalteca de Federaciones de Cooperativas – CONFECOOP*) represented by the Guatemalan Federation of Agricultural Cooperatives of Coffee Producers (*Cooperativas Agricolas de Productores de Cafe de Guatemala – FEDECOCAGUA*) together with the Guatemalan Federation of Agricultural Cooperatives (*Federacion de Cooperativas Agricolas de Guatemala – FEDECOAG*) and the Integrated Federation of Handicraft Producer Cooperatives (*Federacion Integral de Cooperativas de Produccion Artesanal -ARTEXCO*); the Coffee Grower Foundation for Rural Development (*Fundacion de la Caficultura para el Desarrollo Rural – FUNCAFE*) and the FUNDASISTEMAS Foundation.

Project objectives include:

- Reduce poverty and malnutrition rates throughout 22 municipalities in the provinces (*departamentos* in Spanish) of Huehuetenango and San Marcos¹ by improving income among small-scale producer members of the rural value chains for coffee, horticulture and handicrafts.
- Produce deep-rooted behavioral changes among producers and their families to ensure that improved income remains sustainable and ensures improved nutrition over the short, medium and long terms.

Consortium organizations joined forces to achieve RVCP objectives by implementing activities under each of the components listed below.

- **Component 1:** Improved competitiveness along the rural value chains
- **Component 2:** Greater participation in rural value chains
- **Component 3:** Improved agricultural productivity
- **Component 4:** Increased trade and access to markets **Note:** Implementation of this component was excluded from the USAID-ANACAFE cooperative agreement and included under those for another project with objectives similar to those of RVCP being implemented by a second consortium throughout municipalities in Quetzaltenango, Totonicapan and Quiche
- **Component 5:** Increased productivity of food and improved usage
- **Component 6:** Improvements to the handicrafts value chain

¹ Huehuetenango (11): Jacaltenango, Chiantla, San Sebastian Huehuetenango, Todos Santos, Santa Cruz Barillas, Cuilco, Union Cantinil, Concepcion Huista, San Antonio Huista, La Libertad and La Democracia. San Marcos (11): 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. The last three municipalities were recently approved by USAID.

In addition to each of the above components, RVCP plans activities to address crosscutting issues, as listed below.

1. Gender;
2. Environmental mitigation;
3. Entrepreneurial development;
4. Financial services;
5. Communications (information), and
6. Engaging with local and central governments (political dialogue).

The Project Implementation Unit (UIP in Spanish) is responsible for implementing RVCP in compliance with the terms and conditions stipulated in the Cooperative Agreement between ANACAFE and USAID. The UIP was also responsible for designing and promoting a participatory process to draft the RVCP Year Three Work Plan for the period from October 1, 2014 through September 30, 2015

The USAID-ANACAFE Cooperative Agreement stipulates that the Project submit quarterly progress reports to USAID no later than 30 days after the end of each quarter as follows: January 31 for the first quarter, April 29 for the second quarter, July 31 for the third quarter and October 31 for the fourth quarter. The reports should describe activities for the period and progress toward RVCP targets and expected results as stated in the Annual Work Plan.

To that end, the UP drafted the current progress report to cover the second quarter of RVCP Year Three implementation. (The technical teams from ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO, FUNCAFE and FUNDASISTEMAS provided the UIP with input for this report.

2. RVCP Implementation Context

- Public education offered in most communities throughout Huehuetenango and San Marcos is limited to elementary school and electricity is not yet available in 100% of the communities. About 70% of the roads in those areas are in poor condition year around –negatively impacting transportation costs to take their goods to market or to procure agricultural supplies.
- The technical teams responsible for implementing RVCP activities are institutionalized within ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO, FUNCAFE and FUNDASISTEMAS. In order to coordinate efforts, each of the organizations set up a technical liaison with the UIP. Furthermore, management staff from each of the organizations undertakes activities directly pertaining to RVCP implementation.
- ANACAFE continued to work in San Marcos with 23 coffee producer groups. Of these, five are co-operatives, ten are associations, one is an entrepreneurial association (ECA in Spanish) and seven are set up as work groups (GATs in Spanish). Grower group membership totals 1,484 of which 1,147 (77%) are men and 337 (23%) are women. Members cultivate a total of 1,568.58 hectares of coffee for an average of 1.06 hectares per member with average yields of 1,125

pounds of parchment coffee per hectare. About 1,254.89 hectares are currently in production (35% of which is organic), while 313.69 hectares are being renewed. Members from 18 of the grower groups are from the *Mam* ethnic group and members from one additional organization are primarily *Sipakapense*.

- ANACAFE worked in Huehuetenango over the reporting period with 30 small grower groups (two co-ops, 13 associations and 15 GATs). Current membership includes 1,867 coffee producers, of which 1,490 (80%) are men and 377 (20%) are women. Members produced coffee on a total of 1,951 hectares. Yields for the 2014/2015 harvest totaled 5,078,200 pounds of parchment coffee (14.17% of which was certified organic) (averaging 2,400 pounds/hectare). Producers are from the Mam, Qanjobal and Popti ethnic groups. Women and youth are in positions of authority within 30% of the producer groups (nine).
- FEDECOCAGUA continued to work with 28 coffee producer groups (eight in San Marcos and 20 in Huehuetenango) to benefit a total of 2,747 members. Of these, 2,219 (81%) are men and 528 (19%) are women. The 28 grower groups comprise 24 co-ops and four pre co-ops growing coffee on a total of 4,545 hectares. Of these, 17% are growing organically and 83% are growing coffee conventionally. The 2014/2015 crop yielded a total of 4,259,600 pounds of parchment coffee equivalent to 3,407,700 pounds of green coffee for export. Eighteen (64%) of the 28 grower groups are certified by one or more organizations --Utz Certified, Rainforest Alliance, organic production (NOP USDA, EU, JAS), Starbucks C.A.F.E Practices or FLO Fair Trade.
- FEDECOAG worked with 19 organizations (nine co-ops and ten associations), of which 12 are located in Huehuetenango and seven are in San Marcos. Membership totals 1,887 horticulture producers of which 1,304 (69%) are men and 583 (31%) are women. The producers grow potatoes, snow peas, sweet peas and lima beans on a total of 205.22 hectares (an average of 0.16 hectares/producer).
- ARTEXCO continued to work with 20 handicraft producer groups (17 in Huehuetenango and three in San Marcos), of which two are co-ops, three are associations and the remaining 15 are filing for legal status. Membership totals 1,111 artisans, of which 1,090 (98%) are women and 21 (2%) are men. The organizations encompass 30 communities within six municipalities in Huehuetenango (Cuilco, La Democracia, San Sebastian Huehuetenango, Todos Santos Cuchumatan, Concepcion Huista and Jacaltenango) and from three municipalities in San Marcos (San Miguel Ixtahuacan, San Lorenzo and Sibinal). Over the January-March 2015 reporting period, ARTEXCO trained 476 artisans, of which 463 (97%) are women and 13 (3%) are men. Each artisan participated in the "Step by Step with the Artisan" training methodology designed to develop and strengthen management, financial, trade and productive capacity.
- FUNCAFE added 590 new members from the provinces of San Marcos and Huehuetenango, representing an 18% increase in membership as of December 2014.

As of March 2015, FUNCAFE has a cumulative total of 3,804 families benefitting from food security and nutrition (SAN in Spanish) activities being promoted by RVCP. The families are located in 25 municipalities (13 in Huehuetenango and 12 in San Marcos) and are members of

91 organizations (62 in Huehuetenango and 29 in San Marcos) working in the coffee, horticulture and handicraft value chains.

3. Obstacles and Mitigation Measures

- The Project worked with grower groups to fulfill the requirements to access funds through the Trust Fund to Support the Guatemalan Coffee Sector. Despite every effort, the results have proved fruitless and none of the funding has been disbursed. Not only does this negatively impact on the growers' ability to move forward, but also proves detrimental to the credibility of the Project's technical assistance. In order to mitigate the problem, RVCP plans to seek out alternative funding sources.
- Given that a number of coffee producer groups in Huehuetenango had not yet finished harvesting their crop before the reporting period ended, RVCP technicians did not have sufficient time to schedule technical assistance and training activities as planned. The Project plans to mitigate this problem by providing technical assistance and training tailored to some of the harvest activities.
- RVCP technicians encountered a problem early in the quarter fairly widespread at higher altitudes in northern Huehuetenango. Unseasonal precipitation hampered the coffee drying process and jeopardized product quality. To mitigate the problem, the Project procured nylon sheeting to protect the beans from moisture, while also ensuring proper ventilation indoors to avoid development of mold, fungi or fermentation.
- This quarter, the Project found a number of grower groups being affected by drought conditions in their areas. Schools and groups participating in SAN activities expressed their concern at being unable or restricted in tending their family or school gardens. The municipalities of San Miguel Ixtahuacan and San Jose El Rodeo (San Marcos) together with La Libertad and Cuilco (Huehuetenango) were the most severely affected. FUNCAFE technicians are working with the communities to mitigate the problem by bringing it to the attention of local authorities, as well as to engage the Association for Integrated Development of Municipalities in the San Marcos Highlands (*Asociacion de Desarrollo Integral de Municipalidades del Altiplano Marquense – ADIMAM* in Spanish). In addition, the Project coordinated efforts with UNDP projects being implemented in San Marcos to improve water resource management and propose these communities for inclusion in water access projects.

Furthermore, FUNCAFE technicians tested artisanal sand and carbon filters to consider reusing wastewater for irrigation purposes. The tests are currently underway and technicians will evaluate the results to consider widespread application and expansion to other communities.

- FUNCAFE worked this quarter to document an attrition of 149 members (3.9% of total membership as of March 2015) that had been participating in SAN activities. To avoid further membership loss, FUNCAFE scheduled meetings with board members from several groups to find that the membership loss reflected organizational problems and internal disagreements.

Members opted to leave to protest the imposition of stricter regulations and price fixing. Upon giving up their membership, they also stopped participating in SAN activities. Unfortunately, most of these former members were well along in the RVCP training and supplies component (filters, stoves, irrigation systems and seeds).

FUNCAFE plans to mitigate the problem by discussing the issue with organizations to explore the possibility of allowing former members to continue to participate in SAN training.

4. Activities and Progress toward Results

4.1 General

- The UIP joined efforts with technicians from ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO to schedule a field trip from February 16-27 for a team from Sun Mountain International (consulting firm hired to perform RVCP environmental evaluation as required by USAID/Washington per Action Memorandum dated November 26, 2014). The team completed Phase 1 (Scoping Statement) of the evaluation and submitted it to USAID for approval.
- ANACAFE technicians worked in San Marcos on the activities summarized below.
 - Continued coordination with Catholic Relief Services (CRS) to organize training activities for coffee producers from nine organizations in Nuevo Progreso. To this end, CRS plans financial support to pay for soil analyses.
 - Coordinate with CRS technicians to facilitate a workshop on interpreting, handling and efficiently applying soil nutrients. CRS funded the workshop designed for members from nine producer organizations in Nuevo Progreso.
 - Technical support for a grower group (ECA Nueva Escocia) to register as an agricultural co-operative and access funding from the National Reparations Program (Programa Nacional de Resarcimiento –PNR in Spanish) for productive projects.
 - Select and hire 12 agriculture promoters assigned to RVCP coffee producer groups. Promoters are responsible for providing support to ANACAFE technicians in following up on RVCP activities to ensure progress toward Project results.
 - ANACAFE organized the first regional coffee tasting competition. RVCP provided assistance so that six producer groups could participate in the event.
- ANACAFE technicians in Huehuetenango completed the activities summarized below.
 - Coordinate efforts with ANACAFE's Marketing and Communications Department so that two small producer groups (ASODIET and ASDEFLOL) could participate in business roundtables and set up contacts with coffee exporters.

- Hire 18 agricultural promoters primarily responsible for following up on agricultural technician recommendations for post harvest procedures and entrepreneurial strengthening within RVCP coffee grower groups.
- Technical team organized an educational tour of coffee growing areas in eastern Guatemala to expand knowledge base regarding wet mill processing and industrial by-products.
- FEDECOCAGUA completed the following activities this period.
 - Hire 15 para-technicians (local technical consultants) and select nine to work in support of groups in Huehuetenango, while another four work in San Marcos. Duties include: a) schedule meetings with the senior technical coordinator and set up logistics; b) track progress on meeting outcomes, training, demonstrations and tours; c) replicate training activities on integrated coffee crop management and plan technical assistance visits to demonstrate methods; d) monitor compliance with requirements for certifications by visiting plantations and wet mills, and e) follow up on technical recommendations for sustainable production.
 - FEDECOCAGUA, TULLY’S Coffee (Japan) and WALTER MATTER (Europe) joined efforts to organize an international auction for specialty coffees in Guatemala (March 2015), specifically for coffee co-ops. A total of 70 co-ops that are members of FEDECOCAGUA participated in the event. Ten finalists met the requirements of the Japanese market. Of these, five co-ops from Huehuetenango that are members of RVCP grower groups were awarded prizes as follows:
 - a. Cooperativa Hoja Blanca, second place prize of US\$3,000.00;
 - b. Cooperativa Agua Dulce, third place prize of US\$3,000.00;
 - c. Cooperativa La Todosanterita, fifth place prize of US\$2,000.00;
 - d. Cooperativa San Pedro Necta, eighth place prize of US\$1,000.00, and
 - e. Cooperativa Pena Roja, ninth place prize of US\$1,000.00.

Not only did the co-ops win prizes, but also they are now favorably positioned to enter the Japanese niche market with a supply of 3,167,300 pounds of parchment coffee (2,533,800 pounds of green coffee beans).

- Assist and select 13 youths (children of co-op members in Huehuetenango) to apply for a scholarship program offered by the local campus of Rafael Landivar University. The scholarship covers studies for the associate degree in co-op and association management (sponsored by FAIR TRADE International, FEDECOCAGUA and base co-operatives).
- The Todosanterita and San Jose El Orebro co-ops in Huehuetenango hosted a field visit by Jurik Rokenback, a Swiss expert evaluating RVCP co-ops for possible funding through the UGK Foundation. The visit also provided an opportunity to discuss a future project to improve sports facilities at the school (through Cooperativa La Todosanterita). In addition, he presided the opening ceremony for new classrooms and bathrooms at the school in La Montana (through Cooperativa San Jose El Orebro).

- Cooperativa San Jose in El Rodeo municipality, San Marcos also hosted a visit by Jurik Rokenback, who was joined by a donor from a co-op in Norway and by a buyer of Fair Trade coffee from NAT TRADING. The visitors met with producer families that will eventually supply the coffee once they complete their FAIR TRADE certifications. After two years of preparation, Cooperativa San Jose is about to be certified and plans to trade the 2015-16 crop within this specialty certification market.
- FEDECOAG completed the activities summarized below.
 - FEDECOAG technicians coordinated efforts with USDA to organize training for horticulture producers on 1) integrated pest and disease management for lima bean export crops, and 2) post harvest handling for potato seed. In addition, USDA plans to provide international experts to find solutions to a fungal disease in garlic caused by *Sclerotium cepivorum* that is prevalent in some parts of Huehuetenango.
 - Coordinate technical cooperation through *Asociacion de Organizaciones de los Cuchumatanes* (ASOCUCH) to expand assistance to co-ops and associations comprised of producers (men and women) from Huehuetenango and enable them to market potato crops (add value).
 - Meet with potato seed producers from the United States Potato Board seeking to introduce disease and pest-resistant seed to Guatemala.
 - Provide agricultural field supplies (measuring tapes, GPS devices, pressure monitors, levels, pH meters, etc.) to ensure technicians have appropriate tools for technical assistance.
 - RVCP provided the equipment prior to opening a new soil lab on March 17, 2015 to be operated by *Cooperativa 10 de Abril*, in San Sebastian, San Marcos. In addition, the Project is providing assistance to recruit and select lab technicians.
- ARTEXCO completed the activities summarized below.
 - The individual responsible for RVCP monitoring and evaluation participated in training activities organized by UIP regarding M&E guidance and information. In addition ARTEXCO departmental coordinators received training on processes and tools.
 - Technicians organized two field visits to inspect 20 foot looms that the Project supplied to handicraft organizations. The visits provided opportunities to assess progress and strengthen the producers' commitments and responsibilities.
 - ARTEXCO organized a general assembly in March to present a progress report for the first two years of RVCP activity to improve the handicraft value chain in Huehuetenango and San Marcos.
 - The inter-disciplinary team working on the USAID funded Read and Learn Project is implementing activities throughout the western highland region. The team was created to coordinate activities, criteria and standards for the Project.

- FUNCAFE worked with the HELVETAS Training Program for Young Ag Entrepreneurs (*Programa de Formacion de Jovenes Agro empresarios –FORJA* in Spanish) to grant scholarships to 11 students (8 from Jacaltenango, Huehuetenango and three from San Miguel Ixtahuacan, San Marcos) studying horticulture. The students are children of members from RVCP producer organizations that have not been able to obtain a formal education. The FORJA Program enables them to get certified by the Ministry of Agriculture and set up their own agribusinesses.

4.2 Components

4.2.1 Component 1: Improved Competitiveness along the Value Chain

- **ANACAFE (coffee value chain)**

- **Increased Yields**

Coffee grower associations in San Marcos saw an increase in their yields for the 2014/2015 coffee crop of 39,400 pounds of parchment coffee per hectare (174% of the target set for FY2015 of 226 lbs./hectare of parchment coffee). As a result, the total yield for all 23 organizations amounted to 1,411,600 pounds of parchment coffee (averaging 1,125 lbs./hectare).

The Project plans to report next quarter with complete details on coffee produced by grower groups in Huehuetenango and compare the data to targets set for FY2015 yields of 1,800 of parchment coffee. It is worth mentioning however, that increased yields are attributable to training activities on good agricultural practices (GAPs) complemented by technical assistance to implement said practices. To this end, the Project organized 23 training courses for a total of 527 participants (399 (76%) men and 128 (24%) women).

- **Plantation Renewal**

RVCP provided technical assistance to coffee producer groups in San Marcos to renew 38.45 hectares using productive tissue management techniques. A total of 218 men and 62 women from eight organizations participated in the renewal efforts at a cost to them of GTQ14,611.

The Project provided technical assistance for similar activities in Huehuetenango to renew plantations on 17.45 hectares (31.72% of the FY2015 target) using productive tissue management techniques. A total of 283 producers (260 men and 23 women) participated in the effort (62% of the FY2015 target).

- **Improved Post-harvest Handling**

RVCP technicians in San Marcos completed 55 field visits to provide coffee producers with technical assistance on post-harvesting, quality and handling of byproducts from wet mill processing. Technicians also organized seven training workshops for a total of 153 producers.

In order to continue to work with the organizations in which coffee harvest season runs from January through March, RVCP technicians focused on monitoring quality by sampling parchment coffee at the ANACAFE tasting lab. The lab tested a total of 115 3-lb. samples of parchment

coffee from the following organizations: APPAECE (6), GAT *El Cafetalito* (2), ACUPDIC (6), ACMI (95), APECAFORM (3) and *Asociacion Flor del Cafe* (1). A total of 84% of the samples were found to be Strictly Hard Bean, 11% were Hard Bean, 3% were semi-hard bean and 2% were Extra Prime. In addition, 62% of the samples produced a clean cup, although 20% were found to be astringent, 15% were winey, 2% were found fruity and 1% was over-fermented. Technicians noted the significant improvement in the percentage of clean cups, attributable to RVCP technical assistance in previous quarters.

In addition, RVCP worked with six grower groups who participated in the regional tasting competition organized by ANACAFE. Three members from *Asociacion de Pequeños Productores Agrícolas Entre Cerros* in San Pedro Sacatepequez were awarded first, second and third prize, which also means that their coffee will be promoted by ANACAFE at international events.

RVCP technicians scheduled 45 technical assistance visits in Huehuetenango to work on wet mill processing and by-product handling. In addition, the Project monitored 2014/2015 harvests by sampling 75 lots (three pounds each) to detect any irregularities and provide possible solutions. A total of 16 organizations from Santa Cruz Barillas and La Democracia provided samples for testing.

In addition, RVCP technicians organized five training activities in Huehuetenango on use and handling of coffee by-products. A total of 20 growers participated (nine men and eleven women), while the Project also provided technical assistance to remodel five wet mills and 20 hand-operated mills.

– **Employment Generation**

Producer groups in San Marcos created 597 new jobs as required to harvest 1,411,600 pounds of parchment coffee..

– **Improved Technologies or Practices**

A total of 814 coffee producers from 23 groups in San Marcos improved their practices to environmentally control borer beetle pests over a total of 280 hectares, while also using productive tissue management on 38.45 hectares and taking soil samples on 587.71 hectares.

Furthermore, 283 producers from 30 RVCP organizations in Huehuetenango participated in technical assistance and support activities to improve practices. Results are as follows:

- renewed plantations on 17.45 hectares, using productive tissue management techniques (low pruning or stumping), and
- 80 soil samples from 84 hectares owned by 42 producers.

▪ **FEDECOCAGUA (Coffee Value Chain)**

– **Increased Yield**

Results are not yet available for the 2014/2015 crop, pending coffee harvested in April. The Project therefore plans to report increased yields next quarter attributable to RVCP technical

assistance in productive tissue handling techniques, shade management, soil conservation, integrated pest and disease management and coffee renewal activities.

– **Plantation Renewal**

A total of 40 coffee producers (36 men and four women) participated in RVCP technical assistance activities this quarter to replace aging coffee trees affected by disease with new disease-resistant seedlings (Sarchimor and Catimor). As a result, growers renewed 1.94 hectares at a cost to producers of GTQ77,600 (about GTQ40,000/renewed hectare).

– **Improved Post-harvest Handling**

RVCP technical assistance this quarter improved 307 hand-operated mills in Huehuetenango to ensure more efficient water use and appropriate handling of coffee by-products (coffee pulp and waste water).

In a parallel effort Project technicians worked to upgrade 213 holding tanks, increase safety measures and avoid erosion.

– **Employment Generation**

RVCP organizations reported a total of 42,596,200 pounds of parchment coffee harvested and sold with the creation of 1,802 new jobs, 541 of which were filled by women and 1,261 by men.

– **Improved Technologies or Practices**

Over the reporting period, RVCP technicians confirmed that Project technical assistance enabled 634 producers (588 men and 46 women) to implement the following new or improved practices over a total of 756.78 hectares.

- ✓ integrated pest and disease management
- ✓ soil conservation
- ✓ seedlings and nurseries
- ✓ weed management
- ✓ shade management
- ✓ productive tissue management
- ✓ coffee tree nutrition

▪ **FEDECOAG (Horticulture Value Chain)**

– **Controlled Conditions**

A total of 123 growers (100 men and 23 women) used 220 macro-tunnels provided by the Project (equivalent to 1.57 hectares) to produce potatoes, bell peppers, tomatoes and cucumbers under controlled conditions. Growers plan to sell their crops at local markets.

– **Improved Technologies or Management**

RVCP technicians provided yellow traps and worked with growers cultivating 17.72 hectares to control pests affecting sweet pea, snow pea, lima bean and potato crops. The 99 growers (86 men and 13 women) participating in the activities represent four organizations (*Asociacion El*

Esfuerzo, Cooperativa San Pedro Unido, Asociacion ADIS and Asociacion San Jose Las Islas) in Huehuetenango and San Marcos.

RVCP technicians provided technical assistance to a total of 29 producers (25 men and four women) from *Cooperativa Los Cuchumatanes* growing vegetables for the export market (on 1.74 hectares). Growers applied a natural insecticide made from garlic to control trips while avoiding the use of chemicals and lowering their production costs.

Technicians provided technical assistance to 191 producers (124 men and 67 women) from three grower groups (*Cooperativa La Nueva Esperanza, Asociacion ACORDI and Cooperativa Los Cuchumatanes*) working on 27.83 hectares to improve their use of plant waste for composting. As a result, growers will use environmentally friendly techniques to enrich their soil and avoid burning plant waste.

RVCP worked with 126 producers (100 men and 26 women) from seven organizations (*Asociacion ADAT, Asociacion ICUZONDEHUE, Cooperativa La Nueva Esperanza, Cooperativa Paquixena, Asociacion ADINUT, Asociacion ADESJU and Asociacion ASADIT*) in Huehuetenango and San Marcos to implement the use of 126 bio-deps as required to triple wash pesticide containers and spraying equipment. As a result, the Project expects to safeguard local inhabitants and protect the environment.

The Project provided technical assistance to 358 growers (218 men and 140 women) from four organizations (*Asociacion ACORDI, Cooperativa Paquixena, Asociacion ADINUT and Asociacion ADESJU*) to implement 358 compost pits. As a result, growers will fertilize their soil, reduce the use of chemicals and minimize production costs.

– **Employment Generation**

Project activities led to a total of 225 new jobs (153 filled by men and 72 by women) (55,770 man/day for production and harvesting processes for snow pea, sweet pea, lima bean and potato crops plus 2,756 man/days to process peas.

– **New Export Crops**

Producers from five grower groups in Huehuetenango (*Cooperativa Nueva Esperanza Huehuetenango, Cooperativa San Bartolo, Asociacion ADAT, Asociacion ICUZONDEHUE and Asociacion AMAS*) plus one in San Marcos (*Asociacion San Jose Las Islas*) set in snow pea, sweet pea and lima bean crops destined for export markets. Local export companies require phased-in planting to ensure harvests in April and May..

This quarter, producers from three organizations (*Cooperativa Los Cuchumatanes, Asociacion ASADIT and Asociacion San Jose Las Islas*) received RVCP assistance to plan 1.4 hectares with export crops (0.69 hectares of snow peas and 0.71 hectares of sweet peas).

– **Intermediary and Final Processing for Added Value**

Cooperativa San Bartolo in Chiantla, Huehuetenango added value to snow and sweet pea crops by sorting and processing 239,354 pounds of produce from members. To that end, the Co-op employed 106 women (member spouses) to increase overall household income.

In order to ensure that the crop processing complied with food safety requirements and quality control issues, the Project provided the Co-op with appropriate supplies (700 plastic crates and four stainless steel work benches). In addition, Project technicians trained the new employees in good manufacturing practices.

– **Partnerships**

RVCP technicians coordinated efforts with technical personnel from *Asociacion de Organizaciones de los Cuchumatanes* (ASOCUCH) in Huehuetenango to improve results among members by increasing trade in potato crops and adding value when possible.

Table 1
Results Summary for RVCP Component 1

Component 1: Improved Competitiveness along the Value Chains						
– FY2015 Results Summary						
Targets for the Coffee and Horticulture Value Chains						
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	Second Quarter Results (Jan-Mar 2015)	Cumulative Total to Date	FY2015 Progress %
Coffee:						
Total 100 lb. sacks of parchment coffee per hectare *Target reviewed and modified in July 2014	2500 lbs./ha	20	--	--	--	--
Total number of producers investing in coffee plantation renewal	2,253	1,038	94	306	400	39%
Total area (in hectares) with renewed coffee plantations	1,397	665	7	19	26	39%
Total number of wet mills new or modified to comply with standards for efficient water use and waste water disposal	16	2	7	5	12	350%
Total number of new or remodeled hand-operated mills this quarter suited to appropriate handling of by. Products	To be determined	96	41	327	41	43%
Horticulture:						
Total number of horticulture producers implementing controlled conditions (greenhouses, macro-tunnels)	90	100	30	93	123	123%
Total hectares planted with crops in controlled conditions (greenhouses, macro-tunnels)* *Target reviewed	3 ha.	2.6	0.39	1.2	1.6	62%
Export crops promoted	1	1	3	--	3	300%
Crops with intermediate or final processing	5	1	--	1	1	100%
Number of chains between small scale producer organizations and other stakeholders along the horticulture value chain	10	7	4	--	4	57%
Overall:						
Number of jobs created as a result of RVCP assistance* *Target reviewed and modified in July 2014	33,528	7,489	1,420	2,628	4,048	54%

4.2.2 Component 2: Broadened Participation in Value Chains

- **FUNCAFE**

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

High School Degree plus Certification in Coffee Production

RVCP supported a group of 30 students (24 men and six women) who started the 2015 school year in January. Of these, 20 students (17 men and three women) were selected as freshmen from a total of 43 applicants and began to become familiar with the world of coffee at the special school set up at the Las Nubes coffee plantation. Project evaluations reveal high levels of commitment among students as evidenced by all getting passing grades or better and their retention of new facts. The students are the children of members from coffee producer groups in Huehuetenango (eight) and San Marcos (12).

The other second-year students (seven men and three women) are also the children of members from coffee grower associations in Huehuetenango (2) and San Marcos (8). They too are increasing their knowledge and developing new skills as required by new coffee growing methods. The Project plans for them to participate in on-the-job training sessions before graduating.

The Project is pleased to report that the 30 students are showing ever-increasing levels of improvement. They are highly motivated and all are expected to pass their courses. The school is rapidly preparing to provide on-the-job training opportunities as required for graduation.

High School Degree plus Certification in Horticulture

Classes at the Del Valle University (UVG) campus in the Guatemalan highlands began in January for 13 students (nine men and four women) participating in the RVCP scholarship program for a high school degree with certification in horticulture studies. The studies program ensures that graduates learn holistically about entrepreneurship and horticulture productivity. Five of the students are children of horticulture producers from RVCP grower groups in Huehuetenango and eight are students from grower groups in San Marcos.

FUNCAFE technicians coordinated efforts and field visits to assess the students, facilities and home environments. The students are motivated and interested to use technology to get the most from their high quality education.

HELVETAS FORJA Program

The RVCP component includes a joint effort between FUNCAFE and the HELVETAS Youth Training Program in Agribusiness (FORJA in Spanish) to provide scholarships for 11 students (six men and five women) whose parents are members of grower groups in Huehuetenango (eight) and San Marcos (three). Students complete a ten-month certification course prior to setting up their own agribusinesses. The Ministry of Agriculture, Livestock and Food accredits the program with a strong focus on horticulture. Students alternate between one week of classroom instruction every month followed by three weeks of hands on training in the field.

The FORJA Program operates two learning sessions, one of which is located in Tejutla, San Marcos and the other in Santa Ana Huista, Huehuetenango. FUNCAFE signed letters of cooperation with the FORJA Program for the training program whereby RVCP covers 40% of the scholarship and HELVETAS covers the remaining 60%.

FUNCAFE makes a special effort at the beginning of the school year to ensure that scholarship recipients be tutored or assisted so that the entire class is working at the same level.

- **ANACAFE (Coffee Value Chain)**

- **Financing**

- RVCP coordinated efforts with Catholic Relief Services to support 250 members from six grower associations in San Marcos with supplies for 1,250 traps to combat coffee borer pests (total value GTQ2,575).

- The National Reparations Program donated GTQ535,000 for *Cooperativa Integral Agricola Flor del Cafe* in San Marcos to purchase coffee seedlings, spray equipment, personal protection equipment and agriculture supplies to improve their plantations.

- **FEDECOCAGUA (Coffee Value Chain)**

- **Increased Access to Financing (Loans, Crop Advances, In-Kind Resources)**

- FEDECOCAGUA provided RVCP coffee producer groups with advances against their future harvests. Complete data is not yet available for the reporting period, but the Project plans to provide full details during upcoming quarters.

- **Leveraged Resources**

- The FEDECOCAGUA UGK Foundation leveraged funds in the amount of GTQ96,000.

- **FEDECOAG (Horticulture Value Chain)**

- **Financing**

- A total of 78 producers (67 men and 11 women) from six co-ops (*El Paraiso, 10 de Abril, San Pedro Unido, Joya Hermosa, San Bartolo* and *Nueva Esperanza*) and five associations (*El Esfuerzo, ASADIT, ADAT, ICUZONDEHUE* and *ADNUT*) leveraged financing as credit for horticulture production (potato, sweet pea, snow pea and lima bean) in the amount of GTQ 1,045,564, of which GTQ905,064 (87%) went to men and GTQ140,500 (13%) went to women.

- In addition, five organizations (four co-ops and one association) submitted 117 applications to the National Land Fund (*Fondo Nacional de Tierras -FONTIERRA*) Land Lease Program. The applications request individual loans in the amount of GTQ2,100 per family plus an additional grant of GTQ475.

- **Partnerships between Small-scale Producer groups and Savings and Loan Organizations**
ASADIT set up an arrangement with *Cooperativa 10 de Abril* so that nine of the members could access credit in the amount of GTQ50,000 for potato production.
- **Municipal Governments Support Grower Groups**
Municipal governments in the RVCP target area for horticulture production do not generally support growers directly. The Project has been unable to engage with them for that purpose.
- **Leveraged Funding**
An association in Huehuetenango, ADINUT, drafted and submitted a project proposal to FIDA on reducing the impact of climate change. The proposal is currently being reviewed for approval.

Table 2
Results Summary for RVCP Component 2

Component 2: Broadened Participation in Value Chains						
FY2015 Targets						
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	Second Quarter Results (Jan-Mar 2015)	Cumulative Total to Date	FY2015 Progress %
Total number of partnerships between producer groups and savings and loan organizations as a result of Project coordination, assistance or support this quarter	12	6	2	--	2	33%
Total number of partnerships between producer groups and government entities (municipalities, ministries, public entities) as a result of Project coordination, assistance or support this quarter	To be Determined	4	--	--	--	--
Total number of partnerships between producer groups and private sector entities (companies, business associations, foundations, NGOs, etc.) as a result of Project participation	23	3	2	--	2	67%

Total number of producers receiving financing (loans, advances, etc.) as a result of Project coordination, assistance or support this quarter*	9,000	2,200	1,370	78	1,448	66%
* This result replaces "number of triangulated credit as a result of Project coordination, assistance or support." Targets reviewed and modified in July 2014.						
Total funding received by producers this quarter (\$1.00 = GTQ7.80)	To Be Determined	\$5,144,936	\$1,124,687	\$134,047	\$1,258,734	24%
Total number of organizations with women and youth in decision-making positions	40	59	71	23	94	120%
Total number of agreements with municipal governments to support producer organization activities	4	1	--	--	--	0%
Total funds leveraged and invested in Project activities (in GTQ)	GTQ24,000,000	GTQ7,421,110	GTQ974,020	GTQ641,833	GTQ1,615,853	22%
Total number of COCODES and/or COMUDES working with the Project *LOP target reviewed and modified in July 2014	45	27	8	--	8	30%
Total number of producer organizations that increased membership as a result of RVCP strengthening activities. *Result reviewed and modified in July 2014	To be Determined	44	4	14	18	41%
Total number of individuals graduated/trained at high school level with specialized studies in coffee and horticulture production *Result reviewed and modified in January 2015	120	13	13	--	13	100%
Total number of		60	--	54	54	90%

individuals graduated/trained at middle school level with specialized studies in coffee and horticulture production *New result reviewed and modified in January 2015						
--	--	--	--	--	--	--

4.2.3 Component 3: Improved Agricultural Productivity

- **ANACAFE (Coffee Value Chain)**

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

Technicians worked in San Marcos to set up 67 agriculture programs on integrated pest and disease management, seedling production, productive tissue management and shade management. The programs included 102 technical assistance field visits with recommendations, supervision and follow up for specific components, as summarized below.

San Marcos:

- ANACAFE provided 23 organizations with 525 pounds of coffee seeds of the Sarchimor and ANACAFE 14 varieties that are resistant to coffee rust disease. Growers then produced 525 square meters of seedlings.
- The Project organized seven workshops to train 153 coffee producers (133 men and 20 women) in appropriate management of wet mill by-products (coffee pulp and waste water from post-harvest processing).

Coffee pulp is the main by-product from wet mill processing and naturally decomposes using earthworm or traditional composting methods to fertilize crops in the future. Wastewater is channeled into sedimentation tanks to avoid contaminating water sources and take advantage of sediment for soil amendments or fertilizer.

- The Project organized 18 training events on the use and safe handling of pesticides for a total of 242 participants (184 men and 58 women). The courses provided an opportunity to understand the use of personal protection equipment, triple washing of containers and regulations to follow when acquiring and using pesticides. In addition, RVCP prepared handouts on spraying and triple washing for each participant.
- The Project provided 57 producers with technical assistance to build holding crates for safe disposal of used containers. This is a necessary precaution to avoid soil and water

contamination while reducing human health hazards for producers and their families. Producers invested GTQ 2,850.

- RVCP procured eight sets of personal protection equipment (PPE), including boots, gloves, safety lenses, face marks, headgear, pants, shirts and apron. The equipment was distributed among members from: *Cooperativa Nuevo Porvenir, GAT San Luis, Cooperativa Flor del Cafe, GAT El Cafetalito, Asociacion Nuevos Horizontes, Cooperativa Entre Rios, ACIPACU* and APECAFEL. The equipment is for the use of 309 growers and the organizations were given complementary handouts regarding pesticide use and appropriate PPE.

- Growers made 4,750 traps to control coffee borer beetles and distributed them over a total of 280 hectares to benefit 505 producers (410 men and 95 women).

- Technicians worked with growers to sample soils from coffee plantations operated by six organizations: *Asociacion Campesina Unidos Por La Paz y el Desarrollo Integral Comunitario (ACUPDIC), Cooperativa Integral Agricola Nuevo Porvenir, Cooperativa Integral Agricola Nuevo Eden, GAT Nuevo San Luis, ECA Emanuel* and *Cooperativa Integral Agricola Flor del Cafe*. Samples were taken prior to developing fertilization and soil amendment plans. ANACAFE soil labs (ANALAB) processed 67 samples. The Cafe Verde Project implemented by Catholic Relief Services in San Marcos covered the lab costs

RVCP technicians worked in Huehuetenango to provide coffee growers with technical assistance on GAPs, as follows:

- A total of 90 field visits and 23 training events to benefit 527 producers, 399 (76%) of which are men and 128 (24%) are women. As a result, producers are now capable of the following:
 - prepare seedlings and nurseries using varieties resistant to coffee rust disease (Sarchimor y Catimor).
 - renew plantations using productive tissue management techniques, including pruning to reduce the prevalence of coffee rust disease.
 - plant using terracing and type A curves with live barriers.

- Promote genetic improvements to coffee grown by 19 producer organizations (procure 500 lbs. of ANACAFE 14 and Sarchimor varieties). The seed will be enough to produce 500,000 seedlings.

- **Climate Change Adaptation**
RVCP technicians in San Marcos provided technical assistance and support to 74 coffee producers, of which 59 (80%) are men and 15 (20%) are women. Growers were taught to build bio-deps to reduce contamination from chemical residue.

Technicians also worked with 29 growers from groups in San Marcos and 54 from Huehuetenango to build holding tanks to treat wastewater from the wet mill process.

- **FEDECOCAGUA (Coffee Value Chain)**

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

- RVCP technicians from FEDECOCAGUA worked with producers to implement GAPs to improve production, productivity and sustainability of the coffee value chain. As a result, 18 of the total 28 (64%) grower groups have one or more international certifications and will continue to a) comply with production criteria, b) implement GAPs and good management practices, c) maintain coffee quality and d) comply with domestic legislation and environmental regulations.

- The Project used technical assistance activities to promote the following GAPs this quarter.

- a. Integrated pest management
 - b. Use and responsible handling of pesticides
 - c. Pesticide rotation to control coffee rust disease
 - d. Limit use to authorized pesticides as detailed in RVCP PERSUAP approved by USAID
 - e. Sanitation to control coffee plantations by eliminating diseased plants to avoid further infestations.
 - f. Productive tissue management for plantation renewal.
 - g. Shade management to regulate temperatures (for pest control) and reduce erosion.

- **Climate Change Adaptation**

- Technicians promoted practices to adapt to climate change as follows:

- a. Reduce water use in hand-operated wet mills
 - b. Protect water sources, often most readily affected by climate change
 - c. Soil conservation structures to avoid erosion
 - d. Waste management to ensure coffee pulp composting for fertilizer.

- In addition, RVCP promoted additional efforts to mitigate climate change effects as follows:

- a. Implement pilot project using three bio-digesters to handle wastewater and avoid contaminating water sources. Wastewater also produces fertilizer and can be composted to produce cooking fuel (gas). A total of 19 individuals from three families benefitted from the activity to reduce their consumption of fuel wood for cooking.

- Chemical and biological test results show that the use of bio-digesters can be a viable alternative in large, medium or small-scale wet mills to treat waste water through bacterial decomposition. Additional benefits from the use of bio-digesters are to reduce the use of fuel wood for cooking and improve forest conservation.

- b. Shade management in coffee plantations also contributes to air quality.

- c. Use containers to collect non-organic waste throughout plantation areas to avoid littering and reduce greenhouse gas emissions.

- **FEDECOAG (Horticulture Value Chain)**

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

Assist horticulture producers, as follows:

- Add organic fertilizer to the soil to improve plant nutrition and reduce production costs
- Manage crop waste to avoid burning stalks and promote composting
- Use personal protection equipment when applying pesticides and follow instructions for appropriate use and handling to avoid contamination or harm to human health.
- Use of bio-deps to triple wash pesticide containers and spraying equipment.
- Etiological pest control using yellow traps.
- Use and handling of natural pesticides to reduce the use of chemicals.
- Food safety considerations using appropriate equipment, such as plastic containers, and proper handling, transporting and production in processing centers.

- **Irrigation**

The Project provided growers with technical assistance to ensure more efficient use of water resources by scheduling irrigation periods, monitoring duration, using appropriate equipment and sprayers, hoses or drip irrigation, as well as estimating water pH, temperature and quality. Technicians also underscored the importance of safeguarding and maintaining water sources.

In addition, technicians worked closely with three sweet pea and snow pea producers from *Asociacion San Jose Las Islas* in San Marcos to implement drip irrigation systems over a hectare of land in lieu of conventional sprayers. The change will optimize water use.

- **Greenhouse Production**

RVCP technicians provided technical assistance and training to grow produce in greenhouses by increasing producers' knowledge base as to:

- 1) choosing appropriate plant varieties (determinate vs. indeterminate growth)
- 2) using registered seed
- 3) implementing appropriate temperature and humidity management
- 4) improving production quality

- 5) using market access mechanisms
- 6) developing and implementing production management plans
- 7) managing production
- 8) estimating production costs

– **Macro tunnel Production**

RVCP provided technical assistance on producing crops (bell pepper, potato, tomato and cucumber) under controlled conditions in macro tunnels (220 macro tunnels measuring 1.4 x 21 meters) on 1.57 hectares. This production method enables producers to optimize their land, improve production quality and crop yields. Macro tunnels allow producers to grow crops year around and take advantage of market windows with higher prices.

Table 3
Results Summary for RVCP Component 3

Component 3: Improved Agricultural Productivity – FY2015 Targets						
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	Second Quarter Results (Jan-Mar 2015)	Cumulative Total to Date	FY2015 Progress %
Number of GAPs promoted	10	10	10	10	10	100%
Number of good practices promoted to adapt to climate change	6	6	6	6	6	100%
Number of horticulture producers using irrigation systems	1,800	1,200	--	--	Not Reported	0%
Producer investment levels to renew coffee plantations (in GTQs)	To Be Determined	GTQ7,000,000	GTQ260,000	GTQ78,800	GTQ338,800	5%
Total number of organizations with management positions on payroll	30	20	15	17	33	110%
Total number of organizations beginning capital accrual programs	10	26	--	11	11	110%

4.2.4 Component 4: Increased Trade and Expanded Markets

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

- **Participants in Training on Child Health and Nutrition**

The Project recorded a total of 2,946 participants this quarter in training activities on child health and nutrition. Of these, 1,110 (38%) were men and 1,836 (62%) were women. A total of 1,464 individuals (425 men and 1,039 women) participated in SAN training; 727 individuals (332 men and 395 women) participated in training on sexual and reproductive health issues and a total of 755 individuals (353 women and 402 men) participated in agricultural training activities.

To date, a total of 1,293 families completed the entire SAN training program and have moved on to training on sexual and reproductive health, which results in increased participation. In addition, 1,162 members completed their training on family garden plots.

- **Child Health and Nutrition Training**

FUNCAFE database shows a cumulative total of 6,949 individuals participating in training events on health and nutrition. Of these, 3,292 (47%) are men and 3,657 (53%) are women.

As of March 2015, Project records show 3,804 members registered for the SAN Component. This enables the Project to reach 3,804 families, the equivalent of 76% of the target set for September 2015. This total number of families implies that RVCP is directly or indirectly reaching 20,775 individuals, 10,264 (49%) of which are men and 10,511 (51%) are women.

- **Children Benefitting from Health and Nutrition Activities**

This quarter, FUNCAFE documented assistance to a total of 11,078 children (5,822 boys and 5,246 girls), of which 2,544 are under the age of five and 8,534 of which are school age. Children under the age of five are considered indirect beneficiaries since parents are the ones receiving direct technical support and training on food and nutrition to improve that of their children. In addition, FUNCAFE technicians provided families with water filters, fuel-efficient stoves and micro-drip irrigation systems to improve household conditions, food security and nutrition..

To benefit school age children, RVCP set up demonstrations and workshops on school gardens that are specifically tailored to the age group while addressing issues such as hygiene, safe water, family meals and nutrition. The Project has also organized activities to train teachers on how to improve school meals.

- **Children under Five benefitting from Health and Nutrition Activities**

FUNCAFE database indicates that 2,544 children under the age of five are directly and indirectly benefitting from the Project SAN Component. Of these, 1,306 (51%) are boys and 1,238 (49%) are girls.

Parents and guardians (most often grandparents) participate in SAN training activities, as well as in events to teach healthy eating, caring for children under the age of two, breastfeeding (continuously and exclusively) and other issues pertaining to child health and nutrition.

FUNCAFE records show that there are 1,800 children in Huehuetenango under the age of five (931 boys and 869 girls), while there are 744 children under five in San Marcos (375 boys and 369 girls). Of the 2,544 children under five in both provinces, 1,144 (609 boys and 535 girls) are the children of members in organizations working with ANACAFE; 451 (220 boys and 231 girls) are from families working FEDECOCAGUA; 673 (340 boys and 333 girls) children have parents working with FEDECOAG and 276 (136 boys and 140 girls) children have parents working with ARTEXCO.

- **Family Gardens**

A total of 2,963 families are currently tending a family garden and 841 are in training prior to putting in the garden by preparing the area, designing the beds and working the soil. The Project is working to procure 1,500 drip irrigation units to distribute among the families that join the program in 2015 and ensure their rational use of water year around.

The Project trained a total of 755 participants on family gardens (402 women and 353 men). Female participation has steadily increased, likely attributable to the fact that men are seeing to productive agriculture for the value chain. Women's increased participation could also be due to increased awareness following RVCP efforts to ensure equal opportunity for both genders (promoted by FUNCAFE in educational workshops).

A total of 1,162 participants completed 12 hours of training on family gardens with at least 80% attendance. FUNCAFE set this as minimum attendance to consider participants appropriately trained. These are results for families in the coffee value chain, while those in the horticulture and handicraft value chains are still undergoing training and total participation records are pending.

- **School Gardens**

The number of schools receiving RVCP assistance increased substantially. A total of 114 schools are implementing SAN practices with the participation of 535 teachers and 8,534 students (4,516 boys and 4,018 girls). Schools established their own gardens and are using the produce to prepare school meals. Students harvested radishes, chard, carrots and beets this quarter.

- **Health and Nutrition Training for Primary School Teachers**

A total of 380 teachers participated in RVCP training this quarter on health and nutrition as well as in workshops to establish school gardens. As a result, teachers are coordinating tasks to tend the gardens to reinforce lessons on hygiene and cleanliness (hand washing and personal hygiene), proper nutrition and nutrition for school age children. School meals are now more varied and are prepared using good hygiene practices.

Teachers participating in the workshops are satisfied and very motivated, indicating that RVCP is the first organization to provide them assistance on health and nutrition matters. They have expressed their interest in continuing to participate in Project SAN activities.

- **Health and Nutrition Training for Families**

As a result of the educational workshops on family health and nutrition, Project technicians noted that 85% of participating families are practicing good hygiene and cleanliness methods. It is worth noting that compared to data from last quarter, percentages are up regarding the use of latrines

(98% of homes), personal hygiene for children (87%) and solid waste management (72%). It is encouraging to see improved hygiene practices in the home showing a positive response to key messages provided during FUNCAFE educational workshops as part of RVCP.

- **Water Purification**

A total of 500 new families received RVCP water filters this quarter. Prior to receiving the filters, each family participated in training on hygiene and cleanliness, as well as on safe water. Furthermore, the families participated in a group workshop when the filters were distributed to discuss correct installation, use and maintenance. The families are also capable of purifying water with the means they have at hand in rural areas (such as boiling, chlorinating or using the *sodis* method) so that even if they have a problem with their water filters, they know to use other methods to ensure they have safe water.

The cumulative total of families using RVCP water filters in Huehuetenango and San Marcos is now 3,804. In addition, Project technicians are screening new families to begin the training program on safe water and the use of water filters.

By providing water filters and training on hygiene and cleanliness, Project efforts are reducing incidence of gastrointestinal disorders and diarrhea. This quarter 97% of participating families (245) remained free of diarrhea. The data reflects the soundness of the decision to provide water filters as a key component of the SAN approach. In discussing the issue with producers and their families, technicians note high levels of appreciation for this activity –in fact, families noted reduced fuel wood consumption and savings in time and money from not having to boil or treat water.

Fuel wood Efficient Stoves for Schools and Residences

FUNCAFE technicians scheduled home visits to confirm correct use of fuel wood efficient stoves provided by the Project and estimate savings in fuel wood. Families using the stove report about 60% less fuel wood consumption with the expected savings in time and resources that they can then apply to improving other household conditions and improve their health by eliminating indoor air pollution.

Given that technicians noted reduced participation in training activities once families received their fuel wood efficient stoves, FUNCAFE redoubled efforts to screen and vet the families slated to receive a stove during the January – March 2015 quarter.

FUNCAFE increased the requirement for the number of workshops that a family must attend prior to receiving a stove, and this subsequently provided an opportunity to move ahead on SAN training issues. The change also enabled technicians to increase awareness and reinforce concepts regarding the importance of adequate nutrition for pregnant women and children under five.

In addition, technicians also identified more than 500 homes that are compliant with the requirements to obtain a fuel wood efficient stove. Nevertheless, the Project determined that delivery is contingent upon assessing progress by each family during the SAN workshops.

Ten families from *Asociacion de Caficultores Miguelenses (ACMI)* in En San Miguel Ixtahuacan, San Marcos received a 50% subsidy from the Project to purchase RVCP fuel wood efficient stoves. Technicians encouraged the families to note any positive changes and benefits after the stoves are

installed. In fact, the subsidy only covers 50% of the cost and families were very willing to contribute their own resources to acquire the stoves. This is very indicative of the changes in attitude among RVCP organizations as a result of Project activities and FUNCAFE’s structured approach.

▪ **Community Outreach and Communication**

FUNCAFE continued to apply a community communication strategy using material tailored to each context so that residents can easily understand the concepts and key messages conveyed during SAN, SSR and family garden workshops. The workshops are designed to be interactive and participatory using a “learn by doing” methodology. In those areas where residents’ speak a Mayan language as their mother tongue (Q’anjob’al in Santa Cruz Barillas and Popti or Jacalteco in Jacaltenango), FUNCAFE technicians led the workshops in those languages and used graphic material to reinforce the content.

It is worth noting that technicians organized home visits that allowed them to observe families exhibiting a clear understanding of the issues and applying the knowledge in their daily lives.

Table 4
Results Summary for RVCP Component 5

Component 5: Increased Food Production and Improved Food Use – FY2015 Targets						
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	Second Quarter Results (Jan-Mar 2015)	Cumulative Total to Date	FY2015 Progress %
Total number of participants in training activities on child nutrition and health (targets modified using FtF Indicator 3.1.9-1)	35,000	10,000	2,739	2,946	5,685	57%
Total number of children benefitting from health and nutrition activities	15,000	5,000	281	11,078	11,359	227%%
From previous total, children under five	1,500	1,500	281	2,544	2,825	188%
Total number of family gardens to increase availability of foods over the reporting period	5,000	1,500	451	335	786	52%
Total number of schools using food and nutritional security practices for their students	60	60	55	59	114	190%
Total number of schools using an improved fuel wood stove to safely prepare students’ meals	60	60	47	--	47	78%
Total number of families drinking safe water	5,000	1,500	872	--	872	58%
Total number of families using improved fuel wood stoves to safely prepare meals	1,500	500	586	10	596	119%

4.2.6 Component 6: Improved Handicraft Value Chain

Training Producers in Business Administration

ARTEXCO trained 476 individuals, of which 463 (97%) are women and 13 (3%) are men. As a result, training numbers represent 61% of the FY2015 target. The training activities are designed to strengthen technical capacity to manage a business, as well as provide necessary skills for those groups lacking legal personhood to enable them to begin the process to set up co-ops or associations.

Activities this period are summarized below.

1. Training and Technical Assistance for Organizational Leadership

Fiscal Awareness

In helping the 15 grower groups that lack legal personhood, the Project worked with them to find means to commercialize their products and comply with legal and fiscal requirements. ARTEXCO technicians plan to provide at least one leader from each group with technical assistance to strengthen capacity for tax procedures and filing, as well as to register the group as a taxpayer organization. To that end, ARTEXCO accounting/financial experts engaged with three groups this quarter (Mujeres Unidas, T-xejoj and Canton Norte).

ARTEXCO worked with said groups to register each of the organizations with the tax authority as a taxpayer and expects to complete the process by May 2015.

As a result of RVCP technical assistance this period, the boards of directors from ADAIN and *Asociacion de Desarrollo Integral Santa Maria (ADISAM)* appointed their representative to receive tailored technical assistance from ARTEXCO experts to update accounting records. To begin the process, technicians evaluated the current status of accounting and tax records in each of the organizations.

RVCP worked with the legal representative and manager of Cooperativa La Jacaltequita to review tax returns. In addition, the board of directors approved the process for a full accounting review to ensure compliance with fiscal and legal requirements.

2. Training and Technical Assistance

Members:

In order to provide legal status and ensure the sustainability of 15 handicraft producer groups, the Project organized 18 capacity strengthening workshops on the following subjects:

- 1) co-op organizational structure
- 2) formalizing an organization
- 3) symbolism of the co-op movement
- 4) philosophical aspects of the co-op movement
- 5) future opportunities

A total of 214 individuals have participated in the training (213 women and one man). Building on training and technical assistance to date using the methodology known as "Step by Step with the Artisan," Project technicians worked with *Flor Liciantus* this quarter to set up *Cooperativa Integral de Produccion Artesanal SOSICOR R.L.* with 24 members from the communities of

Corinto (headquarters) and Sosi Chiquito in Cuilco, Huehuetenango. The co-op stated it's social objective as "developing activities pertaining to handicraft production and typical textiles together with transportation, storage, sale and distribution of these as the main activity." The co-op has yet to register with INACOP for full legal status and by-law approval. In order to complete the registration process, RVCP technicians worked with the group to appoint a temporary board of directors.

Focus Groups and Boards of Directors:

ARTEXCO completed 30 technical assistance activities with 17 producer groups to track assistance plans, ensure members pay their dues, provide support to obtain legal status, hold assemblies, register at INACOP and follow up. As a result, six groups are in the processing of increasing their working capital through member contributions (total of GTQ15,070 contributed by 134 artisans). As a result, RVCP reports reaching 100% of the target for FY2015.

■ **Good Productive Practices**

Using the findings from production diagnostics and marketing evaluations, technicians estimated production of two products per artisan per year. Since producers use most of their products themselves and sell only their surplus, this provides a net income of GTQ306.78/year.

As a result, ARTEXCO is implementing a program to increase productivity and benefit a total of 94 female artisans through training activities summarized below.

- **Foot Looms:** Building upon previous training from last quarter in the use of foot looms, Technicians worked with 20 female leaders from handicraft groups so that four of them could replicate the content and train an additional 28 women (8% of the FY2015 target).

RVCP procured equipment and encouraged the artisans to purchase high quality raw material with their own funds. As a result, they invested a total of GTQ6, 145.38 this quarter in yarn to weave 77 lengths of textiles. RVCP plans to provide assistance to sell their production.

- **Back strap Looms:** Technicians completed ARTEXCO market evaluations and found that shawls produced in Jacaltenango are in great demand. Nonetheless, since there are very few artisans producing these items and they require significant time to make (60 man/hours per item), ARTEXCO designed a training activity for 17 members of the Petatan group in Concepcion Huista, Huehuetenango. Some of the artisans participated in teaching their colleagues while ARTEXCO technicians tracked progress until production was completed successfully.
- **Improved Productivity (wrist looms):** To begin producing 500 shawls, ARTEXCO technicians trained 57 artisans from *Cooperativa La Jacaltequita* (22 from Chejbal and 35 from Inchuehux). Technicians explained the required quality standards and production deadlines.

Following the training, artisans were knowledgeable about the steps in their production process, including:

1. procure raw material;
2. spin thread;
3. warp thread;

4. weft;
 5. weaving techniques;
 6. cleaning and maintenance, and
 7. storage method.
- **Improved Productivity (pottery):** ARTEXCO technicians worked to benefit 30 potters in San Miguel Ixtahuacan, San Marcos by procuring ten kilns to fire the pottery and enhance value added. Technicians opted to procure the kilns after completing a feasibility study.

A diagnostic assessment revealed the group’s potential and identified the optimal site to install fuel-efficient kilns to fire the pottery and standardize production to maintain quality.

▪ **New Product Design and Production**

ARTEXCO technicians worked on new designs and assisted producers in meeting with potential buyers to complete negotiations to sell shawls, bags, accessories and wallets.

One of ARTEXCO’s assistance strategies entailed strategic partnerships with retailers of successful brands and set up mentoring programs that could promote RVCP artisans on the local market. To that end, technicians engaged a company (Wakami) to provide product samples and pursue a successful business relationship.

▪ **New Handicraft Markets**

Domestic Markets

The Project worked this quarter to promote artisan participation at three events organized by a company (GIVE) in Guatemala City. The events provided opportunities for producers to sell products in the amount of GTQ1,959.50, while also positioning their brand.

The ARTEXCO strategy included engaging with two handicraft retailers (Casa de Cervantes and Ceramics Las Marias) to promote RVCP handicraft producers.

International Markets

Technicians updated the website and Facebook page. To date, social networks have 1,503 likes with an average of 235-300 visitors seeing posts. Technicians expect to see digital media contribute to accessing international markets.

Producers succeeded in sending product samples to New York in January. Markets are seeking handicrafts and ARTEXCO plans to continue to develop products for those specifications.

To strengthen those capacities and seize market opportunities, ARTEXCO completed negotiations in January 2015 to hire Casa Cotzal as a consultant. Progress to date includes:

- a) completed diagnostic assessment of RVCP handicraft producer groups to assess potential for high quality products as required by domestic and international markets, and
- b) capacity strengthening within ARTEXCO sales department in regard to international market distribution.

On a parallel note, ARTEXCO moved forward in attempts to open handicraft markets in Germany and Spain. To this end, technicians evaluated production to assess processes, requirements and paperwork required to export goods into those countries.

ARTEXCO researched the requirements to become members of the World Fair Trade Organization for Latin America (WFTO-LA) global trade guarantee system involving a process based on dialogue, transparency, respect and equality. This type of trade contributes to sustainable development by offering improved trade conditions and supporting the rights of small-scale and disadvantaged producers.

ARTEXCO hosted the visit of a Canadian expert on international trade seeking to sponsor a group of artisans from the RVCP target areas. In addition, technicians worked with three residents of Texas seeking promotional articles. Technicians organized a field visit to meet with *Asociacion ADAIN*, *Cooperativa Estrella de Occidente*, *grupo Petatan*, *grupo Baljetre* and *Cooperativa la Jacaltequita* to make inquiries and acquire product samples.

In efforts to access handicraft markets in Europe ARTEXCO submitted funding applications with the Ministry of Economy to participate in a trade fair (*Mostra Internazionale dll' Arginato*, Italy, April 24-May 4, 2015).

▪ **Net Annual Income from Handicraft Sales**

RVCP strategies to increase income from handicraft sales hinges on increased productivity (more products in less time) and larger orders. As a result, more time invested in production (from three to three and a half hours per day, for at least 60 days) is not yet reflected in Project results since the initial step this quarter involved training artisans in the use of new tools.

▪ **New or Additional Investment**

RVCP provided technical assistance to artisans to invest their own resources in the amount of GTQ18,798.43 to procure raw material (thread, yarn and wool) plus GTQ 2,220 to purchase 37 back strap looms to increase their productivity.

▪ **Employment Generation**

RVCP activities this quarter resulted in the creation of 2.5 new jobs (involving 23 women and one man).

▪ **Sales**

As a result of RVCP technical assistance, artisans from 20 producer groups succeeded in selling their products for GTQ 20,847.43 in total revenue. Of this amount, GTQ 2,049 (10%) is the product of sales in the artisans' own communities, and GTQ18,798.43 (90%) is revenue from sales on the local market. The products in greatest demand include bracelets, shawls, blouses (*guipils*), which in turn are transformed into innovative products).

Table 5
Results Summary for RVCP Component 6

Component 6: Improvements to the Handicrafts Value Chain						
FY2015 Targets						
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	Second Quarter Results (Jan-Mar 2015)	Cumulative Total to Date	FY2015 Progress %
Total individuals trained in business administration	1,800	305	389	476	865	284%
Total individuals trained in best productive practices	1,800	930	84	94	178	19%
Total number of new handicraft products designed and produced	5	3	64	--	--	2133%
Total number of new markets for handicrafts accessed	4	2	1	--	--	50%
Total sales this quarter	To be Determined	\$300,671	\$1,433	\$2,673	\$4,106	1.37%
Additional net income per producer as a result of handicraft sales	US\$ 1,000	\$212	\$166	--	\$166	78%

4.3 Cross-cutting Issues

4.3.1 Gender

- As a result of RVCP assistance to 23 coffee producer groups working through ANACAFE in San Marcos, the Project reports progress below.
 - A total of 337 women (representing 37% of total membership) participated in RVCP activities.
 - Nine organizations have a total of 37 youth or female members in leadership positions.
 - Training events organized for eight organizations include sections on gender considerations to promote increased participation of women in social and productive activities.
 - 126 women (members' wives or children) participated in productive activities to graft coffee plants.
 - Member's wives and daughters from *Cooperativa Nuevo Porvenir* participated in RVCP activities to strengthen capacity in managing productive projects.
- FEDECOCAGUA technicians worked as follows.
 - In light of increased female membership and leadership in RVCP organizations, include content in training activities to emphasize the importance of more active participation by women. This effort resulted in 106 women participating in Project training (equal to

- 20% of total participants) and in having 46 female members implementing good agricultural practices and technologies over a total of 55 hectares of coffee plantations.
 - RVCP grower groups include 528 female members growing coffee on 543.12 hectares.
 - Women are in board of director positions in 15 organizations.
- ARTEXCO taught six workshops to continue implementing gender programs within artisan organizations, as follows:
 - Four workshops in Huehuetenango and San Marcos for 36 artisans to reinforce concepts and do exercises (Cycle 4 in the methodology), and
 - Two workshops on citizen participation for 36 artisans in Huehuetenango and San Marcos.

Thus, ARTEXCO continued to move forward with training on gender issues and contribute to empowering female artisans with obvious behavioral changes. Changes include the fact that at first, only 5% of female participants in training activities were capable of speaking in public. At this point, 95% are actively and successfully participating during workshops.

- FUNCAFE records indicate that 62% of participants in SAN workshops are women and 38% are men. Female participation in SAN activities continues to increase with the subsequent empowerment of women regarding gender issues and household nutrition. FUNCAFE technicians confirmed increased acceptance of sexual and reproductive health issues, particularly in regard to equal opportunities at the community level, gender-based sexual violence, responsible parenting and gender equality. FUNCAFE training seeks to reduce the vulnerability of women residing in the RVCP target regions for the SAN component.

RVCP activities succeeded in having women take an increased participatory role, even in regard formal education where more and more young women are applying for scholarships (15 women are benefitting from advanced studies to increase their competencies and expand their employment opportunities).

4.3.2 Environmental Mitigation

- RVCP hired a consultant to begin work on February 2, 2015 to a) increase capacity for resilience among coffee producer organizations in regard to the impacts of climate change, and b) strengthen technical and institutional capacity within ANACAFE and FEDECOCAGUA to apply technology in adapting to climate change. Deliverables include:
 - Yearly calendar on coffee production for each ANACAFE region including likely climate threats and mitigation strategies. The calendars will be instruments to institutionalize and disseminate RVCP experiences.
 - Twenty resilience plans, including strategic guidelines to face agro-climatic risks.

- GAP handbook for coffee production to adapt to climate change, based on technical input from ANACAFE.

The consultancy includes:

- Six training workshops on resilience to climate change for 58 participants (46 coffee growers and 12 agriculture promoters) from ANACAFE organizations in San Marcos plus 195 producers from grower groups in Huehuetenango. The events covered key climate threats in coffee growing areas and identified mitigation measures for coffee growers and institutions. The workshops also produced input for GAP handbooks to adapt to climate change.
- Continued efforts to implement environmental mitigation measures as stipulated in the USAID-approved Environmental Mitigation Plans for coffee, horticulture and handicraft value chains, as well as for the crosscutting theme of food security and nutrition.
 - FEDECOCAGUA activities on environmental mitigation include:
 - technical assistance to members of Cooperativa Coataneca to protect one of their water sources.
 - develop capacity on environmental issues as follows:
 - *Protect water sources*: two workshops with 80 participants, of which 12 (15%) are women.
 - *Shade management*: five workshops for 209 participants, of which 52 (25%) are women.
 - *Soil conservation*: 12 workshops for 233 participants, of which 27 (12%) are women.
 - *Efficient water use in wet mill processing*: 11 workshops for 488 participants, of which 106 (22%) are women.
 - *Inorganic waste management (including seedling bags)*: two workshops for 341 participants, of which 65 (19%) are women.
 - *Integrated pest and disease management*: workshops for 166 members, of which 28 (17%) are women.
 - *Responsible pesticide use and handling*: five workshops for 94 participants, of which 21 (22%) are women.
 - Technical assistance for pilot projects to install three water recirculation systems at wet mills operated by *Cooperativa La Todosanterita* and *Cooperativa Nueva Union*.
 - Technical assistance on managing crop waste resulting in 426,000 pounds of composted fertilizer.
 - Refurbish containers used to collect empty pesticide containers at locations operated by the following co-ops: *Todosanterita*, *Tajumulco*, *San Pedro Necta*, *San Jose El Obrero* and *Cocolense*.
 - Set up three bio-deps to dispose of pesticide residue used to control coffee rust disease: *Cooperativa San Jose* (two bio-deps) and *Cooperativa 21 de Octubre* (one bio-dep).

- Install one pesticide storage facility at headquarters: *Cooperativa 21 de Octubre*.
- The FEDECOAG center for information analysis and technical support (*Centro de Generacion y Analisis de Informacion para el Diseno y Apoyo Tecnico –CAAT in Spanish*) began publishing newsletters on climate conditions and providing information for RVCP horticulture growers to mitigate effects when planning their production.
- FUNCAFE technicians worked at over 2,500 family gardens on soil conservation methods, low-pressure drip irrigation systems and solid waste composting as measures for climate change adaptation.
- FUNCAFE continued to promote the use of fuel-efficient stoves to reduce indoor air pollution from carbon dioxide (greenhouse gas effects) while also recommending that family gardens be tended without the use of chemicals to avoid a negative impact on human health and the environment.
- FUNCAFE technicians continued to promote SAN concepts during educational workshops to ensure sanitary practices at household/community levels, as well as to compost solid waste at the 114 schools participating in the Project.
- As part of the activities organized by the Municipal Water Department in San Miguel Ixtahuacan to commemorate International Water Day, FUNCAFE technicians promoted the careful use of water resources and safe water consumption (key RVCP messages).

4.3.3 Financial Services

- As a result of RVCP technical assistance, 78 horticulture producers (67 men and 11 women), from six co-ops (*El Paraiso, 10 de Abril, San Pedro Unido, Joya Hermosa, San Bartolo and Nueva Esperanza*) and five associations (*El Esfuerzo, ASADIT, ADAT, ICUZONDEHUE and ADNUT*) were granted credit for productive activities in the amount of GTQ1,045,564.

4.3.4 Communications

- FUNCAFE participated in four promotional fairs at the municipal level to describe SAN activities using a community-based methodological approach. Participation included stands to demonstrate safe water consumption, food use, hygiene practices and family gardens.

FUNCAFE continued to provide educational and promotional material including brochures with key messages on food security and nutrition, as well as on reproductive and sexual health.

FUNCAFE also shared information on RVCP technical activities for publication in three online issues of *FuncaExpres*. In addition FUNCAFE posted ten items on RVCP activities on their Facebook page.

4.3.5 Coordination with Local and National Governments (Political Dialogue)

- As a result of RVCP/ANACAFE assistance in San Marcos, progress is reported as follows:
 - *Cooperativa Integral Agrícola Nuevo Eden* coordinated efforts with municipal authorities, DEOCSA and representatives from the local Community Development Council (COCODE in Spanish) from Aldea Nuevo Eden, Nuevo Progreso to introduce electrical power to benefit 13 families in the area.
 - *Cooperativa Integral Agrícola Nuevo Porvenir* worked with municipal authorities and the COCODE in Aldea Nuevo Porvenir, Nuevo Progreso to improve road conditions and community access.
- FUNCAFE technicians participated in coordination meetings with the municipal commissions on food security and nutrition (known as COMUSANs in Spanish) in San Miguel Ixtahuacan, Sibinal and Nuevo Progreso (San Marcos), as well as in Santa Cruz Barillas, La Libertad and Jacaltenango (Huehuetenango). The meetings resulted in consensus on: a) community actions in support of RVCP SAN activities; b) progress reports on RVCP activities, and c) needs assessment and requirements for municipal support.
- FUNCAFE represents the private sector on the National Health Commission and seized opportunities this quarter to put health issues at the community level on the national agenda. The Commission provides a mechanism for advocacy and political dialogue on community needs in the RVCP target area. To that end, FUNCAFE engaged with the Pan American Health Organization (PAHO) to temporarily assign nurses to strengthen primary health services in San Marcos.

4.3.6 Entrepreneurial Development

4.3.6.1 ANACAFE.

- **Organizational Aspects**
ANACAFE works with 23 organizations in San Marcos classified into three categories: three are Type A, 13 are Type B and 15 are Type C.
- ANACAFE works with 30 organizations in Huehuetenango, classified as follows: two are Type A, 13 are Type B and 15 are Type C.
- **RVCP Assistance on Organizations' Legal Status**
 - The Project worked with ECA Nueva Escocia in Nuevo Progreso, San Marcos to acquire status as an agricultural co-operative with the support and acquiescence of the membership.

- **SIDEM Implementation**
 - To date, all 23 organizations working with ANACAFE in San Marcos have implemented at least one of the SIDEM phases. This quarter, entrepreneurial development specialists scheduled 186 technical assistance visits pertaining to the five SIDEM phases.
 - RVCP technicians completed 120 technical assistance visits to promote SIDEM implementation among coffee producer organizations in Huehuetenango. To this end, the Project worked closely with an organization to strengthen SIDEM phases on management and associative trade.
- **Management Practices**
 - The four GAT groups that comprise the *Asociacion de Caficultores Miguelenses (ACMI)*, in San Miguel Ixtahuacan, San Marcos, collected the coffee produced by members and then negotiated an alliance with *Cooperativa Integral Agricola Esquipulas* in La Libertad, Huehuetenango to sell the coffee for a better price and open up future markets.
 - A total of 16 coffee grower organizations working with ANACAFE in San Marcos improved their management procedures as follows: a) access controls; b) production and sale pricing; c) promotional brochures; d) accounting records; e) minutes and *aide memoires*, and f) accountability.
 - ASCAFCA and ADICEP forged alliances with *Cooperativa Esquipulas*, headquartered in La Libertad, Huehuetenango to sell 25,000 pounds and 44,600 pounds of parchment coffee, respectively.
- **Updated Accounting Records**
 - As a result of Project technical assistance, 13 of the 23 RVCP organizations in San Marcos and ten of the 30 grower groups in Huehuetenango have their accounting records up to date.
- **Capital Contributions**
 - As a result of member contributions, ACMI, from San Miguel Ixtahuacan, San Marcos increased working capital by 7%. To date, ACMI capital amounts to GTQ377,290.17.
 - *Cooperativa Integral Agricola Nuevo Eden* in Nuevo Eden, Nuevo Progreso, San Marcos produced profits of GTQ1,110,485 from operations to: (1) purchase, process and sale of macadamia nuts grown by members; (2) agricultural sales and (3) interest from loans to members.

4.3.6.2 FEDECOCAGUA.

- **Organizational Aspects**

Self-assessments and diagnostics became the basis for SIDEM implementation among 28 coffee grower groups in Huehuetenango and San Marcos. Of these, six groups are Type A, 11 are Type B and 11 are Type C.

- **SIDEM Implementation**

FEDECOCAGUA technicians made progress in implementing five SIDEM phases, as follows:

- *Governance:* 11 co-ops (*Nuestro Futuro, San Jose, Pena Roja, Agua Dulce, Hoja Blanca, Tajumuco, San Jose El Obrero, La Todosantera, San Pedro Necta, El Porvenir* and *Cocolense*).
- *Management Strengthening:* nine co-ops (*San Pablo, 21 de Octubre, Riveras del Cabuz, La Bendicion, Comunidades Unidas, Agua Dulce, Pena Roja, Cocolense* and *Union Coataneca*).
- *Associative Trade Strengthening:* all 28 organizations.
- *Business Strengthening:* 20 organizations.
- *Entrepreneurial Growth and Community Outreach:* all 28 organizations.

- **Updated Accounting Records**

As a result of RVCP assistance, a total of 20 of the 24 coffee producer groups working with FEDECOCAGUA have accounting records current.

- **Capital Contributions**

- Two organizations working through FEDECOCAGUA increased their capital contributions as follows: (1) members from Cooperativa Nueva Union voted during a General Assembly to institute a GTQ5 fee for every sack of parchment coffee sold, and (2) Cooperativa Union Coataneca approved mandatory contributions of GTQ400 for every new member.

4.3.6.3 FEDECOAG

- **Organizational Aspects**

This quarter, FEDECOAG and FUNDASISTEMAS technicians worked together to review SIDEM diagnostic tools to ensure that results used to classify organizations as types A, B and C are consistent with actual structures and operations within each organization. FUNDASISTEMAS plans to use the review results to make modify the diagnostic tools as necessary.

- **RVCP Assistance on Organizations' Legal Status**

A total of 19 organizations working through FEDECOAG acquired legal status.

- **SIDEM Implementation**
Horticulture producer groups are making varying degrees of progress implementing SIDEM. This quarter, the Project organized activities to promote Phase 5 on Governance within five co-ops and three associations and also worked to implement Management Strengthening within four co-ops and three associations.

- **Management Practices**
RVCP assistance to 12 groups (six co-ops and six associations) in San Marcos and Huehuetenango contributed to improved management practices as follows:
 - 1. organizational aspects**
 - identify and apply values in the services organizations provide to their membership;
 - draft 2014 annual report

 - 2. management aspects**
 - apply credit policies and regulations to determine member fees in arrears
 - annual work plans so organizations are prepared to scheduled activities and attain objectives
 - credit analysis to ensure controls
 - credit payment collections using administrative or legal means to ensure healthy loans and resource liquidity
 - regular inventories to track sales
 - financial analysis for timely and accurate decision making
 - management staff meetings to track progress and motivate staff.

 - 3. Accounting and Fiscal Issues**
 - Organizations now access the Tax Administration (*Superintendencia de Administracion Tributaria –SAT* in Spanish) website to facilitate timely filing for tax returns as mandated by law.
 - Update records on SAT website, enabling organizations to print out taxpayer certification.
 - Updated accounting records enable organizations to use accurate data.

- **Updated Accounting Records**
RVCP technical assistance to accounting staff from 17 organizations (nine co-ops and eight associations) resulted in accounting records that are current to date.

- **Increased Membership**
Eight RVCP organizations (three co-ops and five associations) of the 19 horticulture grower groups increased membership by 63 new members (38 men and 25 women). Unfortunately,

17 of the new members withdrew for various reasons (three men and 14 women) so membership actually increased by only 46 individuals.

- **Capital Contributions**

The Project engaged organization leadership this quarter to design capital contribution programs as part of SIDEM Phase IV (Business Strengthening).

- **Women and Youth in Leadership Positions**

The 19 RVCP horticulture organizations have a total of 105 members in leadership positions, of which 30 (29%) are women on management councils (eight women) or in board positions (22 women) within 14 organizations. Of these, five are in San Marcos (*Cooperativa Agrícola Integral El Paraiso, Cooperativa Agrícola Integral 10 de Abril, Cooperativa Integral de Producción Artesanal San Pedro Unido, ADIS and Asociación El Esfuerzo*), while nine are in Huehuetenango (*Cooperativa Agrícola y de Servicios varios Los Cuchumatanes, Cooperativa Agrícola Joya Hermosa, Cooperativa Agropecuaria y de Servicios varios San Bartolo, ADAT, Asociación de Mujeres AMAS, ACORDI, Asociación ICUZONDEHUE, ADINUT and ADESIJU*).

4.3.6.4 ARTEXCO

- **Organizational Aspects**

The 20 handicraft organizations working with RVCP as classified as Type B (five) and Type C (15).

- **SIDEM Implementation**

ARTEXCO completed six diagnostic assessments in preparation for SIDEM implementation this quarter. A total of 142 individuals participated in the process. In addition, technicians organized workshops for 64 participants to complete organizational self-evaluations.

ARTEXCO technicians also organized nine learning sessions for 177 artisans on the importance of governance; mission and vision statements; good manufacturing practices; value chains; business models, and internal commercialization systems.

As a result of SIDEM implementation progress, two organizations approved their respective mission and vision statements; three organizations completed their assistance plans and one organization finished the internal commercialization system. As a result, technicians note behavioral changes among the members that are indicative of an entrepreneurial vision.

- **Capital Contributions**

Handicraft groups established capitalization programs with additional capital in the amount of GTQ15,070.

4.3.6.5 FUNDASISTEMAS

- Technicians completed the process to collect, tailor and review the handbook for SIDEM Phase V (Entrepreneurial Growth and Community Outreach). Printing and CD copies are still pending.
- Instruction mediation for the first two SIDEM phases was posted to the Education E-Platform for the use of RVCP technicians working on entrepreneurial development. The Project trained users and tutors who will also validate the use of the platform.
- The Project completed ten scripts and illustrations for the first two SIDEM phases. Five of the scripts were filmed, produced and edited prior to USAID approval. The process included six working sessions with various consultants and experts.
- The Project organized training workshops for RVCP technicians and provided participants with teaching material for future application with producer organizations.
- The Project organized six workshops to transfer methodologies to train technicians from ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO on SIDEM implementation within their respective organizations.
- The Project provided RVCP technicians with assistance during 46 SIDEM application sessions for FEDECOCAGUA (23 sessions), FEDECOAG (12 sessions) and ARTEXCO (11 sessions).
- The Project organized five meetings with officials from Del Valle University to assess and review the certification program planned for RVCP Consortium organizations to ensure compliance with SIDEM requirements.

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.
- RVCP met with personnel from the USAID/CLUSA NCBA Cooperative Development Program to agree on coordination mechanisms for joint efforts in the municipalities of Nuevo Progreso, San Jose El Rodeo, San Pablo and Tajumulco in San Marcos.
- RVCP continued to coordinate efforts with the USAID Masfrijol Project. To this end, representatives from both projects signed an MOU on January 28, 2015. Activities include a list of more than 2,000 members from RVCP producer groups that meet the requirements

to receive improved bean seeds distributed by the Masfrijol Project. Supplies are sufficient to provide 500 families with improved seed during the initial delivery phase.

- RVCP continued to coordinate activities with The Nature Conservancy under the USAID Climate, Nature and Communities Program in accordance with commitments covered by the MOU dated November 29, 2013.
- FUNCAFE continued to work with DEVTECH on monitoring and evaluation activities in the western region of Guatemala, primarily in RVCP coverage areas. Although there is no formal mechanism yet in place to implement agreements, the Project is in agreement with DEVTECH to strengthen institutional capacity within FUNCAFE for monitoring and evaluation. RVCP expects to have formal agreements in place by May 2015.
- RVCP continued to work in San Marcos in joint efforts with Catholic Relief Services to strengthen technical assistance and training for members of coffee producer organizations.

6. Financial Reports

See Annex 1

7. Federal Financial Report

See Annex 2

8. Certifications

This report certified the following:

- All reportable training activities have been posted on TRAINET this quarter.
- The Project complied with environmental mitigation measures as applicable for RVCP activities.
- Documents posted on the Development Experience Clearinghouse this quarter:
 - RVCP –2012-2013 AWP
 - RVCP – FY2013 First Quarterly Report (Oct-Dec 2012)
 - RVCP – FY2013 Second Quarterly Report (Jan-Mar 2013)
 - RVCP – FY2013 Third Quarterly Report (Apr-Jun 2013)
 - RVCP – 2012-2013 Annual Report