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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

April 1 through June 30, 2015

Guatemala, July 31, 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 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 UPI drafted the current progress report to cover the third 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

- ANACAFE added seven more coffee producer groups to the 23 already working with RVCP in San Marcos. Out of the total of 30 organizations, five are co-ops, 11 are associations and 13 are set up as work groups (GATs in Spanish). Grower group membership totals 1,818 of which 1,642 (75%) are men and 451 (25%) are women. Members cultivate a total of 1,851.95 hectares of coffee with an average of 1.02 hectares per member and average yields of 1,394 pounds of parchment coffee per hectare. About 1,377.83 hectares are currently in production (35% of which is organic), while 474.12 hectares are being renewed. Members from 16 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 and added eight new organizations to the 30 small grower groups for a total of three co-ops, 13 associations and 22 GATs. Current membership includes 2,160 coffee producers, of which 1,642 (76%) are men and 518 (24%) are women. Members produced coffee on a total of 2,448 hectares (averaging 1.13

hectares/producer). Yields totaled 5,826,700 pounds of parchment coffee (averaging 2,380 pounds/hectare). Producers are from the Mam, Qanjolal and Popti ethnic groups.

- FEDECOCAGUA continued to work with 28 coffee producer groups (eight in San Marcos and 20 in Huehuetenango) to benefit a total of 2,750 members. Of these, 2,224 (81%) are men and 526 (19%) are women. The 28 grower groups comprise 24 co-ops and four pre co-ops growing coffee on a total of 4,561 hectares. Of these, 17% are growing organically and 83% are growing coffee conventionally. 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 producer groups (nine co-ops and ten associations), of which 12 are located in Huehuetenango and seven in San Marcos to benefit a total of 1,917 members. Of these, 1,320 (69%) are men and 597 (31%) are women. The grower groups are producing potato, snow peas, sweet peas and lima beans on 419.39 hectares (averaging 0.22 hectare/producer).

- ARTEXCO continued to work with 24 handicraft producer groups, of which two are co-ops, five are associations and 17 are filing for legal status. Membership totals 1,706 artisans, of which 1,674 are women and 32 are men. For a number of reasons, about half of the members have stopped participating, so the Project worked this quarter with 905 (873 women and 32 men) representing 20 organizations. The organizations encompass 30 communities within seven municipalities in Huehuetenango (Cuilco, La Democracia, San Sebastian Huehuetenango, Todos Santos Cuchumatán, Concepción Huista, Chiantla and Jacaltenango) and in three municipalities in San Marcos (San Miguel Ixtahuacán, Nuevo Progreso and Sibinal).

3. Obstacles and Mitigation Measures

- ANACAFE technical staff in San Marcos worked with four producer groups to address the issue of limited participation by members in meetings or training activities. Members neglect to participate except for delivering their coffee for marketing by the organization. Technicians and promoters scheduled home visits to assess the behavior and encourage their increased participation.

- Coffee producer co-ops in San Marcos complied with their bylaws to hold annual assemblies in February and March as required to elect new board members (some of which have taken office lacking sufficient knowledge and experience to fulfill their duties –negatively affecting the performance of their organizations). Entrepreneurial development technicians worked to mitigate the obstacle by working more closely to train and support new board members so as to strengthen capacity and knowledge for more effective performance.

- As a result of ongoing coffee harvest activities this quarter, many RVCP grower groups decreased their participation in training activities. To mitigate this obstacle, technicians rescheduled training events for next quarter.
- Limited financing available for agriculture activities in general, as well as coffee production in particular, continues to weaken investment possibilities for small-scale coffee growers. ANACAFE technicians work closely with grower groups to seek financing through established institutions such as Root Capital and Banrural.
- Severe weather patterns are affecting RVCP growers as follows:
 - Hailstorms in San Marcos and Huehuetenango severely damaged potato and pea crops. FEDECOAG technicians worked with growers to implement measures, including foliar fertilization, to ensure that plantations could recover foliage and minimize losses.
 - Drought conditions in San Miguel Ixtahuacan, San Marcos negatively affected family garden plots despite drip irrigation systems. As a result, growers cut back on their participation in Food Security and Nutrition activities. FUNCAFE participated in the annual meeting organized by *Asociacion de Caficultores Migueleenses* to discuss the problem and review possible solutions. FUNCAFE technicians also discussed the issue with local water authorities to have the community included in an ongoing water supply project.
 - Heavy rainfall in the lowlands of San Marcos also affected family garden plots with subsequent negative repercussions on families participating in training activities. FUNCAFE technicians proposed building simple structures to mitigate the effects of heavy precipitation. Some families have already begun implementing the suggestions.

4. Activities and Progress toward Results

4.1 General

- ANACAFE technicians completed the activities summarized below.
 - **Coordination**
Continued coordination with the Green Coffee Project implemented by Catholic Relief Services (CRS) to benefit eight organizations: *Cooperativa Integral Agricola Nuevo Porvenir*, *Cooperativa Nuevo Eden*, *Cooperativa Integral Agricola Flor del Cafe*, *Asociacion de Campesinos Unidos Para La Paz y el Desarrollo Integral Comunitario (ACUPDIC)*, *GAT Nuevo San Luis*, *GAT Nuevo Amanecer II* and *GAT El Paraiso*.

Coordinate efforts with extension agents from the Ministry of Agriculture in Nuevo Progreso to train members and spouses from *Cooperativa Nuevo Porvenir* and *Cooperativa Nuevo*

Eden on how to manufacture shampoo from macadamia nuts. As a result, the Project expects results to increase household income.

– **Soil Fertility Mapping**

Technicians completed 510 soil fertility maps (GEO-.pdf format). The maps provide fertility data from lab analysis on soil samples collected by communities in Nuevo Progreso, Sibinal and Tajumulco. The CRS Green Coffee Project funded the soil analysis costs. The maps provided the basis for recommendations on fertilization and soil amendments.

– **Georeferencing Project Communities**

The Geographic Information Systems Unit (SIGCA) at ANACAFE worked with the Project to develop a geo-referenced database (KMZ format) to provide visual data on 88 communities with members from 30 coffee producer groups working with RVCP in San Marcos.

– **Increased Membership**

RVCP added seven new organizations to its technical assistance activities and also reports increased membership within eight of the groups already working with the Project. As a result, membership increased this quarter by 334 new additions for a total membership of 1,818 producers distributed among the 30 grower groups in San Marcos working with RVCP.

The new organizations participating in RVCP activities include one for women (*Mujeres con esencia de cafe*) comprised of 19 women from Chanchicupe, Tajumulco. Project technical support included assistance to establish plant nurseries using varieties resistant to coffee rust disease (ANACAFE 14 and Sarchimor). Members then participated in training activities on organizational development, seedling production, grafting and equipment maintenance.

In efforts to increase and expand producer participation in RVCP activities, technicians scheduled 25 home visits in the communities of Santa Rita Ruiz, Santa Ana, Nueva Victoria and El Porvenir in the municipalities of San Jose El Rodeo and San Pablo. The visits provided opportunities to describe RVCP assistance and training on soil fertility issues.

– **Field Day at El Zapote, San Miguel Ixtahuacan.**

Coffee growers from GAT La Lima organized a field day on June 11, 2015 in El Zapote, San Miguel Ixtahuacan to exchange experiences with other producers from areas in San Miguel Ixtahuacan and Sipacapa in San Marcos, as well as with some growers from Huehuetenango.

The event brought together more than 700 growers to discuss good agricultural practices as taught by RVCP regarding productive tissue management, integrated pest and disease management, safe use and handling of pesticides, soil conservation, entrepreneurial development together with food security and nutrition.

– **RVCP Audit Support**

Project technicians worked with *Asociacion de Pequeños Productores Agricolas Entre Cerros* –APPAECE in Spanish) to complete an audit process by an outside consultant to verify supplies and equipment provided by RVCP.

- ANACAFE technicians worked in Huehuetenango as summarized below.
 - Two field day activities, one in Union Cantinil and the other in Santa Cruz Barillas, enabled ANACAFE technicians to provide presentations and exchange experiences on integrated management for coffee rust disease, plantation renewal and quality improvements during wet mill processing.
 - ANACAFE increased its extension capability by hiring 18 new agricultural promoters this quarter. The new staff will follow up to ensure that post-harvest and organizational strengthening recommendations provided by agricultural technicians are implemented.
 - FEDECOCAGUA completed the following activities this quarter.
 - RVCP co-ops in Huehuetenango and San Marcos participated in the FEDECOCAGUA General Assembly on April 24, 2015. Agenda items included the FAIRTRADE² award to encourage improved productivity and coffee quality. The co-ops that were given the award include 17 organizations working with RVCP. These award-winning organizations are currently preparing their respective investment plans to further strengthen their competitiveness and productivity following RVCP assistance.
 - The Project organized a workshop on climate change mitigation and adaptation in Quetzaltenango from May 27-29. A group of 12 technicians working with producer groups in Huehuetenango and San Marcos led the workshop to strengthen RVCP technical capacity on resilience to climate change.
 - Technicians scheduled a field visit on May 20 to Cooperativa Cocolense in Barillas, Huehuetenango to assess progress under RVCP. Representatives from USAID, ANACAFE, RVCP UIP and FEDECOCAGUA participated in the visit.
 - Consultants from Sun Mountain International met with members of Cooperativa San Jose El Orebro in La Libertad, Huehuetenango on May 22 regarding an RVCP Environmental Evaluation to verify mitigation measures being implemented when renewing coffee plantations, conserving ecosystems, processing coffee in wet mills and managing byproducts (pulp and waste water).
- FEDECOAG completed the activities summarized below.
 - USDA worked with RVCP to coordinate a site visit by a garlic expert to work on the problem plaguing garlic growers in Chiantla, Huehuetenango. The expert found *Sclerotium sepivorum* to be rotting the plants and recommended a management plan to control the disease.

² The award consists of a guaranteed bonus over the sale price to encourage sustainable socio-economic development for Fairtrade beneficiaries. Small-scale producers vote to chose the best way to invest the bonus.

- A delegation from the U.S. National Potato Council met with FEDECOAG to exchange information on producing certified potato seed. As a result, FEDECOAG was invited to participate in a symposium and field visits on potato seed production in Colorado.
- Following technical cooperation efforts between FEDECOAG and *Organizaciones de los Cuchumatanes* (ASOCUCH in Spanish), three new horticulture organizations in Huehuetenango are now working with RVCP. In addition RVCP partner organizations can begin selling potato crops through a business run by ASOCUCH (COMECSA).
- AGREQUIMA provided technical support to train potato farmers from two organizations on GAPs (*Asociacion San Jose Las Islas* and *Cooperativa San Pedro Unido*).
- The RVCP UIP scheduled field visits to horticulture grower groups in Huehuetenango to assess progress on implementing Project M&E records.
- FEDECOAG has a prototype and training center set up in Chiantla, Huehuetenango for horticulture production to validate new or alternative technologies (macro-tunnels, drip irrigation and fertilized irrigation). The validation will be useful in supporting RVCP growers in the area as they implement new infrastructure, management plans, alternative production techniques, costing, quality control and increased yield approaches for tomato, bell pepper, jalapeno pepper and cucumber crops.
- To strengthen the group's capital and assets, FEDECOAG provided a grant in the amount of GTQ150,000 to *Cooperativa El Paraiso* (as a FINRURAL 12-month bearer certificate).
- ARTEXCO completed the activities summarized below.
 - Work with six associations to develop their respective trade logos.
 - As part of SIDEM implementation, FUNDASISTEMAS worked with 11 grower groups to draft their respective assistance plans.
 - Most of the Project training and meeting activities with RVCP handicraft organizations were hampered by inadequate facilities and furniture due to the very scarce resources available to producer groups. RVCP donated 350 plastic stools to remedy the situation.
 - ARTEXCO representatives participated in a meeting of the implementing partners for WHIP (Western Highlands Integrated Program) held in Tocache, San Pablo, San Marcos.
 - Following recent elections for ARTEXCO's Board of Directors, the Project organized a workshop for new board members to describe RVCP activities and components. In addition, the Project organized field visits for board members and oversight committee members to visit 14 RVCP handicraft groups.

4.2 Components

4.2.1 Component 1: Improved Competitiveness along the Value Chain

- **ANACAFE (coffee value chain)**

- **Plantation Renewal**

The Project provided technical assistance to 166 growers (140 men and 26 women) to renew 65.8 hectares of coffee plantations owned by members of RVCP organizations in Huehuetenango. The growers invested GTQ90,343.40 in productive tissue management techniques (pruning) to renew their plantations.

- **Improved Post-harvest Handling**

ANACAFE technicians scheduled 41 technical assistance visits to producer groups in San Marcos to work on machinery and equipment maintenance, infrastructure issues at wet mills and follow up on appropriate handling of byproducts from coffee processing.

The Project also scheduled 15 training events for RVCP producer groups in San Marcos on the topics listed below.

- Five training activities on appropriate handling of byproducts from wet mill processing to benefit 134 producers (109 men and 25 women).
- Two events on industrial safety in coffee processing to benefit 78 producers (55 men and 23 women).
- Six events on troubleshooting and maintaining hand operating de-pulping equipment to benefit 117 producers (83 men and 34 women) from six organizations.
- Two workshops on quality controls during wet mill processing to benefit 47 producers (40 men and seven women) from *Asociacion Flor del Cafe*.

Furthermore, the Project continued to provide training as part of three wet mill certification courses to benefit 66 participants from 11 organizations (*Cooperativa Entre Rios, Cooperativa La Igualdad, Asociacion Nuevos Horizontes, APECAFORM, GAT La Lima, GAT La Pena, GAT Siete Platos, GAT Legal, Cooperativa Nuevo Eden, Cooperativa Nuevo Porvenir and Cooperativa Flor del Cafe*).

ANACAFE technicians in San Marcos continued to encourage producers to use good practices for wet mill processing and quality control. To that end, technicians plan to offer a course on coffee tasting using the prize-winning beans from the regional competition (entries by eight producer groups):

- *Asociacion Civil de Pequeños Caficultores Comunidades Unidas (ACIPACU)*
- *Asociacion Flor del Cafe*
- *Asociacion de Caficultores Miguelenses (ACMI)*
- *Asociacion de Pequeños Productores Agrícolas Entre Cerros (APPAECE)*
- *GAT El Cafetalito*

Technicians continued to work on quality control during wet mill processing by taking 38 samples produced by growers in San Miguel Ixtahuacan, San Marcos. Results were as follows: semi-hard bean (16%), hard bean (18%) and strictly hard bean (66%). In terms of the cup, results

came back as: clean (45% of the samples), fruity (5% of the samples), rough (32% of the samples), astringent (3% of the samples), winey (3% of the samples), stale (8% of the samples) and tart (5% of the samples). It is worth noting that the samples were taken during the final stages of harvesting. The lab did find higher percentages of defective beans primarily attributable to the fact that coffee cherries from late harvests are usually less than top quality.

To monitor quality for the 2014/15 harvest, technicians also took 86 samples of parchment coffee produced by 32 grower groups in Huehuetenango. Lab results found that 85% of the samples were strictly hard bean, 12% were found to be hard bean and 3% were semi-hard bean. As a result of the tests, technicians have time to work with growers to rectify and improve quality. Cup results were as follows: 71% of the samples were found to be clean cups, 17% were fruity (due to de-pulping ripe coffee too soon after cutting), 6% were found to be rough (attributable to not separating green cherries from ripe ones) y 6% were winey (cutting overripe beans).

In addition, ANACAFE technicians scheduled 60 technical assistance visits to advise coffee growers in Huehuetenango on wet mill processing and waste product management.

– **Employment Generation**

The 38 grower groups working with ANACAFE in Huehuetenango under the Project created 2,465 new jobs to harvest a total of 5,826,700 pounds of parchment coffee.

– **Improved Technologies or Practices**

The 30 grower groups working with ANACAFE in San Marcos on RVCP activities participated in technical assistance to benefit 578 producers in implementing improved practices. Results are summarized below.

- Implement 41.2 hectares of live barriers.
- Contour planting on 38.6 hectares.
- Produce 156,000 seedlings of varieties resistant to coffee rust disease (ANACAFE 14 and Sarchimor).
- Fertilize and amend soil on 178 hectares.
- Set up 12 units for earthworm composting.
- Install 93 bins to deposit used agro-chemical containers.
- Build 130 bio-deps to collect wastewater from spraying.
- Produce 388,400 pounds of organic fertilizer.
- Set up planting crates on 32 hectares.
- Set up planting terraces on 9.4 hectares.
- Use integrated management to control coffee rust disease on 410 hectares.
- Sample coffee plants to detect coffee rust disease on 24 plantations.

In addition, 427 coffee producers from 38 grower groups in Huehuetenango participated in RVCP technical assistance activities to implement the following:

- avoid erosion on 543.96 hectares by planting live barriers using native vegetation;

- individual and continuous contouring to conserve soil fertility and take advantage of nutrients, and
- renovating 65.8 hectares of coffee plantations using productive tissue management (pruning).

▪ **FEDECOCAGUA (coffee value chain)**

– **Increased Yield**

Due to the fact that the reporting period covers only a fraction of the 2014/15 harvest, this report does not provide data on the current yields of parchment coffee produced by organizations working with FEDECOCAGUA in San Marcos and Huehuetenango. Nevertheless, technicians continued to work on increased yields by providing training on integrated pest and disease management, effective coffee rust disease controls, productive tissue management, shade management, plant nutrition and soil conservation.

– **Plantation Renewal**

RVCP provided technical assistance to 359 producers (328 men and 31 women) to renew coffee plantations over 56.32 hectares using varieties resistant to coffee rust disease (grafted and non-grafted). Producers invested a total of GTQ2,833,600 (US\$ 363,282.10) for an average renewal cost of GTQ50,312.50 (US\$ 6,450.32)/hectare.

In broad terms, plantation renewal required tissue management using selective pruning. To that end, technicians promoted improved techniques by organizing six training workshops to benefit 245 producers (45 women and 200 men), plus a workshop of seedlings to benefit 129 producers (129 men and 20 women).

– **Improved Post-harvest Handling**

The Project provided technical assistance and support to set up 534 waste water sedimentation tanks as follows: 227 for *Cooperativa Tajumuco*, 40 for *Cooperativa San Pedro Necta*, 220 at *Cooperativa San Jose El Obrero* and 47 at *Cooperativa Todosantera*.

– **Employment Generation**

The Project reports a total production of 3,779,837 pounds of parchment coffee this quarter from 1,599 formal jobs (1,120 filled by men and 479 filled by women). A formal job is defined as 11-days' work to harvest 100 pounds of coffee. This quarter, the harvest required 415,782 man/days – a clear indication of the social and economic impact of coffee production in the RVCP target area.

– **Improved Technologies or Practices**

RVCP provided technical assistance to 738 coffee growers (628 men and 110 women) to implement new or improved technologies and practices over a total of 754.29 hectares planted with coffee, as follows:

- ✓ soil conservation
- ✓ seedlings and plant nurseries both at the individual grower level, as well as at the organizational level

- ✓ weed control
- ✓ shade management
- ✓ productive tissue management
- ✓ plantation renewal
- ✓ fertilization

- **FEDECOAG (horticulture value chain)**

- **Controlled Conditions**

RVCP provided financial and technical assistance to set up 56 macro tunnel greenhouses on 0.4 hectares to grow tomatoes, bell peppers, lettuce and jalapenos under controlled conditions. The effort benefits 56 producers (32 men and 24 women) from ten organizations.

- **Improved Technologies or Practices**

- Technicians worked with six organizations (*Asociacion ACORDI, Cooperativa Paquixena, Asociacion ADESJU, Cooperativa 10 de Abril, Cooperativa El Paraiso and Asociacion ASADIT*) in San Marcos and Huehuetenango to install yellow traps on 11.16 hectares of horticulture crops to control pests on potato and lima bean plants. RVCP provided the traps to benefit 116 producers (93 men and 23 women).
- The Project provided technical assistance and worked on controlling plant stubble to benefit a total of 254 producers (160 men and 94 women) from three organizations (*Cooperativa Nueva Esperanza, Cooperativa San Bartolo and Asociacion AMAS*) planting horticulture crops on 42.77 hectares. Technicians explained how to incorporate plant stubble into the soil prior to planting export crops rather than burning the fields as has been done traditionally.
- The Project worked with 98 horticulture producers (68 men and 30 women) from four organizations (*Cooperativa Paquixena, Asociacion ADINUT, Asociacion ADESJU and Cooperativa San Bartolo*) to implement 98 bio-deps to triple wash used pesticide containers and spraying equipment.
- The Project provided technical assistance to 202 horticulture producers (142 men and 60 women) from four organizations (*Cooperativa Paquixena, Asociacion ADINUT, Asociacion ADESJU and Asociacion San Jose Las Islas*) to build 202 compost bins as a means to improve soil fertility and cut spending on chemical fertilizers.
- To optimize use of water resources, RVCP implemented drip irrigation systems on 1.29 hectares planted with horticulture crops (family gardens and macro-tunnels). As a result, the Project benefitted 226 producers (109 men and 117 women) from ten organizations (*Asociacion ACORDI, Cooperativa La Paquixena, Asociacion ADINUT, Asociacion ADESJU, Cooperativa San Bartolo, Cooperativa El Paraiso, Asociacion ASADIT, Cooperativa San Pedro Unido, Asociacion ADIS and Asociacion San Jose Las Islas*).
- The Project provided technical assistance to 56 producers (32 men and 24 women) from ten organizations (*Asociacion ACORDI, Cooperativa La Paquixena, Asociacion ADINUT,*

- Asociacion ADESJU, Cooperativa San Bartolo, Cooperativa El Paraiso, Asociacion ASADIT, Cooperativa San Pedro Unido, Asociacion ADIS and Asociacion San Jose Las Islas) to implement productive technologies under controlled conditions (macro-tunnels) on 0.4 hectares planted with horticulture crops.*
- Technicians promoted genetic improvements to pea crops planted on 8.12 hectares (replacing native variety with a hardier variety –Greenty). This benefitted 71 producers (56 men and 15 women) from three organizations (*Asociacion ACORDI, Cooperativa La Paquixena and Asociacion San Jose Las Islas*).
 - Technicians provided assistance to promote soil conservation practices on 14.02 hectares using live plant barriers and still barriers to benefit 73 producers (55 men and 18 women) from four organizations (*Asociacion ACORDI, Cooperativa La Paquixena, Asociacion ADINUT, Asociacion ADESJU*).
- **Employment Generation**
A total of 226 new jobs were generated this quarter (154 filled by men and 72 by women) as the equivalent of 58,801 work days required to grow and harvest snow pea, sweet pea, lima bean and potato crops.
 - **New Export Crops**
Horticulture producers worked over the reporting period to export their produce (snow peas, sweet peas and lima beans). Members from six RVCP organizations in San Marcos and Huehuetenango completed their production, harvest and commercialization processes. RVCP training activities included content on post harvest handling and technical assistance to phase in their planting when production starts in September.
 - **Partnerships**
RVCP technicians coordinated efforts with *Asociacion de Organizaciones de los Cuchumatanes (ASOCUCH)* to have Project grower groups market their crops through COMECSA. The Project also coordinated efforts with agro-exporters such as *Agro San Juan, Cuatro Pinos, MAYAPAC, Grupo CEIS and SIESA* to plan their pea and lima bean plantings for export markets (including management, fertilization, pest and disease controls).

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)	Third Quarter Results (Apr–June 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	525	925	89%
Total area (in hectares) with renewed coffee plantations	1,397	665	7	19	122	148	22%
Total number of wet mills new or modified to comply with standards for efficient water use and waste water disposal	16	2	7	5	5	17	850%
Total number of new or remodeled hand-operated mills this quarter suited to appropriate handling of by-products	To be Determined	96	41	327	20	388	404%
Horticulture:							
Total number of horticulture producers implementing controlled conditions (greenhouses, macro-tunnels)	90	100	30	93	56	179	179%
Total hectares planted with crops in controlled conditions (greenhouses, macro-tunnels)* *Target reviewed	3 ha.	2.6	0.39	1.2	0.4	1.99	77%
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	4,300	8348	111%

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**

Over the reporting period, 20 first year students (17 men and three women) worked on their internships to focus on the nursery phase of coffee production. The studies program is designed around the coffee production phases from seedling production to field development, harvest and post harvest. The 20 students passed their tests and continue to be motivated in their studies.

Ten students (seven men and three women) in their second year of the studies program completed hands-on training and technical workshops to learn tissue management, coffee rust disease management, analysis and interpretation of coffee physical and chemical traits, plantation management and shade management. To enhance their studies, the students completed field visits to see the technologies and practices in operation. School authorities are preparing for the ten students to complete professional internships and gain job experience.

- **High School Degree plus Certification in Horticulture**

A student withdrew from the program this quarter due to personal reasons. As agreed to when accepting the scholarship, the student's family reimbursed her tuition. FUNCAFE and the University made every effort to encourage the student to return, to no avail.

Students number 12 in total (nine men and three women) that will continue in the program. Their studies also include life skills as part of a joint effort between the University (UVG) and INTECAP (vocational training institute). In addition, the studies program now includes a course on technical horticulture production.

FUNCAFE technicians scheduled a total of eight field visits to confirm the students' progress and course content.

- **HELVETAS FORJA Program**

A total of 11 scholarship students from the FORJA Program trained in small livestock production and greenhouse vegetables. In addition, technicians are working on productive projects for each student to complete as part of their entrepreneurial development. Technicians will also plan the investment required for each project and work with micro financing organizations to launch the enterprises. The micro projects include raising chickens and growing greenhouse tomatoes.

- **ANACAFE (Coffee Value Chain)**

- **Financing**

The following section summarizes results from RVCP technical assistance in San Marcos.

- *Cooperativa Integral Agrícola Flor del Cafe* received the second disbursement of GTQ 1,976,710 in reparations paid to victims on the armed conflict in Guatemala. The funds were given to the co-op in recognition of transparent and efficient administration following the

first disbursement. Members plan to invest the second tranche of funding to improve production processes.

- *Asociacion de Campesinos Unidos Para la Paz y el Desarrollo Integral Comunitario (ACUPDIC)* received GTQ8,000 in funding from a trading company (*Gente de Cafe*). The funds will be used to procure supplies to maintain coffee plant nurseries.
- Catholic Relief Services provided coffee grower organizations with GTQ47,000 to maintain their plant nurseries (procure 2,800 lbs. of granulated, foliar and adherent fertilizers) to implement 12 earthworm compost projects.

– **Leveraged Resources**

ANACAFE technical assistance in Huehuetenango allowed RVCP to leverage funding from PRODEL, the Ministry of Agriculture and the Italian donor agency. Both donations benefitted *Pequenos Productores de Cafe (UPC)* with GTQ107,525 to set up a coffee roasting facility, and GTQ95,525 to procure tools and equipment for distribution among the members.

▪ **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.

– **Leveraged Resources**

The Ulrich Gurtner Kappler Foundation (FEDECOCAGUA's social component) provided RVCP producer groups with a grant in the amount of GTQ186,000. A total of GTQ36,000 was earmarked to fund technical assistance to benefit six organizations and GTQ150,000 to build a warehouse for *Cooperativa Cocolense*.

▪ **FEDECOAG (Horticulture Value Chain)**

– **Financing**

A total of 79 horticulture producers (69 men and ten women) from nine producer groups (six co-ops and three associations) worked with RVCP to access credit in the amount of GTQ1,220,411 for their potato, sweet pea and lima bean crops.

As reported last quarter, the National Land Fund (*Fondo Nacional de Tierras -FONTIERRA*) Land Lease Program disbursed funds this quarter in the amount of GTQ448,050 (GTQ369,600 in grants and GTQ83,600 in subsidies) to 174 horticulture producers from five organizations (three co-ops and two associations). The funding provides each member and his family with a grant for GTQ2,100 and a subsidy of GTQ475.

– **Partnerships between Small-scale Producer groups and Savings and Loan Organizations**

The Project did not complete any alliances this quarter. Nevertheless, RVCP continued to support the process to recover funds loaned by *Cooperativa 10 de Abril* to ASADIT.

– **Leveraged Funding**

Cooperativa El Paraiso in Tejutla, San Marcos benefitted from GTQ150,000 in grant funds from the FEDECOAG Financial Stabilization Fund.

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)	Third Quarter Results (Apr–June 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	--	--	3	3	75%
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	--	3	5	167%
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	79	1527	69%

Total funding received by producers this quarter (\$1.00 = GTQ7.80)	To be Determined	\$ 5,144,936	\$1,124,687	\$ 134,047	\$ 156,463	\$ 1,415,197	28%
Total number of organizations with women and youth in decision-making positions	40	59	71	23	0	94	159%
Total number of agreements with municipal governments to support producer organization activities	4	1	--	--	0	0	0%
Total funds leveraged and invested in Project activities (in GTQ)	Q24,000,000	Q7,421,110	Q974,020	Q641,833	Q2,492,710	Q 4,108,563	55%
Total number of COCODES and/or COMUDES working with the Project	45	27	8	--	23	31	115%
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	32	50	114%
Total number of individuals graduated/trained at high school level with specialized studies in coffee and horticulture production	120	13	13	--	0	13	100%
Total number of individuals graduated/trained at middle school level with specialized studies in coffee and horticulture production		60	--	54	0	54	90%

4.2.3 Component 3: Improved Agricultural Productivity

- **ANACAFE (Coffee Value Chain)**

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

ANACAFE technicians in San Marcos continued with agricultural programs as planned. To this end, three technicians completed 144 technical assistance visits complemented by 11 agricultural promoters completing 1,151 follow up visits to the plantations. The visits provided technicians and promoters with an opportunity to reinforce technical assistance on plantation renewal, shade management, live barrier

implementation, coffee rust disease sampling, planting, bio-dep use, sedimentation tanks, pruning, fertilization, soil amendments, seedlings and nurseries. The following section summarizes the GAPs promoted this quarter.

- **Genetic Improvements**

A total of 12 producer groups in San Marcos are currently producing 156,000 seedlings, of which 90,000 are of the ANACAFE 14 and Sarchimor varieties (seeds donated by ANACAFE) while Catholic Relief Services provided 66,000.

- **Fertilization and Soil Amendments**

Based on analysis results from 89 soil samples, technicians completed 14 fertilization programs to benefit 135 producers (178 hectares) in Nuevo Progreso, San Marcos.

- **Integrated Pest and Disease Management**

Technicians worked with growers on the use of fungicides to prevent damage from coffee rust disease on 410 hectares. In addition, the Project organized an information exchange visit between *GAT Nuevo San Luis*, in Nuevo Progreso and *GAT Emprendedores* in San Pedro Sacatepequez. The activity was designed to discuss experience in nursery techniques and plantation renewal for coffee plants of varying ages. A total of 38 producers benefitted from the activity.

RVCP technicians worked in Huehuetenango to complete 85 technical assistance visits on GAPs, as follows:

- Coffee seedlings and nurseries using varieties (*sarchimor* and *catimor*) resistant to coffee rust disease.
- Plantation renewal using productive tissue management, primarily pruning to curb the spread of coffee rust disease.
- Contour planting.
- Live barriers.
- Terracing.
- Genetic improvements (deliver 17,875 plants together with 4,500 lbs. of coffee seed of the ANACAFE 14 variety (disease resistant) to benefit producers from five organizations.
- By-product management and use of organic material to benefit 132 producers (86 men and 46 women).
- Safe use and handling of pesticides to benefit 80 producers (70 men and ten women).

In addition, the Project organized 23 training activities on integrated pest and disease management, safe pesticide use, seedlings and nurseries, fertilization and soil amendments, etc. The training benefited 505 producers, of which 378 (75%) are men and 127 (25%) are women.

- **Climate Change Adaptation**

- **Soil Conservation**

Technicians worked with growers in San Marcos (97.6 hectares) to implement soil conservation practices as summarized below.

- Plant 41.2 hectares with live barriers to avoid erosion and loss of topsoil.
- Contour planting on 38.6 hectares, including demonstrations and supervision to renew plantations and reduce soil erosion.
- Crating to reduce erosion and improve the use of composting on 8.40 hectares.
- Terracing on 9.40 hectares to avoid erosion and capture rainfall.

- ***Earthworm Compost and Other Organic Fertilizers***

Technicians in San Marcos set up 12 units for earthworm composting to take advantage of coffee pulp waste in Nuevo Progreso and San Pedro Sacatepequez. Technicians worked with producers to take advantage of wastewater and coffee pulp to produce 388,400 lbs. of compost using a bocashi system. Not only did producers obtain compost, but they also avoided contaminating water sources.

- ***Reforestation***

ANACAFE joined forces with the Dutch donor agency (Pur Project) in Huehuetenango to donate 66,637 hardwood trees (mahogany, cedar and hackberry) for reforestation to benefit five RVCP producer groups.

- **FEDECOCAGUA (coffee value chain)**

Technical Assistance on Good Agricultural Practices (GAPs)

RVCP technicians from FEDECOCAGUA worked with producers to implement GAPs as a means to improve sustainability of international certifications for the coffee value chain. Compliance with the requirements for domestic or international certification is one of RVCP's achievements as the result of growers focusing on good agricultural practices, good processing practices and good management practices.

A total of 18 grower groups currently hold one or more certifications, including FAIRTRADE (FLO), UTZ Certified, Starbucks Coffee Company C.A.F.E. Practices, Rainforest Alliance, NOP Organic, EU Organic and JAS Organic. The total area planted with multi-certified coffee equals 3,813.45 hectares with expected yields of 8,770,900 lbs. of parchment coffee.

Seven co-ops that obtained Starbucks C.A.F.E. Practices certification attained the level of strategic status providing them with guaranteed bonuses of US\$5 on every hundred-pound bag they export.

FEDECOCAGUA technicians provided technical assistance this quarter to growers from 28 organizations in San Marcos and Huehuetenango to promote the GAPs summarized below.

- a. Integrated pest and disease management.
- b. Soil conservation.
- c. Undergrowth management.
- d. Shade management.

- e. Productive tissue management.
 - f. Plantation renewal.
 - g. Fertilization.
- **Climate Change Adaptation**
- a. Technicians organized 14 training activities to promote participatory preparation of mitigation, adaptation and resilience plans for climate change. The training benefitted 571 producers (451 men and 120 women).
 - b. In order to avoid contamination by runoff (chemical fertilizers and/or pesticides), technicians worked to protect water sources throughout 16,340 linear meters of buffer zones.
 - c. Technicians worked with 163 producers (140 men and 23 women) to implement soil conservation measures on 19.05 hectares by using individual terracing, elevations, crating and ditches.
 - d. Weed management on 119 hectares planted with coffee to benefit 92 producers (78 men and 14 women).
 - e. The Project scheduled 14 training events on controlling the spread of coffee rust disease by rotating products to avoid resistance and using appropriate doses and intervals. A total of 246 producers (197 men and 49 women) participated in the training.
 - f. Technicians organized an event on integrated pest management for 19 participants (13 men and six women) with special emphasis on reduced pesticide use to control pests and diseases common to coffee plants.
- **Practices for Climate Change Adaptation**
- a. Technicians organized four training sessions on shade management to promote care and conservation of native tree species. A total of 213 producers (180 men and 33 women) participated in the training.
 - b. The Project organized ten awareness activities on the safe handling of chemicals to benefit 355 producers (300 men and 55 women) from RVCP organizations. Instructors leveraged the activities to discuss the list of forbidden pesticides as detailed in the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP).
 - c. Technicians provided five training activities on managing byproducts from coffee processing (pulp and waste water) to benefit 83 producers (66 men and 17 women). The training also covered how to take advantage of the waste products by composting, with the added benefit of avoiding contamination of water sources.
 - d. The Project worked with 111 producers (89 men and 17 women) to train on appropriate coffee fertilization plans based on soil analysis to determine doses and nourish the soil as needed. Furthermore, the Project provided assistance to all 28 organizations to send 512 soil samples to the lab.
 - e. The Project organized a training activity on appropriate solid waste management for inorganic material and raised awareness among producers about not littering or polluting the environment.
 - f. Technicians scheduled five training events on requirements for coffee certification. A total of 144 producers (115 men and 29 women) attended the events.

- **FEDECOAG (horticulture value chain)**

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

- Add organic fertilizers to the soil to increase efficiency and availability of vegetable matter, while conserving soil nutrients.
- Manage post-harvest residue to avoid burning stalks and use the plant matter as soil amendment. This practice enriches the soil to better nourish crops.
- Use personal protection equipment when applying pesticides while complying with guidance for safe handling
- Use bio-deps and triple wash used pesticide containers and spraying equipment to avoid harming the environment and human health

- Use yellow traps to control pests by estimating insect populations and type of crop damage. The data provides technical justification for decisions pertaining to pesticide use.
- Prepare, use and handle natural pesticides based on garlic, chili, onions and rue.
- Promote the use of material prepared with organic waste, swine manure, chicken manure, bovine manure, molasses and ash. Combine the material in 200 quart barrels, ferment for 25-30 days then apply diluted in water (two quarts to five gallons).

- **Irrigation**

RVCP technical assistance and training to raise awareness on efficient water use and conserving water sources by monitoring irrigation periods, intervals, spraying equipment, hose type, water pH, temperature, humidity and water quality.

- **Greenhouse Production**

RVCP technical assistance and training for producers using greenhouse production based on specific varieties, registered seed, temperature and humidity controls. The Project also provided assistance to increase yields per area unit, maintain production quality, access local markets, prepare management plans, prepare production plans and estimate production costs.

- **Macro-tunnel**

The Project worked on 0.40 hectares of bell pepper, potato, tomato and lettuce crops under controlled growing conditions in 56 macro tunnels (3.40 meters x 21 meters). This new approach enables producers to have year-round crops with improved quality and higher yields to take advantage of market windows or higher prices.

- **Climate Change Adaptation**

- Set up 56 macro-tunnels on 0.4 hectares to grow crops under controlled conditions.
- Set up drip irrigation systems on 1.29 hectares for more efficient use of water resources.
- Set up live and still barriers for soil conservation on 14.02 hectares.

- **Climate Change Mitigation Measures**

Provide producers with technical assistance to till plant stalks into the soil on 13.6 hectares. This avoids burning and subsequent greenhouse gas emission while also incorporating organic material to improve soil structure.

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)	Third Quarter Results (Apr–June 2015)	Cumulative Total to Date	FY2015 Progress %
Number of GAPs promoted	10	10	10	10	10	10	100%
Number of good practices promoted to adapt to climate change	6	6	6	6	6	6	100%
Number of horticulture producers using irrigation system	1,800	1,200	--	--	0	0	0%
Producer investment levels to renew coffee plantations (in GTQs)	To Be Determined	Q7,000,000	Q260,000	Q78,800	Q3,239,821	Q3,578,621	51%
Total number of organizations with management positions on payroll	30	20	15	17	--	32	160%
Total number of organizations beginning capital accrual programs	10	26	--	11	19	30	115%

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 trained 2,770 participants this quarter in issues pertaining to child health and nutrition. Of these, 822 (30%) were men and 1,948 (70%) were women. A total of 1,415 individuals attended workshops on food security and nutrition (SAN in Spanish), including 309 men and 1,106 women.

Participants in workshops on reproductive and sexual health numbered 805 (322 men and 483 women). The workshops on family gardens benefitted 550 individuals (191 men and 359 women).

The Project trained groups of first time participants on hygiene and cleanliness, safe water and dietary nutrition. In addition, technicians worked with training participants that already completed six months of training on issues pertaining to avoiding bad dietary habits, nutrition for pregnant or lactating women and nutrition for children under two.

Training on sexual and reproductive health focused on self-esteem and family communication issues, along with family planning, caring for a newborn and precautions during pregnancy. Families were much more open to discussing these issues as they complement and pertain to child nutrition. The FUNCAFE methodology is designed to raise awareness and overcome taboos.

Agricultural issues that pertain to family gardens will conclude with workshops for groups with more than eight months of training and new groups to design family gardens (including soil conservation and horticulture techniques).

- **Child Health and Nutrition Training**

Database records as of June 2015 show a cumulative total of 7,705 individuals participating in training workshops on health and nutrition. Of these, 3,668 (48%) are men and 4,037 (52%) are women.

As of June 2015, the Project recorded 5,119 producers and their families registered as participants in the SAN Component. As a result, the Project surpassed the target set for September 2015 by 2% (119 members). In addition, the records show that the total number of families represents 23,221 individuals benefitting directly or indirectly from the training. Of these, 11,467 (49%) are men and 11,754 (51%) are women.

RVCP also highlights the significant contribution of technicians from ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO to recruit families and support them throughout the SAN Component activities. Furthermore, in response to increased demand, the Project expects that FUNCAFE will make available additional financial resources for FY2016 (Year Four of project implementation) to expand SAN coverage. Consortium organizations are preparing waiting lists for new families to register once budget processes are complete and the expanded SAN coverage can be finalized.

In regard to current SAN coverage and targets, RVCP reports that ANACAFE and ARTEXCO surpassed the 100% target, FEDECOAG met 100% of the target and FEDECOCAGUA reached 90% of the target to register members. To leverage significant progress to date, the Project plans to also move forward in providing follow up on good SAN practices with participating families. Given that each producer organization is different and adjustments must be made to stay on track of targets and expected results, each RVCP Consortium organization will tailor assistance to face different challenges ahead.

It is important to mention that as of June 2015, FUNCAFE recorded a total of 1,583 individuals that completed at least 12 hours of training on SAN issues, together with 1,223 individuals trained in family gardens and 443 persons trained in sexual and reproductive health.

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

Over the course of the reporting period, RVCP supported the participation of 16,815 children (8,679 boys and 8,136 girls) in activities on health and nutrition. Of these, 8,441 participated as family members and 8,374 benefitted from school programs. Participating students worked on school gardens and participated in age-appropriate workshops on hygiene, safe water, family cooking pots, and good nutrition. Teachers also participated in training activities to improve school meals.

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

The Project considers children under five to be indirect beneficiaries since their parents are the actual recipients of RVCP technical assistance and training on food and nutrition. In addition, FUNCAFE technicians work with families to provide water filters, fuel-efficient stoves, seeds and micro irrigation systems as means to improve conditions in their homes, increase food security and enhance nutrition.

At the time of this writing, 2,810 children under the age of five (2,004 in Huehuetenango and 806 in San Marcos) benefitted directly or indirectly from SAN activities. Of these, 1,442 (51%) are boys and 1,368 (49%) are girls. Parents and guardians participated in educational activities with training on healthy meals, caring for children under two, exclusive and continued breastfeeding and other relevant topics.

- **Family Gardens**

A total of 3,800 families are tending their gardens at home as taught by RVCP and 1,319 are in the process of setting up their plots by learning to clear the land, lay out the beds, design the garden and till the soil. Droughts in some parts of the country and heavy rainfall in others led to some families losing interest, so FUNCAFE technicians addressed the problem by providing alternatives and support to adapt to climate change conditions.

FUNCAFE educational workshops for families also included instructions to prepare ten nutritious meals using produce from their gardens and native plants. A total of 1,223 families completed at least 12 hours training and are now prepared to implement improvements in their daily meals.

FUNCAFE technicians scheduled home visits to monitor progress. Families have been planting Swiss chard, celery, peas, broccoli, onion, cilantro, bell peppers, jalapenos, cauliflower, green beans, spinach, beans, squash, lima beans, corn, mustard, cucumber, parsley, radishes, beets, cabbage, tomato and carrots. Even though the Project had only provided seeds for seven different types of produce, technicians were encouraged to see that families had taken the initiative and used their own resources to diversify their plantings. Technicians also noted that families were cultivating native plants like watercress, blackberries, turnips, tomatillo and herbs.

RVCP procured 500 drip irrigation systems this quarter for distribution among families in the horticulture (414) and coffee (86) value chains. Families in the coffee value chain reside primarily in , Santa Cruz Barillas, Huehuetenango. Each irrigation system is designed to be used in family vegetable gardens measuring about 50 square meters.

- **School Gardens**

RVCP technicians worked with 114 schools to continue training students to tend their vegetable gardens and use the produce to enhance school meals. A total of 432 teachers and 8,374 students (4,364 males and 4,010 females) are implementing SAN practices.

The Project is encouraging teachers and students to enhance the use of school gardens by involving parents. Teachers are highly motivated as they have come to realize how the school gardens can be useful to complement their classroom teaching, while using the produce to improve school meals.

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

A total of 432 teachers participated in training activities this quarter on health and nutrition, primarily in regard to improved hygiene and cleanliness, safe water and nutrition for school age children. Teachers also actively participated in implementing school gardens. Teachers described the workshops as providing an excellent approach to improve their understanding of health and nutrition and expressed their appreciation for RVCP activities.

- **Health and Nutrition Training for Families**

Field data and home inspections revealed that families are applying about 60% of recommended SAN practices. In regard to early childcare, families are using about 80% of the recommended practices and more than 1,500 families have completed at least 12 hours training in health and nutrition. The Project selected more than 1,000 new families this quarter to begin the training process.

Technicians organized educational workshops for families to increase or improve their knowledge base to care for children under five. Practices include nutritious meals, varied diets, hygiene and safe water. Following the training, FUNCAFE technicians monitored the participants at home and found that more than 95% of children under five are in good health.

- **Water Purification**

The Project distributed 500 water filters this quarter for a cumulative total of 4,567 families that have access to safe water. FUNCAFE technicians also trained 408 families this quarter in preparation for procuring water filters.

Technicians planned expos and field visits to promote replacement filters among users. In addition, FUNCAFE used its own resources to facilitate access to replacement filters through their district offices in San Marcos (San Jose El Rodeo and San Miguel Ixtahuacan) and Huehuetenango (Santa Cruz Barillas, La Democracia and Jacaltenango). Technicians completed monitoring visits to confirm that 85% of families are using their filters correctly and implementing practices for use and maintenance as taught.

As a result of training and orientation activities followed by correct use of their filters, technicians confirm that more than 95% of families are free of diarrhea. Incidents of diarrhea among families working with RVCP in Huehuetenango and San Marcos point to reduced cases of gastrointestinal disorders in children under five as a result of better hygiene, hand washing and water purification.

Fuel wood Efficient Stoves for Schools and Residences

A total of 69 families and four schools learned to use a fuel wood efficient stove this quarter. The Project also identified 500 families that meet the criteria to receive a stove in the future. To that end, FUNCAFE began procuring the new stoves. At the time of this writing, RVCP has a cumulative total of 665 families and 51 stoves benefitting from a fuel wood efficient stove.

FUNCAFE technicians monitored recipients to record that each family reports savings of 0.93 cords of fuel wood/month, the equivalent of 61% savings. In monetary terms, this means that each family has annual savings of GTQ1,674 (the average cost of a cord of wood in San Marcos and Huehuetenango is about GTQ150).

FUNCAFE began testing two new stove prototypes this quarter for acceptance, fuel wood savings and effective use. Technicians plan to be able to offer options that best suit each family. Technicians procured the support of British technology through a company distributing the stoves to test CO₂ levels for the new models, assess efficiency and compare results with conventional models being used in a variety of settings. RVCP will report the test results in the next progress report.

- **Community Outreach and Communication**

FUNCAFE shared educational material with community level organizations working on SAN issues. Technicians also provided assistance to develop teaching guidance to implement school gardens and will share the proposal with the Ministry of Education (through the auspices of the U.S. Embassy in Guatemala). The purpose of the guidance is to standardize the school garden implementation process and ensure that interested teachers have easy access to material that they can also relate to their classroom activities.

FUNCAFE also participated in a coffee expo and three field days to promote good SAN practices and raise awareness about RVCP activities taking place in San Marcos and Huehuetenango. Attendance at these activities ranged from 600 to 1,200 producers and actors involved in the coffee value chain.

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)	Third Quarter Results (Apr–June 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	2,770	8455	85%
Total number of children benefitting from health and nutrition activities	15,000	5,000	281	11,078	16,815	16815	336%
From previous total, children under five	1,500	1,500	281	2,544	2,810	2810	187%
Total number of family gardens to increase availability of foods over the reporting period	5,000	1,500	451	335	421	1207	80%
Total number of schools using food and nutritional security practices for their students	60	60	55	59	0	114	190%
Total number of schools using an improved fuel wood stove to safely prepare students' meals	60	60	47	--	4	51	85%
Total number of families drinking safe water	5,000	1,500	872	--	1255	2127	142%
Total number of families using improved fuel wood stoves to safely prepare meals	1,500	500	0	57	69	126	25%

4.2.6 Component 6: Improved Handicraft Value Chain

- **Training Producers in Business Administration**

A total of 606 artisans participated in training activities this quarter s (591 women and 15 men).

- **Technical Assistance**

The Project also provided technical assistance to 13 grower groups to set up and manage administrative processes.

- **Training on Best Productive Practices**

A total of 159 artisans (152 women and seven men) participated in training workshops to promote better productivity and production practices. Training was based on learn by doing methodologies

on issues such as production costs, quality supplies, design, innovation, use of foot looms and sample products to meet client specifications.

It is worth highlighting that five artisans from ARTEXCO co-ops in Quetzaltenango were trained as instructors and taught the use of foot looms. They share a combined total of 35 years experience and welcomed participants into their homes and workshops to teach their techniques to RVCP producers.

- **New Product Design and Production**

In order to participate in handicraft fairs in New York and Germany, ARTEXCO is working on designing several collections based on RVCP artisan production. A specialized company is providing assistance for the designs, including nine textiles from which experts will select five. The Project will take advantage of a second foot loom workshop scheduled for next quarter to work on the five designs. In addition, technicians provided assistance to design eight new shawls that could possibly be marketed at Vatican City.

- **New Handicraft Markets**

The Project worked on marketing activities for both domestic and international markets. Artisans joined efforts with other companies or obtained sponsorship from the Ministry of Economy to attend events. ARTEXCO targeted the domestic market by participating in fairs such as Xelaju Es and the Apparel Sourcing Show. ARTEXCO also participated in international events such as Mostra Internazionale dell'Artigianato in Florence, Italy.

- **New or Additional Investment**

The Project reports new investment in handicrafts in the amount of GTQ185,000 including producers investing GTQ21,535 to procure raw material, a grant from the Ministry of Economy in the amount of GTQ112,989.99 to fund ARTEXCO participation in the handicraft expo in Italy, an eyeglass donation by Casa Cotzal for producers from *Cooperativa la Jacaltequita* valued at GTQ750 and a contribution of GTQ50,000 by CONFECOOP to establish a revolving fund for working capital as necessary for handicraft production.

- **Employment Generation**

A total of 227 artisans produced 1,793 articles using 2,501 man/days as the equivalent of ten jobs.

- **Sales**

ARTEXCO worked with producers to attain sales of over GTQ24,000. In addition, producers sold goods directly to consumers in their communities for a total of GTQ72,827.05. The combined sales total is GTQ97,145.49.

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)	Third Quarter Results (Apr-June 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	--	23	87	2900%
Total number of new markets explored for handicrafts*	4	2	1	--	3	4	200%
*contacts and possible orders in the short term from buyers in U.S., Spain, Italy and Germany.							
Total sales this quarter (US\$1=Q7.80)	To Be Determined	\$ 300,671	\$ 1,433	\$ 2,673	\$ 12,454	\$ 16,560	6%
Additional net income per producer as a result of handicraft sales (US\$1=Q7.80)	\$ 1,000	\$ 212	\$ 166	--	\$ 36	\$ 202	95%

4.3 Cross-Cutting Issues

4.3.1 Gender

- ANACAFE technical assistance this quarter to 30 coffee grower groups in San Marcos produced the results summarized below.
 - The number of members in grower organizations that are women is 451 (25% of total membership).
 - Membership in four organizations (*Cooperativa Integral Agricola Nuevo Eden*, *GAT La Esperanza*, *GAT El Paraiso* and *GAT Mujeres con Esencia de Cafe*) is more than 50% female.
 - In efforts to diversify and increase income, technicians trained a total of 22 women, including members or spouses of members from *Cooperativa Nuevo Porvenir* and *Cooperativa Nuevo Eden* participating in a course on gender and equality, as well as in a

workshop on producing a macadamia-based shampoo. *Cooperativa Integral Agricola Nuevo Eden* offered its facilities to host the training activities.

- A total of 52 women and youth are in positions of authority within 16 organizations.
- A total of 518 women (24% of total membership) are members of RVCP grower groups in Huehuetenango; some of the women are in decision-making positions. GAT Buenos Aires in Union Cantinil is comprised of 26 women producing 19,200 lbs. of parchment coffee on 8.09 hectares.
- ANACAFE technicians in Huehuetenango completed a participatory diagnostic to obtain baseline data in preparation for their work with groups of women on gender and entrepreneurship. The process included field visits to schedule activities with 120 women, including both members and spouses, from five organizations in Santa Cruz Barillas (*Asociacion Pro mejoramiento agroforestal ASPROAGR, GAT San Jose Jolontaj, GAT San Jorge, GAT Blanca Flor and GAT La Providencia*), together with members from two organizations in Union Cantinil (*GAT Buenos Aires and ADESC*).
- FEDECOCAGUA technicians produced the following results from working with 28 RVCP organizations.
 - The number of members in grower organizations that are women is 526 (23% of total membership), growing coffee on 542.52 hectares with yields of 1,247,800 pounds of parchment coffee.
 - Women occupy 18% (41) of leadership positions.
 - A total of 422 women participated in training activities on integrated coffee management.
 - A total of 110 women implemented improved technologies or productive practices on 128 hectares of coffee.
- FEDECOAG made efforts this period to ensure that technical assistance, training, financing and decision-making activities extended to female members of the organizations in conditions equal to those of male members. Furthermore, technicians ensured that women have access to financial or technical services provided by their organizations in conditions equal to those of men.
- Of special note is the fact that women comprised 70% of the participants in educational activities offered by FUNCAFE. Their majority participation provided an excellent opportunity to reinforce concepts on good hygiene practices during food preparation, nutritious meals for children under two and pregnant or breastfeeding mothers. The high level of participation enables women to become more empowered regarding their sexual and reproductive health, as well as in making decisions about the family nutrition.
- ARTEXCO completed the training sessions this quarter on gender issues for 37 female leaders from nine handicraft groups in Huehuetenango and San Marcos.

4.3.2 Environmental Mitigation

- ANACAFE technicians worked this quarter on the environmental mitigation activities summarized below.
 - A total of 22 training activities on composting, pesticide effects, environmental and personal protection regulations, use and safe handling of pesticides, management of waste products from wet mill processing, pest/disease sampling methodologies and first aid. A total of 572 producers participated in the training (449 men and 123 women).
 - Technicians provided assistance to set up 93 bins to collect used chemical containers and avoid harming human health or the environment. Coffee producers invested GTQ13,950 of their own resources.
 - Technicians provided assistance to build 130 bio-deps to dispose of wastewater from pesticide use. Coffee producers invested GTQ32,500 of their own resources.

Each of the above activities is included in the Environmental Mitigation Plan for the coffee value chain as approved by USAID.

- As described in the Environmental Mitigation Plan for the coffee value chain, ANACAFE technicians in Huehuetenango completed five training activities on safe use and handling of pesticides and integrated pest management. Participants included 126 coffee producers (116 men and ten women).
- FEDECOCAGUA completed the following environmental mitigation activities.
 - **Training on integrated pest management and use and safe handling of chemicals:** The Project reports a cumulative three-year total of 1,350 growers training in these topics.
 - **Bins to dispose of used chemical containers:** At the time of this writing, RVCP reports 19 bins among 28 grower groups in Huehuetenango and San Marcos. The bins comply with requirements for international coffee certifications.
 - **Protecting water sources:** The Project set up live or still barriers along 19,820 lineal meters to protect 71 water sources in the vicinity of coffee plantations operated by growers in Huehuetenango and San Marcos. The barriers are designed to protect water sources from surface runoff contaminated with pesticide and fertilizer residue.
 - **Storage facilities for chemical supplies:** The Project began work on setting up 29 storage facilities for the 28 RVCP grower groups in Huehuetenango and San Marcos to ensure that producers can adequately store chemicals in compliance with the Environmental Mitigation Plan for the coffee value chain.
 - **Training on responsible use of personal protection equipment (PPE):** RVCP recorded a total of 799 coffee producers trained in the use of PPE, including members of the coffee rust disease brigades.
 - **Compacted pruning:** A total of 118 coffee producers pruned their plantations to protect the native species of trees shading their coffee plants.
 - **Shade management:** The Project trained 1,341 coffee producers on shade management as a mechanism to regulate ambient temperatures in wooded areas and as a measure to adapt to climate change.

- **Training on final waste disposal (seedling bags).** At the time of this writing, the Project had trained 1,058 producers on appropriate disposal of used seedling bags.
 - **Conservation and efficient use of water resources:** Project records indicate that 1,386 coffee growers are trained in issues pertaining to conservation and efficient use of water resources (the resource most severely affected by climate change).
 - **Composting treated waste products:.** Using pulp from wet mill processing, technicians report a cumulative three-year production total of 4,465,000 pounds of compost. The practice avoids contaminating water sources while adding nutrients to the soil.
 - **Soil conservation techniques and practices:** The Project trained 1,393 producers to set up 621.74 hectares of live barriers, terrace 591.74 hectares and contour 533.54 hectares.
 - **Water recirculation for wet mill processing** The Project implemented water recirculation processes at seven shared wet mills to ensure more efficient water use. Six of the organizations that operate shared wet mills also treat their wastewater. By recirculating used water, producers reduce the water needed to process 100 pounds of coffee by an average of 315 liters.
- FEDECOAG worked with *Cooperativa 10 de Abril* as they invested their own resources to procure 10,000 tree seedlings (pine) for distribution among 150 members (100 men and 50 women) to reforest 3.12 hectares.

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*) continued publishing newsletters on climate conditions and providing information for RVCP horticulture growers to mitigate effects when planning their production.

- FUNCAFE technicians worked on environmental mitigation as follows:
 - Review instruments to monitor RVCP indicators on the cross cutting issue of food security and nutrition as required by the Environmental Mitigation Plan.
 - Estimated savings in fuel wood consumption (annual savings of 7,400 cubic meters of firewood for food preparation) among the 665 homes that have RVCP-procured efficient stoves. The data is based on information gathered during home visits to monitor fuel wood consumption.
 - Train more than 1,400 families in environmental sanitation and 550 families on soil conservation and measures to reduce erosion.

4.3.3 Communications

- The RVCP UIP continued to implement a communications strategy to promote development and social marketing approaches as delivered by a consultant for the Project.
- FUNCAFE published 25,000 copies of an article on SAN activities promoted by RVCP in schools. The Project distributed copies through co-ops and producer associations in the Western Highlands (primarily in Huehuetenango and San Marcos), as well as in the central region. The Project also shared the material with the international donor community and the diplomatic corps in Guatemala.

- FUNCAFE posted 12 items regarding RVCP activities on its Facebook page and reached 6,806 users. FUNCAFE usually posts daily updates on Facebook to keep users apprised and inform potential partners and stakeholders.
- FUNCAFE drafted seven newsletters with content on the RVCP SAN component. The Project distributed the material among FUNCAFE members, the donor community and private and public sector organizations. In addition, the newsletter contents were uploaded to social media and posted on the FUNCAFE website. The Project estimates that the newsletters reach at least 400 organizations.
- FUNCAFE began participating in meetings of the USAID Communications Group to report on RVCP activities pertaining to SAN and behavioral change. In addition, FUNCAFE provided input for key messages on nutrition.

4.3.4 Coordination with Local and National Governments (Political Dialogue)

- As a result of support provided by ANACAFE technicians in San Marcos, the community of Nuevo Eden joined efforts with *Cooperativa Integral Agrícola Nuevo Eden* to introduce electrical power into the community. The cost of the project totaled GTQ 275,000, but members of the co-op provided a contribution totaling GTQ13,000.00.
- FUNCAFE technicians participated in coordination meetings with the municipal commissions on food security and nutrition (known as COMUSANS in Spanish) in five municipalities of San Marcos and Huehuetenango. Their participation contributes to strengthening capacity within the commissions to address the problem of chronic child malnutrition based on advocacy and awareness raising at the community level..
- FUNCAFE continued to participate within the National Health Alliance comprised of 21 private sector organizations. Recent activities included a survey to assess primary-level health services. The results were disseminated using print, digital and mass media outlets. As a result, the Ministry of Health approached the Alliance to share their plan to improve primary-level health services. The new plan is expected to improve conditions in the RVCP target areas of Huehuetenango and San Marcos.
- FUNCAFE continued to represent the private sector on the National Health Commission to address issues pertaining to primary services at the community level. The mechanism provides a means for advocacy and political dialogue on community needs in the RVCP target area.
- FUNCAFE completed joint efforts with the Pan American Health Organization (PAHO) to temporarily add nursing staff. As a result, 17 individuals were hired to strengthen Ministry of Health efforts in San Marcos. In addition, an additional 54 individuals will be hired for the health sector in Huehuetenango.

4.3.5 Entrepreneurial Development

4.3.5.1 ANACAFE.

- **Organizational Aspects**

ANACAFE works with 30 organizations in San Marcos classified into three categories: three (10%) are Type A, 13 (43%) are Type B and 14 (47%) are Type C. ANACAFE works with 38 organizations in Huehuetenango, three (8%) of which are Type A, 13 (34%) are Type B and 22 (58%) are Type C.

- **SIDEM Implementation**

The 30 organizations working with ANACAFE in San Marcos and the 38 groups in Huehuetenango completed activities to implement at least one SIDEM phase.

In the process of implementing SIDEM, 20 members in leadership positions from ten organizations in Huehuetenango (*Cooperativa Esquipulas, UPC, ADICEP, ASOPERC, AIDEC, ASDEFLOL, ASCAFCA, BITENAM, GAT Los GAT Cipresales and GAT Buenos Aires*) participated in training for the first module on the SIDEM Governance Phase.

- **Management Practices**

ANACAFE technicians provided technical assistance to strengthen 20 producer organizations in San Marcos on accounting procedures, contracts, cash and bank records, credit and controlling coffee warehousing.

Fifteen coffee grower groups in Huehuetenango improved practices for financial management, strategic planning, marketing and sales. In addition 13 organizations have management positions on their payrolls and organizational structures.

- **Updated Accounting Records**

As a result of RVCP technical assistance, 16 coffee organizations in San Marcos and 13 in Huehuetenango working with ANACAFE have updated accounting.

- **Increased Membership**

As a result of RVCP assistance, eight producer groups working with ANACAFE in San Marcos increased their rolls by 180 new members (141 men and 39 women), as follows:

- ✓ *Asociacion Campesina Unidos Por La Paz y El Desarrollo Integral Comunitario (ACUPDIC):* two new members (women)
- ✓ *Asociacion de Pequeños Productores Agrícolas Entre Cerros (APPAECE):* two new members (women)
- ✓ *Asociacion Civil de Pequeños Productores Agrícolas Comunidades Unidas (ACIPACU):* six new members (four men and two women)
- ✓ *Asociacion Civil de Pequeños Productores de Café de Liberación (APECAFEL):* five new members (four men and one woman)
- ✓ *Asociacion de Pequeños Caficultores Orgánicos Mayas Mames (APECAFOM) Centro I:* 55 new members (41 men and 14 women)

- ✓ *Asociacion de Pequeños Caficultores Organicos Mayas Mames (APECAFORM) Centro II: 75 new members (61 men and 14 women)*
- ✓ *Asociacion Civil de Pequeños Productores Agricolas Flor del Cafe: 26 new members (21 men and five women)*
- ✓ *Cooperativa Integral Agricola Entre Rios: nine new members (eight men and one woman)*

4.3.6.2 FEDECOCAGUA

- **Organizational Aspects**

Self-assessments and diagnostics became the basis for SIDEM implementation among 28 coffee grower groups working with FEDECOCAGUA. Six (21%) are Type A, 11 (39%) are Type B and 11 (39%) are Type C.

- **SIDEM Implementation**

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

- *Governance: seven co-ops (Nuestro Futuro, San Jose, Tajumuco, San Jose El Obrero, La Todosanterita, El Porvenir, Cocolense, Rio Limon, Teogal and Union Coataneca).*
- *Management Strengthening: three co-ops (San Jose El Obrero, El Porvenir and Union Coataneca).*
- *Associative Trade Strengthening: four co-ops (San Jose El Obrero, El Porvenir, Union Coataneca and Rio Limon)*

- **Updated Accounting Records**

As a result of RVCP assistance, a total of 22 of the 24 coffee producer groups working with FEDECOCAGUA have accounting records up to date.

4.3.6.3 FEDECOAG

- **Organizational Aspects**

After noting that weighted scores to classify organizations as A, B or C appear inaccurate, FEDECOAG is coordinating efforts with FUNDASISTEMAS to perform a diagnostic on the SIDEM tool.

- **SIDEM Implementation**

Since many of the phases overlap, FEDECOAG is implementing SIDEM phases simultaneously within horticulture organizations based on their degree of progress. A total of 16 groups have made significant progress to implement the phases on Governance and Management Strengthening.

- **Management Practices**

Eight organizations (three co-ops and five associations) in San Marcos and Huehuetenango improved management practices as follows:

1. Organizational Aspects:

- are familiar with and can complete procedures with the Ministry of Government, and
- management uses position descriptions to fulfill duties and responsibilities.

2. Management Aspects:

- keep appropriate records for credit files;
- prepare, review and implement credit recovery plans;
- regularly review compliance with other institution requirements;
- use tools implemented to control credit, and
- balance accounts.

3. Accounting and Fiscal Issues

- Reconcile balances among accounting records;
- updated taxpayer certification (RTU), and
- procedures with Tax Administration Agency (SAT in Spanish) to update records.

▪ Updated Accounting Records

As a result of RVCP technical assistance and training, a total of 17 horticulture producer groups (nine co-ops and eight associations) have up to date accounting records.

▪ Increased Membership

As reported last quarter, 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.

▪ 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 12 organizations.

4.3.6.4 ARTEXCO

▪ Organizational Aspects

ARTEXCO currently works with 20 producer groups divided as follows: ten organizations (50%) are Type B and ten organizations (50%) are Type C. This reflects a 50% increase this quarter from five Type B organizations last period.

▪ Legal Status

As a result of SIDEM implementation this quarter, two organizations completed the process required for legal personhood –one as a co-op and one as a civil association. Each of them held assemblies.

- **SIDEM Implementation**
A total of 19 organizations working with ARTEXCO have been implementing SIDEM this quarter. To date, each of the organizations has progressed through the Governance phase or more.
- **Improved Management Practices**
As a result of ARTEXCO technical support and orientation, 11 organizations completed their assistance plans and are improving their management practices.
- **Updated Accounting Records**
As a result of RVCP organizational strengthening efforts with ARTEXCO producer groups, six organizations have their accounting records up to date.
- **Management Positions.**
As a result of ARTEXCO efforts, *Cooperativa Estrella de Occidente* has a manager on payroll.
- **Capital Contributions**
A total of eight organizations began working on activities to increase capital.

4.3.6.5 FUNDASISTEMAS

- **SIDEM Implementation**
 - **Facilitator Handbooks and Material**
FUNDASISTEMAS published a handbook on implementing SIDEM Phase Five (Entrepreneurial Growth and Community Outreach). The handbook is also available on a CD.

In addition, FUNDASISTEMAS began processes to systematize, build and develop new tools that complement and support current handbooks for those organizations that are more advanced.
 - **Electronic Learning Platform for RVCP Technicians**
In order to validate structure, learning and ease of use, FUNDASISTEMAS ran a beta test with nine volunteers using the platform on entrepreneurial development. The test was designed and monitored by a consultant company (Summo Ingenio) over a three-week period. The findings then become the basis for adjustments to the platform as necessary.

In addition, and to complement the learning process, FUNDASISTEMAS completed the development, production and editing of five on-line videos on SIDEM Phase Two. As a result, the Project now has a total of ten videos on SIDEM.

A group of professionals with various types of expertise produced the videos as follows:
 1. scripts based on SIDEM handbooks;

2. artwork and storyboards;
3. filming in a studio with sound and lighting experts, and
4. editing and postproduction.

Both ANACAFE and USAID validated each phase in the process to develop the digital platform (including working meetings and communications). USAID also approved the scripts this quarter to move forward with the videos for SIDEM Phase Three.

– **Teaching Material**

FUNDASISTEMAS delivered packages of teaching material to the technicians working on the SIDEM training and transfer process. The material is to be used during workshops with producer organizations. In addition, FUNDASISTEMAS provided complimentary material to correctly facilitate the phases that have already been completed.

FUNDASISTEMAS made changes to the diagnostics platform in effort to improve operations and produce clear and comprehensive reports.

▪ **Validation and Systematization**

FUNDASISTEMAS completed two processes to validate SIDEM: a direct validation through six producer groups and an indirect validation through RVCP technicians applying SIDEM in the field.

The direct validation required 44 sessions among the six organizations. Each session covered analysis, policy development, regulations, bylaws and business proposals using a CANVAS methodology. In addition, the process included 12 follow up visits and meetings with boards of directors to achieve results described in the respective assistance plans.

▪ **Transfer Methodology to Entrepreneurial Development Technicians**

RVCP organized three workshops to transfer methodologies to train technicians implementing SIDEM within producer groups. Two of the workshops covered SIDEM Phase Four (Business Strengthening) for ANACAFE technicians and the third workshop covered Phase Five (Entrepreneurial Growth and Community Outreach) for FEDECOAG technicians. A total of 43 technicians participated in the three workshops.

The facilitators surveyed participants at the end of each workshop to assess instructors, content, applicability, logistics and other aspects. A total of 88% of the participants in the workshops for ANACAFE and FEDECOCAGUA technicians described them as excellent/good, 10% rated them acceptable and 2% considered them poor. In the workshops for FEDECOAG technicians, 100% of the participants described them as excellent/good.

▪ **Feedback**

FUNDASISTEMAS organized 52 sessions on results from applying and reinforcing SIDEM processes. FEDECOCAGUA technicians participated in 24 sessions, ARTEXCO in 17 sessions and FEDECOAG in 11 sessions.

- **Technician Certification**

With assistance from Del Valle University in Guatemala (UVG), the SIDEM digital platform also enables RVCP to certify technicians. The visual and motivational content on the platform is based on metaphors. The Project hired a consultant to develop a draft proposal for the process and validate the components with field personnel prior to development.

In addition, RVCP scheduled several meetings with UVG experts, including high-level meetings with the president of the University, Dr. Roberto Moreno. They confirmed their interest in participating in the SIDEM certification process and FUNDASISTEMAS will sign a cooperative agreement for that purpose. The alliance provides academic credentials while benefitting and motivating RVCP technicians implementing SIDEM as the first class in Guatemala to receive certification as entrepreneurial development technicians.

- **Trade Strategy**

The FUNDASISTEMAS multidisciplinary team moved ahead to set up a global Impact Fund known as *Ecosistema*. The process is based on: 1) liquidity requirements by RVCP producer groups, 2) supply of credit and interest rates and 3) debt burden carried by producer groups. Using these three factors, RVCP plans to set up an *Ecosistema* growth accelerator for high impact enterprises as a means to “qualitatively and financially strengthen SMEs into sustainable enterprises that can subsequently increase their capacity to generate employment in the country.” *Ecosistema* includes technical assistance to develop entrepreneurial capacity among the members of RVCP producer groups and ensure a return on the investment provided through the Impact Fund.

The Impact Fund is a key component of the RVCP strategy to ensure the sustainability of producer groups (once their need is established and they qualify for assistance from the Fund).

To that end, RVCP completed the following activities.

1. Conceptualize the impact fund.
2. Structure the key components to achieve the desired impact.
3. Classify SMEs based on sales volume and years in operation.
4. Research and analyze the key variables for the preliminary financial scenarios to assess viability of the Fund.
5. Analyze principal economic agents with relevant participation.
6. Following that analysis, group the ideas to design ideal operational structures.
7. Meet with FUNDASISTEMAS Board of Directors and the board from the assessment agency to exchange and validate criteria prior to moving forward.
8. FUNDASISTEMAS Executive Director and Director of Operations participated in an experience exchange on impact funds held in Bolivia.
9. Create a flow chart on operations required by an impact fund.

- **Traceability**

In seeking direct benefits for members of RVCP coffee producer groups, FUNDASISTEMAS is working on setting up coffee traceability programs.

To this end, FUNDASISTEMAS organized a number of distance and on-site meetings with GMCR-KEURIG, ANACAFE and VERITE. Meeting results confirmed that the CMCR-KEURIG 2020 Sustainability Program has key objectives: 1) prosperous individuals and communities, 2) a resilient supply chain, and 3) sustainable products. The Program seeks to ensure that by 2020 100% of primary producers (manufacturing and agriculture) comply with guidance on responsible supply chains.

Together with FUNDASISTEMAS and ANACAFE working to develop the traceability prototype, the Project also seeks to set up a cooperative framework between the parties to strengthen traceability programs that will benefit (socio-economic impact) the first link in the supply chain (producer), while also factoring in market interests and expectations.

▪ **Entrepreneurial Indices**

ARTEXCO and FEDECOAG submitted entrepreneurial index data to the RVCP UIP this quarter. The Project plans to use the indices to track progress on entrepreneurial development among RVCP producer groups.

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 and the Western Highlands Integrated Program (WHIP).
- The Project continued to meet with staff from the CLUSA/USAID 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 as stipulated in the MOU signed on January 28, 2015. Activities include benefitting coffee producer families in San Marcos and Huehuetenango with improved black bean seed.
- 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.
- FEDECOAG engaged and coordinated activities with PCI to work in Todos Santos Cuchumatán, Huehuetenango and avoid duplication of efforts.
- FUNCAFE continued to coordinate efforts with the USAID monitoring and evaluation activities implemented by DEVTECH. The Project received no objections from USAID to work in a pilot community where FUNCAFE plans to implement methodological guidance known

as The Future is Today, as provided by the Nutrition Alliance. MEP will provide M&E support for field activities.

- FUNCAFE scheduled three information meetings with the USAID/FANTA III Project to select activities for joint cooperation in RVCP target areas. In addition, FUNCAFE will support the FANTA III Project in determining activities for the 2016 Annual Work Plan in an effort to optimize impacts on food security and nutrition (SAN component).

- FUNDASISTEMAS followed up on the alliance with the Farmer-to-Farmer program, which included a meeting with the Program Coordinator in Guatemala to track progress by two volunteers working with producer groups to grow oyster mushrooms. In addition, RVCP began planning for a visit in August 2015 by the International Director of the Farmer-to-Farmer Program.