FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

FEED THE FUTURE

DEMOCRATIC REPUBLIC OF THE CONGO STRENGTHENING VALUE CHAINS ACTIVITY

FISCAL YEAR 2019 ANNUAL REPORT

October 1, 2018–September 30, 2019

USAID
FROM THE AMERICAN PEOPLE

October 2019

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech.

FEED THE FUTURE

DEMOCRATIC REPUBLIC OF THE CONGO

STRENGTHENING VALUE CHAINS ACTIVITY

FISCAL YEAR 2019 ANNUAL REPORT

October 1, 2018–September 30, 2019

***Photo Caption**: Papy Mukeba "cups" (tastes) coffee at Coffee Enterprises in Hinesburg, VT. In 1994, Coffee Enterprises became the first independent laboratory in the United stated dedicated to quality analysis of coffee. Today they are a global leader offering coffee quality testing and consulting services throughout the coffee supply chain. In April 2019, following the Specialty Coffee Association expo in Boston, Papy and four Congolese coffee sector actors visited US private sector actors in the specialty coffee value chain to promote private sector engagement and investment in Congolese specialty coffee.*

October 30, 2019

Prepared for the United States Agency for International Development (USAID); Contract Number AID-660-C-17-00003, Feed the Future Democratic Republic of the Congo Strengthening Value Chains Activity.

Implemented by:
Tetra Tech ARD
159 Bank Street, Suite 300
PO Box 1397
Burlington, VT 05401

DISCLAIMER: This report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of Tetra Tech, and do not necessarily reflect the views of USAID or the United States Government.

TABLE OF CONTENTS

TABLE OF CONTENTS i
ACRONYMS AND ABBREVIATIONS iv
EXECUTIVE SUMMARY vi
1.0 INTRODUCTION 1
2.0 SVC PERFORMANCE TO DATE 3
2.1 COMPONENT 1: BUILD CAPACITY OF VERTICAL AND HORIZONTAL ACTORS IN TARGETED VALUE CHAINS 3
2.1.1 Overview 3
2.1.2 Key Accomplishments 3
2.1.3 Key Outcomes 15
2.2 COMPONENT 2: ENHANCE COFFEE PRODUCTION 16
2.2.1 Overview 16
2.2.2 Key Accomplishments 17
2.2.3 Key Outcomes 37
2.3 COMPONENT 3: DEVELOP AND IMPLEMENT PPP 37
2.3.1. Overview 37
2.3.2. Key Accomplishments 37
2.3.3. Key Outcomes 40
2.4 COMPONENT 4: ENHANCE ACCESS TO FINANCE 43
2.4.1 Overview 43
2.4.2 Key Accomplishments 43
2.4.3 Key Outcomes 45
2.5 CROSSCUTTING PRIORITIES 48
2.5.1 Gender, Youth, and Social Inclusion 48
2.5.2 Conflict and Resilience 56
3.0 ENVIRONMENTAL MITIGATION AND MANAGEMENT 62
3.1 OVERVIEW 62
3.2 KEY ACCOMPLISHMENTS 62
3.3 EMMP 63
3.3.1 Training 63

3.3.2 Follow up of activities 64
3.3.3 Follow up at coffee wet mill washing stations 65
3.3.4 Follow up of environmental compliance at warehouses 66
3.3.5 Follow up of environmental compliance by three agricultural input shops 67
3.3.6 Poster development and factsheet on pesticide 68
4.0 COLLABORATION WITH DEVELOPMENT PARTNERS 69
4.1 COLLABORATION WITH USAID IPs 69
4.2 COLLABORATION WITH THE GOVERNMENT OF THE DRC 70
4.3 PRIVATE SECTOR ACTORS 70
4.4 COLLABORATION WITH OTHER DEVELOPMENT ACTORS 70
5.0 CONSTRAINTS AND CHALLENGES 72
5.1 CONSTRAINTS AND CHALLENGES IDENTIFIED (COMPONENT 1) 72
5.2 CONSTRAINTS IDENTIFIED IN COFFEE SECTOR (COMPONENT 2) 72
5.3 CONSTRAINTS IDENTIFIED IN PRIVATE AND PUBLIC PARTNERSHIP (COMPONENT 3) 73
5.4 CONSTRAINTS WITH REGARDS TO ACCESS TO FINANCE 73
5.5 CROSSCUTTING INITIATIVE CONSTRAINTS 74
5.5.1 Gender, Youth, And Social Inclusion Constraints 74
5.5.2 Conflict and Resilience Constraints 75
6.0 LESSONS LEARNED 76
6.1 COMPONENT 1 (VERTICAL AND HORIZONTAL ACTORS) 76
6.2 COMPONENT 2 (COFFEE) 76
6.3 COMPONENT 3 (PRIVATE AND PUBLIC PARTNERSHIP) 77
6.4 COMPONENT 4 (ACCESS TO FINANCE) 77
6.5 GENDER, YOUTH, AND SOCIAL INCLUSION 78
6.6 CONFLICT SENSITIVITY AND RESILIENCE 78
7.0 RECOMMENDATIONS 79
8.0 CONCLUSIONS 80
9.0 ANNEXES 81

ANNEX A: Q4 FY19 FINANCIAL REPORT 82
ANNEX B: SVC FY19 PERFORMANCE INDICATOR TABLE 83
ANNEX C: AGRICULTURAL CALENDARS 86
ANNEX D: LISTENING CLUBS AND COMMUNITY RADIO PARTNERS 89
ANNEX E: LIMA FAIDIKA RADIO PROGRAMMING AND PUBLIC SERVICE ANNOUNCEMENTS 90
ANNEX F: STATUS OF ENVIRONMENTAL MITIGATION MEASURES 92
ANNEX G: TECHNICAL FACTSHEET: COFFEE VALUE CHAIN 96

ACRONYMS AND ABBREVIATIONS

A2F	Access to Finance
ACT	Association of Cross-Border Traders (Association des Commerçantes Transfrontaliers)
ADIJ des	Integrated Youth Development Activity (Activité de Développement Intégré Jeunes)
AFCA	African Fine Coffee Association
AMSA	Association of Women Soybean and Bean Producers (Association des Multiplicateurs de Semences Améliorées)
AVPA	Agence pour la Valorisation des Produits Agricoles
B2B	Business-to-Business
BDS	Business Development Services
BYA	Bukavu Youth Agri-Preneurs
CARG	Conseil Agricole Rural de Gestion
CCPA	Conseil Consultatif Provinciale sur l'Agriculture
CLD	Communauté Locale de Développement
CPCK	La Coopérative des Producteurs du Café de Kabamba
CSP	Coffee Service Provider
CYED	Center for Youth Emancipation and Development
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
DFSA	Development Food Security Activity
DRC	Democratic Republic of the Congo
DUBR	Dynamique Umoja Bonde la Rusizi
EMMP	Environmental Mitigation and Monitoring Plan
FEC	Fédération des Entreprises du Congo
FH	Food for the Hungry
FODDR	Fondation Djuma Dominique Rwesi
FSP	Food Security Project
FY	Fiscal Year
GALS	Gender Action Learning System
GAMF	Groupement d'Acteurs de Micro-Finance
GSICM	Gender, Social Inclusion, and Conflict Mitigation
HA	Hectare
IEE	Initial Environmental Evaluation
IFCCA	Initiative des Femmes Dans Café et Cacao
IGA	Integrated Governance Activity
IHP	Integrated Health Project
IITA	International Institute for Tropical Agriculture
INERA	Institut National pour l'Etude et la Recherche Agronomiques
IP	Implementing Partner
IPAPEL	Provincial Inspection of Agriculture and Livestock (Inspecteur Provincial de l'Agriculture, la Pèche, et l'Elevage)
IPM	Integrated Pest Management

Kg	Kilogram
LC	Listening Club
LOA	Life of Activity
M&E	Monitoring and Evaluation
MC	Mercy Corps
MFI	Microfinance Institution
MIS	Market Information System
MLAT	Multi-Location Agronomic Trial
MoU	Memorandum of Understanding
MT	Metric Ton (1,000 kg)
NGO	Nongovernmental Organization
OFTT	On-Farm Technology Trials/On-Farm Field Trial
ONAPAC du	Office National des Produits Agricoles au Congo (new name of Office National Café)
Q	Quarter
PAV	Programme d'Appui aux Vulnérables
PHH	Post-Harvest Handling
PICS	Purdue Improved Crop Storage
PO	Producer Organization
POS	Point of Sale
POSA	Producer Organization Strengthening Assessment
PPP	Public-Private Partnership
PSA	Public Service Announcement
RIAF	Robinson International Afrique
RTNC	Radio Télévision Nationale Congolaise
RWH	Rebuild Women Hope
SBCC	Social Behavior Change Communication
SdK	Saveur du Kivu (Specialty Coffee Event)
SCA	Specialty Coffee Association
SFCG	Search for Common Ground
SOLFAP	Synergie des Organisations Paysannnes dans la Lutte Contre la Faim et la Pauvreté
SUAP	Safer Use Action Plan
SVC	Strengthening Value Chains (Activity)
TA	Technical Assistance
UCB	Université Catholique de Bukavu
UCOAKA	Union des Coopératives Agricoles de Kalehe
USAID	United States Agency for International Development
USG	United States Government
VC	Value Chain
VSLA	Village Savings and Loan Association
WCR	World Coffee Research
WV	World Vision
ZOI	Zone of Intervention

EXECUTIVE SUMMARY

The United States Agency for International Development (USAID) funds the Feed the Future Strengthening Value Chains (SVC) Activity in the Democratic Republic of the Congo (DRC). The purpose of the Activity is to increase household incomes and household access to nutrient-rich crops by linking small-holder farmers to strengthened and inclusive value chains and supportive market services. Fiscal Year 2019 (FY19) represents the second full implementation year of the project.

FY19 project performance demonstrates significant achievements toward Activity targets:

- In FY19, 13,549 individuals (45% women) benefited from SVC interventions, representing 135% of the FY19 target of 10,000 people, and 23% of the Life of Activity (LOA) target of 60,000 people.
- 2,110 seasonal jobs (88% women) were created by SVC clients, exceeding the FY19 target of 500 seasonal worker positions, and exceeding the LOA target of 2,000 seasonal worker positions (105%). These 2,110 seasonal jobs are the functional equivalent of 703 full time positions.
- 13,419 individuals (44% women) received short-term agriculture and post-harvest trainings, exceeding the FY19 target of 5,000 people, and reaching 89% of the LOA estimated 1,027 hectares (ha) of land are under improved management practices or technologies as a result of United States Government (USG) assistance out of 1,250 ha targeted (82%) in FY19. This estimate is extrapolated based on the average number of ha of land cultivated by coffee farmers (0.8 ha) who attended at least 50% of the coffee farm college trainings (3,173 farmers, 45% women) and applied three or more improved technologies using data from 119 farmers monitored. A formal best practice survey is planned for FY20 to capture a more exact figure from FY18 Coffee Farm College graduates.
- 49 containers of specialty coffee were exported from South Kivu this season, 40 from Kalehe and Kabare, nine of which came from SVC-supported wet mill clients. The value of specialty coffee exported by SVC supported wet mill clients in FY19 totaled $906,307 USD, and the total value of all specialty coffee exported this year exceeded 4 million USD. 37 containers of specialty coffee were exported from South Kivu in FY18, representing a 32% increase in FY19.
- 126 for-profit private enterprises, producer organizations (POs), water user associations, women's groups, trade and business associations, and community-based organizations received organizational development assistance by SVC staff and partners in FY19 (105% of the FY19 target of 120 small and medium enterprises and civil society organizations). 26 POs out of 47 supported by the project (55%) demonstrated improved organizational performance by the end of this fiscal year, according to their Producer Organization Strengthening Assessment (POSA) score.
- 17 agricultural borrowers received credit as a result of USG assistance, which was less than the 25 borrowers targeted for FY19. However, the total value of agriculture-related financing accessed as a result of USG assistance this fiscal year was $930,000, exceeding the

FY19 target of $600,000 (155%). In general, there were fewer, larger loans approved than anticipated.

Collectively, these numbers indicate that the Activity is reaching the scope and scale anticipated by USAID for this point in the Life of the Activity (LOA). Demonstrated progress towards anticipated project outcomes, including increased use of improved agriculture practices and inputs leading to improved agriculture livelihoods among targeted households, and improved market linkages, improved post-harvest storage and processing and increased capacity of agriculture related enterprises leading to expanded markets and trade, are articulated in this report, and will be further ground truthed during FY20 best practice surveys and a planned mid-term assessment.

Key FY19 Successes:

1) Four 90+ "Presidential" level specialty coffees were identified by an international jury at the 5th annual *Saveur du Kivu* event in Bukavu, highlighting the remarkable coffee quality available in Eastern Congo. Several international jurors arranged to purchase coffee from local producers, based on these results. These results were made possible due to SVC and private sector investments in coffee production practices, coffee washing station practices, coffee cupping practices and an improved coffee sample roaster. For more information on the event, refer to the *Saveur du Kivu* website: http://www.saveurdukivu.org/, or the ELAN blog: https://www.elanrdc.com/latest-news/2019/7/31/the-5th-annual-saveur-du-kivu-the-2019-edition
2) The Gender Action Learning System (GALS) approach is extraordinarily successful mobilizing husbands and wives to discuss gender issues and norms. GALS reduces conflict within households and communities, improves dialog between husbands and wives, motivates families to make life changing decisions, and to take leadership positions within their communities. In the DRC, GALS has motivated participating families to start new income generating activities, diversify their revenue streams and invest in capital assets, resulting in more resilient livelihoods. The approach was presented at this year's Global Youth Economic Opportunities Summit in Washington, DC (https://www.youtheosummit.org/post/exploring-the-gender-action-learning-methodology-system-gals-as-a-tool-to).
3) A number of market linkages are being developed, although volumes are limited. BANRO Mining's procurement arm is purchasing regular supplies of beans from partner POs. Centre Olame, Action Espoir and *Fondation Djuma Dominique Rwesi* (FODDR) *procured* over 13 metric tons of soybeans, soy flour, and soybean seed from SVC partner POs. There is a much larger and more diversified number of specialty coffee buyers than in the past.
4) Collaboration with Mercy Corps and World Vision in Kabare and Kalehe and Food for the Hungry in Walungu is focused on PO strengthening, post-harvest handling, access to finance, and gender action learning.

Key FY19 Challenges:

1) USAID implementing partners are not focused on improving soybean production and productivity, nor on cultural practices and inputs to improve bean productivity. The USAID-funded Title II programs in South Kivu are introducing bio-fortified beans, but

they are focused on small scale production for home consumption. The ability of the SVC program to develop sustainable soy and bean market linkages is hampered by high cost, poor quality production. The team has focused on integrated social inclusion programming with large landowners as an alternative, to develop stable supply chains.

2) There are few financing opportunities for start-ups who do not qualify for traditional commercial lending, even with USAID's Development Credit Authority. Local actors must explore different financing streams and source blended financing products on a pilot basis. The SVC team must use resources strategically to assist start-ups, buy down risk, and provide business incubation services at a more basic level than planned.

3) South Kivu is an emerging market system in a transitional environment, rather than a mature system in a stable environment. Poor infrastructure—roads, bridges, electricity, water, communications, banking, etc.—and government instability act as disincentives for private sector investment, because of high transactional costs. A program like USAID's Integrated Governance Activity could significantly improve the enabling environment in South Kivu, which would have a positive impact on SVC's ability to mobilize private sector investment.

4) For coffee quality to improve, coffee sector actors must invest in their sector. They must focus on the science, technology and art of producing specialty coffee and provide attentive customer service. They need to adopt day lot separation and invest in cupping. Water activity is a huge problem and actors need to manage their drying tables and storage facilities. Most coffee washing stations need more drying tables, and for coffee to rest on the drying tables for extended periods of time. Management for quality must be a focus of future investments. SVC funded a course in Management for Quality by the Coffee Quality Institute last year which was very impactful. It will be repeated and expanded in FY2020.

Recommendations

1) Value chain selection should be demand driven, from POs and buyers. Focusing on specific value chains rather than leveraging market driven opportunities to increase farmers' revenue limits the ability of the SVC team to collaborate with emerging partners, such as those working in the horticulture value chain, or to adapt to changing market conditions.

2) SVC staff must have the flexibility to follow demand for services, rather than soliciting demand. There is intense market distortion in South Kivu due to a generation of emergency relief. The main market for inputs and tools is humanitarian nongovernmental organizations, not farmers or cooperatives. USAID implementing partners should gradually withdrawal handouts as farmers progress on their pathway to self-reliance, after nearly two decades of humanitarian assistance.

1.0 INTRODUCTION

In May 2017, the United States Agency for International Development (USAID) awarded the Feed the Future Democratic Republic of the Congo (DRC) Strengthening Value Chains (SVC) Activity to Tetra Tech. Tetra Tech implements the activity in collaboration with five international subcontractors: Banyan Global, J.E. Austin Associates Inc., Search for Common Ground (SFCG), TechnoServe, and World Coffee Research (WCR). The purpose of the Activity is to increase household incomes and household access to nutrient-rich crops by linking small-holder farmers to strengthened and inclusive value chains and supportive market services. The SVC Activity is designed to complement USAID investments in governance, peace and stability, access to finance, food security, health, education, and environment in eastern DRC to strengthen the foundation for durable peace. SVC applies a nutrition-sensitive value chain and market systems development approach that combines technical assistance and capacity building for value chain actors, credit facilitation, market linkage strengthening, public-private partnership (PPP) development, social behavior change communication (SBCC), and advocacy to support nutritional crop (dried bean and soybean) and specialty coffee value chain development in South Kivu. The Activity targets three territories in South Kivu (Walungu, Kabare, and Kalehe) over a period of five years (2017–2022). This Annual Report covers the period from October 1, 2018–September 31, 2019 (Fiscal Year 2019, or FY19). The SVC Activity includes the following components:

- Component 1: Build capacity of vertical and horizontal actors in targeted value chains;
- Component 2: Enhance coffee production;
- Component 3 (Crosscutting): Develop and implement public private partnerships; and
- Component 4 (Crosscutting): Enhance access to commercial finance, including through technical assistance to implement Development Credit Authority (DCA) agreements.

In addition to these four components, the SVC project includes the following crosscutting priorities:

- Conflict sensitivity and resiliency;
- Feed the Future goals;
- Gender;
- Climate-smart agriculture;
- Value chain and market systems development; and
- Sustainability and local systems strengthening.

The annual report describes SVC progress, challenges, and lessons learned, including the status of annual workplan activities and performance indicators. Partnerships and collaborative activities undertaken are documented, including those undertaken with co-located USAID implementing partners (IPs) as well as collaboration with other donor funded activities. Training and capacity building results are presented, and collaboration with private sector and civil society actors to facilitate improvements in local business enabling environment are described. Finally, results achieved, failures, and lessons learned implementing the Gender, Social Inclusion,

and Conflict Mitigation (GSICM) Strategy and the Environmental Mitigation and Monitoring Plan (EMMP) are detailed.

2.0 SVC PERFORMANCE TO DATE

2.1 COMPONENT 1: BUILD CAPACITY OF VERTICAL AND HORIZONTAL ACTORS IN TARGETED VALUE CHAINS

2.1.1 OVERVIEW

FY19 activities were designed to improve the accountability and sustainability of producer organizations (POs) (associations, cooperatives, etc.) to their members, assist value chain actors (producers, sellers, transporters, processors, etc.) to develop and diversify profitable market linkages, and to access quality agricultural inputs and reduce post-harvest losses. In Walungu territory, activities were implemented around the Nyalugana irrigated site rehabilitated by Food for the Hungry near Cazi and Mogogo. In Kabare territory, the SVC team focused efforts around the Birava-Luhihi and Mudaka-Katana-Kabamba economic poles, while in Kalehe territory, activities were focused on the Ihusi and Minova areas.

2.1.2 KEY ACCOMPLISHMENTS

1. Increasing input supply and demand

The following results were achieved in Fiscal Year 2019:

- Updated the agricultural inputs calendar for all three target territories in the project zone;
- 2,192 small scale farmers accessed bio-fortified bean and drought resistant maize seed varieties;
- Linkages were developed between one agro-dealer (AGRIKIVU), an agricultural input shop (*Boutique d'Intrants Agricoles de Kavumu*), a coffee wet mill station (Station Bosco), and one farmers' cooperative (*Union des Coopératives Agricoles de Kalehe* [UCOAKA] Ihusi) to supply agricultural tools (saws and pruning shears);
- SVC linked multiple value chain actors (agro-dealer Harvest Plus, large landowners and local partners with seed multiplication experience) to facilitate access to 340 kg of bio fortified bean seed and 200 kilograms (kg) of bio fortified maize seed to renew degenerated seed through local seed multiplication;
- Personnel from two agro-dealers were trained in agricultural input shop management;
- Five business-to-business (B2B) sessions were held; and
- Five public service announcements (PSAs) on the importance and use of quality agricultural inputs were developed and disseminated using community radio.

2. Promoting the use of agricultural inputs (demand)

A. SBCC campaigns to raise awareness on the importance of agricultural inputs and how to use them

Five PSAs promoting the benefits of using quality agricultural inputs (such as improved and adapted seed, fertilizer, etc.) were produced and broadcast in Swahili on seven community radio stations including three in Walungu (RTNC [*Radio Télévision Nationale Congolaise*], Mulangane and Aroma), one in Kabare (Maendeleo), and three in Kalehe (Buzi-Bulenga, Bubandana *RTCKa).*

B. Co-organized B2B events

The first B2B session was organized during the evaluation of the 2019 A agricultural cropping season. Additional B2B sessions were integrated into training sessions on post-harvest management and improved warehousing techniques, EMMP and Safer Use Action Plan (SUAP) training, contract farming events, and marketing events. A fifth B2B event was organized during an agricultural market fair held in Bukavu in Quarter 2 (Q2) FY19. At each B2B session, different actors involved in target value chains were brought together to discuss potential commercial relationships, including access to agricultural inputs.

Participants included:

- Agro-dealers and Agricultural Input Shops: Agri Force, *Programme d'Appui aux Vulnérables* (PAV), COPANYA, Global Coffee Service, NASECO, Harvest Plus, etc.;
- Agricultural Processors: Bukavu Youth Agri-Preneurs (BYA), Center for Youth Emancipation and Development (CYED), Alpha New, Kahi Food;
- Transporters: Association des Armateurs de Lac Kivu;
- Producers' Organizations: COOPANYA, Association des multiplicateurs de semences améliorées (AMSA), COACELWA, Communauté Locale de Développement (CLD) BIRAVA, GEV, Dynamique Umoja Bonde la Rusizi (DUBR), IA NKENGERO, UCOAKA, Programmes des Initiatives d'Appui au Développement; and
- Large Land Owners (Concessionaires): OLIVE Company, ETS BISHWEKA, GAP, FODDR, *Robinson International Afrique* (RIAF).

As a result of these B2B sessions, the following results were obtained:

- NASECO sold 2.1 metric tons (MTs) of dry bean seed, 350 kg of maize seed, and 600 kg of NPK, and 600 kg of soybean seed to ZOA for smallholder farmers involved in their food security project in the Ruzizi Plain.
- RIAF
    - Received $2,500 in credit from FINCA to purchase agricultural inputs in Kampala, Uganda;
    - Sold 700 kg of agricultural inputs for $9,000 to a Dutch international nongovernmental organization (NGO) for the World Bank-funded food security project serving smallholder farmers in the Rusizi Plain of South Kivu;
    - Bought 800 kg of soybean seed from women farmers who belong to AMSA in Kabamba;
    - Sold 300 kg of soybean seed at $1.50 to Janda Nguma Bakulikira, owner of the Sisi land holding concession in Kabare;
    - Bought 535 kg of groundnut seed from farmers in Kamanyola; and
- IA Nkengero of Walungu sold 1 MT of beans to BANRO Mining for $800 USD.

3. Increasing the supply of agricultural Inputs

A. *Development and delivery of training modules for agro-dealers*

Prior to a training session on the management of agricultural inputs shops, a training module was developed. Themes developed included the role of the agricultural input shop in agricultural production and agricultural input shop sustainability. Personnel from two agro-dealers attended training on agricultural input shop management.

B. *Dissemination of the seasonal agricultural and input supply calendar*

The climate in Kabare, Kalehe, and Walungu territories is humid and tropical, trending toward a temperate climate due to elevation. South Kivu is blessed with a bimodal rainy season, with two cropping seasons: Season A from September to December, and Season B from February to May/June. These two cropping seasons (A and B) are separated by a short dry season in January that lasts four weeks. The long dry season runs from July to August (two to three months).

Over the last two decades, climatic trends have shifted, especially in rainfall (duration and intensity). This shift has affected the agricultural calendar and the timing of the application of agricultural inputs. The agricultural input supply calendar was updated in collaboration with the *Université Catholique de Bukavu* (UCB), the Evangelical University in Africa of Bukavu, the Lwiro Research Center for Natural Science, the Official University of Bukavu, *Institut National pour l'Etude et la Recherche Agronomiques* (INERA)/Mulungu, CIAT/Harvest Plus, International Institute for Tropical Agriculture/Kalambo, and the Provincial Inspection of Agriculture and Livestock (IPAPEL) of South Kivu. The updated calendar was presented to agricultural stakeholders in September 2019. The updated calendar is presented in Annex C and aligns with the five agro-ecologies found in SVC target territories. Using these calendars, the following schedule was developed to assist clients and agro-dealers to order and deliver agricultural inputs, tools, and supplies at the appropriate time.

Table 3: Recommended Timing for Agricultural Inputs

Type of Input	Cropping Season A	Cropping Season B	Comments
Harvesting tools and equipment	May – June	November – December	
Soy and bean seeds	August*	January	At least 5 days before sowing
Fertilizer	August*	January	
Purdue Improved Crop Storage (PICS) bags	November – December	April – May	
Pesticides	August*	January	At the same time as seed
Sprayers	August*	January	At the same time as seed
Personal Protective Equipment	August*	January	At the same time as seed
Scales	November – December	April – May	
Organic pesticides or preservatives (wood ash, tobacco, etc.),	November – December	April – May	
Drying tarps	November – December	April – May	
Basins or buckets	November – December	April – May	
Saws and pruning shears	June		1 month before pruning trees
Credit	August	January	

4. Linking actors to facilitate access to inputs

A. *Linkages to facilitate access to agricultural tools (saws and pruning shears)*

The SVC project facilitated commercial linkages between the agro-dealer AGRIKIVU and three actors involved in target value chains. The objective was to make quality agricultural tools available to coffee farmers at an affordable price. Target actors included the Agricultural Input Shop of Kavumu (Kabare territory), the Union of POs UCOAK/S, and the coffee wet mill, Bosco (both in Kalehe territory). UCOAK/S and Bosco each possess a warehouse that can be used as a sales point for agricultural inputs and tools. Prior to the development of market linkages, SVC staff consulted with coffee farmers participating in the Coffee Farm College training program to assess demand. As a result of this assessment, AGRIKIVU furnished these three actors with 35 saws and 125 pruning shears. The saws sell for $5 and the pruning shears for $6. The full equipment package (one saw and one set of pruning shears) was sold to shops for $11.

Unfortunately, by the end of FY19 only five saws and five pruning shears had been purchased by farmers. Low demand was due in part to farmers' expectations of donations from humanitarian organizations. This practice of distributing subsidized tools and agricultural inputs does not promote the development of an entrepreneurial spirit or encourage smallholders to perceive farming as a business enterprise. The number of agricultural tools made available at each sales point and the number of tools purchased is described in Table 4 below.

Table 4: Number of tools received and sold per sales point

Sites	Ago dealer (name)	Input shop or store (name)	Number of tools received		Number of tools sold	
			Saw	Pruning Shears	Saw	Pruning Shears
Kavumu/Katana territory	AGRIKIVU	Agricultural Input Shop of Kavumu	5	30	1	1
Ihusi/Kalehe territory	AGRIKIVU	UCOAK/S	20	45	2	3
Mukwija/Kalehe territory	AGRIKIVU	CWS Bosco	10	50	2	1
Total			***35***	***125***	***5***	***5***

B. *Linkages to facilitate access to quality seed*

In FY19, the SVC team facilitated farmers' access to quality seed by developing business relationships between large land owners including GAP/K and FODRR and Harvest Plus, an improved seed supplier. These large landowners will act as market intermediaries and aggregate beans produced by sharecroppers and will receive 1.5 kgs of cleaned beans for every kg of seed distributed to sharecroppers as reimbursement for the initial investment made purchasing seed from Harvest Plus.

C. *Increasing farmers' access to seeds using sharecropper agreements with large land owners – GAP/K in Walungu territory*

Over the past year, the SVC team collaborated with the owner of the GAP/K concession to negotiate land use contracts with sharecroppers on three plantations in Walungu Territory. As

part of these agreements, innovative concessionaires agreed to provide sharecroppers with agricultural inputs on credit, and the concessionaire's agronomist provided technical oversight to sharecroppers and extension assistance including best agronomic practices. Under the terms and conditions of their agreement, GAP/K distributed 691 kg of bio fortified bean seed and 288 kg of bio fortified maize seed to 228 sharecroppers in three concessions (Kakono, Cishi, and Bitese). In addition, seed was furnished to one of GAP/K's neighboring concessions in Kaziba village. Bean and maize varieties were provided by Harvest Plus. The quantities of seeds and number of beneficiaries reached are presented in Table 5 below.

Table 5: Quantities of seed distributed by GAP/K to farmers

Location	Bean			Maize		
	Variety	Number of beneficiaries	Quantity (Kg)	Variety	Number of beneficiaries	Quantity (Kg)
Kakono concession	RWR 2245	9	36		0	0
Cishi concession	RWR 2246	16	31	SAMVITA	5	5
Bitese concession	RWR 2247	163	450	SAMVITA	26	43
Kaziba		0	0	SAMVITA	1	50
GAP concession	CODMLB059	2	160	SAMVITA	2	65
	Guarantino	2	15	ZM	2	125
TOTAL		**192**	**691**		**37**	**288**

D. Access to improved seeds with Harvest Plus and CLD Birava, by the FODDR Concession

In August 2018, as a result of an SVC-organized B2B meeting, a large landowner, FODDR (*Fondation Djuma Dominique Rwesi*), obtained bio fortified bean and maize seed from Harvest Plus. In FY19, the project connected FODDR with CLD Birava to source soybean seed—a process which began during B2B sessions in Q2 and Q3 FY19. Seed was finally procured in September for $1/kg.

During Season 2018 A, FODDR produced maize, bean and soybean seeds. This year at the onset of cropping Season A 2019, FODDR provided 2,000 households (sharecroppers and neighboring household farmers) with 4,500 kg of biofortified bean seed, 200 kg of biofortified maize seed, and 500 kg of soybean seed. Smallholder farmers will reimburse seed received from FODDR based on the agreed terms of the contract between the two parties. The bean seed distributed will cover 75 hectares (ha); soybean seed will cover 8.3 ha, and maize seed will cover 8 ha, for a total of 91 ha under improved agricultural practices.

E. Access to seeds for multiplication - linking four actors: CLD Birava, PAV, UCOAKA and Ets Bishweka with Harvest Plus

The project facilitated the delivery of 340 kg of bio fortified bean and 200 kg of bio fortified maize seeds to four of its partners (CLD Birava, PAV, UCOAKA, and Ets Bishweka) to renew seed quality due to the degeneration of local seed stocks. Each of these partners produced seed

in the past, and the harvest of regenerated seed, after reimbursement to Harvest Plus, will be available for sale to smallholder farmer members (CLD, PAV, and UCOAKA) or to sharecroppers (Bishweka). Partners will reimburse Harvest Plus 1.5 kg of cleaned seed for each kg of seed received.

5. Develop business-oriented cooperatives and producer/farmer associations

A. Analysis of the capacity of farmers cooperatives and associations (selection of model actors)

At the end of FY19, an annual reassessment of active partner POs was carried out using the Producer Organization Strengthening Assessment (POSA) tool. Of the 47 organizations assessed, 15 had signed an agreement with SVC (four in Kabare, four in Kalehe, three in Walungu, and four coffee cooperatives), while 30 associations/cooperatives (16 in Kalehe and 14 in Kabare) and two concessionaires in Walungu have not yet signed formal agreements. Of the 15 partner organizations with signed agreements, four operate on a long-term sustainable basis. They achieved scores exceeding 61%, which automatically gives them a "level 4" in terms of structural support. The four high achieving partner organizations include AMKA, BUZIGIRE, CLD BIRAVA, and RHUGWASANE/TULUNGANE. Details are included in Table 6.

Table 6: Organizations operating on a sustainable basis high POSA scores

Organization Name	POSA Performance Score in FY19 (>61%)	Territory	President /Manager (Gender)	Type	Number of Members	Services Provided to Members
AMKA	*65*	*Kalehe*	*M*	*Coffee cooperative*	*1522*	** Facilitate coffee sales* ** Coffee traceability system, market facilitation, support cooperative agronomists*
BUZIGIRE	*68.5*	*Kabare*	*F*	*Cooperative*	*450*	*Agricultural products (bean, coffee and soybeans) Grouped sales*
CLD BIRAVA	*68.5*	*Kabare*	*M*	*Association*	*450*	*Agriculture (bean and soybean)*
RHUGWASANE /TULUNGANE	*63*	*Kabare*	*M*	*Cooperative*	*60*	*Horticultural production*

B. Organizations with improved POSA scores

During FY19, 26 organizations supported by SVC improved their performance. The POSA tool was designed to guide POs in periodic self-assessments to measure their progress towards sustainability, and to identify and prioritize gaps that need to be addressed.

Table 7: Performance[i][1] of partner POs with improved performance scores between FY18 and FY19

Rank	Territory	Organization Name	Performance FY18	Performance FY19	Positive Variance
1	Kalehe	OMPERE OKUHYANI (COOPELU)	29.81	80	50.19
2	Kalehe	ASSOCIATION JEUNESSE RHUJEMBERE	18.12	65	46.88
3	Kalehe	CINAMULA /MISHEBERE	27.1	60.5	33.4
4	Kabare	IA ZUKI KABARE	33.5	66	32.5
5	Kalehe	COOPAGRICO (Coopérative Agricole de Cofi)	56.42	86.5	30.08
6	Kalehe	Coopérative des Fermiers de Kalehe (COOFEKA)	31.84	60.2	28.36
7	Kabare	Association des meuniers	31.1	57.5	26.4
8	Kabare	ADEK (Association pour le Développement de Kahongo)	39.68	65.7	26.02
9	Walungu	IA NKENGERO	63	88.5	25.5
10	Kalehe	COOPERATIVE AGRICOLE POUR LE DEVELOPPEMENT INTEGRAL (COOPADI)	60.04	82.2	22.16
11	Kabare	COOPAKAB (Coopérative Agricole de Kabamba)	42.18	64.2	22.02
12	Kabare	AMB (Association Maman Bulangalire) Bushumba	40.29	62	21.71
13	Kabare	COOPTRAT (Coopérative de transformation)	44.38	65.5	21.13
14	Kalehe	COOPATU (Coopérative Agricole TUENDE MBELE)	31	50.5	19.5
15	Kabare	CLD (Comité Locale pour le développement) BIRAVA	50	68.5	18.5
16	Kabare	APEDI (Action Paysanne pour l'Education et le Développement Intégrale)	45.95	61.7	15.75
17	Kabare	*La Coopérative des Producteurs du Café de Kabamba* (CPCK)	49.52	64.32	14.8
18	Kabare	ADCPM (Association pour le Développement des Cultivateurs des Produits Maraichers)	41.71	55.5	13.79
19	Kabare	ENFUKA ECHIZA	32.09	44.5	12.41
20	Kabare	BUZIGIRE	56.28	68.5	12.22
21	Kabare	CODRIMA / BUVINKANE (Comité pour le Développement Rural de Mabingu)	39.53	50.5	10.97
22	Kabare	JUHUDI SOKO	48.44	56.5	8.06
23	Kalehe	COOPAMI (Coopérative agricole Misiyeru)	38.77	46	7.23
24	Kabare	MAJIRANE	51.15	55	3.85
25	Kalehe	UCOAKA	37.18	40	2.82
26	Kalehe	Young Business Group (YBG) BUJUKI	43.32	45	1.68

Fifteen out of nineteen organizations supported by the SVC team in Kabare (79%) improved their performance in FY19. POs in Walungu had the smallest percentage of POs with improved

[1] The tool consists of five areas of sustainability for coffee cooperatives and six areas for POs in the bean and soybean value chains. Each dimension is broken down into sub-dimensions that are divided into specific indicators. Under each dimension, indicators are assigned and weighted according to their contribution to PO sustainability. An overall score is calculated by adding up all the scores obtained by each dimension; the maximum cumulative total score is 100. Last year's POSA evaluations were considered a baseline to measure improvements in PO performance after one year of Project support.

performance (1 of 3; 33.3%). In Kalehe, 10 out of 24 POs (42%) improved their performance during the fiscal year.

In Kabare, performance improvements included increased access to inputs and services, followed by market engagement. The fewest improvements were made in external relations and member fidelity. In Kalehe, performance increased most with regards to access to inputs and services and leadership, and least in market engagement and member fidelity. Only one PO of three evaluated in Walungu improved its performance in FY19. Across the SVC zone, increases in performance were noted in areas of access to inputs and services and leadership, followed by improvements in financial health.

In FY18, representatives of partner associations and cooperatives raised the issue of member ownership and loyalty to the PO as key problems. In FY19, SVC responded with a strategy designed to partially resolve this constraint. Together with the Development Food Security Activity (DFSA) Food Security Project (FSP), SVC staff encouraged POs to undertake and manage activities linked to community fund mobilization (village savings and loan groups) which could be used to provide social assistance or for investment by members in income generating activities. SVC staff also encouraged POs to undertake value added, commercial oriented income generating activities such as commodity aggregation, cleaning and calibration, and grouped marketing of agricultural products.

In FY19, SVC and FSP staff organized targeted, enterprise-specific training for cooperatives and farmers' associations based on POSA results in Kalehe. 30 members of six partner POs attended, including eight women. Training focused on the rights, roles, and responsibilities of cooperative boards and PO members, bookkeeping and financial management, strategic planning, the provision of services of interest to members, membership loyalty and PO resource mobilization and investment. This training was replicated in Walungu with four PO partners and representatives of two large landowners. 38 participants attended from POs, including four women. Large landowners sent six participants, including one woman. Training included six of the 10 POs in Kalehe who were able to improve their POSA scores this year. In Walungu, the sole PO with an improved POSA score this year participated in this training program.

6. Improved post-harvest practices and decreased post-harvest losses

A. Training in post-harvest and storage techniques

An integrated post-harvest handling (PHH) and storage training session was held in Q2 FY19, which included modules on environmental monitoring and the safe use of agrochemicals (EMMP/SUAP), contract farming and market linkages. Participants included actors jointly assisted by SVC and FSP, and SVC partners in targeted nutrition-sensitive value chains. 90 participants, including 32 women (35.6%) were trained. Among these 90 actors, 20 (15 men and five women) are members of 10 POs supported by the FSP/Mercy Corps (MC) project in Kabare territory; 29 (18 men and 11 women) are members of 14 POs accompanied by the FSP/World Vision (WV) project in Kalehe territory, and 41 other trainees (25 men and 16 women) are members of non-DFSA, SVC partner organizations (Table 8).

Table 8: Number of people trained in PHH and storage techniques, EMMP/SUAP, contract farming and market links.

Territories	IPs	Number of POs Trained	Number and Sex of Participants		
			Males	Females	Total
Kabare	MC	10	15	5	20
	SVC	5	9	13	22
Kalehe Ihusi	WV	14	18	11	29
Kalehe Minova	SVC	17	25	16	41
Total		**46**	**59**	**32**	**90**

The application of concepts learned enabled actors involved in PHH to improve the quality of soybean and bean stored, and to sell stored products at prices higher than, or competitive with, market prices. 329.4 MT of beans and soybeans were conditioned and sold by SVC clients, including 195.3 MT of beans and 134.4 MT of soybean. The SVC targeted 1,508.26 MT of beans and 113.97 MT of soybeans for conditioning and sale. Thus, the SVC project reached 12.9% of its target for beans, and 118% of the target for soy.

There are several reasons for this. First, South Kivu suffers from a deficit of beans, meaning demand is high in local markets even at harvest time. Second, the Season A harvest occurs as people are investing in and preparing for Season B, with supplemental cash needs for inputs and day labor for field preparation. The B season harvest occurs in May/June. Almost all commodities produced are either consumed during the dry season, gifted as contributions to social engagements (weddings, births, and funerals), or sold to pay for school fees. Third, some actors sold some of their products at fire sale prices to reimburse contracted debts. Fourth, local storage facilities are not yet in good condition, and few meet required storage standards. Households, POs, and professional warehouse managers all need to invest in the upgrading of infrastructure and continue progressive adoption of best storage practices. Beans are soft and subject to pest and environmental contamination. If not properly dried, they do not store well. This leads to high levels of losses and leads farmers to dump all but the quantities reserved for short-term home consumption and seed. Fifth, the tertiary road network from farmer's fields to market poles is poor, transport is expensive, and security concerns exist, all of which incentivize quick sales to proximity markets.

Several opportunities exist, including institutional contracting for bean supplies; intermediate aggregation at improved warehousing facilities where drying, grading, and calibration can all occur; and the opening of new market opportunities, especially for soybean. SVC's assistance to the Association of Cross Border Traders (ACT) has resulted in more active, organized, and dynamic marketing opportunities for beans between market poles within the project zone.

B. Warehouse Management

The SVC post-harvest specialist verified warehouse management documents (member register books, receipt books, entry/exit vouchers, delivery vouchers, repayment cards, loan cards, etc.) and legal documents maintained by warehouse actors, such as operating authorizations, legal status, and approved internal regulation documents. Using the results of this verification

process, of the eleven actors (IA ZUKI, IA NKENGERO, CLD BIRAVA, CLD MUSHINGA, UCOAKA IHUSI, UCOAKA MINOVA, COACELWA, DUBR, PAV, AMSA, *Synergie des Organisations Paysannnes dans la Lutte Contre la Faim et la Pauvreté* [SOLFAP]) who signed Memorandums of Understanding (MoUs) with SVC, staff learned that none have all the appropriate tools to legally and correctly manage their warehouses. The few actors who have some of these management tools don't use them properly. This finding led SVC staff to organize a training on entrepreneurial warehouse management in Q4 FY19. Training modules included business orientation and the development and use of warehouse management tools. The training was held in Walungu and Kabare territories. In Walungu, six actors involved in bean and soybean production, storage, and marketing were trained, including IA Nkengero, CLD/Mushinga, DUBR, Concession GAP, Olive warehouse, and CHISHEBEYI plantation. In Kabare, eight actors were trained, including AMSA, CLD/Birava, PAV, COOPANYA, IA ZUKI, CPCK, Bishweka concession, and Kivu Coffee. A total of 27 individuals were trained, 11 of whom (41%) were women.

As for legal documentation, eight out of 11 actors who signed agreements (MoUs) with SVC are now legally registered. All eleven actors are aware of the importance of legal documents. Lack of these documents limits access to services such as bank credit.

C. Diversification of activities and services at the warehouse level: inputs and market linkages

The SVC project intends to facilitate the diversification of income-generating activities at the warehouse level. SVC started this process by facilitating commercial relationships (linkages) between agro-dealers and warehouses. Four agro-dealers (Agri Force, Global Coffee Services, NASECO, and PAV) seized the opportunity during SVC facilitated training sessions to analyze opportunities for warehouses that could serve as sales points for agricultural inputs and tools.

Participants agreed that the diversification of income sources at their warehouses would create both greater client draw and lead to greater sustainability by diversifying revenue streams. Many POs expressed interest in sourcing agricultural inputs and tools, particularly PICS bags. The problem remains the price of these items. For example, a PICS bag sells for US $2.70 per bag. An ordinary bag costs less than one US dollar. Warehouse managers felt that the wholesale price offered by agro-dealers for inventory is too high to permit them to sell the products competitively at retail prices. They are unable to cover their operational costs and net some profit margin.

KAHIFood, an actor involved in soybean processing, contacted agro-dealer Agri Force to purchase 20 PICS bags to store 1.5 MT of soybean which had been processed into flour. Unfortunately, the price ($2.70 per bag) was too high for KAHIFood. The price of agricultural inputs and tools remains a bottleneck in commercial relationships between actors in target value chains.

7. Development of a Model Market Information System (MIS)

SVC co-funded a study with the UN Food Security Cluster in South Kivu on MIS. The study found that previous MIS in South Kivu were set up by projects or funded by international

NGOs. When external funding and support ended, these systems did not continue. Proposed models do not correspond to an adapted and sustainable MIS. SVC worked with the *Conseil Consultatif Provinciale sur l'Agriculture - Conseil Agricole Rural de Gestion* (CCPA-CARG) to revitalize MIS at six markets, including two markets in Kabare (Mudaka and Kavumu), two markets in Kalehe (Ihusi and Minova), and two markets in Walungu (Kamanyola and Mugogo). All six markets are currently managed by local traditional authorities (Mwami). SVC is exploring ways local authorities can support the MIS through tax revenue generated at each of the six markets.

CCPA-CARG have experience coordinating and implementing MIS in SVC target territories. The CCPA-CARG implemented an MIS under the AVSI project funded by the European Union. The CARGs are sufficiently established in each territory (Walungu, Kalehe, and Kabare) and are made up of actors from the public and private sectors. Based on DRC agricultural law, CARGs have the role of facilitating consultation at the decentralized level and disseminating information on markets and other income generating activities to the agricultural sector. The contracting for the MIS will be finalized during Q1 FY20.

8. Increased Market Access by Key Stakeholders in Target Value Chains

In FY19, SVC organized a communications and marketing campaign to promote consumption of soybean and iron-fortified beans. Prior to the campaign, SVC organized five working sessions with the Provincial Health Division (Provincial Ministry of Health), USAID's Integrated Health Project (IHP), SFCG, and the two USAID-funded Food for Peace Projects implemented by MC and WV, to harmonize campaign strategy and the specific topics and messaging needed to promote social behavior change and increase the consumption of soybeans and iron-fortified beans. SVC efforts complimented those of other actors, and messaging drew from priority themes identified by the government through the Scaling Up Nutrition campaign. Participatory theatre and town hall meetings were organized to promote access to and consumption of nutrient-rich foods including soy and iron- fortified beans.

A. Sponsoring a Woman's Day Agricultural Fair

SVC co-funded and co-organized an agricultural trade fair with Centre Olame. The event coincided with 2019 International Women's Day celebrations in March 2019. The impact of the agricultural fair in terms of improved market access for SVC clients and improved networking among value chain actors is outlined in Table 9.

Table 9: Women's Day Agricultural Fair Participants, Partnerships Created and Products Sold

SVC Partners	Partnerships	Products and Services Sold
Centre Olame, *Agence pour la Valorisation des Produits Agricoles* (AVPA), BYA, CLD Birava, Kahi Food, Agriforce, Alpha New, Global Coffee Services	Global Coffee Service committed to deliver coffee labels to Alpha New. Global Coffee Service negotiated to deliver labels and PICS bags to AVPA. CLD Birava negotiated with AVPA for the purchase/sale of soybean.	Kahi Food sold 15 k g of soy-based porridge flour at a price of $3.50 USD/kg. AVPA sold 129 kg of sorted beans at $0.80/kg; 90 kg of unsorted beans at $0.72/kg; and 65 kg of sorted soybeans at USD 1/kg, demonstrating that the market value for sorted beans is roughly $0.08/kg more than the price of unsorted beans (11% more profitable). Alpha New sold 500 g packs of ground coffee at $6/pack, and retailed cups of specialty coffee at $0.30/cup.

B. *Linking producers to profitable markets*

During FY19, SVC facilitated commercial relationships between several actors. Actors involved in soybean processing bought soybean from partner POs. Centre Olame, Kahi Food, and a poultry farm run by Action d'Espoir bought products from POs including CLD Birava, AMSA, and IA Zuki. Centre Olame processes soybean into soybean-based porridge, bread, and soybean cookies. Kahi Food processes soybean into soybean-based flour for porridge. *Action d'Espoir* processes soybean into poultry feed for their egg-laying hens.

A nascent commercial relationship between actors enabled POs including IA Nkengero and IA Zuki to sell beans to H-P Business, a procurement firm serving BANRO's logistical needs at a relatively high price compared to local market prices. Actors involved in soybean and bean marketing and quantities sold and sales prices are described in Table 10.

Table 10: Actors involved in soy and bean commercial relationships, quantities sold and sales prices

Actors involved in commercial link		Product sold (kg)			Sales Price (USD/kg)	Value of Sale (USD)
POs	*Buyers (names)*	*Soybean*	*Bean*	*Soybean flour*		
CLD Birava	CYED	3,000			$1	$3,000
	Centre Olame			6,000	$0.8	$4,800
	Bishweka	200			$1	$200
	PAV	50			$1	$50
	DUBR	100			$1	$100
	FODDR	500			$1	$500
AMSA	Action d'Espoir	10,000			$0.75	$7,500
IA Nkengero	H&P business		1,000.00		$0.8	$800
IA Zuki	H&P Business		3,000.00		$0.9	$2,700
Total		**13,350 Kg**	**4,000 Kg**	**6,000 Kg**		**$19,650**

9. The concessionaire model for inclusive, innovative, and profitable agribusiness development

A. Support formal contracts between concessionaires and sharecroppers

After awareness sessions conducted in FY 2018 with concessionaires (large landowners) and sharecroppers:

- **GAP/K** signed formal contracts with 747 sharecroppers on three concessions. Additional contracts are expected to be signed with more sharecroppers in FY 2020. The advantages of formal contracts between concessionaires and sharecroppers include:
  - Access to land based on a written contract;
  - Access to agricultural inputs on credit; and
  - Technical and marketing assistance to sharecroppers.
- SVC conducted awareness campaigns in collaboration with the *Fédération des Entreprises du Congo* (FEC) on "the concessionaire approach" in Kabare, Kalehe, and Walungu territories. 360 participants, including 12 landowners and 348 sharecroppers, participated in these awareness campaigns.

B. Feasibility study for a bean processing factory

A feasibility study for the construction of a pre-cooked bean processing plant for Ets Bishweka was contracted by SVC with an international consultant as part of the terms of an MoU with Bishweka. The study noted that the plant will require between 2,000 and 2,500 MT of beans and 500 MT/year of fruit as raw materials. Estimates show that current bean and vegetable production in North and South Kivu is sufficient to provide required raw materials.

2.1.3 KEY OUTCOMES

- 334 individuals from producer' organizations, agrodealers, traders, and service providers received training on soybean and bean PHH practices. In addition, individuals in government (60), civil society organizations (62), household members (56), and laborers (four) participated in SBCC campaigns during public forums organized in Walungu, Kalehe, and Kabare territories.
- 126 organizations received United States Government (USG) assistance related to food security during FY 2019. The 126 organizations included: 15 for-profit private enterprises, 96 POs, and 10 community-based organizations.
- During FY19, 329.4 MTs of targeted crops were treated or stored at aggregation centers, including 195.3 MT of beans and 134.1 MT of soybeans.
- Out of 47 partner organizations evaluated by SVC, 26 (55.3%) demonstrated improved organizational performance.
- 289 women (192 in Kabare territory, 67 in Kalehe, and 30 in Walungu) were elected to leadership positions, and 119 women (43 in Kalehe, 61 in Kabare, and 15 in Walungu) hold key positions (see Section 2.5.1: Gender, Youth, and Social Inclusion for more details).

2.2 COMPONENT 2: ENHANCE COFFEE PRODUCTION

2.2.1 OVERVIEW

Photo Caption: Farmer Trainer Christelle Rukeba training coffee farmers in Mweha-Makengere, Kalehe

SVC's coffee program focuses on the development of the high-altitude heirloom Arabica specialty coffee sector in South Kivu. The project focuses on the entire specialty coffee value chain in Kabare and Kalehe (where ecological conditions are the most conducive to specialty coffee production), with an emphasis on improving specialty coffee production, productivity, and quality. In FY19, farmer trainings for Cohort 1 (started in July 2018) entered their second year, and Cohort 2 (started in July 2019) farmers received three monthly trainings last quarter. Farmer attendance and participation in trainings and early adoption of some practices indicates that participation in the Coffee Farm College program is beginning to bear fruit. In addition to the Coffee Farm College training program, SVC business advisors assist coffee stakeholders to increase coffee processing efficiency and transparency, while improving the intrinsic quality of coffees being produced and processed using new techniques and technologies. The team is also expanding market linkages between specialty coffee buyers and South Kivu producers and processors through events such as the African Fine Coffee Association (AFCA) Conference and exhibition, the Specialty Coffee Association (SCA) exposition, and *Saveur du Kivu*.

The SVC team also works with local partners including UCB and INERA to identify new, climate smart and disease resistant coffee varieties and more profitable coffee cropping systems. In FY19, 15 On-Farm Technology Trials (OFTTs) and three Multi-Location Agronomic Trials (MLATs) were installed. Data was collected throughout the year and is analyzed in this report. The second round of OFTT and MLAT plots are being prepared for installation in early FY2020.

Local cuppers were trained to become members of the national jury for *Saveur du Kivu* (an internationally sponsored specialty coffee event). Transparency and traceability within the sample collection process for the event was greatly improved this year, using a new system introduced by the project. Laboratory preparation and sample roasting was notably better in FY19 than in FY18, due to the procurement of a PROBAT roaster by the project, which was sold at a discounted rate by an international private sector partner. Most importantly, buyers noticed this year's exceptional cupping scores and organized coffee purchases during and after the event.

2.2.2 KEY ACCOMPLISHMENTS

Increasing coffee production (agronomy)

A. 2018 Cohort Farm College

In FY19, SVC continued to support 4,813 farmers out of the 5,243 FY 2018 Cohort of Coffee Farm College trainees in Kabare Territory (92%). Between October 2018 and August 2019, 13 training sessions were held on 12 topics (Text Box 1). In FY19, some modules were repeated based on farmer feedback and early best practice adoption. Analysis of training attendance is provided in Table 11 and Figure 2.

Text Box 1. 2018 Cohort Training

1. Rejuvenation & Pruning
2. Soil Erosion Control & Sucker Selection
3. Integrated Pest Management
4. Coffee Weeding and Intercropping
5. Record Keeping
6. Coffee Harvesting
7. Nutrition & Composting
8. Mulching
9. Coffee Planting: Hole Preparation and Back filling
10. Sustainability Standards
11. Coffee planting, land preparation and back filling
12. Shade management and coffee planting

Farmer attendance Cohort 2018

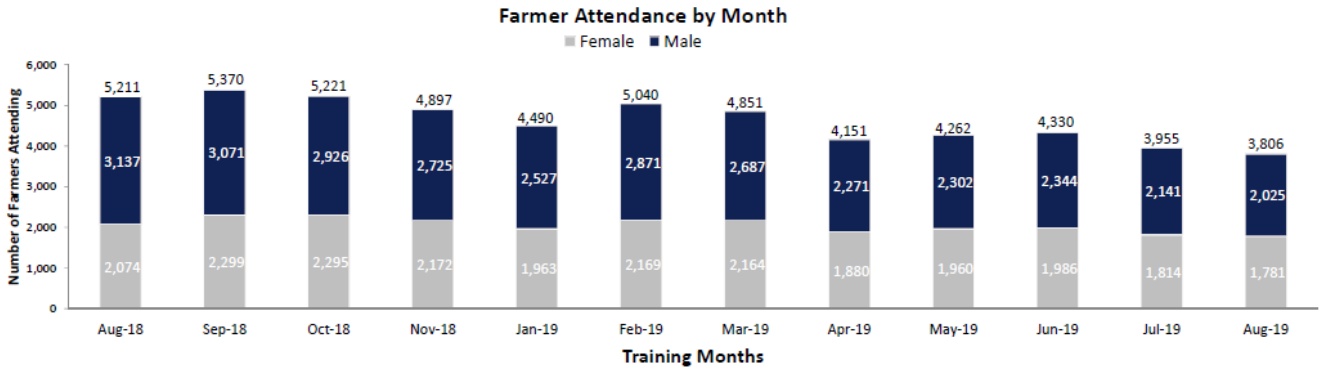
There was a slight drop in farmer attendance in January 2019, attributable to the extended December training break, causing farmers to neglect planned training dates in January, as well as post-election insecurity. In February and March, attendance levels recovered and were similar to the first few months of training. Decreased attendance in April, May, and June 2019 may be attributed to farmers' coffee harvest—these are peak coffee harvesting months. In addition, management issues with one of the main cooperatives led to distrust and dissatisfaction among farmers, driving an additional drop in attendance in July and August 2019. Increased outreach continues to improve attendance.

Table 11: Cohort 1 farmer attendances from August 2018 to August 2019

Farmer Attendance - August 2018 to August 2019

Groupement	Number of Focal Farmer Groups	Registered Farmers	Registered Households	Farmers attending ≥50% of the topics	Women attending ≥ 50% (n)	Women attending ≥50% (%)	HHs attending ≥50% of Topics
Bugorhe	22	938	737	484	202	42%	436
Bushumba	25	1,148	886	523	211	40%	426
Irambi Katana	60	2,647	1,950	1,253	556	44%	1,084
Ishungu	31	1,542	1,082	969	536	55%	766
Lugendo	40	1,548	1,268	537	201	37%	520
Luhihi	37	1,805	1,175	737	291	39%	553
Miti	14	308	263	161	69	43%	134
Mudaka	7	399	334	149	48	32%	145
TOTAL	236	10,335	7,695	4,813	2,114	42%	4,064

Figure 2. 2018 Cohort Farmer Attendance by Month (male/female)



<u>2018 Soil and Leaf Survey</u>

During Q1 2019, a Kenyan company, Crop Nutrition Services, conducted a soil and leaf survey in the 2018 Cohort program areas with the objective of providing area specific nutritional recommendations to maximize soil health. 191 topsoil (0–25cm) samples, 42 subsoil (25–50cm) samples, and 97 leaf samples were collected from a total of 191 coffee farms in the Kabare Territory across eight groupements on the eastern border of DRC. The samples were analyzed, and the results have been very encouraging. The soils are fertile and well-suited for coffee production. Such results suggest that improving low yield to ultimately increase incomes, farmers need to improve their productivity through the adoption of improved agronomic practices like pruning, mulching, weeding, and strategic intercropping.

Topsoil analysis showed:

1. Low levels of phosphorous in five of eight groupements.
2. Low sulphur and very low boron levels in all groupements.
3. Slightly high levels of magnesium in all groupements.
4. Acceptable levels of zinc, copper, and other micronutrients (iron and manganese).
5. Soils have good cation exchange capacity, with good nutrient holding capacity.

Leaf analysis showed:

1. Zinc and boron levels indicate both micronutrients should be included in the fertilization program.
2. Nitrogen, phosphorus, and potassium levels in leaves indicate that there are no deficiencies of these nutrients.

<u>Soil Correction Program</u>

The soil fertility program is designed to increase soil phosphorous levels, improve pH, and balance calcium and magnesium levels. Lime is not required in any of the Kabare groupements because pH levels were close to optimal. Two soil fertility recommendation programs for organic and inorganic soil amendments are outlined below.

Organic program:

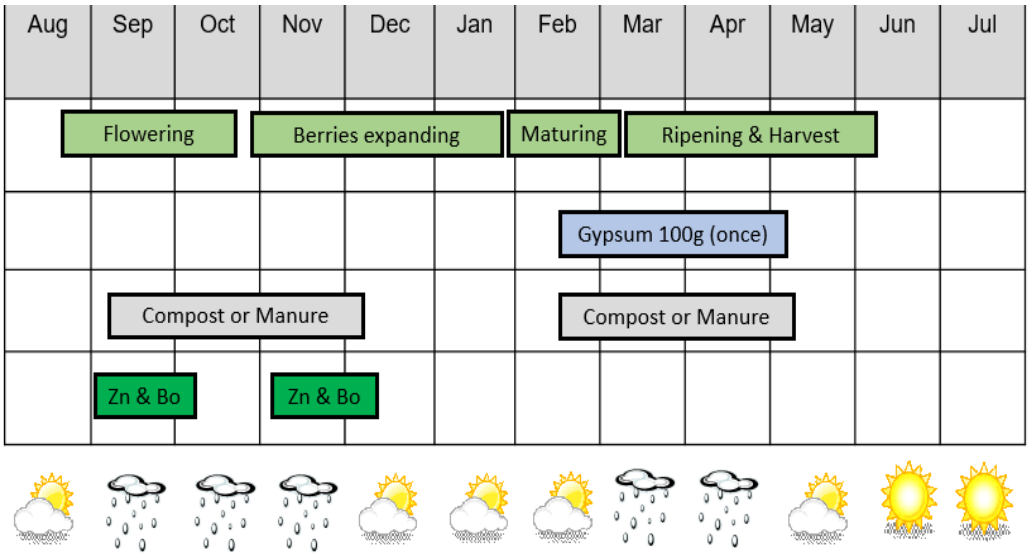
1. Gypsum (30% CaO and 13% Sulphur) is required at 100g/tree to increase sulphur levels and supply calcium to the soil.
2. Manure is recommended in most groupements (5/8) to increase soil phosphorous levels.

Inorganic program:

1. Diammonium Phosphate (DAP) is required to increase soil phosphorous levels.
2. Gypsum (30% CaO and 13% Sulphur) is required at 100g/tree to increase sulphur levels and supply calcium to the soil.

Soil amendments should be applied in a one-off, single application which will remain valid until the next soil analysis.

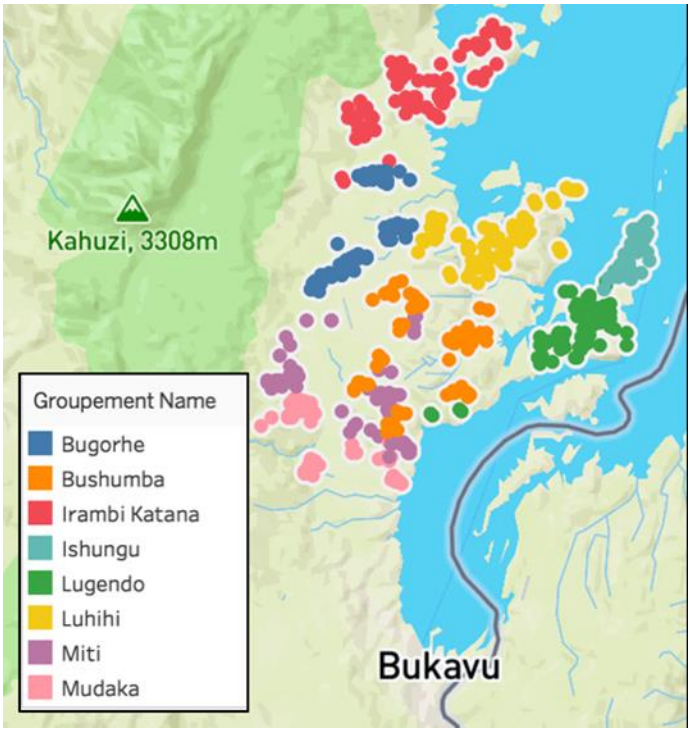
Figure 3. SVC DRC Organic Fertilizer Program



Best Practice Baseline Survey Results – 2018 Cohort I

In October 2018, 600 farmers were surveyed to provide baseline adoption rates for coffee agronomy practices. Households sampled were randomly drawn from participants registered for the Coffee Farm College agronomy training program. Farmers were assessed on nine agronomy best practices: rejuvenation, pruning, mulching, coffee nutrition, weeding, shade erosion control, integrated pest and disease management, and record keeping. In addition, household, financial and vulnerability profiles were developed.

Figure 4: Map of surveyed households, colored by groupement



On average, each coffee household has eight members. Self-reported land size is 1.4 acres, with the farmer owning 133 coffee trees in a single field. The average household owns two chickens and one goat, is not a member of a cooperative (24% are members), and is mostly dependent on cassava and maize for income. They do not have savings. Almost all (95%) households report facing serious financial shocks in the last year, with serious health problems or death (62%) being the most common source of shocks. 91% of households reported food shortages at least some months of the year. In addition, households have low dietary diversity, consuming an average of five out of 12 food groups per day, as measured using the Household Dietary Diversity Score. All households (99%) are considered multi-dimensionally poor (i.e. with respect to education, health, and living standards), compared to 75% of households nation-wide.

Baseline adoption of agronomy best practices varied widely. The percentage of households adopting record keeping and mulching was less than 10%, while shade (37%) and weeding (41%) were adopted by more than a third of the households (Figure 5).

Most households either adopted one (32%) or two (21%) agronomy best practices. Only 29% of households had adopted three or more best practices, and only 5% of households had adopted at least half (five or more). Overall, there is a high potential to improve coffee management techniques and increase coffee yields (Figure 6).

Number of Best Practices Adopted per Household

A comparison of the characteristics of households who adopted three or more best practices (High Adopters) to households who implemented zero, one, or two best practices (Low Adopters), reveals that the two groups have some different average household profiles.

Differences are statistically significant for the number of coffee trees and dependency on coffee. Farmers with more coffee trees and a higher dependency on coffee for their income are more likely to adopt three or more best practices related to coffee agronomy.

Figure 5. Agronomy Best Practice Adoption at Baseline

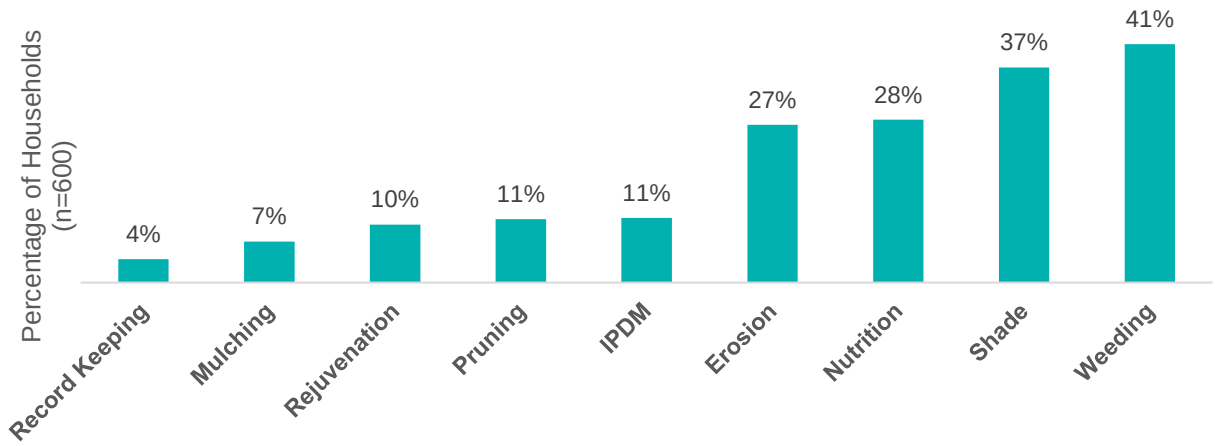
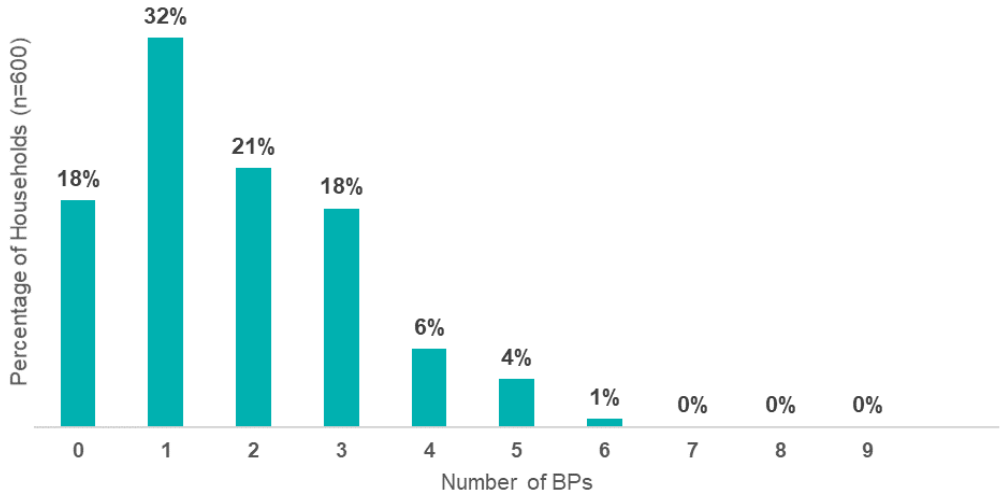


Figure 6. Number of Best Practice Adopted per Household



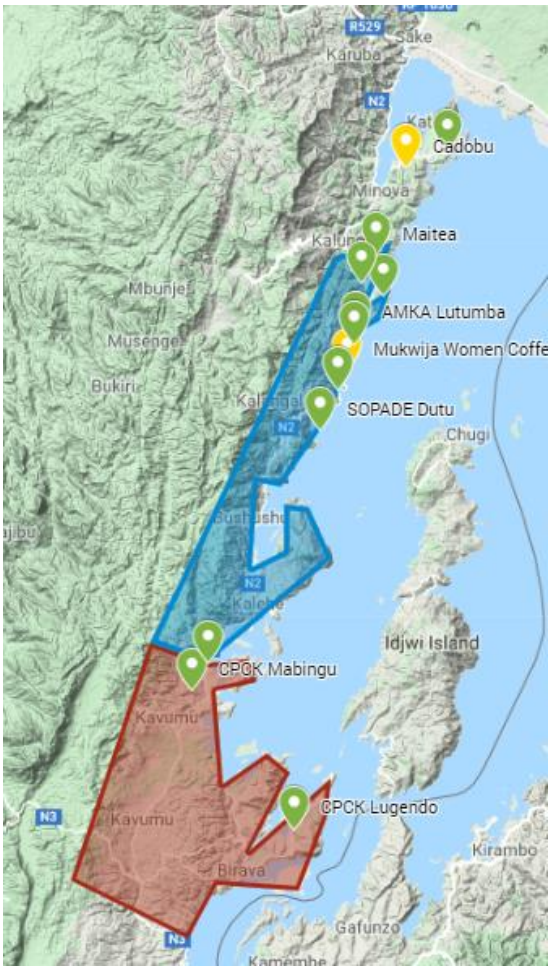
B. <u>2019 Cohort Farm College</u>

To identify areas to include in the FY19 Coffee Farm College Cohort 2, mapping exercises were conducted in Southern Kalehe at the village and sub-village level. The total number of coffee farmers identified was 6,893, which served as the basis for SVC staff to begin mobilization and sensitization efforts in all nine coffee-growing groupements, targeting 5,000 farmers for FY19 (Cohort 2).

After the mapping exercises were completed, the agronomy team held a series of sensitization meetings in nine villages and 134 sub-villages in South Kalehe, as well as consultations with local administration staff (groupement, village, sub-village), and with existing coffee cooperatives.

After receiving buy-in from local authorities, the SVC team held sub-village-level meetings with farmers from all concerned communities to explain the goals and methodology of the Coffee Farm College agronomy training program. In total, 332 training groups—known as Focal Farmer Groups—were formed (exceeding the target of 225 groups), and 9,858 households were registered—a 41% increase over the first Cohort's household registration numbers, signaling strong interest from farmers to join the agronomy training program.

Figure 7: Area in red is the 2018 Cohort area and the area in blue is the 2019 Cohort area.



The Agronomy Team piloted a new approach to recruit FY19 Farmer Trainers, which incorporated learnings from the first cohort. The new approach included a longer pre-advertisement period during which time all local leaders, *Office National des Produits Agricoles au Congo* (ONAPAC), and cooperatives where sensitized and discussions held to take onboard different perspectives surrounding recruitment. The interviews themselves integrated local chiefs and civil society representatives as observers to the interview process. SVC communications and conflict resolution advisors were also present. In addition to the standard interview process, potential Farmer Trainers performed a mock training on the spot to better test and evaluate their communication skills.

To build capacity, ensure uniformity of messaging, and reinforce advisory between the government and the SVC project, the Regional Agronomy Advisor delivered a five-day agronomy best practices course to 50 potential Farmer Trainer candidates and to eight local agronomists. Topics on integrated pest and disease management, tree nutrition, harvesting, weed control and intercropping, mulching, pruning, rejuvenation, composting, shade management, erosion control, and safe use of pesticides were addressed, among other climate-smart agronomy practices.

In June 2019, the SVC team delivered a three-day adult learning methods course to the candidates, which included teach-backs to assess the teaching capabilities of Farmer Trainer candidates. On the final day of training, Farmer Trainer candidates delivered a brief training to farmers and were observed and evaluated by farmers and SVC staff. The best 28 of 50

candidates were offered contracts as Farmer Trainers. These new Farmer Trainers developed coffee training demo plots and conducted initial training on coffee pruning and rejuvenation. 332 Farmer Groups were formed by end June, with demonstration sites identified for each group as practical farmer training venues.

FY2019 Cohort 2 Coffee Farm College

Training for the new FY19 Cohort (Cohort 2) began in July 2019. Based on experience from Cohort 2018, topics were reviewed in line with the coffee cropping season. Model training for Farmer Trainers was delivered by the Regional Agronomy Advisor and Senior Agronomy Advisor to Associate Agronomy Advisors and 28 Farmer Trainers. In July, FY19 Cohort 2 opened Coffee Farm College trainings in 332 groups. Each training is delivered by a certified Farmer Trainer and supervised by one of six SVC Associate Agronomy Advisors. Training in July reached 7,771 farmers registered for Cohort 2 and 5,242 farmers from Cohort 1.

Baseline Survey 2019 Cohort 2

A baseline survey to measure the adoption of coffee agronomy best practices was conducted in Kalehe with the 2019 Cohort at the start of the Coffee Farm College program, mid-August to mid-September. A sample of 600 households was selected to represent the 9,968 coffee farming households identified in Kalehe. A stratified sample was drawn from 12 villages including Kasheke, Bubale 1&2, Bushushu, Chibanja, Ishovu- Munanira, Lwamba, Kabulo 1&2, Luzira, Muhongoza, Munanira and Tchofi. For secondary sampling, 450 households distributed in the 12 villages were drawn randomly from primary farmer enrolment lists.

Data collectors received training as part of survey preparations, with 16 data collectors trained for two days by the TechnoServe Regional Agronomy Advisor and participated in field trials before the actual survey was undertaken. Two experienced data collectors were recruited as supervisors and the 10 best performers from the training were selected as data collectors. Data collection lasted four weeks and the results of the second-best practice adoption survey are expected in November/December 2019.

Improving coffee quality

A. 2018 season SVC wet mill clients

Services offered to 2018 Cohort wet mill clients during FY19 included business advisory support on 1) wet mill construction and machine operation; 2) business management and governance; 3) accounting and financial management; 4) coffee processing techniques and quality; 5) access to finance and markets; and 6) enterprise sustainability.

Of six wet mills supported in FY18, only three transitioned to the second year of support in FY19. Of the three wet mills, only one, Kivu Coffee, received technical support to plan for the 2019 coffee season due to security challenges in the area. The wet mill operated only sporadically, and SVC suspended technical support due to security concerns in the area. The situation improved over the year, and Kivu Coffee has requested technical support to prepare for the 2020 coffee season.

Three cooperatives partnering with SVC in the 2018 season, Umoja, Mungaano, and Tumaini had different expectations of the project than the services being offered. All exhibited poor governance and were seeking direct financial support instead of technical assistance. Collaboration was eventually suspended in FY19 but may be reopened in FY20 if cooperative governance improves.

Table 12: Number of SVC supported wet mills and associated washing stations in 2018, by location and ownership type

Name of client	# Washing Stations	Territory	Ownership type
Umoja	1	Kalehe	Cooperative (NEW)
Cadobu	1	Kalehe	Private (NEW)
Mukwija Women Coffee	1	Kalehe	Private (NEW)
Mungaano	3	Kalehe	Cooperative
Tumaini	2	Kabare	Cooperative (NEW)
Kivu Coffee	1	Kabare	Private (NEW)
6	**9**	**4 Kalehe 2 Kabare**	**3 coops, 3 private**

B. 2019 season SVC wet mill clients

During the FY19 coffee growing season, SVC provided business advisory support on 1) wet mill construction and machine operation; 2) business management and governance; 3) accounting and financial management; 4) coffee processing techniques and quality; 5) access to finance and markets; and 6) coffee enterprise sustainability.

With regards to sustainability, three wet mills (run by two cooperatives CPCK and SOPAD) received training and technical advice to implement sustainability standards. By the end of FY19, one station achieved bronze level status. During FY20, SVC will train all 2018 and 2019 clients and all 12 wet mills on sustainability standards to meet bronze and gold levels. Once they attain bronze level status or higher, DRC washing stations will be eligible to attain other certification standards.

After the boom year in 2018, 2019 was a low coffee production year. Most wet mill partners had challenges accessing capital for OPEX financing. Some were unable to comply with requirements to access commercial credit, as they had not been operational for at least one year and did not possess pre-sales contracts from buyers as guarantees for financial institutions. Support from Coffee Service Providers (CSP) in the 2019 season did not materialize. One of the largest 2018 season CSPs (Coffee lac) lost credibility with SVC partners after mishandling sales from the 2018 coffee season, and due to continued high costs for their services.

Wet Mill Construction and Machine Operations

In 2019, four new mini wet mills (0.25 MT – one-ton capacity) received technical support to set up operations and completed wet mill construction in time to begin processing at the start of the coffee season. SVC provided technical assistance and advice on machine operations through an Ethiopian certified machine technician, and the regional distributor of Penagos Eco-pulping machines in Eastern Africa. During Q3, the consultant visited 10 of 12 washing stations to

install, repair, or adjust pulping machines. The consultant also trained each washing station's machine operator on how to maintain and adjust the machine for optimal output.

For most coffee washing stations, this was the first time machine operators took part in or calibrated their coffee pulping machines since they were installed. This support built machine operators' confidence and contributed to quality improvement in 2019. In coffee processing, the coffee pulping machine is a critical quality control point that contributes to quality loss; mechanical damage to coffee beans increases the cost of hand sorting to meet export grades. Required machinery adjustments vary based on coffee bean size, which varies throughout the harvest season and may vary depending on whether a crop year is in a high or low production cycle.

Table 13: Number and location of SVC client wet mills and washing stations in FY19

Name of clients	# of washing stations	Territory	Ownership type
AMKA (Cooperative Agricole Wake Up Coffee Planters)	1	Kalehe	Cooperative
MUKWIJA WOMEN COFFEE (private company owned by Mr. BOSCO]	1	Kalehe	PRIVATE
CPCK	2	Kabare	Cooperative
Laddylas (Private farm owned by Mr. Laddylas)	1	Kalehe	PRIVATE
Lwaboshi (Private Farm owned by Mr. Lwaboshi)	1	Kalehe	PRIVATE
SOPAD (Solidarity for Peace and Development)	1	Kalehe	Cooperative
SOPACDI (Solidarity for the promotion of Integral Coffee Development)	1	Kalehe	Cooperative
CADOBU (Coffee domaine Buhamba)	1	Kalehe	PRIVATE
MAITEA SARL	1	Kalehe	PRIVATE
RUJICAF (Ruhunde Young Coffee Producers)	1	Kalehe	Cooperative
AMANI (Peace Cooperative)	1	Kalehe	Cooperative
11	**12**		**6 Cooperatives, 5 Private**

Governance and Business Management

Governance

Ongoing governance support in Q4 FY19 involved engaging cooperatives to discuss seasonal performance statements, referred to as a "transparency sheet." This happens once coffee sales are completed and will progress into December 2019 when actual final payments to farmers will be received. Through business coaching to cooperative leadership in season, communication improved between cooperative leadership, wet mill staff, and coffee collection centers. Record keeping of cherry coffee purchase with farmer delivery records was better captured this season than last. With an enhanced understanding of how cooperative governance affects overall business profitability, cooperative partners like AMKA and CPCK undertook improvements to increase transparency between cherry collectors and farmers by requiring bookkeeping practices to be fully implemented, as advised by SVC.

In addition to governance coaching, SVC provided business management mentoring by developing business plans with ten clients. Transparency sheets for the end of the 2019 coffee season show a profit-loss calculation for all 11 clients (one client had two wet mills). Comparison of a client's performance with other stations operating in the same economic environment and the analysis of key business metrics remains one of SVC's most powerful governance advisory tools to drive business improvement. The high operating costs exhibited by most wet mills is linked more to lack of oversight by supervisory committees and cooperative board of directors than to technical processing issues. The transparency dashboard prepared and shared with wet mills during the season enabled committed cooperative leaders and business owners to measure their own performance against their peers, serving as a catalyst for improvement.

Business Management and Processed Coffee

End season data for all clients shows equivalent cherry volumes received by individual wet mills. The 2019 coffee production season was a low crop year, and most wet mills received low cherry volumes of fully washed coffee for processing. Delays in receiving working capital by most wet mills receiving loans from Equity Bank left many operating with only cash on hand. Better financed wet mills resorted to buying fully washed coffee from other wet mills. Wet mills operating without pre-financing had a low working capital base, and most resorted to selling their parchment to get working capital for the remainder of season. During the midseason cash crunch, parchment trade between wet mills became the preferred source of refinancing. This led to fire sales of low volume parchment stocks to better financed wet mills to pay back informal working capital loans they received in-season.

The downside to this type of parchment purchase activity is that the procuring operator has no traceability and little quality control on coffee purchased unless they keep the purchased lots separate from their own processed coffee through milling and cupping. Another downside is that the recipient of the in-season loan may be obliged to reimburse the loan received by providing coffee with higher value than what was agreed upon going into the agreement. This was the case with the 2019 *Saveur du Kivu* winner Lwaboshi, who sold his coffee to lien holder SOPACDI for $1.8/kg of green when a specialty buyer was willing to pay $6.5/kg of green. SOPACDI ended up reselling Lawboshi's coffee to the same specialty buyer at a reduced rate of $5.5/kg due to the loss of traceability. A spot-bridging loan for Lwaboshi based on their cupping scores would have enabled the station to pay off their loan and retain ownership of their highly demanded coffee, retaining traceability and maximizing the return on their investment.

Actualized fully washed coffee for export from SVC supported wet mills was eight containers (153.6 MT) from a gross of nine container equivalents, considering the volumes of cherry processed at wet mills and the quantity of fully washed parchment traded by all wet mills. The calculation includes an industry standard milling loss of 35% due to breakage, and hand sorting of rejects.

Figure 8. AMKA Cooperative's transparency sheet

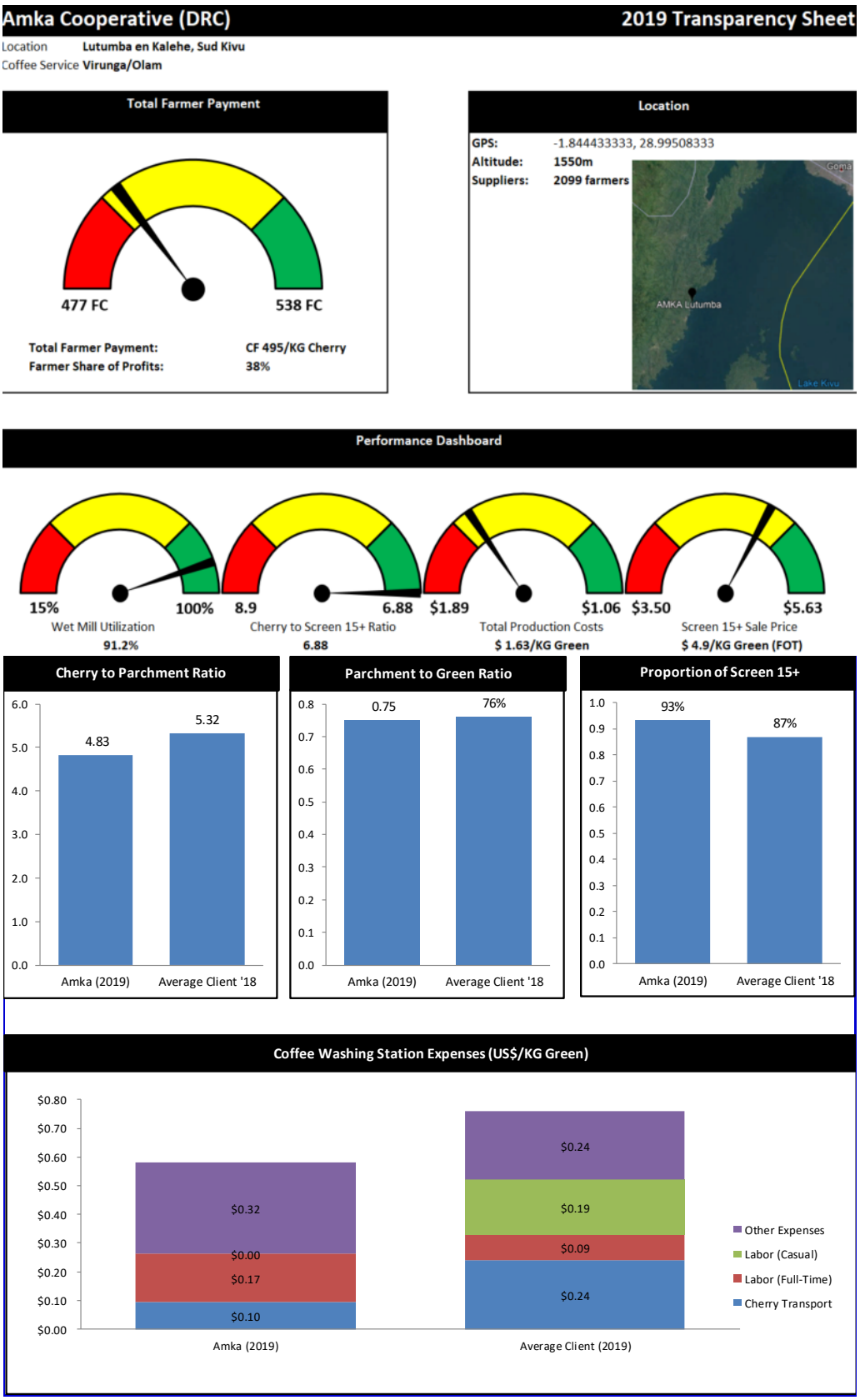


Table 14: Volume of coffee cherry processed at SVC supported wet mills and fully washed parchment produced.

Wet mill	Status	# of SVC supported wet mills	Received	Processed	Conversion Ratio Cherry to Parchment	Other details
			cherries (kg)	Parchment (kgs)		
LADDY	PRIVATE	1	23,126	5,396	4.29	
SOPAD	COOP	1	52,763	11,728	4.50	
MUKWIJA WOMEN COFFEE	PRIVATE	1	11,350	2,491	4.56	
SOPACDI	COOP	1	382,789	79,956	4.79	
AMKA	COOP	1	396,153	82,089	4.83	
AMANI	COOP	1	45,044	9,199	4.90	
LWABOSHI	PRIVATE	1	7,296	1,459	5.00	
RUJICAF	COOP	1	10,380	1,964	5.29	
CPCK	COOP	2	245,558	45,910	5.35	
MAITEA	PRIVATE	1	163,067	25,153	6.48	
CADOBU	PRIVATE	1	3,536	505	7.00	
TOTALS		12	1,341,062	265,850	5.04	
			Average Cherry: Parchment Ratio Mean of all ratios		5.18	Based on cherry and parchment recorded at 12 wet mills
			Exported Green Containers		8.0	Actual green boxes exported at premium
			Gross Green Containers Equivalent		9.0	Considers a gross milling loss of 35% for lower grades/hand sorting/rejects

The average cherry to parchment ratio taken from the ratios of individual coffee washing stations is 5.18 kg of cherry to 1 kg of parchment. The industry average ratio is five to one. This suggests that there remain production inefficiencies particularly at stations like CADOBU (with a ratio of seven), CPCK (5.35), Maitea (6.48), and RUJICAF (5.29). Maitea and RUJICAF are new entrants and the figure for CPCK is an amalgamated figure for two washing stations. Partners with more experience like SOPAD, SOPACDI, and AMKA appear to be operating their washing stations more efficiently.

Accounting

A key focus of advisory support provided to washing stations is operational efficiency. For 2019 partner wet mills, the average cost across all 12 wet mills to process 1kg of green coffee averaged $1.8. Maitea wet mill had the lowest operating cost at $1.58 but the highest overall cost at $4.74 due to trading working capital to buy parchment and an overall low volume of their own coffee processed. Amani Cooperative processed a green coffee equivalent of 7.2 MT green, and gross of 26 MT including parchment purchased from other wet mills. Cooperatives

in South Kivu spend, on average, $1.90[2] to process one kg of green coffee (excluding the cherry price), whereas their counterparts in Rwanda spend less than one-third of this amount.[3]

It is critical for cooperatives to have an accounting system in place and cooperative leadership and management to take time to review their financial performance regularly. High cost expenses common on parchment trade like working capital are not currently properly accounted for. The main cost for wet mill operations includes manpower (labor). Without proper accounting, and without regular review of wet mill expenses by cooperatives/wet mill owners to hold their washing station managers accountable, cost-saving management decisions involving reducing the number of workers on-site based on volumes processed and time of the season, and decisions on wages and salaries paid cannot be made; in such a context, there will be increases in costs of production.

In FY19 the SVC team distributed accounting materials to 10 clients. All 10 clients used the bookkeeping system through the end of season and site collection transactions captured presented financial information on the variable costs of different wet mills. Clients who properly implemented the bookkeeping system received important information at the end of the season which will be instrumental for mastering cost management at wet mills going forward.[4] The accounting materials are linked to a Microsoft Excel-based accounting and reporting system. The Excel documents used by the washing station accountant include a simple dashboard (see Figure 7) to share key statistics with management and potentially with working capital lenders on weekly basis.

[2] Conservative estimate made during the project design scooping missions to DRC in November 2016, data relates to 2016 season from Sopacdi, Women Rebuild Hope, CPCK, KACCO, CCKA, Mungaano, AMKA.

[3] Wet mill clients in Rwanda spend, on average, $0.55 to make one kg of exportable green coffee (2015 TechnoServe client data). Cost data from the region show a similar picture, making the Congolese washing sector inefficient, limiting the value returned to coffee farmers.

[4] Amka, CCPK, LADDY Maitea.

AMKA Dashboard (Figure 9)

The dashboard is a tool developed and used with a book keeping system. Wet mills and working capital providers rely on this dashboard during the coffee season to assess wet mill business performance and finance management on a weekly basis.

Figure 9: AMKA Wet Mill Management Dashboard

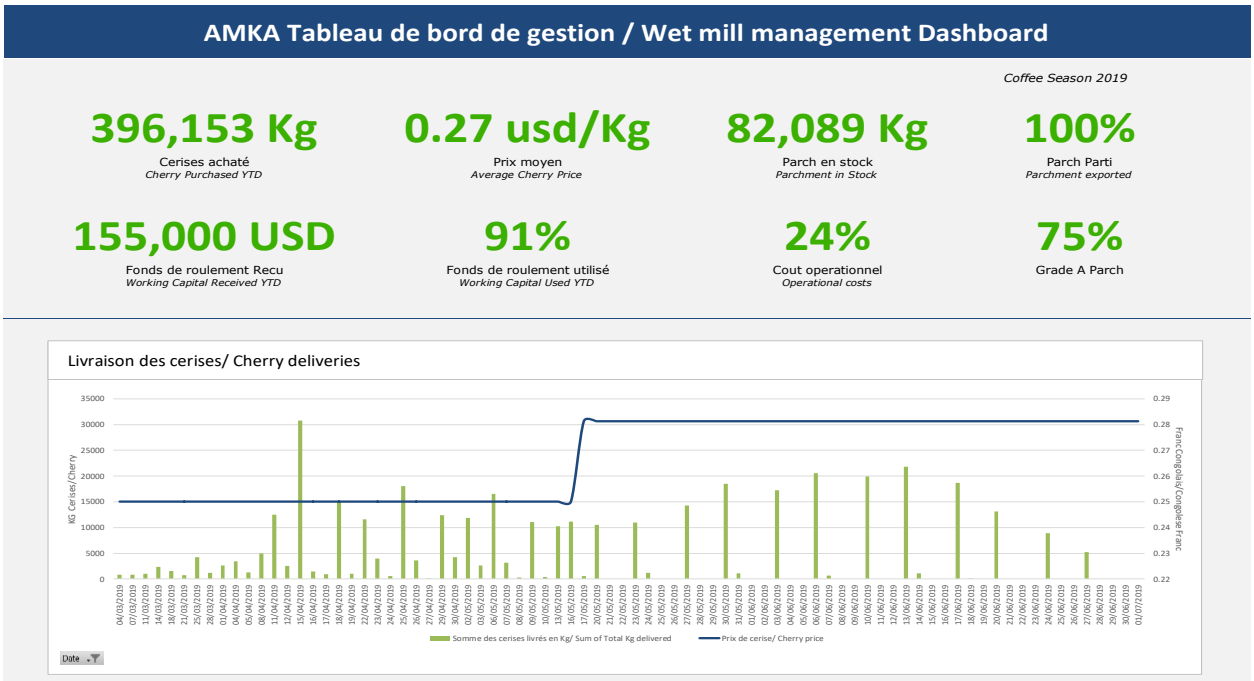
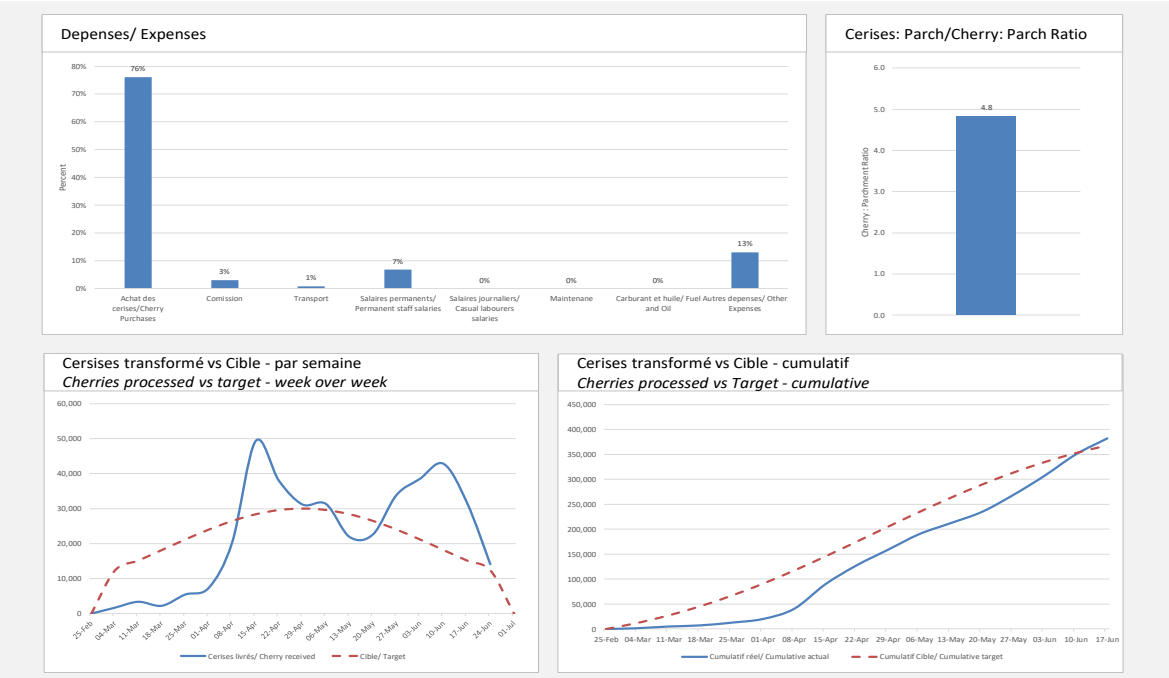


Figure 10: AMKA Cooperative's Dashboard for Expense and coffee volume ratio performance



Access to market

SVC organized a joint Congolese, Ethiopian, and Peruvian coffee cupping session at the SCA Specialty Coffee Conference in Boston in early April. By collaborating with other TechnoServe supported clients from Ethiopia and Peru, the session drew an unexpectedly large crowd of interested roasters and potential buyers. In total, approximately 90 people attended the cupping session. SVC also participated in a "meet the farmer" session with Marcelline, the President of Women Rebuild Hope, at the Atlas Coffee Importers stand at the roasters village to promote Mungaano's coffee.

SVC sent samples from five washing stations in South Kivu to Nespresso at the end of April, which were positively evaluated. Samples were also sent to Long Miles Coffee, Falcon Coffee, and Atlas Coffee Importers. To date, eight containers of fully washed coffee from SVC supported clients have been[5] sold to different buyers. Amka sold a third container to Troipcare at $4.9 USD/kg FOT. Maitea sold a container to Supremo (18 MT) at $5 USD/kg FOT.

Table 15: Summary of coffee sales during FY19 from SVC supported clients

Wet Mill	Buyers	Kgs Green	Price FOT	Value of Sale in USD
Maitea	SUPRIMO/MERCANTA	18,000	$5.00	$90,000
Amka	Tropicore	19,200	$4.90	$94,080
	Malongo	19,200	$4.80	$92,160
	Nespresso	19,200	$5.20	$99,840
Sopacdi	DAARNHOUWER	19,200	$5.50	$105,600
	EQUALEXCHANGE	19,200	$5.50	$105,600
		6,000	$3.00	$18,000
CPCK	STARBUCKS	29,559	$6.06	$179,128
Total		149,559		$784,408
Boxes		8[6]		

Sales of coffee in North Kivu were facilitated following *Saveur du Kivu*, after which time 12 MT of parchment were sold from Kawa Kabuya to Karavan coffee from Lithuania.

Research on coffee

OFTTs

The OFTTs are part of the Global Coffee Monitoring Program supported by WCR. They are farmer managed research plots where the economic impact of known practices is studied among improved varieties.

Figure 11 below illustrates an OFTT in situ. The second figure graphically illustrates the research sample plot at each OFTT. There are three treatments and three varieties studied in each plot. The control treatment is what the farmer usually does, whereas treatments A and B are what the farmer does plus one or two improvements like fertilization, coffee planting density, or intercropping practices.

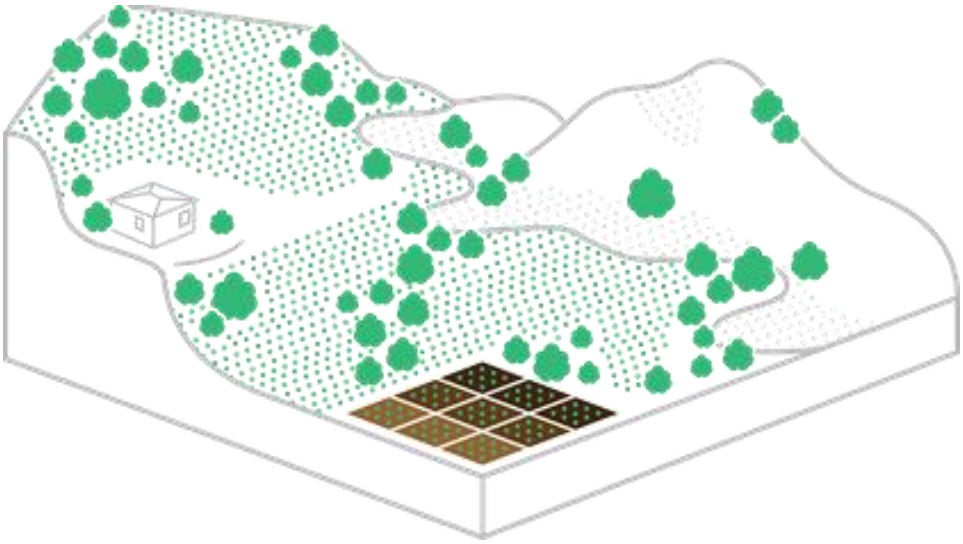
[5] Two containers sold by AMKA to Malongo and Tropicore.

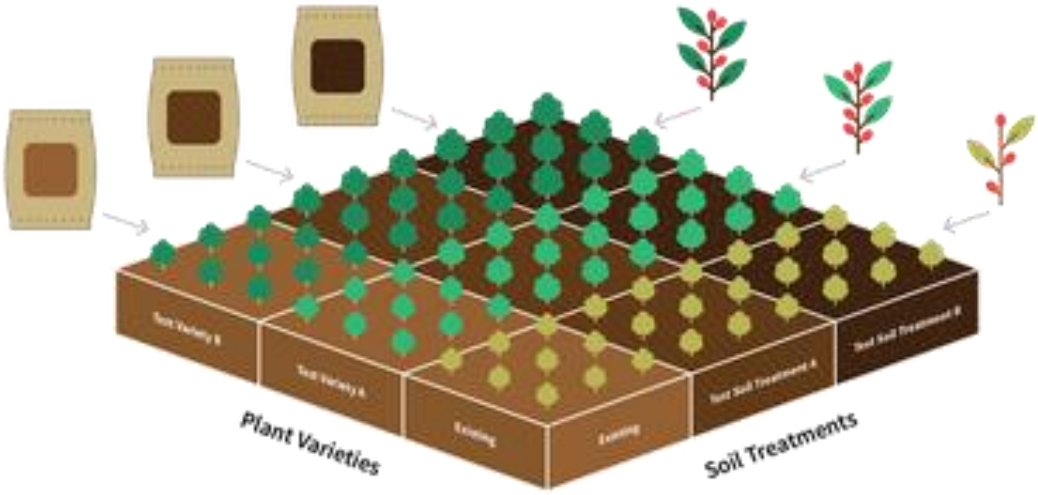
[6] In total, nine containers of specialty coffee exported by SVC supported wet mills clients. The eight containers were directly sold to buyer, and one container was sold in small quantities to several buyers.

OFTTs study the profitability of commonly used coffee practices crossed with improved variety. The profitability is measured by examining the amount of time spent to work on the field in comparison with the outputs such as coffee cherries, beans, bananas, etc.

These studies are different from a demonstration plot, which illustrates the impact of multiple practices; conversely, the OFTT will study the impact of specific practices in terms of cost and benefits. These trials will provide data about which coffee systems are the most profitable depending on farmer types. They will also become a platform of improved varieties. Field visits for the farmers surrounding the plots will be organized to show the results.

Figure 11: OFTT siting and treatment profiles





OFTTs are managed under a subcontract with UCB. Installation starts with the establishment of nurseries in February for out-planting in September (depending on the start of the rainy season). In July, farmers are identified to host the trials, and baseline data is collected. Agronomic practices and socioeconomic information about the farmer assist in determining treatments. Once this step is accomplished, farmers are chosen depending their attitude and their willingness to participate in the research program. Formal agreements are signed, and treatment protocols are accepted. Farmers prepare their fields, marking plots according to the treatment. Once the field is ready, the trial is established. Data is recorded directly by the farmer, including harvest data from intercropped commodities.

Monitoring visits are made frequently by UCB to farmers fields, to compile data and check in with farmers. Once collected, data is transferred to an Excel sheet for analysis. A soil sample is taken in Year 1 and Year 4 to observe changes in soil fertility. Every six months, vegetative growth is measured to understand how varieties evolve in the individual farmer's context.

The preparation of Cohort 1, nurseries occurred in FY2018. The installation of the first OFTT trials occurred in FY19 since the fiscal year calendar and the seasonal calendar do not correlate.

Due to a germination issue with of one batch of the Batian variety, the establishment of some OFTTs was delayed until March 2019. 13 of 15 OFTTs (86.7%) were initiated during the 2019 A agricultural season, with two of the three varieties that should be have been planted; the rest were completed during the 2019 B agricultural season (by the end of March).

The first 15 OFTT were established in Kabare and South Kalehe territories. This region is homogeneous in terms of farmer type and business organization. Most of the OFTTs are located near a road to facilitate access and monitoring with farmers.

Data analysis of OFTT Cohort 1:

Data was collected in FY19 related to site information, the price of tools, vegetative growth of coffee plantlets, soil analysis, intercrop harvest data, and cultural operations undertaken by farmers. There are variations among different treatments in different OFTT. The highest number of total days worked and total cost per was for OFTT number six, because the coffee tree density is 4,444 trees per ha, which is double the normal planting density of 2,000–2,500 trees per ha. This increases planting costs for the farmer.

According to data collected from farmers, most farmer costs are labor costs. Farmers hire daily workers, representing roughly 77% of all cash costs. Fertilization costs are relatively small in comparison (2.5%). Roughly 80% of the total work force is hired labor, and 20% is family labor (the average for all treatments for the first 13 OFTT farmers).

Preparation of OFTT Cohort 2:

The second OFTT Cohort started in January 2019, with the reception of seeds for nursey preparation. Two FY19 OFTTs were planted in the Northern region of Kalehe, around the town of Minova. This region has the greatest density of coffee production in South Kivu. Soils are volcanic, making this region interesting for on farm trails. The other 13 OFTTs will be

installed in the Kabare region where it easier for UCB to supervise data collection. Planting is planned for early October 2019.

WCR will also plant five OFTTs with COOPERA, a Spanish NGO in charge of the rehabilitation center for chimpanzees in Lwiro. They are protecting wildlife by helping communities around the national park. COOPERA has offered agronomic support for farmer identification and follow up data collection. SVC, through UCB, will provide coffee plantlets, and fertilization to install and maintain the trials.

Multi Location Agronomic Trials

MLAT are research station trials that study the profitability of different coffee cropping systems. The management of the MLAT is under a subcontract with INERA. Installation starts with the establishment of nurseries in February, for out-planting in September, depending on the commencement of the rainy season. The process starts in July with the identification of plots where trials will be installed. An agreement is made with the owner of the plot. After this, INERA prepares the field according to the different treatments and records the data. Once the field is prepared, the trial is established. Data is recorded by an INERA technician. All costs are supported by INERA, including labor costs. Once collected, data is transferred to an Excel sheet to be analyzed. A soil sample is taken in Year 1 and Year 4 to observe changes in soil fertility. Every six months, vegetative growth is measured to understand how well varieties grow in a simulated farmer context.

Installation of Cohort 1:

The first two MLATs were installed in October 2019. MLAT 3 was installed in February. MLATs 1 and 3 are installed in Kabare on INERA property. MLAT 2 is established close to Lake Kivu with a private actor.

Preparation of Cohort 2:

The installation of the Cohort 2 MLAT started in FY2019, with the installation of coffee tree nurseries. Two of three trials will be installed in the Minova area with the same protocol from the 2018 MLAT. INERA identified two large land owners in the Minova area ready to accept the MLAT in June 2020. A protocol has been signed between INERA and the land owners. One MLAT will be installed in Kabare, close to INERA with a different protocol. The goal of this trial will be to test different cover crops. Fields are ready for installation which will occur in October 2019.

Cupping training and Saveur du Kivu (SdK) support

Cupping trainings

Two cupping trainings occurred in FY2019 at the ONAPAC laboratory, one in April and one in May. The goal of these trainings was to develop a cohort of local cuppers to serve on the SdK jury and to support DRC's coffee sector. Based on lessons learned in FY18, training was experiential and participatory. Coffee tastes were studied during both sessions, and participants can identify coffee quality based on taste rather than aroma alone. Coffee aromas are a more

difficult aspect of sensory analysis to master. The first training lasted four days, and the second one three days. This training represented an excellent example of cooperation and collaboration between ONAPAC and the SVC project.

SdK support

Recommendations from the SdK 2018 edition were used to inform the organization of the 2019 edition. Recommendations included:

- Sampling improvement. Samples from North Kivu were undertaken by another team, and this team was not trained on sampling techniques to ensure transparency and traceability.
- The sample roaster, a JOPER, was of very poor quality and was negatively affecting coffee sample quality.
- The methodology for selecting the top 30 samples for the international jury was questioned. The signal detection method was unfamiliar and led to misunderstandings, as local cuppers had to make a binary decision whether a sample they were tasting should be classified as "specialty."
- Local cuppers were very inexperienced and required additional training and experience.

These recommendations were considered, and the system and process were improved for the 2019 edition:

- The same team took every sample, and no sample that was not taken by the team was accepted for the competition.
- A new high end PROBAT sample roaster was procured for the event.
- All samples were cupped using industry standard methodology for coffee analysis.
- Cupper training focused much more on practice than theory, and they were more experienced in 2019 than they were in 2018.

Overall, the national jury succeeded at identifying 27 samples from the 93 samples cupped; these 27 samples scored 86 and over and were referred to the international jury.

The international jury included Charles Fleer from La Bohème, Vytautas Kratulis from Huracan Coffee, Charles Denison from Cultivar Coffee, Erik Rukwaya from TWIN, Olivier Gashema from Misozi, Rebeka Luanda from Sopacdi, Ishara Kahindo from Muungano, and Paul Songer as the head judge. Sixteen international jurors expressed interest in coming to the event, but they didn't get invitation letters or visas in time.

Competition results are presented in Table 16. This year, four coffees (highlighted in green below) scored above 90 out of a possible 100, placing them in the "presidential" range.

Table 16: Cupping Scores from 25 samples–SdK 2019

Rank	Station	Score
1	Lwaboshi	92.3
2	COOEPAC Kyavisale	92.1
3	SOPACDI Mbumbi	91.0
4	FODDR	90.3
5	Utwe Virunga Coffee	89.1
6	MUUNGANO Bushiro	89.0
7	KAWA KABUYA Mvramba	88.3
8	SOPADE Dutu	88.1
9	KAWA KABUYA Hutwe	87.6
10	Lwanjovu	87.3
11	KACCO Nyamukbi	86.8
12	SOPACDI Birambo	86.6
13	SOPROCOPIV Hutwe	86.5
14	SOPACDI Kasheke	86.4
15	SOPACDI Btshange	86.3
16	Butale	85.5
17	KAWA KABUYA Kamansi	85.3
18	CPCK Mabingu	85.3
19	Maitea	85.1
20	Amani Hundu	84.9
21	Amani Nyamasasa	84.8
22	CPNCK Lukonde	84.2
23	KACCO Kanenge	83.7
24	CISHEBEYI Cagala	82.2
25	MUUNGANO Butumba	82.0

Sample quality was much better in 2019 than 2018. According to International Cupping Expert Paul Songer, the roaster helped significantly, and overall sample preparation was better this year than last year. In addition, the water activity in samples was lower than last year, possibly due to the fact the harvest was lower, so drying was better managed by coffee washing stations. Two international cuppers wanted to buy coffee after tasting. Participants were provided with coffee scores and information about quantities available for sale. However, there were problems identifying secure services to facilitate exports. This issue will be brought to the attention of coffee sector actors as part of the coffee sector strategy planned for Q1 FY20, in advance of next year's *Saveur du Kivu* and the FY20 coffee harvest.

Overall, this edition of *Saveur du Kivu* saw major improvements to coffee quality, but logistical challenges remain. Only three buyers attended the event, due to difficulties associated with getting a Congolese visa. Sixteen others were unable to procure visas in a timely fashion. This is

a recurrent problem and one which requires a firm commitment from DRC authorities if the specialty coffee sector is going to grow.

2.2.3 KEY OUTCOMES

- 13,033 farmers from Cohort 1 (5,262) and Cohort 2 (7,771) received short-term agriculture training (44% women).
- 519 seasonal jobs were created within SVC project zones at wet mills in Kabare and Kalehe (88% women).
- 3,305 farmers (1,818 men and 1,487 and women; 45% women) applied improved management practices or technologies with USG assistance.
- 1,027 out of 1,250 ha targeted in FY19 are estimated to be under improved management practices as a result of SVC interventions. This estimate is based on the number of farmers who attended at least 50% of SVC trainings and applied three or more technologies to their own coffee plots.

2.3 COMPONENT 3: DEVELOP AND IMPLEMENT PPP

2.3.1. OVERVIEW

High transport costs and formal and informal taxation of agricultural products in DRC constitute serious obstacles to trade and competitiveness. The purpose of SVC's PPP component is to facilitate dialogue between private sector enterprises in targeted value chains and government, to advocate for appropriate reforms and needed changes in policies, laws, and regulations. Expected changes will contribute to the establishment of an improved business climate conducive to investment and promotion of competitiveness in local, regional, and international markets for target commodities. Support to PPP development and implementation is one of SVC's key strategies to increase private sector investment and to improve the enabling environment for agriculture.

The PPP approach is relatively new in DRC. The PPP law was adopted by the national parliament only in 2018. Two PPPs were developed in FY19 with support from SVC. One PPP was negotiated between ONAPAC, the Ministry of Agriculture, the Ministry of the Interior, and cooperatives to implement an early warning system to reduce transport harassment and fraud. The second PPP was established between the Trade Division of the Department of Commerce within the Ministry of Plan and Economy and ACT to raise awareness on new tariff regulations in Walungu, Kabare, and Kalehe.

During FY19, the SVC team facilitated dialogue between stakeholders from the private and public sectors in target value chains and strengthened partner advocacy capacity.

2.3.2. KEY ACCOMPLISHMENTS

1. **Increasing knowledge of trade regulations, taxation and illegal tax reporting**.

SVC facilitated the dissemination of tax information in Kalehe, Walungu, and Kabare, and supported the development of PPP agreements between the Trade Division AC). This agreement focused on continued awareness raising for women selling beans and soybeans, the

role of these women in associations, the fight against harassment and documentation of the flows of beans and soybeans produced locally and those imported, in order to reduce tax pressure and to be competitive in the local and sub-regional market (see Text Box 2).

2. Formal cross-border trade is increased for target value chains.

In support to ACT, a study on the cross-border flows of beans and soybeans was conducted in late March 2019 to develop a more complete, accurate estimate of the quantity of cross-border trade in these commodities, to identify gaps in knowledge, and to formulate proposals to improve product competitiveness from South Kivu.

The project also supported workshops in May/June 2019 and linked women associations of soy and bean retailers operating in local markets in Kabare, Walungu and Kalehe. As a result of these workshops, women's associations operating in local markets in Kamanyola, central Walungu, Mudaka, Kavumu, Katana, and Kalehe/Ihusi decided to share information on the price and availability of beans and soybeans. They also agreed to hold monthly meetings to supply products at an affordable price, and to develop a fixed margin to fight off unfair competition. Finally, they agreed to operate as a network with other women's associations working in the same domain. As a result of this process, market women's associations from Mudaka, Kavumu, Katana, and Kalehe are affiliated with ACT are now in permanent contact, and they have improved the flow of bean and soybean products in their markets.

For example, in July 2019, members of the women's bean seller association of Kalehe supplied Mudaka's women's association with 1.5 MT of product. Mudaka's chapter in turn sent 1 MT to the Kalehe saleswoman's association. In August, the saleswomen association from Katana sent 1 MT of beans to colleagues in Mudaka. Kavumu's chapter of the association sent 1 MT of beans to the women traders of Mudaka. The Mudaka women's association sent 1 MT of beans to ACT/Shaloom KIBONGE. These examples demonstrate some of the dynamics initiated with SVC support, involving women's associations at key economic poles in the target zone.

Grouping transactions, improving the flow of information and developing trusted relationships is improving the flow of products from surplus to deficit areas, and reducing transaction costs, improving product competitiveness.

To reinforce this connection and the link with ACT, SVC staff supported the women's association from Kabare, Walungu, and Kalehe to get legally registered. 152 people participated in these activities, including 131 women (86%) and 21 men.

3. Reducing coffee production and transport prices and increasing incentives for formal trade

In late February 2019, SVC facilitated a workshop with ONAPAC to enhance the business enabling environment in the coffee value chain. This workshop encouraged cooperatives operating in coffee value chain and government to discuss illegal barriers and harassment that cooperatives encounter when delivering coffee for export. Stakeholders decided to create an alert system. The Alert committee includes public and private sector actors in the coffee value

chain. Its objective is to bring awareness to incidents and issues, reduce harassment and illegalities, and to reduce fraud when shipping coffee for export.

In May 2019, the SVC project organized a workshop to raise awareness of procedures to obtain exemptions for agricultural inputs in the coffee value chain. Twenty-seven public and private sector organizations participated, including KCCO, ASALAC, CPCK, IFFCA, *Rassemblement des Agriculteurs et Eleveurs du Territoire de Kabare*, CCPA, Rebuild Women Hope (RWH), AGRIFORCE, GAP for the private sector and representatives of the public sector including ONAPAC, IPAPEL, *Office de Gestion de Fret Multimodal*, the Ministry of Agriculture and the Ministry of Commerce.

4. Building advocacy capacity within cooperatives and member representation

In May 2019, SVC staff organized a capacity building workshop on advocacy techniques for the CARGs from Walungu, Kabare, Kalehe, and the provincial coordination office of CCPA. Twenty-one participants including three women and 18 men participated. As a result of this workshop, participants organized an advocacy workshop lead by the CCPA/CARG, FEC Agricole and concession holders targeting the South Kivu provincial parliament. The purpose of the workshop was to support a provincial decree regulating sharecropping**.** Parliamentarians promised to add this question to the agenda of their next provincial assembly plenary session.

The SVC team also facilitated the development of a coffee and cocoa producers' cooperative network in DRC (*Réseau des Coopératives des Producteurs de Café – Cacao de la RDC*; RCPCA-RDC). The network will identify member priorities and advocate on behalf of member cooperatives in the coffee and cacao value chains. Twenty-eight coffee and cocoa producers' cooperatives joined the platform and elected a board of directors in June 2019. The new board includes 12 members, nine on the administrative board and three members of the audit committee. The elected president is Gilbert Makelele from CPNCK. In July 2019 SVC supported a capacity building workshop focused on strategic planning and advocacy with the new stakeholder network.

5. Support the development of a South-Kivu strategy for the coffee sector

SVC staff are supporting coffee industry stakeholders including ONAPAC to articulate a strategy to sustainably grow and increase the competitiveness of South Kivu's high altitude arabica coffee sector. The process started in Q4 FY19, focusing on contacts and meetings with key stakeholders, leading to sensitizing sector actors, a benchmarking study and a workshop for the validation of findings and recommendations in Q1 FY20. The benchmarking study allowed stakeholders to understand other countries' experiences augmenting production and productivity, mastering costs and calculating benefits, improving marketing, and leveraging investment capital.

As the benchmarking study made clear, DRC is one of the coffee-producing countries with the lowest coffee yields (approximately 270 kg/ha), compared to Brazil (1400 kg/ha), Colombia (900 kg/ha), and Rwanda (460 kg/ha). One of the recommendations in the coffee sector strategy is to promotion good agricultural practices to improve productivity. Another recommendation is to

advocate for the establishment of a national and a provincial agricultural development fund, using the example from Kenya. The same model exists currently in the Katanga Province of DRC, where the provincial government created the Provincial Agricultural Development Fund. The process will continue during in the first quarter of FY20 to develop strategic options, to present and validate the draft strategy, and to fund the strategy through the organization of an investors' tour.

6. Collaboration with the CARG

In July 2019, SVC supported information and induction sessions with the CARG in Kalehe and Walungu, in accordance with recommendations from the SVC Political Economy Analysis conducted in 2017. Support was undertaken to facilitate monitoring, incite buy-in and to adapt SVC activities and services to meet the needs of local communities. The CARGs from Kalehe, Kabare and Walungu have all signed MoUs with SVC.

7. Other activities and events

Restitution of the Specialty Coffee Association Trade Show to 28 cooperative members of the newly organized coffee and cocoa producer cooperative network. During the constitutive general assembly for RCPCA-RDC during *Saveur du Kivu* in June 2019, coffee stakeholders shared their experiences participating in the 2019 Specialty Coffee Association Trade Show which took place at Boston, MA in April 2019. Participants present at the workshop, notably Papy Mukeba from SVC, Gilbert Makelele from CPNCK and Marcellin Budza from RWH described their participation at SCA and the exchanges they had with buyers and roasters in Vermont. They distributed Congolese coffee samples to specialty coffee actors and were able to cup coffee samples from around the world and compare their coffee to international samples. The lack of organization, collaboration and planning by Congolese actors within the coffee sector was identified as a weakness, inhibiting the growth of the specialty coffee sector in DRC and negatively affecting the branding of Congolese coffee. The objective of the RCPCA-RDC network is to improve the organization of stakeholder participation at future international events and sharing information and opportunities among actors.

Support to the realization of Saveur du Kivu. SVC staff participated in numerous preparatory meetings to support the SdK event. SVC staff facilitated the organization and setting up of stands for the exposition which took place on June 10–11, 2019. The exposition occurred concurrently with other SdK activities, and it was an opportunity for exchange which permitted international buyers, local stakeholders and provincial authorities to engage with local coffee producers and to test their products, while also serving as an opportunity for public and private exchanges on the promotion of specialty coffee produced in South Kivu.

2.3.3. KEY OUTCOMES

- Two PPPs were formed with ACT and ONAPAC.
- 16 organizations were trained on advocacy, including 4 CARGs, 1 CPCA, 1 FEC and 10 cooperatives or civil society: CPNCK, CKK, KACCO, RWH, FOODER, COAM, IFELPIC, RAFEKI, COEPAC and COPAEKI.

- The project facilitated a capacity building workshop on strategic planning and advocacy strategies with RCPCA-RDC.

Text Box 2: The economic benefits of market women joining together in associations and affiliating with ACT

Photo Credit Lucy O'Bryan Photography; www.lucyobryan.org

Prior to their affiliation with ACT, market women in Kamanyola traveled separately to purchase beans from distant markets. From 10 sacs purchased and transported for sale in Kamanyola, they averaged a gross profit of $50 ($5 USD/sac or 5 cents/kg of beans retailed). After receiving technical assistance from SVC and affiliating with ACT, they changed their way of doing business. Now these same market women send one member to purchase beans for10 women. Savings in transport, lodging and food resulted in an increased profit of $95.63 for every 100 bags, or $9.56/bag, increasing individual profitability 19%. Before SVC assistance women were making $50/sac; they now make a gross profit of $59.56 per bag. If these same market women can use mobile money to pay for beans to be shipped from one market to the next without anyone travelling, they will earn even more profit. Market women will be exposed to less risk while travelling. Women are building their confidence, leadership, and entrepreneurship skills working with ACT.

2.4 COMPONENT 4: ENHANCE ACCESS TO FINANCE

2.4.1 OVERVIEW

The goal of the Access to Finance (A2F) component is to improve access to commercial finance in target value chains by encouraging stakeholders invest in their activities in order to increase productivity and profitability. The A2F team provides technical assistance to partner financial institutions to help develop and adapt their financial offerings, leveraging USAID's DCA guarantee, and to stakeholders from target value chains to help develop their businesses.

This year, the A2F team strengthened collaboration with the two DCA partner banks, Equity and FINCA, as well as with microfinance institutions (MFIs). SVC staff facilitated networking opportunities, developed and shared information sheets, and organized several in-depth trainings to help these institutions understand the coffee, bean, and soy value chains, and to implement a more robust credit approach to the agricultural sector. In Q4, SVC's A2F Specialist participated in a training program on digital finance and MFI transformation in Marseille, France, to support SVC's upcoming mobile money pilot test.

In November 2018 (Q1FY19), the SVC team also organized the first *Access to Finance Forum* for the agricultural sector in South Kivu, highlighting agricultural financing needs and opportunities in the region. Tools were developed to support business development services (BDS) training in entrepreneurship, finance, accounting and taxation for SVC clients in the soy and bean sectors.

2.4.2 KEY ACCOMPLISHMENTS

- SVC and the two DCA partner banks signed new MoUs in 2019, specifying areas of collaboration including training, support in credit analysis and new product development such as remote banking, warehouse financing, and strategies for financing start-ups.
- During late March and early April 2019, the SVC A2F Specialist provided training on the rules of use and eligibility criteria for the DCA guarantee to staff at the Goma and Bukavu branches of both partner banks. The training helped the banks to increase lending under the DCA. FINCA's DCA disbursements increased by 71% from Q2 to Q3, after the training, representing almost half of all cumulative disbursements of the bank since the beginning of the DCA. Training participants and USAID recommended that this training be held every year.
- In September 2019, SVC hired an international consultant to provide in-depth training to partner financial institutions on agricultural value chains, credit risk analysis, and financing mechanisms. Three training sessions were held, one for FINCA, one for Equity Bank, and one for six MFIs (TGD, KITUMAINI, PAIDEK, CAHI, COOCEC-PILOTE, HEKIMA) in the *Groupement d'Acteurs de Micro-Finance* (GAMF) network. Each training session lasted three days, with two days of classroom work, participatory exercises, and case studies, and one day of field visits to a coffee cooperative, an association of soy and coffee producers, and a private contractor managing a plantation. Two SVC coffee business advisors also participated in the trainings, to strengthen their understanding of the banks' approach to access to financial products for coffee cooperatives and private entrepreneurs. Initial results of the training include:

- Field visits served as an opportunity to discuss financing needs for the coming season. Cooperatives like CPCK talked about their future financing needs on site, and afterwards FINCA sent a credit analyst to collect additional information to allow the bank to prepare a credit file for the management committee.
- The training highlighted a real need for FINCA to develop agricultural financial products, and the bank's training participants have already submitted a new lending initiative to management. As of the end of FY 2019, FINCA's general management was in the process of deciding on the creation of a task force specific to the agricultural sector.
- Equity Bank expressed interest in further collaborating with SVC to increase lending to the agricultural sector and asked the A2F Specialist to facilitate a relationship with CPNCK in Idjwi to finance the 2020 season. The A2F Specialist included the bank in sales contract negotiations with buyers to facilitate financing for coffee export sales.
- MFIs also want to explore mechanisms to properly finance the sector. PAIDEK and KITUMANINI are adapting credit risk analysis tools and financing models for the coffee and bean value chains, based on what they learned during the SVC training.

- In FY 2019, SVC developed a coffee information sheet (see Annex G) to share with partner banks and MFIs to assist them to better understand value chains and improve their credit analysis. The project also shared sample contracts and a model spreadsheet for coffee loan analysis. The A2F Specialist drafted information sheets for the soy and bean value chains for the 2020 season.
- The A2F Specialist prepared a simple business plan template for use by SVC coffee business advisors for credit requests by SVC clients, with 12 business plans submitted to Equity Bank for the 2019 coffee season. Several of the clients lacked the operating experience to qualify for a loan from Equity, and this information is being used to better segment 2020 loan requests.
- The A2F Specialist facilitated the analysis of business plans submitted to Equity, ensuring that the bank had all the information required, resulting in two SVC clients receiving loans from Equity, while two other clients found other funding sources.
- In Q2, SVC shared the business plans of coffee clients with other potential funders such as Twin, Root Capital, OLAM and AlterFin.
- SVC connected MC with Equity Bank to prepare funding for young people benefiting from the FSP incubation program with a micro-guarantee fund.
- During Q4, SVC's A2F Specialist participated in the Boulder Institute of Microfinance training program on digital finance and MFI transformation in Marseille, France. He is applying the knowledge acquired to two specific SVC activities:
    - A pilot test on the use of mobile money by coffee cooperatives for the purchase of coffee cherries from producers. The component met with members of the CPCK, CCKA, and KACCO cooperatives, and all three expressed their willingness to participate in the test. KACCO also asked SVC to integrate this with its Point of Sale (POS) test, initiated with assistance from the DIFD–funded ELAN DRC project. The A2F Specialist is examining the possibilities offered by mobile network

operators Orange and Airtel. The next step will be to gather production data on prior seasons from the three cooperatives, and to design the pilot test. The ability to provide this information as well as to provide cost-share resources will determine which cooperatives ultimately participate in the pilot.

  - Supporting SVC's partnership with the business incubator *Ensemble pour la Différence* and the youth-led enterprise Alpha New to develop technological solutions, like a mobile app, to facilitate access to financial products and market connections for rural coffee populations and to attract youth. The SVC A2F Specialist has also connected Alpha New with potential financing sources as well as coaching.

- The A2F Specialist developed a request sheet for coffee farmers, connecting them with a supplier of agricultural tools and equipment (Global Coffee Services), so that each party can present orders to facilitate funding by a financial institution.
- SVC staff prepared Terms of Reference for business skills and financial education training for project partners in the soy and bean value chains, including capacity-building needs identified during two evaluations carried out with WV and MC. The BDS training program in entrepreneurship, finance, accounting and taxation will be launched in early FY 2020 for SVC clients in the soy and bean sectors. Training will be done in stages, first for POs that have a signed partnership with the SVC Project and have received a POSA evaluation, and then for the Village Savings and Loan Associations (VSLAs) supervised by the FSP program in collaboration with Mercy Corp and WV.
- SVC organized an A2F Forum in November 2018 (Q1FY19) which was co-sponsored by the Fund for Financial Inclusion in the DRC (FPM)[7]. The Forum brought together cooperatives, associations and private entrepreneurs in the coffee, soybean, and bean value chains as well as banks and MFIs interested in agricultural lending. It was the first of its kind in the South Kivu region.
- The A2F Specialist also facilitated connections between value chain actors and financial institutions during an agricultural fair for enterprising women in the Catholic network, and during *Saveur du Kivu* 2019.

2.4.3 KEY OUTCOMES

- 17 agricultural borrowers received credit as a result of USG assistance, which was 68% of the FY19 target of 25 borrowers. This included six SVC clients who received direct project support, and 11 agricultural borrowers who benefited from the DCA guarantee and SVC's technical assistance to partner banks in South Kivu.
- $930,000 in agriculture-related funding was disbursed as a result of USG assistance, 155% more than the $600,000 target. This amount includes agricultural loans disbursed in Q2 to three market actors: two (KACCO and WRH) in the coffee sector and one (RIAF) involved in agricultural input supply, for a total of US $577,500. US$352,500 was disbursed in Q3 to four borrowers including two SVC direct clients (CPCK and MAITEA) and two indirect clients (SOPACDI and MUNGAANO) operating in SVC zones and who previously

[7] FPM is co-funded by the United Nations Development Program, UNCDF, KFW, the World Bank, the German Cooperation and the Swedish Cooperation

benefited from SVC project support including connections with Equity bank and business plan development support.

- The A2F Specialist offered training to financial institutions on three different topics this year: use of the DCA, the coffee, soy and bean value chains, and credit risk analysis and financing mechanisms. Each of these trainings was offered in multiple sessions: to each DCA partner bank (sometimes at both their Goma and Bukavu branch offices) as well as to MFI members of the GAMF network. The number of training participants is shown in Table 17 below.
- Several training workshops were also offered during the A2F Forum for financial institutions as well as value chain stakeholders.

Table 17: Agriculture-Related Loans Made with USG Assistance in FY 2019

	Number of Agricultural Borrowers receiving credit as a result of USG assistance	Value of agriculture-related loans made as a result of USG assistance
Equity Bank	**13**	**$909,500**
Disaggregation by Sex:		
Men	*9*	*$724,500*
Women	*1*	*$10,000*
Joint Ownership	*3*	*$175,000*
SVC Clients (Direct Support)	*6*	*$748,000*
Non-SVC Clients (Indirect Support)	*7*	*$161,500*
FINCA (through June 30, 2019)	**4**	**$29,500**
Disaggregation by Sex:		
Men	*1*	*$13,500*
Women	*3*	*$16,000*
Joint Ownership	-	-
SVC Clients (Direct Support)	-	-
Non-SVC Clients (Indirect Support)	*4*	*$29,500*

Table 18: Access to Finance Training Offered in FY 2019

Training Topics	Period	Part. EQUITY		Part. FINCA		Part. GAMF		All (stakeholders)		Total
		M	F	M	F	M	F	M	F	
1. DCA Rules of Use and Eligibility Criteria	Q2-Q3	6	2	40	2	-	-	-	-	**50**
2. Coffee Value Chain and Financing Opportunities (Coffee Information Sheet)	Q2-Q3	7	2	40	2	19	1	-	-	**71**
3. Agricultural value chains, credit risk analysis, and financing mechanisms (with a focus on coffee, beans and soybeans)	Q4	6	-	10	-	10	1	-	-	**27**

Training Topics	Period	Part. EQUITY		Part. FINCA		Part. GAMF		All (stakeholders)		Total
		M	F	M	F	M	F	M	F	
4. Access to Finance Forum : ○ Financing agricultural value chains: opportunities and constraints ○ Digital financing in agriculture ○ Financial education: budget, credit, savings and negotiation with financial institutions ○ Professional entrepreneurship	Q1	67 men, 5 women								**72**

SUCCESS STORY:

In-depth training of financial institutions in South Kivu: The SVC Project works to boost agricultural financing through the DCA Guarantee

Photo Caption: *MFI training participants see how coffee beans are transformed in the washing process.*

Since 2017, the SVC project has worked with USAID to implement the DCA Guarantee with two partner banks, Equity and FINCA. The guarantee is important to mobilize credit disbursements in the agricultural sector. Normally, Congolese banks tend not to finance agricultural activities or agricultural SMEs due to perceived risk or lack of collateral. The SVC Project is working to resolve this problem through training, advice, analysis, and networking to increase stakeholder understanding of agricultural enterprise profitability in South Kivu.

In the first year of the SVC project, Equity Bank disbursed loans to several coffee cooperatives in South Kivu. This year proved that these cooperatives are repaying their loans. This success has both increased credit renewals and enticed new clients from other cooperatives to apply for loans. Seeing Equity's success, directors at FINCA bank have also become more confident about loaning to the agricultural sector.

In FY19, the SVC team leveraged this momentum to provide more information to banks including recommendations to expand their financial services, improve credit risk management, and deepen their knowledge of the agricultural sector (especially coffee). The goal was to strengthen the capacity of partner bank staff at FINCA and Equity, and MFI members of the GAMF network, in agricultural risk analysis. With these new skills, partner bank staff and MFIs became more comfortable providing loans to the agriculture sector and see agricultural lending as a positive move for their business.

In August 2019 the SVC A2F Specialist implemented an in-depth training that brought together four groups from FINCA, EQUITY and two other MFIs in South and North Kivu. Participants included managers, operational officers, and credit analysts from regional bank branches and from the Kinshasa headquarters.

The workshop consisted of two days of theoretical training and exercises on the Kivu agricultural context, and a full day of field visits to coffee cooperatives, washing stations, a women's association producing soybeans, and a large coffee plantation and storage facility.

Photo Caption: *Equity Bank training participants learn about the operations of CPCK's coffee wet mill.*

Participating institutions discovered what it was like to work in these sectors and reexamined their misconceptions about agricultural enterprises. Sessions were discussion based and produced exchanges which resulted in commitments from participating banks to improve their lending policies for the agricultural sector.

The training was a success. Banks requested similar training for other value chains such as rice, cassava and potatoes. Banks also requested support to define conditions specific to the agricultural sector including the definitions of costs, conditions for credit, and risk management. Equity and FINCA staff are willing to share their knowledge and experience to continue to build institutional capacity in agricultural lending. As a result of this training, all participating financial institutions reinforced their interest in lending to the agricultural sector.

2.5 CROSSCUTTING PRIORITIES

2.5.1 GENDER, YOUTH, AND SOCIAL INCLUSION

2.5.1.1 Overview

Key accomplishments and outcomes for the gender, youth, and social inclusion component stem from the FY19 work plan and the SVC GSICM strategy. SVC provides training, technical assistance and capacity building in gender equality and social inclusion, and targets the engagement of women, youth and excluded groups in coffee, soy and dry bean value chains. The GSICM strategy guides the implementation of SVC activities over the life of program, providing a framework for integrating gender, youth and social inclusion.

Implementation of the GSICM Strategy

SVC developed a project-specific action plan to ensure that staff address gender inequality and social exclusion and mitigate conflicts specific to SVC target zones and value chains throughout the life of project. The strategy was used during the annual work planning process to integrate GSICM guiding principles into activities. The approach is two-fold, designed to ensure the SVC team is adequately informed and prepared to address gender, social inclusion and conflict, and able to demonstrate and share their understanding with others. The strategy includes steps to keep the project on course toward the long-term objective of ensuring equal opportunities for vulnerable men and women to participate in and benefit from the project, while strengthening social cohesion.

Under Component 1 (market linkages), GSICM activities aim to increase the participation of women, youth and vulnerable households by addressing women and youth's lack of access to

land, finance, BDSs and equipment, as well as lack of sufficient labor and finance to purchase labor/labor-saving technology during the harvest period. SVC's primary approach for addressing these constraints is by using the Gender Action Learning System (GALS), which is a community-led empowerment methodology designed to promote the participation of women and youth in cooperatives and agribusiness and to encourage women and youth engagement in leadership positions. The result of this activity is an improved understanding among target households of how and why the inclusion of women and youth leads to increased productivity and incomes. Working in coordination with USAID's DFSA programs in South Kivu, SVC has established 222 community-based GALS champions across three territories to date (Kabare, Kalehe and Walungu). This includes 177 (121 female, 56 male [79% youth age 35 and under]) champions identified during Phase 1, of whom 83 (50 female, 33 male [83% youth]) are trained trainers; and 118 (72 female, 46 male [49% youth under 29]) previously trained and new champions from Phase 2, of whom 45 (25 female, 20 male [53% youth under 29]) were trained in GALS for the first time.

GALS champions have the skills to integrate gender equality and social inclusion within value chain activities. They are community-based trainers equipped to train others using GALS methodologies. GALS serves as the foundation for inclusive value chain development throughout SVC activities, and in FY20 it will be introduced in one additional target territory (Idjwi) to ensure that all project activities take a gender-integrated value chain approach. There is significant demand among partner organizations to further integrate GALS into coffee, beans and soy activities because they see that using GALS enhances the sustainability and inclusivity of a market systems approach. Moving forward, SVC will continue to incorporate GALS training across Components 1-4 through the 11 cooperatives, POs and associations that already have partnership agreements with the project, as well as identify opportunities with new partners.

Under Component 2 (coffee), GSICM activities aim to enhance the access of women and youth to inputs and knowledge of their use through Coffee Farmer College Trainings. SVC has trained managers, executives and board members from five coffee cooperatives as well as agricultural trainers in the importance of women and youth membership in cooperatives and leadership in the coffee value chain. SVC facilitated youth participation in market-oriented events like *Saveur du Kivu*, a specialty coffee trade fair. SVC has increased the visibility and recognition of male and female youth coffee entrepreneurs' labeling, packaging, and e-marketing services, leading to new business deals and contracts. Efforts are also underway to strengthen and support *Initiative des Femmes Dans Café et Cacao's* (IFCCA's) women-only network as an advocacy platform to defend women's interests in SVC value chains, including coffee. Moving forward, SVC will focus on women and youth's knowledge and understanding of the proper use of inputs, working through the Coffee Farm College as well as other relevant coffee value chain market actors. With two coffee cooperatives, SVC will work with the FSP/DFSA literacy program to assist youth and women who are interested in coffee certification and provide them with training on leadership skills, household budgeting, and basic literacy.

Under Component 3 (PPPs), GSICM activities link women and youth-focused agricultural platforms in target value chains to public and private investors and strengthens their advocacy

skills and networks. SVC works through agricultural platforms that span all target territories, such as ACT and IFCCA. To target youth engagement, SVC works with USAID-funded DFSA activities and the *Activité de Développement Intégré des Jeunes* (ADIJ) education program. To lay the groundwork for engaging youth as employees and entrepreneurs in targeted value chains, SVC trained 162 youth (46% female) in three territories. Training workshops were used to identify opportunities within SVC value chains for youth; facilitate peer learning and discussion on income generation through agriculture; and provide a safe space for youth to express themselves and exercise their leadership skills. Moving forward, SVC will support youth to access seasonal employment through washing stations, transporting coffee to washing stations, and sale of agricultural inputs to encourage youth to find quicker returns for their labor investments. SVC will also embed support to profitable distribution models led by youth, particularly in the coffee value chain.

Under Component 4 (access to finance), GSICM activities increase access to finance (on both the supply and demand sides) for women and youth, working in partnership with women and youth groups in collaboration with the USAID-funded DFSAs and IFCCA. While strengthening existing platforms for women and youth like ACT and IFCCA, SVC also explores linkages to financial institutions to support the design of tailored loan products and outreach strategies to women and youth. Through GALS, which gives individuals the tools they need to develop a vision and a plan for household economic growth in the future, SVC facilitated women's and youth membership in VSLAs. As a result, GALS participants have increased access to savings and capital, allowing youth- and women-led enterprises to better access local, regional, and international markets. This work includes fostering peer-to-peer exchanges among youth entrepreneurs and incentivizing youth to engage in the value chains through competition and participation in market-oriented events like the *Saveur du Kivu*. Moving forward, SVC activities will continue to explore linkages to financial institutions to support the design of tailored loan products and outreach strategies to women and youth. This includes positioning youth and women's groups to benefit from VSLAs, MUSOs, and MFIs.

As an update to the GSICM strategy, SVC developed a youth strategy to highlight the project's targeted interventions for youth employment and engagement in target agricultural value chains. Using a positive youth development approach, SVC's vision for youth is to increase the resilience and well-being of communities in South Kivu through the economic participation of youth in the coffee, soy, and bean value chains. By increasing youth's assets and agency, SVC interventions will lead to the diversification of household income streams, reduced criminality, and the generation of new economic opportunities for youth and underemployed.

2.5.1.2 Key Accomplishments

During FY19, SVC's gender, youth, and social inclusion component accomplished the following:

- **Assessed gender equality and social inclusion within Coffee Farm Colleges** in collaboration with 24 (38% female) agricultural trainers in Katana and Kabare in Q1. Based on these findings, trainers recommended that gender equality and social inclusion be

integrated into all lesson plans, including the use of GALS to address constraints that women face in the coffee value chain, such as accessing finance.

- **Hosted 17 learning sessions during February/March 2019, six months after the initial GALS training** in July/August 2018 with participants and community members in Kabare, Walungu and Kalehe. Conducted monitoring visits to capture the use of GALS and identify short-term outcomes among those who were trained.
- Conducted a participatory evaluation of GALS implementation from 19 July to 11 August 2019 in the territories of Kabare, Kalehe and Walungu, known as the Participatory Gender Review (PGR). The PGR is part of the GALS self-assessment where participants use visual tools to reflect on their achievements to date and identify next steps. The PGR took place one year following the initial GALS training, and SVC collected case studies and lessons from community members who participated in the first phase of GALS.
    - Trained 118 [72 female, 46 male (49% youth < 29yrs)] GALS champions during Phase 2.
    - Each meeting included follow-up discussion and training activities, particularly for 45 [25 female, 20 male, (53% youth < 29)] new people out of 118 who had not participated in the initial GALS training but were trained by community-based facilitators during FY19
    - Identified additional needs for technical support to vulnerable/marginalized women and youth. This includes women and girls who have been victims of sexual violence; women living alone; female headed households; elderly men; and albinos
    - Thirteen (10 female, 4 male) youth role models within target value chains identified, and twelve (8 female, 4 male) individual action plans evaluated.

- **Provided technical assistance in gender to the Umoja coffee cooperative** in Minova, Kalehe territory during the period October 30–November 3, 2019. A gender assessment was performed in collaboration with the board of directors and coffee washing station managers to understand the participation and contribution of women, youth and excluded groups within the business model. Based on findings, SVC conducted coaching and capacity building in gender and social inclusion with new board members, as well as supported the development of a strategy to include pygmies in washing station activities in Buzi-Bulenga. Moving forward, Umoja will serve as a good model for integrating gender equality and social inclusion into cooperative operations.
- **Facilitated an information session on gender and social inclusion during SVC new staff orientation** in March 2019 for 10 business advisors (1 female, 9 male) and 9 agronomists (4 female, 5 male) working with the coffee component.
- **Provided technical assistance to Component 1 during contract signing meetings in June 2019 with new partners in Bukavu.** As a result, at least nine partners integrated gender and social inclusion into their partnership contracts with SVC (e.g. gender analysis and assessment, gender training, GALS training, gender and youth membership quotas, etc.)
- **Targeted marginalized groups *"Torreurs"* in the agricultural transportation sector**, from March 26–29, 2019, SVC trained 39 (15 female, 24 male) people (82% youth

age 35 and under) on gender and social inclusion in Kalehe/Ihusi. The following was accomplished during the training:

  - Trained 33 transporters, two members of the Rural Agricultural Management Council (CARG), two managers from local cooperatives (GEV and UCOAKA), a journalist from RTCK, and a local media and a civil society representative (*Nouvelle Dynamique de la Société Civile*).
  - All participants were able to identify and analyze specific constraints for women, men, and youth transporters and discuss strategies for resolving them.

- For example, they proposed introducing a cart with two wheels to lighten women's workloads and to save them time.
- They also proposed to conduct advocacy with agro-dealers, cooperatives and businesses to standardize packaging and reduce the weight of packages carried by women, who are particularly impacted while pregnant.
  - 33 transporters had the opportunity to share their opinions on the importance of savings and credit and pledged to mobilize as a group to improve their living conditions.
  - As a result of these trainings, SVC raised the visibility of participants' social and economic contributions, and participants reported that their social status improved within their respective communities.

- In June/July 2019 SVC launched a survey via Survey Monkey and hard copy distribution to collect information from project stakeholders including SBV staff and technical partners to update SVC's strategy on Gender, Youth and Social Inclusion. The updated GSICM strategy was used to inform FY20 activities.
- **Youth Outreach.** SVC conducted outreach to youth groups and enterprises, and participated in the following youth-focused events:
  - Held meetings with youth organizations in Kalehe, Bukavu, Kabare and Walungu to identify opportunities for potential collaboration during February/March and May 2019. Met with members of Thalassa Light, Orheol and BYA in Bukavu.
  - During March 2019, met with Alpha New Sarl in Minova, Kalehe to discuss collaborating on a washing station in Kishinji, access to financing, use of technology for market data, coffee packaging, and promoting coffee consumption at the local level.
  - In April 2019, SVC established an MoU between Alpha New Sarl and SVC, supporting business plan development, linking them to Equity Bank, and hosting learning exchanges with other young champions, such as Kahi Foods. SVC will provide technical assistance as needed to Alpha New Sarl to establish and manage a washing station in FY20.
  - In February 2019 SVC supported a youth exchange and reflection workshop in Kalehe with the youth of Groupe Espoir de Vivre (GEV), a DFSA partner, and with Mabadiliko Yawezekana. 37 youth (35% female) from GEV were trained using GALS.

- In March 2019, SVC facilitated linkages between youth initiatives in targeted value chains: SVC connected KAHIFood to BYA, and as a result, BYA offered a store front for KAHIFood to sell its soy-based products.
- A total of 273 youth (46% female, 54% male) participated in six workshops held by SVC in Kalehe, Wulungu and Kabare. The objective was to engage youth in identifying constraints and opportunities to participate in the agricultural sector. The workshops were designed to be socially inclusive by identifying certain categories of youth to attend who are often marginalized, including albinos and illiterate youth. Participation in the workshop allowed them to express themselves, to speak in public and to exercise their leadership skills.

- The workshops allowed the project to identify talented youth who are already engaged in SVC value chains for further mentoring and coaching.
    - Emmanuel Kahi Mihigo, a young man who processes and sells soy flour enriched with other cereals such as beans. He created a company called KAHIFoods;
    - Nathalie Kifungo and Safi Fikiri who convinced their parents to recover their fields and to invest in coffee in Kalehe/NyamasZasa. Together, they created a women-led company called MABI.

2.5.1.3 Key Outcomes

- 17 groups/sites have developed a community action plan for next year. Six are in Walungu (Mushinga, Kamiola, Walungu Ctr., Chagombe, Cirambi/Chiherano); five are in Kabare (Katana/Kabushwa, Kavumu-Kasusha-Bushumba, Kabamba-Mabingu-Ihimbi, Luhihi-Mushweshe, and Mudaka-Murhesa) and six are in the territory of Kalehe (Kasheke-Tchofi, Bushushu-Nyamukubi, Mkwidja-Kininzere, Muhongoza, Munanira-Ihusi and Minova-Kishinji). These sites are draw zones with GALS focal points for monitoring/evaluation and coordination of GALS related activities within their geographies.
- By the end of FY19 a total of 4,947 people had been trained in GALS by 177 GALS Champions, including the initial 83 GALS Master trainers (33 men and 50 women). The target was 885 people trained; each of the 177 champions (56 men and 121 women) were to train 5 new individuals. Interest in the training was so great that on average, each champion trained 28 other people in their home communities. These participants were drawn from POs, VSLA, youth and church groups, etc. Of these:
- 1,270 (765 female, 505 male) participants began implementing their visions and are putting them into practice;
- 3,677 (2,299 female, 1,378 male) people participated in training but haven't yet created individual visions.
- SVC's network of GALS champions identified approximately 16,000 new people (60% female, 40% male) to scale the GALS approach through action plans developed by individuals and communities.
- Participants, including those trained by champions, reported applying their vision journey in various ways, including:

    - creation of small income generating business activities like breeding small animals (chickens, ducks, goats), An example is Innocent of Mukwidja, Kalehe territory who is an albino. He was neglected and mistreated before GALS began. Now he is breeding small animals – rabbits and pigs, supplying breeding pairs to others, with the goal of one day raising cattle;
    - engaging in more agribusiness activities;
    - better management of money and savings through VSLAs; and
    - acquiring new assets (e.g. stores, houses, land).

- Participants report improved gender relations within the household. For example:
    - some men testified that they return home earlier to be with their families;
    - they are being more transparent with their wives about their earnings;
    - they are being more respectful towards their wives and daughters;
    - they are sharing more household responsibilities with their wives/partners; and
    - involving both girls and boys in household tasks.

- Many youth, women and marginalized people who participated in GALS report greater confidence in their ability to become leaders of change and have plans to develop and practice their leadership skills.
- Many women and girls report becoming increasingly self-confident and supporting themselves financially, particularly through membership within VSLAs. As a result:
    - they feel respected;
    - have begun making household financial decisions independently; and
    - have become more involved in their children's education.

- Both male and female participants report positive outcomes related to conflict prevention and mitigation at the household level, such as a reduction in the frequency of domestic violence and intra-household conflicts.
- As a result of SVC's close partnership with Alpha New Sarl, this youth-led specialty coffee enterprise is quickly growing its business and networks. SVC linked Alpha New Sarl to an incubator called "Together for Difference" that provides coaching and access to finance for coffee cooperatives. In 2020, Alpha New Sarl plans to purchase land to build a washing station that will create 7-10 new jobs for youth (seasonal labor). They also plan to buy 7,000 kg of coffee cherries to produce one ton of green coffee in 2020. Thanks to coaching and support from SVC, they are expanding their business networks within Kinshasa, Goma and Bukavu. The business goal is to sell 500 X 0.5 kg packets of ground coffee per month from August 2019 onward. This growth was made possible by SVC supporting Alpha New Sarl to develop a business plan, linking them to financial institutions, and strengthening their business negotiation skills.

SUCCESS STORY: BUILDING ECONOMIC RESILIENCE AND AUTONOMY

The SVC Project Helps Aimée Bisouro Furaha Become Economically Independent through GALS Training

Photo Caption: *Aimée Furaha Bisuro in her bean field.*

Aimée ("Sarah") Furaha Bisuro is a 25-year-old mother of three. Her life in the village of Muhongoza, in Kalehe territory of the DRC was not easy. At 14, she was forced to marry, and subsequently became pregnant. Her living situation was difficult, and it became even more precarious when her husband left her six years ago and she became an outcast for living alone, leaving her vulnerable and subject to humiliation.

In August 2018, through the group Hope to Live (*Group Espoir de Vivre),* a partner of the USAID-funded Feed the Future SVC Project, Ms. Bisuro participated in the GALS training where she was able to join other women and youth from the coffee, soy, and bean value chains to discuss innovation and entrepreneurship. At the training, Ms. Bisuro was able to draw her vision for the future, including how she would transform "into a resilient woman determined to take care of herself economically."

On March 29, 2019, during a SVC follow-up visit in her village, Ms. Bisuro said, "When I took part in the SVC training, I was on the verge of despair, my life was spinning out of control, and I was even at the point of giving up on my studies because I lacked funds, child support, everything… My GALS vision reinvigorated me. Now, I have outlined my vision and created a personal action plan that I have been implementing since October [2018]."

> *"The visioning with GALS opened my eyes. For that, I thank the Feed the Future SVC Project in the Democratic Republic of Congo. I realized that I have resources that I was not aware of because I was poorly organized. I now have a 2023 vision and I will put in all my strength and resources to achieve it."*

After participating in GALS training, Ms. Bisuro realized that she had the resources to make a better life for herself. She began to make money through growing and selling beans and sweet potatoes and was able to send her children to school. With help from a loan from her village savings and credit association, she was able to buy a plot of land on which she built a house. By 2020, Ms. Bisuro aims to buy a new home in the town of Goma. Thanks to her greater sense of self-worth, she is no longer ashamed to raise her voice in her community. She has become an active member of Kalehe's Rural Agricultural Management Board (CARG). Ms. Bisuro also co-created a youth initiative called "*Mabadiliko Yawezkana*" or "Change is Possible" and she has become a role model by teaching other young people how to envision their future and by motivating them to pursue their personal and professional goals.

2.5.2 CONFLICT AND RESILIENCE

2.5.2.1 Overview

The SVC project implementation area has been largely stable overall in FY19. There were no major security incidents involving staff or project partners recorded during this period. Several security incidents were reported, mainly attributed to unidentified local armed groups wearing military uniforms. These incidents included armed robberies and home invasions in Kabare and Kalehe Territories. There was concern when two bridges along RN2 failed, cutting off road access to Kalehe territory from both the South via Kasheke and the North between Minova and Goma.

In the territory of Walungu, the movement of the *Forces Démocratique pour Libération de Rwanda (FDLR)* did garner attention as they moved towards the high and middle plateaus of Kalehe. According to FARDC sources, military operations against foreign militia are being prepared in collaboration with regional security services.

Latent issues like the Ebola epidemic merit close monitoring and the adoption of supplemental precautionary measures, as does inter-ethnic rivalry, land tenure conflicts and political tensions in the Great Lakes Region, particularly in Rwanda, Burundi, and Uganda. Travel to Goma was briefly halted in FY19 due to the Ebola epidemic, and SVC offices were closed during Presidential elections in late December 2018 (FY19).

Political Situation

Despite the relatively stable security context, this year was marked by tensions resulting from processes involving the management of electoral disputes, such as the validation of the mandates of national and provincial deputies in the project areas. Such disputes lead to an increase in social tensions in the three target territories. Specifically, the invalidation of some national deputies from Walugu and Kabare by the Constitutional Court was not well received by communities, provoking protests in Mugogo and Katana.

2.5.2.2 Key Accomplishments

SBCC

Over the last two years, sub-contractor SFCG has worked with a wide range of stakeholders, including project partners, public health officials, and local authorities to develop a communications campaign aimed at supporting the consumption of nutrient-rich food, particularly involving soy and beans. In Q2 FY19, SFCG collaborated with 200 people (93 women) who are members of community listening clubs (LCs) to help define, refine, and target the campaign. The objectives of the campaign are: 1) promote increased household consumption of nutritious food; 2) promote increased production of soy and beans; and 3) engage youth, men and women in the promotion of nutritious practices.

20 community LCs were formed and include key stakeholders such as farmers, members of agriculture cooperatives, local organizations, and local authorities. For a list of these clubs please refer to Annex E. LCs were established as a relay channel for communication between

the project and the community regarding the efficacy of SBCC messages. All LCs agreed to actively participate in the SBCC campaign and act as a bridge between SVC and the local community by leading local awareness activities with groups of women and youth.

Suggestions made by LCs to improve the SBCC outreach strategy include:

- Involvement of local musicians through songs and public concerts to raise awareness about access to nutritious foods;
- The organization of targeted sensitization in schools, churches and markets for more participation;
- The involvement of actors to capture audiences who prefer humor to music;
- The organization of sensitization in villages in the project implementation areas;
- The involvement of churches in nutrition education; and
- Utilizing sports activities to educate young people about nutrition

SVC staff is collaborating with other programs including the USAID-funded DFSAs, the IHP and ADIJ to cost share the expansion of nutrition messages though these recommended channels.

At present, seven radio partners broadcast programs as part of the SBCC campaign. Broadcasts are regularly monitored. Additionally, SBCC messages covering the theme, "household access to nutritious food" have been disseminated via 12 Lima Faidika Radio Magazine broadcasts, 10 radio spots, a theme song by a popular local musician, and participatory theatre performances. New town hall meeting advocacy activities focused on the SBCC theme this year.

SFCG does not have precise data on local radio ratings (the number of people reached by Lima-Faidika broadcasts). However, a report conducted on behalf of the Food for the Hungry (FH) DFSA indicated that RTNC Walungu reaches about 33,715 people, and the Mulangane Radio reaches 15,322 people. Based on these estimates, SFCG conservatively estimates that the five other radio partners (Arome, Buzi-Bulega, RTCK, Bubandano and Mulangane) can each reach approximately 15,322 people, for a total of 76,610 listeners. Adding in the listenership of the other two radios (Radio Maendeleo and RTNC Walungu) - the broadcast Lima-Faika and SVC PSAs are projected to reach a listening audience of approximately 125,000 people with SBCC messaging. Of these 125,000 potential listeners, 1,796 including 1,208 men and 588 women (33%) gave their feedback after listening to the Lima Faidika broadcasts.

"Lima-Faidika" Radio Broadcast Programs

SVC produced 12 radio broadcasts as part of the SBCC campaign. For a list of themes developed for Radio Programming and Public Service Announcements Please refer to Annex D.

Public Service Announcements (PSA)

During FY19, 10 PSA were produced. These were produced as part of the SBCC campaign covering themes developed in the "*Lima Faidika*" radio broadcasts produced for the SBCC

campaign. The spots were developed in consultation with the wider SVC consortium team and contributed to the awareness campaign on "*access to nutritious food for households.*"

Participatory Theater (PT) Activities

Three participatory theater groups have been established. These groups conduct theater events to:

- Inform the communications campaign in terms of key messages and themes; and
- Plan awareness raising activities that are conducted in project locations.

Annex D describes the different places where the various Participatory Community Theater productions were held during FY19, the themes developed, and the numbers and categories of participants according to gender. Through the technique of direct block counting at three times during a performance, SVC staff are able to estimate participation at performances, taking the average of the three counts. During 28 participatory performances held in FY19, SFCG estimates 14,916 people including 7,152 adults (2703 men and 4449 women) and 7,764 children (2,849 boys and 4,915 girls) attended, for a total of 5,552 males and 9,364 females attending during this fiscal year.

Build advocacy skills and ability to represent members

Town Hall Meetings

A total of four town hall meetings were held as part of the SBCC campaign (one session in Walungu, one in Katana, one in Ihusi/Kalehe and one in Minova). The subject at each occasion was: "*The involvement of local authorities in raising awareness of the community on the consumption of nutritious foods with a focus on Soybeans and Beans.*"

Photo: SVC staff/ Comp 6 visiting Ciherano listening (Walungu). Left : planning session for activities led by listening club and Right : harvest of soy produced on a field rented by Listening club youth.

The purpose of organizing this series of town hall meetings was to encourage communities to get involved in the cropping and consumption of beans and soybeans; while, at the same time, acknowledging their concerns and challenges. Questioned posed included:

- Community appreciation of involvement by local authorities in sensitizing grassroots communities for the cropping and consumption of beans and soybeans;
- Concrete measures to engage local authorities in sensitization for cropping and consumption of beans and soybeans?

- Constraints to augmenting the production and consumption of beans and soybeans; and,
- The best way to involve authorities

The debate and the answers to these questions led to recommendations by various stakeholders for the success of the SBCC campaign.

At the end of each Town Hall Meeting session, a committee was established to monitor the implementation Town Hall Meeting recommendations.

Conflict Mitigation and Resilience

Training in Kalehe, Kabare, and Walungu

SFCG trained the Provincial CARG as well as 70 farmers' associations, cooperatives, and associations in FY19. Stakeholders were responsible for conducting conflict mitigation training for members who were not able to participate in the original training, as well as to establish internal mechanisms to manage value chain conflicts.

To date, 16 POs and cooperatives in Walungu and Kabare established dialogue centers, held general assemblies, and elected boards of directors.

Nine groups (73 mediators) from various institutions were selected by the institutions themselves to be trained as value chain mediators, to coach coffee farmers in the management and transformation of conflicts that affect productivity. Coaching and training were conducted during Q3.

The deployment of these mediators is ongoing. Mediators are active in the following communities:

1. **Walungu**: Nduba, Kamanyola, Walungu, Ciherano, and Mugogo
2. **Kabare**: Katana and Luhihi
3. **Kalehe**: Kasheke, Tchofi, Ihusi, and Bushushu

As deployment continues, additional communities will be covered. This process was suspended in Q4 to focus resources on the SBCC campaign. In total 38 conflicts related to soybean, bean, and coffee were identified in the three territories this fiscal year. Additionally, seven of the nine mediator groups developed community action plans to promote the transformation of conflicts related to key value chains.[8]

---

[8] The conflict action plans are anticipated for development at three different community levels:

- At the level of the cooperative or PO, via of a conflict transformation team within each cooperative/PO that is able to resolve conflicts within the organization
- At the village level, by reinforcing the capacity of existing mediators working through locally rooted structures. Actors will address conflict between different value chain actors at the local level, as well as intercommunal or other conflicts occurring within/between communities that could have a negative impact on the outcomes of SVC.
- At the chefferie level, via the CARG structure, to mitigate value-chain specific conflicts between actors at different points along the value chain.

Here we are talking about the community level. SVC has identified 5 types of conflicts. These are: 1) conflicts within autonomous value chain actors (cooperatives, POs, etc.); 2) conflicts between value chain actors at the local level, such as

During Q3, SVC facilitated three conflict mitigation activities in the form of community dialogues targeted at the coffee value chain in Kabare and Kalehe, specifically in Miti, Katana, and Ihusi. The dialogues in Kabare related to agronomic activities of the Coffee Component and in Kalehe to the post-recruitment and identification of coffee growers.

The following recommendations were made based on these activities:

- SVC should ensure unified communication from different representatives (between managers, partners, and field agents). Mixed messages coming from different quarters have led to confusion and frustration among coffee farmers;
- SVC should ensure greater participation of local authorities in the implementation of project activities;
- Civil society should be more involved in SVC activities as stakeholders in the agricultural sector;
- SVC should endeavor to smooth relations with both partner and non-partner cooperatives in order to stem any rumors; and
- SVC should organize financial education sessions for coffee farmers.

Testimonials from Conflict Mitigation Training

"*These coaching sessions strengthen us for concrete mediation actions in the field, it is important.*" - Freddy, a CARG member from Kalehe

"There is a growing recognition that mediation efforts require greater individual and community engagement to help the coffee, soybean and bean value chains grow in our rural areas," - Aline, a member of CCPA

"If this training had been given to us ten years before, I think that among the land conflicts that have become complex and difficult to solve today would have another face or would have found a win-win solution." - Venant BAHATI, CDC-MWENGERERA (Burhale)

"I understand today that beyond the trust that parties in conflict can give you, it is essential for a mediator to have basic skills in conflict transformation techniques to better help them transform their lives and their conflict successfully." - FARAJA Zawadi, Dialogue Group/ Women's Caucus

"It is not easy to integrate all these values that promote cohesion between us in our daily lives, it is a test because we must question our existing beliefs and make special efforts to integrate these new concepts in what we do in our daily lives." - Benjamin BISHIKWABO, NKENGERO (Mushinga)

between transporters and cooperative/POs, between input suppliers and cooperatives/POs, etc.; 3) conflicts between upstream and downstream value chain actors; 4) conflicts over access to land, principally between large-scale landowners and smallholder farmers; and 5) other community-level conflicts that could have a detrimental impact on the project's outcomes. Conflict transformation aims to transform the structures, relationships, perceptions, and attitudes that lead to violent and/or disruptive approaches to dealing with conflict towards approaches that are constructive and reinforce social cohesion and community (and thereby, household) resilience. The Action Plans may include mediation, community level solidarity or reconciliation activities designed to build positive relationships between different actors in ways that do not require intervention by outside authorities. These may include soccer matches, board games, community theater presentations, participation in shared economic and capacity building activities, among others.

Conflict Scan and Restitution

Field work for the second conflict scan was completed during Q4 FY19. The report is still under production and review. Community restitutions will be organized in Q1 FY20.

2.5.2.3 Key Outcomes

- 70 farmers' associations, cooperatives, and associations were trained on conflict resolution practices. The training package included conflict mapping and analysis, gender-based conflict and violence, effective communication and mediation.
- 16 farmer organizations and cooperatives in Walungu and Kabare established dialogue centers held general assemblies, and mediators are playing a key role in applying successful conflict resolution practices within their communities.
- 20 communities were reached for conflict mitigation and SBCC activities by the end of FY19. Four are located in Walungu, six in Kabare, and 10 in Kalehe.
- Through radio broadcasts (seven radios and 20 LCs), it is estimated that 125,000 people were reached and received SBCC messaging this fiscal year.

3.0 ENVIRONMENTAL MITIGATION AND MANAGEMENT PLAN (EMMP)

3.1 OVERVIEW

The EMMP was developed to ensure that potential negative environmental impacts identified in the Initial Environmental Evaluation (IEE) are reduced, controlled or mitigated. The EMMP is the primary tool to ensure that measures to mitigate negative environmental impacts are effectively and correctly implemented. In addition, the EMMP is used to detect unexpected negative impacts at any stage of project implementation, establish the appropriate response to address such impacts, and to confirm that mitigation measures have been successfully applied.

3.2 KEY ACCOMPLISHMENTS

- The EMMP and SUAP were approved by USAID in October 2018. Checklists were also developed and included in the EMMP.
- 22 SVC staff were trained in the EMMP and SUAP.
- 180 actors involved in target value chains were trained in the EMMP and SUAP.
- Four posters were produced including:
  a) pictogram of pesticides used until 2015;
  b) pictogram of pesticides packaging used from 2015 to present;
  c) pictogram of entry points for pesticides and protective equipment; and
  d) pictogram of personal protective equipment for wet mills and/or in case pesticides are used.
- An article on the risks of pesticides was produced and published in the SVC Newsletter.
- 5,195 coffee farmers including 2,257 women (43.4%) were trained in Integrated Pest Management (IPM). Modules included integrated weed and pest management and integrated disease management.
- 4,507 coffee farmers including 1,975 women (43.8%) were trained in composting techniques.
- Managers of two co-operatives (CPCK and SOPACDI) and two co-operative management committees were trained in sustainability practices for wet mills.
- Training on post-harvest techniques was provided to actors involved in soybean and bean value chains.
- Six proximity monitoring visits were carried out throughout last fiscal year at:
  1. two demonstration plots on bean varieties and three experimental plots, two on biofortified bean and another on biofortified maize;
  2. three agricultural inputs shops;

3. four wet mill stations; and
4. at three coffee experimental plots.

- Three quarterly EMMP reports were submitted to USAID and approved in FY19.

3.3 EMMP

Progress on the implementation of mitigation measures are presented in Annex F.

3.3.1 TRAINING

The following training was offered, as appropriate, to SVC project staff and the actors involved in the project's target value chains: EMMP/SUAP, IPM, sustainability of a coffee washing station, composting and post-harvest-techniques. The purpose of these trainings was to equip participants with the necessary knowledge and skills to enable them to reduce potential negative environmental impacts of their activities.

Twenty-two SVC staff received training in the EMMP and SUAP. Trained staff include the senior monitoring and evaluation (M&E) manager, the access to inputs specialist, the assistant M&E officer, and the coffee team. Agricultural advisors provide technical assistance to coffee farmers on the agronomic aspects of coffee including pest controls (weeds and diseases), soil fertility and coffee tree maintenance. Business advisors provide technical assistance to coffee washing stations and their managers to improve the efficiency of the business of running a washing station, quality control and environmental compliance.

Additionally, 180 actors involved in different targeted value chains were trained in the EMMP and SUAP. Training these actors was intended to equip them with the appropriate knowledge and skills for a better understanding of environmental impacts, mitigation measures and monitoring indicators so that they can mitigate potential negative environmental impacts that may result from their own activities.

Managers of two washing stations owned by two co-operatives (CPCK and SOPACDI) and members of the co-operative management committees were trained in sustainability practices at wet mills. The sustainability training covered four main topics including: environmental management policy (standards), occupational health and safety policy, gender policy and ethics policy (standards). These topics are standards that a cooperative and/or a wet mill station commits itself to for the protection of the environment, human health and the respect of workers' rights. Of the four topics developed, only two topics: environmental management standards, and occupational health and safety standards address potential environmental risks and mitigation measures at a wet mill station in accordance with the IEE and the EMMP. The other two topics developed are directly related to the social responsibility of a wet mill station and/or cooperative.

Integrated pest management training was provided as part of the coffee college agronomy curriculum. Modules treated were integrated pest, weed and disease management. A total of 5,195 coffee farmers including 2 257 women were trained in (IPM and IDM).

Training in composting techniques was offered to coffee farmers in Kabare territory to improve soil fertility. Training helped farmers identify different organic materials to produce compost. Among the organic materials that farmers can use in their compost is coffee cherry pulp. A total of 4,507 coffee farmers including 1,975 women were trained on composting techniques.

3.3.2 FOLLOW UP OF ACTIVITIES

Experimentations and demonstration plots

Demonstration plots installed by agro-dealer PAV

Two demonstration plots were installed by the agro-dealer PAV. The purpose of the demonstration plots was to show to farmers the advantage of using improved bean varieties with chemical fertilizer in one site and in another site, the advantage of using the same improved bean varieties with organic fertilizer consisting mainly of cow manure. The demonstration plot in which chemical fertilizer (DAP) was applied was installed in the village of Muganzo in Kabare territory. The demonstration plot with organic fertilizer was set up in the village of Bushumba Centre in Kabare territory, in South Kivu province. In the two demonstration plots, bean varieties used were HM21-7, Muke Mwema, Toka Chini and M'Rwanda. The four bean varieties are varieties disseminated by INERA.

Experimental plots installed by WCR in collaboration with INERA

Three experimental plots installed by WCR in collaboration with INERA in farmers' fields were monitored to ensure that they did not have negative impacts on the environment. Treatments were different from one site to another. The experimental trials included coffee, banana, bean, soybean, mucuna and tithonia. Mucuna and tithonia served as cover crops. An experimental plot was implemented in each of the following villages; Buhengere, Kabushwa, and Cibinda in Kabare territory. In Buhengere, the treatments are comprised of intercropping of coffee varieties with soybean, and coffee varieties with banana. In Kabushwa, they consisted of different coffee varieties in association with the banana and coffee in association with bean. In Cibinda, the treatments were coffee in association with banana, coffee in association with mucuna and coffee in association with tithonia. Three varieties of coffee were used in the different treatments. The varieties of coffee used are Jackson, Batian and Kabare-16. They come from INERA. The banana, soybean and bean varieties used in the experimental plots have been disseminated by INERA in the past years. Mucuna and tithonia are cover crops, they also come from INERA. The objective of the experimental plots was the participatory selection of agricultural technology including intercropping coffee with food crops or cover crops.

Experimental plots installed by Harvest Plus in collaboration with farmers

As part of the collaboration with Harvest Plus, SVC facilitated the implementation of experimental plots by Harvest Plus with the SOLFAP Farmers' Association and the Bishweka concession at Kayanja. Experimental plots included bio fortified bean varieties. Two of the three experimental plots were set up with the association SOLFAP, one in the village of Mukwija and the other in the village of Makengere in Kalehe territory in South Kivu province. The third experimental plot was installed at the Kayanja plantation in Kabare territory owned by the

Bishweka Establishment. The three experimental plots were monitored in order to assess any negative environmental impacts.

All experimental plots were participatory trials with farmers. They each had the same experimental treatments composed of three varieties of bio fortified bean (HM21-7, ECAPANE and RWR2154), three types of fertilizer regimens (organic, inorganic DAP, mixture of organic fertilizer and inorganic fertilizer) and three varietal controls (each variety without fertilizer). Organic fertilizer was cow manure. The bean varieties sown in the experimental plots came from CIAT/Harvest+. The objective of these experimental plots was the participatory selection of agricultural technology (an improved variety with inorganic fertilizer, organic fertilizer, and the mixture organic plus inorganic one) by farmers.

The monitoring of field activities focused on the assessment of environmental impacts in the demonstration plots for dry beans, INERA experimentation plots for coffee varieties and cropping systems and for Harvest Plus experimentation plots on beans. The purpose of this monitoring was to identify undesirable plants in the experimentation plots and the demonstration plots and to ensure that farmers do not use pesticides as well as the identification of other negative impact, mainly soil erosion.

During monitoring of demonstration plots and experimental plots, SVC staff used the environmental awareness checklists and site visit forms from the approved EMMP. SVC staff held discussions with farmers and made visual observations in fields to identify potential negative impacts and to ensure that farmers are applying appropriate agricultural practices without negative impacts.

Monitoring exercises indicated that:

- No undesirable or invasive plants were observed in any site visited; and
- Experimental plots and demonstration plots did not cause negative environmental impacts (erosion).

3.3.3 FOLLOW UP AT COFFEE WET MILL WASHING STATIONS

Managers of the two CPCK wet mill stations (Kahogo and Bushumba) and CPCK management committee members were trained on wet mill sustainability and on the EMMP/SUAP. The manager of the Kivu coffee wet mill station was trained on the EMMP/SUAP. However, the SOPACDI/Kasheke wet mill station manager never completed sustainability training or EMMP/SUAP training.

From the following table it is evident that mitigation measures are not yet fully implemented at CPCK/Bushumbu, SOPACDI/Kasheke nor at the Kivu coffee wet mill. Mitigation measures are fully implemented at the CPCK Kahogo wet mill. The implementation of mitigation measures requires resources (material, financial and human) that wet mill stations and cooperatives often do not consider when starting their operations. It is likely that the other three wet mills (CPCK/Bushumbu, SOPACDI/Kasheke and Kivu coffee) that have not yet fully implemented mitigation measures will gradually implement them. The SVC project will provide them with technical assistance and advice.

Table 19: Follow up of the environmental compliance at four wet mill stations

Facts for observation	*Observations made at each wet mill station*				Good practices	Environmental risk
	CPCK/Kahogo	**CPCK/ Bushumbu**	**SOPACDI/ Kasheke**	**Kivu coffee**		
Distance between the pulp deposit and the nearest water stream	Not a single water within 30 meters from the pulp deposit	Not a single water within 30 meters from the pulp deposit	water stream within 30 meters from the pulp deposit	Not a single water stream within 30 meters from the pulp deposit	Good at CPCK/Kahogo, CPCk Bushumbu and Cifende.	Water stream pollution by pulp at SOPACDI wet mill station
Distance between waste water and the nearest water stream	Not a water stream within 30 meters	Not a water stream within within 30 meters	Water stream within 30 meters of the waste water pit	Not a water stream within 30 meters	Good at CPCK/Kahogo, CPCk Bushumbu and Cifende.	Water stream pollution by waste water at SOPACDI wet mill station
Distance between latrine and the west mill station	More than 10 meters	More than 10 meters	About 10 meters	More than 10 meters	Good practice at the 4 wet mill stations	
Separation between the latrine for men and for	Latrine well separated	Latrine not separated (latrine of fortune).	Not separated (latrine of fortune)	Latrine well separated (latrine of fortune)	Good social behavior at CPCK Kahogo	Bad social behavior at CPCk Bushumbu, Cifende and
Marking of pulp deposit	No marking but rather well fenced with bamboo	No marking or fence	No marking or fence	No marking or fence	Good social behavior at CPCK Kahogo	Pulp deposit is considered as a dangerous are. Bad practices at CPCk Bushumbu, Cifende and SOPACDI wet mill stations
Marking of waste water pit	No marking but rather well fenced. Water pit fenced with bamboo	No marking or fence	No marking or fence	No marking but rather well fenced with bamboo	Good practice at CPCK Kahogo and Cifende wet mill stations	Wate water is considered as a dangerous area. Bad practices at CPCk Bushumbu, and SOPACDI wet mill stations
Hand washing station/facility	Presence of hand- washing station next to latrines	Presence of hand- washing station	Absence of hand -washing station(device) next to latrine	Presence of hand-washing station	Good practice at CPCK and Cifende wet mill stations.	Risk of disease contamination (cholera) due to poor hygiene condition.
Marking of fuel storage places	Well-marked on the outside of walls	No marking	No marking	No marking	Good practice at CPCK Kahogo wet mill station	Risk of accidental fire due to fuel storage without marking
Device for reduction pollution by pulp	Vetiver plantation. Composting demonstration plot with pulp	Vetiver plantation as demonstration plot.	Not at all	Vetiver plantation. Composting demonstration plot with pulp	Good practice at CPCK and Cifende wet mill stations	Risk of pollution by pulp, especially, water stream. Risk of soil acidity by pulp.

3.3.4 FOLLOW UP OF ENVIRONMENTAL COMPLIANCE AT WAREHOUSES

During FY 2019, SVC made monitoring visits to six warehouses (PAV, CLD Birava, CPCK Kahogo, Bosco, Kivu coffee, ICOAK/Ihusi and ICOAK/Minova). The mangers of the six warehouses were trained by the SVC project on post-harvest techniques and on EMMP/SUAP. Topics on post-harvest technique training included harvesting period, sorting, drying and equipment for the warehouse. Nowhere was the use of pesticides mentioned.

Observations made during site visits are presented in Table 20. The application of pesticides without adequate training and without the use of personal protective equipment are major risks to the environment and public health. The SVC project does not promote pesticides but raises awareness on the safe use of pesticides. For this reason, the SVC project will continue to raise

awareness to actors involved in target value chains on the safe use of pesticides and appropriate post-harvest techniques.

Table 20: Follow up of the environmental compliance at six warehouses

Visited Warehouses (name)	Stored Products	Observations made during visits	Problems	Environmental Risks	Recommendations to Managers of warehouse
PAV	Seeds (bean and maize)	Use of chemical pesticides to protect seeds	Use of pesticides without prior training	Human intoxication by exposure and inhalation	Uses of personal protective equipment
		Waste from agricultural products after sorting is used for composting		No risk due to the management of waste	
			No wearing of personal protective equipment		Application of appropriate post-harvest techniques (complete drying, moisture control for agricultural product, good aeration of warehouses)
CLD Birava	Bean, soybean, maize and cassava	Pesticides to protect seed (Bean, soybean, maize)	Use of products without prior knowledge of active ingredients	Human intoxication	Uses of personal protective equipment
		Crop residues used for composting	Not wearing personal protective equipment when		
					Application of appropriate post-harvest techniques (complete drying, monitoring of product moisture, good aeration of warehouses)
CPCK Kabamba	Coffee	No Pesticide Use	No Problems	No Risk	No Recommendation
Station Bosco	Coffee	No Pesticide Use	No Problems	No Risk	No Recommendation
Station Cifende	Coffee	No Pesticide Use	No Problems	No Risk	No Recommendation
ICOAK/Ihusi	Seed for bean, maize, soybean	Pesticides to protect seed (Bean, soybean, maize)	Use of products without prior knowledge of active ingredients	Human intoxication	Uses of personal protective equipment
			Not wearing personal protective equipment when		
		Crop residues used for composting			Application of appropriate post-harvest techniques (complete drying, monitoring of product moisture, good aeration of warehouses)
ICOAK/Minova	Bean	Pesticides to protect seed (Bean, soybean, maize)	Use of products without prior knowledge of active ingredients	Human intoxication	Uses of personal protective equipment
		Crop residues used for composting	Not wearing personal protective equipment when		Application of appropriate post-harvest techniques (complete drying, monitoring of product moisture, good aeration of warehouses)

3.3.5 FOLLOW UP OF ENVIRONMENTAL COMPLIANCE BY THREE AGRICULTURAL INPUT SHOPS

Three agricultural input shops, PAV, COOPANYA and Boutique Agro Pastorale de Kavumu, were visited by the Deputy Chief of Party (DCOP) and the Input Specialist in June 2019. The three shops are in the Kabare Territory. The managers of the first two agricultural input shops (PAV and COOPANYA) were trained by SVC on EMMP, SUAP and on the management of an

agricultural input shop. However, the manager of the third shop has not yet completed the training on either the EMMP, SUAP or on the management of an input shop. He did receive training on the management of an agricultural inputs shop by the former CATALIST project funded by the Netherlands Ministry of Foreign Affairs through the embassies of the Kingdom of the Netherlands in Burundi, DRC and Rwanda and the Swiss Agency for Development and Cooperation in Rwanda from 2012–2016.

It emerged from the follow-up at the three agricultural input shops that the repackaging of pesticides is not well done. Pesticides are either repacked in envelopes, plastic bags or medicine vials without labels that indicate the name or the weight of the packed pesticide. Aeration is not good in any of the three input shops. Therefore, there is a risk of intoxication of store venders and managers via inhalation of pesticides. It was also observed that pesticides were well arranged on displays according to the types of pesticides. Managers had good knowledge of the risks associated with pesticide use. Both the DCOP and the Agricultural Input Specialist advised managers of the three agricultural input shops on the risks of poor ventilation and the repackaging of pesticides in other packaging. It was also observed that the three input shops sell some individual protective equipment (gloves, and nose and mouth protection mask).

3.3.6 POSTER DEVELOPMENT AND FACTSHEET ON PESTICIDE

During FY19, SVC produced 500 posters including a) 125 posters on the interpretation of pesticide packaging used until 2015; b) 125 posters with pictures to facilitate the interpretation pesticide packaging used from 2015 to now; c) 125 posters with pictures describing the entry points for pesticides in the body, as well as protective equipment; and d) 125 posters with pictures of personal protective equipment for wet mill washing stations and for pesticide use. By September 30, 88 posters had been distributed to 21 actors involved in project value chains and to an agricultural research center (INERA).

The expected number (20) of agro-dealers including input shops that promote and sell personnal protective equipment was not achieved because the project reached three input shops during FY19. Though the project intended to provide technical assistance to 20, most are no longer functioning.

4.0 COLLABORATION WITH DEVELOPMENT PARTNERS

4.1 COLLABORATION WITH USAID IPs

- The training of POs in Kalehe and Kabare on the organizational development and management of cooperatives and producer associations was done in collaboration with the FSP project (Mercy Corp and WV).
- In Ciherano, Walungu territory, FH and SVC worked with the Nyalugana 29 Producer Network (February 26 to March 2, 2019).
- Training sessions on post- harvest and warehouse management techniques, EMMP/SUAP, contract farming, market links in Kabare and Kalehe, SVC/DFSA projects (MC and WV).
- Capacity building for producer associations and organizations has been, as planned, structured at two levels: generic support for all DFSA/SVC joint partner POs and cooperatives, and specific thematic and targeted support for economically advanced farmers' organizations.
- The SVC co-organized with MC an exchange of experiences between Kabare's POs with those of Minova/Kalehe.
- In June/July 2019 SVC collaborated with Mercy Corp in Kabare and Food for the Hungry around Nyaluganda to conduct a mini assessment of the capacity needs of village savings and credit associations (VSLAs). The capacity-building needs identified in these assessments were incorporated into the terms of references of the BDS training program.
- During Q3 and Q4 of FY19, the Trade and Policy Specialist held several strategic meetings with the Integrated Governance Activity (IGA) project and IGA representatives participated in our sensitization session of trade regulations and taxation held during Q2 FY19.
- The A2F team connected Mercy Corp with Equity Bank Bukavu to discuss financing for young people in the FSP Program with a guaranteed micro-fund.
- SVC participated and provided support with VSLAs in Kabare and MFIs operating in South Kivu.
- The A2F Specialist had discussions with the FSP-Mercy Corp program on the youth entrepreneurial program.
- The A2F team met with the USAID-funded ADIJ program to discuss possibilities of connecting entrepreneurial youth with funding structures.
- In Kalehe and Kabare, SVC continued to exchange information with the Gender and Youth Advisory group. In collaboration with MC, SVC organized a meeting for the Advisory Group on February 18, 2019 at the SVC office.
- SVC's Gender & Youth Specialist met with CRS to discuss a gender assessment for the ADIJ and to share findings from the GSICM study conducted by SVC.
- With support from WV, SVC linked to youth members of YBG in Kalehe and identified participants for a gender and social inclusion training with local transporters.

- In Walungu (Chiherano), FH staff supported SVC in selecting youth to participate in the youth workshops held to encourage youth engagement in targeted value chains.
- SVC collaborated with the Education Development Center on ADIJ and IPs in Kabare territory as well as with Food Security Program ENYANYA through MC and Food for The Hungry in Kabare and Walungu.
- The ADIJ and DFSA target groups are a key entry point for gender, youth, and social inclusion within SVC.

4.2 COLLABORATION WITH THE GOVERNMENT OF THE DRC

- In November 2018, SVC staff were informed that direct support to the Government should be suspended due to Trafficking in Persons sanctions. As a result, several collaborative activities were reorganized to ensure compliance with this new directive. However, DFSA partners were exempt from the regulation, which created some tension between SVC and local government actors.
- In May 2019, SVC facilitated an advocacy workshop for members of the CCPA/CARG, FEC Agricole and for the different concession holders towards South Kivu provincial deputies to obtain a provincial decree on sharecropping.
- During Q3, SVC held a workshop with 11 organizations from the private sector, government (IPAPEL), and PO on the agricultural calendar. The agricultural calendar is a tool to facilitate input provision.
- In May 2019, SVC staff partnered with three representatives and members of the Agricultural and Rural Management Council (CARG) to monitor and facilitate SVC gender and youth activities in Kabare and Walungu territories. Activities included youth exchange workshops and follow-up meetings on GALS training.

4.3 PRIVATE SECTOR ACTORS

- SVC signed agreements with 25 private sector partners, including 14 in the coffee value chain and 11 in the bean and soybean value chains.
- IN Q4 SVC facilitated the signing of sharecropping contracts between local large landowners and 209 sharecroppers in three concessions (Kakono, Cishi, and Bitese) in Walungu. This brings the total of sharecropping contracts signed with large landowners during FY19 to 740.
- SVC supported an elective general assembly for 28 coffee and cocoa producers' cooperatives and the board of directors.

4.4 COLLABORATION WITH OTHER DEVELOPMENT ACTORS

- Collaboration with FPM to organize the Forum on Access to Finance in the Agricultural Sector in South Kivu during November 2019;
- Collaboration and discussion with telecommunications companies, Airtel and Orange, on using mobile money for payments to producers for coffee cherries;
- Collaboration with the GAMF network to strengthen the capacity of MFIs that serve the agricultural sector;

- Collaboration with other development organizations in Kivu such as SWISSCONTACT, LOUVAIN COOPERATION, FH, MC to create common advocacy tools to facilitate access to financing for youth companies, start-ups, trade and agriculture.
- MIS: During Q3 and Q4, SVC organized working sessions with AVPA and CCPA – SK to understand how the MIS previously financed by the European Union (EU) was structured and operated in the past. In addition, SVC wanted to better understand the challenges confronted by previous MIS systems in order to identify strategies for revitalizing and implementing an operationally sustainable MIS system, incorporating elements of cost recovery and payment for services by different actors operating along the different targeted Value Chains in South Kivu.
- In June 2019, SVC participated in an event engaging YOUTH CONNECT and Young African Leaders (YALI) on opportunities in the agricultural sector for young entrepreneurs in the DRC. The event was held in Goma, North Kivu.

5.0 CONSTRAINTS AND CHALLENGES

5.1 CONSTRAINTS AND CHALLENGES IDENTIFIED (COMPONENT 1)

- Mobilization of resources (financial, material, and human) by cooperatives and/or wet mill washing stations to reduce negative environmental impacts. Investment is a challenge when economic returns are not immediately visible.
- Sellers in agricultural input shops do not use individual protective equipment. This creates a long-term human health risk for shop employees. Poor aeration and ventilation add to this risk.
- Reduce mistrust in contracting between agricultural actors (targets and techniques).
- Synchronization in planning, and the choice of target actors with the DFSA (FH, MC, and WV).

5.2 CONSTRAINTS IDENTIFIED IN COFFEE SECTOR (COMPONENT 2)

- Most existing coffee cooperatives in South Kivu have governance challenges and rarely are decisions affecting farmers presented to and voted upon by the general assembly.
- Lack of adequate private sector coffee cupping facilities in South Kivu.
- The world market price for coffee is very soft due to large volume production in Brazil, Columbia and Vietnam, a consolidation of industry actors and the construction of environmentally controlled warehouses capable of storing coffee for long periods of time without a degradation of quality. These factors have stabilized coffee prices and decreased industry price volatility but are disincentivizing to a new origin where the costs of production surpass the prevailing market price for coffee.
- Price fixing by Mungaano cooperative's president fixed a ceiling cherry price to farmers of 400 FC/kg ($0.25/kg) for the 2019 coffee campaign. Nearly all operators in Kalehe respected this price during the season. Lack of competition in pricing is disempowering for smallholder farmers who would be better served by having a selection of buyers and purchasing points with whom to negotiate
- Visas for *Saveur du Kivu:* international buyers wishing to participate in *Saveur du Kivu* had their visa requests delayed or rejected at the Washington and European Congolese embassies. This led to fewer buyers able to attend the event this year.
- Bank credit: Equity bank's working capital financing arrived late for CPCK, but still in time to buy during the season. However, in the case of Maitea, finance arrived post- season which posed significant risks to clients. In addition, supporting documents required were not clear in advance and requirements were added during the course of the application.
- Working capital financing is extremely difficult to leverage in Eastern DRC, especially for new entrants in the sector. This year, Café Lac decided to integrate vertically rather than

extend credit to operators in the sector. Even though in past years its terms and conditions were found to be prescriptive and dis-incentivizing by coffee entrepreneurs, Café Lac did offer a needed service in a high- risk environment. With financing constrained, many washing stations either did not operate or operated at a much-reduced volume this season. This created a challenge for farmers who found themselves with limited marketing outlets for their production. In Kabare particularly many farmers reverted to traditional drying methods for their cherry and liquidated their parchment to lower grade commercial markets at fire sale prices.

5.3 CONSTRAINTS IDENTIFIED IN PRIVATE AND PUBLIC PARTNERSHIP (COMPONENT 3)

- The weak planning capacity of partners, the lack of development of a communications strategy, and legal registration of associations.
- Delays in the naming and installation of the new government both provincially and nationally created delays in collaboration with government technical services and challenges in the processing of official documents.
- The lack of organization, of collaboration and planning by the Congolese coffee sector, particularly new entrants, is a constraint. Networks, Platforms, and Trade Associations of sector actors are important mechanisms to enable a better organization of the sector, participation at international trade shows and in lobbying for positive changes to better serve the needs of the sector in a timely fashion.
- Partners demonstrate limited capacity in planning, strategic visioning, communication strategy and legal structuration.
- Delays in the setting up of new institutions at the central and provincial level remain a major problem.
- Mistrust between the public and private sectors does not facilitate the development of PPPS.

5.4 CONSTRAINTS WITH REGARDS TO ACCESS TO FINANCE

- No SVC clients in the soy or bean value chains submitted requests for financing support this year. Although these clients need funding, they lack the organizational structure and AMSA needed credit in 2019, they had no formal documents of legal existence needed for a loan request.
- Many value chain actors are still seeking humanitarian relief and lack entrepreneurial motivation.
- There are a large number of VSLAs associated with the FSP program, and SVC's staffing and budget resources are insufficient to provide financial education to all of them.
- The project is in South Kivu, but the headquarters of partner banks are located in Kinshasa, which causes delays in decision-making.
- Clients selected by the SVC project are often new business owners and often do not meet banks' current lending criteria.

- Financial institutions still lack loan products for all types of agricultural activities, and credit eligibility criteria are not necessarily consistent with the criteria which SVC uses to select its clients.
- Many MFIs have trouble accessing longer-term funds to meet the needs of agriculture lending cycles.

5.5 CROSSCUTTING INITIATIVE CONSTRAINTS

5.5.1 GENDER, YOUTH, AND SOCIAL INCLUSION CONSTRAINTS

Mainstreaming gender, youth, and social inclusion

- SVC is unable to respond to numerous requests for gender and youth technical support from USAID partners, particularly from VSLAs, women's and youth associations working with the DFSA, ADIJ and other USAID projects. This includes requests to increase GALS training from communities and USAID partner organizations.
- While SVC aims to institutionalize the GALS methodology within POs, cooperatives, and associations, there are limitations among some community-based trainers to provide training to their members and target groups. The community-based GALS trainers are volunteers: they do not receive a stipend from SVC, though others in the community do not believe this to be the case. The community-based GALS trainers seek recognition (badges, diplomas, etc.) to attest to their competency in the providing the training but would also like to receive material support in the form of flip charts, markers and a curriculum materials package. Further, the heavy demand by community members to participate in the training offered has detracted from the time available to the community trainers to focus on their own economic livelihood activities. Finally, there is jealousy emerging from other community leaders (board members of POs, cooperatives, and other village structures) that the high demand for GALS training by the Community facilitators is giving these facilitators a high level of visibility and influence within the community and could eventually lead to them vying for the leadership positions currently occupied by others.

Gender Action Learning System

- Only two months after the initial GALS training SVC found a significant departure of some key people trained within coffee cooperatives especially in Muungano/Kiniezire and CPCK. This has the potential to reduce expected impact and desired networking between trainers. It is uncertain whether cooperative staff trained by SVC will remain in their posts.
- Since no SVC staff are based in the field other than wet mill advisors, there is a lack of regular monitoring of cascaded GALS training, which makes it difficult to ensure the quality of the cascaded training curriculum.
- The GALS approach seems to have been most effective within VSLAs. It has not been institutionalized within the POs, cooperatives, or associations from which the VSLAs originated.

Youth engagement

- Engaging youth in SVC activities requires significant time and collaboration with other USAID-funded projects that provide young entrepreneurs with start-up funds or equipment, which is currently not part of SVC's activities.
- To further enhance youth integration within SVC, youth would like to participate in innovation competitions, but this requires additional resources (time, financial, and human).

- SVC will need to identify an appropriate reward for youth innovation competitions to motivate them to participate in innovative and entrepreneurial value chain activities.
- Institutionalizing the integration of youth into the governance of POs, cooperatives, and village groups is a major challenge. It is difficult to reach a critical mass and identify young people who want to actively participate and adhere to the principles of a market-based approach.
- Many youths understand the definition of "work" to be working for others, rather than working as an entrepreneur. SVC must sensitize youth and adults about the importance of entrepreneurship and youth leadership in target value chains.

5.5.2 CONFLICT AND RESILIENCE CONSTRAINTS

- Difficulty collaborating with DFSA actors (WV and MC) in the definition of SBCC messages;
- Low involvement and availability of the Health Division regarding the nutritious food access campaign (message validation). Health Division workers were more involved during the SBCC campaign;
- Lack of availability of internal SFCG experts for the development of communication tools (complex process of validation and coordination for the development of communication and conflict scan tools); and
- Difficult mobility for some activities. The mobility issue led SVC to create a 4th Participatory Theater Group in Minova to avoid large groups of actors having to travel long distances to remote project areas.

6.0 FINDINGS AND LESSONS LEARNED

6.1 COMPONENT 1 (VERTICAL AND HORIZONTAL ACTORS)

- For successful and sustainable market linkages, stakeholders must be convinced of the benefits market linkages can bring.
- Respecting commitments, especially when entering into contracts with POs is essential to develop positive market linkages. When even one farmer does not respect his or her commitment (sales contract), linkages weaken. POs are quick to attack when buyers are not able to meet their commitments.
- Win-win contracts and transparent business relationships strengthen kinship among PO members, increase their bargaining power and improve their decision-making ability in relation to market opportunities.
- Collaboration and harmonization enabled successful joint planning of training sessions with Mercy Corps and World Vision.
- Most small-scale farmers do not know the area of their fields and do not consider all production costs such as family labor as investments when calculating net income. This is also true of costs incurred for meals to daily workers during the first and second ploughing, and during sowing, weeding, harvesting, as well as the cost of storage. These costs are often minimized when calculating production costs.

6.2 COMPONENT 2 (COFFEE)

- Lower volumes of coffee in 2019 had a positive impact on quality (improved drying);
- Private plantations are a viable business model and deliver higher quality coffee (more consistent); Lwaboshi was a classic example with high quality coffee cupping scores that attracted buyers. More private wet mills will be included in 2020 wet mills selection.
- The engagement of local leaders and civil society is key for peaceful recruitment of farmer trainers and activities in project area. Their presence assures local buy-in.
- Famer attendance for agronomy training relates to market interest. With this year's low coffee prices on the world market, farmers were discouraged from attending training. During training, farmers complained about low prices paid for coffee cherry.
- Working capital needs to be unlocked for the sector to realize its full potential. Several clients did not operate or operated under capacity due to lack of access to capital.
- Wet mills that received working capital late traded fully washed parchment with wet mills that had low volumes. This increased the volumes of parchment at pre-financed wet mills, as they had forward sales contracts. Cross-lending and buying of parchment from other wet mills limit business development in wet mills with no access to finance. Lwaboshi had the best coffee for the season but had a pre-financing arrangement to sell parchment to an informal lender named CIZA. CIZA later sold parchment to Sopacdi Cooperative. To correct this, wet mills will be advised to enter into formal contracts that provide a higher

coffee market price. Lwabsohi has already been introduced to Equity Bank and accessed working capital late in the season. Lwaboshi coffee samples were appreciated by a potential buyer; this created awareness with the producer and will lead to better decisions around sourcing finance and market access in the future.

- Wet mills have good records of cherry purchase, farmer's delivery records, salaries and wages at the wet mill. However, wet mill expenses not well recorded as general expenses in some wet mills. This oversight may be a source of high cost expenses at the wet mills. Most wet mills don't have all of the supporting documents of all their coffee milling, parchment sales receipts, and breakdown of all coffee sales. In the transparency statements tracking all coffee volumes from cherry shows some low grades coffees are not being well documented in sales. Some coffees are not accounted for especially where parchment purchase increased coffee volumes handled by wet mill. This will lead to a lack of transparency. End season discussions with wet mills will include business coaching around transparency and advising wet mills to perform internal audits to improve transparency.
- Despite improvements in some aspects of *Saveur du Kivu*, there is plenty of room to have a better event. If the goal is to bring buyers in the country to taste and buy coffee, a very simple effort at fast tracking visas can greatly improve the facility to host the event. The general organization of the event must be improved. A SdK secretariat should be created to help manage this and receive funds from supporting organizations to manage transparently. The secretariat could also carry out participants sourcing and invitation letters and help facilitate visa approvals for buyers.

6.3 COMPONENT 3 (PRIVATE AND PUBLIC PARTNERSHIP)

- Actors in the private sector have weaknesses. Network based on common economic interests can help overcome some of these structural weaknesses.
- Private sector actors haven't accessed information on different reforms on taxes and regulations initiated by government. It's important to increase sensitization.
- Government technical services in South Kivu often require financial and material institutional support to productively play their role in the sector, and to engage in win-win PPPs.

6.4 COMPONENT 4 (ACCESS TO FINANCE)

- The DCA guarantee is helping coffee cooperatives obtain loans to produce and export specialty coffee. A single container (19,200 kg) of specialty coffee requires at least $60,000 in cash during the season, and cooperatives generally lack collateral to borrow more than $50,000. Equity Bank is leveraging the DCA guarantee to cover the collateral shortfall and make loans in amounts needed by cooperatives.
- Equity Bank's success in making agricultural loans is having a positive demonstration effect, encouraging other financial institutions to consider lending to the sector and more cooperatives to apply for credit.
- SVC's in-depth training on agricultural lending has made FINCA more willing to develop new financial products for agricultural borrowers.
- There is an increasing number of MFIs who are interested in financing agriculture, but they still lack capacity, long-term financial resources and tools.

- There is a strong demand for financial education stemming from the Access to Finance Forum for the VSLAs and POs.
- VSLAs might be able to serve as an alternative, grassroots type of funding to bridge the gap between formal financial institutions and rural demand, but they require capacity building to do so.

6.5 GENDER, YOUTH, AND SOCIAL INCLUSION

- To capture learning from GALS, it is necessary to document experiences and changes resulting from training at three months, six months and beyond.
- The gender assessment conducted for the Umoja cooperative offered learning opportunities for gender, youth and social inclusion within cooperatives. However, the cooperative's leadership is not yet adequately engaged in gender mainstreaming and social inclusion and recommendations have not yet been implemented.
- To implement SVC's youth strategy, which aims to alleviate rural poverty and build resilience within communities, it is critical to work with youth groups under ADIJ, FSP, and ACCELERE projects. USAID projects should align their strategies to engage with young people in similar areas.
- Although GALS inspires change, it is necessary to ensure safe spaces for women, youth, and vulnerable populations within communities. There are limitations in what SVC can do based on structures set up by DFSA and ADIJ.
- Despite the coordination, co-location, and collaboration efforts between SVC and other USAID projects, there are still gaps in integrating target groups across multiple projects. SVC appears to have focused on accessing the market, while target groups supported by other projects do not move at the pace and demand of the market.
- GALS tools inspire individuals to pursue income-generating opportunities in a gender-equitable way so that all members of the household benefit from wealth creation.

6.6 CONFLICT SENSITIVITY AND RESILIENCE

- Using existing SBCC sensitization tools can help save time and resources for the SBCC campaign.
- Community-based LCs can play an important role in relaying SBCC messages in addition to their usual functions.
- Improving governance in cooperatives can reduce tensions among coffee growers and have a positive effect on their production and productivity.
- Strengthening the proximity between SVC teams and coffee growers facilitates effective and unified communication and thus reduces rumors and misunderstandings about the SVC project.
- The identification of conflicts related to value chains can be identified with collaboration from coffee college participants for more concerted and targeted actions.
- The coordination of mediation actions requires cooperation with other partners including the DFSA for positive synergy.

7.0 RECOMMENDATIONS

- More cohesive new farmer business groups or smaller cooperatives operating in proximity will improve cooperative governance.
- Work with stakeholders and ONAPAC to establish industry support for a rural coffee laboratory that can be used by wet mills for quality improvement and marketing.
- Encourage clients to determine their own pricing based on volume and cost projections and introduce the concept of quality premiums where better selected cherries receive a higher price, encouraging farmers to harvest more selectively.
- Strengthen Equity Bank's relationships in the international coffee market, including importing and exporting stakeholders in the region, by being present at forums such as AFCA and SCA;
- Support Equity Bank and cooperatives interested in raising awareness about mobile financing;
- Given GALS' proven ability to shift thinking around gender norms and economic opportunities, participants recommended integrating this methodology within the national education curriculum.
- SVC should integrate GALS tools into training curricula for agricultural cooperatives as well as in the Coffee Farm College to address issues related to the economic empowerment of women and marginalized groups, especially young people.
- Strengthen collaboration, coordination, and communication with DFSA to plan and monitor the sustainability and effectiveness of village agents' work (from Mercy Corp and WV) as trained GALS resource persons. With the support of MC and WV, it would be possible to monitor the GALS champions more regularly (e.g., at least twice a month per site) to help them adapt the GALS tools and methodology to suit the needs of agricultural associations and cooperatives.
- Include village chiefs and local authorities in GALS training to sensitize them to the importance of women and youth participation in economic development activities.
- Continue to identify opportunities to engage with Centre OLAME, which offers a great opportunity to reach a large number of women.
- Support youth engagement in target value chains by developing and sharing messages for SBCC campaigns that are targeted toward youth, particularly for youth in rural areas.
- Given resource constraints, SVC should mobilize financial resources through partnerships to strengthen its work with youth in target value chains.
- Continue supporting local transporters, like UCOAKA, with DFSA. Follow up with and encourage them to establish their own savings and credit initiative and implement their innovative ideas such as the use of two-wheeled carts for women transporters.
- Organize an exchange meeting between trained transporters and other key players in the coffee, soy and bean value chains who use their services and discuss the best ways to collaborate and improve the transport value chain segment in Kalehe.

8.0 CONCLUSIONS

The SVC Activity recently completed its second year of implementation, and is on track to meet key project outputs, outcomes and impacts. In terms of **Program Quality**, the SVC team met or exceeded 50% of FY19 targets and will achieve several key contract deliverables ahead of schedule, including the number of people trained, the number of seasonal jobs created, and the value of agriculture-related financing accessed as a result of USG assistance. Key gender and women's empowerment targets have also been met or exceeded, including the percentage of women assisted by the program and the percentage of women in leadership positions. Given recent refinements to USAID indicator definitions in September 2019, and FY19 SVC indicator results, some SVC indicator definitions and targets will be updated in a revised Activity Monitoring, Evaluation, and Learning Plan to be submitted in Q1 FY 2020.

With regards to **Program Schedule**, the SVC team implemented or made progress towards all FY19 activities described in the FY19 annual workplan and met most FY19 key milestones. The team is adequately forecasting and controlling costs in a challenging context and has demonstrated vigilance and zero tolerance with regards to allegations of fraud, waste, and abuse. Although a large portion of the contract budget is dedicated to sub-contractors, including sub-contracts to US small businesses, the Activity has spent 41% of the contract budget over 47% of its life, demonstrating excellent cost control and sub-contract management. The Activity is meeting its small business subcontracting goals as well.

In terms of **Project Management**, the entire SVC team is focused on integration and coordination with USG IPs, to maximize cost effectiveness and the efficacy of donor investments. All Activity Component teams implemented activities in collaboration with USG-funded Development Food Security Activities (DFSAs) this fiscal year. For example, the Component 1 team worked with MC and WV to strengthen POs, and the Gender and Youth team worked with both DFSA programs as well as USAID's Youth Project (ADIJ) on GALS and youth programming. The SVC team demonstrated adherence to USAID's Collaborating, Learning, and Adapting guidelines, capturing challenges, testing solutions, and documenting lessons learned in collaboration with USAID. Finally, the project developed and implemented an EMMP this year, in compliance with USAID environmental regulations and codes.

9.0 ANNEXES

Annex A: Q4 FY19 Financial Report

Annex B: SVC FY19 Performance Indicator Table

Annex C: Agricultural Calendar

Annex D: Listening Clubs and Community Radio Partners in SBCC

Annex E: Lima Faidika Radio Programming and Public Service Announcements

Annex F: Status of Environmental Mitigation Measures

Annex G: Technical Factsheet: Coffee Value Chain

ANNEX A: Q4 FY19 FINANCIAL REPORT

Redacted.

ANNEX B: SVC FY19 PERFORMANCE INDICATOR TABLE

N°	Performance Indicator	Baseline Values	FY2018			FY 2019			LOP	Overall achieved to date	Total % achieved FY18/19
			Targets	*Achieved*	*% Achieved*	*Targets*	*Total Achieved*	*% Achieve*	*Target*	*Ov. Achieved*	*Ov.% Achieved*
PURPOSE LEVEL: Increase household incomes and access to nutrient rich crops by linking smallholder farmers to strengthened and inclusive value chains and											
4	Number of individuals participating in USG food security programs **[IM-level (GFSS # 49)]** ***(Qaurterly)***	0	5,000	10,762	215%	10,000	13549 (45% women)	135%	**60,000**	**13,549**	23%
IR1: Improved agriculture livelihoods among targeted households											
5	At least 2,000 additional seasonal worker positions created compared to the baseline year) **(Contractual)** ***(Seasonal)***	0	0	190	NA	**500 (50% women)**	2110 (88% women)	422%	**2,000**	2110	**106%**
Sub-IR 1.1: Increased use of improved agriculture practices and inputs											
7	Number of individuals who have received USG-supported short-term agricultural sector productivity or food security training **(EG 3.2.1) (*) (Qaurterly)**	0	5,000	6,134	**123%**	**5,000**	13419 (44% women)	268%	15,000	13,419	89%
	Producers			**6,134**			**13,033**			**13,033**	
8a	Number of individuals in the agriculture system who have applied improved management practices or technologies with USG assistance **[IM-level] (GFSS #11) (Annually- FY20, FY21, FY 22)**	0	**5,000**	**2,570**	51%	**5,000**	**3,305**	66%	**15,000**	**3,305**	22%
8b	Number of farmers or other value chain actors implementing climate-smart practices **(EG.11-1)** (Already integrated into Indicator 9. Will be disaggregated)	0	5,000	0	0%	5,000	2699	54%	15,000	2699	18%
9	Number of hectares under improved management practices or technologies with USG assistance **[IM-level] (GFSS 22) (*)** ***(Annual)***	0	0	0	N/A	**1,250**	**1,027**	**82%**	3,750	1,027	**27%**
IR2: Expanded markets and trade											
10	Number of containers of specialty coffee exported per year (**Contractual**) ***(Annual)***	**15**	**20**	**37 (6 SVC Wet Mills)**	**185%**	**25**	49 (9 SVC Wet Mills)	196%	50	49	98%

N°	Performance Indicator	Baseline Values	FY2018			FY 2019			LOP	Overall achieved to date	Total % achieved FY18/19
			Targets	*Achieved*	*% Achieved*	*Targets*	*Total Achieved*	*% Achieve*	*Target*	*Ov. Achieved*	*Ov.% Achieved*
PURPOSE LEVEL: Increase household incomes and access to nutrient rich crops by linking smallholder farmers to strengthened and inclusive value chains and											
11	Value of annual sales of producers and firms receiving USG assistance [IM-level] (GFSS EG.3.2.-26) ***(Seasonal)***	$1,350,000	$1,800,000	$3,694,080 ($899,870 from SVC supported wetmills)	205%	$ 2,250,000	$4,000,000; $942,029 from SVC Wet Mills	178%	4,500,000	$4,000,000	89%
Sub-IR 2.1: Improved market linkages and information systems											
12	Number of for-profit private enterprises, producer organizations, water user associations, women's groups, trade and business associations, and community-based organizations receiving USG food security-related organizational development assistance **(EG.3.2-4); FFP12 (*)**	0	60	58	97%	120	126	105%	253	126	50%
Sub-IR 2.2: Improved post-harvest storage and processing											
14	Volume of targeted crops processed by food processors and wet mills (Custom)		*453*	*411*	*91%*	866	*189.31*	22%	6,529	600.31	9%
15	Volume of targeted crops treated or stored at aggregation centers (sorting, grading, drying, bagging, storage); % increase over baseline **(Custom)**	Soybean 108.54 MT Dry Beans 1,436.44 MT	0	N/A	N/A	5% inclrease from BL (77 MT)	329.4	20%	20%+	329.4	20%
16	Number of Agricultural Borrowers receiving credit (under the DCA guarantee or not) **(Custom).**	0	10	26	260%	35	17	49%	180	43	24%
17	Total agriculture-related financing accessed as a result of USG assistance **[IM-level] (GFSS 12) (USD)**	0	300,000	1,725,600	575%	600,000	939,000	157%	2,200,000	2,664,600	121%
18	Number (and value) of public-private partnerships formed as a result of USG assistance **(EG.3.2-5)**	0	0	5	500%	5	2	40%	15	7	47%

N°	Performance Indicator	Baseline Values	FY2018			FY 2019			LOP	Overall achieved to date	Total % achieved FY18/19
			Targets	*Achieved*	*% Achieved*	*Targets*	*Total Achieved*	*% Achieve*	*Target*	*Ov. Achieved*	*Ov.% Achieved*
PURPOSE LEVEL: Increase household incomes and access to nutrient rich crops by linking smallholder farmers to strengthened and inclusive value chains and											
Sub-IR 2.4: Increased capacity of agriculture related producer groups, organizations and enterprise											
19	Number of farmer cooperatives that operate on a sustainable basis and are perceived by at least 75% of their members as providing valued benefits (**Custom, contractual**)	0	0	0	0	2	4	200%	10	4	40%
20	Number of farmer or value chain associations or organizations practicing successful conflict resolution practices, including functioning systems of internal recourse and linkages to existing community Peace Committees (**Contractual**)	0	0	0	N/A	5	16	320%	20	16	80%
21	Percent of USG-assisted organizations with improved performance **[IM-level] (GFSS 48)**	0	0	0	N/A	5	55%	N/A	80%	55%	68.8%
Sub-IR 2.5: Improved governmental services, regulations, and taxation for agricultural inputs and trade in targeted value chains											
22	Number of civil society organizations receiving USG assistance engaged in advocacy interventions **(DR.4.2-2)**	0	10	16	160%	20	16	80%	40	32	80%
IR3: Improved uptake of essential nutrition behaviors and services											
Sub-IR 3.2: Increased awareness of and commitment to essential nutrition-promoting practices											
26	Number of communities reached with nutrition messages disseminated **(FH/DFSA) (*)**	0	0	0	0	30	20	67%	150	20	13%
Sub-IR 3.4: Improved access to diverse and nutritious foods											
27	Number of actors including farmers, farmer associations, organizations, cooperatives, and businesses engaged in the production and/or marketing of nutritional products **(Custom)**	2	5	4	80%	10	60	600%	60	60	100%
28	Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources **[IM-level] (GFSS #44)**	0	10%	39.61%	396.10%	15%	60%	398%	30%	60%	199%
29	Percentage of women in leadership positions within targeted producer associations, cooperatives, and businesses **(Contractual)**	-	10%	50%	500%	15%	47%	313%	30%	47%	157%
Cross-Cutting IR: Conflict Prevention and Mitigation											
30	Number of participatory conflict analyses conducted. **(custom)**	0	3	3	100%	3	TBD	0	15	20%	20%

ANNEX C: AGRICULTURAL CALENDARS

Table B.1. Agricultural calendar for SVC intervention zones: Kabare and Kalehe

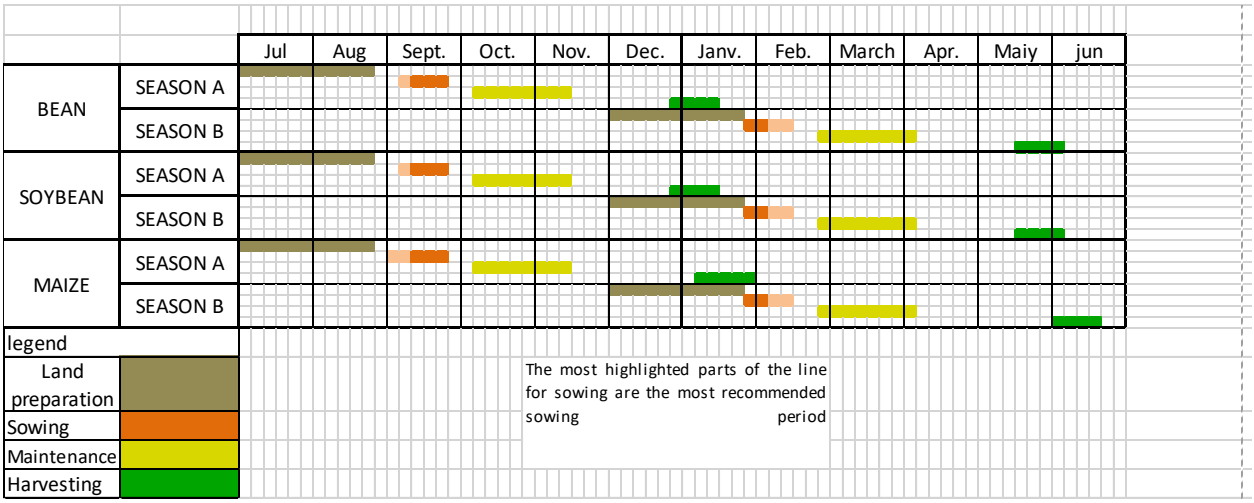


Table B.2. Agricultural calendar for SVC intervention zones: Walungu

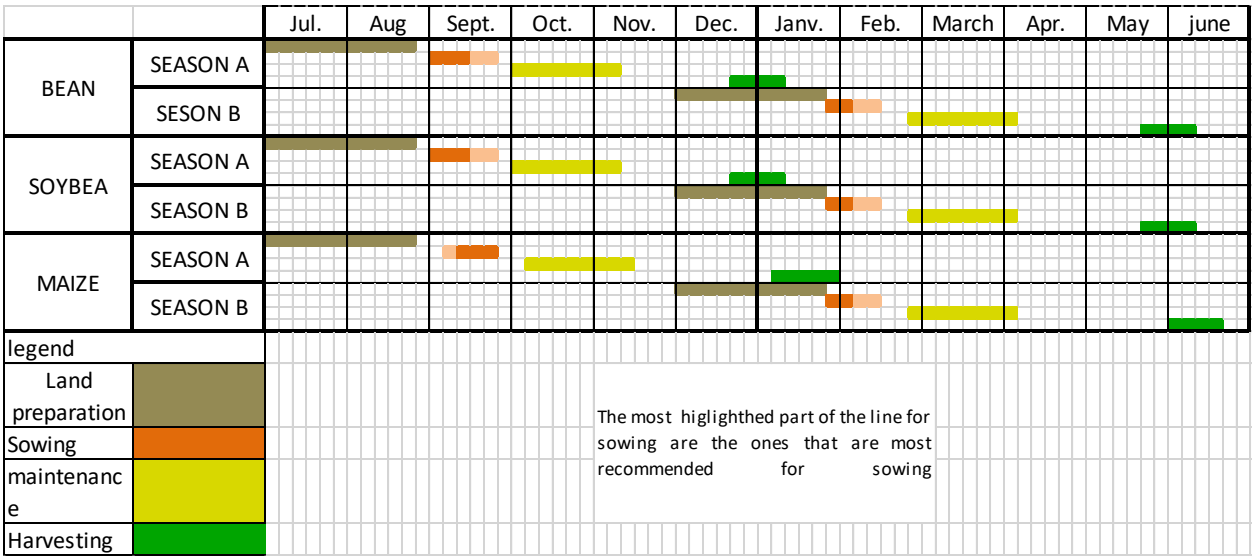


Table B.3. Agricultural calendar for SVC intervention zones: Kamanyola

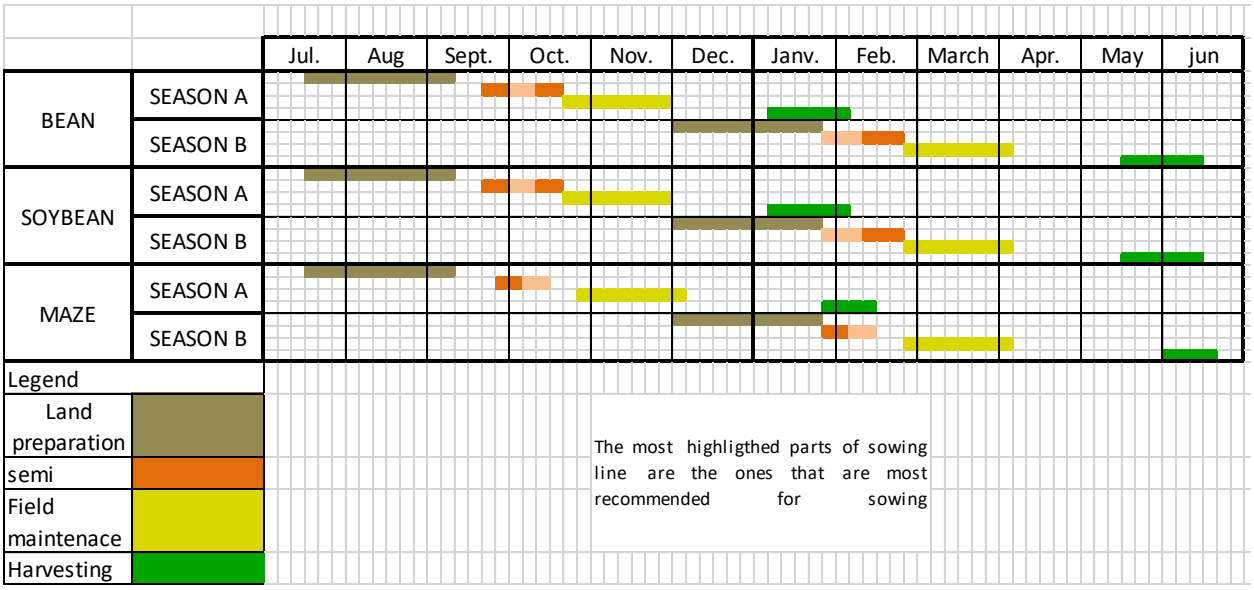


Table B.4. Agricultural calendar for SVC intervention zones: Minova

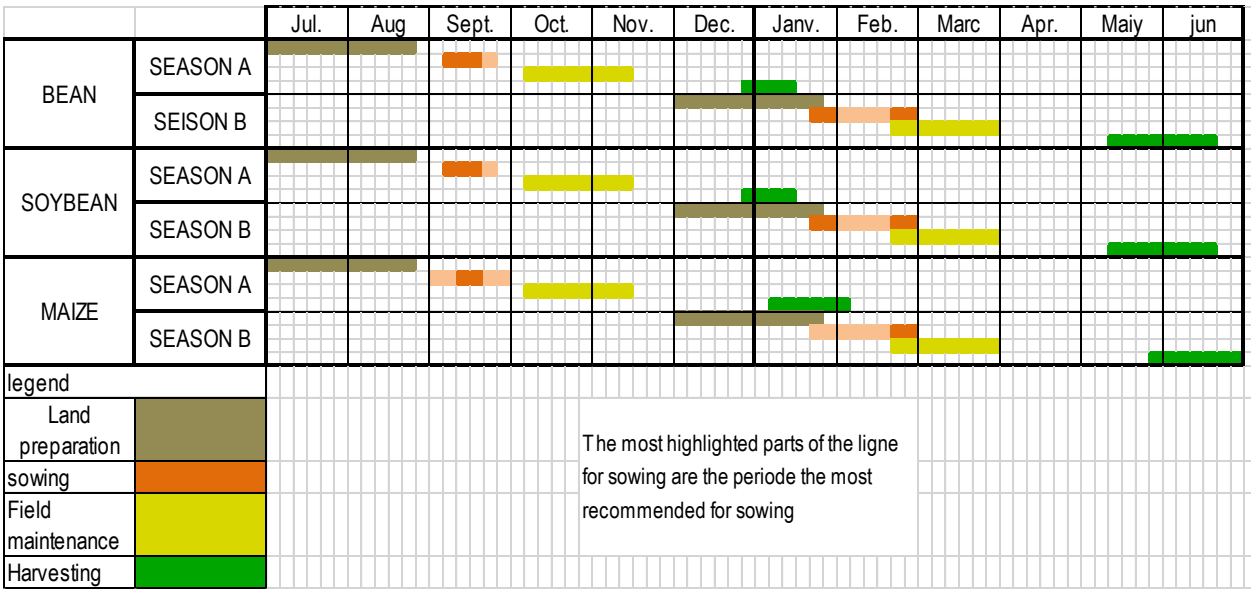
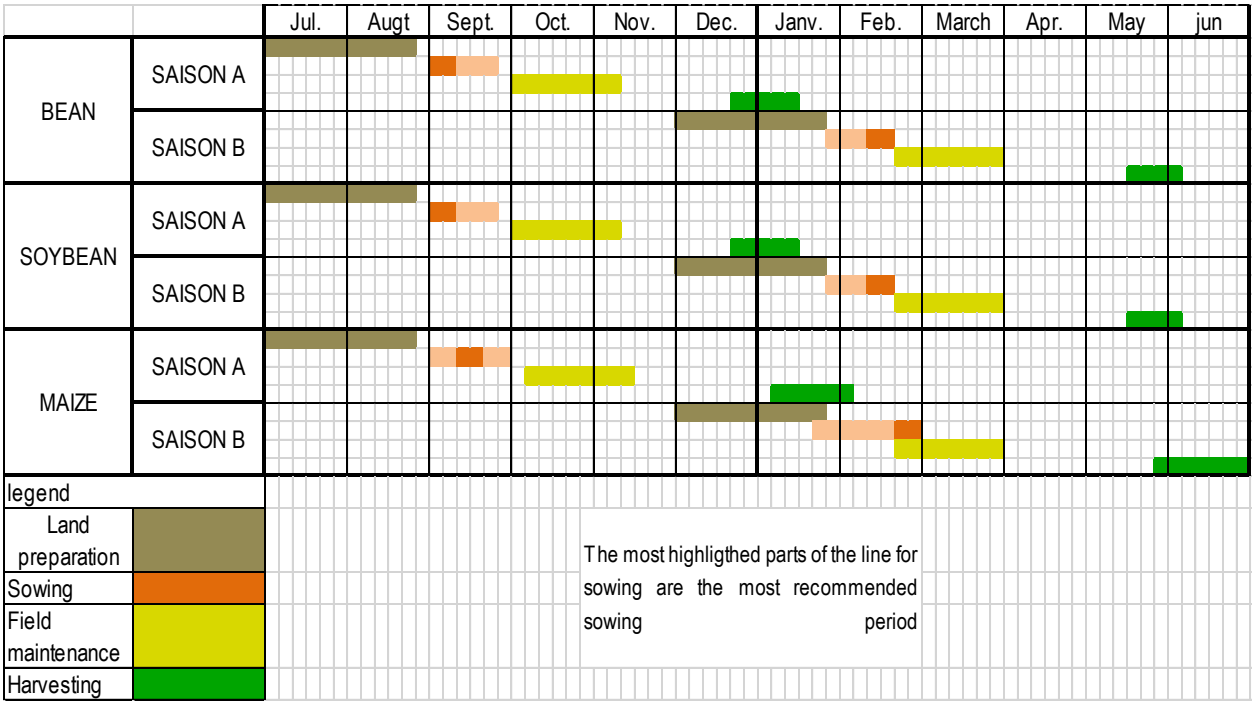


Table B.5. Agricultural calendar for SVC intervention zones: Mukwidja



ANNEX D: LISTENING CLUBS AND COMMUNITY RADIO PARTNERS IN SBCC

Distribution of listening clubs in territories and villages

N°	Name of communities	Territories	Villages
1	Ngweshe/Walungu	Walungu	Walungu centre
2	Mugogo	Walungu	Mugogo
3	Nduba	Walungu	Kalole
4	Ciherano	Walungu	Nalugana/Ciherano
5	Kavumo	Kabare	Irambi
6	Katana	Kabare	Mwanda
7	Kabamba	Kabare	Kabamba
8	Mabingu	Kabare	Mabingu
9	Birava	Kabare	Lugendo
10	Luhihi	Kabare	Luhihi
11	Kasheke	Kalehe	Kasheke
12	Choffi	Kalehe	Choffi
13	Ihusi	Kalehe	Munara
14	Bushushu	Kalehe	Bushushu
15	Nyamukubi	Kalehe	Lushebere
16	Nyamasasa	Kalehe	Nyamasasa
17	Nyabibwe	Kalehe	Nyabibwe
18	Mukwidja	Kalehe	Kinyezire
19	Minova	Kalehe	Minova
20	Buzi bulenga	Kalehe	Bulenga

SVC Lima-Faidika partner community radio stations for SBCC

	Radio Partner	Location
1	**Radio Mendeleo**	Bukavu
2	**Community Radio Buzi-Bulenga**	Buzi-Bulenga Group (North Kivu)
3	**Community Radio Bobandano**	Minova
4	**RTCK/Kalehe**	Ihusi
5	**RTNC/Walungu**	Walungu
6	**Community Radio Arome**	Ciherano
7	**Community Radio Mulangane**	Walungu

ANNEX E: LIMA FAIDIKA RADIO PROGRAMMING AND PUBLIC SERVICE ANNOUNCEMENTS

Production and dissemination of messages during the SBCC Nutrition Campaign

Ep. #	Title/Primary Message	Produced	Broadcast
1	The impact of poor nutrition in communities	April 2019	Aug 2019
2	Positive health benefits of beans	April 2019	Aug 2019
3	Transformation of beans	April 2019	Aug 2019
4	Prejudices and stereotypes on the consumption of beans	April 2019	Aug 2019
5	Positive health benefits of soybeans	May 2019	Sept 2019
6	Transformation of soybeans	May 2019	Sept 2019
7	Prejudices and stereotypes on the consumption of soybeans	May 2019	Sept 2019
8	Organizations working to improve nutrition in Walungu	May 2019	Sept 2019
9	Youth's contribution to fighting against malnutrition	June 2019	Oct 2019
10	Whose responsibility is nutrition in the family (between a husband and wife)?	June 2019	Oct 2019
11	The role of biofortified beans in the fight against malnutrition	June 2019	Oct 2019
12	The role of farmer associations and farmer cooperatives for encouraging communities to consume products from their fields (Soy and Beans)	June 2019	Oct 2019

Public Service Announcements produced and broadcast during FY19

Ep. #	Title/Primary Message	Produced	Broadcast
1	Health Benefits of Soya	June 2019	Aug 2019
2	Transformation of Soya	June 2019	Aug 2019
3	Prejudices and stereotypes on the consumption of soya	June 2019	Aug 2019
4	The impact of poor nutrition in communities	June 2019	Aug 2019
5	Health Benefits of Beans	June 2019	Sept 2019
6	Transformation of Beans	June 2019	Sept 2019
7	Prejudices and stereotypes on the consumption of beans	June 2019	Sept 2019
8	Youth's contribution to fighting against malnutrition	June 2019	Sept 2019
9	The role of biofortified beans in the fight against malnutrition	June 2019	Oct 2019
10	The role of farmer associations and farmer cooperatives for encouraging communities to consume products from their fields (Soya and Beans)	June 2019	Oct 2019

ANNEX F: STATUS OF ENVIRONMENTAL MITIGATION MEASURES

Project/Activity/Sub-Activity	Mitigation measures recommended	Status of Mitigation Measures	Outstanding Issues Relating to Required Conditions	Remark
1. Crop production (includes coffee, other export crops, dry beans, soybeans, horticulture, etc.)				
1.1 . Experimentation and demonstration plots	Plants to be sourced from reputable suppliers and demo plots to be carefully controlled, limited in scope and carefully monitored. Genetically modified (GM or GMOs) crop varieties are not approved by this IEE and cannot be promoted by the program.	Seeds used in coffee experimentation plots were from reliable sources (INERA). Seeds used in bean experimentation plots were from reliable sources (CIAT and INERA). Seeds used in bean demonstration plots were from reliable sources (INERA). No GMO varieties use in experimentation plots or demonstration plots.	None to report	
	Experimentation and demonstration plots will be installed on moderate slopes (less than 15 degrees) to minimize erosion SVC staff and agro-dealers trained in safe fertilizer application methods and appropriate input use (proper handling, application, storage, and disposal procedures for fertilizers, recognize verified and true fertilizer products (commercial name, chemical name, active ingredients, concentration)) SVC will encourage use of compound fertilizers which are slowly released and are less likely to leach. SVC will develop and use a checklist to evaluate environmental suitability of experimentation and demonstration plots. Adopt conservation agriculture techniques that encourage natural or organic soil fertilization, including planting nitrogen fixing crops and trees and applying compost and animal manure. Discourage over-application of chemical fertilizers Only fertilizer approved by USAID will be used in the project. Fertilizer will be purchased from authorized dealer	No erosion caused by experimentation and demonstration plots. Safe fertilizer application method mentioned during training in SUAP and EMMP No chemical fertilizers applied in either coffee, bean or soybean field production. Checklists developed and included in the EMMP. Conservation and good agricultural practices mentioned during training in SUAP and EMMP Mentioned during training in SUAP and EMMP Mentioned during training in SUAP and EMMP	None to report None to report None to report	None to report None to report

1.2. Technical assistance and training programs on crop production techniques, including: o improved crop varieties and cropping systems o installation and management of seed beds and tree nurseries o soil fertility management o small scale irrigation o land leveling o integrated pest management	Continuing training of SVC staff and SMEs on erosion control methods/ strategies. Complete a 'Safer Use Action Plan' in line with the DRC Mission wide PERSUAP that must be approved prior to any use of pesticide by farmers SVC staff and SMEs trained on safe use of agro inputs and Personal Protective Equipment (PPE). SVC should encourage the use of biodegradable material (for potting seedlings.) SVC and clients should train farmers and nursery workers on solid waste management (using the guideline for solid waste management such as plastic trash management when potting tubes are necessary; removed polyethylene will be picked up from nurseries and collected in a garbage pit or incinerated in a safe place to avoid fire spreading unexpectedly.	Explanation on erosion control was made during training on EMMP/SUAP. SUAP developed and accepted in October 2018. Checklists were developed and included in the EMMP/SUAP. SVC staffs and cooperatives managers trained on EMM/SUAP including PPE The use of biodegradable materials mentioned during training in SUAP and EMMP (for SVC staff, agricultural input shop mangers and washing station managers). An explanation was made on biodegradable materials. Training on composting techniques was carried out as part of soil fertility management. Coffee farmers have been trained in integrated pest management. So far, these trainings have contributed to the improvement of the knowledge of the trained individuals. The implementation of all these training is gradually done.	None to report	Training on composting aimed to contribute to the improvement of soil fertility by using different organic materials including pulp. Farmers have not yet started using pulp in the production of their own compost. Certainly, they observe the benefits of using pulp in composting at the demonstration plots at the wet mill stations that were trained on sustainability. Farmers were trained on IPM (weed control in coffee field, control of coffee diseases by appropriate agricultural cultural practices). As the result, some farmers are progressively implementing best practices from the IPM trainings. During visits to three agricultural input shops in June 2019, it was found that the managers of these input shops do not use personal protective equipment in order to protect themselves.

1. **Post-Harvest Processing and Storage (coffee, other export crops, soy beans, dry beans, horticulture, etc.)**				
2.1. Technical assistance on post-harvest coffee processing	SVC will advise washing stations to separate waste water and coffee pulp, with the waste water treated using technologies including vetiver wetlands and evaporation ponds. The washing stations will be advised to compost coffee pulp and distribute it to farmers for use as an organic fertilizer SVC will train wet mill technicians in waste management (handling, treatment and disposal). A waste management plan will be developed. SVC will encourage the construction of a pulp pit, composting and evaporation pound at each wet mill station. SVC will advise the construction of wet mill stations, in specific the evaporation pound, at least 30 meters away from water bodies. The PH of the nearest water body will be checked every semester SVC will encourage the adoption of eco-friendly pulping technology and for wet mills to track water usage. Washing station managers should train staff on occupational health and safety and provide personal protective equipment to technicians working in dangerous areas, and label dangerous areas within the premises to build awareness and caution. All waste water pits or lagoons need to be marked off. All washing stations should have a well-equipped first aid kit and staff trained on first aid and emergency procedures. SVC staff should train collection center staff on improved PHH/storage practices and facility management.	Coffee washing stations have been separated waste water and coffee pulp. Now, vetiver has been using for the treatment of waste water mostly at three washing stations that were trained on sustainability. Pulp is used in composting mostly at the three-washing stations that were trained on sustainability. However, the use of pulp in composting is still at experimental stage. Training on sustainability was provided to 3 washing stations including environmental responsibility, occupational health and safety, asocial and gender responsibility. Managers of three washing station were trained on occupational health and safety. In addition to vetiver and the use of pulp in composting, lime has been used to reduce bad smelling from pulp at the three-washing stations that were trained on sustainability. The use of lime is still at a demonstration stage. Waste water pits are well fenced mostly at the CPCK Kahogo washing station that was trained on sustainability. Follow-up was done after the coffee campaign iat 5 coffee storages, at CPCK Kahogo, CPCK Kabamba, Bosco, SOPACDI and Cifende. Unfortunately, the storages were closed. It's was difficult to assess the implementation of the recommendation made during the training on PHH techniques.	Risk of contamination of water stream due to mismanagement of waste from wet mill station that has not completed training on sustainability, EMMP and SUAP.	During the training on sustainability, vetiver was planted in order to filter acidity from the waste water at CPCK wet mill station. Farmers are still assessing and observing the effects of vetiver on the reduction of acidity from the waste water from treatment of cherries. After the coffee campaign. The wet mill stations and the coffee storages are closed. There is no activity. Therefore, it is difficult to assess the implementation of post-harvest techniques learnt during the training sessions.

1.2. Technical assistance on storage of crops and commodities	SVC will train SMEs in best post-harvest handling and management practices. Technicians should be trained in safe use and handling of pesticides that have been approved and reviewed for use in the USAID DRC-2017 Mission Wide PERSUAP. SVC staff and clients will be trained in SUAP implementation. SVC will provide trainers with personal protection equipment.	Training on post-harvest and handling techniques carried out during fiscal year 2019. Training on EMMP and SUAP provided to actors involved in the project target values chains. During follow-up in three agricultural input shops. A very good display of pesticides was observed.	The use of pesticides in storage stores is a risk because managers have not trained in the use of pesticides. Poor repacking of pesticides at the three visited agricultural input shops. Risk of intoxication of sellers in the three visited agricultural input shops due to poor aeration and poor repackaging.	The SVC project does not promote pesticides. It project provides technical assistance on good post storage techniques Repackaging of pesticides is not well done, and aeration is not good at the three visited shops. Fungicide is repacked in the plastic bag without labeling. Pesticides have been taken out of the original containers and put into vials that previously held injectable medicines with the original labels of the medicine remain on the vials. The project staff who visited the three agricultural input shops (DCOP and Agricultural Input Specialist) explained to the managers of these input shops the risks due to poor ventilation.
	3. Soil amendment and agro-chemicals			
Technical assistance and advice to farmers on the proper soil amendment techniques and the proper use of agro- chemicals		No activity involving technical assistance and advice to farmers on the proper soil amendment techniques and the proper use of agro-chemical was carried out during this quarter	None to report	
	4 Infrastructure rehabilitation and construction.			
Rehabilitation and construction of buildings, shelters and other structures, including: ● Coffee washing stations ● Buildings, sheds and covered platforms for processing equipment ● Hard-surfaced outdoors drying floors ● Storage and warehouse facilities		No activity involving infrastructure rehabilitation and construction was carried out during this quarter	None to report	
	5. Micro-hydro rehabilitation, construction, and electricity distribution			
Design, rehabilitate, upgrade, or construct micro-hydro generation capacity or electricity distribution systems		No activity involving Micro-hydro rehabilitation, construction, and electricity distribution has been implemented	None to report	

ANNEX G: TECHNICAL FACTSHEET: COFFEE VALUE CHAIN

FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

Fiche Technique :
Chaine de valeur Café

Cette fiche est produite pour servir d'information au processus de crédit des banques engagées dans l'accompagnement des coopératives et entrepreneurs exportant le café de spécialité dans le Sud Kivu. Elle ne sert que de guide de base à la compréhension des informations.

Généralités

Le marché de café dans le monde représente entre 10 et 15 milliards de dollars selon les années. Il y a deux variétés principales de café : arabica et robusta. Le café arabica, produit dans les régions à haute altitude, fait partie des meilleurs cafés consommés et demandés dans le monde. Le marché de café arabica est coté dans la bourse de New York et celui de robusta dans la bourse de Londres.

Il existe deux types de café selon la méthode de traitement : le café de spécialité et le café ordinaire. Le café de spécialité coûte deux fois plus cher que le café ordinaire, procurant au producteur deux fois plus de revenu. La croissance du marché mondiale est de 15 % pour le café de spécialité contre 2 % seulement pour le café ordinaire.

Le Kivu et le café

La région du Kivu, avec son climat et altitude, est bien connue dans la production de café arabica de meilleure qualité. Les régions de production naturelle sont les territoires de Kalehe, Idwji et Kabare pour le Sud-Kivu. Depuis la fin de la guerre en RDC, plusieurs acheteurs internationales comme Starbucks, Country Culture, et Twin, avec l'assistance des ONG internationales, ont commencé à s'intéresser au bon café historique du Kivu et à donner des commandes aux exportateurs et producteurs congolais. Aujourd'hui, on estime la production annuelle actuelle de la région à près de 5.000 T pour le Sud-Kivu et de 10.000 T pour le Nord-Kivu.

Or, les acheteurs internationaux voudraient se rassurer de la régularité de la qualité et de la quantité de ce café, nécessitant un investissement responsable et important des acteurs au regard des exigences de production, de traitement et exportation de ce café.

Après les guerres, les organisations internationales comme Oxfam et USAID ont investi leur fonds pour la réhabilitation du commerce de café au profit des petits producteurs. En général les institutions financières comme FEFISOL, Root Capital, et Oxfam Fair Trade préfinancent les commandes des cafés des acheteurs internationales pour une valeur par saison d'environ 1 million de dollars dans le Kivu.

Problématiques

La production de café de spécialité pour les petits producteurs requiert des investissements importants dans les plantations, les stations de lavages et dans le processus d'exportation. Ces investissements sont nécessaires pour assurer la fourniture continuelle d'un café de spécialité en quantité et en qualité.

Les besoins en fonds de roulement est le premier besoin des coopératives ou des entreprises privées qui exportent le café. Les besoins d'investissement sont souvent liés au renouvellement ou acquisition des nouvelles stations de lavage, y compris des achats des équipements associés dans le fonctionnement d'une station de lavage. Ce besoin va s'accroitre avec l'amortissement des premières stations de lavages subventionnées par les projets des ONG.

Dans un avenir proche, le besoin en investissement pour le renouvellement des plantations va venir et conditionner la survie du business dans la région.

USAID FROM THE AMERICAN PEOPLE

Projet de Renforcement des Chaînes de Valeur au Sud-Kivu (SVC)
1

La chaine de valeur de café

Les Plantations

La production du café à Kivu est souvent faite par des petits producteurs en groupe ou des individuels qui ont chacun quelques arbres de café. Selon la classification d'une étude de World Coffee Research, on peut catégoriser 3 types de plantation dans la zone :

- *Le jardin* : les caféiers sont noyés dans un ensemble d'autres cultures, sans organisation particulière, avec 50 arbres par producteur en moyenne. Ce type de plantation représente 5 % des activités dans la zone, voire plus dans le territoire de Kalehe.
- *L'association* : les caféiers (400-700 arbres par ha) sont interposés avec d'autres plantes comme haricot ou soja. Le degré d'association d'autre culture joue sur la santé physique des arbres caféiers. Les différentes formes d'association représentent environ 60 % des fermes dans la zone, avec près de 80 % dans le territoire de Kabare et 55 % dans le territoire de Kalehe.
- *La monoculture :* la surface entière de la ferme est occupée par les caféiers avec une densité relativement élevée (1.400 arbres par ha en moyenne). Ce système représente près de 28% des fermes dans la zone et est très présent à Kalehe. Les espaces de monoculture sont souvent les anciennes plantations coloniales, et la majorité (65 %) de ces arbres ont plus de 25 ans.

Les producteurs suivent une série d'opérations avant la récolte pour entretenir les arbres, sarcler le champ, ou même enrichir le sol avec les engrais organiques. L'utilisation des engrais chimiques et autres produits n'y est pas de pratique. La **main-d'œuvre est le seul intrant monétisé** et payé cash dans les champs. C'est évalué en homme-jour, plus la consommation qu'on paie pour les journaliers pendant les journées de travail en plantation.

Opérations de main d'œuvre
(Pour un hectare de 390 arbres en moyenne)

Opération	Période	Nb H-J	Coût/ H-J	Coût Total
Taille	juin-juil	7	1,50 $	10,50 $
Paillage	juin-août	40	1,50 $	60 $
Sarclage	oct-nov	20	1,50 $	30 $
Digues antiérosives	août-sep			ND
Récolte	mars-mai			ND
Restauration	-	-	-	10 $
Total	**-**	**-**	**-**	**150$**

La base de fixation des prix de la main d'œuvre est locale et ne dépasse pas 2$ homme-jour, mais le volume de la tâche à l'homme-jour n'est pas fixé dans la zone.

Outils et intrants pour une plantation

Outil/ Intrant	Opération	Fournisseur	Prix	Durée de vie
Sécateur	Taille d'entretien	Global Coffee Services	6$	+ 5 ans
Scie Egoïne	Taille de rajeunissement	Global Coffee Services	7$	2-5 ans
Machette	Autres entretiens du champ	Global Coffee Services	3$	+ 5 ans
Houe et houe fourchée	Sarclage et trouaison	Global Coffee Services et autres	3$	+ 5 ans
Fertilisants Minérale	Nutrition du caféier	Agri Force et autres	1.5$	1 an (application annuelle)
Paille, fumier organique, compost	Nutrition, protection du sol	A trouver localement	Coût non estimé	
Panier	Récolte	A trouver localement	Environ 1$	3 ans
Sac	Récolte	A trouver localement	Environ 0,4$	3 ans

La production estimée par arbre en termes de cerise est de 1,8 kg maximum actuellement. Dans la zone **le prix du kg de la cerise varie entre 400 et 500FC, soit entre $0,25 à $0,31** (saison 2018).

Le Traitement

Les deux types de café ont chacun un processus différent de traitement. **Le processus artisanal donne lieu au café ordinaire,** et le processus de traitement moderne, dans **une station de lavage, donne lieu au café lavé de spécialité**.

Le processus artisanal, utilisant une dépulpeuse manuelle, est souvent le processus effectué par les petits fermiers qui souhaitent vendre vers les commerçants ambulants ou les représentants des grandes usines de déparchage ou exportateurs. Pour les ventes de café parche artisanal, les producteurs reçoivent la totalité du paiement en une fois. **Le prix du kg du café parche produit par les producteurs de manière artisanale varie entre 1$et 2$ le kg.**

Traitement de café lavé de spécialité

Étapes Principales	Qui ?	Comment ?
Récolte des cerises	Producteurs (surtout les femmes)	Cueillir les cerises et les transporter aux stations de lavage le même jour.
Dépulpage des cerises et séchage du café parche	Stations de lavage (coopératives ou entreprises privées)	Les machines dépulpeuses enlèvent le fruit extérieur ; les grains sont trempés (« lavés ») pour enlever le mucilage et puis séchés au soleil. La parche (enveloppe de pellicule argentée) reste sur le grain, laissant le café parche, qui est transporté à l'usine de déparchage.
Déparchage	Usines de déparchage (entreprises privées)	Les machines de déparchage enlèvent la parche, laissant le café vert pour être triés et emballés.
Vente de café vert	Exportateurs Commerçants Transporteurs	Vendre le café vert aux commerçants et acheteurs internationaux de café de spécialité.

Les stations de lavage sont reliées à des points d'achats disséminés dans les zones de production de café car **les cerises doivent être traitées dans un maximum de 8 heures après leur cueillette**. La gestion opérationnelle des coûts entre les points d'achat et les stations de lavage sont importante pour éviter les pertes lies au vol, transport, accidents, sécurité et temps.

Étapes de traitement dans une station de lavage

Les producteurs reçoivent un premier quand ils vendent les cerises mais doivent attendre la vente finale (exportation) du café vert pour recevoir le bonus d'exportation.

La grande saison de récolte est du mars au mai, et le traitement aux stations de lavage dure jusqu'en juin, avec l'expédition du café parche en juillet et août. La déparchage et l'exportation du café vert se passe entre août et octobre, avec le paiement des bonus d'exportation vers les coopératives en décembre.

Équipements et intrants pour station de lavage

Equipement/ Intrant	Opération	Fournisseurs
Bassin	Flottaison	Local
Carburant	Transport cerise Dépulpage cerise	Local
Main d'œuvre	Manutention Cerise Journaliers (fermentation) Séchage Triage Conditionnement	Local
Bâches	Séchage	Local, Goma, Bukavu
Sacs	Transport cerises et parche	Local, Goma, Bukavu
Sachets		Local, Goma et Bukavu
Fiches enregistrement	Enregistrement des transactions	Bukavu et Goma
Peintures	Entretien de la station	Bukavu et Goma
Chidnet	Séchage	Global Coffee

Les machines actuellement utilisées dans la région sont importées de la Colombie (Penagos) ou achetées dans les pays voisins comme le Rwanda, l'Ouganda ou le Kenya (McKinnon). **Le maintien de ces machines reste un défi** pour les acteurs.

Le problème de contrôle et maitrise des coûts dans une station de lavage représente un risque important dans le financement. Le budget pour l'achat des cerises représente un minimum de 75 % à 80 % des coûts pour les stations performantes, et les coûts opérationnels ne doivent représenter qu'un maximum de 25 %.

Déparchage et exportation

Le déparchage de café est la dernière opération, consistant à enlever la parche (enveloppe de pellicule argentée) du grain de café pour avoir le café prêt pour l'exportation, le café vert.

Dans le Kivu il existe actuellement plusieurs usines de déparchage dont la majorité est installée dans la ville de Goma, comme Coffee Lac, Jambo Safari, et Virunga Coffee. Au Sud-Kivu il y a une seule usine de déparchage, SCAK, dont l'équipement est vétuste. **La performance d'une bonne usine doit garantir le rapport de 80 % de café vert depuis le café parche, dont 70 % de la qualité Grade A.** Pour l'exportation, il est aussi important d'avoir les emballages appropriés qui sont souvent achetés à Kigali ou à Goma auprès de certains exportateurs.

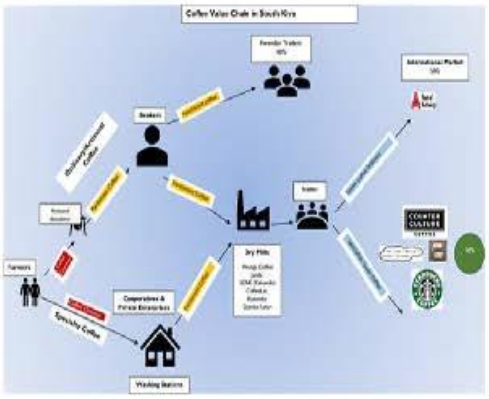
Coffee Lac propose en dehors de déparchage, le service d'accompagnement à l'exportation qu'il facture au coût de 6 % du chiffre d'affaire à l'exportation. Son accompagnement comprend aussi le préfinancement des intrants pour export, emballages, taxes et impôts et coût de fret et assurance pour l'exportation.

L'exportation du café nécessite d'avoir l'agrément d'exportateur qui s'achète auprès de l'ONC. L'ONC facilite aussi les petits producteurs d'exporter en son nom moyennant le paiement d'une commission.

La majorité de café de la région du Sud Kivu est exportée actuellement vers les marchés américain et européen. Les paiements des cafés exportés viennent souvent à partir d'octobre, novembre et décembre à cause des longs voyages que doit faire le café.

A l'exportation le prix de café de spécialité va jusqu'à 7,72$/kg (RWH 2017 Falcon Coffee) et selon les qualités mais **le prix en général n'est pas en dessous de 5$.** En dehors de cette vente, il y a aussi des **ventes locales des K4 (café sous gradés ou avec brisures) Grade A à 1$/kg et Grade B à 1,50$/kg.** Cette proportion ne représente souvent que 25 % à 30 % du café démarchés (usines).

Les marges bénéficiaires des coopératives sont d'evirons 14 à 16 % de chiffre d'affaire à l'exportation, à partir de deux containers.



Financement

Les besoins de financement

Le besoin de financement le plus stressant pour les coopératives ou les stations de lavage privées est le **financement de la saison**. Ce financement regroupe l'achat des cerises auprès des producteurs (jusqu'à 75 % de montant de la demande de crédit), le traitement de ces cerises en station de lavage, et les coûts de transport vers l'usine de déparchage. Les coûts de traitement et transport représentent entre 25 à 30 % du montant total et comprennent le salaire des journaliers pendant la saison, le transport des cerises vers la station de lavage, les sacs, les taxes de la saison et les coûts de l'entretien de la station avant la saison. **En moyenne le besoin pour produire un container est autour de 50.000$.**

Le besoin de produire pour les coopératives ou stations de lavage privées s'accompagne souvent pour les productions de grande quantité de besoin de préfinancer également le déparchage de café parche et l'exportation. **Les coûts de déparchage (usinage, empaquetage, fret, douane, assurance, commission exportatrice).et exportation d'un container tournent autour de 16.000$ à 20.000$**

Le besoin de **financement des investissements** est le besoin relatif à l'achat des machines de station de lavage, construction des nouvelles stations de lavage ou remplacement des anciennes installations. La construction d'une station de lavage de normes reste la condition *sine que non* pour espérer produire un café de qualité. Une station de lavage moyennée avec capacité de 800 à 1.500 kg/heure coûte entre 30.000$ et 50.000$. Il y a aussi des besoins d'investissements pour l'achat des moteurs hors-bord ou camion pour le transport des cerises des points de collecte vers les stations de lavage ou le café parche des stations de lavage vers les usines de déparche.

Un autre besoin important pour l'investissement est celui de renouvellement ou expansion des plantations. La majorité des caféiers a atteint un âge en fin de cycle de productivité (> 25 ans). Le renouvellement des plantes actuellement se fait souvent avec les subventions des organisations internationales mais de manière non contrôlée, aux dépens de chaque paysan.

Souvent en **période de soudure** entre janvier-février et juillet-septembre, les ménages ont aussi des besoins pour assurer leur stabilité économique. Ces besoins mettent parfois les petits producteurs en position difficile face aux offres immédiates en argent liquide des petits commerçants qui les leur proposent comme remboursement en nature le café parche pendant la saison de cueillette. Les paysans bradent donc leur future récolte ou future saison au vu de leur position de faiblesse créée par l'urgence du besoin. Pour une station de lavage qui peut attendre une telle production, il est nécessaire d'agir avant la saison pour assurer la disponibilité des fonds. Les coopératives sont actuellement très dépendantes des financements des institutions financières ou des ONG pour faire fonctionner leurs stations de lavage. La majorité n'a pas de fonds propres.

Les points des risques et mitigation

- Faible gouvernance des coopératives
- Contrôle des coûts (les coûts opérationnels doivent être 25 % maximum, laissant un minimum de 75% pour l'achat des cerises)
- Fluctuation des prix de café à l'international
- Problèmes de sécurité dans la zone
- Surendettement (commerçants, autres banques, partenariats ou IF,)
- Difficultés des garanties (les actifs sans titres, manque de marché secondaire)

Mitigations possible :

- Les programmes de renforcement des capacités des coopératives
- Créer une synergie et réseau dans les partenaires de renforcement de capacité (Tripartite, partenariat)
- Domiciliation exclusive des ventes et opérations et préfinance d'encaissement des ventes à l'export

Les financements actuels

Produits	Conditions	Explications	Types institutions	Taille actuelle de portefeuille
Financer les besoins de la saison (BFR)	Objets	Acheter et traiter les cerises ; transporter et conserver le café parche ; usinage et exportation	FEFISOL, Root Capital, Oxfam, COMEQUI/SMICO, Equity Bank, Coffee Lac	Plus d'1 million de $ par saison
	Durée	9 mois (mars à novembre)		
	Remboursement	Lors du paiement de l'importateur (novembre)		
	Garantie	Contrat de vente Nantissement stock Engagement irrévocable de domicilier les ventes, priorité de paiement crédit des recettes		
	Décaissements	Echelonne suivant le rythme de production et après vérification de production		
	Montants	5.000$ jusqu'à 500.000$		
	Suivi de crédit	Mensuel en station de lavage et formation en gestion comptable et reporting		
	Autres conditions	15 % chiffre d'affaire CQUI, Frais de marketing 6 % CL		
Investissements	Objets	Constructions stations de lavage, équipements	ONG, CTB, Oxfam, Twin, USAID, commerçants	La majorité des stations de lavage des coopératives ont des subventions des ONG
	Durée	-		
	Remboursement	Joint-venture	Coffee Lac	
	Garantie	-		
	Décaissements	-		
	Montants	Jusqu'à 90.000$ pour construction d'une grande station de lavage 10.000$ pour les petites stations	CRS/USAID Tumaini	
	Suivi de crédit	-		
	Autres conditions	Subventions, dons		
Crédit contresaison/ Crédit soudure	Objets	Période de soudure, besoin des membres	Equity Bank	Deux coopératives
	Durée	6 à 9 mois		
	Remboursement	Lors de paiement du bonus d'exportation		
	Garantie	Coopérative		
	Décaissements	Vers la coopérative		
	Montants	10.000$		
	Suivi de crédit	Coopérative		
	Autres conditions	Avoir contrat de vente et expérience coopérative,		

United States Agency for International Development
Democratic Republic of the Congo
Economic Growth Office
198 Isiro Avenue
Kinshasa/Gombe
Democratic Republic of the Congo