

PROJECT STATUS REPORT

JULY 2017 - DECEMBER 2017

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Building a resilient vetiver value chain in Haiti

Project Number: HA-T1230 - Project Num.: ATN/ME-16191-HA

Purpose: The project's objective is to increase the supply of sustainably grown vetiver within Les Essences NIDO's supply chain by strengthening the linkage between small-scale producers, cooperatives, distilleries, and the company in a win-win strategy

Country Admin

HAITI

Country Beneficiary

HAITI

Executing Agency:

Les Essences NIDO

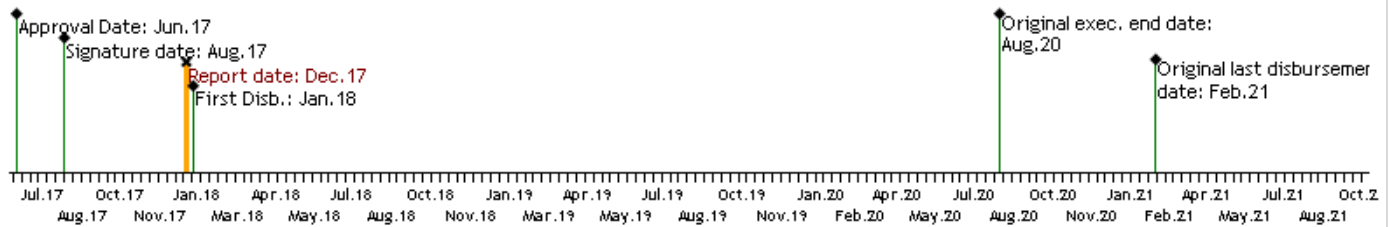
Design Team Leader:

YOLANDA STRACHAN

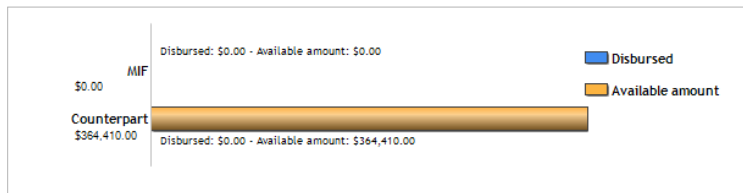
Supervision Team Leader:

YOLANDA STRACHAN

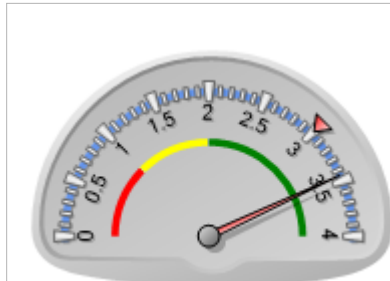
PROJECT CYCLE



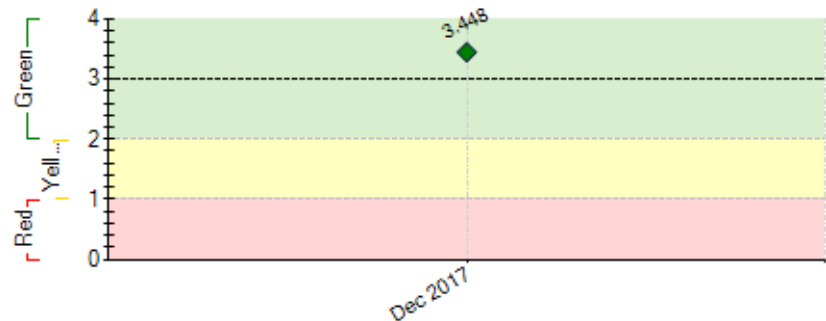
FUNDS



PERFORMANCE SCORE

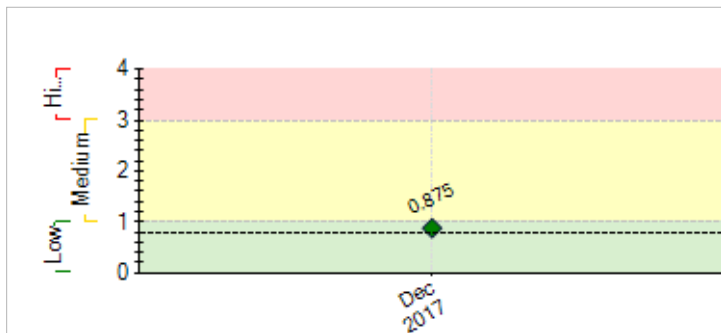


Current score: Satisfactory: 3.448
MIF Average: 3.005



----- MIF performance average

EXTERNAL RISKS



----- MIF risk average: 0.781

INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: High

Technical Capacity: Low

SECTION 2: PERFORMANCE

Summary of project performance in the last six months

1. List the main achievements of the semester. Mention the semester's most important results, referring to the purpose and component level indicators (of the logical framework), milestones and critical activities.

Pour le premier semestre, il n'y a pas eu de grands résultats dans le projet, mais ce fut la période de :

- Signature du projet entre Les Essences NIDO et la Banque Interaméricaine de Développement.
- Un Coordonnateur de Projet a été embauché.
- Le projet a été aussi lancé dans les zones d'intervention.

2. Point out the areas with significant delays and difficulties, its possible causes and actions taken to resolve them.

Un retard a été enregistré à cause du moment de recrutement du Coordonnateur et de la disponibilité de la BID pour rencontrer le staff alors constitué.

3. Finally, mention the critical actions that will be the focus of the Executing Unit's efforts for the next semester.

Pour le prochain semestre, les actions suivantes doivent être faites :

- Finaliser le recrutement du staff de l'Agence d'Exécution, notamment l'agronome du Projet.
- Faire le suivi auprès de la BID pour recevoir le premier décaissement qui permettra de recruter l'Agronome
- Travailler avec assiduité pour mettre sur pied les activités sur le modèle de production durable.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Since this is the first semester, there is not significant progress in project's results but the conditions prior to the first disbursement.

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Goal: The project's objective is to increase the supply of sustainably grown vetiver within Les Essence NIDO's supply chain by strengthening the linkage between small-scale producers, cooperatives, distilleries, and the company in a win-win strategy.	I.1	Average annual sales to export markets (in US\$)	678000	1000000	2500000		4000000	0
		Sep 2017	Aug 2018	Aug 2019		Aug 2020	Dec 2017	
	I.2	Number of enterprises with new strategic business partners	0	3	5		10	0
		Sep 2017	Aug 2018	Aug 2019		Aug 2020	Dec 2017	
	I.3	Number of enterprises that adopt sustainable production practices	0	3	5		10	0
		Aug 2017	Aug 2018	Aug 2019		Aug 2020	Dec 2017	
	I.4	Hectares of land sustainably managed	0	200	500		1000	0
		Aug 2017	Aug 2018	Aug 2020		Aug 2020	Dec 2017	
Purpose: The project's objective is to increase the supply of sustainably grown vetiver within Les Essence NIDO's supply chain by strengthening the linkage between small-scale producers, cooperatives, distilleries, and the company in a win-win strategy	R.1	Number of enterprises that gain access to credit products	0	3	5		10	0
				Aug 2018	Aug 2019		Aug 2020	Dec 2017
Component 1: Promoting a sustainable production model adapted to the needs of smallholder farmers. Weight: 35% Classification: Satisfactory	C1.11	Number of farmers receiving training on sustainable practices	0				500	0
		Aug 2017				Aug 2020	Dec 2017	On Course
	C1.12	Number of nurseries established for seeding production	0				8	0
		Aug 2017				Aug 2020	Dec 2017	On Course
	C1.13	Number of new crops introduced to diversify producer incomes	0				3	0
		Aug 2017				Aug 2020	Dec 2017	On Course

Component 2: Enhancing the BusinessCapacity of Cooperatives Weight: 35% Classification: Satisfactory	C2.11	Number of cooperatives receiving training in government, business planning and financial management	0	4			7	0	On Course
			Aug 2017	Aug 2019			Aug 2020	Dec 2017	
	C2.12	Number of cooperatives formally registered with MARDNR	0				7	0	On Course
			Aug 2017				Aug 2020	Dec 2017	
	C2.13	Number of cooperatives implementing accounting and internal control systems	0				7	0	On Course
Component 3: Implementing Standards for Sustainability andTransparency along the Supply Chain. Weight: 30% Classification: Satisfactory							Aug 2020	Dec 2017	
	C2.14	Number of people trained in first stage post-harvest, cleaning and packing practices	0				70	0	On Course
			Aug 2017				Aug 2019	Dec 2017	
	C2.15	Number of distilleries receiving technical assistance in operational efficiency	0				3	0	On Course
			Aug 2017				Aug 2020	Dec 2017	
	C3.11	Post-harvest and Quality protocols developed	0				1	0	On Course
			Aug 2017				Aug 2018	Dec 2017	
	C3.12	Pricing protocol for vetiver roots developed	0				1	0	On Course
			Aug 2017				Aug 2018	Dec 2017	
	C3.13	Standard forward contracts/purchase orders developed	0				1	0	On Course
			Aug 2017				Aug 2018	Dec 2017	

Milestones		Planned	Due Date	Achieved	Date of achievement	Status
M1	Conditions Prior	7	Feb 2018			
M1	1 demo plot established	1	May 2018	0	Dec 2017	

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[None reported in this period]

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Institutional risk. Another project risk is the ability of cooperatives and small distillers to adopt improved practices and management systems to professionalize their operations and bring them into compliance with buyer guidelines.	Medium	Mitigating action: This risk will be mitigated by NIDOs outreach efforts, in partnership with CASELI, to provide hands on technical support with cooperatives and distillers on how to implement new practices and systems, while promoting an increase in yields, quality	Project Guest
2. Credit Risk: There is a risk that that the cooperatives and distillers are unable to repay the working capital advances.	Medium	Working capital loans will be managed through purchase orders. NIDO will advance its suppliers up to 30 percent of the value of the purchase order. In all cases, repayment will be in the form of raw material (roots). Once the purchase order has been fulfilled, the contract will be renewed based on the supplier's performance. NIDO will identify cooperative and distillers that have effective leadership and the capacity to deliver raw materials on a timely basis. Cooperatives and distillers will receive institutional strengthening using technical cooperation funds to improve their business and financial management capacity.	Project Guest
3. Credit Risk: There is a risk that that the cooperatives and distillers are unable to repay the working capital advances.	Medium	Working capital loans will be managed through purchase orders. NIDO will advance its suppliers up to 30 percent of the value of the purchase order. In all cases, repayment will be in the form of raw material (roots). Once the purchase order has been fulfilled, the contract will be renewed based on the supplier's performance. NIDO will identify cooperative and distillers that have effective leadership and the capacity to deliver raw materials on a timely basis. Cooperatives and distillers will receive institutional strengthening using technical cooperation funds to improve their business and financial management capacity.	Project Guest
4. Credit Risk: There is a risk that that the cooperatives and distillers are unable to repay the working capital advances.	Low	Working capital loans will be managed through purchase orders. NIDO will advance its suppliers up to 30 percent of the value of the purchase order. In all cases, repayment will be in the form of raw material (roots). Once the purchase order has been fulfilled, the contract will be renewed based on the supplier's performance. NIDO will identify cooperative and distillers that have effective leadership and the	Project Guest

<p>5. Market risk. Currently prices for vetiver are robust (US\$400-US\$500 per kilogram) and are projected to continue an upward trend. Nonetheless, a decline could reduce profitability for NIDO and decrease farm gate prices to planters and other suppliers.</p>	Low	<p>capacity to deliver raw materials on a timely basis. Cooperatives and distillers will receive institutional strengthening using technical cooperation funds to improve their business and financial management capacity.</p> <p>The project's financial analysis was conducted assuming a conservative international price for certified and conventional vetiver (US\$350 and US\$300 per kilogram respectively). The results demonstrate that NIDO could maintain healthy profitability ratios and work effectively with its suppliers even if the price declined by up to 30 percent</p>	Project Guest
PROJECT RISK LEVEL: Medium TOTAL NUMBER OF RISKS: 5 IN EFFECT RISKS: 5 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0			

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which have been taken in the reporting period:

- Dans cette période, le projet n'avait pas encore été totalement lancé. Durant cette période, le projet s'assurait de mettre le staff en place. Le projet s'est rendu sur le terrain en décembre 2017 pour lancer le projet auprès des leaders avec qui le projet allait être exécuté dans les zones d'intervention.
- Durant cette période, une rencontre a eu lieu entre le staff de Les Essences NIDO et le staff de la BID pour donner les marches à suivre pour trouver le premier décaissement.

SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author Bijou, Louis-Marie
<p>1. Au cours de cette période, nous n'avons pas appris beaucoup de chose dans l'exécution du projet dans l'implémentation. Nous avons appris surtout la volonté des certains leaders communautaires agricoles qui seront partenaires du projet. Une tournée a été organisée en décembre 2017 pour les rencontrer et nous rassurer de leur disponibilité et de leur disposition pour l'exécution du projet.</p>		