

PROJECT STATUS REPORT

JANUARY 2015 - JUNE 2015

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Renewal of the Jamaican cocoa sector

Project Number: JA-M1024 - Project Num.: ATN/ME-13437-JA

Purpose: The specific objective is to sustainably position JCFA cocoa in global supply chains and high value markets

Country Admin

JAMAICA

Country Beneficiary

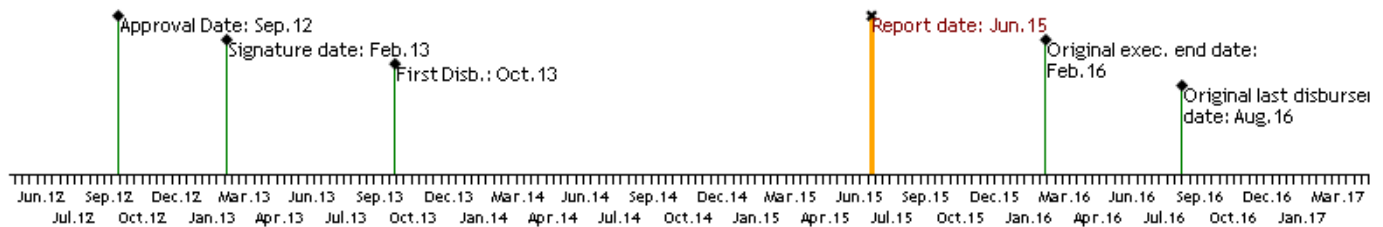
JAMAICA

Executing Agency: Jamaica Cocoa Farmer's Association

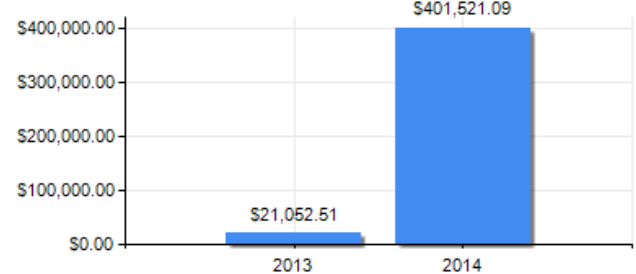
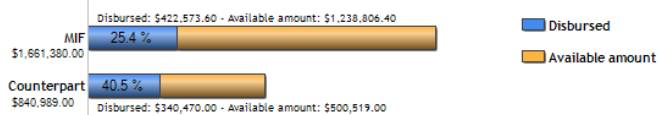
Design Team Leader: ALEJANDRO ESCOBAR A.

Supervision Team Leader: WAYNE BEECHER

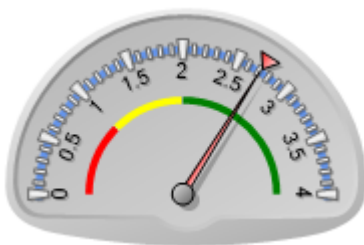
PROJECT CYCLE



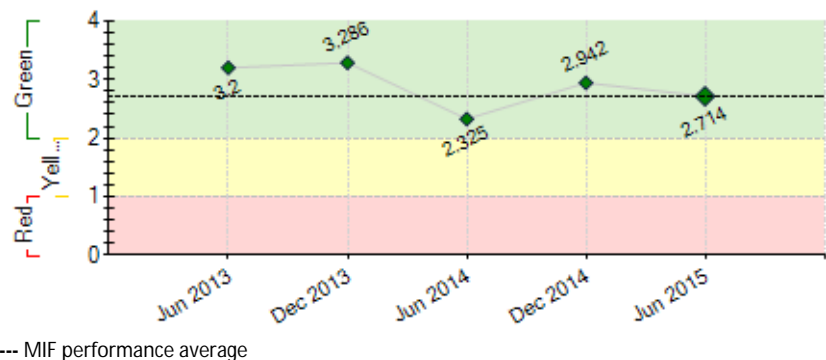
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 2.714
MIF Average: 2.727



EXTERNAL RISKS

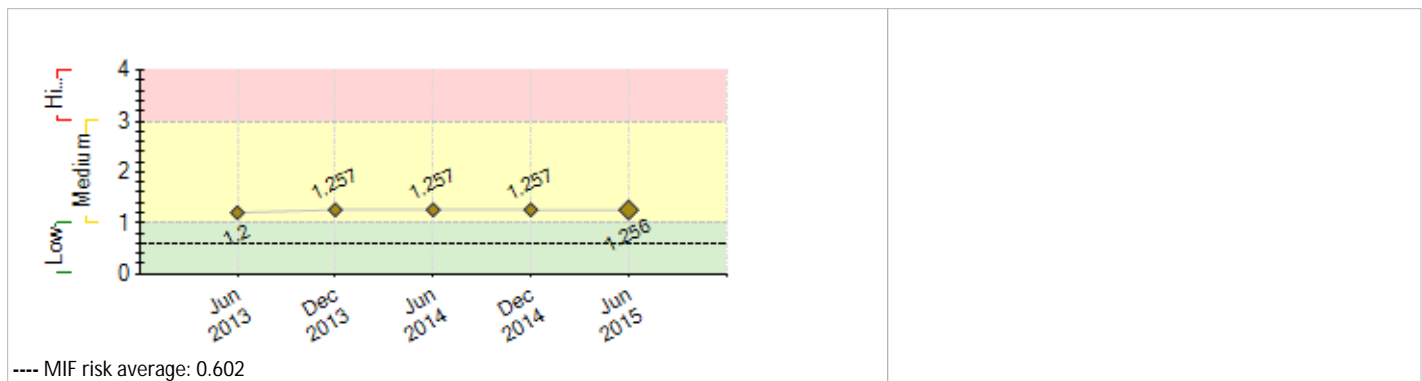
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Medium

Technical Capacity: Medium



SECTION 2: PERFORMANCE

Summary of project performance since inception

The result in the logframe to sustainably position JCFA cocoa in global supply chains and high value markets is being realized with an Expression of Interest from a large producer of high end chocolate, other inquiries are being made to JCFA for potential partnerships to produce high end chocolate

The capacity building component has 305 farmers trained in agribusiness and entrepreneurship with farmers gaining an appreciation of their cocoa farming as a business. Another significant achievement was the opening of 111 bank accounts for farmers thereby reducing their dependency on a middleman

The rehabilitation component met its target of 400 acres rehabilitated, the farmers were appreciative of the work done. The expected result from the rehabilitation has not been realized as yet as the extended drought has had a negative impact on production numbers

The likelihood of the project achieving its objectives by execution end date can be considered to be moderately optimistic. Critical next steps will be completion of the genetic mapping, computerized traceability, HACCP and Fairtrade consultancies. Development of the genetic nursery and training of the chocolatiers

The project has encountered challenges related to the drought and the overall current poor state of the cocoa industry. However to due renewed international interest in Jamaican cocoa and the demand for Jamaican high end chocolate the challenges are not expected to deter too negatively the project achieving its goals

Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

The project is at a delicate point due to sustainability risk affecting the EA. The JCFA is experiencing cash flow challenges with notable sums owed to its member farmers. The directors of the JCFA were called in and they outlined a plan to restore the Association solvency, primarily through the re-engagement of its cash advancement arrangements with its main buyer and a loan from its commercial bank.

Summary of project performance in the last six months

The main achievements for the period are:

1. Completion of a GAP audit on HACCP readiness; completion of a HACCP Training manual for cocoa operations (the first of its kind) along with a Train the Trainer Handbook. Training of Extension staff and Fermentary workers was also completed. A HACCP Plan and Manual were also completed. Remedial work required at the facilities for the achievement of HACCP certification will be carried out by JCFA during the next semester.

2. Assessment for Fairtrade certification was completed by the Fairtrade Liaison Officer and the Consultant hired by JCFA. 2 Training/Sensitization sessions on Fairtrade were carried out by the Consultant. An action plan to receive Fairtrade certification has been provided by the Fairtrade Liaison Officer which JCFA will be implementing within the next semester. A Fairtrade Handbook was also developed for JCFA

3. The target acreage for rehabilitation was achieved during the period under review. The impact of this aspect of the project on the farmers was so tremendous an extension of the rehabilitation was approved for implementation.

4. The target train to 250 farmers in agribusiness and entrepreneurship was surpassed with 305 farmers being trained. 111 farmers that did not have bank accounts previously were able to open accounts under the project thereby reducing the dependence on the middle man for payment.

5. Milestones 5 and 8 were achieved during the period.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Project activities had to be suspended in order to investigate the inappropriate use of the Banks fund. The EA reported that the Project Account was erroneously used by its commercial bank to cover an overdue loan. The matter is still under investigation

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: The specific objective is to sustainably position JCFA cocoa in global supply chains and high value markets	R.1	New market tapped by the JCFA	0			1	1	
						Feb 2016	Mar 2015	
	R.2	JCFA annual cocoa exports have increased	0			150	25	
						Feb 2016	Jun 2013	
	R.3	Farmers (JCFA members) are successfully applying improved cultivation and processing techniques learned from the farmer field school program.	0			500	0	
						Feb 2016	Jun 2013	
	R.4	Average per-hectare yields have increased compared to when the project began due to rehabilitation and improved cultural practices	0			50	0	
						Feb 2015		
	R.5	Percentage of JCFA cocoa producing communities are in the process of obtaining organic certification	0			20	0	
						Feb 2015		
	R.6	n/a	0			0	0	
						Feb 2014		
Component 1: Research and technical skills development to enhance productivity of cocoa farms Weight: 44% Classification:	C1.11	Number of acres of existing cocoa farms have been rehabilitated	0			200	397.5	On Course
						Aug 2014	Dec 2014	
	C1.12	Number of producers have been trained in sustainable agricultural practices through the farmer field school training program.	0			250	10	Delayed
						Aug 2014	Jun 2014	
	C1.13	Number of farmers (JCFA members) and young people from the communities trained in entrepreneurship skills and farming as a micro enterprise.	0			125	305	Finished
						Aug 2014	Apr 2015	
	C1.14	Local cocoa varieties have been genetically mapped and propagated	0			2	6	On Course
						Aug 2014	Oct 2014	
	C1.15	JCFA nurseries have been established and stocked with high yielding local varieties	0			2	2	On Course
						Aug 2014	Jun 2014	
	C1.16	Number of acres of existing cocoa farms have been rehabilitated	0			400	400	Finished
						Feb 2016	Feb 2015	
	C1.17	Number of farmers (JCFA members) have been trained in sustainable agricultural practices through the farmer field school training program.	0			500	0	On Course
						Feb 2016	Jan 2013	
	C1.18	Number of farmers (JCFA members) and young people from the communities have been trained in entrepreneurship skills and farming as a micro enterprise.	0			250	305	Finished
						Feb 2016	Apr 2015	
Component 2: Building capacity to manage agricultural and food production systems Weight: 26% Classification:	C2.11	JCFA members and/or community residents trained in post-harvest handling and processing of cocoa.	0			30	200	Finished
						Feb 2014	May 2014	
	C2.12	Processing facilities implementing JCFA postharvest protocols on drying and fermentation	0			2	4	Finished
						Feb 2014	May 2014	
	C2.13	The computerized traceable acquisition system has been developed and tested in 2 processing facilities.						Delayed
						Feb 2014		
	C2.14	JCFA members and/or community residents trained in post-harvest handling and processing of cocoa	0			100	200	Finished
						Feb 2015	May 2014	
	C2.15	Processing facilities implementing JCFA Postharvest protocols on drying and fermentation	0			8	4	On Course
						Feb 2015	Aug 2014	
	C2.16	Processing facilities fully implementing the traceable acquisition system.	0			8		Delayed
						Feb 2015		
	C2.17	The JCFA has achieved a number of quality and/or environmental certifications (Rainforest, Fair trade, HAACP etc.)	0			2		Delayed
						Feb 2015		
	C2.18	Quality assurance laboratory established to carry out testing and flavor profiling of beans.	0			1		Delayed
						Feb 2015		
	C2.19	Number of chocolate profilers trained in cocoa flavor profiling.	0			3		Delayed
						Feb 2015		
Component 3: Building Capacity for Strategic Management and Marketing Weight: 24% Classification:	C3.11	Number of strategic plans under implementation for each of the 4 JCFA regional branches.	0			3		Delayed
						Feb 2014		
	C3.12	A medium term business plan for the JCFA approved by the Board of Directors and under implementation	0			1	1	Finished
						Feb 2014	Aug 2014	
	C3.13	A JCFA marketing strategy has been approved by the Board of Directors and is under implementation	0			1		Delayed
						Feb 2014		
	C3.14	A digital farmer registry for JCFA developed and functioning in JCFA headquarters					Yes	Finished
						Feb 2014	Aug 2014	
	C3.15	A real time information system for market prices developed and functioning	0			1		Delayed
						Feb 2014		
	C3.16	The web based marketing platform has been developed and is available	0			1		Delayed
						Feb 2015		
	C3.17	Number of specialists have been professionally trained in advanced chocolate making	0			2		Delayed
						Feb 2015		
	C3.18	Number of JCFA members and/or community residents (of which 25 are youth ages 18-35) have received training on chocolate formulation	0			50		Delayed
						Feb 2015		
	C3.19	New business relationship established by JCFA representatives with a potential buyer or trader	0			1	1	Finished
						Feb 2016	Mar 2015	
	C3.110	JCFA cocoa/chocolate products developed and marketed	0			2		Delayed
						Feb 2015		
Component 4: Capturing and Disseminating Knowledge Weight: 6%	C4.11	Learning exchanges between JCFA representatives and other cocoa producing countries	0			2	2	On Course
						Feb 2015	Sep 2014	
	C4.12	A cocoa resource center has been jointly established with the University of West Indies as a repository	0			1		Delayed

Classification:		for cocoa research in Jamaica				Feb 2015		
	C4.13	An assessment of best practices in other fine flavor cocoa producing countries disseminated among JCFA's members and relevant stakeholders	0			1		Delayed
						Feb 2015		
	C4.14	Presentation to an international audience to share the JCFA experience of process and product upgrading to reach high value markets	0			1		
						Feb 2016		
	C4.15	Case study on community based cocoa processing in Jamaica produced and disseminated to relevant audiences	0			1		
						Feb 2016		

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M0 Conditions Prior	8	Aug 2013	8	Aug 2013	Achieved
M2 [*] Training manuals on organic cocoa production and post-harvest processing completed	1	Mar 2014	2	Mar 2014	Achieved
M1 [*] 1 consultant hired to develop a computerized traceable acquisition system	1	Apr 2014	1	May 2014	Achieved late
M3 1 medium term business and strategic plan for the JCFA written and approved	1	Aug 2014	1	Aug 2014	Achieved
M5 JCFA farmer registry completed and functioning	1	Mar 2015	1	Mar 2015	Achieved
M6 Annual JCFA cocoa production increases to 100 tons	1	Aug 2015	120	Dec 2013	Achieved
M7 Final inspection audit carried out to achieve certification	1	Dec 2015			
M8 1 expression of interest/contract signed with a new buyer	1	Jan 2016	1	Mar 2015	Achieved
M4 [*] JCFA farmers engaged in the process of group organic certification	250	Feb 2016			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Executing agency institutional capacity
[X] Supplier/contractor performance
[X] Borrower/executing agency commitments
[X] Lack of resources for the counterpart

SECTION 4: RISKS**MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. 1. The inadequate performance or resignation of the project team	Medium	The Project Director will actively participate in the implementation of project activities and developing competencies in IDB's policies and procedures.	Project Coordinator
2. Unfavourable weather patterns	Medium	Rehabilitation of cocoa fields is expected to reduce the negative impacts associated with natural disaster damages.	Project Coordinator
3. Suitable partners are not available and willing to host learning exchanges	Medium	Use International Cocoa Organization (ICCO) in region. Use Gene bank for ICCO in region, such as Trinidad	Project Coordinator
4. Necessary culinary tools and equipment are not available to provide training on chocolate making	Medium	...	Project Coordinator
5. Farmers are not willing to provide information to populate registry	Medium	Use of field officers and known industry specialist to gain acceptance and promote the benefit of the registry	Project Coordinator
PROJECT RISK LEVEL: Medium TOTAL NUMBER OF RISKS: 17 IN EFFECT RISKS: 17 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0			

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: LP - Low Probability

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

Issue	Comments
[X] Lack of cost recovery mechanisms or external financing sources (government, donors and/or private sector) to continue the activities of the project once MIF resources are expended	The EA is experiencing cash flow issues and requires enhance strategic and financial capacity to successfully manage this crisis. However the executives are slow in responding to change
[X] Lack of organizational, managerial and financial management capacity to continue and sustain the program once the execution phase is finalized.	JCFA have not adequately invested in building their capacity and have challenges attracting and retaining professional staff.

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

The JCFA has met with the Ministry of Agriculture as a key stakeholder in the industry. There are ongoing discussions with other buyers to remove dependency on Valrhonier. Broadening of Directorship to improve management capacity. reexamination and strengthening of financial position. Meetings with the Regional executive to strengthen communication among farmers

SECTION 6: PRACTICAL LESSONS

1. Significant capacity issues emerged during the execution of the project, the depth of which was not realized during the design stage. For small EA continuous capacity assessment is required	Relative to Risk	Author Beecher, Wayne [MIF]
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