

PROJECT STATUS REPORT (FINAL)

JANUARY 2016 - JUNE 2016

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

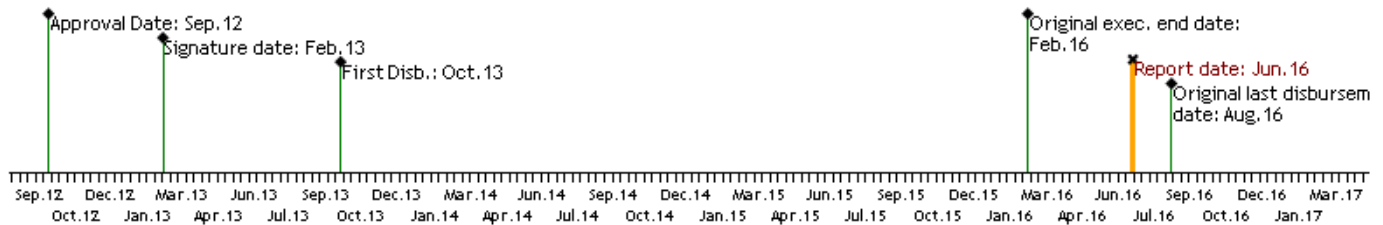
Design Team Leader:

ALEJANDRO ESCOBAR A.

Supervision Team Leader:

WAYNE BEECHER

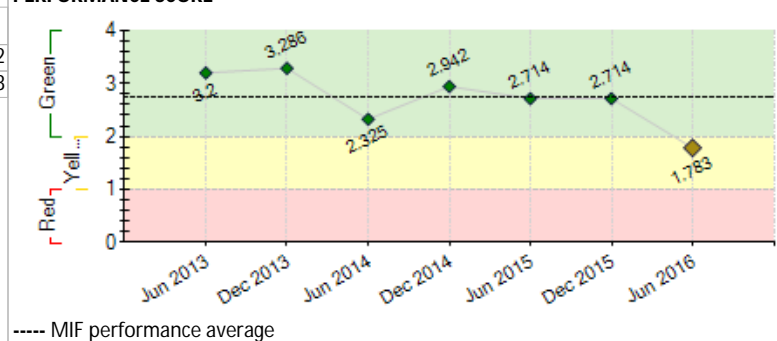
PROJECT CYCLE



FUNDS

	Approved	Cancelled	Disbursed
FOMIN	\$1,817,499.00	\$1,281,904.68	\$535,594.32
Counterpart	\$840,989.00	\$0.00	\$340,487.98

PERFORMANCE SCORE



SECTION 2: RESULTS AND ACHIEVEMENTS

Performance once project is completed

The project was executed from February 2013 to July 2015. During this period several indicators were achieved and will form a basis for going forward after the project. 400 acres of cocoa farms were rehabilitated and the production target of 100 tons per annum exceeded. This was a significant achievement for the Association. However, the severe drought experienced in Jamaica in 2015 impacted production negatively, so volumes again decreased. The situation improved in the 2016 harvest. The farmers appreciated the rehabilitation of their farms as in some cases it led to up to a 60% increase in production.

A training manual in fermentation and drying was developed and JCFA staff trained in the protocols. One of the main benefits of this achievement is that fermentation has a significant impact on cocoa flavor so having the standards will add to the marketing of cocoa.

An organic cocoa production manual was developed. This manual will be used by the Association as it undergoes the conversion processes to market organic cocoa. This will lead to up to a 20% increase in market prices as well as the implementation of sustainable agricultural practices.

In the area of marketing, JCFA signed a contract with Valrhona, which has become the Association's major buyer. Valrhona is able to absorb all of the cocoa produced by the JCFA as well as increased quantities as production increases further.

The most relevant risks and obstacles experienced during project implementation were the 2015 drought and its consequences on the production. The drought

led to a temporary reduction of approximately 75% and this affected the cash flow of the organization significantly. The situation is now being reversed. The organization's next step is to implement climate change adaptation strategies to improve water availability in drought periods.

Other actions that will be taken to improve sustainability are the creation of a fund to assist resuscitation and risk mitigation efforts in periods of adverse weather. The fund will also be used to provide rehabilitation services for farmers so that production volumes can be maintained and even improved.

Additionally, over 300 youth were trained in entrepreneurship and farming as an enterprise. Some also participated in the rehabilitation exercise. The average age of the Jamaican cocoa farmer is 66 years; therefore, this is a first step in engaging younger persons in cocoa farming to enhance the sustainability of the sector.

Comments from the Supervision Team Leader

Although encouraged, the EA did not execute the activities under component 3 and thus did not invest in the necessary capacity building work required to make them capable of executing the project successfully; especially when challenging circumstances occur. Components 2 and 3 of the project were not executed on planned.

Without the critical strategic planning and financial management systems in place the impact of the drought was severe and unmitigated, resulting in the EA experiencing critical cash flow challenges. Consequently, the JCFA incurred notable debts to its member farmers from whom they purchase cocoa; hence, affecting supply arrangements to meet their contractual obligation with their buyer. The financial crisis also resulted in the misappropriation of MIF |IDB funds to cover JCFA operational obligations. This resulted in an immediate investigation of the circumstances surrounding the misappropriation of funds which necessitated a suspension in disbursement and by extension activities financed by the MIF.

Efforts to restart project activities were hampered by the EA's slow response to the agreed action plan a subsequent (2nd) misappropriation of MIF |IDB funds, which was in breach of the agreed action plan and TC Agreement. The possibility of extending the project with re-scoped activities was not realized due to challenges in completing the assessment and re-scoping proposal and getting JCFA's concurrence, before the disbursement period expired. Also the project was classified as "C" under the MIF portfolio review for alignment with the MIF new areas of focus. Hence, it was not strategic to invest further resource in this project.

Final evaluation

ATN/ME-13437-JA

Comments from the Supervision Team Leader

Agree with the Evaluators comments

[Final evaluation](#)

<http://mif.iadb.org/file.aspx?DOCNUM=40508563>

SECTION 3: INDICATORS

	Indicators	Baseline	Planned	Achieved	Percentage	
Purpose: The specific objective is to sustainably position JCFA cocoa in global supply chains and high value markets Classification: Unsatisfactory	R.1	New market tapped by the JCFA	0	1	0 %	
	R.2	JCFA annual cocoa exports have increased	0	150	25	0 %
	R.3	Farmers (JCFA members) are successfully applying improved cultivation and processing techniques learned from the farmer field school program.	0	500	0	0 %
	R.4	Average per-hectare yields have increased compared to when the project began due to rehabilitation and improved cultural practices	0	50	0	0 %
	R.5	Percentage of JCFA cocoa producing communities are in the process of obtaining organic certification	0	20	0	0 %
	R.6	n/a	0	0	0	0 %
Component 1: Research and technical skills development to enhance productivity of cocoa farms	C1.11	Number of acres of existing cocoa farms have been rehabilitated	0	200	397.5	0 %
	C1.12	Number of producers have been trained in	0	250	10	0 %

Weight: 44% Classification: Satisfactory		sustainable agricultural practices through the farmer field school training program.				
	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	0 %
	C1.14	Local cocoa varieties have been genetically mapped and propagated	0	2	6	0 %
	C1.15	JCFA nurseries have been established and stocked with high yielding local varieties	0	2	2	0 %
	C1.16	Number of acres of existing cocoa farms have been rehabilitated	0	400	400	0 %
	C1.17	Number of farmers (JCFA members) have been trained in sustainable agricultural practices through the farmer field school training program.	0	500	0	0 %
	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	0 %
Component 2: Building capacity to manage agricultural and food production systems Weight: 26% Classification: Unsatisfactory	C2.11	JCFA members and/or community residents trained in post-harvest handling and processing of cocoa.	0	30	200	0 %
	C2.12	Processing facilities implementing JCFA postharvest protocols on drying and fermentation	0	2	4	0 %
	C2.13	The computerized traceable acquisition system has been developed and tested in 2 processing facilities.				0 %
	C2.14	JCFA members and/or community residents trained in post-harvest handling and processing of cocoa	0	100	200	0 %
	C2.15	Processing facilities implementing JCFA Postharvest protocols on drying and fermentation	0	8	4	0 %
	C2.16	Processing facilities fully implementing the traceable acquisition system.	0	8		0 %
	C2.17	The JCFA has achieved a number of quality and/or environmental certifications (Rainforest, Fair trade, HAACP etc.)	0	2		0 %
	C2.18	Quality assurance laboratory established to carry out testing and flavor profiling of beans.	0	1		0 %
	C2.19	Number of chocolate profilers trained in cocoa flavor profiling.	0	3		0 %
Component 3: Building Capacity for Strategic Management and Marketing Weight: 24% Classification: Unsatisfactory	C3.11	Number of strategic plans under implementation for each of the 4 JCFA regional branches.	0	3		0 %
	C3.12	A medium term business plan for the JCFA approved by the Board of Directors and under implementation	0	1	1	0 %
	C3.13	A JCFA marketing strategy has been approved by the Board of Directors and is under implementation	0	1		0 %
	C3.14	A digital farmer registry for JCFA developed and functioning in JCFA headquarters			Yes	0 %
	C3.15	A real time information system for market prices developed and functioning	0	1		0 %
	C3.16	The web based marketing platform has been developed and is available	0	1		0 %
	C3.17	Number of specialists have been professionally trained in advanced chocolate making	0	2		0 %
	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		0 %
	C3.19	New business relationship established by JCFA representatives with a potential buyer or trader	0	1	1	0 %
	C3.110	JCFA cocoa/chocolate products developed and marketed	0	2		0 %
Component 4: Capturing and Disseminating Knowledge Weight: 6% Classification: Satisfactory	C4.11	Learning exchanges between JCFA representatives and other cocoa producing countries	0	2	2	0 %
	C4.12	A cocoa resource center has been jointly established with the University of West Indies as a repository for cocoa research in Jamaica	0	1		0 %
	C4.13	An assessment of best practices in other fine flavor cocoa producing countries disseminated among JCFA's members and relevant stakeholders	0	1		0 %
	C4.14	Presentation to an international audience to share the JCFA experience of process and product upgrading to reach high value markets	0	1		0 %
	C4.15	Case study on community based cocoa processing in Jamaica produced and disseminated to relevant audiences	0	1		0 %

Milestones

Planned

Due Date

Achieved

Date of achievement

Status

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Supplier/contractor performance
- [X] Borrower/executing agency commitments
- [X] Purchase difficulties
- [X] Lack of resources for the counterpart
- [X] Inappropriate Consultants performance
- [X] Delays in fulfilling the contract terms
- [X] Environmental restrictions

SECTION 4: RISKS

CRITICAL RISKS MANAGED DURING IMPLEMENTATION

1. World cocoa prices are not stable or favorable over the next six years (2012- 2018).

Level: Low	Responsible: Project Coordinator	Status: In effect
Comments: World cocoa prices are currently stable, so to date this risk has not been experienced. Two more years remain for monitoring this risk		
2. Farmers are not willing to implement the knowledge transferred to them.		
Level: Low	Responsible: Project Coordinator	Status: In effect
Comments: Farmers are willing to implement the knowledge transferred to them. However, uptake of the knowledge is being achieved over time as Extension Officers reinforce the principles on their visits to farms		
3. Unfavourable weather patterns		
Level: Low	Responsible: Project Coordinator	Status: In effect
Comments: Agriculture projects are always vulnerable to unfavourable weather patterns. Production suffered severely from drought in 2015. Although the situation has improved considerably, JCFA will need to implement climate change adaptation strategies in order to remain viable.		
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 17 IN EFFECT RISKS: 3 NOT IN EFFECT RISKS: 14 MITIGATED RISKS: 0		

SECTION 5: SUSTAINABILITY

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

The EA failed to invest in the organizational, managerial and financial management capacity required to continue the program. Without an adequate response to its current financial challenges the solvency of its current operations will be at risk

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	
[X] Lack of organizational, managerial and financial management capacity to continue and sustain the program once the execution phase is finalized.	
[X] Lack of a sustainability plan or its inadequate implementation	

Actions related to sustainability which have been implemented:

1. Training of youth in entrepreneurship and farming as a microenterprise as well as engaging them in the rehabilitation of farms is a first step towards engaging them in farming to reduce the average age of the Jamaican cocoa farmer
2. Training conducted for members in post harvest handling and processing
3. A new cocoa processing facility was constructed to facilitate increased production volumes
4. Training was provided for farmers in sustainable agricultural practices

[Sustainability Plan](#)

SECTION 6: KNOWLEDGE

Lessons learned	Relative to	Author
1. Control of key aspects of the value chain can become necessary for the Association to function at optimal levels. Reliance on partners and other members in the chain for critical services can impact the timeliness of executing critical activities	Sustainability	Robinson, Holly-Rose
2. Current trends in marketing require that producer organizations must network at global levels to benefit from knowledge transfer and the linkages that will provide technical expertise and access to favourable markets	Sustainability	Robinson, Holly-Rose
3. The relationship between the Executing Agency and the donor partner is critical for successful project implementation	Implementation	Robinson, Holly-Rose
4. Agriculture is a dynamic sector which is vulnerable to many factors. Therefore, projects need to have sufficient flexibility for necessary changes to be made during implementation to address changing circumstances, especially those beyond the control of the Executing Agency	Design	Robinson, Holly-Rose
5. Current trends in climate change have proven that the gains achieved by agriculture projects can only be maintained if climate change adaptation strategies are put in place to address vulnerability to weather events such as drought and hurricanes	Design	Robinson, Holly-Rose

Indicate which are the main products of the project, where they can be found, and how they could be "shared" with other entities or similar projects.

1, 2, 4 and 6

Main products of the project

[Mar 2014] Handbook for Fermenting & Drying Cocoa Bean (Methodologies/training materials)

Author:

[Mar 2014] Organic Cocoa Production Manual (Technical publications)

Author:

[Jul 2015] Critical Evaluation of the JCFA Project (Consultants Directory)

Author:

[Jul 2015] JCFA Project Report (Consultants Directory)

Author:

[Jul 2015] JCFA Project Report (Consultants Directory)

Author:

[Jul 2016] Report on JCFA VC and Project JA-M1024 Assessments (Consultants Directory)

Author:

SECTION 7: DOCUMENTS

28/AUG/2012	Donors Memorandum	[http://www.fomin.org/file.aspx?DOCNUM=37070427]
29/APR/2015	Donors Memorandum	[http://www.fomin.org/file.aspx?DOCNUM=39604806]
24/AUG/2016	Intermediate Evaluation Report	[http://www.fomin.org/file.aspx?DOCNUM=40508453]
29/DEC/2014	Final Evaluation Report	[http://www.fomin.org/file.aspx?DOCNUM=39317943]
24/AUG/2016	Final Evaluation Report	[http://www.fomin.org/file.aspx?DOCNUM=40508563]
Project profile		http://apps.fomin.org/public/psr/projectprofile.aspx?proj=JA-M1024&lg=EN