

PROJECT STATUS REPORT

JANUARY 2017 - JUNE 2017

SECTION 1: PROJECT SUMMARY

PROJECT NAME: MOKAFE, A Cup of Hope Coffee Project

Project Number: HA-S1013 - Project Num.: ATN/OC-15396-HA

Purpose: To increase the supply of café pile within Geo Wiener's value chain through strengthening the linkage between the coffee cooperatives and the company in a win-win strategy.

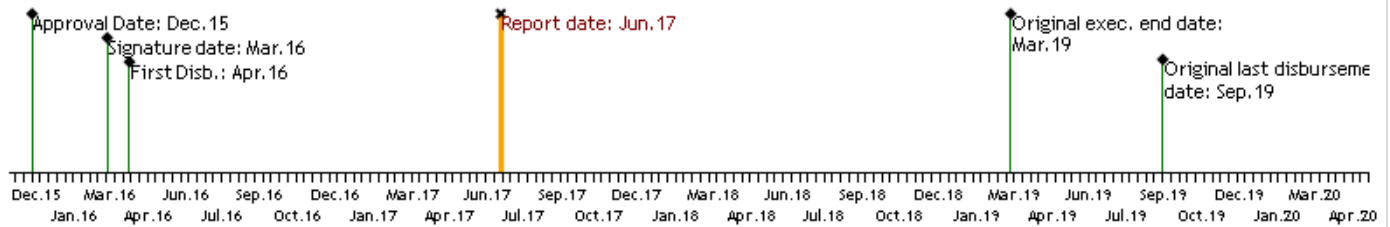
Country Admin
HAITI

Country Beneficiary
HAITI

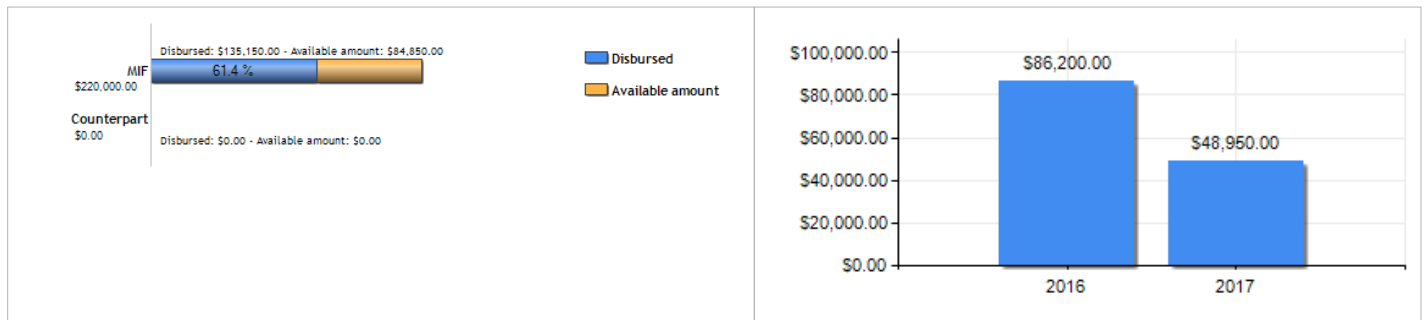
Executing Agency: GEO WIENER S.A.

Design Team Leader: YOLANDA STRACHAN
Supervision Team Leader: YOLANDA STRACHAN

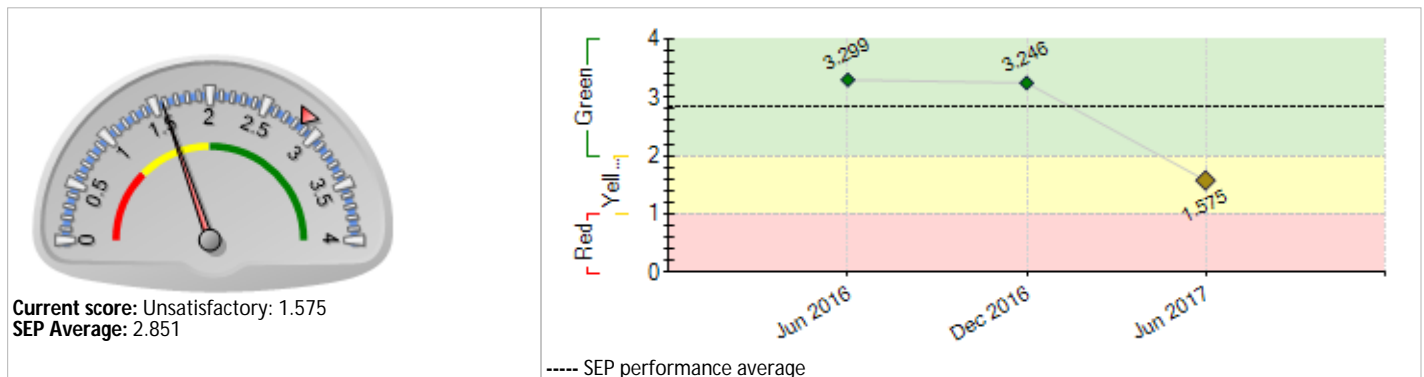
PROJECT CYCLE



FUNDS (IN USD THOUSANDS)



PERFORMANCE SCORE



EXTERNAL RISKS

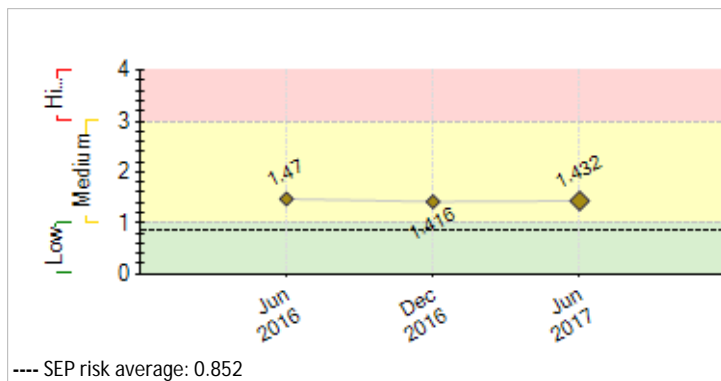
INSTITUTIONAL CAPACITY

Risk

Financial Management: High

Procurement: Medium

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

Overall we have achieved: 1) disbursed the funds according to the credit policy put in place and paid back with coffee 2) 95% of the 150,000 plantules are ready to be planted 3) the cooperatives will be selling coffee crops to their members. An initiative that will sustain the strengthening of the business capacity of the coops set to be repeated yearly. 4) We started the training program on café pile reaching 500 members from 3 participating coops to improve quality to grade(A & B). With our effort on the field using the TA funds, receiving coffee from our network is better but we still face two difficulties. We are paying high price for low quality coffee (grade C) which makes hard for Mokafe to compete internationally. To overcome such challenge, Agritech will focus on the sustainability of the Revolving Fund for yearly coffee production to stabilize price and focusing on the training program to start and continue improving café pile quality. The other challenge is that we did not budget any funds towards maintaining the plantules once planted. The coop leaders have made a request for organique fumier which Agritech is currently assessing a suitable strategy. I am optimistic with progress as the farmers involved in the mokafe understand the importance of producing quality café pile, the coops are in a better position to help their members through strengthening their business capacity by producing and selling the crops to their members using the revolving fund.

Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

The MIF is partially in agreement with the cumulative performance. While the indicators for component. The seedlings one distributed and planted by the coops became their assets. It's the cooperatives and their members' jobs to maintain the farms and manage their business. In fact, the 3rd Component should have address business capacity of the Cooperatives in order to become sustainable. The project seems to do little to overcome the weak business acumen of the cooperatives as identified during the design phase. More works should be done on that aspect.

Summary of project performance in the last six months

This semester we have trained 500 farmers from the three participating coops on cafe pile. This activity covers the milestone 4 scheduled for 9/9/17. Agritech identified two cooperatives. Sohaderk, from Kenshoff with 6,000 members. It is a good fit as they have the infrastructure to revamp their production but in desperate need of capital to do so. Agritech with the TA fund will help them start till they are able to sell coffee to GW SA. APLAB, a cooperative from thiotte with 600 members. This cooperative will be able to perform and plan better with the support of the TA fund. An activity aiming to reach the 5 coops needed for the GW SA network. It is also focusing on enhancing coffee productivity in key areas. One of our delay this semester is the need of the farmers to maintain the plantules produced. We did not budget funds for that purpose on the project which is highly demanded by the coop leaders. To tackle this issue, Agritech will hold a meeting with GW SA to find a suitable decision. next semester. Agritech will officially add Sohaderk and APLAB as participating cooperatives, It will help us reach milestone 5 reaching 1,000 farmers by the due date and also focusing on the supervising the preparation of cafe pile to be graded A & B to be received by GW SA this crop season. Materials to fulfill that purpose will be distributed. Pending activity, Milestone 2 to reach the 5 coops to be trained on credit management will get done this semester.

Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

MOKAFE should add supporting documents for the results achieved. Also, the PSR as it appears in the system seems to have great discrepancy compared to the logical framework. In the PSR, only 4 indicators and 7 milestones are identified whereas 20 indicators complete the logical framework. It is understandable that this is not Geo Wiener's fault. However, the project will be in jeopardy in regards to the results expected if the logical framework does not serve as guidance. The MIF will address this issue later.

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Goal: To increase high value market opportunities in café pile (natural coffee) for small-scale coffee producers in the 5 cooperatives participating in the project	I.1 Average annual sales growth for quality café pile from small-scale coffee producers in the 5 cooperatives participating in the project (CRF 330100)	0 Mar 2016	5 Mar 2017	10 Mar 2018		30 Mar 2019	1220 Jan 2017	
	I.2 % of Geo Wiener's café pile that is sourced from the 5 participating cooperatives	42 Mar 2016	44 Mar 2017	48 Mar 2018		50 Mar 2019	0	
Purpose: To increase the supply of café pile within Geo Wiener's value chain through strengthening the linkage between the coffee cooperatives and the company in a win-win strategy.	R.1 Volume of natural coffee sold by participating cooperatives to Geo Wiener annually. Kilograms of café pile (natural coffee)	94000 Mar 2016	109000 Mar 2017	125000 Mar 2018		145000 Mar 2019	119100 Feb 2017	
	R.2 Total \$ value of new working capital for cooperatives provided by Geo Wiener (CRF 230700)	0 Mar 2016	500000 Mar 2017	700000 Mar 2018		1000000 Mar 2019	0	
	R.3 Number of cooperatives with links to strategic business partners (CRF230200)	0 Mar 2016	1 Mar 2017	2 Mar 2018		5 Mar 2019	3 Feb 2017	
	R.4 Increase sales of Mokafe & Geo Wiener lines of roasted coffee locally and internationally (USD). Annual sales of all GW lines of roasted coffee (USD)	1092375 Mar 2016	1300000 Mar 2017	1500000 Mar 2018		1700000 Mar 2019	0	
Component 1: Enhancing productivity Weight: 25%	C1.I1 Number of cooperatives receiving working capital advances	0 Mar 2016	5 Mar 2017	3 Mar 2018		5 Mar 2019	3 Feb 2017	Delayed

Classification: Satisfactory

Component 2: Improving Quality of Café Pile:

Weight: 25%

Classification: Satisfactory

Component 3: Building Business Capacity of Coffee Cooperatives

Weight: 25%

Classification: Unsatisfactory

Component 4: Knowledge Management and Communication

Weight: 25%

Classification: Satisfactory

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	1	Sep 2016	9	Mar 2016	Achieved
M1 Credit and pricing policy developed and agreed with the participating cooperatives (before the first 6 months of the project implementation)	1	Sep 2016	1	Sep 2016	Achieved
M2 Number of Cooperatives trained on credit management (for working capital) and pricing policies	5	Mar 2017	3	Nov 2016	Not Achieved
M4 Number of small-farmers trained in natural coffee production techniques and GAP	500	Sep 2017	500	Jun 2017	Achieved
M3 Volume of natural coffee in tons sold by participating cooperatives to Geo Wiener. 124,895 kgs	124895	Mar 2018			
M6 Number of small-farmers trained in natural coffee production techniques and GAP	1000	Sep 2018			
M5 Volume of natural coffee in tons sold by participating cooperatives to Geo Wiener (143,629 kgs)	143629	Mar 2019			

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. Climate risks. Natural phenomena, as well as pests and disease, pose a risk because they may have an adverse effect on the productive activity of beneficiaries and, as a result, on GW's supplier cooperatives and GW itself.	Medium	Mitigating factors for this risk include: (i) development of partners' internal policies to arrange for early recovery of the credits; and (ii) diversification of GW's investments in project execution, with producer partners organizations in different geographical areas; (iii) use of disease resistance coffee seedlings.	Project Coordinator
2. Credit risk from coffee cooperatives. There is a risk that the farmers' organizations are unable to repay the working capital advances.	Medium	The funds will be provided directly to the producer organizations by Geo Wiener S.A's cash advances management unit; this unit has a good track record in managing advance funds given to suppliers. The procedure to provide the funds to the cooperatives will be in the form of a Purchase Order Agreement. It will include all of the mutually agreed-upon details which shall be: 1) the price of the coffee beans which will vary depending on the quality; 2) the quantity of beans that shall be purchased from each cooperative; 3) repayment in beans, i.e. 0% interest rate; 4) time frame for coffee bean delivery; 5) partial cash advance towards the total quantity listed on the Purchase Order Form (POF). The remaining will be given upon the completion of the delivery. The cooperative will make repayment in the form of coffee beans in each Purchase Order Agreement and credit will be automatically renewed based on the performance and financial results of the each organization.	Project Coordinator
3. The associated risk is the level of content that the farmers are experiencing with the current market of café pile. They do not have the drive and desire to take on the challenge of producing quality café pile.	Medium	In order to generate the drive for the farmers to produce quality café pile, we need to give them the incentives. 1) With our current advance program, they will have less financial pressure to be able to produce the quality café pile desired. 2) With the training program, we will educate them on all the benefits that comes with producing quality café pile such as making more money per Pound (Bonus for Grade A), to be able to export this quality coffee and instructing them about the added value that the café pile represent not just financially but also environmentally.	Project Coordinator
4. It represents a challenge to select two additional coops. The key priority to select a coop is its reliability to repay the loan and its ability to source café pile in its region. Currently only two regions are producing enough; Thiotte and Beaumont. The other regions due to lack of coffee supply lost their credibility to source enough coffee to repay any loan given to them.	Medium	AGRITech along with GEO WEINER S.A will select 2 additional cooperatives which is so far COCANO and RECARB that has the ability to quickly recover using the seedling funds. Close monitoring from the agronomic team and business cooperatives specialist will be expected. th	Project Coordinator

5. To be able to increase high value market opportunity for cafe pile, coffee price has to be stable and the quality of coffee need to be grade A,. Otherwise, we may lose some opportunities because of the price and the quality which will result of the farmers losing interest in producing quality cafe pile	Medium	This challenge can be overcome overtime. Price will be stable as soon as we have a steady flow of supply which the revolving fund tackled. We recently started the training of the farmers on quality. We have trained them, now we have to make sure they accurately practice what they have learned.	Project Coordinator
PROJECT RISK LEVEL: Medium TOTAL NUMBER OF RISKS: 6 IN EFFECT RISKS: 6 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:

We have implemented the revolving fund which give the cooperatives the ability to produce coffee crops and sell them to their members. Such activity is set to be repeated yearly. The idea is for this activity to become part of their yearly routine which will for the next 5 years impact the supply of coffee in Haiti positively.

SECTION 6: PRACTICAL LESSONS

1. The lesson learned so far while implementing the project is that, there are important activities that needed to be thought of while designing the budget. For example we have the seedlings funds but we do not have funds that will assure the maintenance of these seedlings to become a productive coffee tree. Therefore we have to consult a field agronomist and/or a coop leader before we confirm a budget. It has high probability of creating delays in production but Agritech anticipated it and is working to find a solution before the plantules are ready to be planted.	Relative to Design	Author Martin, stephane
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