

# PROJECT STATUS REPORT

JULY 2018 - DECEMBER 2018

## 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.

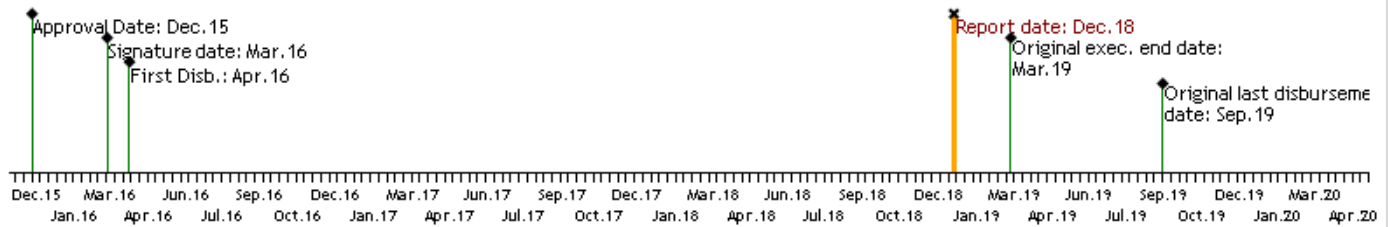
**Design Team Leader:**

YOLANDA STRACHAN

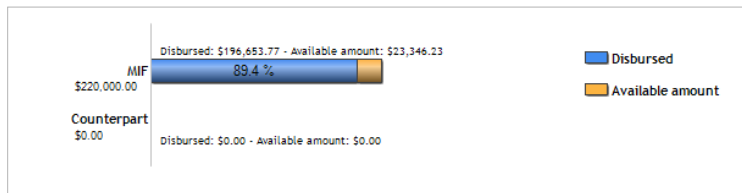
**Supervision Team Leader:**

YOLANDA STRACHAN

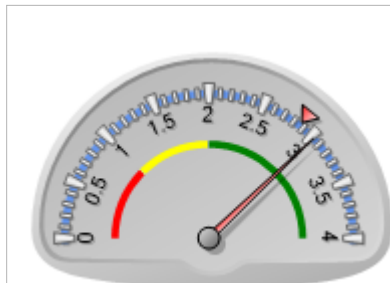
### PROJECT CYCLE



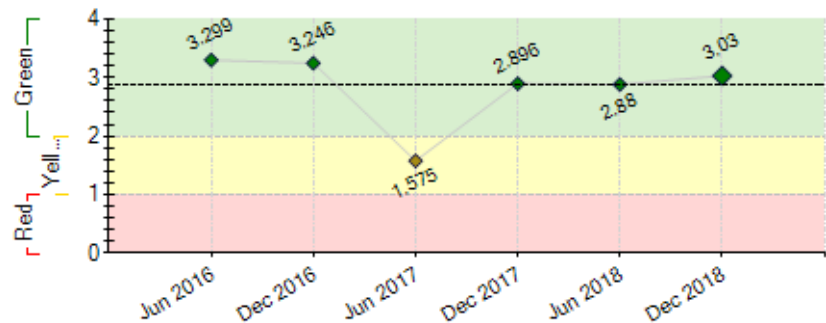
### FUNDS (IN USD THOUSANDS)



### PERFORMANCE SCORE

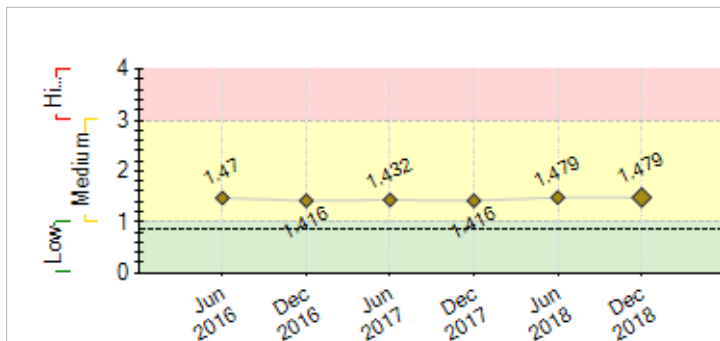


**Current score:** Satisfactory: 3.03  
**SEP Average:** 2.865



----- SEP performance average

### EXTERNAL RISKS



----- SEP risk average: 0.841

### INSTITUTIONAL CAPACITY

**Risk**

**Financial Management:** High

**Procurement:** Medium

**Technical Capacity:** Low

## SECTION 2: PERFORMANCE

## Summary of project performance since inception

The coffee revolving fund is fully operational. It serves as a model in the value to be used by farmers to Access agricultural inputs, seedlings. Agritech plan to extend to new areas and has focused on renewing with the cooperatives to ensure sustainability. The financial management staff of the cooperatives were fully trained in the MACH established system. The video production of the café pile MACH was completed and benefited Mokafe to increase sales abroad and continue to increase the volume of coffee purchased from coop. 1000 farmers were trained in the production of café pile. Their training is not being respected due to the current market opportunity caused by Hurricane Matthew. Although, APCAB improved this year their quality mostly due to the health care program. This improvement came from 300 farmers within APCAB who are part of the healthcare program. The most important risk of the project continue to be the improvement of the quality of café pile pegged to the current market price. If it continues Mokafe will need more marketing funds to be established within the premium niche market abroad and will take more time to consistently increase our volume of coffee purchase from the cooperatives. The likelihood is very optimistic as the cooperatives has a financial base to work on, they are part of a growing network, they have an added business value (seedlings) selling to their members. We will focus on training 500 farmers and extending the seedling funds to new areas.

## Comments from the Supervision Team Leader

Agree with the Executing Agency comments

## Summary of project performance in the last six months

This semester we followed up and received a positive feedback with APIAB, SOHADERK, APCAB and ADAIB on their seedling production from our agronomist. Such effort was also well received by the minister of Agriculture which directly purchased plantules from ADAIB to distribute to a lower cooperative (RECARB). The case study of the Mokafe on the working capital was completed. The video production was also completed. The video strengthen our effort on pushing Mokafe abroad and highlighted our field effort on supporting coffee production. We received negative report from APAS who only produced 50,000 plantules and is unable to distribute them to its members. Such delay is due mostly on a leadership issue more than it is lack of incentives. Our agronomist and coop management specialist will be focusing this semester on solving this challenge to keep our goal on producing 250,000 plantules a year. Also this semester, we will focus on the training of the remaining 500 farmers, we will create a strategic plan to allocate funds in order to increase the seedling funds program by adding more cooperatives in other strategic region which for example Les cahos. We had a targeted 80,000 seedlings to be distributed for the duration of the project. Agritech will develop a strategy to increase it to 100,000 by adding two more cooperatives. We will also continue to strengthen our relationship with the cooperatives by increasing the volume of coffee purchased with the Mokafe international venture.

## Comments from the Supervision Team Leader

Agree with the Executing Agency comments

## SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Goal:</b> 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	5	10		30	1220
			Mar 2016	Mar 2017	Mar 2018		Mar 2019	Jan 2017
	I.2	% of Geo Wiener's café pile that is sourced from the 5 participating cooperatives	42	44	48		50	0
			Mar 2016	Mar 2017	Mar 2018		Mar 2019	
<b>Purpose:</b> 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	109000	125000		145000	119100
			Mar 2016	Mar 2017	Mar 2018		Mar 2019	Feb 2017
	R.2	Total \$ value of new working capital for cooperatives provided by Geo Wiener (CRF 230700)	0	500000	700000		1000000	0
			Mar 2016	Mar 2017	Mar 2018		Mar 2019	
	R.3	Number of cooperatives with links to strategic business partners (CRF 230200)	0	1	2		5	3
			Mar 2016	Mar 2017	Mar 2018		Mar 2019	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	1300000	1500000		1700000	0
			Mar 2016	Mar 2017	Mar 2018		Mar 2019	
<b>Component 1:</b> Enhancing productivity <b>Weight:</b> 25% <b>Classification:</b> Satisfactory	C1.I1	Number of cooperatives receiving working capital advances	0	5	3		5	3
			Mar 2016	Mar 2017	Mar 2018		Mar 2019	Feb 2017
On Course								
<b>Component 2:</b> Improving Quality of Café Pile: <b>Weight:</b> 25% <b>Classification:</b> Satisfactory								
<b>Component 3:</b> Building Business Capacity of Coffee Cooperatives <b>Weight:</b> 25% <b>Classification:</b> Satisfactory								
<b>Component 4:</b> Knowledge Management and Communication <b>Weight:</b> 25%								

Classification: Satisfactory

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
<b>M1</b> 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
<b>M1</b> Conditions Prior	9	Sep 2016	9	Mar 2016	Achieved
<b>M2</b> Number of Cooperatives trained on credit management (for working capital) and pricing policies	5	Mar 2017	5	Dec 2017	Achieved
<b>M4</b> Number of small-farmers trained in natural coffee production techniques and GAP	500	Sep 2017	500	Jun 2017	Achieved
<b>M3</b> Volume of natural coffee in tons sold by participating cooperatives to Geo Wiener. 124,895 kgs	124895	Mar 2018	129749	Feb 2018	Achieved
<b>M6</b> Number of small-farmers trained in natural coffee production techniques and GAP	1000	Sep 2018	1000	Mar 2018	Achieved
<b>M5</b> 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 risk is to lose plantules which will reduce the amount of pounds of coffee we expect to collect due to lack of funds to maintain them. A risk that could hurt us as we are gearing up to start our new international partnership.	Medium	Agritech is working on a proposal which will include a budget and a timeline to overcome the risk.	Project Coordinator
4. The associated risk is the level of content that the farmers are experiencing with the current market of cafe pile. They do not have the drive and desire to take on the challenge of producing quality cafe pile.	Medium	In order to generate the drive for the farmers to produce quality cafe 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 cafe pile desired. 2) With the training program, we will educate them on all the benefits that comes with producing quality cafe 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 cafe pile represent not just financially but also environmentally.	Project Coordinator
5. The risk remain the improvement of the quality of the coffee against the price we are purchasing it. It is challenging to change what the farmers are custom to all their life. It will take more time.	Medium	Healthcare initiatives which provides free health care to the members of the cooperatives in Thiotte. Such incentive will guide them to improve the quality of the coffee.	Project Coordinator

**PROJECT RISK LEVEL:** Medium    **TOTAL NUMBER OF RISKS:** 8    **IN EFFECT RISKS:** 8    **NOT IN EFFECT RISKS:** 0    **MITIGATED RISKS:** 0

**SECTION 5: SUSTAINABILITY**

Likelihood of project sustainability after project completion: HP - Highly 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:**

During that period, Mokafe established a partnership with a sport agency representing professional athletes. Such partnership puts us in a better position to

increase our online presence on our amazon store (amazon.com/mokafe) and also to get us in the major US retailers. Such strategy will help Geo Wiener SA to continue increasing their coffee supply from the cooperatives on a yearly basis based on international growth. We are worked strategically to increase our seedling supply in order to cover the up and coming demands.

## SECTION 6: PRACTICAL LESSONS

*[No lessons learned found]*