



Fondo Multilateral de Inversiones  
Miembro del Grupo BID

# **REPORTE DE ESTADO DEL PROYECTO** JULIO 2017 - DICIEMBRE 2017

## SECCIÓN 1: SÍNTESIS DEL PROYECTO

**NOMBRE DEL PROYECTO:** Gestión de Riesgos para el Comercio Sostenible de Café: Un Modelo Mejorado con E

Nro. Proyecto: RG-T2840 - Proyecto No.: ATN/ME-15839-RG

**Propósito:** To increase the capacity of 16 cooperatives to implement and manage effective strategies in price hedging for their members.

**País Administrador**

COSTA RICA

**País Beneficiario**

COSTA RICA

**Agencia Ejecutora:**

STICHTING OIKOCREDIT INTERNATIONAL  
SUPPORT FOUNDATION

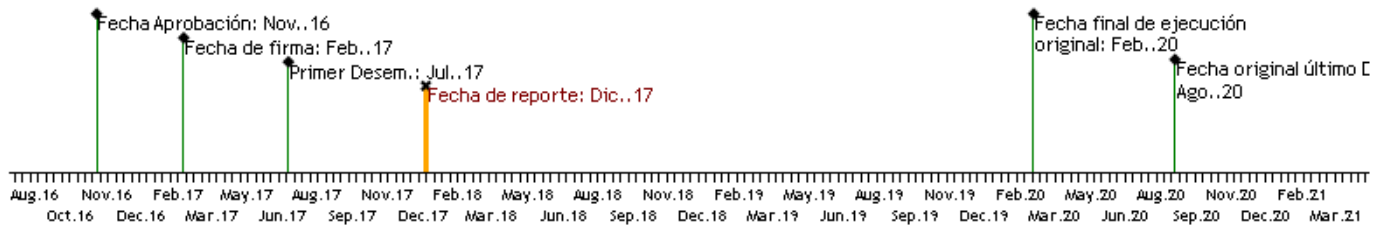
**Líder equipo de diseño:**

BETSY MURRAY

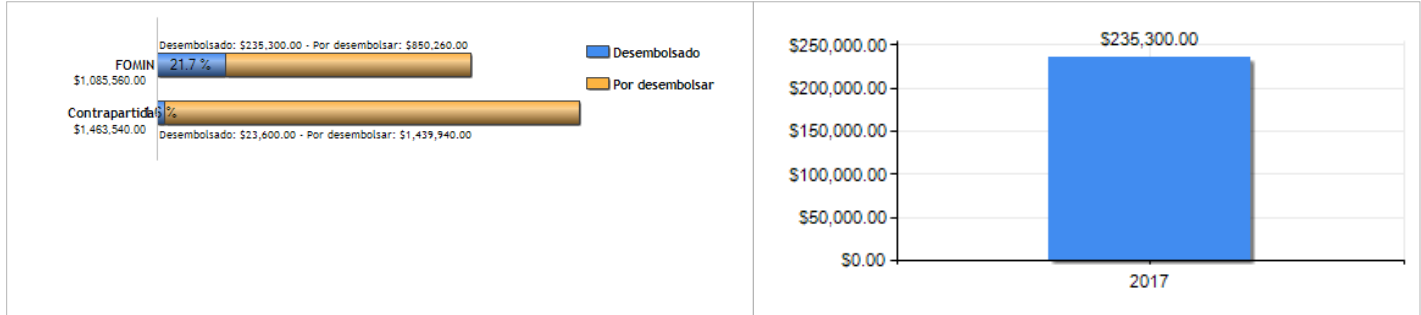
**Líder equipo de supervisión:**

ALEJANDRO ESCOBAR A.

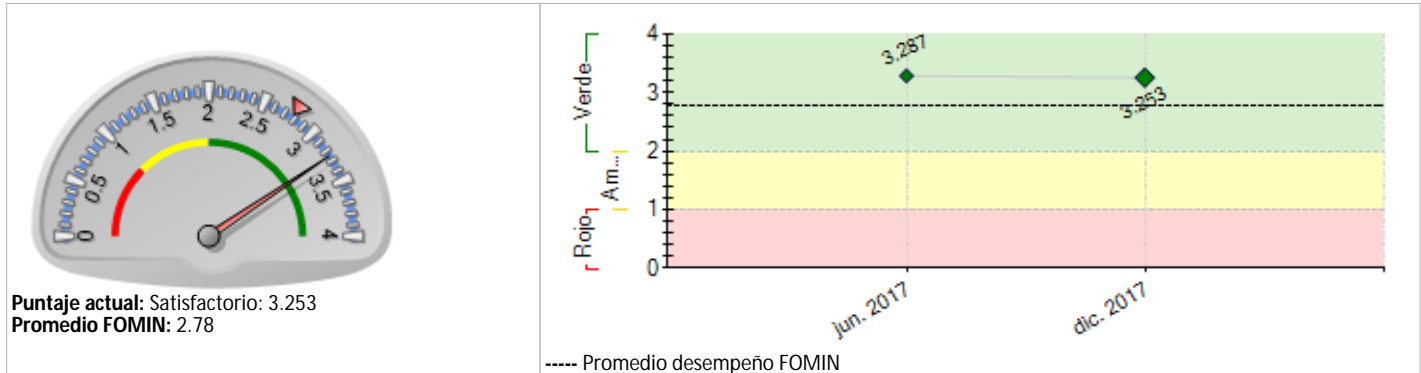
## CICLO DEL PROYECTO



## RECURSOS



## PUNTAJE DE DESEMPEÑO



## RIESGOS EXTERNOS

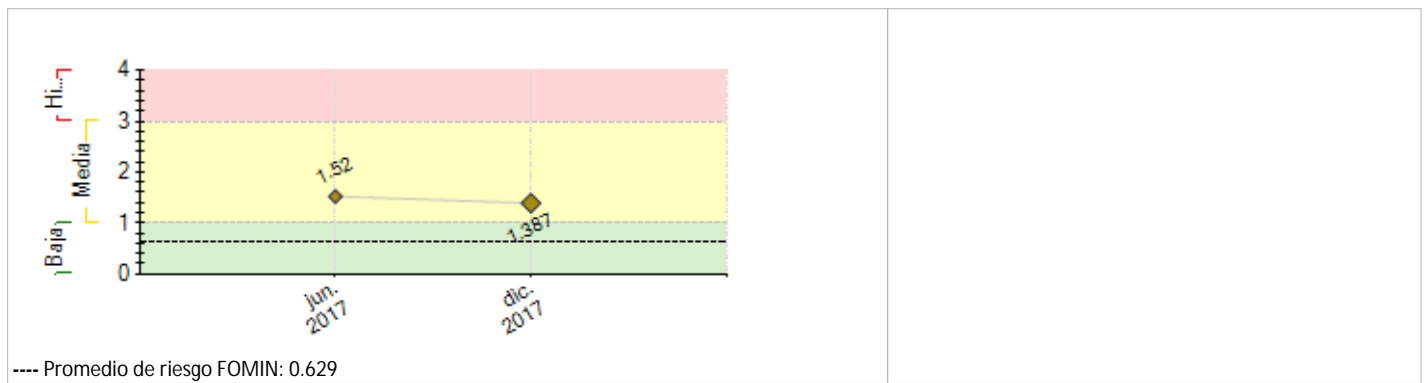
### CAPACIDAD INSTITUCIONAL

Riesgo

Administración Financiera:

Adquisiciones:

Capacidad Técnica:



## SECCIÓN 2: DESEMPEÑO

### Resumen del desempeño del proyecto desde el inicio

#### I. Main Results:

The development of 2 training courses (basic and intermediate) using specialized adult learning techniques and following specific methodical guidelines to effectively deliver the content and archive a behavioral change towards PRM.

The implementation of 1 basic training course, attended by 33 participants from 10 organizations in CA.

The development of a Monitoring Open Position tool that allow the project to identify risky strategies, weakness and strengths of project participants and help to mitigate price volatility.

The agreements reached by ISUP and project partners: FTUSA and CRS, detailing contributions and coordination arrangements marking the completion of the Milestone.

#### II. Difficulties:

Delays to get the stakeholders agreements signed, impacted project activity time frames.

The baseline analysis and data processing required additional efforts and coordination between partners and beneficiaries that resulted in an extra amount of time necessary to complete baseline outcomes.

#### III. Risks:

SenseMaker data collection is subject to the consistency of coop members attending the training modules which are subject in turn to coop member's rotation.

Keeping a consistent participation level among project beneficiaries.

#### IV. Efforts:

The coordination and efforts requirements have been reached to meet project goals.

#### Comentarios del líder de Equipo de Supervisión

De acuerdo con los comentarios de la Agencia Ejecutora

### Resumen del desempeño del proyecto en los últimos seis meses

The first training in Central America (CA) was held in Honduras, with 33 participants from 10 coffee organizations

The MEAL Operating Manual has been submitted by CRS completing the milestone.

The project hired PRM advisor hedging specialist, Diedericks Gadea, responsible to provide technical assistance to project participants.

FTUSA-ISUP and CRS-ISUP partnership agreements are signed, marking the completion for the Second Disbursement milestone

Contracting front-end developer of the Simulator was approved. The complex nature of multi-partnership agreements delayed initial kick-off.

The baseline data processing and analysis is on-going. Need for additional Coop information and further coordination is required. New date for final report is 01/31/18

Open Position monitoring initiated in CA in Sept'17. Data is collected monthly and will provide key information for the formulation of PRM strategies and project outcome.

Basic and Intermediate workshops in South America will be held in Feb'18 marking the completion of this milestone

Contribution from Coops to the budget could become a challenge to collect

#### Comentarios del líder de Equipo de Supervisión

De acuerdo con los comentarios de la Agencia Ejecutora

### SECCIÓN 3: INDICADORES E HITOS

	Indicadores	Línea de base	Intermedio 1	Intermedio 2	Intermedio 3	Planificado	Logrado	Estado
<b>Fin:</b> To mitigate the price volatility faced by smallholder farmers organized in cooperatives in Latin America.	I.1 Net market margin after cost of goods, variable, fixed and financial costs (US\$/bag of coffee)	0				30	0	
		Feb. 2017				Feb. 2020		
<b>Propósito:</b> To increase the capacity of 16 cooperatives to implement and manage effective strategies in price hedging for their members.	R.1 Net market margin after cost of goods, variable, fixed and financial costs (US\$/bag of coffee)	0				30	0	
		Feb. 2017				Feb. 2020		
<b>Componente 1:</b> PRM Organizational Strengthening <b>Peso:</b> 40% <b>Clasificación:</b> Satisfactorio	C1.1 Percentage of total traded volume covered by price risk management strategies, disaggregated by type of strategy (open positions, financial) - Open Position Coverage	0				100		
		Feb. 2017				Feb. 2020		
	C1.12 Percentage of total traded volume covered by price risk management strategies, disaggregated by type of strategy (open positions, financial) - Financial Coverage	0				50		
		Feb. 2017				Feb. 2020		
	C1.13 Number of cooperatives that are effectively and sustainably managing price risk, disaggregated by type of strategy (open positions, financial)	0	5	10		16		
		Feb. 2017	Feb. 2018	Feb. 2019		Feb. 2020		
<b>Componente 2:</b> PRM Toolkit <b>Peso:</b> 30% <b>Clasificación:</b> Satisfactorio	C2.1 Number of cooperatives using financial-based price risk management strategies	0	5	10		16		
		Feb. 2017	Feb. 2018	Feb. 2019		Feb. 2020		
	C2.12 Number of cooperatives that use the web-based Price Risk Simulator	0	5	10		16		
		Feb. 2017	Feb. 2018	Feb. 2019		Feb. 2020		
<b>Componente 3:</b> Peer to Peer Learning Apprenticeship Program <b>Peso:</b> 5% <b>Clasificación:</b> Satisfactorio	C3.1 Number of learning agendas design for Peer-to-Peer visits	0				2		
		Feb. 2017				Feb. 2018		
	C3.12 Number of peer-to-peer visits conducted	0	1			2		
		Feb. 2017	Feb. 2018			Feb. 2019		
<b>Componente 4:</b> Options Financing <b>Peso:</b> 25% <b>Clasificación:</b> Satisfactorio	C4.11 Total value of lending received by cooperatives used to adopt financial instruments for price risk management (US\$/per commercialization cycle)	0	300000	500000		900000		
		Feb. 2017	Feb. 2018	Feb. 2019		Feb. 2020		
	C4.12 Share of total lending received by cooperatives that is used to adopt financial instruments for price risk management (US\$/per commercialization cycle)	0	5	5		10		
			Feb. 2018	Feb. 2019		Feb. 2020		
	C4.13 Number of cooperatives that open a brokerage account	0	3	6		8		
		Feb. 2017	Feb. 2018	Feb. 2019		Feb. 2020		

Hitos	Planificado	Fecha Vencimiento	Logrado	Fecha en que se logró	Estado
H1 Conditions Prior	1	Ago. 2017	1	Jun. 2017	Logrado
H1 Meal System / SenseMaker in place	1	Ago. 2017	1	Ago. 2017	Logrado
H2 Final Selection of 16 Cooperatives	1	Ago. 2017	1	May. 2017	Logrado
H5 Special Conditions on Second Disbursement	1	Feb. 2018			
H4 [*] At least 3 trainings workshops implemented (basic, intermediate, advanced)	1	Feb. 2018			

H3	[*] Price Risk Simulator fully functional	1	May. 2018		
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[\*] Indica que el hito ha sido reformulado

### FACTORES CRÍTICOS QUE HAN AFECTADO EL DESEMPEÑO

[No se reportaron factores para este período]

#### SECCIÓN 4: RIESGOS

##### RIESGOS MÁS RELEVANTES QUE PUEDEN AFECTAR EL DESEMPEÑO FUTURO

	Nivel	Acción de mitigación	Responsable
1. Methodology Risks: The proposed methodology requires institutional commitment to adopt the best practices.	Media	This risk should be reduced through the proposed strategic selection process of participating cooperatives. Oikocredit will closely monitor training results and also engage in ongoing follow-up with board and staff, as well as buyers and lenders, to identify lags in real time and ensure meaningful buy-in from institutions and stakeholders.	Project Guest
2. Organizational Risks at the Cooperative Level: There are high rates of coop personnel rotation that could affect the project's execution.	Media	The coop assessment tool will look at governance issues as a decision factor. It is also expected that the PRM training will strengthen cooperative leadership and that the training program becomes an incentive for staff and board members to invest more deeply in their organization, resulting in higher immediate retention.	Project Guest
3. Desertion: Participants leave the program or cannot attend all of the required trainings.	Media	There are several means of mitigating this risk built into project design: 1) selecting cooperatives who demonstrate demand for these trainings and tools through the selection process; and 2) scheduling trainings in the off season to avoid conflicts with coffee harvests. These two measures ensure cooperatives are able to attend trainings and that they indicate a strong demand to attend.	Project Guest

NIVEL DE RIESGO DEL PROYECTO: Media NÚMERO TOTAL DE RIESGOS: 4 RIESGOS VIGENTES: 3 RIESGOS NO VIGENTES: 0 RIESGOS MITIGADOS: 1

#### SECCIÓN 5: SOSTENIBILIDAD

Probabilidad de que exista sostenibilidad después de terminado el proyecto: MP - Muy Probable

##### FACTORES CRÍTICOS QUE PUEDEN AFECTAR LA SOSTENIBILIDAD DEL PROYECTO

[No se reportaron factores para este período]

##### Acciones realizadas o a ser implementadas relativas a la sostenibilidad:

- We are approaching EARTH University to get an academic certification to improve the value sense of the training process.
- At the Project execution Unit, it is considered get an academic validation of the PRM training courses, ensure replicability and standardization to PRM training in the future.
- We are developing training guidelines to replicate the trainings, in a methodical and systematic adult education approach.
- A full tool kit is being developed to replicate PRM approach small famers organizations.

#### SECCIÓN 6: LECCIONES PRÁCTICAS

	Relativo a	Autor
1. Since the main objective is to achieve a change of mentality and behavior; the project had to make additional andragogy efforts to the design of training courses methodology. Meaning additional work, which was not considered in the initial plans, was needed.	Implementation	quintanilla, jorge
2. There is a small universe of experts in PRM strategies with the qualification and competencies to train people in a holistic manner. The hiring process was challenging, as most of the people that know about PRM are running brokerage businesses with poor andragogy competences.	Implementation	quintanilla, jorge
3. A multiple Partner Agreement should be agreed and signed by all parties before project implementation to avoid unexpected delays that could affect project development.	Design	quintanilla, jorge