Fondo Multilateral de Inversiones
Miembro del Grupo BID

REPORTE DE ESTADO DEL PROYECTO

ENERO 2018 - JUNIO 2018

SECCIÓN 1: SÍNTESIS DEL PROYECTO

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

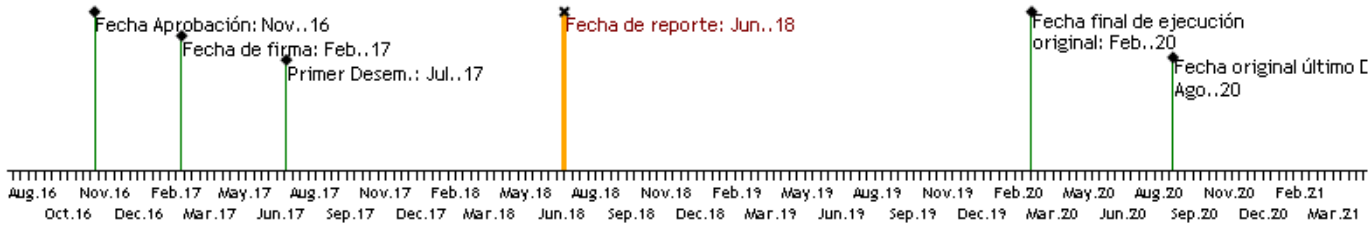
Nro. Proyecto: RG-T2840 - Proyecto No.: ATN/ME-15839-RG

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

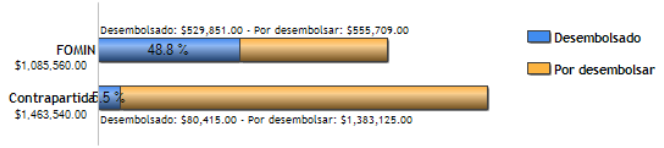
País Administrador	País Beneficiario
COSTA RICA	COSTA RICA

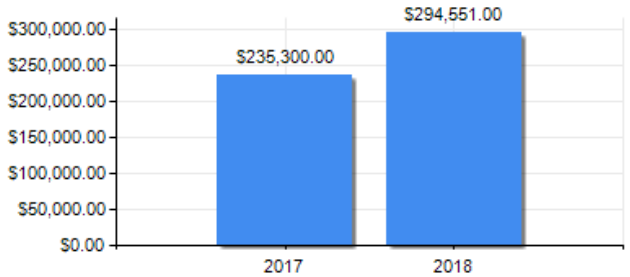
Agencia Ejecutora:	STICHTING OIKOCREDIT INTERNATIONAL SUPPORT FOUNDATION	**Líder equipo de diseño:**	ALEJANDRO ESCOBAR A.
		Líder equipo de supervisión:	ALEJANDRO ESCOBAR A.

CICLO DEL PROYECTO

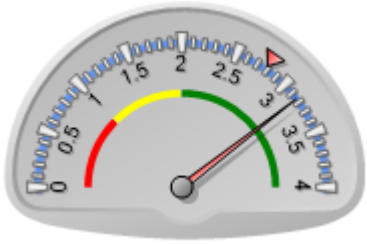


RECURSOS

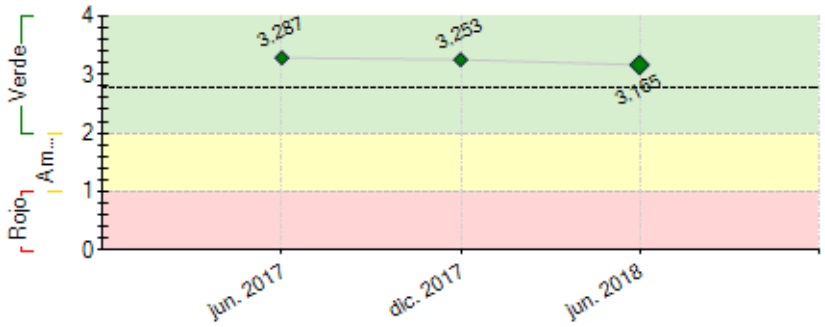




PUNTAJE DE DESEMPEÑO



Puntaje actual: Satisfactorio: 3.165
Promedio FOMIN: 2.787

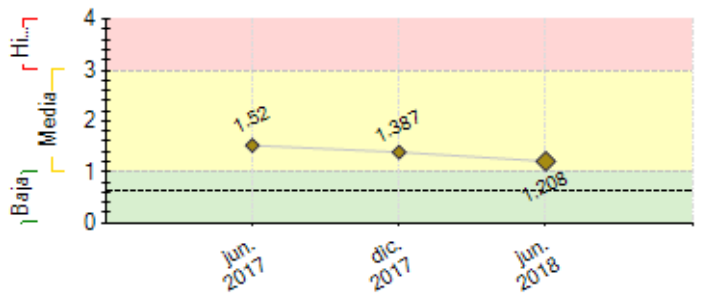


----- Promedio desempeño FOMIN

RIESGOS EXTERNOS

CAPACIDAD INSTITUCIONAL

	Riesgo
Administración Financiera:	
Adquisiciones:	
Capacidad Técnica:	



---- Promedio de riesgo FOMIN: 0.634

SECCIÓN 2: DESEMPEÑO

Resumen del desempeño del proyecto desde el inicio

I. Main Results

Development of 3 training courses (basic, intermediate and advanced) using specialized adult learning techniques to effectively deliver content and archive a behavioral change.

Implementation of 3 training workshops attended by a total of 90 participants from 22 organizations in Central and South America

Development and implementation of a monitoring open position tool that allow the project to track and identify risky strategies among the project participant.

Agreements reached by ISUP and project partners.

Baseline study experienced important delays. Nevertheless, the data collected to measure project indicators is now processed.

II. Difficulties

Delays to get the stakeholders agreements signed impacted project activity timeframes for the Baseline study and the online PRM Simulator.

The completion of Phase 1 (discovery and design) of the Simulator, required a greater number of meetings to achieve a proper tool design that would meet project objectives.

III. Risks

Political and social instability in Nicaragua threatens to jeopardize the continued participation of Nicaraguan cooperatives as well as the current Peer-to-peer plans for Central America.

Delays in the development of the simulator could affect the delivery date and functionality of the product. The current estimated delivery date is October 2018.

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
I agree with the analysis, Now more than ever, when the price has hit rock bottom (Sept 2018), it will be interesting to see which coops take options and an OP to de risk the market. I think this project is extremely relevant to the situation we are in now.

Resumen del desempeño del proyecto en los últimos seis meses

Baseline Assessment (BA) report was finalized and submitted by CRS on April 20th, 2018; with a revision of the project indicators. BA approved during EC meeting.

Basic and Intermediate training for South America (SA) were held in Peru on Feb'18. 11 organizations and a total of 57 people participated in the workshops.

Intermediate training for Central America (CA) is scheduled for Jul'18. Nicaraguan cooperatives did not confirm their participation, and this could affect their continuation in the project.

Advance module is currently under design. The advanced workshop for CA will be held in Costa Rica on Nov'18, and the workshop for SA will be held in Colombia on Feb'19.

Open Position (OP) monitoring is on-going and beneficiaries have been reporting their OP statuses to the PEU.

Phase I of the Simulator (design, strategy, and discovery) has been completed, and now the app is going through Phase II (Front and back-end development). Estimated date of completion is Oct'18, and estimated launch date is Nov'18 (with first advanced training).

Peer-to-Peer activity in CA (scheduled for 2018) is postponed due to the political and social instability in Nicaragua; where host cooperative (Aldea Global) is based. Peer to peer activity for SA is on-going and expected for first semester 2019.

There is a mismatch in the reporting dates of the project indicators; these do not match with the schedule of activities that were carried away.

Comentarios del líder de Equipo de Supervisión

De acuerdo con los comentarios de la Agencia Ejecutora
I agree with the analysis

SECCIÓN 3: INDICADORES E HITOS

		Indicadores	Línea de base	Intermedio 1	Intermedio 2	Intermedio 3	Planificado	Logrado	Estado
Fin: 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$/bag of coffee)	0 Feb. 2017				30 Feb. 2020	14.29 Abr. 2018	
Propósito: To increase the capacity of 16 cooperatives to implement and manage effective strategies in price hedging for their members.	R.1	Net market margin after cost of goods, variable, fixed and financial costs (US$/bag of coffee)	0 Feb. 2017				30 Feb. 2020	14.29 Abr. 2018	
Componente 1: PRM Organizational Strengthening **Peso:** 40% **Clasificación:** Satisfactorio	**C1.I1**	Percentage of total traded volume covered by price risk management strategies, disaggregated by type of strategy (open positions, financial) - Open Position Coverage	0 Feb. 2017				100 Feb. 2020	65 Abr. 2018	En curso
	C1.I2	Percentage of total traded volume covered by price risk management strategies, disaggregated by type of strategy (open positions, financial) - Financial Coverage	0 Feb. 2017				50 Feb. 2020	8.6 Abr. 2018	En curso
	C1.I3	Number of cooperatives that are effectively and sustainably managing price risk, disaggregated by type of strategy (open positions, financial)	0 Feb. 2017	5 Feb. 2018	10 Feb. 2019		16 Feb. 2020		Atrasado
Componente 2: PRM Toolkit **Peso:** 30% **Clasificación:** Satisfactorio	**C2.I1**	Number of cooperatives using financial-based price risk management strategies	0 Feb. 2017	5 Feb. 2018	10 Feb. 2019		16 Feb. 2020		Atrasado
	C2.I2	Number of cooperatives that use the web-based Price Risk Simulator	0 Feb. 2017	5 Feb. 2018	10 Feb. 2019		16 Feb. 2020		Atrasado
Componente 3: Peer to Peer Learning Apprenticeship Program **Peso:** 5% **Clasificación:** Satisfactorio	**C3.I1**	Number of learning agendas design for Peer-to-Peer visits	0 Feb. 2017				2 Feb. 2018		Atrasado
	C3.I2	Number of peer-to-peer visits conducted	0 Feb. 2017	1 Feb. 2018			2 Feb. 2019		Atrasado
Componente 4: Options Financing **Peso:** 25% **Clasificación:** Satisfactorio	**C4.I1**	Total value of lending received by cooperatives used to adopt financial instruments for price risk management (US$/per commercialization cycle)	0 Feb. 2017	300000 Feb. 2018	500000 Feb. 2019		900000 Feb. 2020		Atrasado
	C4.I2	Share of total lending received by cooperatives that is used to adopt financial instruments for price risk management (US$/per commercialization cycle)	0	5 Feb. 2018	5 Feb. 2019		10 Feb. 2020		Atrasado
	C4.I3	Number of cooperatives that open a brokerage account	0 Feb. 2017	3 Feb. 2018	6 Feb. 2019		8 Feb. 2020		Atrasado

Hitos		Planificado	Fecha Vencimiento	Logrado	Fecha en que se logró	Estado
H0	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
H3	Special Conditions on Second Disbursement	1	Feb. 2018	1	Ene. 2018	Logrado
H4	[*] At least 3 trainings workshops implemented (basic, intermediate, advanced)	1	Feb. 2018	1	Feb. 2018	Logrado
H5	Price Risk Simulator Fully Functional	1	Ago. 2018			
H6	Price Risk Simulator Online Version	1	Ene. 2019			

[*] 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. Political and social instability in Nicaragua affecting continuation of nicaraguan organizations in the project.	Media	Due to the on-going political crisis on the country, the 3 Nicaraguan organizations could not travel out of the country to participate in the Intermediate training. The PEU is evaluating now, along with these organizations, the possibility to replicate this Intermediate workshop in Nicaragua. This with the objective to level up the cooperatives for the upcoming advanced training.	Project Guest
2. Political and social instability in Nicaragua, affecting Central America's current Peer-to-peer program plans.	Media	The escalation of violence and insecurity throughout Nicaragua may jeopardize the execution of the current Peer to peer plans, as host organization (Aldea Global) is located in Jinotega, Nicaragua. Mitigation actions include evaluation of an alternative host in Costa Rica.	Project Guest
3. Readiness of the Simulator in time and manner as agreed by project partners.	Media	The PEU is currently developing an alternative to the simulator. This alternative uses an Excel add-on application called Crystal Ball, which is a spreadsheet-based application for predictive modeling, forecasting and simulation. This application gives insight into the critical factors affecting risk.	Project Guest
4. Desertion: Participants leave the program or cannot attend all of the required trainings.	Baja	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
5. Organizational Risks at the Cooperative Level: There are high rates of coop personnel rotation that could affect the project's execution.	Baja	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

NIVEL DE RIESGO DEL PROYECTO: Media **NÚMERO TOTAL DE RIESGOS:** 7 **RIESGOS VIGENTES:** 5 **RIESGOS NO VIGENTES:** 0 **RIESGOS MITIGADOS:** 2

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

Factor	Comentarios
[X] Ausencia de un **plan de sostenibilidad** o inadecuada implementación del mismo	The project has just started less than 1 year ago. So its early on. But its clear that this type of training and hands on simulation of market options is critical to users. So now its a matter or planning for the sustainability of the program beyond the execution period. There are several options to consider.

Acciones realizadas o a ser implementadas relativas a la sostenibilidad:

We've been working with EARTH University to manage an accreditation for the training component. This would elevate academic rigor and ensure training replicability. It's strategic to involve an international agriculture university to replicate the trainings in other countries and institutions able to fund producer's business development. This initiative requires to assess project's available budget to cover accreditation costs.

The Open Position monitoring tool had been introduced as part of the training session. This tool brings awareness and provides valuable information to managers measuring their monthly Open Position status. This enables monitoring and better management decisions during the commercialization cycle. The Open Position tool is updated by coops in a monthly basis, thus gathering important information for the MEAL System and project indicators. We have aligned this tool with CSAF monthly monitoring tool and presented it as a value adding tool complementary to the financial monthly assessment of coffee trade organizations.

The PRM Institute TOR was distributed among potential consultants and proposals were requested and received until 31st July, 2018.

SECCIÓN 6: LECCIONES PRÁCTICAS

	Relativo a	Autor
1. Alignment with CSAF regarding monthly monitoring tool is taking some resistance. It requires the PRM project to address training to CSAF members on price volatility and risk mitigation, so that all CSAF members push/work in same direction.	Risk	Villela, Hugo
2. Networking with other initiatives that are currently addressing or have addressed PRM programs in the past [e.g. World Bank (Roy Parizat) and FLO International] to share learnt lessons and not duplicate efforts.	Sustainability	Villela, Hugo
3. Software development: The PEU should be aware of processes, work plan and timeframe of the software developers, in order to manage PEU expectations and get on-going and proper feedback to software developers	Implementation	Villela, Hugo
4. Software development: The software developer should speak at least the same language than the responsible: PEU.	Design	Villela, Hugo

5. Training session: Planification in advance to each training session reduced stress during the workshop, strengthening the teamwork spirit. It can be added that enjoying what is being delivered from the training team contributes to a better learning atmosphere among the attendants.	Implementation	Villela, Hugo
6. Training sessions: Homogenize the audience among board members, technicians and management board; to advance the achievements of the participants at training workshops.	Implementation	Villela, Hugo
7. Software development: Beside speaking different languages, we have strong cultural differences with software developers. So, building an understanding around our needs and the interpretation from the software developers had taken additional efforts.	Design	Villela, Hugo