Fondo Multilateral de Inversiones
Miembro del Grupo BID

REPORTE DE ESTADO DEL PROYECTO

JULIO 2018 - DICIEMBRE 2018

SECCIÓN 1: SÍNTESIS DEL PROYECTO

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

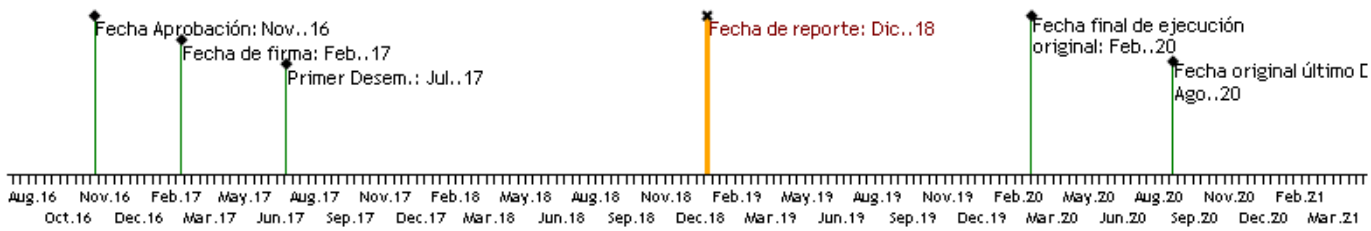
Nro. Proyecto: RG-T2840 - Proyecto No.: ATN/ME-15839-RG

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

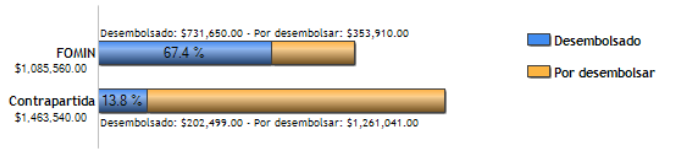
País Administrador	País Beneficiario
COSTA RICA	COLOMBIA, GUATEMALA, HONDURAS, NICARAGUA, PERÚ

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

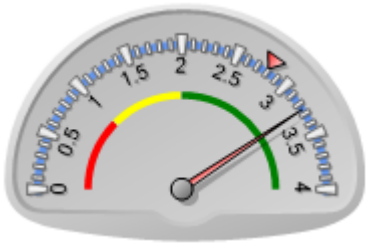
CICLO DEL PROYECTO



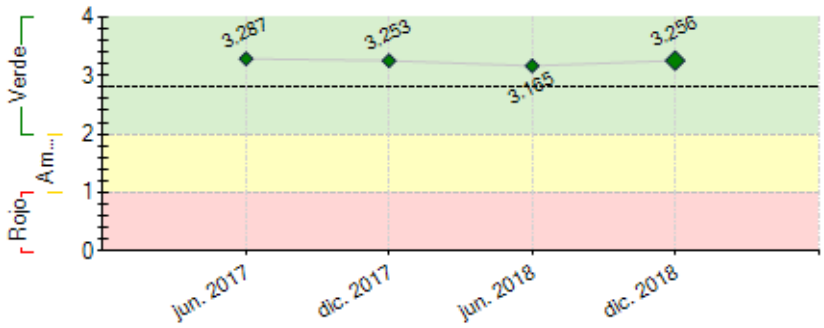
RECURSOS



PUNTAJE DE DESEMPEÑO

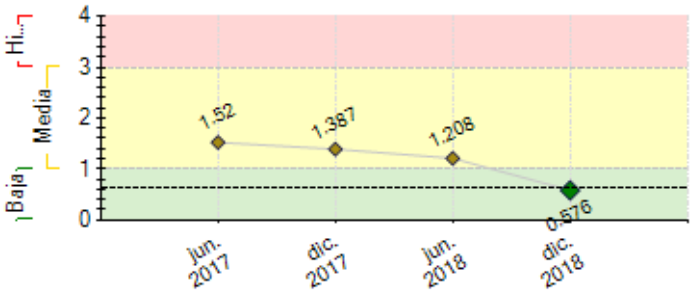


Puntaje actual: Satisfactorio: 3.256
Promedio FOMIN: 2.796



----- Promedio desempeño FOMIN

RIESGOS EXTERNOS



---- Promedio de riesgo FOMIN: 0.645

CAPACIDAD INSTITUCIONAL

	Riesgo
Administración Financiera:	
Adquisiciones:	
Capacidad Técnica:	

SECCIÓN 2: DESEMPEÑO

Resumen del desempeño del proyecto desde el inicio

Main Results:

Design of 3 PRM training modules and a comprehensive and unique PRM adult learning methodology.

Creation of an Open Position (OP) monitoring tool that enables producer organizations to identify and quantify risk level exposure and track risk mitigation performance.

Implementation of 5 PRM workshops, 148 total hours of training and 115 participants.

Adoption of taught PRM best practices and implementation of monitoring tools by Coop participants.

Creation of Excel based PRM Simulator that simulates use of financial derivatives.

On-going construction of a PRM data bank that allows for measurement of project indicators progress.

Coordination between multi-partner project allowed component development.

II. Difficulties:

Systematization of teaching methodology, development of module content and creation of monitoring and risk management tools took unforeseen extra amount of time.

Coordination, communication and agreements between project partners to define and execute project's important components.

Overall development of PRM Simulator, coordination and PRM conceptual understanding between back and front-end developers and PEU and external consultants. Limited leadership from managing partner.

III. Risks:

Not enough project lifespan to reach all projected results due to heavy up-front project workload.

IV. Efforts:

Efforts focused on thorough follow-up of monitoring data, implementation of best PRM practices and advisory to beneficiary organizations.

Comentarios del líder de Equipo de Supervisión

De acuerdo con los comentarios de la Agencia Ejecutora
The materials and techical assistance have been positively assessed by the participating cooperatives. The corporate governance of this multistakeholder initiative has required a lot of coordination and communication efforts, however synergies have arisen among the participants.

Resumen del desempeño del proyecto en los últimos seis meses

Intermediate training held in Nicaragua for 3 Nicaraguan producer organizations (PO).

Advanced module designed and finalized with high emphasis on practical exercises, design, implementation and option strategy combinations.

First advanced module held in Costa Rica for all 11 Central American (CA) PO.

Open Position monitoring tool upgraded to take on Option strategy design and implementation, in line with advanced training practical exercises and teachings.

Central American PO have starting to use the Open Position tool to identify their risk exposure and to register the use of financial derivatives. Some coops have adapted the tool for their best use.

Construction of dashboard and data bank from monitoring activities. Dashboard is gathering and processing data from Central and South American harvest.

Excel version Simulator developed through extensive working hours between developers and PEU. Satellite coordination with developers was difficult and common grounds on PRM conceptual understanding was difficult to accomplished. This process took significant amount of time with limited leadership of managing partner.

Construction of Web app Simulator is currently on-going.

PRM Institute feasibility study and option financing on-going.

Coop individual advisory program to start in the month of February 2019 with CA PO.

First advanced module and Peer-to-peer program for South American PO will take place in Costa Rica in March. Host cooperative will be Café de Altura.

Comentarios del líder de Equipo de Supervisión

De acuerdo con los comentarios de la Agencia Ejecutora
The financial product to support the cooperatives in their PRM strategy must be deployed effectively, to ensure the the project does not lose momentum.

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	11 Jul. 2018	En curso
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	11 Jul. 2018	En curso
	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	0 Jul. 2018	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	0 Jul. 2018	Atrasado
	C3.I2	Number of peer-to-peer visits conducted	0 Feb. 2017	1 Feb. 2018			2 Feb. 2019	0 Jul. 2018	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$/per commercialization cycle)	0 Feb. 2017	300000 Feb. 2018	500000 Feb. 2019		900000 Feb. 2020	0 Jul. 2018	Atrasado
	C4.I2	Share of total lending received by cooperatives that is used to adopt financial instruments for price risk management (US$/per commercialization cycle)	0	5 Feb. 2018	5 Feb. 2019		10 Feb. 2020	0 Jul. 2018	Atrasado
	C4.I3	Number of cooperatives that open a brokerage account	0 Feb. 2017	3 Feb. 2018	6 Feb. 2019		8 Feb. 2020	6 Jul. 2018	En curso

	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	1	Ago. 2018	Logrado
H6	[*] Price Risk Simulator Online Version	1	Abr. 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. 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
2. Not enough project lifespan to reach all projected results due to heavy up-front project workload and	Media	Efforts concentrated in thorough monitoring implementation, data collection and individualized producer organization advisory.	Project Guest
3. Coordination Risks among project partners: Partners may have a different level of priority towards the project that may affect their time of response.	Baja	Mitigation actions to reduce risk exposure include regular meetings with project partners using web-based conference softwares, to check on the advancements of tasks and commitments. A bulletin board with the latests updates of the project will be put in place to keep partners with current information.	Project Guest
4. Political and social instability in Nicaragua affecting continuation of nicaraguan organizations in the project.	Baja	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
5. Political and social instability in Nicaragua, affecting Central America's current Peer-to-peer program plans.	Baja	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 or Postpone the Peer to peer plans until the country relatively normalizes again.	Project Guest

NIVEL DE RIESGO DEL PROYECTO: Baja **NÚMERO TOTAL DE RIESGOS:** 8 **RIESGOS VIGENTES:** 5 **RIESGOS NO VIGENTES:** 1 **RIESGOS MITIGADOS:** 2

SECCIÓN 5: SOSTENIBILIDAD

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

FACTORES CRÍTICOS QUE PUEDEN AFECTAR LA SOSTENIBILIDAD DEL PROYECTO

Factor	Comentarios
[X] Ausencia de mecanismos de recuperación de costos o fuentes de financiamiento externas (gobierno, donantes y/o sector privado) para continuar con las actividades del proyecto una vez agotados los recursos del FOMIN	

Acciones realizadas o a ser implementadas relativas a la sostenibilidad:

- The sketching, design and content creation for the Advanced Module. This includes the methodological guidelines (for all 6 sessions), the visualization (with art designs and printed on durable plastic material), practical case exercises, and complementario PowerPoint presentations.

- We created an upgraded Open Position tool that enables producer organizations to identify and quantify risk level exposure and track their risk mitigation performance.Furthermore, the simulator for training purpose.

- We created an Excel based PRM Simulator that simulates the use of financial derivatives.
- The PRM business plan is on going.
- We should improve communication inside and out side the project.

SECCIÓN 6: LECCIONES PRÁCTICAS

	Relativo a	Autor
1. Oikocredit is taking much more time and effort to lead PEU. Oikocredit staff had to be involved in training methodology, systematization of the training modules. Furthermore, the development of the simulator had taken at least one business day per week of the coordinator of the project plus coordination and administration; going further the expected time contribution of Oikocredit project implementation. Oikocredit would like to boost coordination contribution from BID Lab to the PEU, to be used and justified by Oikocredit.	Implementation	Villela, Hugo
2. The Simulator Development was delayed due to multiple factors. Design and Implementation of	Implementation	quintanilla, jorge

PRM strategies is a complex subject that few people comprehend well. The difference between technical knowledge and practical knowledge (based on experience) makes a considerable gap. Reaching common grounds of what was needed for the Simulator in terms of processes, results and analysis, between the developers and the technical team (PEU and external consultants) took a considerable (and unforeseen) amount of time, meetings, travels, and discussions. These discussions and meetings, for most the time, were made online which hinder the understanding of complex topics. For future software development, we encouraged to have the developers at a close physical reach/distance, that would enable more face-to-face meetings and co-working groups that would results in more fast and efficient software developing time.		
3. With the first advanced module completed, we have discovered through feedback from participants, that the trainings have a proper combination of technical concepts and practical exercises. Alternating these elements throughout each day for the training. Furthermore, we have learnt that 4 days of advanced training are not enough (as the content is vast) and that for participant to keep developing their skills constant practice is needed. Is safe to say, that more advanced techniques are available but are difficult to instill in the participants without proper follow up, or continuation of the trainings.	Sustainability	quintanilla, jorge