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MULTILATERAL INVESTMENT FUND

TRINIDAD & TOBAGO

**PROMOTING ORGANIC PRODUCTION AND MARKETABILITY OF TRINIDAD
AND TOBAGO COCOA AND CHOCOLATE**

(TT-T1102)

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PROJECT SUMMARY

TRINIDAD & TOBAGO

PROMOTING ORGANIC PRODUCTION AND MARKETABILITY OF TRINIDAD AND TOBAGO COCOA AND CHOCOLATE

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Trinidad and Tobago is home to True Trinitario Fine Cocoa, a historic and award-winning form of fine-flavor cocoa that is highly sought after, particularly by artisan chocolatiers and gourmet chefs. The global market for fine-flavor cocoa, notably organic varieties, is growing significantly faster than the global market for bulk cocoa, reflecting a growing emphasis by consumers on quality, traceability, and sustainability of products. As such, there is significant potential for Caribbean fine-flavor cocoa growers and processors to capitalize on this trend. With cadmium levels relatively low in this region, as opposed to other producing countries, Caribbean growers and processors have some advantages vis a vis EU market access in particular. It is within this context that the Trinidad and Tobago Organic Fine Cocoa and Chocolate Cluster secured financing through the Compete Caribbean Partnership Facility to grow the production and sales of organic cocoa from Trinidad and Tobago in world export markets. To leverage IDB Lab's knowledge and direct experience in the regional cocoa sectors, particularly in Trinidad and Tobago, as well as the IDB Lab's experience, processes and capacity to work effectively with small enterprises, the Compete Caribbean Partnership Facility has requested that IDB Lab assume technical leadership for design and supervision of this operation. The project will be financed by the Compete Caribbean Partnership Facility and counterpart resources from the Trinidad and Tobago Organic Fine Cocoa and Chocolate Cluster, with no financial contribution from IDB Lab. The project will be executed by the IDB through the Trinidad and Tobago Country Office.

The Trinidad and Tobago Organic Fine Cocoa and Chocolate Cluster will act as catalyst for sustainable growth of the organic cocoa sector in Trinidad and Tobago, generating foreign exchange and offering diversified employment throughout the value chain, including for women, who already dominate artisan production locally. The cluster currently comprises fourteen firms, primarily cocoa growers, suppliers, traders, and downstream processors, with the contributing support of government and regional agricultural research centres. The unique value of this cluster is its focus the production of organic, low-cadmium fine-flavor cocoa and chocolate, with the pedigree of being the home of Trinitario cocoa.

The objective of this project is to enhance the productivity, quality, and access to external markets, of Trinidad and Tobago's organic fine cocoa and chocolate products, and thereby contribute to the sustainable growth of a sector that will generate foreign exchange, higher incomes and employment opportunities for farming communities and within agro-processing firms that are primarily women-owned. To achieve this objective, the intervention is structured in three inter related components: (i) Increasing Organic Production Capability of growers that are primarily located in low income rural communities; (ii) Market Development which will support organic certification, the development of marketing plans and provision of capacity building and technical support for export targeting, primarily for member firms of the Organic Fine Cocoa and Chocolate

Cluster; and (iii) Value Chain Transformation and Management, which will focus on the design and implementation of a simple traceability system for growers, processors and manufacturers in the organic cocoa value chain, which will be developed on a blockchain technology platform for traceability purposes, and to enhance transparency and management of the value chain. The key outcomes expected as a result of this intervention are (i) an increase in cluster sales from a baseline of US \$830,000 to US \$3,000,000, (ii) an increase in cluster exports from a baseline of US \$170,000 to US \$1,350,000 and (iii) the creation of 265 jobs across the organic cocoa value chain (cultivation, processing, marketing, branding and sales support), all by year 3 of project implementation. These outcomes will be achieved through a combination of (a) increased productivity, yield and resilience of organic cocoa cultivation and (b) increased access to higher value export markets, facilitated via a combination of improved traceability, quality, strategic marketing and trade promotion with high value market players, particularly in the EU.

While the primary beneficiaries of the project will be the founders and 152 employees of the fourteen cluster member firms, in addition, a minimum of 120 cocoa farmers will benefit from training and capacity building to increase the resilience, yield and quality of organic cocoa cultivated in Trinidad and Tobago. Additional beneficiaries include persons accessing 265 new jobs created within the sector and other artisans and firms in the cocoa value chain who will also benefit from the improved positioning and branding of Trinidad and Tobago's organic cocoa and chocolate.

With this focus on productivity and innovation in the private sector, the project is aligned with the Proposal for the Establishment of the Compete Caribbean Partnership Facility (GN-2851), the IDB's Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008), and the IDB Country Strategy with Trinidad and Tobago 2016-2020. The project is also directly aligned with the IDB Lab's thematic focus on Climate Smart Agriculture and builds on IDB Lab's investments in this area and knowledge base.

ANNEXES

ANNEX I	Results Matrix
ANNEX II	Budget Summary

AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM

ANNEX III	Detailed Budget
ANNEX IV	Reporting Requirements and Project Milestones
ANNEX V	Procurement and Contracting Plan

ACRONYMS AND ABBREVIATIONS

CCB/CTT	IDB Country Office in Trinidad and Tobago
CCPF	Compete Caribbean Partnership Facility
CDCTTL	Cocoa Development Company of Trinidad and Tobago Ltd
CDP	Cluster Development Plan
EU	European Union
FCU	Facility Coordination Unit of the Compete Caribbean Partnership Facility
ICCO	International Cocoa Organization
IDB	Inter-American Development Bank
IDB Lab	Innovation Lab of the IDB (formerly the Multilateral Investment Fund)
MDB	Multilateral Development Bank
OFCCC	Organic Fine Cocoa and Chocolate Cluster
UDR	Unit with Disbursement Responsibility
US	United States

PROJECT INFORMATION
TRINIDAD & TOBAGO
PROMOTING ORGANIC PRODUCTION AND MARKETABILITY OF TRINIDAD AND TOBAGO
COCOA AND CHOCOLATE
(TT-T1102)

Country and Geographic Location:	Trinidad and Tobago		
Executing Agency:	IDB		
Focus Area:	Climate Smart Agriculture		
Coordination with Other Donors/Bank Operations:	Compete Caribbean Partnership Facility (CCPF)		
Project Beneficiaries:	The Trinidad and Tobago Organic Fine Cocoa and Chocolate Cluster [comprising fourteen (14) small and medium enterprises engaged in cocoa and chocolate production], 120 farmers that will benefit from training, and 265 persons benefitting from new job creation in the organic cocoa value chain in Trinidad and Tobago		
Financing: The project is funded by the Compete Caribbean Partnership Facility (CCPF) and counterpart resources from the Organic Fine Cocoa and Chocolate Cluster	Technical Cooperation:	US\$ 000,000	00%
	Equity:	US\$ 000,000	
	Loan:	US\$ 000,000	
	Other (explain):	US\$ 000,000	
	TOTAL MIF FUNDING:	US\$ 000,000	
	Counterpart:	US\$ 66,000	20%
	Co-financing (if available; include a separate line for IDB Co-financing if applicable):		00%
	Non Reimbursable Technical Co-operation Co-financing Compete Caribbean Partnership Facility (CCPF)	US\$ 264,000	80%
	TOTAL PROJECT BUDGET:	US\$ 330,000	100%
Execution and Disbursement Period:	36 months of execution and 42 months of disbursement.		
Special Contractual Conditions:	None		
Environmental and Social Impact Review	This operation was screened and classified as required by the IDB's safeguard policy (OP-703) on September 14, 2020. Given the limited impacts and risks, the proposed category for the project is C.		
Unit responsible for disbursements	CCB/CTT		

I. The Problem

A. Problem Description

- 1.1. Trinidad and Tobago is home to True Trinitario Fine Cocoa, a historic and award-winning variety of fine-flavor cocoa that is highly sought after, particularly by artisan chocolatiers and gourmet chefs.
- 1.2. The global market for fine flavor cocoa like True Trinitario, notably organic varieties, is growing significantly faster than the global market for bulk cocoa. This reflects greater consumer consciousness of the health benefits of high-quality cocoa, and increasing emphasis placed by sophisticated consumers on organic certification, traceability, and sustainable production. Other requirements for competing on the world market for fine flavor cocoa, include low cadmium content, which is a prerequisite for US and EU market access¹.
- 1.3. These requirements have created new market dynamics in the international fine flavor cocoa market. The large fine flavor producing countries like Ecuador and Peru tend to have high levels of cadmium in the soil on cocoa farms, and as a result, in the beans that are harvested. Therefore, global gourmet chocolate makers and other downstream companies are seeking new sourcing options for high quality fine flavor cocoa beans with low cadmium content. Different cocoa growing regions in Trinidad and Tobago exhibit differentiated soil compositions, however, many cocoa farms have been proven to have very low levels of cadmium in their soil², and therefore represent ideal producers to fill the recently emerging gap in targeted North American and European export markets.
- 1.4. According to the International Cocoa Organization (ICCO), 100% of the cocoa beans produced in Trinidad and Tobago can be labelled as fine flavor cocoa; only eight countries in the world are categorized as such. However, the Cocoa Development Company of Trinidad and Tobago Limited (CDCTTL)³ estimates that more than 90% of local production is exported without achieving maximum price premiums on the beans, or exploring value added products. Currently most cocoa is sold by the container load to large foreign chocolate companies. Only a small fraction is marketed directly to gourmet chocolatiers internationally, or processed within the country by local chocolate makers. The specific origin, unique story and premium quality of Trinidad and Tobago's cocoa is not fully leveraged under this market structure. There is therefore an opportunity to increase income for farmers,

¹ In California (US), cadmium and cadmium compounds are on the Proposition 65 list because they can cause cancer (<https://www.p65warnings.ca.gov/fact-sheets/cadmium-and-cadmium-compounds>). In the European Union new limits on the amount of cadmium in cocoa products were enforced starting 01 January 2019 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32014R0488>).

² A study of cadmium content was conducted for cocoa growing regions in Trinidad and Tobago by the Cocoa Research Centre at the University of the West Indies as part of the IDB Lab project TT-M1031 Improving Marketing and Production of Artisanal Cocoa from Trinidad and Tobago

³ The Cocoa Development Company of Trinidad and Tobago Ltd (CDCTTL) is the national sector development company with the mandate to promote the local upstream and downstream cocoa sector.

and simultaneously increase the share of locally produced chocolate for export to higher margin clients. Organic certification and farms with a unique story represent an ideal combination to enter new foreign markets and achieve higher prices.

- 1.5. In the context of this market opportunity, the Trinidad and Tobago Organic Fine Cocoa and Chocolate Cluster (OFCCC) is seeking to become a leading producer of premium organic low-cadmium cocoa beans and artisan chocolate for gourmet and conscious consumers at a global level, attracting international recognition through the quality, and unique characteristics of its products. To support this objective and in order to identify the key areas of improvement in which to concentrate the work of the cluster, an independent gap analysis financed by the Compete Caribbean Partnership Facility (CCPF)⁴, has been conducted via the comparison of an ideal model with the current value chain. Some of the shortcomings identified, which the Cluster intends to address to improve its competitiveness, include: (i) inconsistent supply of certain varieties of planting material for growers; (ii) absence of an in-country supplier of certified organic fertilizers and other agro-inputs; (iii) very low productivity of cocoa growers due to outdated practices and lack of knowledge, including use of cocoa varieties not optimally suited to farm conditions; (iv) significant volume of organically produced cocoa beans that are not certified; (v) fermentation and drying procedures that do not meet requirements of sophisticated markets; (vi) incipient chocolate industry where sustainable packaging needs to be addressed (vii) very complex internal and outbound logistics that undermine the quality of the cluster's products in destination markets; and (viii) need for new direct to consumer marketing efforts that highlight the attributes of the origin and other unique characteristics of the cluster's products.
- 1.6. This cluster initiative will therefore center on improving two broad areas of intervention: farming cocoa beans for export markets and transforming⁵ cocoa beans into chocolate and other related products for local and international consumption. The OFCCC is a formal cluster comprising fourteen (14) small and medium enterprises in Trinidad and Tobago⁶ – 8 cocoa growers or estates⁷, 3 chocolate producers, 1 producer of bath products manufactured with cocoa, 1 supplier of organic agricultural inputs based in St. Lucia, and 1 specialized trader:

⁴ The full gap analysis can be found in the [Cluster Development Plan](#) .

⁵ The cluster also comprises companies that manufacture finished products, such as chocolate, beverages, and cosmetic products, and sell to end consumers. In the cluster, the following companies are dedicated to produce artisan gourmet chocolate: **Ortinola** (<https://www.ortinola.com/>), **Cocoa Republic Ltd.** (<https://www.cocoa-republic.com/>), **CocoBel** (<https://www.cocobelchocolate.com/>), and **Sparkling Gold Chocolates** (<https://www.facebook.com/SparklingGoldChocolates/>). The company **Rodco** (<https://www.facebook.com/rodcoessentials/>) produces bath and body products based on cocoa.

⁶ Jobs in the cluster (private companies only): 152 (70 permanent and 82 temporary).

⁷ These cocoa growers form part of the cluster: **San Antonio Estate** (located in Gran Couva), **Matthews Estate** (Tamana), **San Salvador Estate** (Gran Couva), **Maraj Estate** (Brasso Seco), **James Estate** (Brasso Seco), **Omarbeans** (Brasso Seco), **Ortinola Estate** (St Joseph), and **Jagassar Estate** (Moruga). They represent all main cocoa growing communities, including the Northern Range, East Trinidad, Central Trinidad and South Trinidad.

Ubergreen Organics Ltd., the cluster lead. Ubergreen Organics Ltd as a trader is dedicated to sourcing the finest True Trinitario cocoa, by teaming up with sustainable, small scale local farms and providing access to lucrative export markets. Currently, the cluster companies collectively provide employment for 152 persons, some full time and others on a part time or seasonal basis. ExporTT⁸, the national export promotion company of Trinidad and Tobago, is also an active member of the cluster, and provides direct support to the cluster members in relevant issues related to international commerce such as market research, marketing, and training.

II. The Innovation Proposal

A. Project Description

- 2.1. The project intervention is designed to grow sales and exports of organic cocoa from Trinidad and Tobago to high value markets, and in this context, increase livelihoods across the sector for growers, processors, and traders. The project design is based on the Cluster Development Plan that was produced by OFCCC with support from an independent advisory firm The Cluster Competitiveness Inc, contracted by the CCPF as part of the project analysis process and as a basis for final evaluation and selection of projects for financing. IDB Lab, in consultation with the CCPF team and the OFCCC, and building on its knowledge of the sector, particularly in small island states of the Caribbean and Trinidad and Tobago in particular⁹, has finalized design of an intervention that can help the OFCCC member firms, organic growers and other firms in the organic cocoa sector in Trinidad and Tobago, connect with opportunities in the global market for fine flavor organic cocoa.
- 2.2. The project objective is to enhance the productivity, quality, and access to external markets, of Trinidad and Tobago's organic fine cocoa and chocolate products, and thereby contribute to the sustainable growth of a sector that will generate foreign exchange, higher incomes and employment opportunities for farming communities, and within agro-processing firms that are primarily women-owned. Women entrepreneurs dominate the downstream cocoa processing industry in terms of fine chocolate bar and truffle production, and also chocolate spa products. Many of these entrepreneurs, , will also benefit from the proposed intervention, particularly in export promotion and branding of Trinidad and Tobago's organic cocoa and chocolate.
- 2.3. This project will support the OFCCC's business development agenda, by providing training in climate smart practices and technical assistance for organic certification, the development of more productive and climate-resilient cocoa tree

⁸ [About ExporTT](#)

⁹ Specifically, IDB Lab financed the project TT-M1025 Improving Market for Artisanal Cocoa in Trinidad and Tobago which was completed in 2020. This project focused on cultivation techniques, development of a flavor map, creating a broad framework for traceability and working with an exporting Anchor Firm, development of niche markets in the gourmet and hospitality sector in the UK.

varieties, and for accessing new niche markets, while ensuring the highest product quality and full traceability of the products' ingredients. In so doing, the project will begin to address the most significant issues that currently constrain the ability of OFCCC's members and other organic producers to compete successfully in the artisanal, gourmet and conscious consumer strategic segments of both local and global organic cocoa and chocolate markets.

- 2.4. **Innovation.** There are two elements of the proposed intervention that are innovative and transformational in the context of Trinidad and Tobago's cocoa sector. Firstly, the introduction and application of a traceability system using blockchain technology, will provide high levels of transparency and verifiable certification for market players and consumers. Activities under Component III as outlined below, include the use of a platform such as the IBM Food Trust platform or AgriNet, that will be an easy to manage and effective portal for all agents to access information along the value chain. Another innovative focus of the cluster initiative is the development of disease and climate resistant plants as outlined under Component I, notably via the design of a clonal garden, and nursery with support of the Cocoa Research Centre at the University of the West Indies, St Augustine Campus in Trinidad and Tobago.
- 2.5. To achieve the targeted objectives, the project is designed to include three (3) distinct components as outlined below.
- 2.6. **Component I: Increasing Organic Production Capacity (Total US \$160,000: CCPF Cofinancing \$135,000, Counterpart \$25,000).** The objective of this component is to increase the cluster's capacity to produce high-quality, certified organic cocoa and cocoa products. A team of agricultural experts will design and manage the establishment of an organic cocoa nursery and clonal garden that will provide cocoa farmers in Trinidad and Tobago with access to highly productive and disease-resistant cocoa tree varieties. The experts will also train cocoa farmers in techniques for organic cultivation, adoption of climate smart practices and increased post-harvest quality. Additionally, a technical study will be conducted to assess the effect of a Caribbean sargassum based bio stimulant¹⁰ on cocoa tree productivity and vigor. This component will also support the farmers, as well as the processors in the cluster, in obtaining organic certifications from a globally recognized certifying body.
- 2.7. The key results of this component will be: (i) the design of an organic cocoa nursery and clonal garden layout for adoption by at least 50 farmers, (ii) a study on methods to increase cocoa tree productivity using a natural bio stimulant, (iii) training of at least 120 farmers in organic cultivation, climate smart practices and increased post-harvest quality, and (iv) organic certification of 14 cluster member firms.
- 2.8. **Component II: Market Development (Total US \$113,000: CCPF Cofinancing \$80,000, Counterpart \$33,000).** The objective of this component is to increase

¹⁰ Algas Organics based in St. Lucia produces a bio stimulant manufactured from sargassum. Founded in 2014, Algas Organics is a pioneer in the region as an indigenous agriculture biotechnology company: [About Algas Organics](#)

the Cluster's presence and share in the market for organic cocoa and cocoa products. The cluster is targeting sophisticated, ethical, health-conscious consumers in North America and Europe via gourmet chocolate makers and specialty shops, e-commerce, hotels, and restaurants. In this regard, technical support will be provided for the design and implementation of traditional and social media campaigns to support targeted outreach and promotion. Technical support will also be provided to cluster member firms in the development of strategic marketing plans which are customized to their individual needs and unique value propositions. Support will also be provided to deliver content for cluster members social media accounts, along with artwork for product signage/packaging and for booth space and attendance at industry trade fairs. Other activities under this component include workshops on export sales strategy, and on the packaging and labelling of export products to comply with destination market laws, guarantee freshness and quality, and to communicate traceability and organoleptic characteristics of the products. To simplify the complex internal and outbound logistics that could undermine quality of the product, this component will also focus on advisory support for streamlining and management of the necessary customs procedures, registrations, handling, storage and distribution of the cluster's final products throughout its various target markets.

- 2.9. The results of this component will include (i) the development of strategic marketing plans for 14 firms in the cluster, (ii) delivery of export sales training for 14 cluster members and other firms in the sector (iii) participation of the cluster members in 3 trade promotion events.
- 2.10. **Component III: Value Chain Transformation and Management (Total US \$57,000: CCPF Cofinancing \$49,000, Counterpart \$8,000).** The objective of this component is to increase the level of transparency in the value chain through use of blockchain technology. Blockchain technology will not only provide traceability for each batch of cocoa beans all the way back to the farm, it will also enable producers, traders and international buyers to better gauge quality via the ability to monitor fermentation cycles, temperatures and humidity levels, and to ensure optimal storage and handling at each stage of the value chain. Additionally, the application of blockchain will allow for transparency in payments to farmers, supporting fair trade characteristics of the final product, which is important to conscious consumers globally. Under this component a consulting firm will be contracted to develop a blockchain solution for seamless data input and updates, and to provide training and accompanying training resources to ensure all cluster agents can utilize and leverage the solution. Also under Component III, a Cluster Manager, with technical knowledge of the cocoa sector, will be contracted to support project execution, stakeholder engagement, to communicate project activities, follow up on actions committed, facilitate problem solving, and provide project updates and progress reports.
- 2.11. The results of this component include (i) deployment of a blockchain traceability system, and (ii) participation of the cluster in showcasing project results in at least 2 regional forums.

B. Project Results, Measurement, Monitoring and Evaluation

- 2.12. At the project objective level, key targeted outcomes of the project include: (i) an increase in cluster sales from a baseline of US \$830,000 to US \$3,000,000 by year 3, (ii) an increase in cluster export sales from a baseline of US \$170,000 to US \$1,350,000 by year 3, and (iii) the creation of 265 jobs across the value chain in cultivation, harvesting, processing, marketing and sales. These outcomes were set by the OFCCC with support from external independent consultants during the development of the Cluster Development Plan which was evaluated by CCPF as part of the award of financing. The targeted outcomes will be achieved through a combination of (a) increased productivity, yield and resilience of organic cocoa cultivation, and (b) increased access to higher value export markets facilitated via a combination of improved traceability, quality, strategic marketing and trade promotion with high value market players, particularly in the EU..
- 2.13. The project will also contribute to Sustainable Development Goals #2 Zero Hunger, and #12 Responsible Consumption and Production.
- 2.14. The Cluster Manager will be responsible for establishing an information system to collate, track and analyze project data relating to attainment of results outlined in the project's results matrix. This system is required for project monitoring and management, and to comply with reporting requirements of IDB Lab and the CCPF. The information system will be used by the Cluster Manager in reporting to the Project Steering Committee, to prepare and deliver quarterly project status and monitoring reports required by the CCPF, as well reporting every six months via the IDB Lab's Project Status Reporting system. The Cluster Manager will also complete a final Project Completion Report on conclusion of the project.
- 2.15. Following CCPF's Monitoring and Evaluation framework, key indicators captured in the report to track the success of the project will include sales of the firms involved, their exports, and the number of additional farmers that join and benefit from the cluster initiative. These project results and lessons learnt will also be captured and communicated via press releases and the CCPF's website, for the benefit of similar regions that want to pursue supply chain traceability and/or organic branding and marketing of perishable products overseas.

III. Alignment with IDB Group, Scalability, and Risks

A. Alignment with IDB Group

- 3.1. The OFCCC's Cluster Development Plan (CDP) has been selected for funding by the Compete Caribbean Partnership Facility (CCPF) through an extensive, competitive process¹¹, which ensures that the projects implemented by the CCPF

¹¹ The Trinidad & Tobago Organic Fine Cocoa and Chocolate Cluster (OFCCC) applied to a Call for Cluster Proposals issued by the Compete Caribbean Partnership Facility (CCP) in May 2019. The cluster was shortlisted by an internal committee to receive technical assistance to develop the cluster project proposal into a Cluster Development Plan (CDP) – a comprehensive document outlining the strategic objectives of the Cluster and its implementation plan. On February 20th, 2020, this CDP was pitched to an Investment Panel of judges from the private sector, IDB and other development agencies; the CDP is one of four that was selected for funding by CCP.

contribute to its goals of increasing productivity, revenues, jobs and economic growth in the Caribbean. The project, with a focus on improving productivity, is aligned with the priorities of the “Proposal for the Establishment of the Compete Caribbean Partnership Facility” (GN-2851). The project is also consistent with the IDB’s Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008), as it is strategically aligned with the development challenges of productivity and innovation, particularly in rural areas; it also addresses the crosscutting development challenges of climate change and environmental sustainability. The project is also aligned with the IDB Country Strategy with Trinidad and Tobago 2016-2020, as it promotes private sector development, and with the priorities defined in the IDB’s Innovation, Science and Technology Sector Framework Document (GN-2791-3), as it supports the use of innovation for productivity growth and economic development. The project is also consistent with the IDB’s Agriculture and Natural Resources Management Sector Framework Document (GN-2709-5), specifically in its dimensions of improved productivity and management of climate change impacts.

- 3.2. The project is directly aligned with the IDB Lab’s thematic focal area Climate Smart Agriculture, which identifies value chain transformation and farm level solutions to improve livelihoods, as key opportunities for impact. Project results will contribute to the IDB Lab’s Climate Smart Agriculture thematic indicators, specifically the number of smallholders that see increases in income. The project builds on IDB Lab experience in value chain transformation in the cocoa and coffee sectors within the region, and directly leverages on an earlier IDB Lab project for Trinidad and Tobago (TT-M1031) which supported development of the broader cocoa sector.

B. Scalability

- 3.3. The scaling strategy for the project is threefold. To further grow the sector beyond the period of CCPF financing, and building on gains in sales, exports and positioning of Trinidad and Tobago fine flavor organic cocoa attained through the project, OPFCC member firms will continuously target new buyers and explore new markets, particularly as yield increases. Secondly, the success of the OCPCC members is expected to lead to the expansion of the cluster via the inclusion of additional growers, producers and processors over time who will benefit from project investments, and in turn, can contribute to strengthening of the cluster and its commercial success. Thirdly, other countries in the region that are currently, or are close to producing 100% fine flavor cocoa include Dominica, Grenada, Jamaica, and St. Lucia. These countries are also CCPF beneficiaries, some of which are already benefitting from CCPF-funded cocoa initiatives. Lessons learned, training materials and other knowledge products from this project will be shared and leveraged across these countries to assist in the adoption similar technology for greater traceability through the supply chain, as well as organic processes and procedures to enhance bean quality, and marketing strategies to further penetrate export markets.

C. Project and Institutional Risks

- 3.4. Key Risks and corresponding mitigation strategies identified are as follows: (i) **Climate change** is a major risk to cocoa production; cocoa plants will become

more susceptible to dryer weather conditions with a lack of water and increased prevalence of pests and disease. A vital response is this project's investment in a nursery and clonal garden for the development of disease and climate-resistant plants, that can withstand warmer temperatures. Other climate change related events can pose a risk to the project, including flooding, fires, or extended drought. Farm workers will be trained in adequate responses to these risks, such as proper drainage management, fire trace establishment and pruning techniques, as well as the adoption of climate smart production methods such as water and energy conservation and protecting plants from drought. (ii) **The current COVID – 19 health pandemic** will pose challenges to the private sector as consumer demand is significantly reduced. Given the uncertainty of the timing and full impact of this crisis, it is possible that the current objectives of increasing firm revenues, exports, and jobs would not be fully realized within defined timeframes. In this regard, 2020 and the first half of 2021 will focus on activities for improving production, traceability, branding, and export market strategy so that the cluster is well prepared to fully leverage market opportunities and start achieving revenue, export and job results, starting in the latter half of 2021. In addition, the IDB Lab and CCPF blended project team, with OFCCC will continue to closely monitor the situation and adjust sequencing and associated timelines of activities as needed to position the project for achievement of defined objectives and targeted outcomes.

IV. Instrument and Budget Proposal

- 4.1. The project has a total cost of US\$330,000 , of which US\$264,000 (80%) will be financed by the CCPF as a non-reimbursable technical cooperation, and US\$66,000 (20%) by the counterpart. Counterpart resources will be financed by the OFCCC, with cluster members providing US\$33,000 in cash resources and US\$33,000 of in kind over the life of the project. No financial contribution will be allocated by IDB Lab.
- 4.2. The instrument to be used is a non-reimbursable technical cooperation, from the Compete Caribbean Partnership Facility (CCPF), a technical assistance program for private sector development approved under GN-2851. The project budget summary is presented in the following table:

	IDB Lab ¹²	Counterpart	Co-financing (if applicable)	Total
Project Components				
Component I: Increased Organic Production Capacity	0	\$25,000.00	\$135,000.00	\$160,000.00
Component II: Market Development	0	\$33,000.00	\$80,000.00	\$113,000.00
Component III: Value Chain Transformation and Management	0	\$8,000.00	\$49,000.00	\$57,000.00
Grand Total	0	\$66,000.00	\$264,000.00	\$330,000.00
% of Financing	0%	20%	80%	100%

¹² IDB Lab will provide technical leadership, knowledge sharing and connections to support the project implementation but will not contribute financial resources by way of technical co-operation financing.

V. Executing Agency (EA) and Implementation Structure

A. Executing Agency(s) Description

- 5.1. The project will be executed by the IDB through its Country Office in Trinidad and Tobago. **Ubergreen Organics Ltd** will be responsible for technical co-ordination, project, monitoring, reporting, stakeholder management and communications. As the founding and lead firm of the OFCCC, cluster members have agreed for Ubergreen Organics Ltd to co-ordinate, monitor and report on activities on behalf of the cluster members. Ubergreen Organics Ltd is a private sector agricultural business specialized in farming, processing, and trading of certified organic True Trinitario Cocoa Beans, and is the lead firm for the OFCCC cluster. The cluster has a long history of association based on full transparency and open communications which are critical to continued engagement during the course of the project. To ensure full transparency and participation of members in project implementation, Ubergreen Organics Ltd through the Cluster Manager will provide quarterly updates in writing to all cluster members as a basis for regular cluster member meetings on project implementation progress.
- 5.2. The project is intended to directly benefit members of the Trinidad & Tobago Organic Fine Cocoa and Chocolate Cluster (OFCCC) and will also deliver benefits to other local actors in the organic cocoa and chocolate value chain, particularly farmers. In this regard, the fiduciary management of the project will be managed by the Inter-American Development Bank (IDB), through the Compete Caribbean Partnership Facility (GN-2851) and IDB Lab. To maintain transparency in the use of funds and promote trust within the cluster, IDB will, as a neutral stakeholder, will be responsible for the procurement, financial management and disbursement of project funds. In this regard, procurement and financial management for the project will be led directly by the assigned project team leader with operational support provided by the Compete Caribbean Partnership Facility team.

B. Implementation Structure and Mechanism

- 5.3. Ubergreen Organics Ltd¹³ will establish an executing unit led by a Cluster Manager to execute and co-ordinate project activities effectively and efficiently and will also be responsible for providing progress reports on project implementation.
- 5.4. The Compete Caribbean Partnership Facility (CCPF), approved under GN-2851, was jointly designed with donors to be a Bank Executed Program, through the CCPF's Facility Coordination Unit (FCU) established in Country Office (COF) Barbados. The FCU has strong experience in design and implementation of cluster projects. The Bank has demonstrated its ability to coordinate and motivate action across diverse stakeholders at both the national and regional levels. The fiduciary transactions for this project will be carried out by the Bank through IDB Lab with operational support from, and in coordination with the FCU.

¹³ [About Ubergreen Organics Ltd](#)

- 5.5. IDB Lab has been targeted by the Compete Caribbean Partnership Facility to lead the design and supervision of this operation, given the synergies with the IDB Lab's experience and knowledge base developed through working with cocoa and coffee producers to access higher value markets across the LAC region, and particularly the local experience and knowledge products developed for the Trinidad and Tobago cocoa sector under the IDB Lab operation TT-M1031 which concluded in 2020. The current CCPF project has direct synergies with, and leverages of work undertaken under this previous IDB Lab operation by extending support from the broader group of producers targeted under TT-M1031, **to strengthen operations and expand access to higher value export markets for organic growers, producers, and processors under this new operation.** Under TT-M1031 no members of the OFCCC received direct support for their operations and market access. In addition, the CCPF is of the view that IDB Lab's focus on innovation, as well as experience in working directly with small scale growers and producers under its Climate Smart Agriculture focal area, is highly relevant, and in this regard, IDB Lab will generate high value added and additionality to the proposed program. Furthermore, CCPF recommended the program for leadership by IDB Lab, so as to facilitate use of IDB Lab's project risk management practices such as disbursements by results.
- 5.6. To ensure that the proposed project is participatory and engages key stakeholders, and also to build a platform for scaling and sustainability, a project steering committee chaired by Ubergreen Organics Ltd, and comprising the cluster members, IDB Lab and other key stakeholders such as Export TT and the Cocoa Development Company, will be established at the beginning of the project, to guide project implementation and ensure quality outputs that contribute to the expected project outcomes. The size and composition of the steering committee will be kept simple to ensure agile decision making by involving at least one member from each level of the value chain – producers, traders, processors, and business support organizations. Governance will be enhanced by quarterly updates in writing to all cluster members with respect to implementation progress. Secretarial support for the steering committee will be provided by the Cluster Manager.

VI. Compliance with Milestones and Special Fiduciary Arrangements

- 6.1 **Fiduciary Arrangements.** The execution period will be 36 months, disbursement period will be 42 months and the UDR will be CCB/CTT. The procurement of individual consulting services will be carried out by the IDB in accordance with the Human Resources (HRD) Complementary Workforce Policy (AM-650). The procurement of consulting firms will be carried out by the IDB in accordance with the Policy for the Section and Contracting of Consulting Firms for Bank-executed Operational Work (GN-2765-1). The procurement of non-consulting services will be carried out by IDB in accordance with Corporate Procurement Policy (GN-2303-20). All operational support to the assigned IDB Lab team leader for fiduciary transactions and records management will be undertaken by the CCPF's Facility Co-ordination Unit.
- 6.1 **Disbursements by Results:** The Executing Agency will adhere to the standard IDB Lab disbursement by results as specified in Annex V.

- 6.3 **Results-based disbursement.** The Project will be monitored by the Country Office in Trinidad and Tobago supported by the CCPF's Facility Coordination Unit. Monitoring will be undertaken in accordance with the performance and risk management policies (fulfilment of milestones) established by the IDB Lab. Project disbursements will be contingent upon verification of the achievement of milestones (pre-determined outputs critical to achievement of the development objectives). Achievement of milestones does not exempt the Executing Agency from the responsibility of reaching the results matrix indicators and project's objectives.
- 6.4 **Financial Management and Supervision.** Financial transactions will be undertaken and managed by the Trinidad and Tobago Country Office, with support from the CCPF's Facility Coordination Unit.

VII Information Disclosure and Intellectual Property

- 7.1 **Information Disclosure.** This document contains confidential information related to one or more of the ten exceptions to Access to Information Policy and will be initially treated as confidential and made available only to Bank employees. This document will be disclosed and made available to the public upon approval.
- 7.2 **Intellectual Property.** The OFCCC shall own the intellectual property rights to all works produced or results obtained under the Project and will grant the IDB Group an irrevocable, worldwide, perpetual, royalty-free, and non-exclusive license to use, copy, distribute, reproduce, publicly display and perform any and all Executing Agency intellectual property derived from execution of the Project, as well as to create derivative works.