

PROJECT STATUS REPORT

JANUARY 2015 - JUNE 2015

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Strengthening the Competitiveness of Small Scale Cocoa Producers in Haiti

Project Number: HA-M1049 - Project Num.: ATN/ME-14077-HA

Purpose: To strengthen the capacity of producers to supply sustainably produced cocoa in high value markets

Country Admin

HAITI

Country Beneficiary

HAITI

Executing Agency:

CATHOLIC RELIEF SERVICES

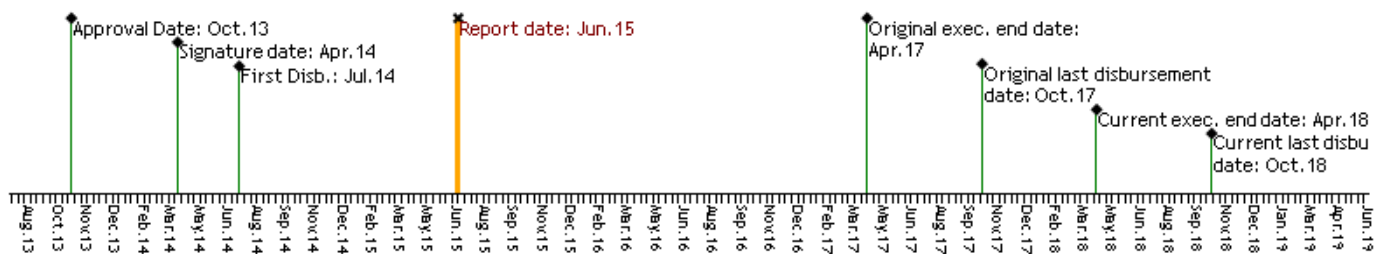
Design Team Leader:

RALPH DENIZE

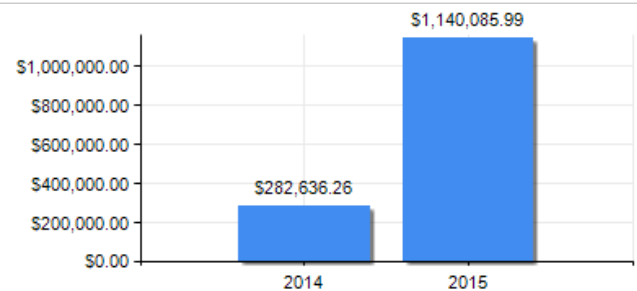
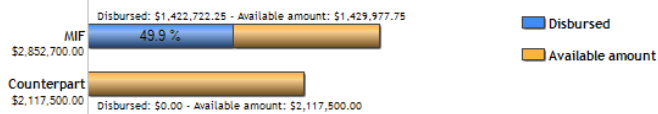
Supervision Team Leader:

RALPH DENIZE

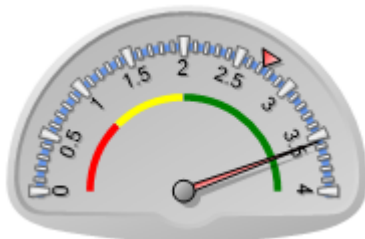
PROJECT CYCLE



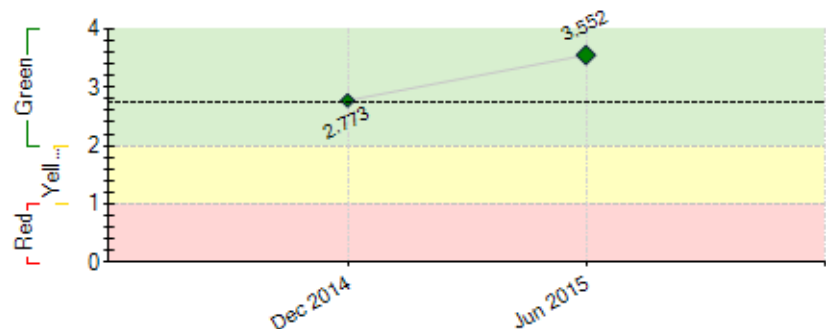
FUNDS



PERFORMANCE SCORE



Current score: Satisfactory: 3.552
MIF Average: 2.73



EXTERNAL RISKS

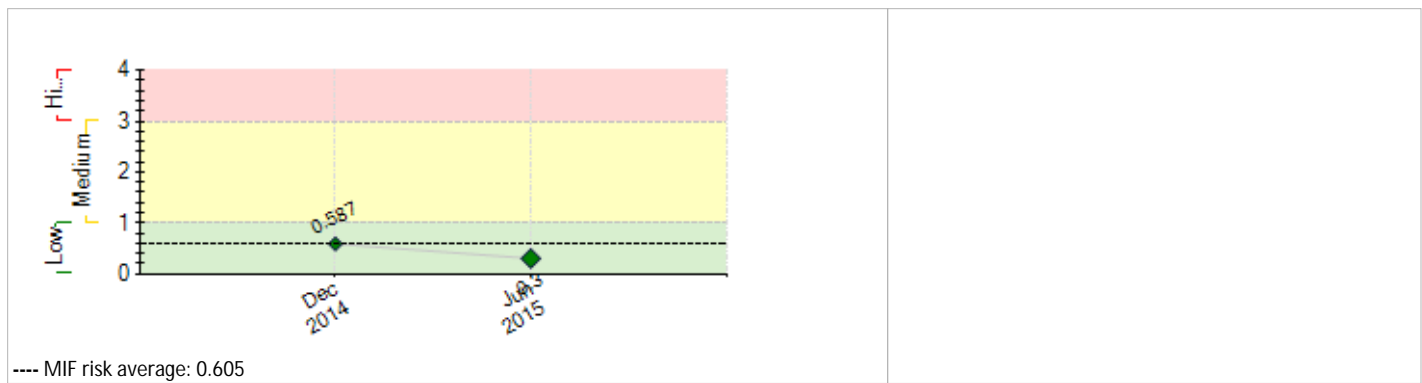
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Low

Technical Capacity: Low



SECTION 2: PERFORMANCE

Summary of project performance since inception

Comp 1: Enhancing productivity

Cocoa agroforestry system: 8 demo plots established. 912 producers trained in natural resources management. **Genetic mapping :** Contract signed with UWI to conduct genetic mapping of cocoa clones. **Regeneration & farm mgmt:** 718.42 ha of cocoa farm regenerated. 784 producers trained on IPM and 1082 on improved production practices.

Comp 2: Adding quality to cocoa

Postharvest infrastructure: 1 fermentation facility built in the North and 3 firms selected for construction of drying and fermentation facilities for three cooperatives in GA. **Promote quality:** Training toolkit translated in creole. Training on post harvest management for 135 coop members. 4 coops submitted applications for ECOCERT and IMO certification. **Value added:** Training on cocoa transformation for 11 microenterprises. Supply of equipment to 3 microenterprises.

Comp 3: Strengthening Institutional capacity

Enterprise Management & Gov: Financial diagnostic and accountancy training for 12 cooperatives. 2160 coop members registered for traceability. **Marketing and Commercialization:** Root Capital line of credit of \$140k for CAUD. **Cocoa cluster:** 2 meetings with cluster members and Ministry of Ag.officials on legal creation of a cocoa cluster. Consultant recruitment in process. Three people attended training at CATIE with project support.

Comp 4: Knowledge management: Discussions are underway with CRS Madagascar Gender Specialist to conduct the baseline for the gender case study.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The cumulative performance as reported by CRS is accurate. It would be more appealing to explain why the cooperatives are going for ECOCERT and IMO Certifications. The different stakeholders of the project wanted to see an assessment showing a cost-benefit-analysis of each certificate to know which one has greater potential value added. Such report could help in guaranteeing funds for the maintenance of the certificates and hence, the sustainability of the actions. CRS may have it, but sharing this document or minutes of discussions on the rationale for choosing one certification over another remains something the project should have.

There are several indicators which needed actions among them:

C1.I13 Number of extension officers trained in improved production practices, pest management, and soil conservation; 76/180

C2.I2: Number of producers trained on post-harvest management for fermented and conventional cocoa (sex disaggregated). 135/4000

MIF would like to know the plan to reach the targeted numbers during the next PSR period.

Summary of project performance in the last six months

Comp 1: Enhancing productivity

Cocoa agroforestry system: 4 demo plots established. 528 producers trained in natural resources management. **Genetic mapping & clonal gardens:** Contract signed with University of West Indies to conduct genetic mapping of cocoa clones. **Regeneration and farm management:** 295.5 ha of cocoa farm regenerated. 492 producers trained on IPM, 528 on natural resources and 505 on improved production practices.

Comp 2: Adding quality to cocoa

Postharvest infrastructure: Three firms selected for construction of drying and fermentation facilities for three cooperatives. **Promote quality at coop level:** Training on post harvest management for 135 coop members. 4 coops submitted applications for ECO CERT and IMO certification. **Value added transformation:** Training on cocoa transformation for 11 microenterprises. Supply of processing equipment to 3 microenterprises.

Comp 3: Strengthening Institutional capacity of coop enterprises

Enterprise Management and Governance: Financial diagnostic and training conducted for 12 cooperatives. 2160 coop members registered for traceability. **Cocoa cluster formation:** Two meetings held with cluster members and Ministry of Agriculture officials on legal creation of a cocoa cluster. Consultant recruitment in process. **Learning exchanges:** Three people attended training at CATIE with project support.

Comp 4: Knowledge management: Discussions are underway with CRS Gender Specialist to conduct the baseline for the gender case study.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The Semester performance reflects the situation of the project as of June 30, 2015. Some of the activities of the work plan are still late, but there are signs that indicate that they will be completed soon. It is of utmost importance that CRS stay in touch with UWI in order to make the establishment of the clonal garden a success; the acceleration of the creation of the cocoa cluster would also help in maintaining the farms created through this partnership.

Also, CRS is running late in the accomplishment of Milestone 5 "At least 5 post-harvest processing centers have been upgraded and new infrastructure is ready to use". As of now only 1 has been built and the contracts for 3 more have an expiration date of November 30, 2015. Considering the deadline of October 10, 2015 for this Milestones CRS should act now on managing this milestone.

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: To strengthen the capacity of producers to supply sustainably produced cocoa in high value markets	R.1	Number of cooperatives that have successfully fulfilled seasonal contracts with exporters (secured and fulfilled)	6	8	12		13	8
	R.2	Metric tons of cocoa exported by cooperatives (disaggregated by fermented and unfermented on an annual basis)	May 2014	May 2015	May 2016		Apr 2017	Apr 2015
			682	784	941		1176	160
	R.3	Average percentage increase in Kg/per hectare of dry cocoa beans per producer averaged (based on sample of producers)	May 2014	May 2015	May 2016		Apr 2017	Jun 2015
			0	20	30		30	1.37

	to be conducted at baseline and annually)	May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
R.4	Number of SMEs or small cocoa processing businesses that secure a new buyer or new formal contract in a high value market.	0	2			3	0	
		May 2014	May 2016			Apr 2017		
R.5	Number of new buyers transacting in the value chain who have not sourced cocoa from Haiti before	0	1			1	1	
		May 2014	May 2016			Apr 2017	Jun 2015	

Component 1: Improving Productivity and Natural Resource Management of Cocoa Farms
Weight: 35%

Classification:

C1.11	Number of clonal gardens established	0	2	8		16	0	Delayed
		May 2014	May 2015	May 2016		Apr 2017	May 2015	
C1.12	Number of hectares under improved management practices	0	1000	2000		2500	718.42	Delayed
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C1.13	Number of extension officers trained in improved production practices, pest management, and soil conservation	0	180	180		180	76	Delayed
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C1.14	Number of producers trained in sustainable cocoa agroforestry system (sex disaggregated)	0	1000	3000		4000	1105	On Course
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C1.15	Number of producers receiving payment for environmental services under the pilot Plan Vivo program	0	25			50	0	Delayed
		May 2014	May 2016			Apr 2017	Jun 2015	

Component 2: Adding value through product and process upgrading
Weight: 25%

Classification:

C2.11	Number of cooperatives with improved post-harvest infrastructure	7	10	12		13	8	Delayed
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C2.12	Number of producers trained on post-harvest management for fermented and conventional cocoa (sex disaggregated)	0	1000	3000		4000	135	Delayed
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C2.13	Number of cooperatives gradually transitioning to selling bulk cocoa to specialty cocoa	7	10	12		13	10	On Course
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C2.14	Number of cooperatives completing or in the process of obtaining organic or Fair Trade certification	7	10	12		13	10	On Course
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C2.15	Number of groups of microprocessors trained in cocoa transformation and commercialization	0	2	4		4	9	On Course
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	

Component 3: Strengthening the institutional capacity of cooperative enterprises for sustained long-term growth
Weight: 25%

Classification:

C3.11	Number of cooperatives offering credit to their members through internal credit funds	0	3	10		10	5	On Course
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C3.12	Number of cooperatives attaining legal status - Cooperatives that have received certificate from CNC or MAST Ministry of Social Affairs, cumulative numbers	0	13	13		13	12	Delayed
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C3.13	Number of cooperatives receiving training on governance, business practices, and financial management	0	13	13		13	12	Delayed
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C3.14	Percentage of women in cooperative management positions	15	20	25		30	25	On Course
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	
C3.15	Number of cooperatives with a member database and basic traceability system	0	7	13		13	12	On Course
		May 2014	May 2015	May 2016		Apr 2017	Jun 2015	

Component 4: Knowledge Management and Communications Strategy
Weight: 15%

Classification:

C4.11	Number of learning exchanges with other cocoa cooperatives	0	1	3		3		Delayed
		May 2014	May 2015	May 2016		Apr 2017		
C4.12	1 guide that provides practical solutions to improve opportunities for women in the cocoa value chain	0				1	0	On Course
		May 2014				Apr 2017	Apr 2015	
C4.13	1 guide for the use and effectiveness of internal credit systems in cooperative enterprises	0				1		
		May 2014				Apr 2017		
C4.14	1 guide on cocoa marketing and commercialization	0				1		
		May 2014				Apr 2017		

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	10	Jul 2014	10	Jun 2014	Achieved
M1 Conditions Prior	10	Jul 2014	10	Jun 2014	Achieved
M2 Baseline monitoring and evaluation systems are established	1	Oct 2014	1	Dec 2014	Achieved late
M3 Agroforestry system has been developed with CATIE and demonstration plots are established	1	Apr 2015	1	Nov 2014	Achieved
M5 [*] 10 cooperatives have undergone diagnostics and financial training by Root Capital	10	Jun 2015	12	Apr 2015	Achieved
M4 [*] LWR toolkit has been translated to Creole to train extension agents	1	Sep 2015	1	Mar 2015	Achieved
M6 At least 5 post-harvest processing centers have been upgraded and new infrastructure is ready to use	5	Oct 2015	1	Sep 2014	
M7 At least 10 cooperatives have business plans to transition to specialty cocoa	10	Apr 2016			
M8 Marketing activities to promote Haitian cocoa have taken place (buyer visits, trade fairs etc)	5	Oct 2016	3	Apr 2015	
M9 Cacao Cluster formalized	1	Apr 2017			

[*] Indicate that the milestone has been reformulated

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 risk: Haiti is at high risk for natural disasters, particularly frequent tropical storms and hurricanes which can lead to crop loss, tree damage, flooding and landslides.	Low	To mitigate potential losses, the project has adopted an agroforestry system which encourages stabilization of the soil through planting shade trees with deep root systems. These storm-resistant trees will provide shade as well as protection to cocoa during storms.	Project Guest
2. In Haiti, cocoa is perceived as a low value crop compared to other cash crops which can lend a quick profit in local markets. This might encourage farmers to diversify away from cocoa.	Low	To mitigate this risk, the project will encourage cooperatives and independent farmers to work directly with local exporters to help producers receive a greater share of the final price of cocoa, thus increasing the incentive to invest in their trees.	Project Guest

PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 4 IN EFFECT RISKS: 2 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 2

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:

To enhance the ownership of the cooperatives in project implementation, monthly monitoring and planning meetings are held with each of them. A semester general meeting is also held in which representatives of all the cooperatives participate. This offers an opportunity to the Project Coordination Unit to identify conjointly with the coop representatives the challenges to successful implementation of the project and possible solutions.

The Project Coordination Unit also involves the local representatives of the Ministry of Agriculture in project activity planning and monitoring.

SECTION 6: PRACTICAL LESSONS

	Relative to Sustainability	Author
1. The Project Coordination Unit (PCU) as well as the cooperative leaders have learned from their experience during the reporting period that mass production of cocoa seedling for sale to farmers is not a viable activity. Very few farmers accept to pay for the seedlings, and those that accept to do so would not want to pay any close to the cost of production. Also, other projects currently under implementation in the area distribute seedlings for free to the producers.		Jean Simon, Ludger
As a better use of the resources, the PCU recommends that the seedlings funds be used as an internal credit funds managed by the cooperatives to provide loans to their members to invest in the maintenance of existing cocoa farms or establishment of new cocoa farms. The same recommendation can also apply for the resources allocated to regeneration of cocoa farm.		