

Project Document regarding:

**"Global Technical Assistance Platform Supporting Sustainable Agriculture:
Expanding Sustainable Commodity Assistance Network (SCAN) Pilot work in
Peru and Vietnam"**



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¹ The [United Nations Conference on Trade and Development](#) (UNCTAD) and the [International Institute for Sustainable Development](#) (IISD) launched the Sustainable Commodity Initiative (SCI) in December 2004 in recognition of the fundamental link between commodities and sustainable development. The principal objective of the SCI is to improve the social, environmental and economic sustainability of commodities production and trade by developing global multi-stakeholder strategies on a sector-by-sector basis.

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1. Brief summary

The Swiss State Secretariat for Economic Affairs (SECO) has been a leading supporter of standards based approaches to sustainable development through its support of programs like Organic, FairTrade and the umbrella organization, ISEAL. Over the past several years, SECO has also strongly supported the Committee on Sustainability Assessment (COSA) and the Sustainable Commodity Assistance Network (SCAN). This support has led the way to better understanding the real costs, benefits and impacts of implementing a standards based sustainability program at the field level. It is also promoting coordination and collaboration between leading standard-bodies and technical assistance programs to increase the delivery of needs based technical assistance on sustainable production and business management, while lowering the transaction costs for producers to become sustainable suppliers.

From 2009-11 SECO has supported COSA implementation in Tanzania (as well as its overall methodological and technical development) and SCAN pilot projects in Peru and Vietnam. Through this partnership, SCAN and COSA have been able to develop projects to expand this work in both Peru and Vietnam. Both projects are for 3 years, and focus on developing a full set of training tools and curriculum through the collaborative efforts of national SCAN platforms and in direct coordination with the international SCAN platform. The projects also include the training of trainers in each country and piloting the tools with target producer groups. As well, the entire process is linked to the international platform to promote coordination and harmonization at the international level and to directly improve the sustainability of commodity supplychains. Through the international SCAN platform the projects will also support each other and resources can be leveraged across them for a more cost-effective and beneficial process. The projects will work in the coffee sector, but are designed to be adapted to other sectors (eg. cocoa and tea).

In Peru, the main co-funder will be the Interamerican Development Bank (IADB) which has committed 60% of the (3.01 million USD) total project budget. In Vietnam, the project will work with Solidaridad as a lead organization to leverage their activities in that country and facilitate a pro-active group working to advance sustainable coffee production. Currently this core group consists of Solidaridad, 4Cs, Utz Certified, Rainforest Alliance and Ministry of Agriculture and Rural Development

(MARD), as well as coordinating with several key traders and roasters in the sector. As well, the Vietnamese Ministry of Agriculture and Rural Development (MARD) has offered its full support to the project (including office space, staff and promotion of the project).

This document outlines the background, rationale, activities and projected budget for this 3-year project. It focuses on the components of the project that SECO has taken a lead on supporting in the past; namely, coordinated technical assistance through SCAN and impact assessment through COSA. **The total contribution requested of SECO is USD 554,925 (CHF 499,433) over 3 years (USD 307,213 (275,539 CHF) to support the Peru project and USD 247,213 (CHF 222,174) to support the Vietnam project.**

2. Integration of the project in the WEHU strategy:

In the field of commodities, SECO-WEHU is promoting trade of primary goods that are produced in a sustainable way. As many developing countries still rely on export of primary goods for their economic development and source of foreign currency despite price volatility, SECO-WEHU is supporting ways to increase market access through sustainable initiatives as market demand requires more and more products with higher quality including minimal respect of social and environmental criteria. This involvement does not only focus on niche markets (fair trade, bio) but also on mass markets in the area of standard setting. WEHU directly supports in one way or another three of the six sustainability standards which form part of the SCAN international platform and will be taken into account by the project (4C, Organic, Fair Trade).

The project will among others directly work with coffee cooperatives and associations in Peru and Vietnam where WEHU supports on-going projects. The growth of these standards programs necessitates that smallholders have increased access to technical assistance to build their capacity to implement sustainable production and business practices, and that the transaction costs associated with the delivery of these services and compliance with standards in general is reduced. This project will significantly improve the quality and content of the technical assistance provided to smallholders through the coordination and collaboration of the SCAN members. The project activities will promote the harmonization of the content of training materials and didactical methodologies to increase the delivery and efficiency of needs-based technical assistance, while lowering the associated transaction costs, and build producers' capacity to be compliant with standards programs. Furthermore, **the systems and tools to be further developed and tested in this project have already partly be replicated in other crops and are planned to undergo a process of systemization similar to this approach in coffee. This will significantly multiplying the impact and global benefits derived from this project and SECO's contribution.**

Synergies also exist in relation to the Swiss engagement at the multilateral level, i.e the work at the International Coffee Organization (ICO), at UNCTAD and with ITC (Exporters Guide and T4SD program).

3. Context:

The past two decades have seen rapid growth in the number of Voluntary Standards Initiatives (VSIs) operating across agricultural commodity sectors. VSIs have been successful in identifying and enforcing preferable production practices at the level of

farms and producer organizations, and in strengthening the flow of products across a limited number of sustainable supply chains. However, to date, relatively little attention has been given to the overall market implications of a large-scale transition to sustainable production, or the relationship between compliant producers and international markets at that scale. Through a multi-stakeholder consultation process, a group of key stakeholders that form SCAN has identified that **a key barrier limiting successful growth in sustainable production and trade is management capacity and the quality and quantity of technical assistance delivery.**

As markets for sustainable products grow, and as standards initiatives become increasingly integrated into mainstream commodity markets, a growing number of new challenges arise. At present, **there is a serious shortfall of technical assistance available to small-scale producer groups wishing to enter sustainable markets.** Ironically, this shortfall is being exacerbated by the success of the standards initiatives themselves. VSIs have seen a growth in sales of certified produce between 15 to 150% per annum over the past five years (depending on the particular VSI). This has greatly expanded the number of producers requiring technical assistance, and strained the individual technical assistance capacity of VSIs and other service providers.

Markets are increasingly demanding independent third-party certification as a means to provide quality assurance to consumers that production practices are consistent with global efforts towards sustainable development. The transition to third-party certification schemes secures the credibility and growth of sustainable markets and the corresponding opportunities they bring to producers to work towards compliance with standards systems. More attention to the management of improvement processes will also contribute to improved transparency and higher returns. However, the management and monitoring systems associated with them also impose serious challenges to developing country producers in terms of available resources and training.

In the face of the above challenges, there is a deep need to ensure that the benefits associated with third-party VSIs do not lead to the systemic exclusion of small-scale producers. VSIs should operate as an effective compliment to global sustainability strategies, and in doing so, contribute to the realization of core Millennium Development Goals (MDGs) in the following way:

MDG 1: Eradicate Extreme Poverty

By improving management and production practices, producers compliant with VSIs can improve their revenue base and reduce extreme poverty.

MDG 7: Ensure Environmental Sustainability

Most VSIs contain criteria related to environmentally sound production. Combining these criteria with independent third-party monitoring and enforcement offers a complement to regulatory instruments in bringing about environmentally sustainable practices.

MDG 8: Develop a Global Partnership

VSIs increasingly rely on international, multi-stakeholder partnerships in the definition and implementation of quality standards. VSIs are also largely responsible for stimulating improved coordination with training and Civil Society organizations and, as such, are an increasingly important element in the development of global market-based partnerships.

Through a global, participatory process the SCAN partners have identified that there is considerable overlap between the practices promoted by individual VSIs. **Better cooperation can considerably reduce the costs associated with the delivery of training and the depth of technical assistance needs across the commodity producing countries.** There is a clear opportunity for improving efficiency, scale and overall welfare impact in the delivery of technical assistance through a coordinated and collaborative endeavor to link specific efforts within a common platform for service delivery.

3.1 The need to transition to larger-scale technical assistance delivery and the constraints that limit transition

Currently, technical assistance is neither generic nor comprehensive. Training has been country, buyer, standard and even supply chain specific. In fact, the division of technical assistance into “branded” units, has led to reduced cooperation, and indeed insufficient coverage of technical assistance needs overall. This top-down approach leads to training farmers on issues that are not necessarily their main priorities or that lead to income improvement. Additionally trainers use a similar academic, top-down class-room “training” methodology that does not enhance learning of adult rural farmers that learn by seeing and doing. Furthermore, largely as a result of insufficient resources, the technical assistance offered by VSIs tends to focus on aiding producers to achieve compliance with only limited resources and time available for helping producers towards autonomous business management and participation in international markets. Consequently, a major technical assistance “gap” persists in key areas that SCAN partners have identified as crucial to the development of producers, and the success of sustainable businesses.

Institutionally there is considerable overlap between the practices promoted by VSIs. With high costs associated with the delivery of training and the scale of the technical assistance needed, there exists a clear opportunity for improving efficiency and scale. There is a trend towards the convergence of VSIs,² which makes improved technical assistance capacity and delivery mechanisms relevant to all independent certifiers and alliances. In order to leverage the potential for improving efficiency and creating economies of scale, there is a need for cross-cutting, multi-institutional cooperation towards the development of a generic technical assistance platform.

Building from this understanding, the SCAN partnership was created in 2008, by a group of key service providers, including standards bodies (VSIs), technical assistance groups, research institutions and industry players. **The goal of the partnership is to improve the livelihoods of rural commodity producers, workers and communities in developing countries by empowering smallholder producer groups, through directed technical assistance, to undertake autonomous business management practices and attain efficient entry into sustainable markets.** To achieve this goal, the SCAN members share their knowledge and resources, and coordinate the development of harmonized training tools and curricula, and the implementation of focused support to smallholder agricultural producer groups.

² ISEAL members agreed to a common set of group certification requirements in 2008 and have made far-reaching commitments to cooperate across a number of dimensions of their work through the ISEAL Strategic Plan 2009-2013. They are also developing a minimum baseline set of requirements on cooperation for credible VSIs, i.e. minimum responsibilities with respect to cooperation that all ISEAL members will need to adhere to as part of ISEAL membership.

3.2 Country specific Context:

In 2010 through SECO's support, stakeholders of the national SCAN platforms in Vietnam and Peru created the first field-level training tools³. These included training guides on Farmers' Organization (Vietnam), Management for Group Certification (Peru) and Sustainable Coffee Renewal (Peru). The process of developing these training tools brought together a wide-range of private and public actors in both countries and included training of trainers and direct application with producers. Already SCAN partners are implementing and further developing these tools with producers groups in both countries. Now through the cooperation of stakeholders in SCAN there is the vital opportunity to build from this success and expand this innovative, coordinated technical assistance to significantly increase the delivery and positive impact of sustainable certification programs and the capacity of smallholders to benefit from sustainable production and certification.

4.0 Detailed description of the project

4.1 Overall objectives:

1. Improve management at the global chain and national level based on the identification of opportunities, problems and solutions. Create nationally and globally accepted training tools and curricula for sustainable production, business management and trade.
2. Improve communication and coordination between stakeholders and service providers; including promoting harmonized terminology on sustainable production and trade across standards bodies and service providers (for more consistent and efficient service provision) and the exchange of practical experience of agronomists.
3. Facilitate coordination of partners' capacity building activities at the national and international level and their collaboration in increasing the efficiency and effectiveness of service delivery.
4. Address producers' prioritized opportunities and problems from the start.
5. Integrate producers' interests and priorities into standards systems.
6. Create linkages between standards and government programs, policies and regulatory frameworks to produce low cost/high value solutions to standard requirements that are nationally accepted or approved
7. Promote clarity on the role of the Standards Bodies in addressing producer's expectations, thereby creating a two-way exchange of data and knowledge.

Specifically, this proposal focuses on expanding the activities of the stakeholders under SCAN with SECO to move from the successful initial pilot work in Vietnam and Peru to full-scale implementation in those countries, in coordination with the SCAN international platform. The result will be to create, validate and implement a prioritized set of training tools and curriculum on sustainable production and business management at the field level, with review and approval at the international level (by the international SCAN platform and Technical committee). The training tools will focus on the 5 thematic areas prioritized by SCAN members (Good Agricultural Practices; Organizational Development; Quality Management Systems; Financial Literacy; and Marketing). The program also includes training of trainers in the use of

³ These projects were complimented with work conducted in Tanzania to create QMS Management Guide for low-entry level producer groups.

the tools and conducting needs assessments at producer level to adapt the tools to the specific needs of target producer groups. In both countries, an end result will be to establish an autonomous Center of Excellence on Sustainable Coffee and Agriculture, which can serve as a reference point for the country and a focal point for the exchange of information and continued learning (both nationally and internationally).

This entire process can be achieved in an efficient and cost-effective manner, since it builds from the knowledge, capacities and existing tools of the SCAN members and the work already sponsored by SECO in these pilot projects. As well, SCAN has secured co-financing in Peru for the project, provided by the InterAmerican Development Bank-Multilateral Investment Fund (IADB-MIF) and is partnering with Solidaridad for project implementation and funding opportunities in Vietnam.

4.2 Summary of Country Specific Programs and deliverables:

4.2.1: Peru Project Activities: Full-scale, 3-year program for training tool development, delivery and building of local capacity.

In Peru, the SCAN platform is strong, with excellent representation of the major standard bodies, private sector exporters' association, and smallholder producer groups (as well as strong linkages with government agencies and related technical assistance and finance programs). Building from the recent SECO project, SCAN and the Junta Nacional de Café (JNC) have developed a full 3-year program, which combines the SCAN implementation plan (approved by its members) and a JNC training program linked to a government credit facility to support the sustainable renewal of coffee farms (initial fund is 10 million USD). As well the Committee on Sustainability Assessment (COSA) is integrated into this project to measure and better understand the actual costs and benefits of these interventions.

This is a unique opportunity to create and field-test a comprehensive technical assistance package that will be reviewed and approved by SCAN international partners and is directly linked to a credit facility. In this way, a harmonized training curriculum for sustainability programs can be advanced, focusing on the actual needs of producer groups to manage their farms and businesses sustainably, while directly linking to international standards programs. At the same time, through the credit facility component, this project will help demonstrate how technical assistance on sustainable practices and business management can improve producers' credit worthiness and ability to manage credit. Furthermore, this project culminates in the establishment of a Resource Centre on Sustainable Coffee and Agriculture, which would be managed by the SCAN platform in Peru, and will be a self-financed mechanism to share information and build knowledge.

This proposal envisions partnering with SECO to support the implementation of this 3-year project in Peru. In particular on the elements related directly to field-level implementation of the trainings on Management Systems, Good Agricultural Practices, Financial Literacy and the first year of implementing COSA in the field. The financial support requested for the 3 years of activities is **USD 307,213 (CHF 275,539)**.

Co-financing opportunity:

SCAN and the JNC have been working with the Inter-American Development Bank (IADB), under its Multilateral Investment Facility to support this project. IADB is in the final stages of approving this 3.01 million USD, 3-year program. IADB will provide 60% of the funding. Support from SECO would go directly to co-financing the related components of this program (stated above), and in this way SECO's investment would leverage these additional funds to have a far greater impact.

Summary of deliverables resulting from Peru component of project:

1. Comprehensive training tool guides and curriculum (validated and field-tested) on 5 thematic areas. These tools will be reviewed and approved by the international partners, and can be used as templates to be replicated in other countries (at a significantly lower cost).
2. 30 trainers trained in the use of the tools and 3,000 producers trained.
3. Establish basis for Centre of Excellence of Sustainable Coffee and Agriculture established in Peru.

4.2.2 Vietnam project activities: Establishment of sector platform with MARD and specific tool development.

In Vietnam, the recent interest in moving from volume production to higher quality and sustainable production has created an important opportunity. One of the SCAN members, the Dutch NGO Solidaridad, facilitated implementation of the SECO project in that country, through a broad multi-stakeholder process. From this work, the Ministry of Agriculture and Rural Development (MARD) has expressed strong interest and support to the SCAN platform as a neutral convenor promoting sustainable development and requested that the SCAN platform facilitates the sustainability components of a Private-Public Program that MARD has set-up with key industry players. MARD offered to directly support the SCAN platform, by providing staff, office space and hosting an eventual Centre of Sustainable Agriculture, as well as supporting SCAN in convening the sector actors.

The key components for this process already exist in Vietnam, with industry involvement and interest, as well as government support, but what is lacking is a coordinated, multi-stakeholder platform to scale up and promote sustainable supply chains. SCAN members can facilitate that platform and have a strong foundation of private-sector, certification bodies, government and NGOs agreeing to work together.

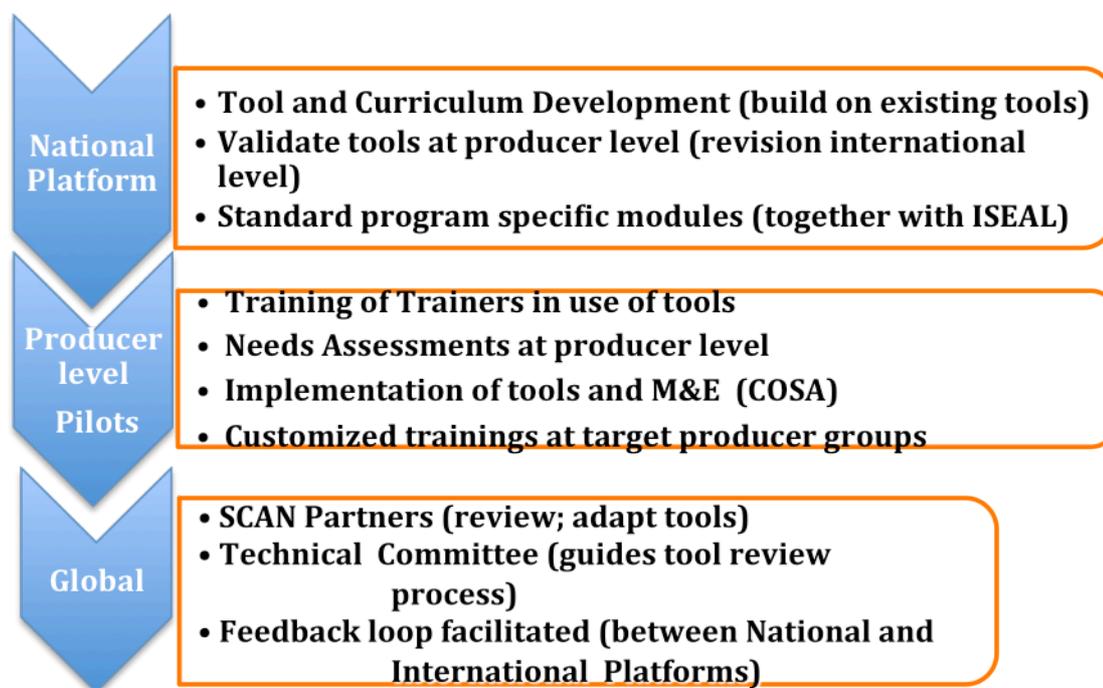
To achieve this SCAN members need to consolidate the national platform and work with members like Solidaridad to expand the Farmer's association guide developed through the SECO funded project and create a sector approved Good Agriculture Practices (building from the work of Solidaridad, CDC, UTZ Certified and EDE, and in coordination with Helvetas, in the country). Solidaridad has already committed to find donors to partially fund this expansion. To achieve the coordination and tool development required for this an additional USD **247,713 (CHF 222,174)** for the 3 years of project activities in Vietnam is needed.

Specific deliverables:

1. Established SCAN Vietnam platform with direct linkage to MARD and international SCAN platform.
2. Prioritized training tool guides and curriculum (2), validated and field-tested, on Organizational Development and Good Agricultural practices. As in Peru, these tools will be reviewed and approved by the SCAN international partners, and can be used as templates to be adapted and replicated in other countries (at a significantly lower cost).
3. 15 trainers and 1,000 producers trained on new tools and methods

4. Establish basis for Centre of Excellence for Sustainable Coffee and Agriculture established in Vietnam.

4.3 Overview of Project Steps:



4.4 Specific Project Activities, Description and Deliverables (3 Components):

Component	Activity	Deliverables
Component 1: Tool and Curriculum Development and Validation		
1.1 Global Generic Toolbox and Curriculum for Sustainable Production and Trade	<p>SCAN Peru Platform will create a full set of training tools and curricula based on the 5 key areas identified by the SCAN international partners, and the SCAN Peru national needs assessment. In addition, a specific needs assessment methodology process and tool will be developed to conduct participatory needs assessments at the producer level, so that customized training can be provided.</p> <p>SCAN Vietnam Platform, will follow a similar process, but will concentrate on the development of Good Agricultural Practices (GAP) Guide and Expanding the Organizational Development Guide (as well as other prioritized needs- ie. Financial literacy) for that country.</p>	<p>1.1.a Draft Tools and curricula completed in the 5 thematic areas under the Peru component.</p> <p>1.1.b Draft needs assessment methodology and tool created under the Peru component.</p> <p>1.1.c Draft Training tools and curricula completed in GAP and Organizational Development</p>

1.2 Specific Standard-program training modules	Working with ISEAL Alliance members, create standard-specific modules linked to the Generic Toolbox created in component 1. In this way a direct bridge from the generic training to standard compliance training is created, with a solid foundation in sustainable production and business management,	1.2. Draft Standard-Specific Modules (6 programs: FairTrade, Organic; 4C Association; Utz Certified; Rainforest Alliance; SA 8000).
1.3 SCAN International Tool revision and technical/planning workshops	The SCAN international platform reviews training tools to confirm their appropriateness and acceptance by their organization (bi-annual meetings). Emphasis placed on harmonizing language and approaches in training.	1.3 Revised tools based on international revision.
1.4 Validation of tools at producer level	Both the generic and the standard-specific tools will be validated through a participatory process with producer groups, to make them appropriate for training at the producer level.	1.4 Validated generic and standard specific tool-set and curriculum.
1.5 Design, translation and publication of training tools	Final publication in English, Spanish (and Vietnamese specific tools) - in an accessible and user-friendly format.	1.5 Final tool-sets.
Component 2: Training of trainers and target producer groups		
2.1 Training of local TAs/ support institutions	Training of selected technical advisors from government and public organizations (including SCAN Platform technical staff) in the use of the training tools and curricula. (approx. 30 experts trained in Peru and 15 in Vietnam).	2.1 Training curriculum and training workshop report.
2.2 Needs assessments - Prod. groups (15) and prioritized training	Using the revised needs assessment methodology and tools, specific needs assessments will be conducted in a participatory manner at the 12 target producer groups (10 Peru, 2 Vietnam), to identify specific technical assistance needs and prioritize the training process.	2.2 Completed needs assessments and training plan.
2.3 Implementation of training based on needs assessment with target producer groups (15)	Based on the prioritized training plan a complete training will be implemented at the 12 target groups.	2.3 Periodic (bi-annually) training progress reports (total 6).
Component 3 : Feedback loop for continuous improvement		
3.1 SCAN International technical and planning workshop	Annually, the SCAN international platform will meet to review the progress of the work, provide recommendations for improvement, for making the process more applicable to their programs and to	3.1 Workshop report with recommendations for revisions.(total 3)

	enhance its overall impact. (Note: This would also be a good opportunity for SECO to participate)	
3.2 M&E; Impact Assessment	SCAN is coordinating with The Committee on Sustainability Assessments (COSA) ⁴ , an internationally accepted indicator framework (containing both qualitative and quantitative indicators) and survey tools to be able to use it to measure the environmental, social and economic impact of implementing the program at the producer level. In this proposal only co-financing for the first year implementation in Peru is included. This includes training of local institution for data collection, setting sample, gathering baseline data and analyzing it). SCAN will continue to work with COSA to have the resources to measure the costs, benefits and impacts of the projects in Vietnam and the entire project in Peru.	3.2 COSA Field Surveys of representative target producer groups and producers. Analyzed and interpreted cost/benefit and impact data. (Based on sample set)
3.3 Center of Excellence in Sustainable Coffee and Agriculture	In each country the basis for a Center of Excellence will be established. These will build from the project deliverables: tools, trainers trained, field experience and the collaboration of the SCAN platforms in each country.	3.3 Report on initial stage of center of excellence as information source and training focal point in each country, including virtual presentation.
3.4 Final reporting; presentation of results and planning of continued activities	Periodic technical progress reports (bi-annual) will be produced. As well, a final report will be prepared for the project, focusing on results, lessons learned and next steps.	3.4 Progress reports and the final report (total 6 reports)

5.0 Beneficiaries:

Beneficiaries include:

Producers and Producer Organizations (12 target groups): The principal beneficiaries of the project are low income, small-scale producers in the two target producer countries. The provision of prioritized technical assistance will empower these producers to better manage their production systems and benefit from access to sustainable markets. In this way, they will have the resources and opportunity to address their own development needs based on their own prioritized strategies.

Trainers, agronomists and extension workers: By improving their practical, applicable knowledge that combines farmer priorities with sustainability issues as well as didactical methods, they will be able to achieve more longer lasting results

⁴ <http://sustainablecommodities.org/cosa>

with less time and expense. Well-trained trainers are then also more interesting to be hired by implementers, building the local capacity base of skilled trainers.

Universities and research institutes: through a direct link with producers, trainers and implementers the innovations and research can more easily be adapted to the conditions and language applicable to local farmers and trainers. This process broadens the use of research and innovation and creates an ongoing circle of feedback and continuous improvement.

Other Stakeholders: Other actors along the commodity supply chains will benefit from this approach, including industry players who will have access to more constant and consistent supply. Exporters and traders will be able to advance a healthy commercial relation with producers, improving volume, quality of coffee and more stability of supply.

Service Providers: Government agencies will be able to better direct and plan their interventions, while leveraging support from key service providers.

Consumers: will be able to see the impact of their purchases of sustainable products; and the VSIs themselves will be able to strengthen and increase the uptake and positive impacts of their programs.

Estimated Beneficiaries: The exact number of direct and indirect beneficiaries will be identified during the confirmation of partner organizations and target producer groups. However, some estimates on these beneficiaries are provided below:

Direct:

- **Producers:** In this pilot phase, 12 producer groups (10 in Peru and 2 in Vietnam) will be supported. With an average of 330 members per group, a total of 4000 producers will be directly supported.
- **Producer families:** Producers' families will, of course, benefit from this support. Assuming an average of 5 household members per producer family, an estimated 24,000 individuals will be directly supported.
- **Technical Assistance providers:** By way of direct training programs, the program will build the technical capacity and professional opportunities of an estimated 15-25 professionals in each country or a total of 30 to 50 professionals in total.

Indirect short-term:

- **Local communities:** Through this program, production units will improve their environmental, social and economic management, yielding significant benefits to the communities in those areas.
- **Local agencies:** The training and producer support activities will be linked to, and coordinated with, local institutions, significantly impacting and improving their capacities.

Indirect long-term improved service provision:

- **Standards bodies and programs:** The program will improve the ability of standards programs to develop strong producer groups and consistent quality products.
- **International supply chains of sustainable products:** The SCAN program, by focusing on strengthening the foundation of sustainable supply chains (producers and producer groups), will greatly improve the development of global market-based partnerships, and market access generally.
- **Macro-level issues:** Additional macro level impacts will be achieved, such as addressing the MDGs listed above, as well as issues such as: climate change, urban migration, conservation of water and energy resources, reduction in artificial inputs and their associated contamination, and human health and safety impacts, etc.

6.0 Detailed budget

This project proposal is for co-financing of the development, validation and implementation of a full set of generic, harmonized training tools in Peru and establishing the SCAN platform and developing prioritized tools in Vietnam. Also included is the training of trainers, customized training at target producer groups (between 15 and 25 from the two countries), as well as providing a constant information exchange between the national SCAN platforms and international platforms to facilitate coordination, cooperation and continuous improvement at both levels. This co-financing also includes the translation and publication of training tools, the management of the project at the national and international level, and the initial stages of establishing Centers of Excellence in both countries.

Peru Activities: The total overall budget for the Peru project is USD **3.01 million** over 3 years, of which USD **307,213 (CHF 275,539)** is being sought from SECO.

Vietnam Activities: USD **247,713 (CHF 222,174)** is being sought from SECO.

Total funds requested from SECO for the 3 year duration of both projects is:

USD 554,925 (CHF 499,433)

Budget breakdown:

Item	Year 1	Year 2	Year 3	TOTAL Adjusted Nov.11 USD	<i>Previous Budget</i>
Component 1: Tool and Curriculum Development					
Tool development- (Peru)	10,000	2,500	0	12,500	12,500
Tool development- (Vietnam)	15,000	12,000	0	27,000	45,000
National platform meetings- (Peru)	5,000	0	0	5,000	14,400
National platform meetings- (Vietnam)	5,000	1,000	1,000	7,000	15,000

Design, translation and publication of tools (Peru)	3,000	3,000	6,000	12,000	21,000
Design, translation and publication of tools (Vietnam)	3,000	3,000	6,000	12,000	30,000
Subtotal Component 1	41,000	21,500	13,000	75,500	150,400
Component 2: Training of trainers and target producer groups					
TOT training (Peru)	10,000	15,000	0	25,000	115,000
TOT training (Vietnam)	6,000	10,000	6,000	22,000	48,000
Training of producer groups (Peru)	0	20,000	20,000	40,000	98,000
Training of producers groups (Vietnam)	0	10,000	10,000	20,000	80,000
Travel (national-Peru)	4,000	4,000	4,000	12,000	24,000
Travel (national-Vietnam)	3,000	3,000	3,000	9,000	30,000
Subtotal Component 2	23,000	62,000	43,000	128,000	395,000
Component 3 : Feedback loop for continuous improvement, M&E, Management					
SCAN Technical and strategic workshops (international)	25,000	25,000	25,000	75,000	120,000
Impact Assessment (COSA)- (Peru)	0	0	0	0	156,152
Impact Assessment (COSA)- (Vietnam)	0	0	0	0	90,000
Creating Center of Excellence-(Peru)	0	7,500	7,500	15,000	60,000
Creating Center of Excellence-(Vietnam)	0	5,000	5,000	10,000	60,000
Management					
Project Management (overall)	20,000	20,000	20,000	60,000	60,000
Technical coordinator (Peru)	30,000	30,000	30,000	90,000	90,000
Field Coordination (Vietnam)	15,000	15,000	15,000	45,000	90,000
Communications	2,000	2,000	2,000	6,000	60,000
Travel (international)	8,000	8,000	8,000	24,000	30,000
Subtotal Component 3	100,000	112,500	112,500	325,000	816,152
Subtotal Components 1, 2 and 3	164,000	196,000	168,500	528,500	1,361,552
Overhead Costs 5%	8,200	9,800	8,425	26,425	136,155
TOTAL SECO Contribution USD	172,200	205,800	176,925	554,925	1,497,707
TOTAL SECO Contribution CHF	154,980	185,220	159,233	499,433	

7.0 Organisation of the project

At the Global level:

SCAN's International Board: provides overall guidance for project and critical to international acceptance and harmonization process (see appendix 1 for list of 19 SCAN international members)

Sustainable Commodity Initiative: functions as secretariat for SCAN platform and is responsible for operations of the Network.

SCAN's Technical Committee: responsible for reviewing training tools to provide consistency in content and approach across programs.

At the National level:

SCAN National Platforms Peru and Vietnam: coordinate and collaborate in the prioritization, development and implementation of the training tools and training programs. Also works to integrate tools and methodologies into national activities.

Country Coordinators (VN and Peru): Coordinate national SCAN platforms, lead on implementation of project and function as communication channel to SCAN secretariat.

Peru project coordination: Junta Nacional de Café (JNC). JNC is the grant recipient for the IADB project and are subcontracting SCI to manage the international aspects of project. The country coordinator for both the project management and the SCAN coordination will be hired independently.

Vietnam project coordination: Solidaridad's Vietnam office will continue to lead the SCAN activities (as they did under the recent SECO project). Van Le Hong, Solidaridad's representative will act as country coordinator. Given the importance of the relationship she has established with MARD and other SCAN partners and local stakeholders, it is important that she maintains this role.

Swiss Partner: SCAN has been developing a relationship with the Swiss organization Helvetas to coordinate activities for this project. In particular Helvetas expertise in sustainable agriculture and business management will be invaluable. Specifically in Vietnam this will link to their SECO funded program in the cocoa sector. In Peru, SCAN will also work with Intercooperation through the Helvetas relationship.

7.1 Specialization of Coordinating and Implementing Institutions at the global level and at the national level:

Institution	Specific
Sustainable Commodity Initiative	Has led discussions and concrete activities at the international level on promoting sustainable supplychains. Founder of SCAN, and programs such as COSA and FAST. Is a credible, experienced and independent facilitator of this process.
SCAN International	Platform of 19 leading institutions actively supporting sustainable agriculture. Partners also represent the major Voluntary

Platform	Sustainability Initiative and have worked closely with SECO, such as Organic, FairTrade, and the umbrella organization ISEAL.
SCAN Platform Peru	Consists of the Junta Nacional de Café, Camara de Café y Cacao (industry association), Solidaridad, Rainforest Alliance, Utz Certified, FLO and IFOAM. This platform effectively represents the major stakeholders in the sector
SCAN Platform Vietnam	Led by Solidaridad, works in coordination with Rainforest Alliance, 4Cs association, Utz certified, WASI (research institute), FLO, MARD and is developing a proactive relationship with Helvetas. Also has close ties with major industry actors.
Solidaridad	Has been a leading promoter of sustainable agriculture and market-based approaches. Has directly supported Organic, Fairtrade and more recently Utz Certified. In the last year, Solidaridad has restructured to broaden its support of all initiatives and is now actively supporting groups like Rainforest Alliance, 4C and sustainable agriculture more broadly.

7.2 SECO's direct participation in the governance of the project:

SECO participates as an observer of the SCAN international platform.

SECO will be invited to participate in the annual review and strategic planning meeting of the project.

SECO will be invited to participate in the national platform meetings and public presentations based on SECO country representative's availability.

Role of COOF / of the embassy

WEHU will be involved in the discussions and project monitoring at the global level. With regard to the Vietnam and Peru project component, participation at a few key meetings by a staff member of the COOF in those countries would be in the interest of SECO.

7.3 Monitoring

- Project progress, technical, financial and field reports for SECO will be provided in a regular basis by the implementation team.
- Coordination with other institutions and multilateral agencies such as ICO, ICCO and ITC as well as the members of the Sustainable Commodity Initiatives partner programs (COSA, FAST, SSI) will be proactively promoted by the programme managers.
- The WEHU programme manager and SECO staff in the field (Vietnam and Peru) will use their ordinary field trips to visit project activities and monitor its implementation.
- There will be conducted two project evaluation and monitoring workshops drawing on the participation of 10 project partners in each case. The first

workshop will be designed to produce feedback on the implementation and management of the project at the mid-term level with a view to improving project implementation for greater effectiveness and impact. The second workshop will gather feedback and comments on the entire implementation of the project and will provide a basis for the final monitoring and evaluation report.

7.4 Visibility

- A core component of the project is based on the international coordination and dissemination of information with the leading stakeholders throughout the coffee sector (and expanding to the cocoa sector through the Vietnam program). The project organizers are fully integrated within global discussions on sustainability in the coffee and cocoa sector and will feed the results of the project directly into such discussions.
- In addition to stakeholder and policy level dissemination, ongoing updates, documents and reference tools from the project will appear on the Sustainable Commodity Initiative's website, and will be disseminated through SCAN partners' websites and communication channels. Full and proper recognition of SECO's role will be provided.
- SECO is offered a prominent role in this dissemination work, in particular in the context of less technically but more politically focused meetings and international conferences.

8.0 Risk analysis

ADDRESSING RISKS OF COSA		
Risk	Risk Mitigating Strategy	Example
1. Tools may not effectively reach producers at the field level	<p>1.1 SCAN works with local organizations and adapts tools to field level to avoid this situation.</p> <p>1.2 Local partners, through the SCAN platforms, are actively involved in the development and implementation of the project to ensure on-going support beyond the project.</p> <p>1.3 Producer orgs, national coffee institutions, exporters, and NGO's are important as</p>	<p>1.1 Tools could remain at the trainer level, which is of value, but the ultimate goal is to reach producers. Therefore tools are specifically adapted to producers' needs.</p> <p>1.2 Integration of local actors is key to the project. In both countries we will be working with the SCAN platforms. They will directly participate in the development of a locally applicable process and tools, and will be trained in the use of the tools throughout the project so that it can continue to be used in the country and integrated into local systems.</p> <p>1.3 Through the development of partnerships, the project will bring in</p>

	trainers.	experts to participate in tool development; field application and training, and will work directly with producer organizations.
2. Producers and policy makers will not accept or use the tools and approaches developed in the project.	<p>2.1 Global policy community already involved since inception in the development of the globally related project.</p> <p>2.2 SCAN's international members have approved the structure and content of the project.</p> <p>2.3 SCAN's national platforms have conducted national needs assessments, which have formed the basis of this work and have agreed upon this strategy collectively.</p>	<p>2.1 The SCAN's international platform is key to the acceptance and international scope of the project.</p> <p>2.2 SCAN's national platforms are also critical the national acceptance and integration of the project into the relevant sectors. They also provide a direct information channel to the international platform and are able to "ground" the process in the reality of producers.</p> <p>2.3 This is part of a longer process which has progressively identified and prioritized needs. This is essential to guarantee longterm acceptance and adoption of the project.</p>
3. Multiplication of similar projects in other regions	3. A major strength of the SCAN approach is that it facilitates coordination across programs, to avoid overlap and promote efficiencies.	3. The coordination of the international and national platforms helps focus partners activities on priority needs, collaborate on delivery and share experiences.