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### PROJECT DOCUMENT


#### PEREZ-GUERRERO TRUST FUND FOR ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES, MEMBERS OF THE GROUP OF 77 GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

|                          |   |
|--------------------------|---|
| Type of project:         | Interregional   |
| Title:                   | INT/11/K01 - Establishing alternative sustainable livelihoods in agriculture through the development of a vibrant Fine/ Flavour Caribbean Cocoa Industry  |
| Sector:                  | Agriculture   |
| Beneficiaries:           | The project targets an estimated one- hundred and twenty five (125) stakeholders at two tiers: the decision making bodies and the institutional training support structure. Specifically, the project will: (a) establish a Caribbean Cocoa Industry Development Task Force facilitated through a stakeholder workshop; (b) provide training and technology transfer to at least 28 stakeholders of the four main cocoa producing countries :Jamaica, St. Lucia, Grenada and Trinidad and Tobago and c) establish a Caribbean electronic cacao interactive knowledge network. Funding support to this project seeds the opportunity, for the first time, to pursue such a creative collaborative regional approach to revitalizing the Caribbean cocoa industry. It is envisaged that the learning experiences will have a multiplier effect on other agriculture subsectors and therefore have relevance to enhancing Caribbean food security. |
| Duration of project:     | 10 months   |
| Estimated Starting Date: | 1 <sup>st</sup> September 2013  |
| PGTF inputs:             | US\$34,000  |
| Other inputs:            | US\$ 116,490 from partners of Jamaica, St. Lucia, Grenada and Trinidad and Tobago   |
| Total cost of project:   | US\$150,490   |


**Signed on behalf of:**

UNDP:  Date: .....


Mr. Richard Blewitt  
UNDP Resident Representative

Government:  Date: .....

Ms. Myrna Thompson  
Permanent Secretary  
Ministry of Food Production

Implementing Institution:  Date: .....

Prof. Clement Sankat  
Principal  
St. Augustine Campus  
University of the West Indies



## **Part Ia. Situation Analysis**

Cocoa production in the Caribbean region has tremendous unrealized potential both as a high value, origin specific export commodity and as an input into value added industries producing confectionaries, beverages and health care products. It has great prospect for diversification out of the traditional export commodities, which have become uncompetitive in the face of global competition, and in the establishment of alternative sustainable livelihoods. The comparative advantage of the Caribbean region stems from the fact that four of the countries (Jamaica, St. Lucia, Grenada and Trinidad and Tobago) in the region are classified as exclusively fine flavour cocoa producers, and have distinct flavour attributes sought after by chocolate manufacturers. In addition, the fine flavour cocoa has distinct demand-supply characteristics compared to that of bulk cocoa and consequently enjoys a marked price premium. Cocoa production in the Caribbean, unlike in many parts of the world, is characterized as fair trade cocoa and is amenable to organic production and origin-specific marketing, which allows for branding and further improvement in profitability. The role of cocoa in the management of watersheds and water security cannot be underestimated in many of the island territories where cocoa is grown on slopes.

Despite the enormous potential for Caribbean cocoa, the cocoa industry in the Caribbean faces several problems, the aging farms; poor cultivars; high labour cost and poor management, for instance, have led to decreasing yields over the years. Furthermore, the susceptible cultivars deployed in farms have led to increased use of pesticides and pesticide residues, which along with heavy metal contamination has become an important issue for exporting cocoa. In addition the quality of cocoa produced has been variable due to poor postharvest processing practices, and inadequate quality control procedures through the entire value chain. Moreover, the lack of mechanization in cocoa production has led to increased cost of production which along with inadequate labour availability has become an important deterrent to rehabilitation and expansion of cocoa acreages. Lack of innovation in cultivar development, processing technology, assessment of quality and mechanization has also been identified as a factor responsible for declining competitiveness. Although cocoa industry boards have been established in Caribbean countries to facilitate the development of country specific cocoa industries, they have largely operated independently, with limited interaction. Lack of a regional approach to industry development has not only hindered learning from each other's experiences and innovations, but has also made it difficult to access developmental funding, access markets and improve overall efficiency of the sector. Much of the efforts in the past have been duplicative with minimal overall impact.

It has been long recognized that the Cocoa Research Centre (CRC) of the University of the West Indies, due to its international stature can serve as a conduit through which technologies can be developed/ procured and disseminated to the Caribbean. The CRC over the years has gained international recognition for its research and development efforts, but has not received the required support to adequately contribute to the Caribbean cocoa industries. This has largely been due to the nature of funding to CRC, which is mostly international project based. Even when CRC has supported cocoa industries in the region, it has been on an adhoc basis, with limited overall impact. It is envisaged that a regional project will provide for the development of a stakeholder mechanism that will guide the coordinated development of the Caribbean industry

and at the same time provide for key mechanisms through which CRC can deliver technology training and services to the region.

#### **Part Ib. Strategy**

Establishing alternative sustainable livelihoods through a more diversified, export-oriented and higher value-added agriculture sector are among the key strategies in support of food security and poverty alleviation for the Caribbean region. Given that Caribbean cocoa enjoys a premium position in the international market, the revitalization of this local industry, which is largely comprised of many small farm holdings, provides an important means to poverty reduction. The overall strategy to secure the Caribbean's comparative advantage in cocoa must include elements that cause a significant and sustained increase in yields, quality and overall production of fine flavor cocoa in a more cost effective manner. Production-based strategies must build regional capacity, through training, which initially must focus on the following technical areas identified as priority for the countries:

- Germplasm characterization and establishment of clonal gardens, cultivar evaluation and selection, propagation and supply; Innovations in agronomy of cocoa (terracing the slopes; soil types and agro-ecological zones; seedling vs clones; shade and fertilization; disease control; irrigation systems; pruning; replanting; alternative production systems; agro-tourism
- Postharvest technology – pod cracking, drying, fermentation, mechanization; Pesticide use, chemical residue assessment and traceability; quality control systems towards certification.

Cost effectiveness in strategy implementation requires a departure from individual country efforts to a regional commitment for optimal collective reliance on shared knowledge<sup>1</sup> and resources<sup>2</sup> and joint pursuits. This strategy also serves to properly position the Caribbean on the international market and in so doing, secures greater support from the many international manufacturers who have cornered lucrative market niches based on origin-specific fine flavor cocoa.

The project targets an estimated one- hundred and twenty five (125) stakeholders<sup>3</sup> at two tiers: the decision making bodies and the institutional training support structure. Specifically, the project will: (a) establish a Caribbean Cocoa Industry Development Task Force facilitated through a stakeholder workshop; (b) provide training and technology transfer to at least 8 stakeholders in each of the four main cocoa producing countries and c) establish a Caribbean electronic cacao interactive knowledge network.

An early stakeholders' forum affords for decision-makers of the four countries to reflect on their individual challenges and commit to put into action, a regional task force mechanism. Brokering the collaboration at this forum is vital not only for the training components of the project but also for post-award sustainability. Accordingly, a success indicator for the forum is a signed agreement by all partners. A training programme based on CRC's industry experiences (regional and international), will be integral to capacity building in R&D, innovation, technology development and training. Success factors to the training is the creation of a critical mass of trained persons drawn from farmers' groups, extension officers and cocoa producing boards in each of the countries, an installed sustainable mechanism for periodic training and an IT enabled forum for countries to share indigenous information. Caribbean industries must be sensitized to the lucrative potential of the international chocolate market and the workshop will provide an opportunity for international producers to share their views. The project's

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<sup>1</sup> Information on industry backgrounds, acreage, productivity, limitations, markets, premium etc in each country

<sup>2</sup> the sharing of technology, innovations, industry standards, technology procurement and transfer, developing a protocol for sharing genetic resources, supporting genetic resource development, developing quality control standards and a joint quality control and certification system and developing a Caribbean research agenda for CRC

<sup>3</sup> Stakeholders from Jamaica, St. Lucia, Grenada and Trinidad and Tobago



|  |  |   |                             |             |
|--|--|---|-----------------------------|-------------|
|  |  |   |                             |             |
| <b>Outcome T03</b><br><br>Output 01 A knowledge base on the Caribbean cocoa industry                                     | A.1 Conduct studies and prepare papers on the country status, research, innovation, sharing of technology, industry standards and market intelligence, quality control, genetic resource management, joint development of projects | <b>PGTF:</b><br>Consultancy services for paper on regional task force and market study<br><br><b>Partner Co-financed :</b><br>Country papers;<br>2 'Developing quality control standards and a joint quality control systems..; 'Developing a protocol for sharing genetic resources..., consumables, editing, communication expenses | 10,199.00<br><br>14,000.00  | <b>Yr 1</b> |
| <b>Outcome T04.</b><br><br>Output 1. An e-Cacao TECH website for cooperatively developing and sharing novel technologies | A.1 Develop website and organise for website launch at workshop in Trinidad.<br><br>A.2 Provide training to use and maintain website   | <b>PGTF:</b><br>Registration expenses<br><br><b>Partner Co-financed :</b><br>Consultancy fees; content development expenses, communication expenses, logistics for launch ; computer equipment  | 311.00<br><br>22,000.00     | <b>Yr 1</b> |
|  |  | Execution Fee (1% of PGTF contribution)   | US\$34,000 x 1%= US\$340.00 |             |
|  |  | <b>Total</b>  | <b>US\$150,490.</b>         |             |

### **Part III. Management Arrangements**

#### **Management arrangements**

##### *Managing the Project for Success*

Managing this project for success will be guided by the fundamental understanding that the focus must be on collaboration and consensus building among the four (4) cocoa producing countries and that the new capacities created will be required for post project sustainability.

##### *Overall and Daily Project Management*

Description: Project Management will be undertaken by a Regional Project Management Team (RPMT) in order to preserve the regional approach required of the project. The RPMT will be headed by the Technical Lead (TL) who is presently the Director of the CRC, Trinidad and he will be assisted by Country Project Officers (CPOs) in Jamaica, Grenada and St. Lucia. The RPMT will recruit a Project Coordinator (PC) for daily project and logistics management and the PC will be based at the CRC and will be supervised by the TL. In accordance with the Logical Framework and Project Documents, the RPMT with support from the PC will be responsible for coordinating the overall implementation of activities to ensure timely and successful execution, monitoring and reporting on the technical and financial aspects of the Project and achievement of deliverables. Specifically, this team will (i) develop and implement the project plan using a participatory approach; (ii) ensure effective collaboration, communication and reporting among countries during project execution; and (iii) approve corrective actions and changes to work plans and ensure transparency of donor support. The CPOs will support the PC and TL in providing in-country support so as to manage the successful implementation of work plans and achievement of deliverables relevant to each country. The RPMT will be assisted by existing financial/administrative support from The UWI's St. Augustine Campus's Bursary and Business Development Office. The UWI St. Augustine Campus will be responsible for recruiting the required project personnel. Regular communication and progress meetings among partners is key to project success and as much as possible, videoconferencing and email will be used to address this requirement cost effectively.

**Execution Arrangements.** The UWI's CRC will be tasked as Executing Agent for the project. The UWI's St. Augustine Campus's Bursary and Business Development Office will provide the required financial and administrative support. Financial records will be kept by the Bursary for external auditing purposes.

#### **Project Work Plan**

See Annex 1.

**Monitoring and evaluation; lessons learned.**

The RPMT will agree on the key performance indicators for the project, identify risks and, with the support of the PC, subsequently develop the project monitoring plan (PMP) and risk mitigation measures. A key management tool, the PMP will provide a systematic approach for reviewing and measuring progress and generating information based on the project's decision making needs. The PMP will track and ensure the realisation of the objectively verifiable indicators at the various levels of the Project's Logical Framework and account for overall progress as well as status at the level of each country. It will comprise the following elements: responsibility of the various HEIs, performance indicators (overall and, where applicable, by individual HEI), data collection and analysis, mechanisms for corrective actions, progress assessment and communication and reporting.

**Part IV. Legal Context**

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Trinidad and Tobago and UNDP, signed on 20 May 1976.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The following type of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided he or she is assured that the other signatories of the Project Document have no objections to the proposed changes and submit such in writing:

- a) Revisions in, or addition of any of the Annexes of the Project Document;
- b) Revisions that do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the re-arrangement of inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions, which re-phase the delivery of agreed project inputs, or increased expert, or other costs due to inflation, or take into account agency expenditure flexibility.

As stated in the SBAA, the cost of items constituting the Government's contribution to the project and any sums payable by the Government in pursuance of this article, as detailed in the 'Project Budget' section of this document, shall be considered as estimates based on the best information available at the time of preparation of such budgets. Such sums shall be subject to adjustments whenever necessary to reflect the actual cost of any such items purchased thereafter. Further to this provision, any such changes in costs, particularly in the case of overruns, must be discussed and agreed to by both parties, after which time the Government of Trinidad and Tobago will be responsible for meeting these costs under this project.

**Project Budget**

INT/11/K01 - Establishing alternative sustainable livelihoods in agriculture through the development of a vibrant Fine Flavour Caribbean Cocoa Industry

Budget "A"

Main Source of Funds: Perez-Guerrero Trust Fund.

| <b>Bud. Line</b> | <b>Description</b>                       | <b>Exe.<br/>Agency</b> | <b>Total</b>             | <b>Year 1</b>            |
|------------------|--|------------------------|--------------------------|--------------------------|
|                  | <b>CONSULTANCY</b>                       |                        |                          |                          |
|                  | Consultants (regional)                   | UWI CRC                | US\$10,199               | US\$10,199               |
|                  | <i>Official Travel</i>                   | UWI CRC                | US\$17,150               | US\$17,150               |
|                  | Missions (international travel)          |                        |                          |                          |
|                  | <b>CONSULTANCY COMPONENT<br/>TOTAL</b>   |                        | <b>US\$27,349</b>        | <b>US\$27,349</b>        |
|                  | <br>                                     |                        |                          |                          |
|                  | <b>TRAINING</b>                          |                        |                          |                          |
|                  | <i>Other Training</i>                    | UWI CRC                | US\$6000                 | US\$6,000                |
|                  | <b>TRAINING COMPONENT TOTAL</b>          |                        | <b>US\$6,000</b>         | <b>US\$6,000</b>         |
|                  | <br>                                     |                        |                          |                          |
|                  | Equipment                                |                        |                          |                          |
|                  | Expendable equipment                     |                        |                          |                          |
|                  | Non-expendable equipment                 |                        |                          |                          |
|                  | <b>MISCELLANEOUS</b>                     |                        |                          |                          |
|                  | <i>Reporting Costs</i>                   | UWI CRC                | US\$311                  | US\$311                  |
|                  | <b>MISCELLANEOUS COMPONENT<br/>TOTAL</b> |                        | <b>US\$311</b>           | <b>US\$311</b>           |
|                  | <br>                                     |                        |                          |                          |
|                  | <b>EXECUTION FEE</b>                     |                        |                          |                          |
|                  | <i>Execution Fee (1%)</i>                |                        | US\$340                  | US\$340                  |
|                  | Line Total                               |                        | <b>US\$340</b>           | <b>US\$340</b>           |
|                  | <br>                                     |                        |                          |                          |
|                  | <b>BUDGET TOTAL</b>                      |                        | <b><u>US\$34,000</u></b> | <b><u>US\$34,000</u></b> |



**Annex 1 Work plan.**

**Work plan for the next [10 ] months**

INT/11/K01

| <b>Outcome</b> | <b>Output</b> | <b>Activities and Management Actions</b>  | <b>m1-2</b> | <b>m3-4</b> | <b>m5-6</b> | <b>m7-8</b> | <b>m9-10</b> |
|----------------|---------------|---|-------------|-------------|-------------|-------------|--------------|
|                |               | <p><b>Mobilization and Overall management</b><br/>                     Responsibility: <i>Technical Lead/Regional Project Management Team (RPMT)</i><br/>                     Action 1: Undertake logistics for the timely organization of workshop sessions and attendance of participants</p> |             |             | m5-6        |             |              |
|                |               | <p>Responsibility: <i>Technical Lead/Project Coordinator</i></p>  |             |             |             |             |              |
|                |               | <p>Activity 2: Present papers (generated at Outcome T03) at the workshop<br/>                     Action 1: Organize logistics for presentations</p>  |             |             |             | m7          |              |
|                |               | <p>Responsibility: <i>4 Country Leads/Technical Lead</i></p>  |             |             |             |             |              |
|                |               | <p>Activity 3 Conduct workshop sessions<br/>                     Action 1: Facilitate discussions for regional commitment and prepare report from rapporteurs' notes</p>  |             |             |             | m7          |              |
|                |               | <p>Responsibility: <i>Technical Lead/ Grenada Country Lead</i></p>  |             |             |             |             |              |
|                |               | <p>Activity 4 Launch of the e-Cocoa TECH<br/>                     Action 1: Undertake logistics for launch</p>  |             |             |             | m7          |              |
|                |               | <p>Responsibility: <i>Webmaster/Grenada Country Lead</i></p>  |             |             |             |             |              |

|     |    |   |    |      |      |      |       |
|-----|----|---|----|------|------|------|-------|
|     |    | Action 1: Prepare training modules  | m2 | m3-4 | m5-6 | m7-8 |       |
|     |    | Responsibility: <i>Trainer/Technical Lead</i>   |    |      |      |      |       |
|     |    | Action 2: Undertake logistics for training delivery, deliver and evaluate training  |    |      |      |      | m9    |
|     |    | Responsibility: <i>Trainer/Technical Lead</i>   |    |      |      |      |       |
| T02 | 02 | Activity 1: Design and deliver training programme 1   |    |      |      |      |       |
|     |    | Action 1: Prepare training modules  | m2 | m3-4 | m5-6 | m7-8 |       |
|     |    | Responsibility: <i>Trainer/Technical Lead/</i>  |    |      |      |      |       |
|     |    | Action 2: Undertake logistics for training delivery, deliver and evaluate training  |    |      |      |      | m10   |
|     |    | Responsibility: <i>Trainer/Technical Lead</i>   |    |      |      |      |       |
| T03 | 01 | Activity 1: Conduct studies and prepare reports   |    |      |      |      |       |
|     |    | Action 1: Identify and procure experts to prepare papers and undertake studies; review reports                                    | m2 | m3-4 | m5-6 | m7   |       |
|     |    | Responsibility: <i>Technical Lead/ RPMT</i>   |    |      |      |      |       |
| T04 | 01 | Activity 1 Develop website and organize for website launch at workshop in Trinidad  |    |      |      |      |       |
|     |    | Action 1: Identify and procure expert;  |    | m3   |      |      |       |
|     |    | Responsibility: <i>Technical Lead/RPMT</i>  |    |      |      |      |       |
|     |    | Action 2: Plan for and develop website content, register website; launch website; revise website using user feedback ,train users |    | m3-4 | m5-6 | m7-8 | m9-10 |
|     |    | Responsibility: <i>Webmaster/RPMT /Trainers</i>   |    |      |      |      |       |