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The Cacao Effect Annual Report #4

October 1, 2021 - September 30, 2022

AGREEMENT: 72051419CA00005



@EIEfectoCacao

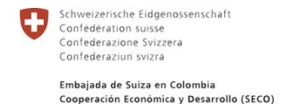


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EXECUTIVE SUMMARY

The Cacao Effect is now in its fourth year of strengthening the cacao production chain, helping to improve the living conditions of producers and their communities, and in general, achieving the proposed objectives. We continue providing licit opportunities in four regions: Urabá, Lower Cauca, South-Central Huila, and Tumaco.

TCE takes a step towards rural development with a creation of shared value and inclusive model. TCE has intervened in 2066 hectares, increasing in 12 % with respect to 1842 in 2021. In 2022, 134 hectares were planted, and 90 were rehabilitated, for a total of 224.

We have improved technically, administratively, and financially 14 associations of cacao producers, 2 of them in 2022. 695 people received training in entrepreneurship with gender approach (35 % more than in 2021), 183 of them in 2021. 100 entrepreneurship initiatives received support, 58 of which showed the best results.

By 2022, TCE provided technical, associative, academic, socio-emotional, and resilience abilities to more than 1814 people.

We thus arrive to the end of 2022, a year of challenges in climate and security issues. However, TCE counts on the commitment of outstanding allies with whom we plan in detail every action that allow us completing our alliance in this fifth year that begins.

Lorena Mejía Rodríguez – COP El Efecto Cacao



1. INTRODUCTION



1.1 DESCRIPTION OF THE ACTIVITY

An **inclusive rural development** alliance for building peace

The Cacao Effect (TCE) is an alliance between the United States Agency for International Development (USAID), Luker Chocolate, Fundación Luker, Enel-Colombia, Fundación Saldarriaga Concha, Universidad EEA FIT and Manizales Más, that seeks to **strengthen the cacao production chain and contribute to improve the living conditions of producers and their communities**, providing licit opportunities in four sub-regions: Urabá, Lower Cauca, South-Central Huila, and Tumaco. The alliance has a total investment of US\$36.6 million (US\$6.9 from USAID and US\$29.4 from the private sector) equivalent to COP \$ 98.154.695.700.

The Cacao Effect implements the following 3 components:

1) Increasing productivity in cacao crops through establishing an anchor crop in Necoclí - Antioquia and another one in El Agrado - Huila, and the intervention in small producers' farms with new crop planting and/or rehabilitating.

2) Strengthening cacao producer associations by improving their technical, commercial, and administrative abilities.

3) Improving competences: academic, socio-emotional, and resilience competences of the population close to the Necoclí and Tumaco anchor crops.



1.2 GEOGRAPHY

ZONE DEPARTMENT

URABÁ

1 Necoclí	Antioquia
2 Apartadó	Antioquia
3 Turbo	Antioquia
4 San Pedro	Antioquia

ZONE DEPARTMENT

BAJO CAUCA

5 Cauca	Antioquia
6 Cáceres	Antioquia
7 Zaragoza	Antioquia
8 Montelíbano	Córdoba
9 Puerto Libertador	Córdoba

ZONE DEPARTMENT

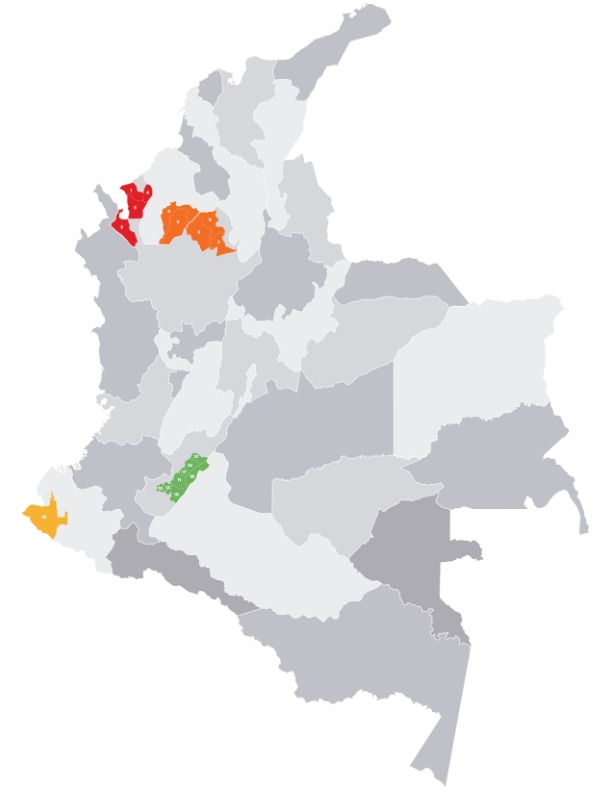
HUILA

10 Garzón	Huila
11 Gigante	Huila
12 El Agrado	Huila
13 Rivera	Huila
14 Campoalegre	Huila
15 El Pital	Huila
16 Algeciras	Huila
17 Hobo	Huila

ZONE DEPARTMENT

NARIÑO

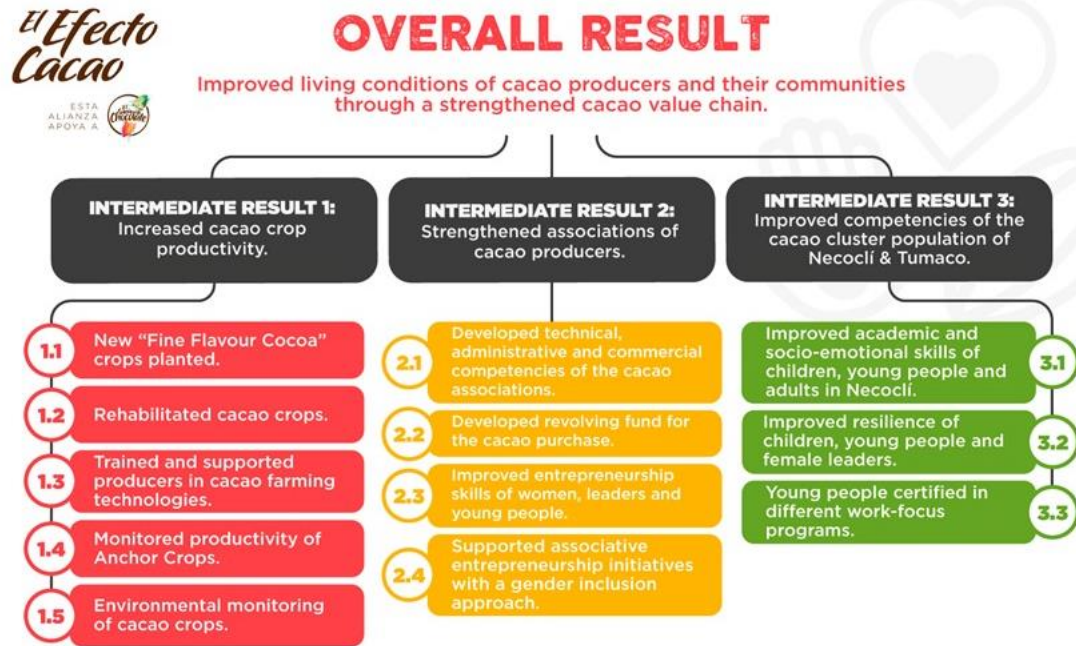
18 Tumaco	Nariño
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The Cacao Effect, present in 18 municipalities in Colombia, fosters an innovative economic rural development model in the sector, based in establishing anchor crops that share **state-of-the-art technology** and the best varieties of fine cacao and aroma that have been proved and commercialized at the national and international levels by Luker Chocolate. The anchor crop is an **environment-friendly** enterprise crop, around which small cacao farmers establish and can receive technical support, appropriate technologies, and take advantage of the company's commercialization channels, in addition to the social strengthening of communities through empowerment, entrepreneurship, resilience, and education. These aspects allow bolstering communities so that the **sustainable cacao crop be a development mobilizer** for the cacao farmers, their families, and the territories.

1.3 RESULTS FRAMEWORK

TCE has defined a frame of results for the program, designed to maintain a causal logic between the greatest result objectives, the intermediate results, and the sub-activities that guide the activity fulfilment and development.



ALIADOS



1.4 PROGRAM COORDINATION

2022



2021



2020





INICIATIVA DE FINANZAS RURALES

2019



1.5 FINANCIAL FOLLOW-UP

COUNTERPART

The application of counterpart resources provided by allies in the fourth quarter amounts USD 1.447.626 (COP \$3.908.590.542), reaching USD 6.863.355 (COP \$18.531.057.154), over the fiscal year 2022, and achieving an application of **179 %** with respect to the goal USD 3.828.059 (COP \$10.335.758.032).

Allied	Counterpart Year 4- 2022	Quarter 1- 2022	Quarter 2- 2022	Quarter 3- 2022	Quarter 4- 2022	Application Year 4	% Application Year 4
Fundación Luker	\$24.350	\$6.088	\$7.331	\$32.220	\$6.692	\$52.331	214,90%
Luker Agrícola	\$1.789.858	\$761.033	\$761.257	\$661.627	\$668.267	\$2.852.183	159,40%
Luker Chocolate	\$1.894.417	\$1.009.297	\$709.018	\$1.338.648	\$735.592	\$3.792.555	200,20%
Eafit	\$16.950	\$27.299	\$15.191	\$10.778	\$9.093	\$62.361	367,90%
Fundación Saldarriaga Concha	\$32.983	\$6.420	\$8.031	\$7.970	\$7.970	\$30.391	92,10%
Enel - Emgesa	\$53.833	\$13.670	\$13.670	\$13.670	\$13.670	\$54.680	101,60%
Universidad Autónoma Manizales	\$15.668	\$2.286	\$3.882	\$6.343	\$6.343	\$18.854	120,30%
TOTAL	\$3.828.059	\$1.826.092	\$1.518.380	\$2.071.257	\$1.447.626	\$6.863.355	179,30%

The application of counterpart resources over the course of the alliance from 2019 to 2022 reached **127 %**, showing a variation of 20 % with respect to the immediately preceding year. During 2022 the allies invested 100 % of the resources projected to the fifth year, demonstrating high commitment with the alliance for improving the living conditions of the people impacted.

Allied	Budget	Application 2019	Application 2020	Application 2021	Application 2022	TOTAL	Application
Fundación Luker	\$339.581	\$181.045	\$67.896	\$22.526	\$52.331	\$323.798	95%
Luker Agrícola	\$9.078.193	\$1.819.923	\$3.771.136	\$2.320.387	\$2.852.183	\$10.763.629	119%
Luker Chocolate	\$19.488.570	\$13.838.759	\$4.688.858	\$3.190.399	\$3.792.555	\$25.510.571	131%
Eafit	\$83.300	\$14.484	\$51.396	\$44.738	\$62.361	\$172.979	208%
Fundación Saldarriaga Concha	\$135.986	\$ -	\$37.037	\$34.946	\$30.391	\$102.374	75%
Enel - Colombia	\$259.778	\$40.375	\$54.219	\$54.598	\$54.680	\$203.872	78%
Universidad Autónoma Manizales	\$47.003	\$ -	\$0	\$10.627	\$18.854	\$29.481	63%
TOTAL	\$29.432.411	\$15.894.586	\$8.670.545	\$5.678.221	\$6.863.355	\$37.106.703	127,00%

USAID BUDGET

USAID resources application was USD 242.276 (COP\$1.063.151.848) in the fourth quarter of 2022, and USD 1.258.332 (COP \$5.123.416.678) for the fiscal year 2021.

Description	Agreement Budget	Amount expended FY 2019	Amount expended FY 2020	Amount expended FY 2021	Amount expended FY 2022	Total amount expended	Remaining balance
Personnel	1.476.831	134.891	191.837	231.132	218.545	776.405	700.426
Fringe benefits	1.066.738	94.476	194.351	234.619	248.960	772.406	294.331
Travel	604.786	38.152	136.554	140.530	197.977	513.213	91.573
Supplies & Equipment	1.072.406	59.149	236.043	306.141	180.963	782.296	290.110
Supplies	11.076	8.607	3.253	382	-	12.242	(1.166)
Subcontracts and	1.061.330	50.542	232.791	305.759	180.963	770.054	291.276
Other direct costs	1.970.720	140.706	406.389	511.340	258.747	1.317.181	653.539
TOTAL	729.699	41.492	67.357	78.055	153.139	340.043	389.656
TOTAL	6.921.181	508.866	1.232.531	1.501.815	1.258.332	4.501.544	2.419.635

TCE makes progress with the USAID budget application. Between 2019 and 2021, USD 4.501.544 (COP \$16.819.152.547) have been applied, reaching **65 % application in USD** with respect to the full goal of USD 6.921.181, or **90 % in COP** with respect to the full goal of COP \$18.687.183.300.

At the beginning of the alliance, the investment ratio of the private allies was 4,6 USD per each dollar provided by USAID. As of September 30th, it is **8,2 USD**, evidencing the exponential commitment with the improvement and sustaining of the alliance.



2. PERFORMANCE OF THE ACTIVITY



2.1 INCREASED PRODUCTIVITY IN CACAO CROPS

2.1.1 SALES

TCE monitors the cacao sales evolution of producers, as a mean to improve the life quality of their families, and as follow-up of the activity.

In the fourth quarter of 2022, the TCE's producer partners made sales for COP \$940.500.381, reaching COP \$3.999.505.911 in the fiscal year 2021, and achieving **109 %** out of the goal established for the year - COP \$ 3.662.733.297

	2022						
	T1	T2	T3	T4	APPLICATION	GOAL	%
1.3 Sales	818.088.603	1.055.052.802	1.189.548.717	940.200.381	\$4.002.890.503	\$3.662.733.297	109%
Lower Cauca	46.066.350	59.314.511	65.467.120	14.649.500	\$185.497.481	\$180.000.000	103%
Huila	291.390.466	336.886.441	581.370.354	598.151.768	\$1.807.799.029	\$1.739.798.316	104%
Nariño	138.994.475	306.172.600	311.801.132	247.147.425	\$1.004.115.632	\$552.546.660	182%
Uraba	341.637.312	352.679.250	230.910.111	80.251.688	\$1.005.478.361	\$1.190.388.321	84%

This result is explained by the first fruits of the rehabilitation processes in cacao crops, especially in Tumaco and Huila.

With this result, TCE reaches accumulated sales, since the activity start (2019+2021+2021+2022), in the order of COP \$8.671.075.896, which represent a progress of **64 %** out of the goal of COP \$13.455.879.321.



2.1.2 CACAO CROPS

PRODUCER PARTNERS

With the support of Luker Chocolate, as of September 30th, 2022, TCE has 695 active partners in the regions of Urabá, Lower Cauca, Huila and Nariño.



CACAO CROPS PLANTING



Each TCE producer partner has an information file on the partner, crop, georeferencing, sales, deliveries, and environment.

During the fourth quarter of 2022, TCE intervened 28 cacao hectares:

- 4,9 in Urabá.
- 2 in Pital and Agrado- Huila.
- 21 in Hobo and Algeciras Huila.

TCE reaches in 2022 **134** hectares of planted cacao, distributed in the areas of Urabá and Huila, achieving **168 %** out of a planting goal of 80.



Since the alliance start, TCE has planted **608** hectares of cacao, with a goal of 550, - achievement **111 %**.

CACAO CROPS REHABILITATION

TCE rehabilitated 90 hectares of cacao in Tumaco, reaching in 2022 since the agreement start, a total of 1152 rehabilitated hectares, achieving a fulfilment of **111 %** out of a goal of 1040, so expecting the productivity improvement in their areas of influence.



Since the alliance start, TCE has intervened **2066** hectares of cacao, which contribute to the Colombia's rural economic development.

FORMATION AND FIELD TECHNIQUE "I AM A CACAO-FARMER"

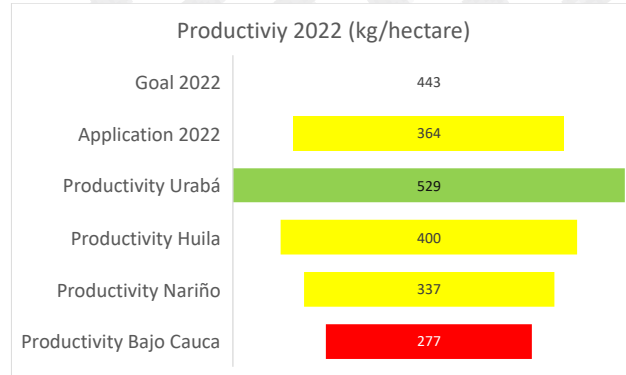
At the end of the fourth quarter of 2022, 651 people were trained on the methodology "I am a cacao-farmer", achieving the formation of 676 people in the year on Good Agricultural Practices, and integrated pest management subjects. It is a fulfilment of **107 %** with respect to the goal of 630.



CROP PRODUCTIVITY

The productivity per cacao hectare rose to 364 kg/ha. The **Uraba** area stands out, with a very good response to all technical processes of rehabilitation, fertilization, formation, and field technique. Unfortunately, the result has not been the same for the **Huila** area due to the orange alert that remains as of today, caused by the presence of plagues such as *Monilinia* and *Carmentia foraseminis*, and neither in **Lower Cauca**, where the result has been socialized from the abandonment of some Cacao farmers due to forced displacement and excess of shade trees, which have not allowed good developing of Cacao crops.

The productivity results for 2022 reaches a fulfilment of 82 % with respect to the goal of 443 kg/ha.



ENVIRONMENTAL FOLLOW-UP

During 2022, TCE made approximately **2120** environmental visits to the cacao crops, with an environmental fulfilment of **92 %**.

An information system was implemented to make the measuring and following up of 54 environmental variables of the cacao crop, such as warehouse location, first-aid-kits and ecological points, awareness about saving and efficient use of natural resources, fauna and flora care, protection measures against COVID, among others.






ACHIEVEMENTS TOWARDS GOALS (AMELP)

The progress of results reached by TCE from the activity start is shown below.

PRODUCTIVITY (SUMMARY 2019 - 2022)

1

HAS. SEMBRADAS	HAS. REHABILITADAS 	PRODUCTORES FORMADOS Y CON EXTENSIONISMO 	Productivity cacao crops 
608	1153	1161	364 kg/ha
-	-	859	637 kg/ha
550	1040	2470	637 kg/ha
111%	111%	65%	57%

ACCUMULATED PROGRESS
GOAL FY 2023
GOAL FY 2024
%Progress by 2024

TCE achieves an average fulfilment of 86 % in the productivity indicators, significant figure in a year with one of the harshest winter seasons in the last years. This situation causes humidity in cacao crops, and pests and mentioned diseases come with it, severely impacting productivity in 2022.

During 2023, TCE will work to fulfill the formation goal, given that the indicator brings deficit caused by the change of formation times due to the pandemic.





ALIANZA
EL AGRO
EXPORTA
CENTRAL DE BENEFICIO
DE CACAO
ASOPAZCIFICO

ENTO ECOLOGICO
Tus Manos y Esfuerzo
Salvemos
el Medio Ambiente

2.2 STRENGTHENED ASSOCIATIONS OF CACAO PRODUCERS

IMPROVED COMPETENCES IN ASSOCIATIONS

With EAFIT support, TCE continued the path of administrative, technical and commercial strengthening of 18 associations of cacao producers. The fourth measurement of ICOr (index of organizational capacities reinforced – EAFIT), was carried out, completing 13 associations that exceed 70 % and are counted as improved.

No	Association	Year 1 Initial	Year 1 validated	Year 2	Year 3	Year 4
1	Afapul	59,21%	63,78%	73,02%	79,06%	85,37%
2	Asocacao	42,73%	42,73%	72,54%	77,49%	84,19%
3	Asoprocar	51,37%	51,37%	75,27%	78,55%	83,01%
4	Proasiv	54,92%	75,36%	77,76%	78,34%	79,21%
5	Agreacam	47,26%	60,53%	71,58%	73,06%	77,51%
6	Afromuvaras			42,12%	72,10%	77,35%
7	Asocagigante	42,45%	42,45%	72,99%	74,05%	76,02%
8	Abicaspu	28,52%	43,76%	56,36%	71,80%	75,60%
9	Aspropisat	51,33%	54,92%	70,39%	73,33%	75,46%
10	Asopeca	65,10%	65,10%	70,03%	72,23%	75,38%
11	Asoprone	39,19%	52,80%	60,43%	71,61%	74,01%
12	Aproaca				64,20%	73,84%
13	Asocpraur					72,30%
14	Agrofrontera			16,93%	46,02%	65,64%
15	Asopazcifico			25,66%	57,32%	65,04%
16	Corcacao					63,84%
17	Asocapotrerillos	9,02%	9,02%	22,70%	44,41%	62,33%
18	Asoprogrado	21,84%	21,84%	37,18%	49,16%	59,79%

During the fourth quarter of 2022, Asocpraur association (Apartadó) reached the 70 % level in ICOr scale and is now part of the improved organizations group. In 2022, the indicator reaches a fulfilment of **50 %**, because 2 associations were improved out of 4 associations that was the goal. It is expected to fulfil with this indicator during the fiscal year 2023. Over the course of the alliance, 14 organizations (included Aprocalg in Algeciras) have been able to improve their competencies, resulting in better services for the associates, their finances, and operational efficiency.

ENTREPRENEURSHIP WITH A GENDER APPROACH

In 2022, 183 people completed at least three courses, workshops or training sessions on entrepreneurship with a gender approach in all areas of TCE, fulfilling the indicator in **159 %** out of a goal of 115.

Since TCE start, 695 people have been trained in entrepreneurship, collaborative work, family finances, communication, negotiation, woman's role, competences, preparation for fairs.

EAFIT

The allied trained 90 people in 2022, and 602 over the course of the alliance.



MANIZALES MÁS

With the support of Manizales Más allied, TCE has made real in Tumaco the formations on entrepreneurship with a gender approach. Four people were trained in the fourth quarter of 2022, completing a total of 93 people in 2022, achieving a fulfilment of **93 %** out of goal of 100.



INITIATIVES OF ENTREPRENERURSHIP WITH A GENDER APPROACH

TCE supported 117 undertakings through formations, advisories, consultancies, workshops, among others, 58 of which were improved in 2022, achieving a fulfilment of **116 %** with respect to the goal of 50.

EAFIT

Twenty-six have been improved through participation in formations, fairs, and alliances. They have service portfolios, brand design and image, participation in calls, legal-financial advice, and business and alliance models. Therefore, they count as improved.



MANIZALES MÁS

More than 3 trainings were conducted during 2022, and 32 entrepreneurs were improved.



REVOLVING FUND

In the fourth quarter of 2022, Luker Chocolate delivered financial resources amounting to USD 41.667 (COP \$112.500.000), completing USD \$355.768 (COP \$\$ 960.573.000) in 2022.

Since 2019, TCE has disbursed USD \$ 4.025.623 (COP \$ 10.869.183.000) to the cacao production associations.



*Conversion COP to USD: COP \$2700 for each USD, value established for the cooperation agreement.

ACHIEVEMENTS TOWARDS GOALS (AMELP)

The cumulative goal achievement for TCEA is shown below

2 ASSOCIATIONS (RESULTS FY 2019 - 2022)				
ASOCIACIONES MEJORADAS	PERSO-NAS CAPACITADAS EMPRENDIMIENTO -GÉNERO	supported Initiatives	MUJERES CAPACITADAS EN EMPRENDIMIENTO	
14	695	58	56%	ACCUMULATED PROGRESS
5	7	40	50%	GOAL FY 2023
19	640	40	50%	Agreement GOAL
74%	109%	145%	112%	%Progress by 2024

TCE fulfills the association component to an average of **110 %**, showing the commitment and big challenge of leaving installed in the territory capacities, associations and entrepreneurs, which are sustainable over time.

Associations that are still to improve are expected to be delivered over the course of 2023, because it corresponds to those associations presenting more challenges in the strengthening process.



2.3 POPULATION WITH IMPROVED COMPETENCIES



IMPROVEMENT OF ACADEMIC COMPETENCIES

With the support of Fundación Luker, EGRA (Early Grade Reading Assessment) test baseline to measure read words per minute was applied in January 2022. The endline test will be applied in November 2022. The results of 2022 in Colombia will be presented in January 2023. Since the alliance start, the average improvement in reading competencies is **75 %** out of a goal of 80 %.



facing the pandemics consequences on subjects such as resilience and conflict solution, and on academic-socio-emotional subjects such as academic self-efficacy, and tenacity. Indicator fulfilment of **107 %** out of a goal of 600. Since the program start, TCE has trained **2506** children and young.



As of fourth quarter 2022, **307** children between preschool and fifth, belonging to the six sites of Institución Educativa Rural Caribia, receive alternating formation (face-to-face/virtual) with the pedagogical model New Active School, which allow them acquiring academic competences in reading and writing. Indicator fulfilment **110 %** out of a goal of 278. Since the activity start, TCE has trained **1208** students in this program.

SOCIO-EMOTIONAL COMPETENCIES

As of fourth quarter 2022, TCE trains 600 students between preschool and eleventh in socio-emotional competencies. Teachers and families have been oriented in the necessary abilities for

TRAINING FOR ADULTS



During the fourth quarter of 2022, **17** adults continue in the academic formation in two sites of the educational institution (caribia and gariton), who attend on weekends to achieve their graduation from high school. Indicator fulfilment of **100 %**. Since the alliance start, **267** adults have been trained.

TRAINING FOR TEACHERS

During the fourth quarter of 2022, **25** teachers received accompaniment and formation on socio-emotional competencies within the framework of Parent School, which seeks the growth and development of students in a harmonic environment. Primary school teachers receive (from Fundación Luker) accompaniment to implement the pedagogical models for reading, writing, and emotional development. Indicator fulfilment **100 %** out of a goal of 25. Since the alliance start, **103** teachers have been trained.



YOUNG PEOPLE CERTIFIED IN WORKFORCE PROGRAMS NECOCLÍ

In the fourth quarter of 2022, **110** students graduated from the technical labor training programs, completing a total of 119 in 2022, with an indicator fulfilment of **105 %** out of a goal of 113.

- Marketing and sales assistant
- Administrative assistant
- Organic agriculture production
- Tourism agent



TUMACO

By the end of 2022, a total of 91 students of the educational institutions Alto Mira y Fronteras, San Luis Robles, Peña Colorada and Chilvi, continue their formation process as labor technicians in Information Systems, Accounting and Finances, and Administrative Assistant.

TCE ends the year 2021 with a cumulative total, since the alliance start, of 170 graduated young people in labor formation programs, who become change agents of the labor market in their areas.



IMPROVED RESILIENCE ABILITIES

TUMACO

During the fourth quarter of 2022, the implementation of the 3C: Conmigo, contigo, con todo program continued. The topics taught to the participants were: creative thinking, emotional regulation, and empathy-compassion, assertive communication, problem solving/decision-making, and protective factors.

In 2022, 271 youth completed resilience training, for **100 %** compliance out of a goal of 270.



Since the activity start, TCE has trained **892** people in resilience competencies, 525 in Necoclí and 367 in Tumaco.

ACHIEVEMENTS TOWARDS GOALS (AMELP)

The closing of the social component in 2022 is very good, given that the average fulfilment was 91%. However, 2023 is still ahead, where TCE expects to exceed 100% fulfilment.

IMPROVED COMPETENCIES IN POPULATION (RESULTS FY 2019 - 2022)

3

% STUDENTS IMPROVED READING COMPETENCIES	Index Competencies improvement resilience	NIÑOS CAPACITADOS ACADEMICAMENTE	CHILDREN – YOUNG PEOPLE IN SOCIO-EMOTIONAL FORMATION	ADULTS IN ACADEMIC FORMATION	DOCENTES CAPACITADOS	Trained people resilience	GRADUATED YOUNG PEOPLE TECHNICAL PROGRAMS
75%	68%	1208	2506	267	103	892	289
80%	NA	58	494	NA	25	64	61
80%	83%* ₁	1266	3000	120 _{fulfilled}	102	956	350
93%	82%	95%	84%	100%	101%	93%	83%

ACUMMULATED PROGRESS

GOAL FY2023

Agreement GOAL

%Progress by 2024



The progress percentages by 2024 are within the schedules and parameters established for the 2023 deadline.

2.4 TRANSVERSAL COMPONENTS



INCLUSION STRATEGY (GENDER AND YOUTH)

During the fourth quarter of 2022, the participation of women in conducted trainings and workshops Manizales Más, on entrepreneurship with a **gender approach**, was **100 %**, closing the total of the fiscal year in **70 %**. Over the course of the alliance, the female participation is **56 %**.

Activities were designed to generate reflections in the associates and their families, all of them on the importance of identifying the differences between gender and sex, recognizing the role of women in society, family economy, community, and family.

The start-up of the project called “School for Equity” commenced, articulated with WWB Foundation. This program works for the youth participation and leadership as a means to boost the inter-generational inclusion in the development of actions to improve the quality of life of the communities in the area of influence of The Cacao Effect. It is intended for boards of directors, young people, families, and communities within the scope of the associations of cacao producers.



COMMUNICATIONS STRATEGY

TCE implemented the communications strategy for 2022, achieving to position the alliance in social media and dynamizing the interaction with stakeholders. Activities of the communications plan such as radio notes, monthly newsletters, spotify podcasts, entrepreneurs’ success stories, formations in photography, response to communication situations of the alliance such as plagues and diseases, entrepreneur service portfolios, alliance results, among others, were performed.



MONITORING, EVALUATION AND LEARNING STRATEGY (AMELP)

TCE prepared and submitted 4 quarterly reports, 1 annual report and 1 implementation plan for 2022.

From M&E the different requirements of the allied and the alliance were supported, such as:

- Response to information requests.
- Participation in calls and prizes.
- Meeting for activity planning.



TCE supports the allied Luker Chocolate on the administration of the monitoring system “Almera”, improving the collection of information from the producer partners (crop, evidence, field technique, sales, deliveries, environment). This year a new formation module was implemented that decreases the use of paper and systematizes all the formation process of farmers.

TCE made one internal audit during 2022, which reinforced CLA: team **collaboration**, **learning** replication, and **adaptation** to new contexts.



ADMINISTRATIVE MANAGEMENT

TCE managed activities to maintain the alliance operation in optimal conditions, inside it, the physical and operational infrastructure of the offices in Necoclí, Cauca, Garzón, Tumaco and Manizales. Budget application, follow-up and creation of agreements to develop technical, operative, administrative, among other activities, have been monitored.



SECURITY

During the fourth quarter of 2022, actions that altered public order continued to be monitored to establish reaction measures that allow TCE team fulfilling the contractual requirements established in the cooperation agreement with USAID and providing the team with tools adjusted to the security situation in Colombia and each area. In 2022, TCE has 100 % of the TCE team certified with the level 1 of training in virtual security with USAID.

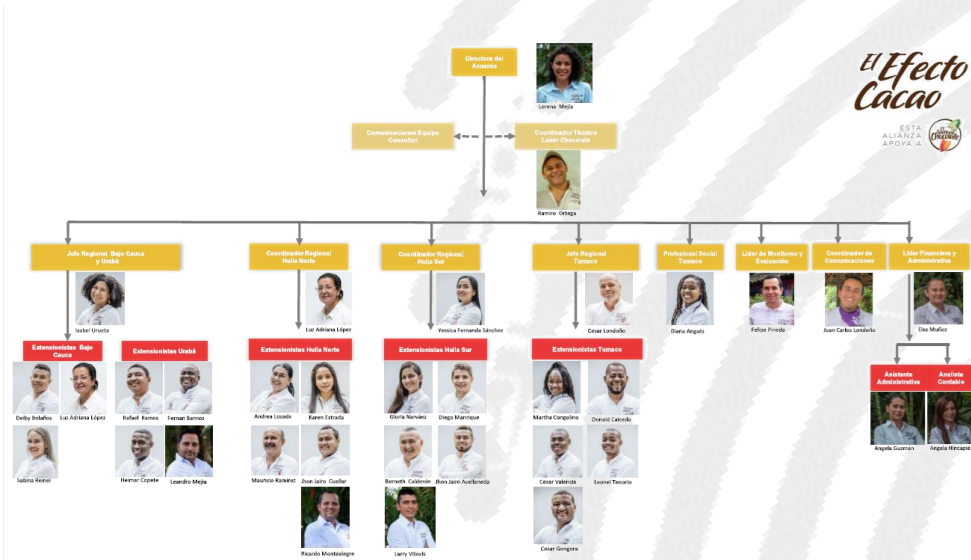
WORK TEAM

The work team that performs the necessary activities in the operation of the TCE cooperation agreement is:

Region	Contracted USAID	Contracted IDH
URABÁ	5	-
LOWER CAUCA	3	-
HUILA	9	2
TUMACO	7	-
MANIZALES (Administrative)	6	-
TOTAL	30	2

ORGANIZATION CHART

The team that performed the activity during the fiscal year 2022 was:



GOVERNANCE

The agreement governance was made in a structured and proactive way by the three committees called COS, communications, strategic, and operations, which meet periodically.

- 1. Strategic Committee
- 2. Communications Committee
- 3. Operations Committee

CONTEXT

TCE monitors the context with three variables:

1. Price of purchase of cacao.
2. Cacao cultivated area nationwide.
3. Cacao production volume in Colombia.

Although these variables are beyond the direct TCE attribution, they are important to carry out follow-up of external conditions and factors that may affect the assumptions and risks identified in the frame of results.

Indicador name	Measuring unit	Data source	Base Value Fedecacao	Base Value Fedecacao	Base Value Fedecacao	Base Value Fedecacao	Base Value Fedecacao
			2017	2018	2019	2020	2021
Cacao price of purchase	COP	Fedecacao	\$5.439	\$6.155	\$7.010	\$8.419	\$8.147
Cacao cultivated area	Hectares	Fedecacao	175.000	176.050	175.000	189.000	
Cacao production volume	Tons	Fedecacao	60.535	56.867	59.740	63.416	69.040

IMPACTS

TCE has established in entrepreneurs the entrepreneurial mindset because the implemented strategies have allowed training passionate entrepreneurs focusing them on team abilities, assertive communications, negotiation, innovation, and creativity.



The education program in Necoclí focuses on improving the population's life quality, improving the education coverage and relevance, from an integral approach that includes a set of academic, socio-emotional, and technical competencies.

LOCAL CAPACITY AND SUSTAINABILITY

Trainings of “I am a cacao farmer” have allowed partners interiorizing technical concepts, but it has focused in practical construction so that they can continue performing the crop maintenance duties when TCE is gone.



Demonstrating the grafting method by TCE team has built abilities in some partners, who previously paid for this service, and today it has allowed many reinforcing their knowledge and delivering grafting services to their communities, so becoming a new source of income and contributing to the crop productivity.



Statutory reforms in associations have specifically included articles related to their responsibility and commitment to the caring and protection of the environment. In this way, associations are speaking the language of the Sustainable Development Goals, and within their strategic plan 2022/2023, they defined concrete actions to contribute to the caring and protection of the environment, and practices to become more sustainable over time.

Promoting the socio-emotional abilities in Tumaco's rural area is a way to reinforce the internal and external protective factors that young people inhabiting these settlements have, seeking to decrease their vulnerability level and increase their agency and self-management capacities, and the building of a life project that includes options beyond those offered by their immediate context, linked to illegality.



4. LEARNED LESSONS, SUCCESS STORIES AND CHALLENGES



LEARNED LESSONS

- To work articulately in territories is a key point, because the cacao farmer partners, communities, and institutions, recognize TCE as a social innovation project having influence on the future by means of the capacities that can be left in place in Tumaco and the rural area.

SUCCESS STORIES

- TCE has three meteorological stations installed in the farms of three producer partners in Lower Cauca, which soon will provide access to climate data.



- With no doubt, the early victory in basket weaving in toquilla palm in Tumaco, is a success story to be highlighted. It went from having four interested women to being made up by 15 women. There is progress in the consolidation of a higher added-value product due to the artisan work, colors with natural dyes and the quality they are integrating to the technique.

- The community security situation of the community council Alto Mira and Fronteras continues to be complex, which generates that some students do not attend to class. To address this situation, teachers from the Instituto Politécnico EuroAmericano have generated academic guides that allow the students developing subject contents in autonomous way.
- During 2022, TCE received an award as one of the projects that contributed to overcoming poverty in Colombia 2018-2021, within the call “Alliances Overcoming Poverty”, by the Administrative Department for Social Prosperity.



CHALLENGES

- To protect the cacao production against plagues and diseases, given the difficult climate conditions the country is undergoing, TCE works on the campaign ‘with healthy pods, more gains’, to increase the number of in-process pods. This implies increasing production, increasing economic income for families, and generating more cacao transactions.

- The process for strengthening associations focuses the offer on high-value intangibles for the future of organizations. Despite that, some associations do not go easily through the processes. For 2023, TCE will continue contributing to their development to achieve the established objectives.
- To implement the 3C strategy with the worsening of the armed conflict and the tension generated by the public order situation is a permanent challenge. Constant communication must be kept with people assuming the group principalship, coordination and direction in educational institutions, as well as with female leaders in the bound settlements to verify the most recent circumstances and check if it is viable to go to each point.

*El Efecto
Cacao*

ESTA
ALIANZA
APOYA A



**YOU ARE INVITED
TO LIVE THE
EXPERIENCE OF
“THE CACAO
EFFECT”
IN ITS 5TH YEAR**

<https://youtu.be/mYqVavJcljY>