



Progreso

2020

year report

1. Foreword

The past year has been full of challenges for everyone. We started 2020 as usual with a lot of travels and travel plans. We visited our Colombian partners, presented the Beyco platform at AFCA in Mombasa, met up with our partners in Myanmar and Indonesia, and hosted our stand at the Chocoo Festival. 

But then there it was, unexpected, a complete lockdown. It felt like the world stood still. We all had to adapt to the new circumstances, and our team in Amsterdam had to work from home, like most people. Our colleague Yasmin from Peru could not go home for 5 months, she was 'interned' at one of our partners' offices. This was unexpected, but also gave her the opportunity to get to know them very well from a personal and professional perspective, while continuing her work from there. Our colleagues in Uganda and Ivory Coast were also restricted from travelling locally and all of us had to find ways to keep on supporting our partners the best we could. Even in local emergency circumstances. As our colleague Janet in Uganda, who got special permission to support several producer organisations with emergency packages after the flood. In Latin America, Africa, and Asia, everyone had to find ways to continue their businesses: to harvest, apply for finance, connect to clients, and export coffee and cocoa during lockdowns. Everything was even more complicated than usual.

For me, this was my third year at Progreso, and it was certainly very different from what I could ever have expected. We adapted ourselves as soon as we could to this 'new normal' and managed to create an online training portfolio, presented our work at various webinars, and did many online tours on Beyco. Over the past year, I have been incredibly impressed by the perseverance, adaptability, and endless motivation of our partners, funders, and team. I am proud of my team that showed their flexibility and professionalism in working with smallholders, either on the financial, market support or agronomic side.



This past year was also the year in which we turned 22(!) years old. With this birthday, we can look back at a history where we have completed more than 300 technical assistance projects over the last 2 decades and have successfully connected over 300 producer organisations to potential buyers and financiers. We hold a strong position in activities related to access to markets and finance and are making this more and more visible with our digital tools, but also in our (online) communication. With 2020, we added one more year to our history in which we have shown that we collaborate not only well with producer organisations, but also with coffee traders and agri-finance institutions. Even at a distance.

For all farmers and their organisations, and for all traders and roasters in the middle of this crisis we are all in, we want to say: our thoughts are with you! If there is something we can do to support you, please let us know. It is still uncertain what to expect in 2021, but I am convinced that we will achieve good things together.

In this report we will kick off with our mission and strategy, before we go into our 2020 activities, because this is the basis for everything we've done and will continue to do. This year you will also meet the members of our advisory board. They will present themselves and talk about what they like about our way of working...

Enjoy reading!

*Keep in touch and stay safe,
Isabel*

2. Putting our strategy into practice

Before we dive into the overview of our 2020 activities around the globe, we would like to present our strategy, what we have accomplished so far and how we will continue to put this strategy into practice going forward.

Our mission is to transform producer organisations into professional businesses and strong value chain players, in order to secure an honest income for their members. We support producer organisations to become more resilient against shocks (internal and external) and provide access to markets and finance.

This mission has gained even more importance during 2020. World coffee production, and world food production in general, cannot do without smallholder producers. This past year, due to the pandemic and its consequences, many more people have been pushed into (extreme) poverty.  Therefore, once more, the importance of resilient chains and organisations for the benefit of the smallholders became very clear.

Our 3 core activities

Last year we promoted the complementarity and synergies of the 3 core activities undertaken by Progreso, and their impact for our partners: Technical Assistance, The Progreso Fund and Beyco. 

Through the Technical Assistance activities, we support organisations with knowledge and training to get them on a higher professional level, taking lower risks. With the insights and understanding we obtain through our technical assistance activities, we mitigate our risk providing small loans to organisations from our Progreso Fund for organisations that have potential to grow, but do not have access to finance yet. With Beyco (Beyond Coffee platform) we provide insights into the coffee market and facilitate efficiency in trade and finance.

The link between our Progreso Technical Assistance activities and our partners' access to markets and finance became a stronger focus during the last years. Continued development and use of the Beyco platform for market access, but also a stronger connection with our Progreso Fund for micro loans, and very good teamwork and alignment with social lenders, made this possible. Through our worldwide network we connect coffee and cocoa producer organisations to the most reliable markets and social lenders, to be able to grow further in loan size and market share.

Progreso is convinced that the combination of support in access to markets and finance is key to overcome challenges that many producer organisations face in managing their business.



During 2020 we have tried our very best to train and support producer organisations to make them more resilient against different kinds of shocks and consequently provide market and financial access. This way they keep on performing as professional businesses, even in these turbulent times. There are ways, some new and innovative, that make investing in the value chain for all stakeholders worthwhile.

You can read more about some examples where we combine our 3 core activities in this year report: CPNCK and RAEK (Congo), Asoarhuaco (Colombia), and Asnikom and Ontosoroh (Indonesia).



Technical Assistance Projects



Consultancy focused on productivity/quality improvement and financial assistance at the producer organizations.

Beyco



A block-chain based trading platform allowing buyers and sellers from all over the world to connect and trade with each other.

Progreso Fund



A fund facilitates high risk initial loans with ticket sizes below threshold of social lenders.

“Strengthen producer organisations to enable them to run their organisations as professional businesses - in 3 core activities”



Innovation and Beyco

We continue to provide solutions towards sustainable and resilient value chains and have implemented more digital tools during 2020. It looks like we have started all of these innovations on time, as the demand for online tools like Beyco and our Farmer App increased exponentially last year. There was a lot of demand for onboarding producer organisations on Beyco. We had many one-on-one discussions with buyers and signed several letters of intent for our Trader Profile, which is currently under development. We processed feedback that we received from users to make the platform better. We see a growing demand for traceability and transparency, but it takes time for people to trust a new system and to understand that 'blockchain based' does not mean that all information is 'out in the open', but that you can decide what you like to share.

We use blockchain technology for security, efficiency and the ability to share information, provide traceability and increase transparency.  But we find it essential that digital tools are not just about tracking coffee that already has been sold, but they actually need to do something for the producer organisations and its members. This is why we continue to develop a system that works to facilitate access to markets and finance for producer organisations and their members, and at the same time serves social lenders, roasters and traders in their needs.

We are proud that we got the chance to develop our Beyco Farmer App in 2020. With this app full traceability of the coffee from farmers is possible, and coffees can be sold on the Beyco platform. But the app also provides more insight into the behaviour of farmers related to their organisation and better understanding of their credit worthiness. The app and related dashboard can be used as a management tool, but also to share a track record. The use of the app can give producer organisations the chance to share more data with buyers, but also with social lenders for better understanding of their businesses, and increases the opportunity to receive input finance. We launched the Farmer App at the end of 2020 and we are currently testing and implementing the app in the field. We keep you informed about our further developments!

Funding

In 2020 we were pleased with the support from our main funders Rabo Foundation and DOEN Foundation. Complementary to these funds, other funds were raised from GIZ, RVO, IDH, CBI, Renature, coffee and cocoa traders, roasters, and several private funders.

We also received our ANBI (Charitable) status, which makes it easier to attract different types of funding and connect private parties to our projects.



ProClimate

Our ProClimate program looks at specific ways to support the producer organisations to identify and tackle potential threats related to climate change. These threats can lead to loss in productivity due to drought, diseases, loss of fertility and other agronomic problems, but might also lead to financiers deciding not to invest in certain 'problem areas' that will be increasingly easy to identify using satellite imagery and drones. We think that the use of modern detection technology and improved regenerative agricultural practices will provide the coffee and cocoa farmers with the precise knowledge to help them prevent some of these threats from manifesting and make their farms resilient and future-proof. They will also give the producer organisations the tools to demonstrate the sustainability of their production processes, which is increasingly expected by financiers, traders and entities like the European Union.

In 2020 we added individual ProClimate interventions to some of our Technical Assistance projects but have mainly been preparing to execute overarching projects with a ProClimate focus in

2021. The involvement of value chain partners such as traders and roasters, either through carbon insetting activities or through their CSR-programs, provides an added benefit in that it strengthens the relationship between these partners. Where possible, we will be looking at a wider landscape beyond the coffee & cocoa farms, to include conservation activities and local knowledge partners.

The future is unsure, but we are positive for 2021

We have planned to connect ProClimate related topics like CO2 compensations to Beyco in the future. We believe connecting CO2 insetting and offsetting and Payments for Ecosystem Services can generate additional income for the farmers and facilitate lasting and more direct relationships between the buyers and the sellers. In 2020 we started a lot of interesting collaborations with companies like ReNature, Vinculum, Taking Root/ Farm Trace and others, which fit perfectly into our mission and ambitions for ProClimate, Progreso and Beyco and will be further developed in 2021.

We keep you posted!



This year will continue to be challenging for our partners and farmer members with second and third waves of the coronavirus pandemic coming up. Therefore, also in 2021, we will further develop and implement our tools and provide guidance and support for the coffee and cocoa producer organisations so we can facilitate more organisations with access to markets and finance and connect them with value chain players. With the objective to support more organisations with working capital related to coffee contracts that are closed on Beyco, we are further developing the Beyco platform with a Finance Profile. With this Finance Profile social lenders can connect their credit lines to coffee contracts that are being closed on Beyco. By having such a profile, we facilitate social lenders in generating efficiency in the financing process and get real time insight into the status of the export contracts they are financing. Besides that, we are looking for ways to expand our credit portfolio to provide more microloans for organisations that do not have access to finance and are not eligible for loans from social lenders yet. In collaboration with social lenders and the use of Beyco, we can make more impact in the development of the producer organisations we support to become sustainable businesses.

With the Farmer App we aim to facilitate our producing partners to gain more insight in their operations, have full traceability of their coffee, but also to share more data with social lenders. With the objective to be able to verify their social impact as an organisation, but also have better understanding about the management and impact of internal loans for individual farmers. As we all know, there is a high demand for reaching the individual farmer and making improvements in the field, not only for quality and productivity increase, but also to become more climate resilient. We believe our Farmer App will contribute to make, but also verify, such investments.

We will keep you posted about our activities and further developments on www.progreso.nl and/or www.beyco.nl and through social media.



“I have been incredibly impressed by the perseverance, adaptability, and endless motivation of our partners, funders, and team” 

*By Isabel van Bemmelen,
Managing Director Progreso Foundation*

3. Meet our advisory board



Meet Minke van Rees

married | 2 children | moved to Weesp in 2020

I started my career at Stichting DOEN and one of the first projects I worked on was Rodney Nikkels' and Jimmy Navarro's idea to support (at that time, only coffee) cooperatives in a more integrated and strategic way through a producer program. And that was, you guessed it, 'Progreso'. During my 11-year career at DOEN, I remained involved with Progreso and visited several cooperatives. I have been a member of the board and later the supervisory board of Progreso for many years now.

Progreso shows guts

It's frustrating to see that the position of coffee and cocoa farmers is still so disadvantaged. How often do farmers produce under the yield value, while so many people enjoy their coffee and chocolate? So, a producer program is (unfortunately) still desperately needed. What I like about Progreso

is that their primary focus on producers makes Progreso a much-appreciated collaborative partner for everyone. The team is always innovating and certainly in recent years, under Isabel's leadership, they are showing guts by not shying away from new technologies such as blockchain. Furthermore, they do that without ever losing their focus on the producer, and I think that is very special.

More financial independence in the future

What I wish for the foundation is more financial independence. Progreso has great partners who support them through thick and thin and I hope that this will continue and grow in the future. But hopefully more and more of the organisational costs will be borne by all stakeholders: producers, traders, customers and consumers. Let the added value of Progreso be seen, felt and recognised by everyone on a global level.

"Progreso is always innovating and doesn't shy away from new technologies such as blockchain"



Meet Karel Valken

63 | lives in Huizen with his partner | together they have 4 children

After my studies and military service, I worked at MeesPierson (part of ABN AMRO), after that at Nidera as CFO, and in 2016 I joined Rabobank as Global Head Trade & Commodity Finance and as Head of The Netherlands/Africa for that division. Over the years, I had the privilege to visit many countries of origin/destination, meet interesting people and learn more about coffee & cocoa and the need to improve the livelihoods of smallholder farmers. As a board member of Progreso, my added value is my network and that I can transfer my knowledge on the financing side.

Key challenge in sustainability: fragmentation of well-intended efforts

There are many organisations in the field of sustainability. But they are not always working together and as a result the use of resources is not

optimised. Progreso, while modest in size, is truly a differentiator due to its cohesive and integrated approach to create impact with their 3 pillars: Technical Assistance, Beyco and Financing. This is pretty unique and once executed well it will be very powerful to create long lasting impact.

Dreams come true...

The disposable income of coffee farmers did not increase over the last decades in spite of all the financial resources and efforts. Also, climate change is posing additional challenges. We therefore need all hands on deck to really create impact in coffee farming. My dream is that farmer income will grow significantly in the years to come, that Progreso will be the “darling” of funders and the preferred partner for smallholder organisations, roasters/processors and NGOs/MDBs. I feel that Progreso has all the ingredients to create the perfect aroma!

“Progreso has all the ingredients to create the perfect aroma!”



Meet Marjan Sax

political scientist | independent philanthropic advisor and legacy advisor | co-founder Mama Cash

I'm very passionate about fighting against inequality and the unequal distribution of wealth in the world. Therefore, I have been actively involved with charities, NGO's, political parties and activism for more than fifty years. Because I don't believe in theory without practice in the field, I have been involved as a board member in several NGOs with quite some different topics. From sex workers rights to abortion rights, from the quality of newspapers to a cultural centre. Since 2012 I have been very active in 'We Are Here', a network of refugees and supporters, that lobbies for the recognition of human rights of undocumented refugees in Europe. I consider the bad position of refugees one of the most pressing topics on the current European agenda.

Progreso: small, practical, successful

I'm proud to also be a board member for Progreso. I think it's a small and practical organisation that

is very successful in supporting smallholder farmers in coffee and cocoa. The program to support farmers to form cooperatives is a good strategy, because it supports farmers to get a better price for their products and to become more professional in their business. And the technical assistance of Progreso has been very successful to develop technical knowledge for the cooperatives and to get access to market and finance.

Beyco is a big step forward

My expertise as a board member is mainly in the field of policy and fundraising. I have seen Progreso grow from a rather modest and relatively unknown organisation to an assertive player in the world of coffee and agri-finance institutions. The new trading platform Beyco is a big step forward in facilitating the communication between buyers and sellers. Beyco is only the beginning of a development in which specialised technical knowledge can improve the life of farmers.

"I have seen Progreso grow from a rather modest and relatively unknown organisation to an assertive player"



Meet Huub Keulen

son of a smallholder fruit grower | married to Linda | 2 grown-up daughters

After graduating in agricultural economics in Wageningen, I started working at the cooperative bank Rabobank where I have worked for over 30 years in many different management positions. At a certain point I became involved in projects of the Rabobank Foundation, especially in South America. Through the Rabobank Foundation I got to know Progreso and after a few years I joined their board. Since 2018, I have my own consultancy firm advising SMEs on financing and sustainability. Next to this, I work as an 'Energy Transition' teacher in adult education.

Progreso can help make the difference

My drive has always been the smallholder farmer, probably because of my background as the son of a smallholder fruit grower. That smallholder farmer needs a bit of support to progress, to be able to gain more insight, resources and self-confidence.

And they automatically gain that self-confidence when they unite in a cooperative or association of farmers, gradually realising that they are quite a big company. As Progreso, we can help to make a difference for the smallholder farmer and I think this is what we should continue to do. We have a wonderful team of skilled people and I feel privileged to be part of this.

A better price, a better income

My dream is that all farmers will have access to organisations and platforms such as Progreso with Beyco, giving them access to the market and finance, in many countries. This way, they can market their carefully cultivated product in a transparent and fair way in order to generate a better price and thus a better income.

“My dream is that all farmers will have access to organisations and platforms such as Progreso with Beyco”

4. Overview of our work in Africa

*By Ghislaine Bongers,
Program Manager Africa*

Ongoing support in quite a different year [↗](#)

You can imagine 2020 was also quite a different year for our work in Africa. We are glad we were still able to make a trip last year in February, to the Africa Fine Coffee Conference in Mombasa, Kenya. At this event we connected several producer organisations to potential buyers and had the opportunity to present our Beyco platform at the main stage. We had interesting discussions with many other organisations that also support coffee producing groups, all in their own way and format.

We used to travel from the Netherlands to our partners in Ivory Coast, Rwanda and Uganda at least once a year. Due to the global travel restrictions, only our colleagues in Ivory Coast, Natan Yao Esse, and in Uganda, Janet Maate, were able to visit partners on their own premises. Still, our support to the producer organisations never stopped, online or offline. We found other, digital ways to continue our work, but were very pleased with the ongoing visits of our great local Progreso team members! In 2020 we welcomed a new colleague to that team: Natan Yao Esse. Natan is our local consultant in Ivory Coast and works directly with our cocoa partners. We also benefited from working with local consultants for specific assignments supporting the cooperatives with expertise. These consultants were able to continue to support the cooperatives locally, focussing especially on financial administration and quality management.

Next to our normal work of supporting activities within the cooperatives, we also helped the Rabo Foundation with the distribution of food aid for direct victims of the floods in the Rwenzori region. The floods, in combination with the COVID-restrictions, resulted in quite a lot of families with direct needs of emergency help in this region.



PROJECTS IN AFRICA

In total, in 2020 Progreso worked together with 24 producer organisations in Africa in smaller and bigger projects. Let's have a look at some of them:

Rwanda

Our main focus in Rwanda was to further improve the financial administration system of our 3 local partners, to continue our support in coffee marketing and to check the export contracts together with our partners, to make sure that coffee that's being contracted, can be delivered. We are especially proud of Aba Sholi and Dukunde Kawa who managed to continue their coffee season and sell all their coffee despite the challenges of the pandemic.

Additionally, we've organised several training sessions for 23 coffee producer organisations in Rwanda on access to markets, including onboarding at Beyco, and finance. This training will continue in 2021 and is part of different individual assignments.

Ivory Coast

We continued our support to 4 out of the 5 cooperatives we worked with in Ivory Coast. Rasso and Caadi Cooperatives were represented at Chococoa in the Netherlands in February, where we had very fruitful discussions with potential new buyers for their cocoa.  Rasso managed to get a direct connection with a new buyer who supported them in the new season. For Caadi there are two interested new buyers to whom Caadi will supply their first cocoa in 2021, while we have continued working on cocoa quality in 2020. We also started a new collaboration with Gaia Cacao BV. They are assisting us to support the cooperatives in their marketing strategies and cocoa quality analysis.

Uganda

In Uganda we continued our support to 3 producer organisations we started working with a few years earlier. With RFCU, for example, we managed to get an active collaboration with all other supporting partners to this organisation and combined our

efforts in their business support. One of these collaborations was a full-week workshop to analyse their business, including the different crops they work with: vanilla, cocoa and coffee.

We launched new projects with 3 producer organisations. One of them is a very small organisation that is hidden in the Rwenzori Mountains and is producing some very special coffee that is flown to Switzerland. Read more about this project in the highlight below. Another one is a young organisation in Nebbi that has been facing the challenges of being new in the coffee market and needs Progreso support on the market side. Together with the cooperatives we developed proposals to work with two new partners in the Mount Elgon region this year. We also supported a training conducted by ADC with coffee producing organisations on price risk management.

Ethiopia

In Ethiopia we supported 3 producer organisations with coffee traceability. The registration of the coffee and the members of these organisations supports them to improve their internal coffee traceability, understanding of stock and overall marketing

Congo

2 Examples in Congo where we combine Technical Assistance, The Progreso Fund and Beyco:

//CPNCK and RAEK//

- » TA on financial literacy, price risk management and credit application
- » Public contracts on Beyco
- » Trading with This Side Up
- » Contracts financed by Progreso Fund

HIGHLIGHT AFRICA

Isule Cooperative Hidden specialty coffee gem of Uganda

This year we started working with 4 new producer groups in Uganda. One of these groups is Isule Cooperative. This cooperative produces a very special high-quality washed and natural Arabica, somewhere tucked away in the Rwenzori Mountains.

In 2019, a group of just 150 active members produced 2,400 kg of specialty coffee. They centrally process this coffee, carefully store it, and then send it by air freight to Switzerland. The cooperative also sold 7,688 kg farm processed coffee. The quality of this coffee is lower, and therefore the selling price is also much lower.

Progreso started working with Isule Cooperative because we believe that together we can increase their volumes of the high-quality specialty coffee. We are confident that we can find other interested buyers for their specialty coffee, which will improve

the price the farmers receive. To achieve this, we work together with Isule Cooperative on their business development by supporting their financial administrative system, business plan and coffee marketing. Next to this, we facilitate the expansion of their infrastructure for central coffee processing and enable them to communicate directly with all relevant parties online.

We truly hope that international travel and especially trade fairs will take place again soon, so we can share our enthusiasm about the coffee of this cooperative face to face. We know for sure that buyers will then not be able to resist placing their order for this wonderful specialty coffee. Find Isule's coffees on www.beyco.nl and request a sample if you're interested!

"We believe that together we can increase their volumes of the high-quality specialty coffee"- Ghislaine Bongers



FUTURE PLANS FOR AFRICA

To new (face to face?) opportunities

What lies ahead of us? A lot of new possibilities if it's up to us. We receive many requests from producer organisations to support them, as well as requests from other organisations within the value chain to work with their 'direct trade' partners. Going forward in 2021, we definitely plan to take on a couple of new cooperatives to work with. Our focus will always be on creating 'sustainable business' first where we have access to markets and finance as high priorities. But everywhere possible, depending on the phase of development and capacities of every organisation, we will implement 'ProClimate activities'. Whether these are activities related to water or soil management, renovation and rehabilitation of coffee or cocoa

plants, creating organic inputs, organic certification or CO2 compensation completely depends on the demand of our partners and their farmer members. Furthermore, we look forward to a year in which travel will be possible for all of us again. To times where we can enjoy a nice cup of coffee with our partners on their premises to exchange new ideas and opportunities. To times where we can attend trade fairs again to get to meet with clients interested in buying the coffee of the organisations we are supporting. We especially look forward to exploring partnerships between buyer organisations in Asia and producer organisations in Africa, as we believe that there is quite some potential there. To be continued!



5. Overview of our work in Latin America

*By Yasmin Cordova,
Program Manager Latin America*

Resilience in the new digital era

It comes as no surprise that 2020 was also challenging for our Latin American organisations. But with the ongoing support from Progreso, the organisations learned how to handle new tools to communicate effectively with their members and workers. We also promoted the Beyco platform for the commercialisation of coffee, enabling the organisations to have access to new clients and to working capital. Finally, we developed new training modules to make the online training more dynamic and we continued with the established technical assistance activities.

Our work made it possible to connect producer organisations with new clients and diversify their portfolio through Beyco. Our constant support allowed the organisations to complete their credit applications and therefore obtain sufficient working capital for their coffee and cocoa collection. We provided microcredits to new potential groups, which are still in the development process and do not qualify yet for financial institutions. We have supported them with understanding of their financial statements, cash flow projections, writing of credit proposals and price risk management. With our support these groups can learn under guidance of Progreso to manage a small loan, create a credit history and become ready to join international banking in 1 or 2 years.

All these activities and guidance, provided by our Progreso Latin America team, supported the organisations in Latin America to advance with their operational plans and to become resilient in this new digital era!



PROJECTS IN LATIN AMERICA

In total, Progreso has 36 bigger and smaller active projects in the Latin American portfolio. To give you an idea of our projects, we showcase some activities per country:

Peru

Rutas del Inca - Cajamarca region. This organisation managed to get ahead in this challenging year with their coffee collection, technical assistance activities, and the installation of a water reservoir. We advised them on their internal management and the registration of their financial statements. This helped them to gain access to working capital with international banking and improve their financial management.

Aproeco - San Martín region. In this first year that we are partners with this organisation, we worked with them on a basic diagnosis and supported them on their credit application. This led to 2 solid sources of financing and the collection and sale of 26 containers of coffee. They implemented their new

species program to improve cup quality, and they delivered pruning machines to 7 communities for better pests and disease control. [🔗](#)

Kemito Ene - Junín region. This cocoa organisation consists of producers from 24 Ashaninka native communities. This challenging year the organisation achieved the implementation and organic certification of its own cocoa processing plant. We advised them on the design and implementation of equipment, as well as on the criteria and requirements for certification. This allows Kemito Ene to sell its products to the local market at a good price, based on the added manufacturing value.

Nicaragua

Coomcafe - in San Rafael del Norte in the department of Jinotega. This organisation has been working with us for 7 years now and went 'from rough phase to independent professional organisation'. You can read all about this cooperative in the highlight below! [🔗](#)



Colombia

Cenchoic, Nuevo Futuro and Fondo Paez - Cauca region.

🔗 With our support, these organisations improved their overall management over the last 5 years. We focused on creating knowledge and skills for financial management and on establishing cost reduction strategies. This will help them to achieve economic sustainability. As these groups approach the graduation stage of our program, we want to leave them prepared and ready to continue their journey on their own.

Global Cafés - Huila region. The project with this organisation focuses on strengthening traceability in the coffee value chain and having more data and better data management in the organisation. Progreso is testing and piloting the Farmer App for Latin America, together with Global Cafés. This app enables the registration of farmers, collection of farm data, and registration of coffee deliveries, to facilitate better information management. This will notably help organisations with harvest projections, certification processes and the development of microcredits. More news on the piloting and rolling out of the app will follow in 2021

Cooagronevada, Asoarhuaco, Asoanei and Red Ecolsierra - Sierra Nevada de Santa Marta region. With this project we seek to create alternative sources of income for the coffee producers, in 4 coffee cooperatives. We do this by providing technical assistance in the field on producing good quality cocoa, implementation of fermentation boxes and drying beds, rehabilitation of existing cocoa fields and planting new cocoa trees with local varieties. We also connect with finance and financial literacy on setting up internal funds for inputs. Before starting the project, we made sure there was a market and there were buyers interested in this cocoa. Chocolatemakers is the first buyer of the quality cocoa that resulted from this project and has made a 'Valentine' bean to bar from it (launched in February 2020). Progreso made sure the cocoa was transported on a sailing boat '3 Hombres' from Santa Marta Colombia to Amsterdam. This is in line with Chocolatemakers their way of working CO2 neutral, but also good

for marketing. In 2020, 6 MT of cocoa from Cooagronevada and 12 MT from Asoarhuaco were exported to the international market with an average sale price of 4 USD / kg. Which is at least 2 times the local sales price. More and more farmers are willing to join this project in 2021. We will keep you posted about the advances of this project in 2021. 🔗 🔗 🔗 🔗

A good example in Colombia where we combine Technical Assistance, The Progreso Fund and Beyco is Asoarhuaco, which is part of the cocoa project:

//Asoarhuaco//*

- » TA on financial literacy, price risk management, setting up internal fund, credit application, implementation of cocoa (income diversification), market access on coffee and cocoa
- » 6 contracts on Beyco
- » Export contracts with different buyers
- » 6 contracts financed by Progreso Fund



Developments in coffee

The coffee organisations in Peru and Colombia (southern zone) struggled to carry out their harvest and sales last year. This is because their harvest period started in March, just when the COVID-19 quarantine restrictions came into force. The organisations had to delay harvesting by an average of 2 months until they were able to obtain permits to start their collection.

The organisations also faced a challenging pricing situation this year. The prices on the coffee stock market (NY) increased day by day and also the prices of the local market soared, which led to speculations about a shortage of coffee. This drove buying organisations to buy coffee at a higher purchase price than projected, while the prices of the sales contracts often remained the same, leading to a loss in profits for several producer organisations.

On one hand, it was a good year for organisations that sell good to regular quality certified coffee (81-82 points), as their sales volumes increased with an average price of 1.90 USDcts / lb. This had to do with the fact that 'supermarket coffee' had a stronger demand than before due to the lockdown. On the other hand, it was a bad year for organisations dedicated to the high-end specialty coffee segment (83.5-85 points), as the demand for high-end specialty coffee decreased and even we observed an average price decrease with our partners from 2.40 USD / lb to 2.15 USD / lb. We

can explain this, as small roasters in Europe and the USA had their coffee shops closed, and these most often are the buyers of high-end specialty coffees. We did a lot of match making for our partners and due to the use of the Beyco platform the organisations maintained their sales volumes. Read more about market behaviour in the Beyco section of this report.

Developments in cocoa

In the cocoa sector, the travel restrictions made collection difficult for organisations during the first months of the lockdown. Later on, they were able to obtain permits for the transfer of the product enabling them to continue with their commercial activities.

Our partners who produce cocoa, went through the process of organic and Fairtrade certification (renewal). They had to do this remotely now, and then they had to schedule the actual field audit several months afterwards. This was sometimes complicated as they could not sell their cocoa with these certifications until their audit was completed. Luckily, we connected our partners to various buyers already, who were willing to purchase this cocoa. In the market, the demand for fine aroma cocoa remained active and the organisations were able to export everything they collected: around 80 MT of cocoa from Peru and 26 MT of cocoa from Colombia, with average prices of 3.5 USD / kg, which is around 1.50 USD / kg above the local price.



HIGHLIGHT LATIN AMERICA

COOMCAFE - From rough phase to independent professional organisation

A highlight of this year was the transformation of Cooperativa Multisectorial Café de Altura R.L. (COOMCAFE). They started with 66 producers in 2006 and we have been partners for 7 years. Our partnership came at exactly the right time in 2013, when COOMCAFE went through a rough phase. With our support the organisation strengthened its technical team and internal processes to become a strong professional organisation:

Access to finance

COOMCAFE strengthened its relationships, knowledge and skills in the accounting and financial area. Progreso supported them with Price Risk Management training and writing credit proposals. They also started the development of new accounting software that supports them to better analyse their financial information and obtain reliable reports for financial entities. Over the last years we guided them to set up an internal fund for individual loans to their members.

Technical assistance

We supported COOMCAFE to establish and expand their organic program, from 10 ha in the transition process to 50 certified organic farms (100 ha) now. We promoted the training of 30 young people (children of producers) and 5 of them are now in charge of quality control in the local collection centres. Finally, we helped to implement a coffee dryer and drying tunnels, which led to an increase in coffee quality, from 81 to 83.5 SCA cupping score.

Access to market

With the ongoing support of Progreso we have connected the organisation to several new buyers during the years. We received samples of COOMCAFE's coffees, cupped these and provided potential clients with samples and connection details. With the implementation of our Beyco

platform this match making also goes easy online, as we advise potential clients to look at their profile and coffee offers. Besides the digital connections COOMCAFE participated with Progreso in different international coffee fairs and attended several business conferences. This allowed them to strengthen ties with current clients and to contact new ones. They also received visits from different potential clients from Europe, Canada and USA throughout the last years. Their export volumes have been three doubled in the last years and the sales of Fairtrade and Organic coffee with a premium for quality has increased a lot. This indicates that the organisation strengthened its brand and is recognised by importers and roasters.

Diversification

We supported COOMCAFE in diversification of their income through the establishment of a cafeteria and the creation of 2 brands of roasted and ground coffee. This strategy allowed the organisation to position itself in the local market and increase sales at the regional level.

In recent years, COOMCAFE strengthened its work in aspects of internal management, quality and business relationship with its clients. They showed that they are able to take on responsibilities on their own, so they have graduated from our program. We are happy and proud we were part of their journey and wish them lots of success. As for all of our graduated partners counts; if they need us in the future for any advice or guidance, they can always rely on our support!

“COOMCAFE has now graduated and is ready to leave the Progreso TA program. We wish them all the best on their way forward. Of course they can always rely on our support when they need it!” *Yasmin Cordova*

FUTURE PLANS FOR LATIN AMERICA

Greener projects to maximise benefits for smallholder producers

Going forward, we plan to expand our support to several new coffee groups in Peru and Nicaragua and cocoa groups in Colombia. For all cases, Progreso will seek income diversification with alternative crops/businesses, since this is essential to generate economic sustainability for the organisations and their members.

Besides our main components of access to markets and finance our new project proposals will also focus on integrating components of climate smart agriculture to reduce losses in post-harvest management and to strengthen the value chain for the benefit of smallholder producers. The countries in Latin America are increasingly affected by natural disasters due to climate change and those who suffer the negative consequences in their

production are smallholder producers. That is why we focus on greener projects, where we will teach the producers resilient agricultural techniques and a culture of prevention to maximise their benefits in the long term.

We will also work on the development of microcredits for inputs to the farmer, through our Farmer App. This app has been developed in 2020 and will be further tested and implemented in the field in 2021. With this app, the management of farmer information can be made easier and more efficient, and microcredits management can be evaluated and controlled. The goal of the Farmer App is to make it easier for farmers to access finance, allowing them to improve production and quality of coffee in the medium term. We keep you updated on this in 2021!



6. Overview of our work in Asia

*By Rianne van der Bom,
Program Manager Asia & ProClimate*

An evolving portfolio

Asia is and always has been Progreso's smallest portfolio. This has never been our specific strategy, but rather the way things evolved over time. Progreso started out working in Latin America over 20 years ago, then we added some projects in Africa, and finally about 5 years ago we also landed in Asia, specifically in Indonesia and Myanmar.

With its many islands, Indonesia is a whole coffee world in itself, with very distinct origins and cup profiles. For now, we are focussing our activities

on the island of Flores, but through existing and possibly new partnerships, we are open to explore the possibility to work with Indonesian coffee and cocoa organisations on other islands as well.

Ever since Myanmar opened up for international coffee trade, the focus has been mainly on producing high-quality natural coffees, where after harvesting the farmers dry the whole coffee cherries on raised beds before they hull them to obtain the green beans. But for a while now, Myanmar coffee farmers are also trying out new processing techniques, and you can hear Myanmar coffee sellers talk about exciting new terms like 'carbonic maceration'.



PROJECTS IN ASIA

Currently Progreso has 6 active projects in the Asian portfolio, 2 in Myanmar and 4 in Indonesia. Some activities in those projects are:

Myanmar

Shwe Taung Thu - This producer organisation is a great partner for larger volumes of specialty dry natural coffees. Together we looked at how *Shwe Taung Thu* can become a strong business with good services for their members and a strong financial basis. The implementation of a small seed capital is the basis of a rotating internal loan fund for inputs and other farm necessities, which will contribute to the capitalisation of the organisation. We discussed how product segmentation based on quality could lead to better market positioning and how diversification in post-harvest processing can help attract new buyers.

Indonesia

Examples in Indonesia where we combine Technical Assistance, The Progreso Fund and Beyco are Asnikom and Ontosoroh:

- » TA on financial literacy, price risk management, credit application
- » 2 public contracts on Beyco
- » Export contracts with This Side Up, for Rijkswaterstaat [↗](#)
- » 2 contracts financed by Progreso Fund

Read more about our work with these organisations in the highlight at the next pages.



HIGHLIGHT ASIA

Sube Huter and Famasa (Indonesia)

On their way to become stronger value chain partners

The new year started very nicely with a visit to the Indonesian islands Bali and Flores. In collaboration with Lutheran World Relief, Progreso executed a few projects with coffee and cocoa cooperatives there and these projects were now coming to an end. So, our visits to Famasa coffee coop and Sube Huter cocoa coop on Flores were both intended as an end-of-project evaluation and to see how we could continue to support these cooperatives.

Through our collaboration with Rabo Foundation, we were able to provide both cooperatives with a working capital loan and our new collaboration with Rikolto Indonesia makes it possible to do frequent follow up visits.  We believe that through the working capital and our support, both organisations will be able to purchase larger volumes of coffee/cocoa from their members, attract new buyers and become stronger value chain partners in the future.

Asnikom and Ontosoroh (Indonesia)

Growing organisations taking steps to become candidates for financing

Our collaboration with RVO made it possible to work with the Asnikom coffee coop on Flores and coffee trader Ontosoroh on Java. These two organisations collaborate to get Asnikom's coffee cupped, processed and shipped to the Dutch trader This Side Up (TSU), and are well on their way to also find buyers in other countries, such as Australia. Rikolto Indonesia was already supporting Asnikom on the ground, which creates a full circle: Progreso Fund provided working capital to both Asnikom and Ontosoroh, through which they were able to secure the 2 containers of specialty Robusta for TSU. The containers are expected to arrive in the Netherlands around the end of January 2021. Here they will be used as 'fair and traceable coffee' for Rijkswaterstaat blend. These contracts can also be found on our platform Beyco, and have been published on the external site, for full traceability and price transparency. In the new year we will analyse our continued relationship and, of course, hope that both Asnikom and Ontosoroh will grow and become candidates for financing through social lenders and/or the Indonesian banking system for bigger loans.



"Progreso has helped us in forging an unbroken chain of strong trust, transparency, and professionalism with our partners."

Pak Damas Agas, Manager Asnikom

"Progreso's financial assistance provides ASNIKOM's coffee farmers with the solution and assurance needed to fulfil a large order from our buyer."

Pak Adri Yahdiyan, Owner Ontosoroh

FUTURE PLANS FOR ASIA

2020 was quite a complicated year for our partner Shwe Taung Thu in Ywangan, Southern Shan State. Our visit in the beginning of March, together with representatives from the Rabo Foundation, was very successful, and we were happy to see that the organisation was strengthening its activities and the harvest had been good. Their high-quality natural coffees generally receive a very good price on the world coffee market, but as the coronavirus pandemic started to affect coffee businesses all around the world, this had some impact on their sales.

It looked like Shwe Taung Thu was going to start 2021 on a high note, as they received quite a large coffee order, with potential for a long-term

partnership. But on February 1st of this year, the Myanmar military staged a coup. On top of the COVID crisis, Myanmar is now in total lockdown, making it impossible to continue with the coffee business as planned. We are very sad to see all the hard work of the Myanmar coffee farmers and all the coffee related companies end in such an abrupt, though hopefully temporary, stand still. We remain under the assumption that this incredibly tense situation will resolve in favour of the wishes of the Myanmar people and as soon as possible we will resume our support in this extraordinary coffee country. We wish all Myanmar people, and especially the coffee farmers, a safe transition back to freedom and progress.



7. ProClimate

*By Rianne van der Bom,
Program Manager Asia & ProClimate*

How to become a truly inclusive and sustainable industry

The year 2020 will forever be known as the year that unimaginable scenarios became a crude reality for the entire planet. Massive weather events related to the climate crisis, and the total social disruption and casualties brought on by COVID-19, left an indelible impression on the world population.

Acute awareness

But as a side effect, the coronavirus pandemic has helped to generate an acute awareness about the consequences of the climate crisis and our ability to respond. The coronavirus pandemic literally stopped us in our tracks. And by standing still, we noticed that it is possible to make big changes in the way we work (traditional office versus home office), go on holiday (local versus international) and eat (local versus imported). Also, the pandemic made it very clear that we must improve our agricultural practices and protect the natural habitat of wild animals to avoid future pandemics.

The need to elaborate mitigation plans

For coffee and cocoa communities in Africa, Asia and Latin America, the climate crisis has been a constant factor for at least a decade, with extreme weather events becoming more frequent and more devastating. In some regions it is drought, in others excessive rains and a third group gets these alternately, which makes it even harder to anticipate. Most governments have broad general ideas and plans to mitigate the effects of events that might disturb social infrastructure (roads, electricity, potable water etc.), but that doesn't mean that farmer organisations have access to and are able to manage the information that is necessary to elaborate the mitigation plans on a much more local level.

That is why through our ProClimate program, we are starting to collaborate with like-minded people on 2 specific subjects:

1. How do we give farmer organisations access to relevant and actionable third-party data?
2. What tools can best facilitate investment in mitigation efforts and data management?



Data management is key

This data management is crucial and has an internal and external function. Within an organisation it supports making informed management decisions related to the core business of the organisation. For coffee and cocoa organisations this might include data on harvest projections, stock management and loans, but also reforestation projects and carbon accounting. And at the same time, it helps to efficiently comply with information needs from third parties. The industry and financiers are increasingly being held accountable for what goes on in their entire value chain and portfolios. Therefore, due diligence processes are being set up to not only cover traditional KYC (know your client) information, but also aspects related to the ecological impact, human rights and living income of farmers and farm workers. By supporting our partners with efficient data management options, it will be much easier for them to comply with all these data requirements.

We need context and farmers' voices

Progreso's overarching goal is to show all parties involved in the coffee and cocoa sector that reliable information from the ground, next to satellite images or photos made by drones, is essential to substantiate any sustainability claims within a value chain. We need context and the farmers' voices if we want to be a truly inclusive and sustainable industry!



PROCLIMATE HIGHLIGHT

Ecookim (Ivory Coast)

Progreso, reNature & IDH joining efforts for improved agroforestry in Ivory Coast

In August 2020, Progreso teamed up with reNature in a project to design a cocoa agroforestry business model for Ecookim, a large cocoa union in Ivory Coast. This work was commissioned by IDH in an effort to support the Ivorian cocoa producers to end deforestation and promote forest restoration and protection. Up to 90% of the original forest cover is reported to have been lost and a commitment has been expressed by Ivory Coast's Minister for Water and Forests, to restore a fifth of that by 2030.

Most of the Ivorian cocoa farms are managed by smallholder families and they usually plant their cocoa trees as a monoculture. Traditionally they would do this by clearing a piece of forest, but due to the increased sustainability demands from cocoa buyers and new national legislation in the protection of forests and the environment, the encroachment on what is left of the native forest is slowing down. A second step to make cocoa production more profitable for the farmers and to contribute to the recovery of forest cover, is to change from monoculture to an improved agroforestry system.

There are certain identifiable differences in cocoa regions, related to local customs, family composition and environmental factors, amongst others. So our first activity in this project was to organise focus groups sessions. From the information we gathered this way, we extrapolated a number of farmer types, on which the agroforestry designs would later be based.

Providing farmers with the knowledge to improve their farming practices so that they can provide a stable living income for their families, while taking care of nature, will make our chocolate taste so much better. We call on all cocoa value chain actors to support cocoa farmers in this effort, as a lot of work still needs to be done!

reNature:

knowledge of regenerative agriculture

For the design of the improved agroforestry systems, reNature brought its knowledge of regenerative agroforestry to the table, taking into consideration the additional trees and crops that are of interest to the farmers based on demand from the (local) market, cultural practices and dietary customs.  As a minimum of 50 trees per hectare will be present after the implementation of the system, opportunities for payments for ecosystem services arise, as carbon sequestration on the farms will increase both in the trees and the soil. And the system will remove the need to clear new areas of forest, as the soil will improve due to more organic matter production and improved soil microbiology.

Progreso:

finance and marketing

Progreso looked into the finance and marketing side of the system. What investment would be needed to implement one of the systems on a farm? What would be the short-, medium- and long-term returns? How could Ecookim market and sell commodities like cocoa and cashew nuts? We also looked into the options of combining the planting of new trees with projects on carbon credits and payments for ecosystem services as a means to support the marketing of the commodities, to finance the implementation of the agroforestry systems and potentially generate a small additional revenue for the farmers.

This project did not include the actual training of the farmers nor installation of the systems, as it was only intended to provide the tools and information to update Ecookim's business plan and present a financing proposal to interested parties. We hope to be able to report on the results in the future.

7. Beyco

Digital transformation to connect all actors in the coffee value chain

By Steffie Rijpkema

Development Manager Beyco

Insights powered by Beyco

The boost in digital transformation during 2020 has taken technology at the forefront of many industry-wide discussions. This certainly was the case for the coffee sector. Of course, the pandemic played an important role in increasing the attention towards coffee digitalisation, but also in the years before 2020 there was already a strong agreement among coffee professionals highlighting the importance of digital tools to create a more sustainable system.

When we talk about digital transformation of the coffee sector, it is crucial to understand that technology and digitalisation are very general concepts. The monitoring of agricultural practices at farm level is very different from the scanning of a traceable QR code in a coffee shop. The software itself is different, but also the challenges it needs to solve.

Looking at the development and implementation of digital tools, the most challenging aspect is creating functionalities that focus on the intentions of the main user, but also on the secondary actors connected to it.  For example, with online coffee trading, the challenge is to create a system that responds to the needs of selling players at origin, as well as the needs of buying players whose business structures vary broadly from one to another. This has been, indeed, the main focus when Progreso developed and launched Beyco in 2018.

Beyco wants to transform the coffee value chain, not only by integrating traceability and transparency throughout the chain, but also by enabling access to market and finance for producer organisations.



Market developments

2020 was also a year where markets shifted in some unexpected directions, and we were able to see some of these changes reflected on the Beyco platform.

This year high-quality coffee consumption dropped as coffee shops and restaurants together with offices were closed during the lockdowns. As in most countries, the only stores that were open all the time were supermarkets, supporting growth in sales of supermarket coffee brands. These types of coffees are the more commercial blends and often a mix of Arabica and Robusta coffee. This changed demand for such qualities, resulting in less demand for specialty grade and more demand for conventional grade and Robusta coffee.

On Beyco, we've seen a shift in demand to more mainstream coffee with lower cup score requirements due to the high demand for 'supermarket coffee'. Still, the price for high-quality coffee of some origins has been stable, which was also reflected by niche market contracts being closed on Beyco. Because roasters and traders were faced with uncertainties, we also saw a delay in the signing of export contracts, and a decrease in the quantity of coffee bought from the specialty actors due to the lockdown.

The overall global demand for coffee remains strong with estimates for consumption between 164 and 168 million bags of 60 kg. European and North American roasters dominate coffee demand. We can see that the Asian region and e-commerce channels are currently growth markets. The latter are leveraging new opportunities for communication on social media and receive a lot of interest from investors looking for new brands and coffee chains that show good financial ratios.

Product development and trends maybe did not change so much because of the pandemic but became much more visible. Retail supermarket sales remained the bulk of the volume of which a majority was certified coffee. Growth segments are coffee pods and capsules, whole bean sales for home consumption, e-commerce subscriptions, quality labels including sustainability, traceability and storytelling.

The change in market segments caused by the pandemic has shifted demand and sellers and buyers started looking for alternative digital solutions to continue with their business, and ensure traceability and transparency. Beyco has gained growing attention increasing the number of users to more than 400 whereby producer



organisations and buyers focus on premium coffees.

The pandemic made it definitely more difficult for actors at the first mile of the chain to access loans, as social lenders could often not complete their CDD visits and would not onboard many new clients. For us, this was reflected in an overwhelming amount of credit requests from our Progreso Fund related to contracts that were closed on Beyco.

Beyco in 2020

Since its launch in 2018, Beyco has grown to more than 400 users, engaging 248 sellers, from Latin America, Eastern Africa, and South-East Asia and 168 buyers, scattered around Europe, North America, and Eastern Asia. The number of producers and buyers on Beyco increased by 77% from December 2019, a growth reflecting the value of the platform for sellers and buyers:

» **Sellers** value the platform for managing their financial track records and the opportunity to access financial services.  This year, pre-finance support was provided to a total of 21 producer organisations in Colombia, Peru, Nicaragua, Democratic Republic of Congo and

Indonesia. This number was an increase of 118% since last year. 2020 has shown a higher need for access to finance and we expect this demand continues to grow throughout 2021. We provided training for at least 70 producer organisations on how to use Beyco through partnerships with CBI (Centre for the Promotion of Imports from developing countries, part of the Dutch government),  Solidaridad, Fairtrade/CLAC, and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), among others.

» **Buyers** see a third-party platform as a trustworthy intermediary for their transactions. It enables them to provide traceable information to their customers, while contributing to a more equitable chain for producer organisations. For registered traders and roasters, Beyco allows a bottom-up stakeholder approach where the opportunity to facilitate commitments using smart contract protocols leads to a valuable decrease in fragmentation. Additionally, specialty buyers also use Beyco to benchmark purchase prices (FCA and FOB) to their clients and to ensure that their selling partners have the opportunity to access credit, resulting in a win-win situation for seller and buyer.



Beyco: outlook for 2021

Beyco will continue to play an independent role in the value chain. Our main goal is to connect producer organisations with market and finance, while providing interesting trading opportunities for traders and roasters. In the near future, we want to invite financiers to the platform to provide even further integration with finance and further develop the platform according to the needs of all value chain players.

Finance Profile and Trader Profile

Our objective is to digitally connect social lenders and other financial institutions to the platform so that connection with finance can become efficient and directly connected to the export contracts that are closed on Beyco. In this way, producer organisations will be able to request social lenders for finance through the platform. Social lenders will be able to verify the parties that demand for credit, but also view the coffee contract that is signed and shared by the seller and the buyer. During the finance period they can check the status and receive updates about the coffee contract real time. This 'Finance Profile' will expedite the due diligence process, lower the risk for social lenders, and makes it easier for producer organisations to access working capital related to their coffee contracts and build up a financial history. Next to the Finance Profile, we are creating a separate Trader Profile. Buyers will be able to connect to the platform either as a trader or as a roaster. This profile makes it possible for traders to sell through to their clients on the one hand, but also to act as a service provider for roasters or other traders which are categorised as buyers. This profile allows any trader registered to the platform to split and merge contracts with sellers and meanwhile maintain digital traceability to their clients. Service from traders can also be requested to support cases in which delivery is delayed, returned or lost.

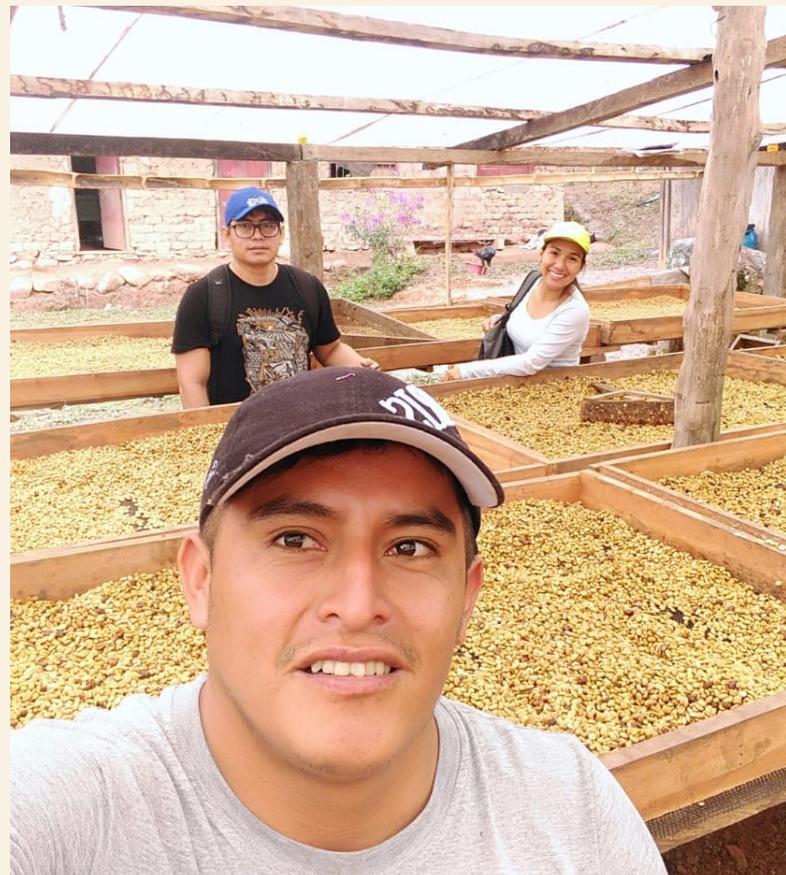
Pilot with Farmer App

Last year we also developed a Farmer App which is connected to Beyco. The goal of this app is to facilitate traceability of coffee up to the farm

level. With the app, producer organisations or washing stations can register their members, farm details and coffee deliveries. This information synchronises with a dashboard, where the producer organisations can manage and monitor data and group their deliveries. These deliveries can be linked to the offers created on Beyco, which gives insights into who contributed to this coffee offer and which prices were paid. The app is currently being piloted with Progreso partners. We will share the first results with you in 2021.

When fully developed, Beyco will be a solution for accessing market and finance by connecting all actors: from farmers to roasters, from social lenders to cooperatives and traders. This makes Beyco a single system, enabled by the smart use of technology, that can be used by the entire coffee value chain.

Read more about Beyco in our Beyco report. [↪](#)



9. Circular Coffee Fund

From circular initiatives of coffee drinkers towards circular initiatives of coffee farmers

The Circular Coffee Fund (CCF) is a non-profit collaboration between Progreso and the social enterprises This Side Up and the Circular Coffee Collective. People can join and contribute in many ways, but the core approach is always:

Have a circular approach to your coffee waste, or make less waste, and donate your savings to farmers that benefit by making investments on their coffee farms

In 2020 the Circular Coffee Fund raised over **€6.400** to donate to a circular coffee project. We are currently reviewing the project proposals submitted by coffee farmers.

How did our partners contribute in 2021?

1. CO2 compensation with CCF

In 2019 we started with registering all our Progreso work-related travel, calculating the total emissions and cost of compensation, and adding this to the Circular Coffee Fund.

Would you like to voluntarily compensate for your personal or work-related travels and at the same time support coffee farmers in their fight against climate change? We would love to hear from you and discuss the options! *

2. Reducing waste

Another way that our partners choose to contribute to CCF is by actively reducing waste, for example by promoting reusable cups, and donating a defined amount per disposable cup that was saved. We want to thank Roast, van Rossum and the KIT Royal Tropical Institute for their contribution to CCF in 2020. 

3. Just Swap It Cup

In 2020, we added the Just Swap It cup to our CCF activities. When the pandemic hit and coffeeshops faced with restrictions and difficulties

of accepting reusable to-go cups hygienically, we introduced the Just Swap It cup, together with cafe Back to Black. 

People can ask for a Just Swap It Cup with their coffee order (5 euros, only the first time), take their (dirty) cup with them and get a clean one with their next coffee for free. This way the coffee consumers contribute to less waste and nature restoration on coffee plantations at the same time. At the moment the following places (all in Amsterdam for now) are participating:

- » Back to Black - Weteringstraat & Van Hallstraat
- » FUKU
- » Kepler Coffee
- » Schuurmanoomkensgrassotti
- » White Label Coffee
- » Brood NDSM

In 2021, we will roll out our activities all over the Netherlands. Spread the word and swap your cup! 



- **Ask for a Just Swap It cup when you order coffee (€5 only once)**
- **Bring along your cup (dirty) and get a new (clean) one for free with every next order**
- **Contribute simultaneously to less waste and ecological restoration on coffee farms**

To see which cafés are in on the plan, a fully transparent price breakdown of your cup and what the advantages of bamboo are, scan this QR code.



JUST SWAP IT.

Projects 2020

Progreso implements and monitors the CCF projects. Every year a new beneficiary will be selected to receive the budget from the CCF. For 2020 CEPRO Yanessa from Peru has been selected to execute circular projects on farm level with the 2019 CCF budget. Coffee farmers from the Yanessa cooperative were asked to submit a self-written project proposal with their plan to make a positive impact on their coffee farm and the environment. All proposals had to be based on circular principles. Out of all the entries we received, we selected 3 special project proposals to be financed with the funding we raised with CCF in 2019. Through these projects the circular initiatives in the coffee consuming countries support the circular initiatives on the coffee plantations.

Project 1

Who: Salomón Pajares Sánchez

What: Multi cropping with fruit trees and raising hens to improve food nutrition

How: The pine trees and banana suckers were planted in April. The delivery of the chickens was somewhat delayed due to COVID-19 measures but building the hen house is already in process.

Project 2

Who: Fermin Solano Chiclla

What: Extra income and increasing crop resilience by keeping bees

How: 8 beehives were installed with the necessary accessories. The plan is to verify the honey quality to improve the branding and help other coffee producers to introduce beekeeping on their farms. This is important for the coffee to grow, but also provides additional sources of income for the farmers.

Project 3

Who: Ilce Yda Ascencio Colina

What: Planting pines and keeping bees to improve the quality of the crops and extra income

How: The pine trees and banana suckers were planted in April 2020. Due to transport limitations because of the pandemic, the farmers are currently waiting to receive and install the necessities for beekeeping. Because of the increased biodiversity and sustainability of the farm, their coffee has already been easier to market, as the product is more attractive for buyers.

Besides these 3 projects in Peru, CEPRO Yanessa cooperative will administer a revolving fund of around 2.000 euros. This fund gives other coffee farmers, members of the cooperative access to small loans to kickstart their own green initiatives.

* Disclaimer:

Progreso does not sell carbon credits of any kind, we can only give out a certificate stating the funds that were donated and provide updates on the project(s) that have been executed with these funds. We work on projects related to carbon emissions and compensation. If you're interested in these types of projects, please contact us to discuss the possibilities.





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Marketing & Communications:
admin@progreso.nl

Progreso Foundation
KIT ROOM BB-9
Mauritskade 64
1092 AD Amsterdam

www.progreso.nl

Graphic Design:
Thomas Schreuder