



**BIODIVERSITY
CHALLENGE FUNDS**



Biodiversity Challenge Funds Projects

Darwin Initiative, Illegal Wildlife Trade Challenge Fund, and Darwin Plus

Half Year Report

It is expected that this report will be a **maximum of 2-3 pages** in length.

If there is any confidential information within the report that you do not wish to be shared on our website, please ensure you clearly highlight this.

Submission Deadline: 31st October 2024

Please note all projects that were active before 1 October 2024 are required to complete a Half Year Report.

Submit to: BCF-Reports@niras.com including your project ref in the subject line.

Project reference	28-014
Project title	Gibbon biodiversity conservation through coffee-based agroforestry
Country(ies)/territory(ies)	Myanmar
Lead Organisation	Fauna & Flora International (Fauna & Flora)
Partner(s)	Asho Chin Coffee Association (ACCA) Myanmar Forest Department (MFD) Genius Coffee Myauk Hlwe Kyaw Coffee
Project leader	Ngwe Lwin
Report date and number (e.g. HYR1)	31.10.2024 (HYR4)
Project website/blog/social media	None

1. Outline progress over the last 6 months (April – September) against the agreed project implementation timetable (if your project started less than 6 months ago, please report on the period since start up to end of September).

Output 1: Technical standards for gibbon/wildlife-friendly coffee which meets the management goals of the proposed Mann Wildlife Sanctuary (to reduce deforestation, improve forest connectivity and secure resource use rights for buffer- zone communities).

1.2 Fully implement the Participatory Guarantee System, with appropriate internal control system (with support from Myanmar Organic Growers and Producers Association (MOGPA) and Genius Coffee).

To fully implement the Participatory Guarantee System (PGS) with an effective internal control system and ongoing support, regular training session were held every two months. During the reporting period, the Organic PGS training sessions took place in Magway city in collaboration with ACCA and the Myanmar Organic Growers and Producers Association (MPGPA) in May, July, and September 2024. A total of 106 participants (52 men, 54 women) from 10 villages attended these sessions. The final Organic PGS training is scheduled for November 2024, completing the comprehensive training cycle for effective PGS implementation.

1.3 Certify current coffee production under the MOGPA PGS organic standard and the EU organic standard as prerequisites for the WFEN Certified Wildlife Friendly™ global products program and accessing markets in Europe.

In August 2023, ACCA received the Organic PGS (Participatory Guarantee System) certification for their coffee plantation and production. Additionally, due to an effective internal control system and ongoing support from MOGPA, 105 individual coffee growers received organic certification and became active PGS members in January 2023, followed by 177 individual coffee growers in March 2024. In May 2024, 105 coffee growers renewed their organic certification for another year, and one

new grower received organic certification. Currently, a total of 283 individual coffee growers (105 growers certified in January 2023 and renewed in May 2024, 177 growers certified in March 2024, and one grower certified in May 2024) hold organic certificates and are active members of the Myanmar Organic PGS groups.

- 1.5 Routine documentation for ongoing organic/wildlife-friendly coffee certification assessments (2 days per month, per village).

Since January 2024, an Internal Control System has been implemented to support organic coffee certification, with regular assessments scheduled every six months. ACCA, with technical support from MOGPA, monitored and assessed coffee growers from 11 project villages in January and June 2024. The results were documented to provide essential information for the organic certification process.

Output 2: The ACCA is registered as a legal entity with robust internal systems, financing plans and policies, and members have the skills and knowledge to fully implement technical standards to achieve improved and sustainable agricultural practices.

- 2.1 Formalise and legally register the Asho Chin Coffee Association (ACCA), formally known as the Gibbon Coffee Association (GCA).

In May 2024, ACCA was officially recognized as a company by the Directorate of Investment and Company Administration (DICA), Myanmar under the registered name of Asho Chin Coffee Factory Limited. Additionally, the project team is applying to receive a Small and Micro Enterprise certificate from the SME Development Department, Myanmar, with plans to obtain the certificate in December 2024.

- 2.3 Define benefit-sharing mechanisms and obligations for (ACCA) members, linked to the gibbon/wildlife-friendly coffee standard.

In July 2024, Participatory Market System Development (PMSD) training was conducted in Yangon to support the development of a draft business model and financial calculations for ACCA, with the support of UK technical staff. Training was attended by six ACCA members (four men and two women). Following the training, the project team, in consultation with ACCA and UK technical staff, has been working to develop benefit-sharing mechanisms and obligations for ACCA members, linked to the gibbon/wildlife-friendly coffee standard. This activity is scheduled for completion in December 2024.

- 2.4 Provide appropriate training (e.g. financial management, gender sensitivity, gibbon/habitat monitoring methods).

In August 2024, the project team conducted Bookkeeping and Accounting training for ACCA team members at Magway and a total of 5 ACCA members (2 men and 3 women) were attended. Moreover, in September 2024, the project team conducted Business plan development and Marketing strategy training for ACCA at Yangon and a total of 5 ACCA members (4 men and 1 woman) were attended.

- 2.5 Develop and implement a sustainable financing plan to cover operational expenses such as routine re-certification, monitoring and management costs.

In September 2024, ACCA, in collaboration with the project team and Andaman Capital Partners (ACP), applied for two Small and Micro Enterprise grants from the Responsible Business Fund (RBF) and The American Chamber of Commerce in Myanmar (AMCHAM Myanmar). These grants aim to cover working capital expenses (such as purchasing coffee cherries and labour costs) and to purchase coffee processing machines, including a coffee roasting machine, coffee grinding machine and packaging machine. For the RBF grant, the Stage 1 concept note was approved, and a full proposal has been submitted. RBF is expected to announce the final decision in December 2024.

Output 3: Zonation and management of Mann Wildlife Sanctuary, and village land-use plans in the surrounding landscape are based on biodiversity science and community consultation, to ensure effective protected area management and habitat connectivity within the wider Mann River watershed.

- 3.1 Finalise and agree guidelines for Free, Prior, and Informed Consent (FPIC) in the planning process.

This activity was delivered in Year 2. The project team carried out project activities by adhering to the FPIC principles of cultural safety and humility, engaging with Indigenous communities throughout the project period.

<p>Output 4: Local growers and harvesters have improved technical skills, resources and capacity to access premium markets and improved value chains, to secure a reliable income source, contributing to more sustainable and resilient livelihoods.</p> <p>4.1 Provide improved coffee and agroforest seedlings, considering the ecology of wildlife indicator species.</p> <p>During the reporting period, coffee farmers from 14 villages planted a total of 239,000 coffee seedlings in the 2024 planting season. Of these, 89,000 seedlings were directly distributed by the project team through village small grants, and 150,000 seedlings came from village nurseries established in 2023 season with support from the nursery small grant. Additionally, the project team plans to provide nursery small grant to 6 project villages expecting to be ready for the planting of 300,000 coffee seedlings in the 2025 season.</p> <p>4.2 Develop post-harvest processing capacity for an additional seven villages, widening impacts and making the supply chain commercially viable.</p> <p>During the reporting period, ACCA, the project team, and an external coffee expert worked to develop a manual for high quality parchment production. The manual is scheduled to be finalised in December 2024.</p> <p>4.3 Provide training to improve the quality of coffee cherry and bean selection and processing, meeting speciality coffee market requirements.</p> <p>In September 2024, a total of four ACCA members (three men and one woman) attended Coffee Roasting training in Yangon led by a coffee technician from Mandalay Coffee Association.</p> <p>4.4 Increase visibility of "Gibbon Coffee" through improved marketing by Genius</p> <p>In January 2024, a Gibbon coffee promotion event was held in Mandalay, led by Genius, introducing local coffee companies, shops, and individual consumers to the brand through tasting and cupping opportunities. During the reporting period, ACCA partnered with Myauk Hlwe Kyaw (meaning "Gibbon" in Burmese) Coffee Company to produce Myauk Hlwe Kyaw Coffee, a second brand of Gibbon coffee, aimed at expanding consumer awareness of gibbon conservation. In June 2024, Myauk Hlwe Kyaw Coffee Company launched and promoted the brand in Yangon, Myanmar, offering tastings and cupping sessions to local coffee businesses, shops, and consumers. Following this, the project team collaborated with Myauk Hlwe Kyaw Coffee Company to share promotional videos and contents on media channels like Facebook, reaching a broader audience and furthering gibbon conservation awareness. In September 2024, ACCA produced their own brand, Asho Chin Coffee, a third brand of Gibbon coffee aiming for Gibbon and Hornbill conservation, in collaboration with the project team and a coffee branding and marketing consultant. ACCA, together with the project team and marketing consultant, has planned a launch and promotional event for Asho Chin Coffee in Magway and Bagan, scheduled for November 2024. Additionally, ACCA, the project team, and the external marketing consultant are working together to develop a comprehensive marketing plan, redesign Asho Chin Coffee packaging, and enhance market visibility for Asho Chin coffee powder produced by ACCA.</p> <p>4.5 Showcase the product at an international trade fair (one minimum) to gauge market/buyer interest (e.g. Biofach Fare).</p> <p>The project team, in collaboration with ACCA, provided necessary information and materials to Genius for their participation in the Speciality Coffee Expo 2024. This event was conducted in Chicago, United State, from April 12 to 14 2024. At the event, Genius introduced and showcased Gibbon Coffee.</p>
<p>2. Give details of any notable problems or unexpected developments/lessons learnt that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.</p>
<p>During the reporting period, no significant challenges were encountered, aside from some travel restrictions and community concerns during the implementation of trainings and meetings in the project villages. Due to the restriction of military government on gatherings of more than 15 people in one location, training sessions had to be relocated to Magway town.</p>
<p>3. Have any of these issues been discussed with NIRAS and if so, have changes been made to the original agreement?</p>

Discussed with NIRAS:	No
Formal Change Request submitted:	No
Received confirmation of change acceptance:	No
Change Request reference if known: <i>If you submitted a financial Change Request, you can find the reference in the email from NIRAS confirming the outcome</i>	

4a. Please confirm your actual spend in this financial year to date (i.e. from 1 April 2024 – 30 September 2024)

Actual spend:

4b. Do you currently expect to have any significant (e.g. more than £5,000) underspend in your budget for this financial year (ending 31 March 2025)?

Yes ☐ No ☒ Estimated underspend:

4c. If you expect and underspend, then you should consider your project budget needs carefully.
Please remember that any funds agreed for this financial year are only available to the project in this financial year.

If you anticipate a significant underspend because of justifiable changes within the project, please submit a re-budget Change Request as soon as possible. There is no guarantee that Defra will agree a re-budget so please ensure you have enough time to make appropriate changes to your project if necessary. Please DO NOT send these in the same email as your report.

NB: if you expect an underspend, do not claim anything more than you expect to spend this financial year.

5. Are there any other issues you wish to raise relating to the project or to BCF management, monitoring, or financial procedures?

None

6. Please use this section to respond to any feedback provided when your project was confirmed, or from your most recent annual report. If your project was subject to an Overseas Security and Justice Assistance assessment please use this space to comment on any changes to international human rights risks, and to address any additional mitigations outlined in your offer letters. Please provide the comment and then your response. If you have already provided a response, please confirm when.

N/A

Checklist for submission

For New Projects (i.e. starting after 1st April 2024)

Have you **responded to any additional feedback** (other than caveats) received in the letter you received to say your application was successful which requested response at HYR (including safeguarding points)? You should respond in section 6, annexes other requested materials as appropriate.

If not already submitted, have you attached your **risk register**?

For Existing Projects (i.e. started before 1st April 2024)

Have you responded to **feedback from your latest Annual Report Review**? You should respond in section 6, annexes other requested materials as appropriate.

For All Projects

Include your **project reference** in the subject line of submission email.

Submit to BCFs-Report@niras.com.

Have you **clearly highlighted any confidential information** within the report that you do not wish to be shared on our website?

Have you reported against the most **up to date information for your project**?

Please ensure claim forms and other communications for your project are not included with this report.