

# Asset Factsheet

## DigiTrade toolbox: Digitisation of trade promotion tools



The **DigiTrade Toolbox** is a digital platform developed under the *Inclusive Coffee* project implemented by Swisscontact. It was launched in 2021 in response to the pandemic and the need for digital tools for the commercial promotion of Honduran coffee. The platform is designed to support small producers, cooperatives and exporters, facilitating their access to international markets and optimizing their commercial capacities. This tool includes a wide range of resources designed to improve the export capacity of producers. Among the most important components are recorded virtual trainings on topics such as export management, price management and preparation for international trade fairs, which are accessible to any participant at any time. In addition, it centralized resources such as market research, a catalogue of inclusive coffee suppliers and a database with more than 600 business contacts. By integrating these digital tools, DigiTrade has enabled Honduran producers to overcome physical limitations and access expertise that was previously inaccessible, significantly improving their ability to compete in international markets.

### CONTEXT

The *Inclusive Coffee* project emerges in a challenging socio-economic context in Honduras, with high unemployment and an economy dependent on agriculture, mainly coffee. At the end of 2019, the country faced large gaps in competitiveness and limited inclusive growth, with a challenging business environment and a small domestic market. The project aims to strengthen the competitiveness of small coffee producers and cooperatives, promoting their access to niche international markets and supporting environmental sustainability and gender equity. To this end, the project seeks to improve producers' marketing and management capacities.

### DEVELOPMENT CHALLENGES

Producers face several major challenges: volatile international coffee prices (SDG8), climate change (SDG13) affecting bean production and quality, and limited access to international markets due to lack of skills (SDG4) and lack of trade contacts and strict regulations (SDG1, SDG17). In addition, there is an under-representation of women and youth in the sector (SDG5).

### INCLUSIVE COFFEE - PROMOTING SUSTAINABLE MARKETS

**Implemented by:** Swisscontact

**Funded by:** Medicor Foundation. Co-financed by the Swiss Agency for Development and Cooperation (SDC), Federal Department of Foreign Affairs (FDFA).

#### BRIEF DESCRIPTION

The project aims to create resilient livelihoods for sustainable smallholder coffee farmers, foster economic growth - particularly for women in coffee - and participation in global value chains, and contribute to a healthier environment.

#### COUNTRY/PROVINCE

Honduras

#### IMPACT

- 10 local business support organizations (BSOs) have been trained.
- 48 companies focused on sustainable coffee have had access to specialized export promotion services provided by the BSOs.
- 1 370 small sustainable producers (28% women) have increased their income and generated a higher price per unit for their sustainable coffee.

## WHAT MAKES THE ASSET UNIQUE?

The DigiTrade Toolbox is unique in its ability to centralize digital resources that enable small coffee producers to access international markets without intermediaries. This tool offers recorded virtual trainings, a database of trade contacts and complementary materials on export strategies. It also ensures continuity of learning and trade promotion beyond the duration of the project, guaranteeing that producers can continue to improve their trade skills autonomously.

## POTENTIAL FOR REPLICATION

It has a high potential for replication in other agricultural sectors that also face barriers to accessing international markets. Its modular and adaptable design allows the platform to be applied to different products, from cocoa to other agricultural products, providing export training, access to business contacts and market strategies. In addition, its model of virtual and recorded trainings allows for long-term knowledge transfer to other beneficiaries, adapting to new needs of producers. By integrating with other trade support programs, this tool can be easily extended to different industries in developing countries seeking to improve their competitiveness in global markets.

## PARTNERS

Business support organizations have been trained to offer specialized export promotion services to their clients in the sustainable coffee sector. These institutions include the Honduran Coffee Institute (IHCAFE), the Honduran Association of Coffee Producers (AHPROCAFE), the Alliance of Women in Coffee (AMUCAFE), the National Association of Coffee Growers of Honduras (ANACAFEH), the National Coffee Council (CONACAFE), the Secretariat of Economic Development (SDE), the Secretariat of Foreign Affairs and International Cooperation (SRECI), the National Investment Council (CNI), the Secretariat of Agriculture and Livestock (SAG), and the Chamber of Commerce and Industry of Cortés (CCIC). In addition, links have been established with the SIPPO Trade Academy.

## TARGET GROUPS

A total of 48 companies focused on sustainable coffee have had access to specialized export promotion services provided by business support organizations. These services have been key to strengthening their presence in international markets, facilitating their competitiveness and growth within the global coffee sector. Some examples of local beneficiary cooperatives are: Comercial Exportadora San Vicente, COCAMOL and CAFESMO, among others.

## APPROACHES AND ACHIEVEMENTS

The *Inclusive Coffee* project has adopted a systemic and facilitative approach to boost capacity building in the Honduran coffee sector. Swisscontact has worked closely with the business support organisations to ensure that the capacities transferred during the project can continue to be replicated autonomously. Both the business support organisation and the partner cooperatives and enterprises have received technical and commercial trainings that have enabled them to become key actors in the transfer of knowledge to small producers and other cooperatives. Through this approach, business support organisations have improved their capacity to provide effective services to their members, including topics such as price risk management, coffee quality and international marketing strategies.

The *DigiTrade Toolbox* has facilitated access to essential business skills. In total, 418 people (59% women and 41% men) participated in the 11 virtual trainings developed during the 4 years of the project. Another of the most outstanding achievements is the creation of a network of more than 600 business contacts, which has facilitated the direct connection between producers and international buyers. This network has allowed producers to access new markets without relying exclusively on participation in physical fairs. The Toolbox has also proven to be an essential tool for the resilience of the coffee sector during and after the pandemic, ensuring that producers have continuous access to the knowledge and tools needed to maintain and improve their business operations.

## LESSONS LEARNED

One of the main lessons of the Inclusive Coffee project has been the importance of combining technical training with trade promotion to achieve sustainable impact. To this end, it began with a diagnosis of export capacities to assess capacities and to be able to design a training programme according to needs. Thus, the participating cooperatives have learned that product quality is key to competing in international markets, and that continuous improvement in production processes, such as tasting and price risk management, is essential to maintain their competitiveness. Recorded virtual trainings have proven to be an invaluable resource to ensure the continuous transfer of knowledge, even after the end of the project. This strategy has enabled producers and cooperatives to improve their trade skills and manage exports more efficiently.

However, ensuring the sustainability of digital tools such as DigiTrade is crucial. In this regard, discussions have been held with IHCAFE as the most relevant partner to continue hosting the tools, providing updates and technical support in the long term. The short development time of these tools within the life of the project, coupled with the months of pandemic at the beginning of the project did not allow time for testing, adaptation, re-testing in the life of the project. It is therefore up to the partners to make these adaptations. Another challenge that is being conducted in the last months of project implementation is the elaboration of several manuals that allow the systematisation of all the good practices and lessons learned. These include:

- **Export Plan Development Manual:** This manual will guide users through the creation of export plans, from export business model conceptualisation to implementation, covering finance, marketing, logistics, Incoterms, and contract negotiation.
- **Handbook of Good Practices in International Trade Promotion:** It will provide strategies and practical guidelines for maximising participation in trade fairs, both for business support organisations and for enterprises and cooperatives, as well as instructions for organising events such as roadshows and tasting sessions.
- **Market Intelligence Manual:** Will provide tools for international market research and analysis, helping to identify markets and niches, with a focus on free trade agreements and strategies for effective participation in trade fairs.

Finally, it is crucial to ensure that access to resources and training is available to all members of partner organisations. In the case of associations such as the Alliance of Women in Coffee (AMUCAFE) or IHCAFE, with presence in different departments of the country, it was observed that trainings are often replicated only to a limited group. In several cases, leaders or managers from other departments were unaware of their participation in the project. It is crucial that these actors understand that they can request the trainings from their own organisations.

## BENEFICIARY STORY



Donaldo González, general manager of the associative enterprise Aruco, has led its evolution in Corquín, Copán. Aruco, founded 18 years ago with 280 producers, now integrates more than 1,000, standing out for its commitment to environmental sustainability and improving the living conditions of its members.

Through the support of the "Inclusive Coffee" project, Donaldo and his team have received training in the production and marketing of speciality coffees, which has allowed the cooperative to access more exclusive market niches and better prices. "They guided us on what to do at a fair, how to present ourselves, how to address (potential clients) and even how to dress", Donaldo mentions, recalling the improvements he experienced thanks to the export coaching. "The project has allowed us to improve our processes and, consequently, our sales. We exported up to eight containers of speciality coffees in a single year," he says.

Today, Aruco continues to evolve. Donaldo emphasises that, although it has been difficult, the key to success has been the union between producers. "At the beginning, it was very difficult. Going alone is risky, but now we form consortiums, which allows us to risk less and move forward more united. We are all going in the same direction, raising the flag for Honduras," concludes Donaldo, grateful for the alliances formed and the support that has allowed his company to be an example of growth and sustainability in the region.



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