



# **ICO/CFC COFFEE DEVELOPMENT PROJECTS**

## **PROGRESS REPORT 2008/2009**

**Document No. R006/09/E**



## 1. BACKGROUND

- ICO and CFC are intergovernmental institutions
- **ICO and CFC have Mandates they share in common:**
  - ICO:** 1. Tackle the challenges facing coffee sector
  - 2. Improve standard of living of coffee dependent families in developing countries
  - CFC:** 1. Support developing countries that are commodity dependent to diversify commodities production and trade
- ICO and CFC are collaborating institutions in coffee development serving as **supervisory** and **financing body**, respectively

- **CFC/ICO contribution to coffee development :**

Coffee projects financed = 32

Total budget = \$ 93 million

- CFC = \$ 50 million

- Co-finance/counterpart= \$ 43 million

- **Objectives of this report:**

- Update IACO members on coffee development activities in Africa and contribution of ICO and CFC
- Monitor CFC/ICO financed coffee development projects in Africa and follow up their progress



## **2. Progress of project activities**

### **2.1 Project category**

- I. New projects under consideration by ICO**
- II. New projects under consideration by CFC**
- III. New projects requiring reformulation or alternative source of finance**
- IV. On-going projects**
- V. Completed projects**

## 2.2 General consideration

° **Table1. Summary of ICO/CFC coffee projects**

Region	Projects (No)					Total	
	I	II	III	IV	V	No	%
Africa	2	4	1	8	10(12)	25(27)	53
Latin America	-	2	1	5	5 (6)	13(14)	27
Asia (mainly India)	1	-	-	(1)*	1(2)	2(5)	10
Europe	-	-	-	-	1	1	2
World wide	1	-	1	-	2	4	8
Total	4	6	3	13(14)	19(23)	45(51)	100

\* Value considering region replication; I=New (ICO level), II=New (CFC level), III= New (CFC level for reformulation), IV= On-going, V=Completed

## 2.2 general consideration cont'd

### Priority Areas to be Addressed

1. **Extension services** (training; supply of planting, material, input and credit ; etc.)
2. **Rehabilitation program** in war torn countries – Only Angola and recently D.R.Congo considered so far
3. **Quality improvement** and promotion of specialty coffee – the genetic and ecological diversity in Africa is an opportunity
4. **Yield improvement** and disease control – Yield < 600 kg/ha; Disease- CBD, CLR, CWD,

**SUGGESTION:** ICO and CFC should encourage new projects in these area

## 2.3 Progress of CFC/ICO project activities

### Category I: New projects under consideration by ICO (Total = 4; Africa = 2)

Project title	Decision
1. Coffee genetic resources conservation and use	Approved for submission to CFC
2. Enhancing the potential of gourmet Robusta coffee in uganda	Approved, but require revision to include Angola and Tanzania as additional location and IACO as PEA before submission to CFC

## 2.3 Progress of ICO/CFC ...

### Category II: New projects under consideration by CFC (Total = 6; Africa = 4)

Project Title	Decisions
1. Coffee Rehabilitation in D.R. Congo	To be considered by CFC CC in Jan.2010
2. Improving coffee quality in Eastern and Central Africa	- do -
3. Raising income Security of small farmers in Malawi and Tanzania	<ul style="list-style-type: none"><li>• Consultant recruited to develop full project</li><li>• CFC CC to consider in Jan 2010</li></ul>
4. Study of the potential for commodity exchanges in West Africa	Recommended for revision by considering previous CFC projects and experiences of participating countries

### Category III: New projects requiring reformulation or alternative sources of finance (Total = 3; Africa = 1)

Project title	Comment
I. Enhancing use of coffee germplasm – An African perspective	<ul style="list-style-type: none"><li>• Initiated by IPGRI and ACRN/IACO in 2001 and still on board at CFC</li><li>• In view of IACO, this project has been replaced by the project ‘coffee genetic resources conservation and use’ which has been approved by ICO in september 2009</li></ul>

### **Category IV: Projects approved by CFC - On-going [Total = 13 ; Africa = 7]**

<b>Project title</b>	<b>Progress (major achievements)</b>
1. Coffee price risk management in Eastern & Southern Africa	<ul style="list-style-type: none"><li>• World bank has quit to act as PEA</li><li>• CFC requested a new project proposal as a follow up of 'short-&amp; medium-term finance' project in Kenya</li><li>• ICO requested the PEA to rewrite the project</li></ul>
2. Rehabilitation program in Angola	<ul style="list-style-type: none"><li>• 84 new communal and 2 large nurseries established</li><li>• 3400 hectares of land rehabilitated</li><li>• CFC has approved 2-years extension of the project</li></ul>

## Category IV: on-going projects...

Project title	Progress (major achievements)
3. Short- and medium-term finance to small-scale coffee farmers in Kenya	Started in October 2007
	43 cooperatives and 3 estates established
	Training on coffee management practices, product and its delivery; and disbursement of budget for input and labor financing conducted
	Details will be presented by PEA (UNOPS) during this General Assembly

## Category IV: on-going projects...

Project title	Progress (major achievements)
4. Development of Gourmet Robusta coffee in Gabon and Togo	The project was launched in Nov.2007
	Project sites , 500 farmers and 12 demonstration sites selected
	Arrangement of credit to farmers done in both countries
	Training of trainers on improved management and processing practices to extension workers, concerned staff and lead farmers completed
	Seedlings and cuttings raised last year has been planted out in the field

## Category IV: on-going projects...

Project title	Progress (major achievements)
<b>5. Access to finance for the development of diversification crops</b>	<b>Launched in March/April 2008 [Cote d'Ivoire and Burundi]</b>
	<ul style="list-style-type: none"><li>• <b>Socio-economic studies in the project areas in both countries completed</b></li></ul>
	<ul style="list-style-type: none"><li>• <b>Studies of past and present agricultural credit structure, and development of effective agricultural credit system completed</b></li></ul>
	<ul style="list-style-type: none"><li>• <b>Consultant recruited for Burundi to prepare manual on revolving fund management</b></li></ul>

## 2.3 Progress of ICO/CFC ...

### Category IV: on-going projects...

Project title	Progress (major achievements)
<b>6. Increasing the resilience of coffee production to CLR and other diseases</b>	Location: India, Kenya, Uganda, Rwanda, and Zimbabwe
	<ul style="list-style-type: none"><li>• Stakeholders analysis and socio-economic surveys completed in all countries</li></ul>
	<ul style="list-style-type: none"><li>• Raising of seedlings and land preparation completed and</li></ul>
	<ul style="list-style-type: none"><li>• preparation is under way to transplant for establishment of on-farm and on-station trials</li></ul>

### Category IV: on-going projects...

Project title	Progress (major achievements)
<b>7. Enhancing competitiveness of African coffee through a value chain analysis</b>	Location: Nine IACO member countries
	<ul style="list-style-type: none"><li>▪ Project introduction, questionnaire development and distribution completed</li><li>▪ Country Focal Person (CFP) and Field Officer (CFO) identified</li></ul>
	<ul style="list-style-type: none"><li>▪ Data collection, stakeholders workshop, and project development near completion</li><li>▪ Details will be presented by PIA</li></ul>

## Category IV: on-going projects...

Project title	Progress (major achievements)
Building capacity for coffee certification and verification in Eastern Africa	Location: Eastern Africa (11 countries)
	<ul style="list-style-type: none"><li>▪ Approved by CFC (April 2009) and EU (Jul. 2009)</li></ul>
	<ul style="list-style-type: none"><li>▪ Legal documents are under preparation</li></ul>

## Category V: Completed projects

### Summary:

- Number of projects completed in Africa = 12
- Sixteen (16 ) IACO member countries had benefited from at east one of the completed projects
- For detailed information, beneficiaries may contact:
  - ICO website ([www.ico.org](http://www.ico.org) ) or
  - CFC website ( [www.common-fund.org](http://www.common-fund.org) )

## **6. Conclusions**

**The contribution of ICO and CFC towards African coffee development is highly considerable and encouraging**

**The dissemination of project results should be more strengthened to include workshops, training, and access to information through website, manuals and bulletins as an integral component of each project**

**It would be very useful to conduct impact assessment of completed projects in order to:**

- understand whether financing is worthwhile or not,**
- identify impediments to efficient use of project results, and**
- identify success stories and learn lessons in order to design impact oriented projects and assist in efficient use of project results by end users**



**THANK YOU**

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