REPORT OF THE 3RD AFRICAN COFFEE SYMPOSIUM HELD IN LUANDA, REPUBLIC OF ANGOLA
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HELD IN LUANDA, REPUBLIC OF ANGOLA

A View of the Participants in the Conference Room.

OPENING CEREMONY
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Dr. Kwaku Owusu-Baah, Symposium Facilitator
LIST OF ACRONYMS

ACRAM  Agency for Robusta Coffee in Africa and Madagascar
ACRN  African Coffee Research Network
ACT  African Coffee and Tea
AFAWA  Affirmative Finance Action for Women in Africa
AFCA  African Fine Coffee Association
AFDB  African Development Bank
AFRICOIN  Africa Coffee Initiative
AFREXIMBANK  Africa Export Import Bank
AGA  Annual General Assembly
AU  African Union
CWD  Coffee Wilt Disease
EAC  East African Commission
ECOWAS  Economic Community of West African States
ERP  Economic Recovery Program
FAO  Food and Agriculture Organization
IACO  Inter African Coffee Organization
ICCO  International Cocoa Organization
ICO  International Coffee Organization
IITA  International Institute for Tropical Agriculture
ILO  International Labour Organization
ITC  International Trade Centre
PPPP  Public-Private Partnership Platform
SADC  Southern Africa Development Commission
SDG  Sustainable Development Goals
SG  Secretary General

v. Finance and inputs
- To create an enabling environment for women and youth’s access to finance and appropriate technology in the coffee value chain;
- To strengthen and/or facilitate the establishment of farmer organisations in the coffee value chain; and
- To encourage member states to give special attention to their due responsibilities in fulfilling their financial obligations to the IACO.

vi. Climate change
- To undertake measures to identify and mitigate the effects of climate change, including fighting pests and diseases.
- To re-focus coffee research and give special attention to climate change adaptation and mitigation strategies; and
- To share climate smart best practices for adoption by member states.

vii. African Union
- To include coffee in the African Union Agenda as a strategic crop under their agricultural programme;
- To have IACO as one of the recognized specialized agencies of the African Union.

LUANDA, this 26th November 2015
Republic of Angola and chaired by Hon. Afonso Pedro Canga, Minister for Agriculture of the Republic of Angola and Chairman of IACO. The official opening, on 24th November 2015, was attended by Ministers, Angolan Parliamentarians, representatives of International and Regional Bodies, and Delegates from IACO Member States.

The delegates expressed their appreciation of the support of the Government of Angola in hosting the IACO 2015 Annual Meetings, and acknowledged the facilitation provided by the African Development Bank in the coordination of the sessions.

From the wide range of reports and papers discussed during the African Coffee Research Network meeting, the Coffee Symposium, and the IACO General Assembly, the following declaration was made.

1) Given the importance of coffee in the African Economy, including poverty reduction in rural communities through women and youth involvement and empowerment;
2) Noting the old age of the producing population and old coffee farms in the Member States;
3) Considering the emerging challenges of the African Coffee Industry;
4) Noting the commitment of IACO in the revival and the re-positioning of Africa coffee; and
5) Given the urgent need to particularly focus on the involvement of Women and Youth in Africa’s coffee industry.

The following key actions are to be taken by Governments of IACO Member States:

i. Women and Youth
   - To Promote, strengthen and improve the participation and/or integration of women and youth in promoting sustainable coffee value in Africa.

ii. Governance
    - To encourage and support the involvement of women and youth in the coffee industry;

iii. Policy
    - To develop appropriate crop specific policies that promote and support coffee development initiatives by women and youth;
    - To initiate wide ranging policy interventions that will promote public private partnerships in African coffee value chain; and
    - To promote relevant policies that would enhance increased value addition and domestic coffee consumption.

iv. Productivity and Quality
   - To strengthen the capacity of coffee producers to adopt Good Agricultural Practices;
   - To improve productivity, quality and value addition for a sustainable and competitive African Coffee; and
   - To promote the availability and adoption of improved technologies to improve productivity and production;

FOREWORD

IACO launched a new strategic policy initiative in 2013 aimed at engaging the private sector in new partnerships and alliances by creating new opportunities for the growth and development of African coffee. During IACO’s 2013 Annual General Assembly (AGA), a first symposium was organized under the theme Position, Perception and Potential of the African Coffee; and in 2014, a second symposium was again organized on the theme Unlocking the Potential of the African Coffee Industry.

The 2015 Coffee Symposium, under the theme Focusing on Gender and Youth in Africa’s Coffee Industry, is the third in the series, and an important component of IACO’s overall strategic interventions to engage member countries and the private sector in fruitful discussions to find solutions to challenges that currently bedevil the African coffee industry. The role played by the private sector in this 3rd Coffee Symposium was remarkable, particularly by the impressive presentations made at the symposium. In line with the theme, the presentations and discussions focused on exploring ways of enhancing the role of women and the youth of Africa regarding the long-term sustainability of the African coffee industry.

Attracting Africa’s youth to the coffee value chain would require conscious efforts at policy interventions that can motivate the continent’s young and growing population into the industry. At the minimum, coffee production would have to be relatively modernized to boost productivity and value addition, thereby providing a reliable source of income for the young ones. This will no doubt require substantial funding. In this regard, the 3rd Coffee Symposium also discussed the proposed establishment of an African Coffee Facility aimed at mobilizing resources to find sustainable solutions to unlock the potential of African coffee. The African Development Bank has committed to support the process of establishing this Facility.

The launching of the new strategic policy initiative is expected to drive Africa’s efforts at promoting and transforming its coffee industry in a sustainable fashion, with women and the youth at the centre stage of development. The emphasis on women and youth is important as women constitute the majority of Africa’s labour force in agricultural production; whereas the youth of Africa is a huge asset that is missing from this sector. The realization of this new strategic concept, however, will require total commitment from the coffee producing countries. Member states are encouraged to promote inclusive growth through women and youth participation, influence and market access; financial inclusion for women and youth; agri-business incubation, agricultural, technical and vocational training.

Frederick S.M. Kawuma
Secretary General of IACO
ACKNOWLEDGEMENTS

The Secretary General acknowledges all organizations, IACO partners and individual persons who contributed immensely towards the successful organization of the 3rd Coffee Symposium in Luanda, Angola.

Our special thanks go to the Government and People of the Republic of Angola for hosting the Symposium during the week of 23rd November, 2015, and to the African Development Bank (AfDB) for providing the technical support. We are especially grateful to Hon. Dr. Afonso Pedro Canga, the Angolan Minister of Agriculture and Chairman of IACO (2014/15), and to Messrs. Chiji Ojukwu and Ben Kani of AfDB for facilitating the Bank’s support. We specifically thank the AfDB consultant, Dr. Kwaku Owusu Baah, who facilitated the symposium and coordinated all its various arrangements.

We are further grateful to all the Chairpersons as well as the speakers/presenters for the various sessions, including Madam Josefa Sacko, former IACO Secretary General; H.E. Ambassador Jonathan Coker, Special Representative of ECOWAS President; Mr. Luzolo Manuel, Research Scientist of the Angolan Coffee Board (INCA); Mr. Graciano Domingos, Governor of Luanda; Mr. Enselme Gouton, Chairman of ACRAM; Dr. Martin Septime, AfDB Country Representative in Angola; H.E. Mrs. Rhoda Pesce Tumusiime, AU Commissioner for Agriculture; Mr. Roberto Oliveira Silva, ICO Executive Director; Mr. Joseph Nkanda, Executive Director of NUCAFE (Uganda); Dr. Denis Seulieu, Chief Economist, ICO; Mr. Kamembe Kandunga Kamungele, board member of AFCA and ACRAM; Dr. Benedict Aligebamb of University of Ghana; Ms. Charlene Hua, Co-Founder of African Coffee and Tea (ACT); Mr. Stefan Cognigni from Hanns R. Neumann and Dr. Raymond Bounbounya from AFREXIMBANK.

Finally, special thanks go to Dr. Neto, the Director of INCA (Angola), and his entire staff, and the Staff of IACO Secretariat in Abidjan, for their invaluable contribution in driving the organisation of the symposium. Our appreciation goes to delegations of IACO Member States and private sector participants for their role in making the symposium a success.

IACO appreciates your individual commitment, dedication and unique contributions towards the growth and development of African coffee.

Accordingly, the following policy interventions are proposed for consideration:

- At the upstream, African governments could be supported to issue coffee bonds in key origin countries and use the proceeds for productivity improvement through financing of production inputs like fertilizers, insecticides etc., financing of new plantations and expansion of existing ones.

- At the midstream, promote coffee processing by facilitating capacity expansion via provision of working capital financing and imports of new equipment for establishment of new plants and refurbishment of existing ones, promote trade support services, and facilitate market access to African coffee processors by working with international coffee traders and creation of JVs between African producers and international trading companies; and

- At the downstream, finance consumption promotion within Africa, Middle East and Asia.

The success of these initiatives in the coffee sector will however call for a strong partnership between major players in the world coffee economy including the Inter African Coffee Organization (IACO), the International Coffee Organization (ICO), Governments of African coffee producing countries, African Banks and Development Finance Institutions, African private sector i.e. organized coffee producer associations, global coffee companies and major coffee processors; and public private sector coffee institutions in Africa.

ANNEX 1

ORGANISATION INTERAFRIQUE DE CAFÉ

INTERAFRICAN COFFEE ORGANISATION

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Inter African Coffee Organization (IACO)
55th Annual General Assembly, November 2015

THE LUANDA DECLARATION

IACO’s 2015 Annual Meetings took place in Luanda, Republic of Angola from 23 to 27 November 2015, under the kind sponsorship of H.E. Jose Eduardo Dos Santos, The President of the
6.4.1. INSTRUMENTS OF INTERVENTION

Interventions in this initiative span across activities upstream, midstream and downstream. The upstream interventions include:

- Arranging the issuance of cocoa bonds by governments to finance upstream activities and consumption promotion;
- Export development program through provision of term funding for the creation of processing capacity (equipment purchase etc.), provision of working capital financing for procurement of cocoa beans for processing, provision of guarantees necessary to facilitate financing of the sector (eg. refinancing guarantees for entities financing construction of cocoa plants, contract availability guarantees, and investment and country risk guarantees);
- Corporate advisory services through support for the creation of linkages between upstream producers and domestic processors and manufacturers; and
- Facilitate creation of JVs between local processors and major corporations in cocoa to guarantee off-takes and market access.

Midstream interventions include:

- Expansion of processing capacity through imports of new equipment and refurbishment of existing plants, and
- Working with international cocoa traders and manufacturers to facilitate access of African cocoa processors to export markets by fostering creation of JVs between selected companies in producing countries with international trading companies.

At the downstream, the Bank is working with partners to undertake consumption promotion in origin countries and Asia, starting with Nigeria and China where the population is an attraction for the promotion.

6.4.2. POTENTIAL IMPLICATIONS OF AFRICOIN FOR AFRICAN COFFEE

African coffee consumption remains equally low, except in Ethiopia, with the continent consuming only 7 percent of global consumption. Again, there is room to expand consumption especially due to the growing middle class and rising private consumption for coffee in Africa, coupled with the already low consumption of coca in the Middle East. Leading actors in African coffee could adopt the AFRICOCoin model to increase production, processing and consumption of African coffee and to enhance integration of the region into global value chains.

1.0 GENERAL BACKGROUND

1.1 HISTORICAL PERSPECTIVE OF THE INTER AFRICAN COFFEE ORGANIZATION (IACO)

The Inter African Coffee Organization (IACO) was created in 1960 by 11 founding member countries with the vision to strengthen the basis for generating household incomes and government revenues from coffee. The Organization’s key objective then and now is “... to study the problems concerning African coffee, in particular its production, processing, and marketing in order to ensure improved production, attain optimum level of selling prices and increase consumption and demand of the African coffee.” Currently, IACO membership includes all the 25 coffee producing countries in Africa. Until 1989, world coffee marketing was based on a quota system and this helped IACO to largely achieve its long-term objective, producing more than 30% of world coffee production and earning considerably attractive foreign exchange that contributed significantly to foreign exchange earnings for its members.

The quota system was abolished in 1989 which opened up global coffee production and marketing to international competition. Coffee prices have since been unstable. It declined more than 50% between 1989 and 1990 but picked up after a couple of years. Prices crashed again between 1999 and 2004 but recovered after 2005. According to International Coffee Organization (ICO) composite indicator price history, global coffee prices experienced an average annual increase of about 36 percent between 2001 and 2011. This increase was however short-lived. In 2013, ICO composite indicator price was almost 30% below those quoted in 2011. Historically, coffee prices have gone through periods of booms and busts.

1.2 CHALLENGES IN AFRICA COFFEE INDUSTRY

Overall, IACO has struggled to pursue and achieve its long-term objective to improve production, increase consumption and demand, and therefore enhance earnings from coffee. Reduced earnings from the sector have resulted in reduced investments in the sector and have further worsened the industry’s decline. Currently, Africa’s share of global coffee production has plummeted to mere 12% with its share of exports declining to 9.8%. Africa’s coffee sector faces other challenges, key among them being old and aging farmer population, with little or no hope of attracting young men and women into the sector because of poor farmer returns on investments, and low coffee consumption. Attracting the youth into coffee is key for long-term sustainability and growth of the coffee sector while promoting coffee consumption in Africa is also critical to increase demand and improve prices and earnings from coffee.
1.3 A NEW IACO VISION

In pursuit of its mandate, IACO launched a new strategic policy initiative in 2013 to re-position the Organization for a meaningful engagement with the private sector and to build new partnerships and alliances that would address challenges and take advantage of new opportunities in the global coffee sector. Accordingly, the first annual coffee symposium aimed at discussing the challenges and finding solutions for them was organized as part of IACO’s 2013 Annual General Assembly (AGA) under the theme “Position, Perception and Potential of the African Coffee”. The initiative brought the private sector for the first time into partnership with the public sector in Africa’s coffee industry. The second symposium was also organized as part of IACO’s 2014 AGA under the theme “Unlocking the Potential of the African Coffee Industry”. The second symposium identified Africa as the next frontier of coffee production to meet increasing global demand. The third symposium was held during IACO’s 2015 35th AGA and the 17th African Coffee Research Network (ACRN) in Luanda, Angola, between 23rd and 27th November, 2015, under the theme “Focusing on Gender and Youth in Africa’s Coffee Industry”.

Presentations and discussions focused on exploring ways to enhance the role of women and the youth in Africa’s coffee for long-term sustainability of the industry in order to meet the increasing global demand for coffee. Other related issues discussed were potential impact of climate change, strategic interventions for increasing coffee consumption in Africa and the establishment of an African Coffee Development Fund to mobilize resources to drive the transformation of Africa’s coffee.

cocoa and coffee on the continent. In the case of cocoa, global value is estimated at over US$150 billion out of which less than US$10 billion accrue to farmers, an indication that farmers of both commodities earn much less than other industry players along the value chain. In order to correct this dis-equilibrium, the Bank worked with the International Cocoa Organization (ICCO) to initiate the Africa Cocoa Initiative (AFRICOIN).

The challenges in the cocoa sector are similar to those of the coffee sector. Although cocoa production has increased in the 4 leading producing nations in Africa, productivity remains stagnant low at 350 kg/ha, as against the 550 kg/ha obtained in Asia. The low productivity is as a result of ageing trees and low investments in plantations; low investment in research into high-yielding species; poor agronomic practices; pests and diseases, and impact of sector reforms as a result of the economic recovery programs (ERP) undertaken by producing nations which saw a reduction in government support for the sector. On the processing side, total grindings in Africa is picking up and reaching 877,000 tons in 2014/15, higher than that of Asia but less than that of the Americas.

Despite these developments, challenges remain and they include:

- The usual price volatility that affects small companies because they cannot afford long-term contracts or hedging solutions;
- Limited access to financing due to inability of processors to secure long-term contracts to support such financing;
- Inadequate infrastructure (power, water, transport and ports);
- Tariff and non-tariff barriers (including strict SPS requirements);
- Low level of consumption in origin countries;
- Limited market access for processed exports; and
- Limited technical and managerial skills.

But there are opportunities in the cocoa industry, especially given the rising demand for the commodity. To explore the opportunities, AFREXIMBANK introduced the AFRICOIN in 2012 to:

- Facilitate the growth in cocoa beans production by supporting productivity improvement initiatives, plantation expansion and technical assistance services to selected players in the African cocoa industry,
- Support deeper integration of the African cocoa economy into the global value chain by expanding processing of raw cocoa into cocoa liquor, cocoa powder and cocoa butter to feed manufacturing plants in Europe, North America and Asia, and
- Promote consumption of cocoa products in Africa, Asia and the Middle East.
6.3. THE PROPOSED AFRICAN COFFEE FACILITY

The representative of the African Development Bank began his presentation by re-stating the challenges facing the African coffee industry, as he had initially outlined in his previous presentation on coffee productivity. He then proceeded to propose innovative finance for transforming Africa’s coffee industry.

6.3.1. POSITION OF THE AFRICAN DEVELOPMENT BANK

There is currently an on-going dialogue for the establishment of an African Coffee Facility aimed at bridging the gap between current development assistance and future sustainability of the coffee sector in Africa. In this connection, the Bank has agreed to organize a workshop in early February 2016, to discuss further the conditions for its creation and to inform senior management of the Bank on the way forward.

This February meeting will however be a follow up to an earlier meeting in October 2015, in Dakar, Senegal, when several proposals for innovative financing of Africa’s agriculture were discussed and recommendations made for agriculture transformation in general, including the coffee sector. It was proposed for member countries to take note of the recommendations and to adopt relevant ones for promoting coffee and agriculture generally.

Among the recommendations are the following:

- Establishment of a risk sharing facility for agriculture to de-risk the financial value chain and de-risk the agricultural value chains;
- Promotion of an Affirmative Finance Action for Women in Africa (AFAWA). The Bank has agreed to establish a US $300 million facility for women with pledges from other financial institutions to leverage over US $3 billion;
- Establishment of climate risk facilities and the Bank will support the Africa Risk capacity to address this;
- African Central Banks to set up special funds allowing farmers to access credit at lower interest rates and longer term maturity;
- New forms of private equity funds for agriculture including the use of sovereign wealth funds and pension funds;
- Support the establishment of more functional agricultural development banks working on business principles;
- Scale up the establishment of regional warehouse receipt financing and agricultural commodities exchanges, and
- Set up a youth in agriculture financing facility

6.4. TRANSFORMING THE COFFEE SECTOR IN AFRICA: THE AFRICOIN EXPERIENCE

In his presentation, the representative of AFREXIMBANK recalled that Africa produces about 70 percent of the world’s cocoa and 12 percent of its coffee; however, both sectors are dominated by exports of the beans as raw materials with little or no value addition and low consumption of both

1.4 STRUCTURE OF SYMPOSIUM

The 3rd African Coffee Symposium was held on 24th and 25th November, 2015, with the participation of twelve (12) member countries including Angola, Burundi, Cameroon, DR Congo DR, Côte d’Ivoire, Ethiopia, Gabon, Ghana, Guinea Conakry, Kenya, Togo, and Uganda. The symposium was broken down into eight sessions and the technical presentations addressed issues of coffee production and related factors (youth and women, climate change), value addition and marketing, financing and public-private partnership.

1.4.1. STRUCTURE OF REPORT

This Report presents the issues addressed at the Symposium. Section 2 of this report discusses the Official Opening of the Symposium. Session 3 addresses issues of coffee productivity and production. Section 4 discusses value addition and marketing and Section 5 addresses the issue of public-private partnership. Finally, Section 6 discusses the proposed African Coffee Development Facility. The various presentations and discussions at the Symposium culminated into a final declaration dubbed the Luanda Declaration, which is attached to this report as an Annex.
2.0. OPENING CEREMONY OF THE AFRICAN COFFEE SYMPOSIUM AND THE 55TH ANNUAL GENERAL ASSEMBLY

2.1. INTRODUCTION
The Hon. Minister for Agriculture of Angola, Dr. Afonso Pedro Canga, who is also the Chairman of IACO, chaired the Session and officially opened the Symposium and IACO 2015 55th Annual General Assembly, on behalf of the President of the Republic of Angola. Statements were made by other VIPs representing their organizations.

2.2. WELCOME ADDRESS BY MR. GRACIANO DOMINGOS, GOVERNOR OF LUANDA
In his welcome address, the Governor of Luanda thanked IACO for choosing Angola for its 2015 General Assembly which coincided with the country’s 40th Independence Anniversary. He appealed to IACO to assist Angola regain its stature as a leading coffee producing nation. According to him, Angola is good for coffee production and was the 3rd largest coffee producer in Africa during the colonial era, but the country’s war destroyed the infrastructure for coffee development. He argued that coffee farmers in Africa had failed to benefit adequately from their effort and appealed to IACO member countries to pursue policies that will be rewarding to all operators in the coffee value chain.

2.3. STATEMENT BY MR. ENSELFME GOUTHON, CHAIRMAN OF ACRAM
The ACRAM Chairman thanked the Angolan authorities for hosting the 2015 AGA. He was emphatic that the African coffee industry was changing positively but there was the need for member countries to develop market synergies to improve coffee marketing. He said ACRAM had put in place measures to improve Robusta coffee production in Africa and Madagascar, increase the population of women in African coffee and accordingly empower the women.

ACRAM held its 3rd Annual Consultative meeting in Togo in October, 2015, to deliberate on how to increase coffee productivity in Africa. Among the recommendations, ACRAM proposed the need to strengthen institutional framework, to strengthen private public partnership and to strengthen relationships with development partners. The ACRAM meeting scheduled for Côte d’Ivoire, will consider how to get all stakeholders to be more involved and how revenues generated in the industry could benefit all sector stakeholders fairly.

2.4. STATEMENT BY MR. KAMBALE KISUMBA KAMUNGELE, BOARD MEMBER OF AFCA AND ACRAM
The Board member acknowledged the importance of the theme for the symposium because, according to him, women and youth involvement in coffee would be the driver for the sustainable

6.2.3. WIN-WIN PARTNERSHIP
The initiative can be a win-win arrangement for all the partners.

For the sector as a whole, the benefits include:
- employment creation, food security and rural poverty reduction in Africa;
- improvements and efficiency gains in the Coffee Value Chain in Africa;
- gender & youth empowerment and employment opportunities;
- implementation of adaptation technologies for mitigating adverse environmental factors which will benefit the agricultural sector; and
- major boost in foreign exchange earnings for the producing countries and improvement in the livelihoods of the smallholder coffee producers.

For European coffee roasters and trader houses, the initiative will ensure:
- consistent supply of high quality coffee in required volumes;
- improved relationship between African coffee producers and European traders/roasters;
- possibilities to identify areas of investment and intervention for mutual benefits; and
- priorities for the European coffee traders to buy the required quantities of high quality coffee from the projects or beneficiary countries.

For the African Development Bank, the benefits include:
- the potential for the agricultural sector support for coffee, leading to partnerships that improve productivity and quality – which will serve as incubators for a variety of businesses in the coffee value chain which can become AfDB customers; and
- generation of new business from the coffee sector where financing for big projects will be possible, contributing to employment and poverty reduction on the African continent.

6.2.4. PROGRESS MADE
Since the first meeting in March 2015, progress has been made towards achieving the tenets of the initiative. First, an official request to the Bank on the subject has been well received and an agreement has been reached to organize a design workshop in early February 2016, in Abidjan, Côte d’Ivoire, to explore the way forward in the establishment of the Facility. The workshop will define priority areas of support that address the key challenges of the African smallholder coffee producers while meeting the interests of all parties to be agreed upon, review investment commitments from the private sector partners, and benchmarking of the support to smallholder coffee producers in addressing the constraints faced in increasing productivity and quality of coffee, as well as institutional capacity building for the cooperatives and farmers associations. Second, IACO has received indication of support from international coffee traders and roasters. Third, there has been commitment from IDH to support IACO in preparing the required documentation to meet the requirements of the AfDB in setting up the African Coffee Facility. It is further agreed that, once all questions are answered and commitments from roasters and traders are secured, the Fund will be set up at the AfDB.
Achieving this would be good business for the farmers, and could go a long way towards the new Sustainable Development Goals (SDGs). Looking around the world, there are not many origins which have the capacity and potential to meet the growing demand for coffee, and thus IACO’s framework of partnership with the international coffee trade and industry, the AfDB and other partners, can make great achievements and contributions towards this effort.

The resurgence of the African coffee industry. But decisions by women and youth to engage in the sector will depend on potential financial rewards and opportunities. Consequently, the African Fine Coffee Association (AFCA) is providing leadership in this direction. AFCA, in collaboration with the International Trade Center (ITC), has secured trade deals worth US$1.2 million for women coffee producers and exporters.

As of 2015, AFCA is embarking on efforts to establish an African Coffee Development Fund to provide low interest credit to farmer groups. Women and youth groups will receive special considerations in this initiative for pre-harvest financing, trade/export advance and for quality improvement. The long-term objective of the Fund will be to build capacity of farmer groups to become attractive to regular financial institutions and wean them off the Fund. Currently, AFCA is seeking to host specialty coffee buyers in 4 member countries to expose them to Africa’s best coffees to enhance market opportunities. It is the wish of AFCA that governments of African coffee producing nations will put coffee on top of their economic development agenda.

2.5. STATEMENT BY MR. ROBERTO OLIVEIRA SILVA, EXECUTIVE DIRECTOR, ICO

The ICO Executive Director declared that his Organization stands with IACO and has interest in IACO and African coffee generally. He associated ICO with the theme of the symposium and said that attracting women and youth into the coffee industry will ensure the long-term sustainability of the industry, especially because in Africa, more than anywhere else, women are active economic agents. Despite their contribution, African women have limited access to productive inputs that limit their productivity potentials. A FAO study has indicated that women’s productivity increases by an average of 30% when given the same resources as their male counterparts. He therefore called for policy measures to improve women’s access to productive inputs. The Executive Director was also worried that African youth have limited opportunities, in a continent where 70% of the population is 25 years or less.

He affirmed that global coffee demand was growing and leading to improved prices and this must have a positive impact on African coffee production; and in so doing, attract young men and women into the coffee industry for its long-term sustainability. He called for measures that would help African coffee farmers to increase their productivity and production by taking advantage of the growing global market opportunities and seeking to address the growing climate change menace.

2.5. STATEMENT BY MR. FREDERICK KAWUMA, SECRETARY GENERAL OF IACO

The Secretary General (SG) re-visited the low productivity challenge discussed during AGA and warned that its serious ramifications must be addressed quickly as millions of Africans in coffee production are poor, rural smallholders and failure to transform the coffee industry will contribute to the vicious cycle of poverty. A more vibrant coffee industry will help member countries to achieve 5 of the Sustainable Development Goals, including ending poverty, ending hunger and promoting sustainable agriculture, promoting sustainable economic growth, combating climate change and preserving the terrestrial ecosystems.
The SG sought to demonstrate that coffee prevents environmental degradation and climate change through provision of ground cover, reduces soil erosion and promotes soil and water conservation. He invited experts at the symposium to discuss coffee growing and processing practices that will continuously promote environmental sustainability. He said through an IACO’s initiative, an African Sustainable Coffee Partnership has been created to help strengthen farmer groups, provide inputs for them, provide them with technical assistance, improve their access to credit, improve road and energy infrastructure, strengthen linkages between research and farmers and remove non-tariff barriers. He reminded participants that African women and youth are under exploited resources that must be harnessed for Africa’s coffee transformation because women and youth have creativity, determination, and energy to make the needed impact. They however face peculiar challenges because of their gender and age. It is for this reason that the 3rd African Coffee Symposium is focusing on gender and youth in order to hopefully recommend appropriate solutions to the challenges of the two social groups.

The SG further touched on the problem of financing in Africa’s coffee industry and announced IACO’s initiative to establish a special African Coffee Facility in partnership with the African Development Bank (AfDB) and the private sector. He said the Facility will support smallholders to produce reliable and consistent supply of high quality coffee and address other constraints in the value chain and called on member governments to create the conducive policy environment to support private investments in the sector. Finally, he announced that IACO was pursuing efforts at the African Union (AU) level to have coffee incorporated into the development agenda of the continental body.

2.7. STATEMENT BY H.E. MRS. RHODA PEACE TUMUSIIME, AU COMMISSIONER FOR AGRICULTURE

The AU Commissioner’s statement focused on Africa’s Agenda 2063 which is the continent’s economic development blueprint that sets out the development priorities for the continent for the period, and the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, which also details Africa’s agriculture direction for the next 10 years to 2025. There are seven key commitments in the Malabo Declaration aimed at ending hunger, reducing poverty and boosting intra-African trade. However, commitment number 4 particularly highlights preferential access for women and youth into competitive agricultural value chains and markets and for creation of employment opportunities and this is in line with the objective of the 3rd African Coffee Symposium.

The emphasis on women and youth is due to the fact that women constitute majority of Africa’s labor force in agriculture production and yet face peculiar challenges in production and post-production activities. Similarly, the youth of Africa is a huge asset that is not engaged in agriculture. With the continent’s growing population, Africa is both faced with a challenge as well as economic opportunity for food security and markets and need to provide incentives for the youth to begin to see agriculture as a profitable venture and engage in it. In order to increase coffee productivity on the continent, the Commissioner called on member states to consider the adoption

6.2.1. GUIDING PRINCIPLES

The guiding principles for the initiative are:

1. Africa is a place of great opportunity in view of global coffee industry prospects:
   i. High quality from Africa, but with challenges relating to consistency and logistics;
   ii. Africa is endowed with high genetic diversity and vast area of suitable land for coffee which provides immense opportunities for improving both quality & productivity. This potential is yet untapped and could be the best target to fill the supply shortfall estimated to reach 50 - 60 million bags by 2030, according to projections and presentations made by the industry at different forums.

2. Important themes highlighted by the Kampala Declaration at IACO’s 54th Annual General Assembly which included:
   i. Need for Public-Private Partnerships;
   ii. Addressing issues of Climate Change Adaptation; and
   iii. Gender & Youth Engagement in coffee business along the whole value chain.

3. Africa’s coffee sector fitting within the forthcoming Sustainable Development Goals.

4. There is a Vision 2020 initiative which includes the 4 major roasters – Nestlé, Mondelez, DE Master Blenders, and Tchibo, plus IDH (the Dutch Sustainable Trade Initiative), the 4C Association, and the International Coffee Organisation.

6.2.2. PROPOSED SUPPORT AREAS

The initiative is expected to provide support for African coffee in ways that will rejuvenate the industry through the entire value chain, as follows:

1. Promote sustainable production practices (including Good Agricultural Practices) and increasing production and productivity to ensure sustainable supply of high quality coffee to the world market;
2. Ensure environmentally friendly practices and support to farmers’ organizations to ensure social responsibility in sustainably meeting consumers’ demand and/or preference;
3. Establish an African Coffee Facility as a new initiative to support coffee quality improvement and value added products development in Africa;
4. Provide support to coffee research and extension services to warrant availability of improved varieties and agronomic practices as well as dissemination of the improved technologies and practices to the grassroots coffee producers; and
5. Help attract the youth and women in coffee business along the value chain as they account for the major proportion of the work force in agricultural sector in general.
6.0. THE PROPOSED AFRICAN COFFEE FACILITY

6.1. INTRODUCTION

Discussions on the proposed Fund for supporting the growth of Africa’s coffee was led by presentations from the Secretary General of IACO, Mr. Frederick Kavuma, and from representatives of the African Development Bank, Dr. Martin Septime, and the Africa Export Import Bank (AFREXIMBANK), Dr. Raymond Bournbouya.

6.2. THE SUSTAINABLE AFRICAN COFFEE PARTNERSHIP

Introductory remarks by the ICO Chief Economist set the stage for this presentation. In view of Africa’s young and growing population, labor-intensive sectors like agriculture need to play a larger role in the continent’s transformation. Agriculture provides an important source of income for the majority of African citizens, but productivity remains low and based on small-scale subsistence production. In the case of coffee, Africa faces a number of challenges. Transforming coffee on the continent will depend on modern agriculture characterized by increased productivity and value addition. But this will require substantial funding. It is against this background that an African Coffee Facility is being proposed with support from all important partners. This Facility is expected to mobilize resources to bring sustainable solutions to unlock the potential of the African coffee industry.

Making his submission, the IACO Secretary General informed participants of an initiative that started with a meeting on 3rd March, 2015, between the International Coffee Organization (ICO) and the Inter African Coffee Organization (IACO) and addressed by the Vice President of the African Development Bank (AfDB). The purpose was to promote a sustainable African coffee sector by increasing productivity and to produce high quality coffee and value addition at the producer level. Under the initiative, an African Coffee Facility is to be established to provide funding for the total rejuvenation of the continent’s coffee industry. This is in line with IACO’s role to coordinate international collaboration for technical and financial assistance to address key challenges facing the African coffee industry and enhance its competitiveness in the global market. The ultimate goal is to improve the livelihoods of the African coffee growers and to maximize the contribution of coffee to the national economy of producing countries.

of the following 4 strategic interventions; that is, inclusive growth through women and youth participation, influence and market access, financial inclusion for women and youth, agribusiness incubation, and agricultural, technical and vocational training.

2.8. KEY NOTE ADDRESS BY MR. MARTIN SEPTIME, RESIDENT REPRESENTATIVE OF AFDB IN ANGOLA

The African Development Bank (AfDB) Country Representative for Angola, Dr. Septime, represented the Bank’s President and read his Keynote Address. In his address, the President indicated that African economies have generally shown resilience and strong growth in recent years, partly due to high demand for African resources by China and India. However, the growth had not been inclusive and, once again, left out women and the youth. In this context, AfDB has prepared a 10-year Strategy, 2013-2022, focusing on promotion of inclusive growth and gradual transition to the green growth. Five top priorities under the strategy include access to electricity; feeding Africa; promotion of regional economic integration; industrialization of Africa and better living conditions for Africa’s population. The Bank has further decided to promote 5 priority crops including coffee, cocoa, cotton, cassava and cashew.

In October, 2015, AfDB held the Dakar High Level Conference and developed an Action Plan for African Agricultural Transformation. The conclusions included achieving rapid agricultural transformation across Africa; set up US$300 million facility to de-risk financing to women-owned businesses, develop agro-allied industrial zones and agricultural corridors; accelerate deployment of financing to agriculture and agribusiness; consider youth in agriculture financing facility; expand African fertilizer production; promote policy reforms in support of the transformation, and secure new private sector investment in agriculture. These decisions are fundamental for and supportive of an African coffee transformation.

The President committed the Bank’s resolve in supporting efforts at Africa’s coffee production promotion and transformation. He took note that coffee production on the continent had experienced a decline leading to a reduction of Africa’s global coffee share from 27 percent in the 1970s to a current 11 percent. Especially in the case of Angola, coffee production has declined from 4 million bags per annum in 1972/73 to a mere 35,000 bags per annum in 2013/2014. He advised that the key challenges that Africa needs to address are low productivity and production; weak value addition and produce marketing; limited coffee research; lack of extension services for small farmers; poor rural infrastructure and poor climate change adaptation and mitigation measures, and limited access to affordable finance.

On the operations side, the President proposed a public private partnership and the establishment of an African Coffee Development Facility to mobilize resources for the sustainability of the industry. In Angola, the Bank is in discussions with the government on the preparation of a new country strategy paper, and coffee will be considered in this strategy. The President declared that the new momentum of the Bank and its leadership provides great opportunity for revamping the coffee sector across the continent.
2.9. OFFICIAL OPENING BY H.E. JOSE EDUARDO DOS SANTOS, PRESIDENT OF THE REPUBLIC OF ANGOLA

The official opening was by Dr. Afonso Pedro Canga, the Angolan Minister for Agriculture, on behalf of the President of the Republic of Angola, H.E. Jose Eduardo Dos Santos. His Excellency was pleased that the 55th AGA was taking place in his country to discuss and find solutions to challenges in African coffee. He hoped that the Angola meeting will address challenges in Africa’s coffee industry including low production, poor quality; old farms and ageing farmer population; pests and diseases; price instability; and poor remuneration for coffee farmers, especially because coffee is the second most important world commodity and plays a critical role in Africa’s economic development. These challenges call for short, medium and long-term strategic interventions. In line with this, he proposed for IACO member countries to adopt new policy initiatives to rehabilitate coffee farms, provide technical assistance for coffee producers, and increase activities in processing, export, research and training.

His Excellency called for support for IACO to strengthen the continental body to help member countries in the transformation of African coffee. Africa has the opportunity to expand its coffee production to meet the increasing demand for coffee but this will require investments in infrastructure, technology and training of women and the youth, especially because the long-term development of African coffee will depend on women and the youth.

He recalled that Angola was once a leading producer of coffee in the 1970s because coffee farming was a tradition in the country which provided critical incomes for rural people. With the outbreak of the war, coffee farms were abandoned and coffee farmers migrated to the urban areas. Angola, as part of its economic restructuring, is beginning to re-vitalize the coffee sector. He called for partnership among producing nations and between the public/private sectors and development partners to pool resources together for the complete revamping of the sector.

5.2.2. ROLE OF IACO IN PPPPS

From the historical perspective, these recent developments are quite healthy and must be encouraged in other IACO member countries. In the light of this, IACO is called upon to play specific roles, as below, to ensure a quick realization of strong PPPPs in African coffee:

- Act as a platform for dialogue between Private and Public Sector.
- Remind its Member States of their Commitments to Promote P&P Dialogue.
- Facilitate Commitment to shared Research, Experience and Knowledge among member States.
- Facilitate Access to Finance to the Private Sector in Member Countries.
- Maximize the Potential of Regional Economic Communities (SADEC, COMESA, ECOWAS, EAC) to develop potential markets for increasing African coffee consumption.
- Emphasize the importance of women and youth empowerment among its members.

5.3. CONCLUSION

In conclusion,

- Africa is capable of unlocking its potential stored in the coffee sector.
- A sustainable resurgence of the African coffee industry is possible if stakeholders along the value chain play their roles.
- PPP is a key catalytic element.
- Women and the youth should play a crucial role in this dynamics.
- IACO has a capital role to play as an inter-governmental institution.
5.0 PUBLIC-PRIVATE PARTNERSHIP IN AFRICAN COFFEE

5.1. INTRODUCTION
A presentation to review best practices in public-private partnership platform and the way forward for Africa was made by Mr. Kamungele Kumba, Coffee Exporter and Chairman of Coffee Exporters Association in the Democratic Republic of Congo. This particular session was chaired by Mr. Luzolo Manuel, Research Scientist of the Angolan Coffee Board (INCA).

5.2. PUBLIC-PRIVATE PARTNERSHIP PROMOTION AND STRENGTHENING: IACO’S ROLE
In his presentation, the Speaker reminded participants that Africa is the origin for coffee, Robusta originating from D.R. Congo while Arabica originated from Ethiopia. He was concerned that, despite Africa’s recognition in global coffee, the continent’s coffee faces several challenges including rudimentary cultural practices, insufficient farmer extension services, low investments in coffee research and production, ageing farmer population, low coffee financing, and low local consumption and value addition. He was however optimistic about the industry’s potential because Africa is endowed with diversity in genetic pool, has available arable land with ideal climatic conditions, has abundant hydrography and considerable labor.

The coffee sector in D.R. Congo has been plagued by historical civil unrest, coffee wilt disease (CWD) outbreak, multiplicity of taxes, heavy administration, and smuggling into neighbouring countries. At the same time though, the country has ideal climatic conditions for coffee production and available land and labor (including youth and women). The country has different coffee varieties and coffee farmers generally have aspirations for better lives. Other opportunities in D.R. Congo’s coffee industry is new positive dynamics in public private partnerships, backed by government’s willingness to make agriculture the driving force of national economic development, including the development of a National Coffee Strategy and a new Agricultural Law. Coupled with increasing global coffee demand, there are opportunities for developing D.R. Congo’s coffee industry.

5.2.1. RECENT POSITIVE DEVELOPMENTS IN D.R. CONGO COFFEE SECTOR
D.R. Congo’s coffee sector is currently experiencing increasing public private partnership arrangements, including the organization of stakeholders’ meetings in coffee producing areas. The output of the meetings has been positive. First, stakeholders have common agreement of the sector problems, which culminated in the development of the National Coffee Strategy and Agricultural Law. Second, a Committee for Cocoa and Coffee Exporters Association has been formed and is currently engaged in dialogue with the government on coffee export policy, as provided for in the Agricultural Law. Third, a favorable tax decree has been passed and a further reduction on export charges decree is pending.

3.0. COFFEE PRODUCTIVITY AND PRODUCTION

3.1. INTRODUCTION
Four coffee production-related presentations were made, including the following:
- Will coffee survive as a cash crop in Africa in the coming 20 years, given its low productivity, growing population and food needs and, how can Africa address the productivity challenge?
- What will it take to get young people back into coffee farming?
- Recognizing the role of women in production and the necessity of young people being involved, what is the road and real sustainability for coffee in Africa?
- Climate change adaptation and the roles of both public and private sectors.

These presentations were made under the varied chair of Madam Josefa Sacko, former Secretary General of IACO and currently Advisor to the Minister of Agriculture, of Angola, Kwaku Owusu Baah, the Facilitator of the Symposium, and H.E. Ambassador Jonathan Coker, Special Representative of the President of ECOWAS Commission in Abidjan, Côte d’Ivoire.
3.2. COFFEE PRODUCTIVITY AND PRODUCTION

3.2.1. SITUATIONAL ANALYSIS

In his presentation on coffee productivity and production, Dr. Martin Septime, the AfDB Resident Representative provided a situational analysis of the coffee industry. Of the 10 million coffee farmers in the world, 95 per cent of them are smallholder farmers out of which 20 million individuals fall below the poverty line, an indication that poverty is pronounced in the coffee industry. Africa has the largest number of coffee producing countries, 25 as opposed to 11 in Asia and Oceania, 12 in Mexico and Central America and 8 in South America. However, 7 out of the 25 African coffee producing countries were among the 10 poorest nations in 2013 and 2014. They include Zimbabwe, Liberia, Burundi, Central African Republic, Malawi, Sierra Leone, and Togo. Over 53 per cent of the rural population of the 25 African producing countries are involved in coffee growing. Coffee farming is a family business with women forming majority of the farming population and play a critical role. Due to decreasing incentive for the coffee sector and the low revenue of farmers, many young people in Africa leave the country side to find better-paid jobs in the urban centers, contributing to decreasing production and low productivity.

Africa’s coffee production has declined from 27 percent of world’s total in the 1970s to 12 percent currently. Except for Ethiopia and Uganda, most African coffee producers are experiencing both low yields of 0.1 to 0.8 tons/ha and reducing production, compared with Vietnam with 2.5 tons and Brazil 6 tons/ha for Robusta and 1.15 tons/ha for Arabica. The three largest African coffee exporters during this decade are Uganda (2.9 per cent of the world total and 28.7 per cent of Africa’s), Ethiopia (2.7 per cent of world and 26.4 per cent of Africa) and Côte d’Ivoire (1.4 per cent of world and 15.4 per cent of Africa).

3.2.2. KEY CHALLENGES

The speaker identified the challenges below as some of the factors that have contributed to the current state of African coffee. They include:

- Inefficient Coffee Research Centers and lack of financial resources;
- Reduced and lack of extension services for smallholder farmers and lack of organizational capacity;
- Weak marketing position of smallholder farmers and vulnerability of farmers to low prices and low income;
- Gender inequality in coffee farming with aging farming population and limited youth engagement in coffee farming;
- Limited access to affordable financing, poor rural infrastructure and poor climate change adaptation and mitigation measures;
- The growing negative impact of climate change on the quality of seeds and soils adaptability;
- Weak local transformation of coffee, and vulnerability and volatility to the international coffee price; and
- Rapid urbanization is slowly competing with coffee land.

sector in Uganda has been integrated to improve coffee value addition and marketing, and the experience is worth duplicating in other African coffee producing nations.

4.4. VISION 2020: COLLECTIVE IMPACT FOR SUSTAINABLE COFFEE COMMUNITIES

This presentation was jointly made by Mr. John Schluter of Café Africa and the Chief Economist of IFCO, Dr. Seidu to invited African coffee producing countries to take advantage of Vision 2020 to expand their market opportunities. Vision 2020 is an initiative of the IFCO, Association of the Common Code for the Coffee Community (referred to as 4C Association) and Initiative Durassime Handel (IDH), translated into English as Sustainable Trade Initiative. The 4C has more than 300 members comprising producers, traders, civil society and industry, among others, with the objective for a sustainable global coffee industry. The IDH is financed by the Dutch Government with a similar objective as the 4C.

Vision 2020 seeks to build a common public-private agenda to realize collective impact on large scale challenges for the resilience and livelihoods of coffee farming communities and the sector as a whole. The dual aims of the initiative are to enable social, environmental and economic benefits for farmers by setting collective farm level goals and to align and increase investment in sustainable coffee by coordinating funding. There are six key principles including farmer-centric, commitment to transformation, agenda identification on systemic issues, non-competitive collaboration, multi-stakeholder movement and good market practices. The long-term goal of Vision 2020 is to provide new ways to advance progress in the coffee sector for the benefit of coffee farmers and their families based on six distinct thematic areas namely creation of a national platform for public-private consultations, development of national sustainability curricula, financial literacy and access to finances, promote integration of gender and youth in coffee, pay adequate attention to climate change, and establish sustainability standards cooperation.

4.4.1. IMPLICATIONS OF VISION 2020 FOR AFRICAN COFFEE INDUSTRY

There could be positive implications for African coffee if IACO member countries would sign on to the initiative as partners and join in the discussions, especially because the overall vision and objective of the initiative mimic that of IACO and its member countries. The national platform could support public-private dialogue and collaboration on national coffee sector strategy in member countries. The sustainability curricula could help promote the public-private participatory process that identifies national and international priorities for achieving a healthy African coffee sector with the result to commonly endorse farmer training materials and methodologies on a basic level for sustainable, profitable production. Gender equality and youth inclusion is critical for a sustainable African coffee farming as a family business. Finally, focusing on increasing farmers’ capacity to adapt to changing climate and common ways of measuring the environmental footprint of coffee will lessen the negative impact of climate change.
4.2.1. THE CHINA-AFRICA COFFEE TRADE POTENTIALS
Africa is under-represented in the growing Asian coffee market although Asia, in particular China, is a long-term foreign investment partner with Africa. For example, China’s coffee imports are mostly from Vietnam (49%), Indonesia (14%), Malaysia (7%), Brazil (6%), USA (5%) and others (19%). Coffee consumption in Asia has grown from 9.4% of global consumption in the 1990s to 13.8% by 2012. In China alone, coffee consumption is estimated to grow to 2.8 million bags by 2020, and this increasing demand offers African coffee producers market opportunities that must be explored.

4.2.2. THE MISSING LINK
The under-representation of African coffee on the Asian market may partly explained by the current non-existing business relationship between African coffee producers and global coffee businesses. What ACT seeks to do is to fill that gap and be the path to the expanding Asian coffee market. The organization has the comparative advantage in making this achievable. ACT has its roots in Asia with a wide view; its founding partners are international professionals working in Asia; it has deep networks in China and in South East Asia with experience in marketing and brand building. Its brand was first established in Asia and currently expanding across the globe.

4.3. BUILDING RELATIONSHIP IN COFFEE VALUE CHAIN - THE NUCAFE EXPERIENCE
The presentation was by Joseph Nkanda, the Executive Director of NUCAFE, a coffee trader and roaster in Uganda. NUCAFE has developed a healthy business relationship with other stakeholders in the coffee value chain of Uganda, through an initiative called Coffee Entrepreneurship Bureau of Uganda (CEBU). CEBU brings together farmers, research (academia), private investors, and government to promote coffee farming and processing along the value chain.

Dubbed Partnership with Compassion, the initiative has created a stakeholder’s platform for coordination and assigned and recognized the role of all stakeholders as follows:
- role of trade associations – partnering business practitioners
- role of government – coffee policy reforms/support to private led initiatives
- role of development partners – support policy changes
- role of media (Journalists)

The relationship is based on a share value model and that includes shared opportunities, shared responsibilities, shared investments, pre-financing and guarantee banking, skills development, accountability and transparency, farmer sustainability, social benefit and social entrepreneurship.

The NUCAFE experience has been rewarding in promoting strong business linkages between Ugandan coffee farmers and a local coffee trader/processor. The experience has also been beneficial to stakeholders by improving operational efficiencies in areas of marketing, processing, packing and branding and in food safety, nutrition and regulation. To a large extent, the coffee

3.2.3. PROPOSED INTERVENTIONS
African coffee cannot survive under the current circumstances unless it is moved from a subsistence to an entrepreneurial level through a concerted approach. Coffee value addition agenda for Africa needs policy-makers and country leaders to develop country level and regional understanding around vertically integrated economics of coffee production and identify the key challenges to increase domestic demand and coffee processing. The following strategic interventions may be considered:

- Support farmers to achieve higher coffee productivity and improved quality through increased access to inputs such as high yielding and more resistant coffee varieties, better fertilization, pest and disease control;
- Foster robust public-private partnership in the coffee sector involving international buyers, exporters, producers, public sector and support institutions;
- Issues of ageing farmers, decreasing yields from crops, climate change, poor adoption of technology, low productivity and low quality need a concerted approach for results and efficiency;
- Support to farmer organizations by providing social infrastructure, collective training and technical support including promotion of governance and accountability will be crucial;
- Support farmers with appropriate approaches for climate change mitigation measures including land and anti-degradation measures (utilization of waste materials, reforestation and erosion sequestration through the coffee bushes and shade trees);
- Empower women coffee farmers along the value chains in the sector and attract young coffee farmers by modernizing the sector and its profitability; and
- Establish an Africa Coffee Development Facility to bridge the gap between current development assistance and future sustainability of the coffee subsector in Africa.

3.3. GETTING THE YOUTH BACK INTO COFFEE FARMING

3.3.1. BASIC STATISTICS
Young people are three times more likely to be unemployed than adults and almost 73 million youth worldwide are looking for work (ILO 2015). According to ILO 1.5 – 28.8 percent of the youth population have never attended school but 600 million jobs need to be created by 2030 in order to support youth employment. In Africa, the youth population is growing but opportunities are increasingly getting limited. In the midst of the gloomy picture, the Speaker, Mr. Joseph Nkanda, Executive Director of NUCAFE in Uganda, sought to explore whether coffee farming could provide options for youth employment in Africa, especially with the growing global coffee demand.

3.3.2. WHY ARE THE YOUTH NOT IN COFFEE?
The old challenges in African coffee will continue to prevent young men and women from the sector, unlike what is happening in other parts of the coffee producing world like the Americas and the Far East. African coffee production is still at the primary level with the mindset that coffee
is a plant/cherry/parchment/green bean raw material meant for export and not a product in a cup sold on the streets of London and New York at a relatively high value. Africa is seen as a mere coffee producer to the extent that government policies and interventions are generally raw material export-oriented with limited product and process innovation. There is also the unstable macro-economic environment with its attendant high interest rates that do not support increasing domestic private investment.

For over half a century, the African coffee industry has concentrated on farming with little or no value addition. These are all challenges that must be addressed to make coffee business attractive to the youth of Africa. This must involve a change in mindset to re-orient African youth that coffee is more than farming and this will require practical effort at promoting value chain development. Additionally, African coffee producing nations must provide the youth with mobilization skills, entrepreneurial skills, product differentiation skills, service skills and expose them to the concept of learning by seeing and earning as they learn. No one keeps doing the same thing over and over and expect a different result; therefore, Africa must not expect the youth into coffee until there is a shift from the old ways of doing things.

### 3.3.3. WHAT HAS WORKED?

The presentation gave a vivid case study of a youth incubation program that has succeeded in bringing some youth into coffee in Uganda. The objectives for the incubation are varied and include inspiring human entrepreneurial spirit; to create youth businesses; to create jobs; to improve institutional entrepreneurial culture and to accelerate business growth. The results from the agribusiness incubation program have been tremendous in attracting some youth into coffee.

Below are some achievements:
- Created and strengthened over 50 start-ups and small medium enterprises (SME) agribusinesses with over 200 jobs created;
- Facilitated curriculum reforms of Bachelor of Science (BSc) agriculture students of Makerere University;
- Over 200 interns incubated with business skills;
- Introduced a program of earn as you learn that has attracted many students interest; and
- Strengthened partnership with Makerere University;

### 3.3.4. PROPOSED STRATEGIC INTERVENTION

African coffee producing countries must introduce practical measures to attract the youth into coffee business and initiate policies and programs for coffee development by the value chain approach. This may require infrastructure and machinery/equipment development and maintenance to make African coffee production competitive. Long-term funding, at competitive interest rates, would be needed for the success of such a program and the role of the African Development Bank and other financial institutions cannot be underestimated, in this regard.

Other interventions proposed include:
- Set up coffee/cocoa scholarships for the youth, as in the success story of Vietnam.

### 4.0. COFFEE VALUE ADDITION AND MARKETING

#### 4.1. INTRODUCTION

Three Speakers made presentations on coffee marketing and opportunities and they all argued for the need for African coffee producers to establish strong business relations with global and domestic coffee traders and roasters, as the first step to developing and expanding African coffee market. The presentations were under the Chairmanship of Ambassador Jonathan Coker, Special Representative of the President of ECOWAS Commission Abidjan, Côte D’Ivoire.

#### 4.2. THE AFRICAN COFFEE AND TEA (ACT) MODEL

ACT, which is already working with African coffee producers, is Asia-based start-up focused on promoting and selling only African coffee and tea to the Asian and international markets with multi-channel sales approach. The purpose of its brand story is to enable and empower African women through worldwide passion for responsibly produced premium African coffee and tea; and by so doing, adding value to the lives of rural African women who help grow the coffee. Making a presentation on business relations between African coffee producers and international coffee businesses, its co-founder, Ms. Charlene Hua, provided statistics to demonstrate vulnerability of women. According to her, 62 percent of labour in Africa’s agriculture sector are women but only 21 percent of the total revenue is received by the women and 64 percent of persons living in poverty are women.

Accordingly, the long-term objectives of ACT is to empower women because doing so is one of the most effective tools for improving the lives of families, communities and nations all over the world and to ensure that women are present and equal at all levels of the coffee value chain in Africa from the farm to the cup.

![Ms Charlene Hua, Co-founder of Africa Coffee & Tea.](image)
3.5.2. THE COFFEE AND CLIMATE (C&C) INITIATIVE

Mr. Cognigni gave a presentation on initiatives by his Organization, Coffee and Climate (C&C), in assisting small farmers to cope with the menace of climate change. C&C is a project that started in 2015 in two phases. The first phase was completed in 2015 and the second phase is due to complete in 2018. It is working in 4 pilot countries (Trinidad [the border where El Salvador, Guatemala and Honduras meet], Brazil, Tanzania and Vietnam) with an initial 3,000 farmers. Its vision is to enable coffee farmers to effectively respond to climate change and its mission includes to:
- Combine state of the art climate change science to proven farming methods;
- Offer practical hands-on and applicable tools;
- Form network of all relevant stakeholders in the field; and
- Apply 360-degree pre-competitive approach including entire value chain.

C&C’s operational approach is a participatory 5-stage involving setting the scene; assessment of coffee and climate challenges; adaptation planning; validation and implementation of adaptation option; and learning lessons and understanding progress.

3.5.2.1. CASE STUDY AND C&C INTERVENTION

The presentation demonstrated a research finding on climate change by the International Institute for Tropical Agriculture (IITA). According to the findings, all coffee growing areas are being affected by the devastating effects of climate change making large tracts of coffee lands unsuitable. In Africa, the effects are noticeable in both Tanzania and Uganda. C&C has supported coffee farmers in Uganda and Tanzania with adaptation measures to cope with climate change, including use of cover crops (kikuyu and napier grass); mulching; soil management (conservation farming); rain water harvesting; deeper poly bags but currently experimenting with different levels of mulch and shade management.

C&C provides farmers with a toolbox. This involves compilation of guidelines, training materials and other didactic materials to inform, capacitate and empower farmers to cope with and adapt to climate change; collection of practices and experiences from the field, and living format which will continuously be further developed. The objectives of the toolbox are to share, collect and consolidate knowledge and experiences on climate change adaptation in the coffee sector; support adaptation implementation efforts, and to close the gap between science and the field. Financially, farmer adaptation of C&C initiatives have been rewarding, increasing gross margins by more than double per hectare.

3.5.2.2. FARMER SUPPORT

Climate change is a complex phenomenon for small farmers and negatively affects them in the short to the long-term. Besides affecting farmer productivity and production, it also affects farmer incomes due to price volatility bringing additional complexity onto the farmers. Unfortunately, farmers lack information and capacity to adapt to climate change. There is need for coordinated help from stakeholders for farmers to cope.

- Promote the establishment of incubation centers across Africa, in line with the successful program in Uganda;
- Governments must pursue fiscal policies to stabilize the macro-economic environment to expand private investments, enhance investment returns and improve profitability;
- Pursue policies to link production to market; and
- Support capacity building for private sector entrepreneurship;

3.4. IMPROVING ROLE OF WOMEN AND YOUTH IN SUSTAINABLE COFFEE SECTOR IN AFRICA: AN INNOVATIVE APPROACH

3.4.1. SITUATIONAL ANALYSIS

The presentation was made by Dr. Denis Seudieu, Chief Economist of the International Coffee Organization (ICO). He provided a situational analysis of world coffee sector as follows:
- Africa has the largest number of coffee producing countries (25) and yet produces only about 12% of total world production currently.
- Asia and Oceania region has 11 countries producing coffee, Mexico and Central America has 12 countries, with South America having 8 countries.
- Globally, coffee exports contribute more than 10% of exports in 7 least developed countries, including 3 from Africa (Burundi, Ethiopia and Rwanda).

3.4.2. CHALLENGES IN AFRICAN COFFEE

Once again, the challenges in Africa’s coffee industry were enumerated to include low adoption of improved technologies culminating in low productivity and production, limited extension services to growers, weak farmers’ organizations, complex gender inequality issues in coffee industry and ageing farming population and old coffee trees. Average age of coffee farmers is estimated to be about 55 years in Africa. Underlying these challenges is Africa’s peculiar situation of increasing youth population with limited opportunities and a high unemployment rate for the youth.
3.4.4. CASE FOR WOMEN IN COFFEE

The role of women in the coffee industry was acknowledged but additional innovative approaches were proposed to improve the efficiency of their operations. These included:
- Improve participation of women in the value chain as it is happening in Cameroon;
- Increase participation of women coffee farmers in domestic commercialization;
- Support to coffee marketing for an active involvement of women producers in the value chain;
- Build relationship between women in coffee and international trade; and
- Build capacity of women organizations through provision of market information services and training.

3.4.5. CONCLUSION

The Speaker concluded his presentation by calling on African coffee producing countries to provide the impetus needed to ensure that women and the youth of Africa become convinced that the coffee industry provided economic activities that will meet their employment needs and generate revenues to improve their well-being.

3.5. CLIMATE CHANGE ADAPTATION

There were 2 presentations on climate change by Dr. Benedict Aliegbah from the University of Ghana and Mr. Stefan Cognizzi, a coffee specialist from Hanns R. Neumann, Uganda.

3.5.1. GROWTH YIELD OF NAVY BEAN IN RELATION TO THERMAL TIME AND POTENTIAL CULTIVATION IN A CHANGING CLIMATE

Dr. Aliegbah presented the results of the above research and warned that climate change is dynamic, has come to stay and affects all crops and not just coffee. The objective of the research was to quantify and compare the effects of changing temperature and soil moisture on the growth, development and yield of 3 cultivars of the navy bean in terms of:
- Germination and emergence in relation to thermal time;
- Dry matter production in terms of accumulated incident radiation and radiation use efficiency;
- Partitioning of dry matter to pods; and
- Thermal time requirements for germination, flowering and harvesting.

The research question was: "What would be the effect of temperature and rainfall on growth, development and yield of the cultivars in the light of changes in climate that have taken place over the last 30 years?" Conclusions from the research findings were that climate changes occurring in the last 30 years have affected germination, flowering and harvesting of the navy bean.

Based on the research findings, the following proposals were made for consideration by IACO member countries:
- Move fast to determine optimal thermal time units in coffee growing areas;
- Examine favorable thermal time units in global coffee growing areas in Africa; and
- Develop mitigation measures around the incidence of rising temperatures in African coffee growing areas.