Coffee Finance Webinar
The Africa Coffee Facility: Financing for the transformation of Africa’s coffee value chain

A webinar will be held on 28th July 2020 to discuss the financing of the African coffee value chain, focusing on the Africa Coffee Facility that will be launched soon as well as other instruments that are already in use in supporting the African coffee industry.

The Webinar will be officially opened by the current Chairman of the Inter-African Coffee Organisation (IACO), Hon. Dr. Owusu Afriyie AKOTO, the Minister of Food and Agriculture of the Republic of Ghana. It will also be addressed by HE Josefa SACKO, the Commissioner for Rural Economy and Agriculture at the AU Commission; Dr. Leonard Mizzi, Head of Unit at the European Commission, Directorate-General (DG) for International Cooperation and Development - Rural development, food security and nutrition; Mr. Abah OFON, Manager, Research and International Cooperation, African Export Import Bank; Mr. Geraldo PATACONI, Head of Operations at the International Coffee Organisation and Mrs. Atsuko TODA, Director, Agriculture Finance & Rural Development (AHFR), African Development Bank; Representatives from Industry Stakeholders (Farmer, Local Roaster and Importer); The webinar will be moderated by Dr. Fred KAWUMA, the Secretary General of IACO.

The Webinar will start at 12:00 noon GMT and end at 2:00 pm GMT

Date: Tuesday, 28th July 2020

Time:
15:00 – 17:00 EAST (East Africa Standard Time)
14:00 – 16:00 CAT & CEST (Central African Time & Central European Summer Time)
13:00 – 15:00 BST (British Summer Time)
12:00 – 14:00 GMT (Greenwich Mean Time)

Host:
Inter-African Coffee Organisation (IACO)

Format:
A 2-hour live-streamed meeting, open to the public, with an expert panel and the opportunity for Q&A from the participants. The recorded audio and video will be available and sent to all participants post webinar.
The Africa Coffee Facility

The Africa Coffee Facility (ACF) is an idea that was conceived by the Inter-African Coffee Organisation (IACO) and has been developed with partners with the aim to mobilise the technical and financial support necessary to professionalise and transform the African coffee value chain by working with individual producers, producer organisations and/or aggregators, local roasters, exporters as well as the regulatory bodies within the countries. Under the auspices of the African Union, partnerships have been developed within the framework of the ACF, involving but not limited to the following institutions: African Export-Import Bank (Afreximbank); CAB International (CABI); the International Coffee Organization (ICO) and IACO. The proposed tenure of the ACF is 10 years, with a five-year financing target of US$950 million during the first phase. A portfolio of blended financing (grant and loan financing) will form the basis of the Facility. The ACF has the potential to take full advantage of benefits from the African Continental Free Trade Area (AfCFTA) without compromising on the volumes and quality for export. However, its launching has been delayed due to the COVID-19 Pandemic.

It is acknowledged that agriculture is the economic fulcrum of most African countries holding considerable promise for growth and job creation. Agriculture employs over 70% of Africa’s workforce and accounts for about a third of the continent’s GDP. There is significant poverty in Africa’s rural economy, and more than 70% of the continent’s poor live in rural communities and depend on agriculture for food and wealth creation, particularly from high value crops such as coffee.

Coffee is a primary source of income for more than 12 million households—more 60 million people continent-wide—and contributes a significant proportion of tax income in a number of these countries. More specifically, countries with a high share of the total population depending on coffee farming include Burundi (38.2% of the total population); Tanzania (23.7%); Uganda (22.1%); Côte d’Ivoire (17.2%) including cocoa; Central African Republic (16.1%); Rwanda (14.7%); Ethiopia (14.2%); and Cameroon (13.2%). In current terms, the total value of exports by African exporting countries is estimated at US$1.8 billion (2018), compared to US$5.3 billion for Asia, US$4.0 billion for Mexico and Central America, and US$8.5 billion for South America. The largest export value of African countries was recorded by Ethiopia (US$877.2 million), Uganda (US$554.8 million), Kenya (US$226.2 million) and Tanzania (US$122.9 million). Indeed, the coffee sub-sector in Africa has the potential to boost GDP, raise earnings and transform the rural economies and livelihoods of the coffee-dependent farming communities. The commodity holds great potential for catalysing private sector development, creating jobs and generating incomes for both the public and private sectors, including farmers, processors, cooperatives, exporting private enterprises and governments.

In view of Africa’s young and growing population, labour-intensive sectors, such as agriculture and its sub-sectors (including coffee), must play a larger role in the continent’s transformation. It is against this background that the IACO, representing the interests of the 25 member states, requested Afreximbank to support the establishment of a special Fund, entitled the “Africa Coffee Facility (ACF)”, to assist in addressing the challenges of Africa’s coffee value chain. IACO further requested the Bank to help with resource mobilisation for the ACF and to host the Facility once established. This request has been supported by the African Union and two major partners, the ICO and CABI. The ICO is the main intergovernmental organisation for coffee, bringing together exporting and importing governments to tackle the challenges facing the world coffee sector through international cooperation. Its member governments represent 98% of world coffee production and 67% of world consumption. CABI is a global, intergovernmental, not-for-profit organisation working to improve people’s lives worldwide by providing information and applying scientific expertise to solve problems in agriculture and the environment. CABI has vast knowledge and experience in coffee production, processing and marketing, and climate-resilient production systems.