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Concept note

**Coffee sector development in Cameroon
through a cooperative framework with
Brazil**

Background

1. During its 108th Session in March 2012, the Council approved a Memorandum of Understanding (MOU) between the Government of the Federative Republic of Brazil, specifically the Brazilian Agency for Cooperation (ABC), and the International Coffee Organization (ICO), for the promotion of triangular technical cooperation in coffee producing countries, together with conditions for implementation of the MOU (see document ICC-108-7 Rev. 1).

2. The attached document contains a concept note to develop the coffee sector in Cameroon through a cooperative framework with Brazil, which has been developed by the Government of Cameroon in consultation with the Brazilian Agency for Cooperation (ABC) and the ICO.

Action

The Projects Committee is requested to take note of this document.

COFFEE SECTOR DEVELOPMENT IN CAMEROON THROUGH A COOPERATIVE FRAMEWORK WITH BRAZIL

Cameroon's economy grew by 4.7% in 2012 to reach a total GDP of US\$24.98 billion. Although the agricultural sector accounts for some 20% of this total, it provides employment to over half of Cameroon's total population of 21.7 million people. Approximately three million people earn a livelihood in the coffee sector alone, meaning that 400,000 households are directly engaged in coffee production. The social implications of reaching out to small coffee farmers in Cameroon are magnified by the fact that the poverty rate increases significantly in the rural areas, with some 55% of the rural population living below the poverty line.

In terms of exports, coffee accounted for 1.7% of all merchandise exports in 2011, earning US\$78 million of foreign exchange from 477,000 bags. Between 2008 and 2012, total coffee exports averaged 586,000 bags per annum, accruing an average value of US\$67.5 million. Total production in 2012/13 is estimated at 635,000 bags of predominantly Robusta coffee, a 10.7% increase on the previous year.

Within the framework of the poverty reduction strategy, the Government of Cameroon has adopted the coffee sector development strategy aiming to improve the performance of the sector. The strategy covers the entire coffee sector value chain including research, production, processing, domestic commercialization and exports. To achieve its target the coffee sector in Cameroon would welcome the assistance of Brazil and the International Coffee Organization (ICO) for the improvement of coffee production and quality. Potential areas of cooperation under the Memorandum of Understanding for Technical Cooperation signed between Brazil and the ICO in 8 March 2012 are:

- 1) Overall institutional support.
- 2) Strengthening farmers' capacity through training.
- 3) Exchange of information on rehabilitation of old existing plantations.
- 4) Strengthening the co-operatives and encouraging young coffee growers.
- 5) Support to women in coffee sector, consisting of training and capacity building of their organizations.
- 6) Exchange of information on geo-economic zoning.
- 7) Dissemination of information on the use of modern and high-performing equipment.
- 8) Definition of strategies to promote domestic consumption.
- 9) Learning from Brazilian experience in setting up national policies for the coffee sector.

The International Coffee Organization, the Government of Brazil, through the Brazilian Agency for Cooperation (ABC), and the Government of Cameroon suggest the following agenda for the start-up of a cooperation programme under the above mentioned Memorandum of Understanding:

Step 1: Visit of Cameroonian delegation to Brazil during the forthcoming meetings in Belo Horizonte. The delegation should be able to stay in Brazil for some days after the 50th anniversary celebration and the ICO meetings in order to maintain contacts with the Brazilian Government (including ABC), the Brazilian coffee sector and to visit the manufacturers of equipment of cocoa processing. An ICO official will be present during the visit.

Objective: Identify partners both in the Brazilian Government and the private sector for cooperation within the framework of the Memorandum of Understanding and this concept note.

Step 2: Visit of ABC and ICO officials to Cameroon to meet with coffee authorities, farmers and associations as well as other stakeholders (first semester 2014).

Objective: Identify, in situ, the main areas for cooperation and discuss the framework for assistance to be provided by Brazil and the ICO