



# Coffee development projects: Addressing new challenges

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# Funding coffee development projects



- Projects area is one of the main activities of the organization;
- ICO redefined its role: International Development Strategy (doc ICC-105-16)
- Promoting coffee development projects with an international dimension
- The use of concessionary financing facilities for this purpose provided by the Common Fund for Commodities (CFC)

# Funding coffee development projects



- Document EB-3573/96
- Virtual Screening Sub-committee (VSS)
- Projects Committee
- Guidelines for project assessment(document PJ-17/11.rev 4)

# Previous project procedure



Submission of a preliminary Project Proposal by Member countries

endorsed

Finalized by the Secretariat:  
-Direct technical assistance;  
-Through external consultant financed by CFC under PPF

funded

# Change in the CFC funding and new challenges



- **The first major change** is the **end of CFC funding through grant**: Only commodity related projects generating profits can be financed through repayable loans
- **Second change**: Project proposals can be directly submitted to the CFC by any institutions or companies as well as international commodity bodies. The main consequence of this is that any coffee project can be submitted directly to the CFC without the endorsement of the ICO: **As a consequence, the ICO has lost control over the submission of coffee related projects to the CFC;**

# Change in the CFC funding and new challenges



- **Four coffee projects have been approved by the CFC under the new Guidelines**
  - Sustainable and secure smallholders (Kenya, Tanzania, Uganda) presented by HIVOS, Netherlands
  - Autonomous and Sustainable Cocoa and Coffee production by indigenous Ashaninka people in Peru, by Rainforest Foundation, UK;
  - Revival of the Robusta coffee chain in Madagascar, by Sangany Café
  - Scaling smallholder based premium coffee production in D R Congo and Rwanda, by COOPAC, Rwanda
  
- **7<sup>th</sup> call for proposals (August 2015) To 19 October 2014:**

**\* Document ED-22056/15**

# Adapting to new challenges



- ICO is the focal point of expertise for coffee related projects as well as an ideal forum for forging the Public/Private Partnership;
- Carry out preliminary technical evaluation before submitting the VSS: send advisory comments to the VSS;
- Strengthen/continue providing technical assistance in the preparation of project proposals;
- Seeking for alternative sources of funding for projects
- Strengthen relationship with the CFC as the main funding agency for commodities;

# New Role of the Secretariat



- To promote sustainable coffee sector in exporting countries consideration should be given to the development of the **concept of agribusiness** among small scale coffee growers;
- In this regard, **the involvement of the ICO secretariat in project design should be enhanced.**
- Project designed for Burundi (project **Kahawatu** on sustainable coffee production in Burundi (**PJ 43/13**);
- Project designed for Cameroon (improving the participation of women in the coffee value chain in Cameroon – **PJ 66/14**)
- Promotion of sustainable coffee industry by improving productivity-Cameroon and Central African Republic (**PJ 36/12**)



# New Role of the Secretariat



- Any development project should include a **profitability component**: activities of the project should generate financial profits that will be used to pay back the loan provided by the CFC at concessional low interest rate;
- **The secretariat will also play a leading role in designing project proposals on important topics (Climate change, carbon sequestration, poverty reduction, etc...)**

# New Role of the Secretariat



- Strengthen ICO's role in disseminating project Outcomes:
- Seminars in recipient countries;
- Publications on project results
- Realize documentaries on project beneficiaries

# New Role of the Secretariat



- **Fundraising activities:**
- Financial diversification:
- Establish a closer relationship with financial institutions and advocate relevant project proposals. Another aspect of fundraising will consist of visiting financial institutions to establish a closer relationship and to advocate relevant project proposals. This can be achieved through the participation of the Secretariat in major meetings/ general assembly organized by these institutions;
- Human resource: **Fundraising officer**



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