



Small-scale producers in the development of coffee value chain partnerships

IFAD's experience

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19 September 2018



Investing in rural people

IFAD's work

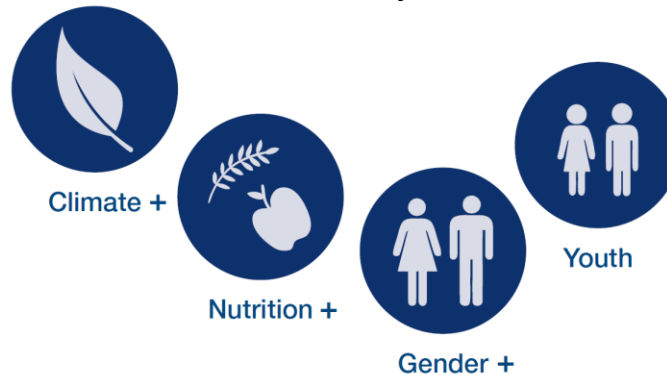
Support inclusive and sustainable **rural transformation** Contribute to **Sustainable Development Goals**



"doubling the agricultural productivity and incomes of small-scale food producers....including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment" (SDG Target 2.3)

Three **strategic objectives**

1. Increasing poor rural people's productive capacities
2. Increasing and improving their engagement in markets, while enabling them to better manage related risks
3. Strengthening the environmental sustainability and climate resilience of their economic activities



Focus



Inclusive value chains – Connecting producers to market and enabling them to move up the chain

E.g. Nigeria, Rwanda and São Tomé & Príncipe



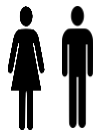
Inclusive financial resources - Expanding and deepening the access

E.g. Ghana and Sierra Leone



Nutrition – Promoting availability, accessibility, affordability and consumption of diverse, nutritious foods

E.g. Mozambique



Youth employment – Creating decent jobs

E.g. Mali and Cameroon



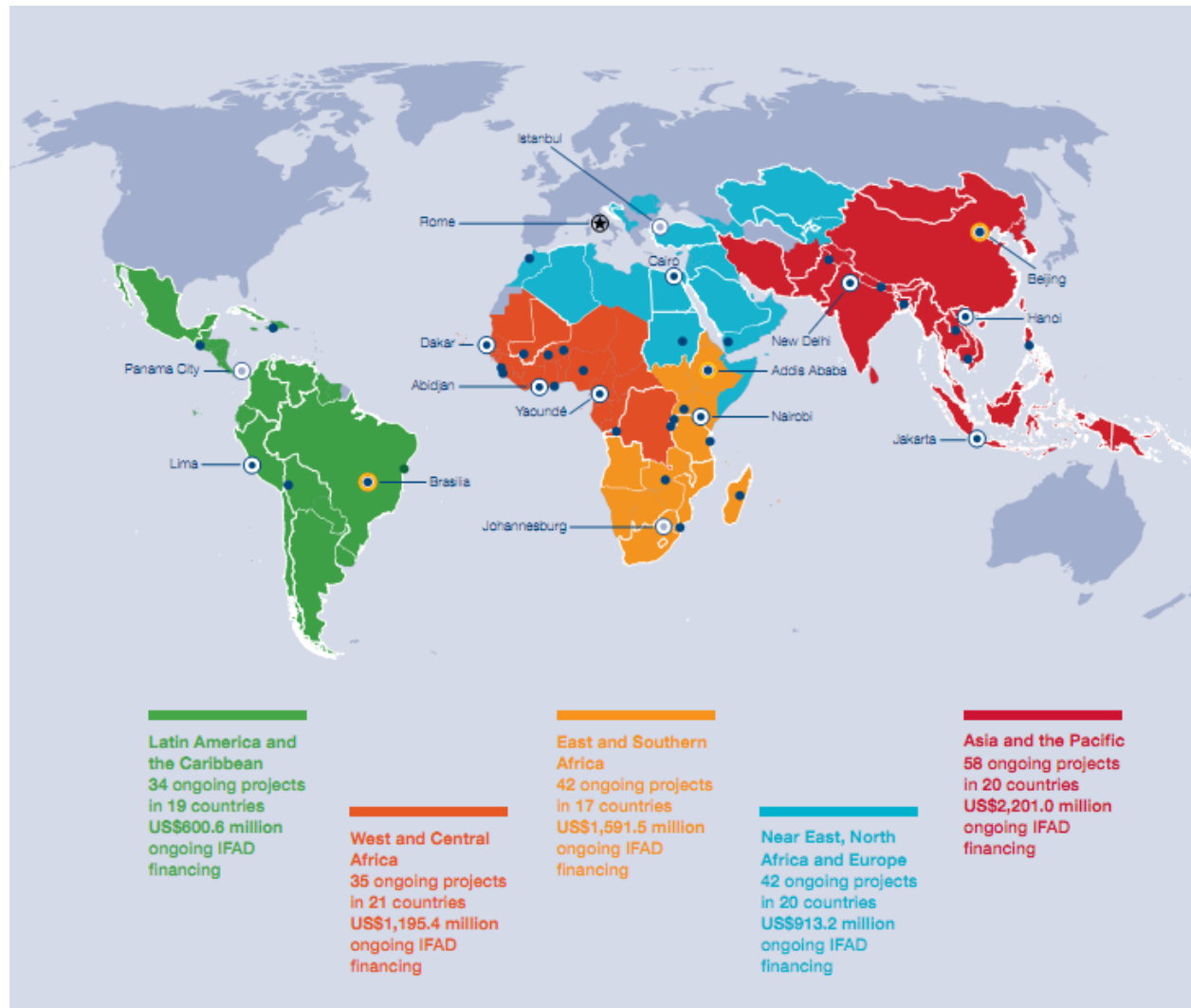
Climate resilience - Promoting climate-resilient agricultural practices

E.g. Mali and Kenya



Investing in rural people

Operations



Investing in rural people

IFAD and the coffee value chain

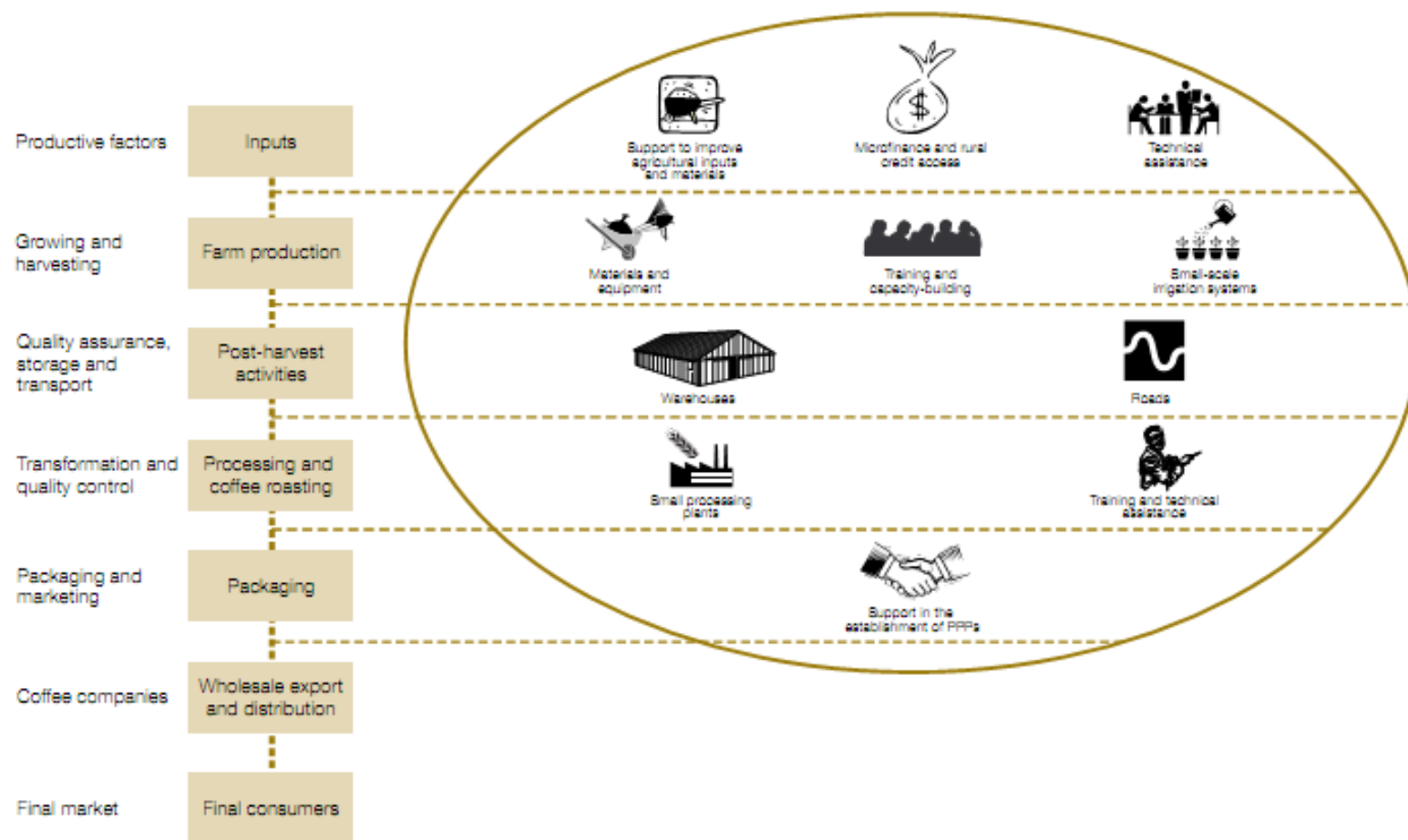
- IFAD is currently financing **15 projects** with components on coffee value chain development in **13 countries**



- The total investment associated with these projects amounts to **US\$ 730 million** (IFAD contributes US\$ 294 million)



IFAD support to coffee value chain development



Innovative financing mechanisms



- Agro Equity Impact Fund in Uganda
 - Support the development of Small and Medium Enterprises engaged in agribusiness by improving access to Business Development Services and to long-term finance
- Commodity hedging
 - Smallholder farmers are exposed to significant risks, with a limited ability to avoid or cope with
 - Piloting a comprehensive climate and commodity risk management solutions for smallholders to assure revenues and reduce rural poverty
 - It's possible to hedge smallholder crops on international exchanges but it is currently rare to do so

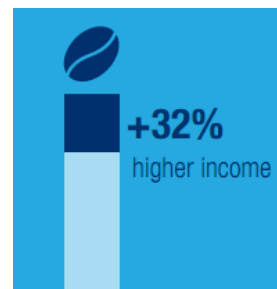
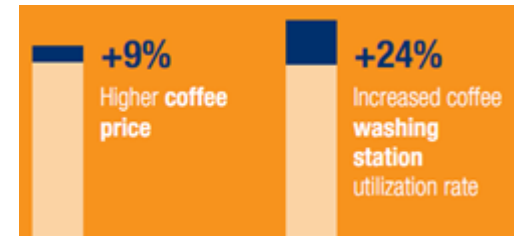
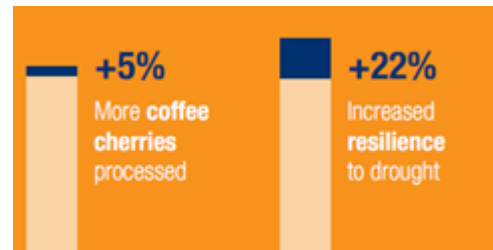
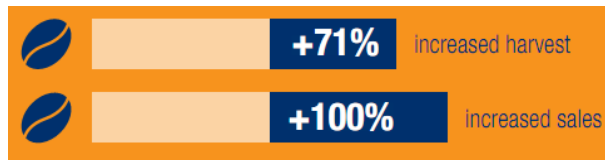
Roles of the various players

<u>IFAD</u>	<p>Act as a broker between local government, the private sector and smallholders</p> <p>Helping create the conditions for <u>smallholder farms</u> to thrive as small enterprises and for rural people to improve their livelihoods</p> <p>Providing funds to <u>local governments</u>, it supports activities aimed at reducing barriers (such as lack of infrastructure, equipment, community services and marketing facilities)</p>
<u>Private sector</u>	<p>Ensuring technical assistance and support during coffee production; helping to conduct research, increasing access to inputs and materials and to ensure quality control; and providing market access and funds</p>

Example from Rwanda

Project for Rural Income through Exports (**PRICE**)

- Inputs and activities
 - Support to coffee cooperatives
 - Rehabilitation/establishment of coffee washing stations
- Impact



Conclusion

Key principles for partnerships

- At the **economic** level, by ensuring farmers fair prices for their products
- At the **social** level, by guaranteeing rights and social justice to farmers
- At the **environmental** level, by promoting biodiversity, protection of ecosystems and sustainable use of natural resources.

