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International Coffee Organization
Organización Internacional del Café
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PRESS RELEASE

**Rehabilitation of the coffee sectors
in Honduras and Nicaragua**

The ICO Head of Operations, Mr. Pablo Dubois, participated on 3 and 5 April 2006 at the launch in Honduras and Nicaragua respectively of a new project, sponsored by the International Coffee Organization and financed by the Common Fund for Commodities with counterpart contributions from the Governments of Honduras and Nicaragua. He was joined at the launch in Honduras by Mr. Héctor Hernández Amador, Minister of Agriculture, and by Mr. Yany Rosenthal Hidalgo, Minister of the President's Office, and many other authorities and experts involved in the coffee sector. The project was launched in Nicaragua in the presence of Mr. Alejandro Argüello Choiseul, Minister of Development, Industry and Commerce.

The ICO will act as supervisory body and the Inter-American Institute for Cooperation on Agriculture (IICA) and its coffee branch, PROMECAFE, will manage the project as the Project Executing Agency. The Consejo Nacional del Café (CONACAFE) in Honduras and the Ministerio de Fomento, Industria y Comercio (MIFIC) in Nicaragua will act as cooperating institutions.

In his address to participants at the launch meeting, Mr. Dubois explained the role of the ICO as an instrument of rural development and its policy of improving quality and increasing consumption of coffee.

The project was devised following an assessment by the Governments of Nicaragua and Honduras of damage to the coffee processing infrastructure of the two countries caused by Hurricane Mitch in 1998 and conditions of civil strife in Nicaragua. This assessment was followed by an offer from the ICO to facilitate resources for reconstruction. The project in Honduras will involve restoring and modernizing 591 coffee processing facilities and the construction of 317 new installations. In Nicaragua it is planned to install 1,500 new processing facilities. In carrying out this programme emphasis will be placed on the ability to produce high quality coffee and to use methodologies which will protect the environment.

The total cost of the project is US\$6,837,000 and this will be invested over a period of four years. Of this, the Common Fund for Commodities will provide loans of US\$1,600,000 to both Honduras and Nicaragua together with a grant of US\$538,000 to Honduras and US\$482,000 to Nicaragua. In addition the Government of Nicaragua has contributed US\$505,000 in co-financing, and the remaining sum of US\$2,112,000 will be provided in counterpart contributions from Honduras and Nicaragua.

About the ICO: *The International Coffee Organization is an intergovernmental organization created under the auspices of the United Nations to serve the international coffee community. Established in 1963, the ICO is unique in bringing 74 producing and consuming countries together to exchange views and address coffee policy issues. In the last four calendar years, average world coffee exports amounted to over US\$6 billion and average world imports amounted to just under US\$9 billion worth of coffee each year. The ICO provides the following services: up-to-date information and statistics; innovative projects to benefit the world coffee economy; coffee market reports and economic studies; and promotion of coffee consumption in emerging markets*

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