



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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Executive Board/
International Coffee Council
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London, England

**Raising Vietnamese coffee farmers' income
through increased farming efficiency
and quality management**

Project proposal

Background

1. This document has been submitted by the Ministry for Agriculture and Rural Development (MARD) of Vietnam, and contains a summary of a revised project proposal to improve Vietnamese coffee farmers' livelihoods through improving farming efficiency, systematic quality management and reducing the negative environmental impact of farming practices. The proposal was originally entitled 'Enhancing resource use efficiency in coffee production and processing by Farmer 2 Farmer learning'.

2. The proposal has been circulated to the Virtual Screening Committee (VSC) for assessment and will be considered by the Executive Board in September 2009. A copy of the full project proposal is available from the Secretariat upon request.

Action

The Executive Board is requested to consider this proposal together with the recommendations of the VSC and, if appropriate, to recommend approval by the Council.

PROJECT SUMMARY

- Project title:** Raising Vietnamese coffee farmers' income through increased farming efficiency and quality management [formerly: Enhancing resource use efficiency in coffee production and processing by Farmer 2 Farmer learning]
- Duration:** 36 months
- Location:** Dak Nong Province, Vietnam
- Nature of the project:** Improvement of Vietnamese coffee farmers' livelihoods and contribution to scaling up the national programme on sustainable coffee production through improving farming efficiency, systematic quality management and reducing the negative environmental impact of farming practices.
- Brief description:** The project aims to improve resource use efficiency by coffee producers and sensorial coffee quality. It will focus on the following objectives:
1. Contributing to strengthening the agricultural extension system through standardizing training manuals and scaling up training for trainers and for farmers on Good Agricultural Practices (GAP), Good Processing Practices (GPP) and Entrepreneurial Skills.
 2. Developing and implementing a software tool to support the training of farmers, especially emphasizing farmer 2 farmer learning, which can help farmers to make informed decisions based upon a financial analysis of their activities. The software will be applicable to any agricultural product and will enable farmers to analyze the level of farm management, environmental management, processing and quality management. Data generated by the project may be relevant to the statistical databases of the ICO.
 3. The project will also contribute to the overall improvement of the Vietnamese coffee sector through relevant experience for scaling-up processes and the promotion and dissemination of know-how, improved practices and effective tools.

Estimated total cost:	US\$1,345,184
Financing sought from the Fund:	US\$788,169 (Grant)
Co-financing:	US\$455,900 has been committed as follows: US\$305,900 from Bill and Melinda Gates Foundation (in cash); US\$70,000 from Hanns R. Neumann Stiftung (in kind); US\$80,000 from Douwe Egberts (in kind for modelling and agricultural experts who will contribute to the development of a crop management software tool).
Mode of co-financing:	Financial contributions and in-kind contributions
Counterpart contribution:	Vietnam will provide in-kind contributions.
Revolving Fund:	The project will set up a revolving fund to cover printing of the first batches of training materials. These will be made available for sale at cost.
Project Executing Agency (PEA):	Department of Crop Production (DoCP) at the Ministry for Agriculture and Rural Development (MARD)
Supervisory body:	International Coffee Organization
Estimated starting date:	1 December 2009

LOGICAL FRAMEWORK

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Project goal: The broader objective to which this project contributes Raising Vietnamese coffee farmers' income through increased farming efficiency and quality management</p>	<p>Measures of goal achievement: Project farmers apply GAP, GPP on daily basis Development of farmer's income of defined sample groups, monitoring data on coffee quality and input used per unit of coffee produced in terms of (a) Costs of production (b) Amount of labour used (c) Amount of nutrients used (d) Amount of pesticides used, and (e) Amount of water used</p>	<p>Statistics from export companies and the farmer 2 farmer learning database, supplemented by farmer interviews</p>	<p>Concerning scaling up of this project: Service providers have the capacity and commitment to offer the required services to farmers Global market development and production conditions provide adequate framework conditions.</p>
<p>Project purpose: (1) To strengthen the agricultural extension system through standardizing training manuals and scaling up training for trainers and for farmers on Good Agricultural Practices (GAP), Good Processing Practices (GPP) and Entrepreneurial Skills (2) To develop and implement a software tool for farm management, efficiency improvement and monitoring; to increase income of participating farmers¹ (3) To continuously feed experiences, methodology and instruments generated into the national strategic level to enable scaling up of support for coffee farmers in other regions of Vietnam</p>	<p>Conditions that will indicate purpose has been achieved: (a) Availability of approved harmonized training materials on GAP, GPP and Entrepreneurial Skills (b) Availability of the software tool (c) Amount of inputs used per unit coffee produced decreased (d) Income of participating farmers has increased (e) Lessons learnt from the project have been disseminated nationwide through workshops and articles</p>	<p>(a) Harmonized training materials on GAP, GPP and Entrepreneurial Skills (b) Statistics from exporting companies and the farmer 2 farmer learning databases supplemented by farmer interviews and workshop reports (c) Articles about the training materials, Simpatica and Farmer 2 Farmer Learning</p>	<p>Affecting purpose to goal link: (a) Tools and impact of their application proven to be substantial and sustainable (b) Cost saving proven to be significant by appropriate application of record keeping software</p>

¹ Any income changes will be calculated using the average farm gate price during the first year of project implementation

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Outputs:</p> <ol style="list-style-type: none"> 1. Pragmatic and effective training manuals on Good Agricultural and Processing Practices and Entrepreneurial Skills 2. A network of 20 on-site extension trainers and 60 key farmers trained and capable of implementing Farmer Field Schools on Good Agricultural and Processing Practices and Entrepreneurial Skills 3. 1,800 farmers trained in a Farmer Field School programme on Good Agricultural and Processing Practices and Entrepreneurial Skills 4. A software tool for monitoring farm management efficiency fully developed (including training materials and blueprint) 5. 1,800 farmers trained and participating in the application of the software tool through Farmer Field Book (FFB) recording programme 6. Lessons learnt disseminated nationwide through workshops and articles to support scaling up 	<p>Magnitude of outputs necessary and sufficient to achieve purpose:</p> <ol style="list-style-type: none"> (a) Training materials (one for trainers and one for farmers) on GAP, GPP and entrepreneurial skills (b) Network of 20 on-site extension trainers and 60 key farmers operational (c) 1,800 farmers trained on GAP, GPP, Entrepreneurial Skills and record keeping (d) A software tool successfully developed and applied to monitor coffee farm management 	<ol style="list-style-type: none"> (a) Training materials (b) List of onsite extension trainers and key farmers (c) Farmer 2 farmer database and final evaluation report 	<p>Affecting output to purpose link:</p> <ol style="list-style-type: none"> (a) Trained key farmers are capable to training farmers (b) Cost savings provide sufficient incentive for farmers to do data recording during project implementation (c) Outcomes of analysed results can be interpreted by farmers
<p>Inputs: Activities and types of resources:</p> <p>Technical assistance</p> <ol style="list-style-type: none"> (a) To design a training curriculum (b) To conduct a Training of trainers Programme (c) To conduct a Training of farmers Programme (d) To design a software tool for data recording (e) For training and implementing record keeping 	<p>Component 1 (US\$100,170) Development of training materials</p> <p>Component 2 (US\$264,015) Training of Trainers on GAP, GPP and entrepreneurial skills</p> <p>Component 3 (US\$87,480) Training of farmers on GAP, GPP, entrepreneurial skills</p> <p>Component 4 (US\$455,900) Development of software</p> <p>Component 5 (US\$192,780) Training and implementation of software</p> <p>Component 6 (US\$36,750) Support to scaling up</p> <p>Component 7 (US\$208,089) Project Management</p>	<ol style="list-style-type: none"> (a) Annual audit reports (b) Steering Committee meeting minutes (c) Quarterly progress reports (d) On-site visits (e) Farmer reports (f) Software package (g) Workshop reports (h) Training documents 	<ol style="list-style-type: none"> (a) Local stakeholders, including farmers, remain committed to the project