



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

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**Promotion of domestic coffee marketing  
and consumption in the Central African  
Republic**

**Project proposal**

## **Background**

1. The present document has been submitted by the Inter-African Coffee Organisation (IACO) on behalf of the Central African Republic, and contains a project proposal to rehabilitate the coffee sector and expand the coffee trade (including exports), thereby improving the livelihoods of coffee farmers and their families in that country.
2. The proposal has been sent to the Virtual Screening Committee (VSC) for evaluation and will be examined by the Executive Board in March 2010. A copy of the full project proposal is available from the Secretariat upon request.

## **Action**

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

# PROMOTION OF DOMESTIC COFFEE MARKETING AND CONSUMPTION IN THE CENTRAL AFRICAN REPUBLIC

## PROJECT SUMMARY

<b>Project title:</b>	Promotion of domestic coffee marketing and consumption in the Central African Republic
<b>Duration:</b>	Three years
<b>Location:</b>	Central African Republic (CAR)
<b>Nature of the project:</b>	Rejuvenation of Central African Republic Coffee Industry
<b>Brief description:</b>	The project is expected to support the Government's efforts at rejuvenating the coffee sector in addressing post-harvest challenges to improve domestic marketing and consumption and enhance incomes of coffee farmers rather than change farming system practices.
<b>Estimated total cost:</b>	US\$5,500,000
<b>Financing sought from the Fund:</b>	Tbd
<b>Co-financing:</b>	Tbd
<b>Project Executing Agency (PEA):</b>	InterAfrican Coffee Organisation (IACO)
<b>Supervisory body:</b>	International Coffee Organization (ICO)
<b>Estimated starting date:</b>	Tbd

### I. Project background and commodity strategy

The CAR produces the Robusta coffee variety and production has continuously declined from an annual average of more than 350,000 bags in 1988 to 226,000 bags in 1989 and 166,000 bags in 1993. In 2005, CAR produced a mere 46,000 bags. Two factors have contributed to this trend. They include the long civil war and poor farmgate prices.

The country has now embarked on a post-war reconstruction and coffee is one of the crops identified by the Government for rejuvenation. Improved prices would motivate coffee farmers to expand and improve their coffee farming activities.

Harvested coffee in the CAR is dried on cemented areas, sheets or racks but sometimes on the bare floor by producers. But most coffee farmers do not have cemented surfaces; therefore, they spread the cherries on the bare floor, exposing them to infestations and mold,

and compromising quality. Appropriate primary processing practices at the farmgate are critical in determining coffee quality and the ultimate price received for it. Distances between factories and producing sites are far apart. To avoid inconvenience, many coffee farmers sell their coffee beans raw and at much cheaper prices. These are but some of the challenges that the intended project would address

## **II. Project objectives**

The overall objective of the project is to rejuvenate the coffee sector, expand coffee trade (including exports) and thereby improve the livelihoods of coffee farmers and their families in the CAR. Following from the overall objective, the proposed project would have the following goals:

- (a) Enhance bargaining power of coffee farmers
- (b) Encourage coffee value addition
- (c) Expand coffee trade and improve government revenues from coffee.

## **III. Project Components**

### *Component 1 – Value addition through washed and dry coffee processing*

Objective: To have farmers produce quality processed coffee for premium price.

Output: Sell only processed coffee.

Activities:

- Prime coffee Farmer-Based Organizations (FBOs) in coffee producing communities
- Register the primed FBOs
- Identify and select resource persons for training farmers
- Carry out training needs assessment of FBOs
- Draw up course modules for the training of the FBOs
- Train relevant farmers in washed coffee processing
- Train others in dry coffee processing
- Select and agree on areas where washed coffee and dry coffee processing would be promoted
- Identify sources of water for wet coffee processing
- Identify sources for supply of simple hand pulpers
- Import hand pulpers for distribution to farmers
- Enter into Memorandum of Understanding (MOU) with farmers on repayment for the pulpers
- Identify sites for the construction of cemented floors at designated points in all coffee producing zones for use by farmers to dry coffee beans
- Put on tender to select and award contract for construction of cemented floors

- Hand over drying floors to FBOs under some agreed terms and conditions
- Identify hulling points in coffee growing areas and link coffee FBOs to the hullers
- Facilitate the drawing up of MOU between FBOs and hullers for the supply of and payment for washed and dry processed coffee beans
- Monitor regularly the performance of the component
- Cost: US\$2,000,000

*Component 2 – Promotion of domestic coffee consumption*

Objective: To sensitize locals to consume locally processed coffee.

Output: Local coffee consumption grows by at least 75 percent by end of project.

Activities:

- Identify producer associations and other interested private entrepreneurs as partners in the project
- Hold a seminar to explain project concept, role of all stakeholders and seek interests
- Design rules and regulations to guide the relationships between producer organizations, private entrepreneurs and others with interest to participate in the programme
- Design appropriate MOU to be signed
- Identify interested participating financial institution(s) and agree on roles and responsibilities
- Agree with the Coffee Board/Government on its role in the programme
- Identify supply sources for the tools/equipment
- Import equipment for distribution and agree on repayment terms with beneficiary processors and participating financial institution(s)
- Explore synergies and establish linkages between participating processors and retail outlets
- Engage services of advertising experts to advise and to develop advertising/promotional materials aimed at promoting coffee consumption
- Cost: US\$2,000,000

*Component 3 – Promote/improve coffee quality*

Objective: To attract international recognition for CAR coffee as being premium

Output: Only coffee of international quality standard is exported

Activities:

- Assess capacity of Coffee Board's Laboratory to certify quality
- Conduct needs assessment of the laboratory
- Agree on equipment/tools to supply to build capacity of the laboratory
- Identify source for supply of the equipment/tools
- Carry out a tender for supply of equipment

- Train staff of laboratory in the handling and use of the equipment
- Continuously analyse and certify coffee for export
- Cost: US\$1,000,000

#### *Component 4 – Project coordination*

Objective: To provide external monitoring and evaluation of project implementation

Output: Objectives of Project Achieved Within the Timelines and Accountability.

Activities:

- Form National Steering Committee to oversee Project Implementation.
- Organize and attend quarterly project meetings.
- Carry out inspection at project sites.
- Submit quarterly reports, including financial reports.
- Appoint Auditors
- Audit project accounts yearly for submission to ICO/CFC.
- Conduct mid-term and end of project evaluation.
- Provide back-stopping for project implementation.
- Procure vehicles/equipment/computers etc. for project implementation.
- Cost: US\$500,000

#### **IV. Implementation arrangements and management**

A National Steering Committee (NSC) would be formed to oversee the implementation of the Project at the country level. It is proposed that a small unit be set up within the Coffee Board, as a Project Implementation Unit (PIU), and a Project Coordinator appointed by the Board to head the Unit.

#### *Collaborating Institutions*

The main stakeholders in this Project would include IACO, ICO, CFC, the Government of the CAR, the CAR Coffee Board and the Coffee Producers Associations.