



International Coffee Organization  
Organización Internacional del Café  
Organização Internacional do Café  
Organisation Internationale du Café

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**Revitalizing productivity, quality and  
trade in coffee from Africa**

**Project proposal**

## **Background**

1. This document has been submitted by the Inter-African Coffee Organisation (IACO) and contains a summary of a concept note for a “Fast Track” project proposal to build consensus on a realistic vision for the revitalisation of production, quality and trade in coffees produced by African smallholders, develop a revitalization action plan and catalyse the requisite partnerships and collective action to implement the plan.
2. The proposal has been circulated to the Virtual Screening Committee (VSC) for assessment and will be considered by the Executive Board in September 2007. A copy of the full project proposal is available in English 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:** Revitalizing productivity, quality and trade in coffee from Africa.

**Duration:** One year

**Location:** Angola, Côte d'Ivoire, Democratic Republic of Congo, Ethiopia, Kenya, Tanzania, Uganda and Zimbabwe.

**Nature of the project:** The project will build consensus on a realistic vision for the revitalization of production, quality and trade in smallholder coffees from Africa, develop a revitalization action plan and catalyse the requisite partnerships and collective action for implementation of the plan. By improving quality and trade in smallholder coffees, the household incomes of resource-poor coffee farmers will improve, thereby contributing to poverty alleviation among the coffee-dependent rural population.

**Brief description:** The strategic goal of this initiative is to enhance household incomes of coffee-dependent, resource-poor smallholder farmers through a sustainable increase in the productivity, quality and trade in African coffees. The project will achieve this by engaging coffee sector stakeholders in extensive dialogue to identify the impediments to sustainable development and formulate workable remedial interventions. These findings will be encapsulated in a project proposal which will define a vision for the revitalization of the coffee sector and a roadmap to achieve that vision.

The project will comprise the following components:

- (a) Defining constraints and opportunities based on a detailed sub-sector analysis
- (b) Setting out a vision for the revitalization of the coffee sector in selected pilot countries and building consensus amongst stakeholders
- (c) Project coordination, supervision and monitoring

<b>Estimated total cost:</b>	US\$283,500
<b>Financing from the Fund:</b>	<b>Grant</b> (US\$ 120,000)
<b>Counterpart contribution:</b>	US\$163,500
<b>Project Executing Agency:</b>	The Inter-African Coffee Organisation (IACO) is an intergovernmental organisation established to assist its 25 African member countries produce and market their coffee. These countries cover an area of over 12.2 million km <sup>2</sup> and support a population of about 500 million. IACO, together with its research arm, the African Coffee Research Network, has vast experience in executing regional projects in Africa. These include the Capacity Building Project implemented in all IACO member countries.
<b>Project Supporting Agency:</b>	CABI Africa
<b>Collaborating institutions:</b>	Inter-African Coffee Organisation (IACO); Instituto Nacional do Café de Angola (INCA); Centre national de recherche agronomique (CNRA), Côte d'Ivoire; Coffee Board of Burundi (OCIBU); Office National du Café (ONC), Democratic Republic of Congo; Jima Agricultural Research Centre (JARC), Ethiopia; Coffee Research Foundation (CRF), Kenya; Tanzanian Coffee Research Institute (TACRI); Coffee Research Institute (CORI), Uganda; Coffee Research Station (CRS Chipinge), Zimbabwe and Café Africa
<b>Supervisory Body:</b>	International Coffee Organization (ICO)
<b>Estimated starting date:</b>	tbd

## **Project objectives and rationale**

### **Objectives**

1. This concept note proposes a series of activities aimed at laying the groundwork for a larger project to improve the capacity of the continent to respond to emerging opportunities and threats, thereby improving the livelihoods of resource-poor, smallholder coffee farmers in Africa. It proposes building a common understanding amongst coffee sector stakeholders in the selected pilot countries regarding the main barriers to a sustainable increase in coffee production; agreeing action plans to address them and seeking supporting funds. Key areas that are likely to be targeted include competitiveness in production, research for development, farmer capacity and skills, access to information, access to improved technology, rural-based credit schemes, access to markets and improved performance of farmer institutions. The effect of national and international policies and global trends in coffee consumption on the way that coffee sector stakeholders behave and are able to contribute to improvements in the sector will be considered, and approaches for improvement will take account of the incentives and disincentives they provide while at the same time seeking to influence change where evidence suggests change is required.

2. The purpose of this initiative is to develop a proposal and initiate fund raising activities for a project with the ultimate goal of enhancing household incomes of smallholder coffee farmers through a sustainable increase in the productivity, quality and trade in African coffees. This purpose will be achieved through the following main results:

- **Challenges and opportunities for revitalization** of coffee productivity in Africa elaborated and agreed upon with stakeholders.
- **Roadmap for the revitalization** of the coffee sector in selected pilot countries developed and agreed upon with stakeholders.
- **Effective public-private partnerships for the implementation** of road-map established.
- **Proposal for the revitalization of coffee productivity, value and competitiveness** developed, and the requisite resources for implementation mobilised.

### **Benefits and beneficiaries**

3. The major focus and purpose of this project is to improve and stabilize the livelihoods of the smallholder coffee farmers in Africa through the sustainable production of high quality coffee. By producing high quality and differentiated coffees, the smallholder coffee farming communities will be able to attract premium prices in the world coffee market. This will lead to positive growth in overall household incomes, and at the same time, stabilize incomes, hence reducing the vulnerability of smallholders to coffee price volatility. The additional

disposable income at the household level is expected to trickle down through the family hierarchy. Thus all smallholder coffee dependent family units in the target countries are the main beneficiaries.

### **Project costs and financing**

4. The project is estimated to cost a total of US\$283,500 of which financial support equivalent to US\$120,000 is being requested for from the Common Fund for Commodities (CFC). The remaining US\$163,500 will be provided as counterpart funding from IACO, CABI, Café Africa and the National Agricultural Research Systems (NARS) collaborators. The costs of the main activities are as follows:

- Component 1:** Defining constraints and opportunities based on a detailed sub-sector analysis – US\$92,000
- Component 2:** Setting out a vision for the revitalization of the coffee sector in selected pilot countries and building consensus among stakeholders – US\$ 137,000
- Component 3:** Project coordination, supervision and monitoring – US\$ 41,000