

The Common Fund for Commodities and The International Coffee Organization

Partners in Coffee Development



INTERNATIONAL COFFEE ORGANIZATION



GREETINGS FROM THE COMMON FUND FOR COMMODITIES



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WHAT IS THE COMMON FUND FOR COMMODITIES ?

- Inter-governmental development financial institution established by the United Nations
- Started in 1989 and based in Amsterdam, The Netherlands
- 105 member countries and 10 regional Inter-Governmental Organisations



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Decision Making Organs of the Common Fund For Commodities

- Governing Council responsible for overall policy
- Executive Board decision making body for current issues
- Consultative Committee technical advisory body to the Executive Board
- Managing Director, Head of the Secretariat and Chairman of the Executive Board



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Relationship with International Commodity Bodies

- CFC works in close collaboration with 25 designated International Commodity Bodies (ICBs)
- ICBs are inter-governmental agencies comprising producing and & consuming countries



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Relationship with International Commodity Bodies

- Collaboration ensures balanced approach in the interest of producers and consumers of the commodity concerned
- ICBs provide technical supervision of projects
- ICB for coffee is the International Coffee Organisation (ICO)



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THE OVERALL MANDATE OF THE COMMON FUND IS...

- Social and economic development through commodity development
- Current Priorities
 - * Least Developed Countries
 - * Poorer strata in other Developing Countries



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COMMODITY FOCUS MEANS.....

- Commodity focus concentrates on strategic problems of a commodity
- CFC's activities cut across geographical boundaries
- Through commodity focus, many countries can benefit from, and share in results
- Each CFC dollar spent has relatively higher multiplier effect



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CFC's EXPERIENCE WITH COFFEE DEVELOPMENT PROJECTS

Total Value of CFC Financed Coffee Projects =
US\$102 million

Total CFC Contribution=US\$55 million

Benefits to coffee producing countries across the
globe



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EXAMPLES OF CFC FINANCED COFFEE PROJECTS.....



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Focus on Productivity/Production Improvement

- Pilot Coffee Rehabilitation, Nicaragua & Honduras- CFC/ICO/11
- Rehabilitation of Coffee Plantations, Angola- CFC/ICO/15
- Diversification of Production in Marginal Coffee Areas in the State of Veracruz, Mexico -CFC/ICO/32
- Reconversion of Small Coffee Farms into self-sustaining Agricultural Family Units in Ecuador CFC/ICO/31
- Coffee Certification and Verification - CFC/ICO/45
- Coffee Enterprises Programme in Latin America and the Caribbean-CFC/ICO/46



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Focus on Quality Improvement and Market Development

- Development Gourmet Coffee CFC/ICO/1
- Study Robusta Coffee European Markets- CFC/ICO/05FT
- Enhancing the Potential of Gourmet Coffee Production in Central American Countries – CFC/ICO/39
- Increase in Added-Value by Developing the Potential of Gourmet Robusta Coffee Togo and Gabon – CFC/ICO/42
- Coffee Certification and Verification-CFC/ICO/45



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Focus on Management and Control of Pests and Diseases

- IPM Coffee Berry Borer-CFC/ICO/02
- Prevention of Coffee Mould-CFC/ICO/06
- Integrated Management of Stem Borer-CFC/ICO/18
- Programme for Prevention of Mould Formation-CFC/ICO/25FT
- Coffee Resilience to Leaf Rust-CFC/ICO/40



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Focus on Increased Access to Finance

- Coffee Price Risk Management in E./S. Africa-CFC/ICO/21FA
- Small & Medium Term Finance to Coffee Farmers-CFC/ICO/20
- Improving Coffee Quality In East & Central Africa through Enhancing Processing Practises - Rwanda and Ethiopia-CFC/ICO/22
- Input Finance Small Farmers-CFC/ICO/20FT
- Study of Potential for Commodity Exchanges-CFC/ICO/24FT
- Sustainable Credit Guarantee Schemes-CFC/ICO/48



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FUTURE OPPORTUNITIES FOR CFC/ICO COLLABORATION

- Build on experience to date including wide dissemination of best practices
- Through collaboration with stakeholders, identify new interventions in line with current trends



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FUTURE OPPORTUNITIES FOR CFC/ICO COLLABORATION (contd)

- CFC 5 Year Action plan 2008-2012 reiterates commitment to coffee development projects
- Priorities established through stakeholder consultation



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CFC/ICO PRIORITIES FOR NEXT 5 YEARS

- Coffee Market Development-to encourage domestic consumption of coffee in producing countries.
- Coffee Quality Improvement- to increase the incomes of producers through the introduction of improved quality assurance techniques and certification procedures.



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CFC/ICO PRIORITIES FOR NEXT 5 YEARS

- Sustainable Production of Coffee- to ensure sustainable and reliability of supply of coffee from coffee dependent developing countries.
- Improvement of Marketing Systems -to build institutional and human capacities for the improved marketing of coffee and improve farmer to market linkages.



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CFC/ICO PRIORITIES FOR NEXT 5 YEARS (contd.)

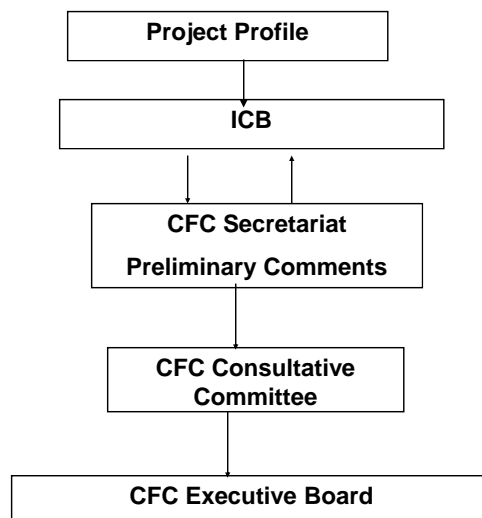
- Diversification of Coffee Production and Marketing- to foster vertical diversification into value-added products, differentiated coffee production as well as optimum use of coffee farms with a view to maximising incomes from the intensive cultivation of multiple crops.
- Application of Research and Development in Coffee- particularly relating to disease control, and varietal improvement towards enhancing the productivity and competitiveness of the coffee sector.



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PROCEDURES FOR PROJECT SUBMISSION



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CRITERIA FOR CFC INTERVENTION

- Projects must have a commodity focus as defined by the Common Fund and must be supported by the ICB for coffee, the International Coffee Organization.
- Projects should conform with the priority areas for coffee included in the CFC's Five Year Action Plan.

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CRITERIA FOR CFC INTERVENTION

- Projects should have a multi-country focus meaning that there should be project sites in more than one country and or the results should be relevant and available for sharing with countries other than the project host.
- Projects should be small to medium scale with possibilities for replication.

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CRITERIA FOR CFC INTERVENTION

- The results of projects should be sustainable and should be achievable within the life of the project.
- Projects should have a an exit strategy and a strong dissemination component.

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CRITERIA FOR CFC INTERVENTION

- Projects should concentrate on countries which are members of the Fund.
- Co-financing from other sources and counterpart contributions increase the acceptability of a project.

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CFC'S CONTINUED RELEVANCE CONFIRMED

- 20th anniversary (2009) time for CFC to review activities against mandate and needs of target beneficiaries
- Reviews show CFC relevant and necessary for sustainable production and trade of commodities

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FUTURE PROSPECTS

- Evaluation in progress to better serve stakeholders against changing global circumstances
- Coffee will continue to represent important commodity in keeping with mandate of CFC

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CLOSING REMARKS

CFC looks forward to continued collaboration with ICO and other partners in coffee development activities



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ADDITIONAL INFORMATION ON CFC



Please visit our website

www.common-fund.org



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THANK YOU FOR YOUR ATTENTION



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