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COMMON FUND FOR COMMODITIES

PRESS RELEASE

Note to the Editor: The Common Fund for Commodities is an intergovernmental financial institution established by the United Nations. The main objective of the Fund is to assist Developing Countries which are dependent on the production and export of primary commodities. The main target groups are commodity producers in Least Developed Countries and the poorer strata of the population in other Developing Countries. The Common Fund is headquartered in Amsterdam, the Netherlands.

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COMMON FUND SUPPORTS A PROJECT ON IMPROVING COFFEE QUALITY IN EAST AND CENTRAL AFRICA THROUGH ENHANCED PROCESSING PRACTICES

The Executive Board of the Common Fund for Commodities, an intergovernmental financial institution established by the United Nations, approved a project on "Improving Coffee Quality in East and Central Africa through Enhanced Processing Practices". The project will be implemented in Ethiopia and Rwanda. This project aims to introduce, on a pilot scale, Small Scale Coffee Washing Stations (SSCWS) in Rwanda and coffee pulping machines and improved sun-drying systems in Ethiopia. The project will also facilitate the dissemination of information on these techniques and train participants from Burundi and the Democratic Republic of Congo. The total cost of the project is USD 2,937,029 of which the Common Fund will directly contribute USD 2,029,224 as a grant. The Government of Ethiopia, through the Coffee and Tea Authority, will make a counterpart contribution of USD 526,680 and Government of Rwanda, through OCIR-Café, will make a counterpart contribution of USD 258,930. Illy Café, an Italian coffee roasting company, has also committed to provide co-financing of USD 122,195 in cash to support the Ethiopian component of the project.

The project seeks to enhance capacity of small coffee producers to increase the value of their coffee through introducing them to wet processing, especially in Rwanda where the coffee is predominately sun dried. In Ethiopia the project is introducing semi-washed and new drying systems to enhance the coffee quality using relatively low maintenance but environmentally friendly technologies. The main objectives of the project include (a) to demonstrate the economic viability and popularize a sustainable mechanism of producing higher quality coffee, (b) to build capacity amongst farmers, extension staff, managers and traders to ensure sustainability of the new coffee processing technologies, (c) to increase the farmers' income by up to 20% by assisting farmers to produce and sell value added coffee, (d) to encourage private sector operators to invest in improved technologies for the production of washed coffees, and (e) to reduce environmental pollution arising from excessive use of water at fully washed coffee stations

The immediate beneficiaries of the project are the coffee farmers in the identified areas who will be able to sell higher quality coffee. The coffee farmers will also benefit directly from the capital investment, in the form of SSCWS and pulping machines that will be installed in selected locations. The project will further seek to organize farmers into groups to enable them to jointly process and market their coffee. This investment in social capital is likely to improve the bargaining power of the farmers.

The International Coffee Organization will be the Supervisory Body while the CABI Africa Regional Center based in Nairobi, Kenya, will be the Project Executing Agency. The project will be implemented in collaboration with the Coffee and Tea Authority in Ethiopia and OCIR-Café in Rwanda.

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