



Projects Committee
14th Meeting
26 September 2017
Yamoussoukro, Côte d'Ivoire

**Summary of progress reports submitted by the
Project Executing Agencies (PEAs) on projects
currently being implemented**

Background

The ICO, as the designated Supervisory Body for the Common Fund for Commodities (CFC) coffee projects, assists with monitoring the implementation of projects, which include among others, reviewing the attainment of objectives, identifying constraints and checking expenditure. This document summarises individual progress reports submitted by each PEA for each project being implemented (see Section I of document [PJ-115/17](#)) and includes a list of acronyms used in this document. Copies of the full six months reports are available on request from the Secretariat. Annex I and II of this document are available in English and in French.

- Annex I:** Promoting a sustainable coffee sector in Burundi – (PEA: Kahawatu foundation)
Annex II: Qualitative and quantitative rehabilitation of coffee with the aim of improving living conditions of coffee farmers afflicted and displaced by war in the Democratic Republic of Congo – CFC/ICO/51 (PEA: VECO)

Action

The Projects Committee is requested to take note of this report.

LIST OF ACRONYMS USED IN THIS DOCUMENT

CFC	Common Fund for Commodities
CIRAD	Centre for International Cooperation in Agronomic Research for Development
CNAC	National Confederation of Coffee-Growers' Associations
DPAE	Provincial Directorates of Agriculture and Livestock
FAO	Food and Agriculture Organization of the United Nations
FFS	Farmer Field Schools
GAP	Good agricultural practices
ICO	International Coffee Organization
INERA	National Institute for Agronomic Study and Research
MWS	Micro washing station
ONC	<i>Office National du Café</i>
PEA	Project Executing Agency
RTNB	National Radio and Television of Burundi
TOT	Trainer of Trainers
UCG	Catholic University of Graben
VSLA	Village Saving and Loan Association
WWF	World Wildlife Fund

PROMOTING A SUSTAINABLE COFFEE SECTOR IN BURUNDI

Period covered by the report: January-June 2017

Introduction

The broad objective of the project is to promote sustainable coffee production in Burundi. A sustainable coffee economy is based on the well-being of the various actors in the chain, particularly the producers who are the weakest link in this power relationship. More precisely, a sustainable coffee farmer will meet long term environmental and social goals while being able to compete effectively with other market participants and achieve prices that cover his production costs and allow him to earn an acceptable profit margin. The project seeks to improve the skills of smallholder coffee farmers in order to increase productivity and quality of their coffee to generate profit and to improve their living standards and continue farming coffee as a profitable business. Specific activities under the pilot phase of the project include:

- Providing good agricultural practices to farmers
- Promoting coffee nurseries
- Planting improved varieties or replacing old trees
- Promoting environmentally friendly coffee farming
- Facilitating access to inputs (fertilisers, planting materials)
- Promoting organic fertilisation
- Building/strengthening the capacity of farmer organizations
- Promoting gender equality.

Project activities cover seven communes in Ngozi province (Ruhororo, Gashikanwa, Kiremba, Tangara, Ngozi, Nyamurenza and Mwumba), two communes in Karusi province (Gitaramuka and Bugenyuzi), and one commune in Gitega province (Mutaho). Capacity-building activities have continued in Burundi under 3 main components:

- Component 1: Agri-business development
- Component 2: Community engagement
- Component 3: Eco-sustainable management

Based on a successful implementation in Burundi over the last three years under a pilot scheme the activities of the project have been expanded to two additional countries, Rwanda and Uganda, with financial support from various donors, including SUCAFINA (52%), GIZ (8%), IDH (15%), Starbucks (12%), USAID (6%), Nestle (6%) and individual donors (1%). The Kahawatu Foundation continues its fundraising activities and welcomes any financial assistance from the ICO membership and the private sector.

Component 1: Agri-business development**A. *Productivity and quality improvement***

Kahawatu has developed technical modules to promote good agricultural practices through trainings, workshops and farmer field schools. These modules that were previously approved by the Ministry of Agriculture and other stakeholders cover the following topics that lead to increased productivity and improved quality. Training sessions were provided in the project centres (washing stations) by four agronomists of Kahawatu and hired consultants (local and international consultants). Productivity has increased from 0.7 kg in 2013 to 1.8 kg per tree today. Since the project started, over 9,000 farmers have been directly trained, of which 56% are men and 34% are women. Between 2015 and 2016 their coffee exports have increased by 42.3% from 331 metric tonnes to 471 metric tonnes.

B. *Access to inputs and equipment*

Farmers continue to receive new planting materials, pruning scissors, personal protective equipment and fertilisers. Access to other agricultural inputs has been expanded to more beneficiaries.

C. *Access to finance*

In order to address the challenge of access to credit for smallholder farmers, Kahawatu set up and trained 35 Village Saving and Loan Associations (VSLA) within their cooperatives. The groups provide loans to each other to make some investments in alternative activities to secure additional income for the household. The model has provided benefits to farmers of over US\$70,000. Once farmers learn to save money, they will decide for themselves whether to work with micro-finance institutions for larger loans. The implementation of the saving and loan group system continues to move forward.

Component 2: Community engagement**A. *Promoting gender and youth inclusion in the coffee sector***

As in many countries in Africa, women in Burundi face many limitations in coffee production as a business opportunity. Kahawatu is working on sensitizing community leaders and male farmers on the importance of women's participation. Kahawatu supported the creation of a women's association of 130 members with their legal establishment and access to land. These women have established a model plantation with healthy coffee trees, composting plots, fodder trees as well as associated food crops. Strengthening extension services to youth and women has led to the involvement of new coffee farmers. Kahawatu conducts workshops to build the capacity of women and strengthen their leadership.

Component 3: Eco-sustainable management

A. Making compost manure

Farmers have received training on how to make compost manure. Lead farmers have replicated the technology on their farms as they invited members of their groups to do the same. All farmers visited by the mission have their own compost manure facility. The major challenge is the supply of raw materials for the compost such as animal waste, ashes and biomass.

B. Soil analysis study

In order to adequately address the specific needs of the soils, Kahawatu has established a partnership with the CIRAD (France) and ISABU (Burundi) to launch a soil mapping project aiming to analyse the soil's characteristics in each of the project zones and to prescribe appropriate formula of fertilisation.

C. Climate change resilience

Training sessions have been organised on erosion control, integrated pest and diseases management, safe use of pesticides as well as sustainability standards. A new introduction to good agricultural practices has been the promotion of beetle traps to address the proliferation of berry borer population in coffee farms.

Conclusion

New opportunities have emerged to expand Kahawatu's activities in Rwanda and Uganda in partnership with Nestlé and SUCAFINA. In Rwanda, 525 farmers, of which 17% are women, have already been trained. In addition, the Kahawatu Foundation continues its fundraising activities. A supervisory mission of the ICO is expected in mid-2018.

**QUALITATIVE AND QUANTITATIVE REHABILITATION OF COFFEE
WITH THE AIM OF IMPROVING LIVING CONDITIONS OF COFFEE FARMERS
AFFLICTED AND DISPLACED BY WAR IN THE DEMOCRATIC REPUBLIC OF CONGO
CFC/ICO/51**

Period covered by the report: January to June 2017

Status of project implementation

The four-year project aims of improving the living conditions of coffee farmers afflicted and displaced by war in the provinces of North and South Kivu. Funded mainly by the Common Fund for Commodities (CFC) through a grant the project has a total cost of US\$1,611,447. Of the total amount of grant provided by the CFC, an amount of US\$700,000 has been donated by the OPEC Fund for International Development. The Project Executing Agency, VECO, a Belgium NGO contributed to an amount of US\$242,457. The project was launched in March 2014 and is expected to end in February 2018.

The main components of the project include the following:

- Support to the sustainable increase of coffee productivity for smallholder coffee farmers
- Improving farm gate coffee prices through quality improvement
- Enhancing the efficiency of the value chain through better governance of the coffee sector.

During the implementation, a further three sub-components were added to improve the project impact:

- Institutional capacity building
- Access to international markets
- Entrepreneurship development.

Component 1: Support to the sustainable increase of coffee productivity for smallholder coffee farmers.

1) Production and distribution of planting materials

The establishment of commercial coffee nurseries under private management has contributed to increasing the number of coffee farms. This activity has been supported by the Catholic University of Graben in Butembo and the Research institute, INERA.

2) Support the adoption of good agricultural practices through Farmer Field Schools

Farmer trainings were organized through farmer field schools (FFS). Farmers were also organized into groups and cooperatives. The FFS aim to reinforcing good agricultural techniques like weeding, pruning, restoration of soil fertility, pest and diseases identification and control. Coffee yield has substantially increased in a number of project areas, including Idjwi (0.5t to 0.72 t/ha), Lubero (0.8t to 0.9 tonne/ha) and Beni (from 1.2t to 1.32 t/ha).

Component 2: Improving farm gate coffee prices through quality improvement

1) Washing stations

Additional washing stations have been installed to reach the target of 58 previously planned. Farmers contributed to the investment to set up washing stations. With the improvement of post-harvest treatment of coffee, the price paid to farmers has increased as quality has improved.

2) Access to market

Farmers have better opportunities to market their cherries. The alternative of selling freshly harvest cherries directly to a nearby Mini Washing Station gives farmers a better price and income. Coffee quality has been confirmed by independent cuppers in different coffee competitions. This quality attracts big buyers worldwide and is an excellent promotion of Congolese single origin coffee.

Component 3: Enhancing the efficiency of value chain through better governance of the coffee sector

After the minister of finance signed the decree reducing combined export taxes down to 0.25% of FOB export value for four services under his authority according to agricultural law, stakeholders met in order to set up mechanisms to control and measure the benefits to small farmers of export tax reduction. Current advocacy efforts are targeting ONC taxes as well as a redefinition of its roles for a vibrant export sector of agricultural produce.

Conclusions

The project remains very relevant to small-scale coffee farmers as it has accurately identified the main bottleneck of the sector. The project has made significant progress and marketing indicators resulting from considerable quality improvement in the MWS are very promising.

This is bringing farmers back to their fields and opens them up to training on good agricultural practices and enlarging their farms with planting materials produced in nurseries. The fast rehabilitation of coffee production and the improvement of its quality has led to an increase in demand from project cooperatives. The remaining activities of the project will be carried out in 2017 and a closing workshop is expected to take place in February 2018. It should be noted however, the implementation of the project has been somehow hampered by the lacklustre cooperation between the PEA and the national coffee authority, ONC. The Project Executing Agency, VECO, is expected to make a detailed presentation of the project achievements to the Projects Committee at its 14th Meeting on 26 September 2017.