



**Report of the Projects Committee
on the meeting held on 26 September 2017**

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1. The Projects Committee chaired by Ms Ina Grohmann (EU-Germany) met in Yamoussoukro, Côte d'Ivoire, on 26 September 2017 for its 14th meeting.

Item 1: Adoption of the Agenda

2. The Committee adopted the draft Agenda contained in document [PJ-114/17 Rev. 1](#).

Item 2: Report of the meeting held on 14 March 2017

3. The Committee approved the report of the last meeting held on 14 March 2017 contained in document [PJ-113/17](#).

Item 3: Five-Year Action Plan for the ICO

4. The Executive Director presented document [WP-Council 280/17](#), setting out the proposed Five-Year Action Plan of the International Coffee Organization. Themes related to the responsibilities of the Projects Committee were dealt with under Strategic Goal 3: Facilitating the development of projects and promotion programmes through public-private partnerships and other means, in particular assisting in the preparation of coffee sector development project proposals, and identifying and mobilizing funds for coffee sector development projects.

Item 4: Coffee development projects

5. The Head of Operations a.i. introduced two documents [PJ-115/17](#) and [PJ-116/17](#). Document [PJ-115/17](#) provided an update on the status of projects sponsored by the ICO. These included projects under implementation/to be started, projects endorsed by the International Coffee Council and those seeking funds for implementation and projects concluded.

6. Document [PJ-116/17](#) covered progress on two projects:

- i. The first project involved promoting a sustainable coffee sector in Burundi, which following successful implementation was then expanded to Rwanda and Uganda with financial support from various donors, including Sucafina S.A., GIZ (German Agency for International Cooperation), IDH, Starbucks, USAID, Nestle and individuals. A supervisory mission of the ICO was expected in mid-2018.

- ii. The second project, funded mainly by the Common Fund for Commodities (CFC), focused on the 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 the Congo. Launched in March 2014, this project was expected to end in February 2018.

7. In response to questions about the effectiveness of projects, it was recognized that some projects would be more successful than others. It was crucial for the ICO to help create an enabling environment to support the sector and scale up initiatives that would have a localized and global impact. Clearly there were opportunities for the private sector to play an important role, and these should be further explored.

Item 5: Africa Coffee Facility

8. The Head of Operations a.i. introduced document [PJ-97/16 Rev. 1](#) summarizing the Concept Note submitted by the InterAfrican Coffee Organisation (IACO), to set up a coffee sector development fund known as the 'Africa Coffee Facility'. Following the submission of the Concept Note the African Development Bank had organized a workshop of all stakeholders to address the various issues confronting the African coffee sector.

9. The lifecycle of the African Coffee Facility was 10 years, with a five-year financing target of US\$150 million. It was expected to cover all coffee-producing countries in Africa, currently 25 in number, with the beneficiaries primarily being smallholder farmers.

10. The Africa Coffee Facility was an initiative of the IACO, and the ICO Secretariat has provided technical assistance. Hosted by the African Development Bank, the overall purpose of the Facility was to mobilize and apply resources to the coffee sector, in particular to ensure improvements that led to poverty reduction and better livelihoods for coffee farmers. The next steps for the Africa Coffee Facility included:

- i. The formal resubmission to the Bank of a revised Concept Note.
- ii. Processing the Concept Note by the Standing Committee on Partnerships.
- iii. Consideration by the Bank's senior management committee.
- iv. Process of a full proposal for consideration by the Board of Directors.

Item 6: Projects Committee Members and office holders

11. The Committee noted the need to appoint Members to the Projects Committee, along with a Chair and Vice-Chair for coffee year 2017/18.

Item 7: Other Business

12. A proposal was raised to consider the value of reviewing the ICO's governance structure, and whether the current structure best suited the purpose of the ICO's new strategy. The comment was made that some of the Agendas during the week had contained overlapping items for discussion, and there could therefore be value in simplifying the way decisions were made, at the same time as maintaining the substance of the work of the ICO. There was concern that the current International Coffee Agreement provided for the existence of certain committees; however, it was important for the ICO to be as effective and innovative whatever its structure. The Committee agreed to refer this matter to the Council.

13. The Head of Operations a.i. reported that the Common Fund for Commodities (CFC) had not met its financial commitment to the Project Executing Agency on the following project: Sustainable Credit Guarantee Scheme to promote scaling up of enhanced processing practices in Ethiopia and Rwanda. The project had been implemented successfully in Ethiopia and Rwanda, and was monitored and audited annually, helping to guide operations in the future. The CFC was always part of these discussions. However, due to staff changes at the CFC, the project had had more than four project managers during the life of the project making it difficult to track and follow discussions and implementation. CABI continued to effectively implement and pre-finance activities in the countries as per the approved annual workplans and budgets. CABI had provided the final report and claims, which were within the overall project budget. The CFC needed to consider the above and fully reimburse CABI the outstanding amount of US\$405,000 so as to close the project.

14. The committee took note of this report.

Item 8: Date of next meeting

15. The Committee noted that the next meeting of the Projects Committee would take place during the 121st Session of the Council to be held from 9 to 13 April 2018.

16. The Chair then thanked Members of the Committee for their fruitful contributions during her term of office, along with the support from the Secretariat and interpreters.