Cooperation on Coffee

19th September, 2018

Japan International Cooperation Agency
Masaki Wakai
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Introduction of JICA

JICA provides bilateral aid in the form of Technical Cooperation, Japanese ODA Loans and Grant Aid from 1954.
What JICA does

- Involves dispatch of Experts, Volunteers, etc. for Capacity Development

- Loan to Government
  Mostly for construction of bridges, roads, hospitals, etc.

- 【Request from private】Invest/Finance to Private sector
Around 100 Overseas Offices

Source: JICA Website (http://www.jica.go.jp/english/contact/overseas/index.html)
Cooperation on Coffee
Country of Coffee Cooperation

TC: Rwanda, Ethiopia, Philippine, Thailand*
PF: Vietnam
JV: Rwanda, El Salvador, Guatemala, Ecuador, Honduras

*Under Preparation
Country of Coffee Cooperation

TC: Rwanda, Ethiopia, Philippine, Thailand*
PF: Vietnam
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*Under Preparation
Rwanda
(Technical Cooperation/Japanese Volunteer)

“Project for Strengthening Coffee Value Chain“
May, 2017 – May 2020 (about 2 mil USD)

- Cooperation with National Agriculture Development Board (NAEB)
- Technical guidance to agricultural cooperatives
Value Chain in Rwanda

Support Activity (Infrastructure, Technology development, Training, etc)

Production

Processing

Logistics

sales

Farmers

CWS

Mill

Exporter

Importer

Project Purpose 1
Coffee Platform

Project Purpose 2
Capacity Building of Cooperatives

Market-oriented activities
Production ~ Processing
Barista Championship
Japanese Volunteers

Ms. Momo Hirai

Mr. Junya Yumita

Mr. Syota Nakayama

Ms. Kurumi Nishigaki

Ms. Yuki Tamada
Example of JV Activity

- Support to raise coffee trees
- Interview to cooperatives
- Cupping test
Etc...

<table>
<thead>
<tr>
<th>District</th>
<th>Total ACs</th>
<th>Visited ACs</th>
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<tbody>
<tr>
<td>Karongi</td>
<td>12</td>
<td>11</td>
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<tr>
<td>Ngororero</td>
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<td>5</td>
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<tr>
<td>Nyamasheke</td>
<td>33</td>
<td>25</td>
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<td>Rutsiro</td>
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<td>11</td>
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<tr>
<td>Rusizi</td>
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<td>5</td>
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Ethiopia
(Technical Cooperation)

“Project for Strengthening of Agricultural Pesticide Residue Analysis System”

“Project for Supporting Sustainable Forest Management through REDD+ and Certified Forest Coffee Production and Promotion”
## Pesticide Residue (Export to Japan)

<table>
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<th>Fiscal Year</th>
<th>Number of Excess of MRL</th>
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<td>2005</td>
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<td>2</td>
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<td><strong>2008</strong></td>
<td><strong>55</strong></td>
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<td>2009</td>
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<td>2010</td>
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</table>
Project for pesticide residue

November 2011 – November 2016 (about 5 mil USD)

- Technical advice on residue analysis knowledge/technique/method
- Laboratory operation to accumulate reliable analytical data
## Outcome

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Excess of MRL</th>
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<tr>
<td>2006</td>
<td>0</td>
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<td>2017</td>
<td>0</td>
</tr>
<tr>
<td>2018</td>
<td>0</td>
</tr>
</tbody>
</table>
Deforestation

Main causes of deforestation and devastation:
- Expansion of farmland in the forest
- Illegal logging (commercial purposes, building materials)
- Illegal living (migration from other areas)
Project for Reduction of deforestation

1st phase 2003-2006
2nd phase 2006-2012
Current phase 2014-2020 (about 6 mil USD)

- Establishment of Forest management groups
- Guidance on the cultivation of wild coffee growing naturally in the forest
- Create a system to acquire Rain Forest Alliance(RA), training to stakeholders
- Marketing
- Etc...
Declining forests tends to decrease.
A survey showed that the estimated 10,000 ha deforestation could be suppressed (2016)
Vietnam
(Private Sector Investment & Finance)
Vietnam Coffee Value Chain Project

Project Overview
The Project aims to enhance coffee value chain by expansion of coffee processing plants and farm management support to smallholder farmers in Vietnam, thereby promoting sustainable agricultural development.

Importance
1. To advance the agricultural product processing industry, which is positioned by the Government of Viet Nam as a strategic industry for becoming an industrialized country
2. To reduce poverty through farm management support to smallholder farmers
3. The first co-financing transaction between JICA and ADB for the private sector

Project Structure

[Diagram showing the flow of assistance and lending, with lenders, borrowers, and beneficiaries depicted with arrows and icons.]

- Lender: ADB (Asian Development Bank)
- Borrower: Cafe Outspan Vietnam Limited (OIL100% subsidiary)
- Lender: JICA
- Borrower: Olam International Limited (OIL)
- Guarantee: Small farmers
- Loan/Technical Assistance: COVL coffee processing plant
- Farm Management Support: Coffee Plantation in Vietnam

(All photos courtesy of OIL)
Project Site

Province of Long An

Yellow: Existing factory
Red: Extended area

Cafe Outspan Vietnam Limited

Existing facility for extraction/dry
Collecting Place
Timeline for cooperation

**Government Cooperation**

- August  Request to the Government of Japan in consultation with JICA
- March  Answer from Government of Japan
- After April  Commencement of the project

**Private Sector Investment & Finance**

- Anytime  Contact to JICA

Conditions: case by case

“MDGs/ Poverty Alleviation” “Climate Change” “Infrastructure”
Conclusion

- JICA is coordinating projects from the aspect of Value Chain, especially targeting to market.

- JICA has various kinds of cooperation on agriculture, so please feel free to contact us for a new project.

- We are exploring cooperation in the field of private sector investment & finance, so please feel free to contact us.
Thank you