



International Coffee Organization
Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

WP Board 1023/07

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Executive Board
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London, England

**Building capacity for coffee certification
and verification in Eastern Africa**

Project proposal

Background

1. This document has been submitted by the Eastern African Fine Coffees Association (EAFCA) and contains a summary of a project proposal aimed at developing regional capacity for emerging sustainability initiatives. This is intended to improve the livelihoods of coffee growers and other stakeholders through demand driven services in the field of coffee certification and verification. A copy of the full proposal is available from the Secretariat on request.

2. The proposal was examined by the Virtual Screening Committee (VSC) in November 2006 and the VSC's recommendations (contained in document EB-3923/07) will be considered by the Executive Board at its meeting in January 2007.

Action

The Executive Board is requested to consider this proposal and the comments and recommendations of the Virtual Screening Committee and to submit a recommendation to the Council.

PROJECT SUMMARY

- Project title:** Building capacity for coffee certification and verification in Eastern Africa.
- Duration:** Five years
- Location:** Burundi, Democratic Republic of Congo, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe.
- Nature of the project:** Building capacity for coffee certification and verification in Eastern Africa through training for internationally recognised professionals, the creation of a regional centre for certification and an outreach programme to ensure the active participation of producer groups. This will lead to an increase in income generated, via value added coffees, thereby improving the livelihoods of coffee growers, their families and other stakeholders.
- Brief description:** The project aims to develop regional capacity for emerging sustainability initiatives intended to improve the livelihoods of coffee growers and other stakeholders through demand driven services in the field of coffee certification and verification. It will target capacity building within the Eastern African coffee growing region by creating a cadre of African-based certification professionals, networked through EAFCA. The project will develop a Centre for Coffee Certification in EAFCA that will organize professional training and manage outreach programmes. Consumers throughout the coffee supply chain are demanding “branded” sustainable coffee but there is a yawning gap between desire and reality in coffee producing regions. The coffee supply chain starts with growers and there is a great need to develop capacity in this sector before moving up the line through wet processors, dry processors, roasters, exporters etc. In this way, Eastern African farmers and other stakeholders can be empowered to produce not only higher quality coffee, but also coffee that is produced with attention to social, economic, and environmental concerns.

In order to build capacity within EAFCA, training of locally based experts is essential. Best practices and management of the supply chain will be enhanced by the training of local consultants, certifiers, verifiers, auditors and inspectors.

Estimated total cost:	US\$2,868,762
Financing sought from CFC:	US\$2,868,762 including secretariat support of 12% (US\$287,029) and 5% contingency (US\$136,608)
Co-financing by other sources:	tbd. The project will have significant buy-in through training fees, certification fees, and value of participation.
Mode of financing:	Grant
Counterpart contributions:	tbd
Project Executing Agency:	Eastern African Fine Coffees Association (EAFCA)
Collaborating agencies:	Several including Government Ministries in charge of coffee, coffee research centres, Coffee Research Network (CORNET), Coffee Quality Institute (CQI), Regional Agricultural Information Network (RAIN), African Coffee Research Network (ACRN), Eastern and Central Africa Programme on Agricultural Policy Analysis (ECAPAPA), Specialty Coffee Association of America (SCAA), Specialty Coffee Association of Europe (SCAE), Specialty Coffee Association of Japan (SCAJ), National Bureaux of Statistics, all existing and yet to exist coffee certification and verification initiatives in the Eastern African region and beyond, certification and verification training and examining bodies such as the United Kingdom Accreditation Service (UKAS), and DAP of Germany (German Accreditation System for Testing), the apex certification body i.e. International Accreditation Forum, Inc. (IAF Inc.).
Supervising Body:	International Coffee Organization (ICO)
Approval date:	tbd

Project Concept

It is generally recognised that coffee plays a vital role in the sustainable development of many developing countries in Sub-Saharan Africa. Not only do countries such as Burundi, Ethiopia, Rwanda and Uganda depend on coffee for a large portion of their export earnings, but coffee also provides a vital source of income to several million coffee growers, farm workers and their families.

In a recent CFC/ICO funded study conducted by EAFCA regarding coffee certification/verification initiatives in Eastern Africa, it is reported that there are several sustainable coffee initiatives within the Eastern African region, most of which are little known at both the country and region levels. The study recommends the development of sustainable coffee capacity within the region that is internationally recognized and accepted. It also supports the creation of a “Centre of coffee certification and verification” that would provide regional intellectual leadership, information, and programme implementation under the auspices of the Eastern African Fine Coffees Association (EAFCA), and would form linkages with key organizations such as CORNET to ensure regional scientific and business contributions.

The ICO endorsed a preliminary project for financing by the CFC in line with the CFC’s policy on “sustainable coffee economy” which was conducted by an independent fine coffees consultant (IFCC) and published in July 2005. The ICO also circulated document ICC-95-1 in March 2006, to all its Members which includes an Executive Summary of the final report prepared by the IFCC for the project entitled “Sustainable coffee development in Eastern Africa”.

Summary cost table by components

Project component	CFC contribution	Total cost
1. Establishing a sustainability department within EAFCA called the Centre for Coffee Certification	\$1,460,625	tbd
2. Training of certifiers/verifiers	\$ 688,500	tbd
3. Outreach programme and outreach fund	\$296,000	tbd
4. EAFCA Secretariat Support (management and administration)	\$287,029	
5. Project contingency 5%	US\$136,608	
Total cost (over 5 years)	\$2,868,762	tbd

Logical Framework

Narrative summary	Verifiable indicators	Means of verification	Assumptions
<p>Broad goals: To build capacity within Eastern Africa and beyond, for professionally certifying/verifying sustainable coffee</p>	<ol style="list-style-type: none"> 1. An increase in the quality, production and export of Eastern African coffees that are certified/verified 2. Improved foreign exchange earnings from sustainable verified/certified coffee exported 3. Livelihoods of coffee growers and other stakeholders improved 	<ol style="list-style-type: none"> 1. Export/financial data/statistics from growers and other stakeholders in participating member countries 2. Impact and evaluation reports 	<ol style="list-style-type: none"> 1. Reasonable price premiums obtained from top-cupping sustainable coffee that are also certified/verified 2. Quality of life and quality of the environment visibly improved 3. Political commitment to support sustainable coffee economy using the three pillars of sustainable development
<p>Project purpose: To increase the value, quality and quantity of certified/verified coffee, produced and processed within the Eastern African coffee producing region of Africa</p>	<ol style="list-style-type: none"> 1. Premiums obtained from certified/verified coffees that are of good quality 2. Increased demand for coffees meeting minimum criteria for certified/verified Eastern African coffees 	<ol style="list-style-type: none"> 1. National data on prices for certified/verified sustainable coffees and all other coffee data 2. Reports on cup quality of certified/verified sustainable coffee within the Eastern African region 	<ol style="list-style-type: none"> 1. Improved quality and marketability of sustainable coffee is reflected in price premiums paid to growers 2. Consumers/importers and roasters are aware and appreciative of quality coffee that is produced sustainably 3. Increasing demand for certified/verified coffee 4. Farmers are willing, able and prepared to collaborate with sustainable coffee programmes at this level, e.g. providing parchment or green coffee samples for cup evaluation when requested to do so
<p>Outputs:</p> <ol style="list-style-type: none"> 1. Viability and sustainability of EAFCA support for public-private sector driven coffee verification/certification initiatives demonstrated 2. Exports of certified/verified African coffee improved consistently in value, quality and quantity 3. Benefits of certified/verified coffee promoted through training and dissemination of market driven information 4. Proposal for provision of capacity for training certifiers, verifiers, inspectors, auditors and consultants being converted by EAFCA, within two or three years developed on a commercial basis 5. Proposed trainees to execute certification/verification coffee programmes effectively, professionally and efficiently 	<ol style="list-style-type: none"> 1. Development and early establishment of Centre for Coffee Certification within EAFCA 2. Volume of exported certified coffee increases by 25% by year five 3. 70 or more sustainable coffee professionals trained and operational by year two or three 4. Sufficient farmers/traders and other stakeholders trained and join sustainable programme by year five 5. Fifty farmer groups assisted through outreach programme 	<ol style="list-style-type: none"> 1. Audit of growers, farmer associations or cooperative unions and societies 2. Progress report on the regional coffee certification/verification project 3. Dissemination by EAFCA of sustainable coffee verification/certification related materials 	<ol style="list-style-type: none"> 1. Farmers and other stakeholders willing to collaborate with sustainable development professionals at this level 2. Farmers adopt sustainability initiatives in the field of coffee 3. Buyers are willing to pay a premium price for coffee that is produced and processed sustainably 4. Competitive internal market environment ensuring that traders and marketing agents pass on the benefits to farmers in a timely and dependable manner 5. Private sector operators take an interest in regional coffee certification/verification project

<p>Inputs: Activities</p> <ol style="list-style-type: none"> 1.1 Establish sustainable coffee training capacity under the auspices of EAFCA 1.2 Identify and select suitable collaborating partners in participating countries 1.3 Determine and select trainees for sustainable coffee consultants, certifiers, verifiers, auditors and inspectors, 1.4 Train owners/operators of coffee farms, processors, etc on sustainable coffee certification/verification 1.5 Monitor and evaluate cost-benefits associated with various sustainable coffee initiatives and their efficacy within the region 1.6 Evaluate the cup and green coffee quality in relation to various sustainable coffee initiatives 1.7 Assist stakeholders in identifying appropriate marketing channels for certified/verified coffee both in the niche and mainstream coffee markets 1.8 Identify and select suitable areas and farmer groups growing coffees that meet special sustainable certification/verification criteria 1.9 Raise awareness of potential economic, social and environmental benefits associated with sustainable coffee certification/verification 2.0 Train coffee farmers, extension officers and traders and other stakeholders on sustainable coffee initiatives 2.1 Promote economic, social and environmental benefits of being involved in coffee certification/verification programmes 2.2 Organise stakeholders meetings on a regular basis in participating countries 2.3 Establish and implement effective communication channels between EAFCA, ICO, CFC and others 2.4 Establish and implement sustainable administration and accounting procedures 2.5 Develop detailed annual work-plans and budgets within EAFCA in relation to coffee verification and certification 2.6 Source and provide technical support from outside the EAFCA region 2.7 Prepare regular reports to the ICO, CFC and other relevant bodies/stakeholders 2.8 Organise supervision missions for ICO, CFC and others that stakeholders feel are appropriate and relevant <p>Inputs: Types of resources EAFCA to create capacity within budgetary limits, for training, technical, scientific and administrative support</p>	<p>Component 1: US\$1,460,625 over five years</p> <p>Component 2: US\$688,500 over the first two years to train 70 professional certifiers</p> <p>Component 3: US\$296,000 over the last four years to reach and assist 50 producer groups and increase volume of exported certified coffee by 25%</p> <p>Grand total = US\$2,868,762 inclusive of Secretariat support (US\$287,029) and contingency (US\$136,608)</p>	<ol style="list-style-type: none"> 1. PEA Project Progress Reports; 2. Annual Audit Reports 3. Mid-Term Review and Project Completion Review 4. Periodic reports from EAFCA's sustainable coffee coordinator, the PIAs, consultants and any regional visits to assess the progress of the coffee certification/verification projects 	<ol style="list-style-type: none"> 1. Financing from CFC and any other sources is made on a timely basis in line with proposed activities and Annual Work-plan/Budget 2. EAFCA, the PEA, collaborating institutions co-ordinate and execute the project efficiently, professionally and effectively 3. All project participants remain committed to the purpose of the sustainable coffee project
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