



International Coffee Organization
Organización Internacional del Café
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WP Board 1047/08

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Projects/Common Fund

Executive Board/
International Coffee Council
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London, England

**Trifinio sustainable coffee project
(Honduras, Guatemala and El Salvador)**

Project proposal

Background

1. This document has been submitted by the Tri-national Trifinio Plan Commission (CTPT), and contains a summary of a project proposal to strengthen social and economic development in the Trifinio region through sustainable coffee farming, by developing production and marketing of high-quality coffee in an environmentally responsible, socially equitable and economically viable manner.
2. The proposal has been circulated to the Virtual Screening Committee (VSC) for assessment and will be considered by the Executive Board in May 2008. A copy of the full project proposal is available in Spanish upon request.

Action

The Executive Board is requested to consider this proposal together with the recommendations of the VSC and, if appropriate, to recommend approval by the Council.

PROJECT SUMMARY

Project title:	Trifinio sustainable coffee project (Honduras, Guatemala and El Salvador)
Duration:	36 months
Location:	Trifinio region, a frontier region for El Salvador, Honduras and Guatemala
Nature of the project:	Development of sustainable coffee production and marketing in order to protect natural resources (water, woodland) and improve rural incomes in the Trifinio region.
Brief description:	The aim of the project is to strengthen social and economic development in the Trifinio region through sustainable coffee farming, by developing production and marketing of high-quality coffee in an environmentally responsible, socially equitable and economically viable manner.
Estimated total cost:	US\$2,728,940
Financing sought from the Common Fund for Commodities (CFC):	US\$1,835,600
Form of financing sought from the Fund:	Donation
Co-financing:	The Foundation Hanns R. Neumann Stiftung (FHRNS) finances the project in El Salvador with donations from the International Coffee Partners (ICP) group and the German Development Bank Deutsche Investitions- und Entwicklungsgesellschaft (DEG) in the framework of tri-national project activities. Co-financing is approximately US\$570,000 for three years (the project commenced in July 2007). Contributions are as follows:

- ICP: US\$330,000 (approx. US\$240,000 in the form of donations and approx. US\$90,000 in kind)
- DEG: US\$240,000 in the form of donations

The Tri-national Trifinio Plan Commission (CTPT) provides around US\$330,540 in kind.

**Form of co-financing
(in cash):**

ICP and DEG funds available through the FHRNS are cash donations and have been used for the implementation of the project in El Salvador since July 2007.

Counterpart contributions:

Local counterpart contributions will be defined once the project has been initiated. Farmers' organizations and local government authorities in the region will provide counterpart support, which can be in cash or in kind.

Project

Executing Agency (PEA): Tri-national Trifinio Plan Commission

Supervisory body: International Coffee Organization

Estimated starting date: 2008 (activities under the pilot project in El Salvador began in July 2007)

**Summary of costs by component of the Trifinio sustainable coffee project
(Honduras, Guatemala and El Salvador)
(in US\$)**

	Total Cost	CFC
Component 1	410,050	315,450
Component 2	630,100	367,300
Component 3	249,600	249,600
Component 4	188,800	92,000
Logistics	266,490	134,100
Operatives	965,900	677,150
Part total PEA	2,710,940	1,835,600
Contingencies 5%		91,780
General total		1,927,380