The Executive Board of the Common Fund for Commodities, an intergovernmental financial institution established by the United Nations, approved a project on “Enhancing the Potential of Gourmet Coffee Production in Central American Countries”. The Common Fund will partner with the Italian Government through their Instituto Agronomico per l’Oltremare (IAO) of the Italian Ministry of Foreign Affairs. The project seeks to implement development models that could lead to the increased coffee production and improved technical processing facilities for controlling the quality of coffee through the value chain in Honduras, Guatemala, Nicaragua and Costa Rica.

The main objective of the initiative is to improve the standard of living of small coffee producers in rural mountain communities by increasing their income through efficient production and marketing of gourmet coffee. The project seeks to organize and train the farmers in the production of gourmet coffee and to help farmers to export their coffee directly. This will be done through implementation of the following activities. (a) Selection of potential gourmet coffee producing areas. (b) To reorganise the coffee production chain with special attention to cultivation and harvesting. (c) To identify and transfer new techniques for coffee processing and quality control. (d) To set up a new production system and promote quality coffee. (e) Good project leadership and management

The total cost of the project is USD 1,874,146 of which the Common Fund will directly contribute USD 617,560 as a grant. The Government of Italy is contributing USD 1,256,586. The immediate beneficiaries of the project are the 2,000 coffee producers who are going to directly participate in this project. The Project will be implemented by IAO, which will work very closely with ANACAFE in Guatemala, IHCAFE in Honduras, ICAFE in Costa Rica and MIFIC in Nicaragua. The International Coffee Organization will be the Supervisory Body for this project.

Note to the Editor: The Common Fund for Commodities is an intergovernmental financial institution established by the United Nations. Its main objective is to assist Developing Countries, which are dependent on the production of primary commodities. The projects of the Common Fund are small to medium sized (USD 1 to 5 million) and are mainly grant financed, supplemented by loan financing. The main target groups are commodity producers in Least Developed Countries and the poorer strata of the population in other Developing Countries. The Common Fund is headquartered in Amsterdam, the Netherlands.

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