



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
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Projects Committee/
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**Promoting a sustainable coffee sector
in Burundi**

Background

1. This document, submitted by Kahawatu (The People's Coffee), the foundation in charge of fund raising activities for the project, contains the summary of a new project proposal designed to promote a sustainable coffee sector through the improvement of productivity and production of high quality coffee and food crops to improve the livelihoods of coffee producers in Burundi.
2. The proposal will be forwarded to the Virtual Screening Subcommittee (VSS) for an evaluation and will be considered by the Projects Committee in March 2013.

Action

The Projects Committee is requested to consider this proposal as well as the recommendations of the VSS and, if appropriate, to recommend its approval by the Council.

PROJECT SUMMARY

1. **Project title:** Promoting a sustainable coffee sector in Burundi
2. **Duration:** 5 years
3. **Location:** Burundi
4. **Nature of the project:** Promote a sustainable coffee sector through the improvement of productivity and production of high quality coffee and food crops to improve the livelihoods of coffee producers.
5. **Objective and scope of the project:**

The central objective is to place farmers and their household at the centre of efforts designed to increase productivity and quality of coffee, thereby enabling them to earn higher prices, to increase their income, to save, to invest as well as diversify farm activities to achieve well-being by becoming self-sufficient in meeting household needs. The project will assist in strengthening extension services with Good Agricultural Practices (GAP) using coffee plant waste as fertilizers to intensify food and coffee production. It will also contribute to the improvement of farmers' capacity in credit and savings management. The project targets a pilot group, and can through project development be scaled up in number and size based on proof of concept and available resource input.

The project will comprise the following components:

 - 1) Assessment of participating farmers and their needs.
 - 2) Development of comprehensive training/technical support programmes.
 - 3) Design a suitable and sustainable loan system and input delivery mechanism in light of the requirement and previous experience.
 - 4) Supporting a sustainable improvement of coffee production and productivity.
 - 5) Increase the value-chain of coffee through quality improvement.
 - 6) Development of food crops and other farming activities to support a sustainable coffee sector.

- 7) Training of coffee farmers.
 - 8) Scientific management, development of information system and communication.
 - 9) Management, coordination, supervision and monitoring of the project.
6. **Estimated total cost over 5 years:** US\$9.4 million
7. **Revolving fund for credit facilities:** US\$1.5 million
8. **Sources of funding:** Through fund raising activities already initiated by Kahawatu
9. **Project Executing Agency (PEA):** The proposed PEA will be an institution with the relevant experience and administrative capacity, acting in close collaboration with Kahawatu, the foundation in charge of fund raising activities for the project, as described hereafter. Discussions are well advanced with Technoserve.
10. **Supervisory body:** International Coffee Organization
11. **Collaborating institutions sought or secured:**
- National Bank for Economic Development (BNDE) for financial intermediation
 - Regulatory Authority for the Coffee Sector (ARFIC)
 - Provincial Department for Agriculture and Livestock (DPAE) for extension services
 - Coffee Producers Unions Federations
 - INTER CAFÉ Burundi
 - Agricultural Research Institute of Burundi (ISABU)
 - World Bank/International Finance Corporation (IFC)
 - Mitsubishi Corporation
 - CAFÉ AFRICA
 - International Fund for Agricultural Development (IFAD)
 - Rainforest Alliance
 - Starbucks
 - WWF
 - Digital Green
12. **Estimated starting date:** June/July 2013

LOGICAL FRAMEWORK

Project title: Promoting a sustainable coffee sector in Burundi
Estimated project starting date: June/July2013
Estimated completion date: May/June 2018 (should be seen as an ongoing initiative)

Narrative summary	Verifiable indicators	Means of verification	Assumptions
<p>Broad goal Promote a sustainable coffee sector in Burundi by increasing farmers' income and government revenue through the improvement of coffee productivity and quality.</p>	<ul style="list-style-type: none"> a) Coffee growers' income increased and secured b) Coffee production increased c) Productivity improved d) Coffee quality improved 	<ul style="list-style-type: none"> a) Detailed survey on the impact of the project b) Government reports; Food and Agriculture Organization of the United Nations (FAO) report on food security situation c) National statistics; data on agricultural production d) International statistics, ICO data, FAO data 	<ul style="list-style-type: none"> a) Prudent and stable macroeconomic environment b) Continuation of policy of poverty eradication and modernization of agriculture c) Government supports the project
<p>Specific objectives</p> <ul style="list-style-type: none"> a) Promote a sustainable agricultural practice b) Increase coffee yields in a sustainable way c) Produce high quality coffee d) Promote the production of certified coffee to increase value-addition e) Training farmers in good agricultural practices f) Promote food security by supporting food crop and livestock production g) Provide extensive services to coffee farmers 	<ul style="list-style-type: none"> a) Number of farmers receiving project support b) Increased soil fertilization with animal & plants nutrients c) Increased coffee yield per tree and production d) Domestic food consumption covered e) Increased value-added from coffee f) Increased number of farmers with environmentally friendly farming, technical and professional skills 	<ul style="list-style-type: none"> a) Data from financial institutions b) Data from farmers' associations c) Increase in production of good quality food crop and decrease in food imports d) Improved productivity of coffee and food crops e) Increased number of certified coffee farmers f) Monitor farmers' awareness and credit management capabilities 	<ul style="list-style-type: none"> a) Adequate land policy b) Crop diseases maintained at reasonable levels c) Incentives from the government and donor community d) Programme economically sustainable e) Farmers willing to participate in the programme

<p>Outputs</p> <ul style="list-style-type: none"> a) Increased coffee production and production pattern controlled b) Improvement of coffee productivity c) Coffee farmers in Burundi are technically and financially equipped to undertake environmentally friendly farming practices d) Increased soil fertility e) Coffee growers' credit and savings management skills improved f) Farmers organized in functional cooperatives g) Coffee farming becomes attractive 	<ul style="list-style-type: none"> a) Training manuals b) Farmers' sources of income increased c) Foods import expenditures reduced d) Marketing channels improved e) Value-added increased f) Increased number of farms equipped and well managed g) A large scale project document prepared 	<ul style="list-style-type: none"> a) Survey of the impact of the project b) Government statistics c) Farmers' survey 	<ul style="list-style-type: none"> a) Farmers' ability to adopt new technologies b) Good timing of the project implementation c) Coffee pest and disease controlled d) Livestock and food crops diseases are contained to tolerable levels e) Improved rural infrastructure
<p>Inputs/Activities</p> <ul style="list-style-type: none"> a) Assessment of participating farmers and their needs b) Design a suitable and sustainable loan system and input delivery system c) Supporting the sustainable increase of coffee productivity d) Increasing the value chain of coffee through quality improvement e) Promoting environmentally friendly practices in coffee production and processing f) Development of food crops and other activities to support sustainable coffee farming g) Training of farmers on good agricultural practices h) Scientific management, information system and communication i) Project management, coordination, supervision 	<p>*All Components listed in US\$ over a 5 year period</p> <ul style="list-style-type: none"> Component 1: 1,256,325 Component 2: 93,450 Component 3: 2,758,770 Component 4: 684,600 Component 5: 850, 836 Component 6: 154,350 Component 7: 2,087,190 Component 8: 303,660 Component 9: 1,246,350 	<ul style="list-style-type: none"> a) Project implementation work plan b) Progress and final reports c) Reports of project supervision 	<ul style="list-style-type: none"> a) Availability of funds to undertake project activities b) Project funds disbursement made on adequate time c) Adequate supply of planting materials d) Strong commitment of all stakeholders e) Government remain committed to reduce poverty in coffee producing areas f) Fair and open international trading framework g) Stable and predictable political and regulatory environment

PROJECT SUMMARY COST TABLE (US\$)

Cost per category of expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Total
I. Vehicles, machinery and equipments	1,243,100.0	200,000.0	180,000.0	271,600.0	0.0	1,894,700.0
II. Civil works	78,000.0	30,000.0	0.0	30,000.0	30,000.0	168,000.0
III. Materials and supplies	1,332,900.0	540,900.0	40,900.0	40,900.0	40,900.0	1,996,500.0
IV. Personnel	268,800.0	268,800.0	268,800.0	268,800.0	268,800.0	1,344,000.0
V. Technical assistance and consultancy	174,000.0	119,000.0	119,000.0	179,000.0	155,320.0	746,320.0
VI. Duty travel	174,000.0	48,000.0	42,000.0	42,000.0	42,000.0	348,000.0
VII. Dissemination and training	92,900.0	137,700.0	137,700.0	137,700.0	137,700.0	643,700.0
VIII. Operational costs	166,920.0	144,520.0	144,520.0	144,520.0	144,520.0	745,000.0
PIA-Sub total	160,000.0	160,000.0	160,000.0	160,000.0	160,000.0	960,000.0
IX. Supervision, monitoring and evaluation	44,000.0	24,000.0	24,000.0	24,000.0	24,000.0	140,000.0
X. Contingencies (5%)	186,731.0	83,646.0	55,846.0	64,926.0	50,162.0	449,311.0
Total expenditure	3,921,351.0	1,756,566.0	1,172,766.0	1,363,446.0	1,053,402.0	9,435,531.0
Cost per component	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Component 1: Assessment of participating farmers and their needs	432,285.0	206,010.0	206,010.0	206,010.0	206,010.0	1,256,325.0
Component 2: Design of a suitable and sustainable loan system and input delivery system	51,450.0	10,500.0	10,500.0	10,500.0	10,500.0	93,450.0
Component 3: Supporting a sustainable improvement of coffee production and productivity	1,436,610.0	776,790.0	157,290.0	199,290.0	188,790.0	2,758,770.0
Component 4: Increasing the value chain of coffee through quality improvement	235,200.0	96,600.0	75,600.0	138,600.0	138,600.0	684,600.0
Component 5: Promoting environmentally friendly practices in coffee production and processing	281,820.0	164,220.0	227,220.0	164,220.0	13,356.0	850,836.0
Component 6: Development of food crops and other farming activities	66,150.0	22,050.0	22,050.0	22,050.0	22,050.0	154,350.0
Component 7: Training of farmers	1,111,026.0	217,266.0	210,966.0	336,966.0	210,966.0	2,087,190.0
Component 8: Scientific management, development of information system and communication	74,340.0	51,660.0	51,660.0	74,340.0	51,660.0	303,660.0
Component 9: Project management, coordination, supervision and monitoring	232,470.0	211,470.0	211,470.0	211,470.0	211,470.0	1,246,350.0
Total project cost including 5% contingencies	3,921,351.0	1,756,566.0	1,172,766.0	1,363,446.0	1,053,402.0	9,435,531.0