



**Report of the Projects Committee on
the meeting held on 9 March 2016**

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1. The Projects Committee held its 11th meeting in Addis Ababa, Ethiopia on 9 March 2016.

Item 1: Adoption of the Agenda

2. The Committee adopted the draft agenda contained in document [PJ-94/15 Rev. 1](#).

Item 2: Election of the Chairman and Vice-Chairman for 2015/16

3. The Committee appointed Mr Primus Kimaryo of Tanzania as Chairman and Mr Conradin Rasi of Switzerland as Vice-Chairman for coffee year 2015/16.

Item 3: Coffee Development projects

Projects under consideration by the ICO

4. The Chief Economist introduced the following project proposal contained in document [PJ-95/16](#): Empowering women and youth to participate in the coffee value chain in Uganda. The project illustrates the contribution of a small and medium enterprise (SME), and aims to build the capacity of women and youth coffee farmer groups to improve their skills in production technologies and marketing to obtain better prices and improve their share of value added. The project was considered by the Virtual Screening Subcommittee (VSS) for the first time in February 2016 who recommended that the Committee should endorse the proposal. The Committee in turn agreed that the proposal should be submitted to the Council for endorsement.

Projects under consideration by Donors

5. The Chief Economist introduced document [PJ-99/16](#) containing a report on projects under technical consideration by the ICO; projects under implementation; projects endorsed by the International Coffee Council (ICC) and seeking funds for implementation; and projects concluded. The Chief Economist indicated that due to a change in the CFC project financing policy, a number of projects endorsed by the ICC had not been received positively by the CFC. Consequently, the Chief Economist recommended that, as per the decision in September 2014, projects which had been trying to secure funding for the last two years should be removed from the pipeline. In order to address the financing challenge faced by coffee development projects, the Executive Director indicated his plan to reinvigorate the Organization through fundamental innovations, including extensive research into seeking partnerships with financial institutions and donors for project financing.

6. The Committee took note of the report and agreed with the recommendation that the projects for which funding has not been secured for the last two years should be removed from the pipeline.

Projects already approved

7. The Chief Economist gave an update on three ongoing projects as detailed in the three Annexes of document [PJ-100/16](#).

Sustainable Credit Guarantee Scheme to promote scaling up of enhanced processing practices in Ethiopia and Rwanda

8. The aim of this project (Annex I) is to provide credit to coffee farmers in Ethiopia and Rwanda guaranteed by collateral provided by the CFC. The progress report received by the Secretariat stated that in Ethiopia, a new milestone was achieved with respect to building a relationship between farmers' cooperatives and financial service providers. In Rwanda, although some challenges remain, the bank has extended loans to two more cooperatives. The project is in its final year and a closing workshop is scheduled for December 2016.

Promoting a sustainable coffee sector in Burundi

9. This project (Annex II) is a typical example of private-public collaboration. In October 2012 a coffee trading company (Sucafina) proposed a different way of approaching sustainability in the coffee sector so as to increase the yield and the living conditions of those working in the sector and thereby ensure enough coffee is available for the exporters. The concept has been developed with the help of the ICO. Kahawatu, the Project Executing Agency, has secured US\$1.6 million and the project is now being implemented. Kahawatu has already reached out to many farmers and continues to undertake fundraising activities for the project.

Qualitative and quantitative rehabilitation of coffee with the aim of improving living conditions of coffee farmers afflicted and displaced by war in the Democratic Republic of the Congo

10. The aim of this project (Annex III) is to improve conditions for coffee producers in the Democratic Republic of the Congo. The area in which it is taking place has suffered greatly from the ravages of conflict and so this project aims to support coffee producers who are returning to the area. The project is still on track in terms of coffee quality improvement through micro-washing stations and the organisation of coffee growers into coffee

cooperatives. The CFC has appointed a consultant for a mid-term review while the ICO is expected to carry out a supervision mission in April 2016. However, the Committee was informed by a Member about the lack of communication between the Project Executing Agency (VECO) and the Government. The Chief Economist indicated that this problem will be addressed during the ICO's supervision mission planned for April 2016.

11. The Committee took note of these reports.

Item 4: Cooperation with other agencies

12. The Head of Operations gave an update on Vision 2020, a cooperative framework between the Organization, the 4C Association and IDH The Sustainable Trade Initiative.

13. The Chief Economist reported on the Concept Note to set up the African Coffee Facility, an initiative with the African Development Bank Group to support the African coffee sector. The development of the coffee sector in Africa faces a number of challenges as its economic transformation depends on modern agriculture characterised by increased productivity and value addition. Against this background, various partners, under the leadership of the Secretary-General of the InterAfrican Coffee Organisation approached the African Development Bank, having discussed the idea at the ICO's 5th Consultative Forum on Coffee Sector Finance, to request the creation of a coffee development fund known as the African Coffee Facility. Through this Facility the Bank intends to mobilise resources for sustainable solutions that will unlock the potential of the African coffee industry. The Bank is organising a workshop on 28 and 29 April at its headquarters in Abidjan to set up the design, terms and conditions for the operation of the Facility.

14. The Chief Economist also indicated that the suggestions from the European Union through its delegation would be included in the Concept Note.

15. The Committee took note of these reports.

Item 5: Other business

16. One Member informed the Committee about an outbreak of coffee leaf rust and invited the Secretariat to disseminate information on how to address the challenge. The Chief Economist informed the Committee that a project sponsored by the ICO and implemented by CABI in India and four African countries had provided useful material that could be shared with Members.

17. The Committee took note of this information and encouraged the Secretariat to disseminate widely relevant project outputs.

Item 6: Date of next meeting

18. The Committee noted that the next meeting of the Projects Committee would take place during the 117th Session of the Council to be held in London from 19 to 23 September 2016.