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**Report of the 16th meeting of the
Projects Committee held on
18 September 2018**

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1. The Projects Committee, chaired by the Honduran Ambassador, H.E. Mr Iván Romero-Martínez, held its 16th meeting in London on Tuesday, 18 September 2018.

Item 1: Adoption of the Agenda

2. The Committee approved the draft Agenda contained in document [PJ-123/18 Rev. 1](#) with an amendment to Item 3 to allow the Interafrican Coffee Organization to present the proposal of the African group on domestic consumption.

Item 2: Report of the meeting held on 10 April 2018

3. The Committee approved the report of the meeting held on 10 April 2018 contained in document [PJ-122/18](#).

Item 3: Monitoring and evaluation of projects

Item 3.1: Current coffee development projects and strategy

4. The Head of Operations, Mr Gerardo Patacconi, outlined the current coffee development projects strategy, including organizing both the Donors Forum and the Partnership Fair, as well as assisting Members in designing project proposals and identifying sources of finance. Mr Patacconi further noted that the ICO is pleased to see how 11 donor institutions had responded positively to give a presentation to Members on how to access their knowledge and financial sources in support to the coffee industry. The approach enables Members to interact with these donor institutions and bilateral agencies to work together in addressing the coffee sector challenges. The ICO prepared a Guide to access the Global Environment Facility (GEF) financing, and the next step is to prepare a comprehensive guide on how to access the support of multilateral and bilateral funding institutions. The ICO will support Members in this process. An example of this new type of cooperation is the support given to Uganda by the Secretariat to transform its coffee sector's road map into concrete actions. The latest example is the initial effort already paid for a relatively small but interesting project, which applies new technology in Colombia, supported by a UK-based innovative fund, with some partners identified by the Secretariat. This is a process that the ICO started, and is bringing some positive outcomes. The Committee took note of this verbal report.

Item 3.2: Project proposal by Uganda:

Building a sustainable and inclusive coffee sector in Uganda

5. The Chief Economist presented document [PJ-124/18](#) containing a summary of a new project proposal on building a sustainable and inclusive coffee sector in Uganda. The project,

prepared by the Secretariat following a request by the Uganda Coffee Development Authority (UCDA), aims to support the implementation of the country's coffee road map that will increase the contribution of the coffee sector to achieving sustainable development. The Committee recommended its approval by the Council.

Item 3.3: PROMECAFÉ

6. The representative of PROMECAFÉ provided a verbal report regarding the status of the ongoing project on domestic consumption financed by the Special Fund. The three-year project is expected to contribute to an increase in value-addition in the region and will also reduce the number of intermediaries between the farmers and the roasters. The project is working to improve the capacity in the region, which has huge potential in terms of coffee consumption. The current average per capita domestic consumption is 1.23kg per year, and this is expected to increase by 30%. The project has completed two years and a second regional workshop was held in Antigua, Guatemala, last August with the participation of 10 Member countries and coffee experts and representatives of the coffee industry. For the remaining year the project will focus on developing promotional regional materials to showcase the links between coffee and health, and coffee and sports as potential ways of improving the domestic consumption strategy in each country. The Committee took note of the report.

Item 3.4: Interafrican Coffee Organization (IACO)

7. The Secretary General of the IACO, Mr Frederick Kawuma, presented a new project proposal on domestic consumption and creation of value addition in Africa as a contribution to Africa. Mr Kawuma requested that the portion of the Special Fund designated for Africa be used to promote domestic consumption in the continent. Africa has a great potential for coffee consumption, but domestic consumption is limited across the producing countries of the region, with the exception of Ethiopia. The significant levels of urbanisation in the continent and a youth element comprising more than 70% of the population, represents a huge opportunity for entrepreneurship as well as a potential increase in consumption, and this bodes well for the transformation of the Africa coffee value chain. The IACO is developing a partnership with other African countries that are not necessarily coffee producing countries, taking advantage of the Africa Continental Free Trade Area (AfCFTA), recently launched by the African Union. The IACO is partnering with Afreximbank in that regard. This bank has been nominated by the African Union to be the lead agency for the Africa Free Trade area. The IACO General Assembly held in November 2016, in Yaoundé, Cameroon, mandated that the Secretary General request the transfer of Africa's portion of the Special Fund to the IACO to undertake the promotion of domestic consumption. Although it is a small amount, it will

be used to leverage the contribution of other partners to cover activities relating to the market development component of the Africa Coffee Fund. The Committee approved this initiative and recommended its endorsement by the Council.

Item 3.5: Identifying coffee sector challenges in selected countries in Asia and Oceania

8. The Chief Economist presented document [PJ-125/18](#), which contains a preliminary report regarding the challenges affecting the coffee sector in selected countries in Asia and Oceania based on relevant information provided by Members. The dynamics of the coffee sector in the selected countries of the region and the contribution to their economies were presented before highlighting the main challenges affecting the sector. As well as the existing challenges in all producing countries, exports remain dominated by green coffee. The Philippines is an exception, as imports of green coffee are required to meet its domestic consumption needs. The Committee approved the report, and encouraged Members to provide the ICO with additional information in order to update it.

Item 4: Cooperation activities

Item 4.1: Delta Project: Bridging the Gap in Measuring Real-Time Sustainability Performance: Establishment of the Working Group on Sustainability Performance Indicators

9. The Senior Economist reminded Members regarding the objective of the Delta project and presented the terms of reference for the establishment of a working group that will monitor the implementation of the Delta Project on sustainability performance indicators contained in document [PJ-126/18](#). The Working Group is open to all Members. The Senior Economist also reported that the first phase of the project has already started and will be completed at the end of October. The Committee approved the terms of reference of the Working Group.

Item 4.2: Coffee Global Adaptation Plan (C-GAP)

10. The representative from the Swiss Coffee Trade Association (SCTA) gave an update of the C-GAP, a private sector initiative, which addresses the threat to coffee supply due to climate change, by leveraging impact investment and finance blending. ICO is a Member of the Working Group developing the initiative. He also reported that a go/no-go decision will be taken this October and, if this is positive, a platform for a bankable project will be established. The Committee noted the report and encouraged the Secretariat to continue monitoring the development of this initiative.

Item 5: Other business

11. There was no other business.

Item 6: Date of next meeting

12. The next meeting will take place in Nairobi, Kenya, during the time of the 124th Session of the Council.