



Projects Committee
5th Meeting
7 March 2013
London, United Kingdom

**Report of the
Virtual Screening Subcommittee (VSS)
on five coffee project proposals**

Background

1. This report contains assessments provided by the Virtual Screening Subcommittee (VSS) on the following five project proposals (one revised and four new) which will be considered by the Projects Committee and Council in March 2013:

- Annex I: Promoting coffee sustainability through increases in productivity, with particular focus on the participation of young people and women in Cameroon and the Central African Republic**
- Annex II: Promoting a sustainable coffee sector in Burundi**
- Annex III: Quality, sustainability and networking to improve the competitiveness of the Veracruz coffee sector in Mexico**
- Annex IV: Empowering women in Brazilian coffee cooperatives to improve coffee quality**
- Annex V: Valorization of Ethiopian coffee origins through the European Protected Geographical Identification label (PGI label)**

2. The VSS is currently composed of Brazil, Côte d'Ivoire, Guatemala and Indonesia (exporting Members) and Italy, Spain and the USA (importing Members).

Action

The Projects Committee is requested to consider the report of the VSS and to submit recommendations on the above proposals to the Council.

REPORT OF THE VIRTUAL SCREENING SUBCOMMITTEE (VSS)

Summary of VSS screening by technical area

February 2013

RECOMMENDATION OF THE VSS	Promoting coffee sustainability through increases in productivity, with particular focus on the participation of young people and women in Cameroon and the Central African Republic	Promoting a sustainable coffee sector in Burundi	Quality, sustainability and networking to improve the competitiveness of the Veracruz coffee sector in Mexico	Empowering women in Brazilian coffee cooperatives to improve coffee quality	Valorization of Ethiopian coffee origins through the European Protected Geographical Identification label (PGI label)
Project endorsed	✓	✓✓	✓	✓	✓
Project endorsed with comments					✓
Project not endorsed	✓			✓	
Overall recommendation	<p>The VSS considered the proposal for the third time in Feb 2013.</p> <p>The VSS was split on whether to endorse or reject the proposal.</p>	<p>The proposal was considered for the first time by the VSS in Feb 2013.</p> <p>The VSS recommended endorsing the proposal taking into consideration technical comments provided.</p>	<p>The proposal was considered for the first time by the VSS in Feb 2013.</p> <p>The VSS recommended endorsing the proposal taking into consideration technical comments provided.</p>	<p>The proposal was considered for the first time by the VSS in Feb 2013.</p> <p>The VSS was split on whether to endorse or reject the proposal.</p>	<p>The proposal was considered for the first time by the VSS in Feb 2013.</p> <p>The VSS recommended endorsing the proposal taking into consideration technical comments provided.</p>

VSS ASSESSMENT – REVISED PROPOSAL

Promoting coffee sustainability through increases in productivity, with particular focus on the participation of young people and women in Cameroon and the Central African Republic – Proposal submitted by the InterAfrican Coffee Organisation (IACO). See also project outline in document PJ-36/12 Rev. 1 and relevant summary in document PJ-42/13 under Project 1.8.

ICO Criteria

1. Country eligibility: Are the intended beneficiaries of the project consistent with the type of beneficiaries described in paragraph 29 of ICC-105-16?

Member 2: Yes.

Member 3: Yes. Cameroon is a Member of the ICO and the CFC. Central African Republic is a Member of the ICO and the CFC and an LDC.

2. Aims and purposes: Are they consistent with the 2007 Agreement and ICC-105-16?

Member 2: Yes.

Member 3: Yes. The overall objective is the promotion of a sustainable coffee sector in Cameroon and the Central African Republic through productivity enhancement and the involvement of the young adults and the women in the coffee value chain. Strategy issues also covered: quality enhancement, improvement of marketing systems, rehabilitation of production capacity, increase of local consumption and improvement of productivity.

3. Is the project consistent with country or regional priorities?

Member 1: Yes. Very consistent with rebuilding the coffee sector in these countries.

Member 2: Not aware.

Member 3: Yes. The project will support the efforts made by the governments of these two countries in improving the livelihoods of their populations involved in the coffee sector and hence reduce poverty.

4. Are there critical gaps or problems with the project?

Member 1: Yes. The proposal takes the standard approach of setting up cooperatives and supporting finance through revolving loan funds that should be considered as just one form of finance. There also needs to be a more careful look at financial products that would address household needs and household cash flow more broadly.

Member 2: Yes. Quality Robusta is a very niche market.

Member 3: No. The project proposal addressed the previous comments issued by the VSS in the previous assessment.

5. Is the project likely to have sustainable impacts for project beneficiaries?

Member 1: Yes. The project addresses issues all along the value chain, which will help ensure sustainability for all involved in the chain.

Member 3: Yes. Higher incomes for the farmers, Good Agricultural Practices, best marketing strategies, involvement of young adults and women.

6. Is the scale and scope of the project appropriate?

Member 1: Yes.

Member 2: No. The scope is not wide enough.

Member 3: Yes.

7. Is the timeframe of the project appropriate?

Member 1: Yes.

Member 2: Yes.

Member 3: Yes.

8. Government commitment: Is the counterpart contribution committed by the government appropriate?

Member 1: Yes. Seems consistent with government objectives.

Member 2: No.

Member 3: Yes. Cameroon: US\$500,000 out of US\$2,479,900
Central African Republic: US\$450,000 out of US\$2,590,700.

9. Will this project develop capacity-building in the local community?

Member 1: Yes.

Member 2: Yes.

Member 3: Yes. Capacity building is an important component in this project.

10. Have gender aspects been adequately addressed?

Member 1: No. Good start in term of identification of women (and youth) as a target, and identification of roles in the value chain, so expect that more detail and refinement of approaches will follow in implementation. They should develop more gender-specific indicators.

Member 2: Yes.

Member 3: Yes. Components of project specifically address the involvement of young adults and women.

11. Does this project leverage additional resources through private sector, civil society, government, or academic participation?

Member 1: No. There is a good description of other collaborating institutions, however I don't see cost share reflected in the budget.

Member 2: No.

VSS ASSESSMENT – NEW PROPOSAL

Promoting a sustainable coffee sector in Burundi – Proposal submitted by the Kahawatu Foundation, Burundi. See also project outline in document PJ-43/13 and relevant summary in document PJ-42/13 under Project 1.1.

ICO Criteria

1. Country eligibility: Are the intended beneficiaries of the project consistent with the type of beneficiaries described in paragraph 29 of ICC-105-16?

Member 1: Yes. Coffee is currently 59% of total export earnings of Burundi, according to the proposal, and improvement in the sector could improve food security by helping people's ability to access (buy) food through this cash crop.

Member 2: Yes.

Member 3: Yes. Burundi is a developing country, is part of the LDCs and also a member of the CFC.

2. Aims and purposes: Are they consistent with the 2007 Agreement and ICC-105-16?

Member 1: Yes. Promotes sustainable coffee, the use of environmentally-friendly production, and improving quality and productivity of coffee.

Member 2: Yes.

Member 3: Yes. The main goal of the project is the promotion of a sustainable coffee sector which is one of the objectives of the 2007 Agreement. Furthermore, the project covers several strategic issues in the ICO Strategic plan, such as increasing production and productivity (Component 3), enhancing quality (Component 4), improving marketing systems (Component 8), diversification (Component 6).

3. Is the project consistent with country or regional priorities?

Member 1: Yes.

Member 2: Yes.

Member 3: Yes.

4. Are there critical gaps or problems with the project?

Member 1: Yes. Need more details on what specifically the money will be spent on within each component and how each budgetary number was determined. With respect to Component 2, there should be an analysis of existing finance providers before setting up a revolving loan facility to ensure there are no local credit unions or Medium Financial Intermediaries (MFIs) that could play a role.

In general, and particularly in this case where it is recognized that coffee growers interplant and have supplementary agricultural and income generating activities it would be important to not just design financial products around coffee production, but rather take a look at the entire cash flow of the household so that financial products could be designed to match. In addition to credit for inputs, saving products and insurance, starting perhaps with death/loan insurance should also be offered.

A focus on beekeeping and mushroom production will emphasize other opportunities for employment. However, there is no discussion of what the market for honey and mushrooms looks like. Is there a lot of domestic potential or would they be focusing on exports? Is there any analysis suggesting these would be good investments?

Member 2: No.

Member 3: No.

5. Is the project likely to have sustainable impacts for project beneficiaries?

Member 1: Yes. Sustainability is mentioned in the proposal, especially in reference to the revolving loan facility. An exact sustainability plan is not elaborated, but it is possible if they integrate existing country institutions and systems into their project that the likelihood of sustainability is enhanced.

In a high density country like Burundi, this project's focus on intensifying efficiency of production systems on limited land can have positive sustainable impacts for project beneficiaries.

Member 2: Yes.

Member 3: Yes. The farmers will substantially benefit from the financial and technical support as well as an increase in their incomes as a result of the implementation of Good Agricultural Practices.

6. Is the scale and scope of the project appropriate?

Member 1: Yes. Given the scope and the number of components and activities, the budget and five year timeline appear appropriate.

Member 2: Yes.

Member 3: Yes.

7. Is the timeframe of the project appropriate?

Member 1: Yes. Given the scope and the number of components and activities, the budget and five year timeline appear appropriate.

Member 2: Yes.

Member 3: Yes. Five years.

8. Government commitment: Is the counterpart contribution committed by the government appropriate?

Member 1: Yes. A Memorandum of Understanding was signed by Kahawatu and the Burundi Minister of Agriculture and in-kind contributions were referenced, but not detailed. It states that this US\$9.4 million programme will be funded through fund raising activities with individuals, foundations, corporate CSR sponsorships, government aid programmes and in-kind resources from partners. Looking closer, this proposal does not state how much funds they are seeking from the CFC for this programme, assuming that they are not asking for US\$9.4 million.

Member 2: Yes.

Member 3: Yes. In kind contribution by the government but no specific information in this regard.

9. Will this project develop capacity-building in the local community?

Member 1: Yes. This project has a large focus on building the capacity of smallholder coffee farmers throughout its components.

Member 2: Yes.

Member 3: Yes. The project will help build capacity through the training of farmers which will cover environmentally-friendly farming methods, good agricultural practices, IT management, and credit management.

10. Have gender aspects been adequately addressed?

Member 1: No. Gender discussed in terms of role in coffee production, but gender could be addressed more directly by component.

Member 2: Better highlight the gender aspect in the capacity building.

Member 3: No. We do not think that this should be an issue since the involvement of the local community will necessarily lead to an involvement of the women.

11. Does this project leverage additional resources through private sector, civil society, government, or academic participation?

Member 1: No. Leverage should be more directly discussed. Funds for this programme are currently being sought through fundraising activities with individuals, foundations, Corporate Social Responsibility sponsorships, government aid programmes and in-kind resources from partners. Looking closer, this proposal does not state how much funds they are seeking from the CFC for this programme, assuming that they are not asking for US\$9.4 million.

Member 2: Yes.

Member 3: Yes. This is a good example of private-public partnerships where funds are raised by Kahawatu.

VSS ASSESSMENT – NEW PROPOSAL

Quality, sustainability and networking to improve the competitiveness of the Veracruz coffee sector in Mexico – Proposal submitted by the Institute of Ecology, A.C., Mexico. See also project outline in document PJ-44/13 and relevant summary in document PJ-42/13 under Project 1.2.

ICO Criteria

- 1. Country eligibility: Are the intended beneficiaries of the project consistent with the type of beneficiaries described in paragraph 29 of ICC-105-16?**

Member 2: Yes.

- 2. Aims and purposes: Are they consistent with the 2007 Agreement and ICC-105-16?**

Member 2: Yes.

- 3. Is the project consistent with country or regional priorities?**

Member 2: No. Not aware.

- 4. Are there critical gaps or problems with the project?**

Member 1: One problem noted. The project proposal is well developed and detailed in each component on objectives and activities. I do not see any large gaps with the proposal. It is presenting a comprehensive strategy to improve coffee quality, improve the commercialization of their coffee, and promote sustainable agriculture techniques in coffee growing.

Note: In Component 6, Activity 3, the project references incorporating youth and children into the coffee industry and care of the cloud forest. The current wording can be interpreted as promoting employment of youth and children in the coffee industry. Since there is no clarity on the involvement of children, it would be helpful if clarification in this regard is provided.

Member 2: Yes. No marketing analysis and no market partners.

5. Is the project likely to have sustainable impacts for project beneficiaries?

Member 1: Yes. This project has a good chance of having sustainable impacts for the project beneficiaries, with support from Café in Red and INECOL, CIIDTTAC and CAFECOL, and the emphasis on strengthening the collaboration between institutions to develop the coffee sector. This project also includes the training of coffee growers and cooperatives on best practices. It estimates 4,000 potential beneficiaries with 400 activities around improving the quality of life for coffee growers, their families, their crops and the cloud forest.

Member 2: No. It is not clear without a defined marketing strategy.

6. Is the scale and scope of the project appropriate?

Member 1: Yes. This project is a four-year project with a proposed budget of US\$4,284,490 and is appropriate for the scope and scale of proposed activities.

Member 2: No. Too much on the environmental part and little about the market. What about the real market for environmental services and what about the real plus for certified coffee?

7. Is the timeframe of the project appropriate?

Member 1: Yes. Four years is appropriate for the project to complete project activities.

Member 2: Yes.

8. Government commitment: Is the counterpart contribution committed by the government appropriate?

Member 1: Yes. Government contribution is stated.

Member 2: No. Very little.

9. Will this project develop capacity-building in the local community?

Member 1: Yes. This project also includes the training of coffee growers and cooperatives on best practices. It estimates 4,000 potential beneficiaries with 400 activities around improving the quality of life for coffee growers, their families, their crops and the cloud forest.

Member 2: Yes.

10. Have gender aspects been adequately addressed?

Member 1: No. I might have missed a reference to this. But I did not see gender aspects addressed.

Member 2: No.

11. Does this project leverage additional resources through private sector, civil society, government, or academic participation?

Member 1: Yes. The proposal states that the institutions involved will provide 25% of the project cost with in-kind resources. These institutions include CIIDTTAC, INECOL, INIFAP, CAFECOL, Café In Red.

Member 2: No.

VSS ASSESSMENT – NEW PROPOSAL

Empowering women in Brazilian coffee cooperatives to improve coffee quality – Proposal submitted by the Brazilian Chapter of the International Women’s Coffee Alliance (IWCA). See also project outline in document PJ-45/13 and relevant summary in document PJ-42/13 under Project 1.3.

ICO Criteria

- 1. Country eligibility: Are the intended beneficiaries of the project consistent with the type of beneficiaries described in paragraph 29 of ICC-105-16?**

Member 2: Yes.

- 2. Aims and purposes: Are they consistent with the 2007 Agreement and ICC-105-16?**

Member 2: Yes.

- 3. Is the project consistent with country or regional priorities?**

Member 2: No. Very little priority in Brazil.

- 4. Are there critical gaps or problems with the project?**

Member 1: Yes. A stand alone training event is not a very effective way of empowering anyone. Such training would need to be incorporated into a broader strategy for increasing the role of and benefits to women in the coffee sector.

The project proposes to train one woman from each coffee growing region to become a Q grader, with the expectation that they will become trainers and return to their region to train. While ‘kick-start’ assistance is referenced as an output of the project, little detail of how these women will be supported to create and sustain their train-the-trainer programmes in the region.

Member 2: Yes. Little dissemination is done and not very much training is done (the one done is in kind).

5. Is the project likely to have sustainable impacts for project beneficiaries?

Member 1: No. The 12 women who will receive Q grader certification through this programme will have the potential to help them improve the quality of their coffee and, potentially, get a better price. The support after the training programme is not well detailed in this proposal and would affect how the participants will be able to leverage their Q grader training effectively when they return to their region.

Member 2: Yes.

6. Is the scale and scope of the project appropriate?

Member 1: No. This project is designed to train only 12 women with the expectation that they will then 'multiply' the impact of the project by training others in their region.

The support after the training programme is not well detailed in this proposal and would affect how the participants will be able to leverage their Q grader training effectively when they return to their region. That aspect of the scope of the project could be enhanced.

Member 2: No. Too vast scale for single trainings.

7. Is the timeframe of the project appropriate?

Member 1: This project's timeframe is six months. It is unclear how long the training programme will be and how much follow-up work after the training will take place. If this project is solely to fund 12 women to be trained, then six months is appropriate. However, to increase sustainability, follow-up support for the trained women would be advised so the training is used effectively and the women are able to train others in their region.

Member 2: No. Six months is too short time.

8. Government commitment: Is the counterpart contribution committed by the government appropriate?

Member 1: No. No government funds are noted. The cost share will be through in kind resources from IWCA.

Member 2: Yes/No. There is not very much government commitment.

9. Will this project develop capacity-building in the local community?

Member 1: No/possibly yes. This programme is designed to train 12 women with the expectation that they will then 'multiply' the impact of the project by training others in their region. The project will increase the capacity of the 12 women and could potentially lead to capacity-building within the local community if the multiplier effect becomes a reality through the women conducting their own trainings in their regions.

Member 2: No.

10. Have gender aspects been adequately addressed?

Member 1: No. This project focuses on training of women and increasing women's capacity within the coffee, however, larger gender aspects within Brazil and the coffee industry have not been addressed.

Member 2: Yes. Even too much!

11. Does this project leverage additional resources through private sector, civil society, government, or academic participation?

Member 1: Yes. This project is asking for US\$45,000 and cost-sharing US\$5,000 from the International Women's Coffee Alliance (IWCA) with in kind resources.

Member 2: Yes.

VSS ASSESSMENT – NEW PROPOSAL

Valorization of Ethiopian coffee origins through the European Protected Geographical Identification label (PGI label) – Proposal submitted by the United Nations Industrial Development Organization (UNIDO) and illycaffè. See also project outline in document PJ-46/13 and relevant summary in document PJ-42/13 under Project 1.4.

ICO Criteria

1. Country eligibility: Are the intended beneficiaries of the project consistent with the type of beneficiaries described in paragraph 29 of ICC-105-16?

Member 1: Yes.

Member 2: Yes.

Member 3: Yes. Ethiopia is a developing Country, is part of the LDCs and also a Member of the CFC

2. Aims and purposes: Are they consistent with the 2007 Agreement and ICC-105-16?

Member 2: Yes.

Member 3: Information provided is not sufficient to assess the project.

3. Is the project consistent with country or regional priorities?

Member 1: Yes.

Member 2: Yes.

4. Are there critical gaps or problems with the project?

Member 1: Yes. The proposal is for US\$4 million, US\$1.6 million of which is construction. Details are mostly limited to a logical framework and bullet points. It is not possible to fairly or accurately assess the activity based on the information presented.

Member 2: Yes. Co-funding + assessment of Protected Geographical Identification (PGI)

5. Is the project likely to have sustainable impacts for project beneficiaries?

Member 1: Uncertain. Unclear – not enough information. It is not evident if receiving the PGI trademark for three Ethiopian coffee regions will result in an increase in market value of the coffees. An end-market analysis might be appropriate before embarking on this US\$4 million project. Also, even with the PGI trademarks, there should be more emphasis on coffee quality training to enhance the probability that the coffee would garner a higher price.

Member 2: Yes.

6. Is the scale and scope of the project appropriate?

Member 1: No. Need more information. The majority of funds asked are for administrative and project management costs. As stated earlier, there should be more resources spent on PGI quality regulation training, currently only US\$180,000 over two years.

Member 2: No. More regional and wider scope.

7. Is the timeframe of the project appropriate?

Member 1: Unclear. Two years may be enough to set up the structure to pursue and maintain the PGI trademark for the three Ethiopian regions, however, the project proposal is so sparse on details that it is difficult to make that judgement.

Member 2: Yes.

8. Government commitment: Is the counterpart contribution committed by the government appropriate?

Member 1: No. There is no evident counterpart contribution.

Member 2: Not shown.

Member 3: No counterpart.

9. Will this project develop capacity-building in the local community?

Member 1: Yes. This project includes limited training on PGI quality regulation. It is a small portion of the project.

Member 2: Yes.

10. Have gender aspects been adequately addressed?

Member 1: No. This project does not address gender issues.

Member 2: No. Include it.

11. Does this project leverage additional resources through private sector, civil society, government, or academic participation?

Member 1: No. There are no additional resources leveraged.

Member 2: Yes/no. Better detail the contribution of the different stakeholders.

LIST OF ACRONYMS USED IN THIS DOCUMENT

CAFECOL	Coffee Agrological Centre
CFC	Common Fund for Commodities
CIIDTTAC	International Research Centre for Innovation, Development and Transfer of Technology 'Alfredo Cabañas'
IACO	InterAfrican Coffee Organisation
INECOL	Institute of Ecology, A.C.
INIFAP	National Forestry, Agriculture and Fisheries Research Institute
IWCA	International Women's Coffee Alliance
LDCs	Least developed countries
PGI label	Protected Geographical Identification label
UNIDO	United Nations Industrial Development Organization
VSS	Virtual Screening Subcommittee