



**Report of the Projects Committee on  
its meeting of 7 March 2013**

1. The Projects Committee held its fifth meeting under the International Coffee Agreement (ICA) 2007 in London on 7 March 2013.

**Item 1: Adoption of the Agenda**

2. The Committee adopted the draft Agenda contained in document PJ-41/12 Rev. 1.

**Item 2: Election of the Chairperson and Vice-Chairperson for 2012/13**

3. The Committee appointed Mr Juan Diego Stacey Chiriboga of Ecuador as Chairperson and Ms Anna Tofftén of the EU-Sweden as Vice-Chairperson for 2012/13.

**Item 3: Coffee development projects**

**Item 3.1: Projects under consideration by the ICO**

4. The Projects Officer introduced document PJ-42/13 containing a progress report on projects, and document PJ-47/13 containing the report of the Virtual Screening Subcommittee (VSS) on five project proposals.

*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 (see document PJ-36/12 Rev. 2).*

5. Members expressed broad support for this proposal and took note of a comment on the need for further work on gender indicators. The Committee decided to recommend that the project be approved by the Council subject to revising the gender indicators and taking into account the recommendations of the VSS.

*Promoting a sustainable coffee sector in Burundi (see document PJ-43/13)*

6. Members noted that this project focussed on the need to achieve a sustainable coffee sector, in which gender issues were addressed indirectly and resources were harvested through Public-Private Partnerships (PPP). On the basis of the recommendations made by the VSS, the Committee decided to recommend that this project be approved by the Council.

*Quality, sustainability and networking to improve the competitiveness of the Veracruz coffee sector in Mexico (see document PJ-44/13)*

7. Members considered that this was a well-designed project. The Committee decided to recommend that it be approved by the Council, noting that the participation of young people and children in project activities did not in any way imply that their school attendance would be negatively affected.

*Empowering women in Brazilian coffee cooperatives to improve coffee quality (see document PJ-45/13)*

8. Members emphasized the importance of the gender aspect, indicating that although the project was limited in scale, it was important because of its focus on gender in the coffee industry and could be expanded in the future, since it highlighted the role of women. In response to concern expressed about the lack of information on mechanisms for disseminating knowledge gained by women who received training, particularly to other women, Members noted that the proposed mechanisms had been used successfully on previous occasions. The project was also in line with the priorities of the national coffee sector of Brazil. Subject to the inclusion of further information on monitoring and future training support, the Committee recommended that the project be approved by the Council.

*Valorization of Ethiopian coffee origins through the European Protected Geographical Identification label (PGI label) (see document PJ-46/13)*

9. Members noted that this was an important proposal for Ethiopia as it would benefit 25 million farmers in the country and would promote Ethiopian speciality coffees. In response to the need for further information about how PGI labels added value and maintaining quality control, Members noted that the proponents were in the process of making some changes to the project proposal. In the light of this information, the Committee decided to await the revised version of the proposal for further consideration at its next meeting in September 2013.

10. In the case of the project 'International research and development services for the durable genetic control of two destructive diseases affecting Arabica coffee' (WP-Board 1033/07) the Committee noted that in view of the current outbreak of coffee leaf rust in Central America, this project could be considered again as a potential project for financing by the EU.

**Item 3.2: Projects under consideration by the  
Common Fund for Commodities (CFC)**

11. The Projects Officer introduced document PJ-42/13 containing a report on projects under consideration and already approved by the Common Fund for Commodities (CFC). Members expressed concern at the large number of projects which were still awaiting financing. The pipeline included 16 projects that had been approved by the Council a number of years ago, and 11 projects still under consideration by the ICO, including the five proposals considered at this meeting. Some of the projects already approved would need to be reformulated in the light of new CFC criteria for the financing of projects. The Committee highlighted the importance of considering options to ensure that projects did not continue to accumulate in the pipeline, which could be detrimental to the credibility of the ICO, as well as discouraging for proponents who had invested time and effort in preparing them.

**Item 3.3: Projects already approved by the CFC**

12. The Projects Officer introduced document PJ- 48/13 containing a summary of progress reports submitted by the Project Executing Agencies (PEAs) on projects currently being implemented. The Committee noted that the CFC Consultative Committee had considered the proposal 'Improving coffee productivity in Yemen' in January 2013, after Project Preparation Facilities were granted in February 2012 for the development of the full proposal, and had approved, in principle, granting a maximum of US\$250,000 of seed funding if the proponents were able to identify other sources of financing. The ICO was assisting the Government of Yemen with this task.

*Coffee Price Risk Management in Eastern and Southern Africa*

13. The Committee noted that this project would need to be modified and re-evaluated in the light of revised CFC criteria. The ICO was exploring the possibility of merging it with another project, which included a component on risk management and was discussing options for moving forward with the project with the representative of the World Bank.

*Economic Crises and Commodity dependent least developed countries (LDCs):  
Mapping the exposure to market volatility and building resilience to future crises*

14. The Committee noted that the representative of the United Nations Conference on Trade and Development (UNCTAD) would present a report on the final appraisal of this project to the Council (see document ICC-110-12). The project had resulted in a sound and evidence-based analysis of the commodities problems of LDCs, assisting different institutions to work closely in identifying the gaps and limitations at the national level, and contributing to international policy-making with regard to the role of commodities in the development of LDCs.

**Item 4: Project activities under the  
International Coffee Agreement (ICA) 2007**

15. The Managing Director of the CFC, Mr Parvindar Singh, outlined the operational changes to the CFC and implications of these for the ICO. Until December 2012 the CFC had only considered proposals for funding through International Commodity Bodies, but under the new guidelines, now received open call funding proposals as well. Changes to the Fund's financing and support mechanisms included the need for 50% of counterpart contributions by project proponents to be made in cash. Although financing instruments were flexible and depended on the specific project, it was proposed to increase funding in the form of loans and private sector financing while cutting down on non-reimbursable funds. A copy of this presentation is available on the technical presentations section of the ICO website at <http://www.ico.org/presents/1213/march-cfc.pdf>

16. The Projects Officer made a presentation on procedures for projects submitted to the ICO and the CFC, as well as the main priority areas of projects, namely: pests and diseases; diversification; emergency aid; marketing and quality improvements. A copy of this presentation is available on the technical presentations section of the ICO website at <http://www.ico.org/presents/1213/march-pj-volcan.pdf>

17. The Committee took note of this information and further noted the need for new proposals to include suggestions for potential sources of financing and to be accompanied by a letter from the Government confirming that the issues were relevant for the country concerned. Members were also invited to send information on their national coffee plans to help the Secretariat to develop regional projects.

**Item 4.1: Challenges for ICO projects**

18. The Head of Operations noted that in the light of the changes made by the CFC, the Organization was preparing a fundraising strategy to identify alternative sources for

financing projects. The Executive Director had circulated document ED-2143/12 requesting Members to provide information on possible sources of funding for projects and promotion, as well as on their national coffee sector strategies. To date only seven replies had been received and he urged all Members to send this information as soon as possible. The Committee took note of this information.

**Item 4.2: Fundraising and communication strategies**

19. In discussions on this issue, Members suggested that the ICO should inform potential donors of the value added to projects by the Organization, indicating reasons why projects should be financed through the ICO. It was suggested that the Secretariat could identify previous contributors and donors of projects, and organize a seminar on alternative sources of finance to which potential donors could be invited.

**Item 5: Gender analysis**

20. The Projects Officer introduced document PJ-17/11 Rev. 2<sup>1</sup> proposing three options for wording to assess gender aspects in new projects and made a presentation on this issue, a copy of which is available on the ICO website. Members agreed that option A would be the most appropriate since it took into account all the major issues relating to the inclusion of gender aspects in projects, as well as the element of youth participation.

**Item 6: Cooperation with other agencies**

21. Regarding the implementation of the Memorandum of Understanding signed in 2012 between the Brazilian Agency for Cooperation (ABC) and the ICO, Members noted that this was an innovative mechanism and contacts had been made with possible beneficiaries. Members would be kept informed of developments and a concept note would be prepared for the next meeting.

**Item 7: Other business**

*Virtual Screening Subcommittee*

22. The Projects Committee noted that Germany was unable to continue serving on this body. The Head of Operations requested consuming countries to propose a new Member for the Subcommittee.

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<sup>1</sup> Subsequently distributed as PJ-17/11 Rev. 3.

*Greenhouse gas emissions*

23. Members were informed that a questionnaire would be circulated by the Secretariat to gather data for a study on greenhouse gas emissions which would be undertaken by Costa Rica. Feedback should be sent to the Secretariat by 31 May 2013.

**Item 8:                      Date of next meeting**

24. The Committee noted that the next meeting would take place in Belo Horizonte, Brazil during the 111<sup>th</sup> Council Session to be held from 9 to 12 September 2013.