

**Report of the Projects Committee on the
meeting held on 11 September 2013**

1. The Projects Committee, chaired by Mr Juan Diego Stacey Chiriboga of Ecuador, met in Belo Horizonte, Brazil on 11 September 2013.

Item 1: Draft Agenda

2. The Committee adopted the draft Agenda contained in document [PJ-50/13 Rev. 1](#).

Item 2: Cooperation with other agencies*Brazilian Agency for Cooperation (ABC)*

3. In March 2012, the ICO and the ABC signed a Memorandum of Understanding (MOU) to promote triangular technical cooperation in coffee producing countries (see document [ICC-108-7 Rev. 1](#)). The Director of the ABC, Mr Fernando José Marroni de Abreu, reported on the mandate of the ABC, whose objectives included capacity development and institutional strengthening. Principles of South-South cooperation included responding to the demands of developing countries, acknowledging local experience and adapting Brazilian experience, without conditions or expectations of commercial benefits, or interference in the domestic affairs of partner countries. Countries were treated equally, and projects on average lasted three to four years and were relatively modest in terms of cost. Given the demand for cooperation and budgetary restrictions, the ABC might not be able to provide immediate assistance, but was willing to cooperate and discuss possibilities, and encouraged interested parties to explore triangular cooperation with international agencies and Governments with a view to increasing financing available for proposals. This had recently been achieved in the case of a project in Yemen where support had been secured from other Governments in the region. Countries interested in technical cooperation activities with the ABC were invited to submit concept notes through Brazilian

Embassies in their countries, national Embassies in Brazil, or through the ICO. Once the concept note was approved by the ICO, the ABC would carry out the activities outlined in the proposal. A legal basis was required, which involved a basic technical cooperation agreement for projects, and diplomatic relations and ongoing negotiations for a basic technical cooperation agreement for short-term activities.

4. In discussions on this item, the Committee noted that while concept notes involving two countries could be submitted to the ABC in principle, this would make the process more complex and could mean that proposals needed to be reformulated which would delay approval. The ABC did not have resources for infrastructure projects and mainly dealt with projects which strengthened institutional capacity. The MOU provided for triangular cooperation with the ICO and producing countries, however technical cooperation could be considered on a bilateral basis if the proposal was of interest to both parties. The point was also made that producing countries could benefit from the assistance of countries in the Gulf for development projects. A copy of a presentation on the ABC's technical cooperation is available on the technical presentations section of the ICO website at <http://www.ico.org/documents/cy2012-13/presentations/pj-abc-e.pdf>.

5. The Committee took note of this presentation and further noted that document [PJ-60/13](#) contained a concept note from Cameroon developed in consultation with the ABC as part of the practical implementation of the MOU. The Committee agreed that with a view to streamlining procedures and avoiding delays in implementing projects, concept notes submitted for technical cooperation did not need to be submitted to the Virtual Screening Subcommittee (VSS) prior to consideration but could be submitted directly to the Projects Committee for approval. Finally, Members expressed their great appreciation to the ABC for signing the MOU with the ICO and for extending technical cooperation to producing countries.

Pollinators, production, pest and disease suppression for coffee production

6. The Committee noted that the Arthur Dobbs Institute was holding workshops on this topic during the 111th Session of the Council (see document [ED-2160/13](#)).

Coffee and climate toolbox

7. The Committee noted that the representative of Hanns R. Neumann Stiftung had made a presentation on the coffee and climate toolbox to the Council. A copy of the presentation is available on the technical presentations section of the ICO website at <http://www.ico.org/documents/cy2012-13/presentations/icc-climate-opitz.pdf>.

Item 3: Coffee development projects

Item 3.1: Projects under consideration by the ICO

8. The Projects Officer introduced document [PJ-53/13](#) containing the report of the Virtual Screening Subcommittee (VSS) on one new and two revised project proposals.

Best practice management of coffee berry borer (CBB) and coffee leaf rust (CLR) to improve Panama's capacity to export specialty coffees

9. Document [PJ-59/13](#) contained a concept note for a new proposal prepared by a consultant with the support of the Government of Panama, which would be submitted for financing to the Standards and Trade Development Facility of the World Trade Organization (WTO). The total cost to develop the full project proposal was US\$40,000. The VSS had considered the proposal for the first time in August 2013 and had recommended endorsing the proposal taking into consideration technical comments provided.

Valorization of the Ethiopian coffee origins for marketing improvement

10. The Committee noted that the revised proposal contained in document [PJ-46/13 Rev. 1](#) had been submitted by the United Nations Industrial Development Organization (UNIDO) and illycaffè. The total cost of the project was US\$4 million. The aim of this project was to generate, manage and share knowledge about sustainable coffee production practices that would improve farmers' income. The VSS had considered this proposal for the second time in August 2013 and had recommended that it should be revised taking into consideration technical comments provided. The proponent informed the Committee that the proposal was being revised to take into account the comments by the VSS. Funding would be sought from UNIDO, the EU Delegation in Ethiopia, the Italian Cooperation Agency among others and the project would be a pilot for East Africa. The Committee noted the point that issues such as gender and sustainable impact for project beneficiaries should be included in the revised proposal.

International research and development services for durable genetic control of the coffee leaf rust disease in Arabica coffee

11. The Committee noted that document [PJ-58/13](#) contained a proposal submitted by the Coffee Rust Research Centre (CIFC) of Portugal, which had confirmed that there were no objections to sharing intellectual property rights from the project. The total cost of this project was €1,898,000. The Government of Portugal would provide a contribution of €1,029,500, and financing of €868,500 was sought. The VSS had considered the proposal for

the first time in August 2013 and had recommended endorsing the proposal taking into consideration technical comments provided. The proponents' response to comments by the VSS was available on request from the Secretariat.

12. The Committee noted the importance of actions to address coffee leaf rust (CLR) and further noted that the EU was assisting through the Regional Food Security and Nutrition Programme for Central America (PRESANCA) and was currently developing a multi-annual cooperation programme for 2014–2020. Countries affected by CLR were invited to contact EU Delegations in their countries to discuss the development of the programme. The Committee further noted that the USA was undertaking a number of initiatives to address coffee leaf rust (CLR) including funding a regional coordinator at PROMECAFE, as well field-based technical assistance to farmers and training resources and livelihood support in countries in the region through programmes such as 'Food for progress' and 'Feed the future'. It was also working with national organizations and civil society to support research on resistant varieties of coffee, and would continue to work with other partners to address this critical issue.

13. The Committee took note of this information and decided to recommend that the Council should approve the proposals entitled 'Best practice management of coffee berry borer (CBB) and coffee leaf rust (CLR) to improve Panama's capacity to export specialty coffee' and 'International research and development services for durable genetic control of the coffee leaf rust disease in Arabica coffee'. The Committee further noted that the project 'Valorization of the Ethiopian coffee origins for marketing improvement' would be revised and submitted for consideration at the next meeting.

Cameroon – concept note

14. The Committee decided to recommend that the Council should approve the proposal received from Cameroon for technical assistance from the ABC under the MOU with the ICO (see document [PJ-60/13](#)).

15. Finally, the Committee noted that Colombia would submit a proposal for promotion of consumption to the ICO.

Item 3.2: Projects under consideration by donors

16. The Projects Officer introduced document [PJ-52/13](#) containing a progress report on projects. The Committee noted that in March 2013, Members had highlighted the importance of considering options to ensure that projects in the pipeline were funded by potential donors which could otherwise be detrimental to the credibility of the ICO, as well as

discouraging for proponents who had invested time and effort in preparing them. With a view to reducing the number of proposals in the pipeline, the ICO had removed 21 proposals approved by the Council from the report, retaining those which were most viable for financing. The ICO had subsequently re-submitted 20 projects (both new and in the pipeline with potential for funding) to the Common Fund for Commodities (CFC). The response of the CFC was still awaited, and had been delayed as a result of the restructuring process of the Fund.

17. The point was made that although the Council was approving projects to assist farmers, there was no guarantee that funding would be available. It was important to review alternative sources of funding and/or the ways in which projects were approved for financing. The Head of Operations said that a consultant had developed a communication and fundraising strategy to enhance its capacity to secure finance for projects. A summary of the strategy had been circulated in PM-30/13 and a copy of the full document was available from the Secretariat on request. The proposal was currently being considered by exporting Members for funding from the Special Fund. This would increase the capacity of the ICO to secure finance from alternative donors for coffee development projects. The ICO also invited all Members to actively contribute suggestions for partnerships with their development agencies and other donors. The Committee took note of this information and of the importance of securing alternative sources of funding.

Item 3.3: Projects already approved

18. The Projects Officer said that document [PJ-54/13](#) contained a progress report on the implementation of the following four projects approved by the CFC and other donors. Information about all ICO projects and procedures for projects was available on the projects section of the ICO website and Coffeeline (www.ico.org).

- Building a financial literacy toolbox to enhance access to commodity finance for sustainable SMEs in emerging economies
- Sustainable Credit Guarantee Scheme to promote scaling up of enhanced processing practices in Ethiopia and Rwanda
- Competitive coffee enterprises programme for Guatemala and Jamaica
- Building capacity in coffee certification and verification for specialty coffee farmers in EAFCA Countries

Revitalization of the coffee industry in Yemen

19. The Committee noted that document [PJ-25/12 Rev. 1](#) contained a copy of this proposal which had received financing of US\$250,000 in April 2013 from the CFC subject to

the remaining resources being secured by the Government with the assistance of the ICO. The aim of the project was to engage, motivate, and equip industry stakeholders to improve the productivity, quality and market access of Yemeni coffee and slow down the rate of expansion in qat production. The Committee further noted that Yemen was willing to share its experience in traditional and sustainable methods of coffee production with Members, and was interested in assistance in addressing challenges in its coffee sector. The Government was committed to supporting the implementation of the project and requested the ICO's assistance in approaching Organization of Petroleum Exporting Countries (OPEC) and other donors to secure funds for the project.

Item 3.4: Concluded projects

20. The Committee noted that document [PJ-55/13](#) contained a report on three concluded projects:

- Robusta quality and marketing improvement by optimal use of coffee terroirs.
- Access to finance for the development of diversification crops in coffee producing areas.
- Increasing the resilience of coffee production to Leaf Rust and other diseases in India and four African countries.

All projects were pilot projects which could be expanded to other producing countries.

Pilot rehabilitation of neglected coffee plantations into small family production units in Angola

21. The representative of the *Instituto Nacional do Café de Angola* (INCA) made a presentation on the achievements and challenges of this project. A copy of this presentation is available on the technical presentations section of the ICO website at <http://www.ico.org/documents/cy2012-13/presentations/pj-cfcico15-angola.pdf>. The Committee took note of this information and further noted the importance of continuing to make use of the valuable outcomes of concluded projects.

Item 4: Gender analysis

22. The Projects Officer said that document [PJ-35/12](#) contained a report on gender in coffee projects, including gender analysis in the appraisal of new project proposals, which could enhance project outcomes. The Committee took note of this information and of the importance of including gender analysis in projects and promoting gender equality in the sector.

Item 5: Other business

Cuba

23. The representative of Cuba reported the rehabilitation of the coffee sector in his country (this report was subsequently circulated as document PJ-61/13).

Côte d'Ivoire

24. The representative of Côte d'Ivoire reported on the rehabilitation of coffee production in his country. A more detailed presentation on this topic was made to the Council and is available on the technical presentations section of the ICO website at <http://www.ico.org/documents/cy2012-13/presentations/icc-cotedivoire-relevance.pdf>.

Deadline for new and revised proposals

25. The Committee noted that new and revised proposals for consideration in March 2014 should reach the ICO by 13 December 2013.

Item 6: Date of next meeting

26. The Committee noted that the next meeting would take place in London at the time of the 112th Council Session from 3 to 7 March 2014.