

**EB 3734/99 (E)**

21 December 1999  
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Projects/Common Fund

REHABILITATION OF FAMILY FARMS PRODUCING ROBUSTA COFFEE IN ANGOLA

Executive Board  
24 and 25 January 2000  
London, England

## Summary of the Project

The International Coffee Organization (ICO) hereby submits the following pilot project proposal with its recommendation for financing through the Second Account of the Common Fund for Commodities (CFC). The proposal will be submitted to the Executive Board of the International Coffee Organization for its approval on \_\_\_\_\_ 2000 following the recommendations of the Executive Director of the International Coffee Organization.

Project Title:	Pilot Project for "Rehabilitation of Family Farms producing Robusta Coffee in Angola"
Duration:	3 years
Location:	Province of Kwanza Sul, Municipality of Amboim. The region is considered as safe for the moment.
Nature of the Project:	This pilot project aims to contribute to the rehabilitation of coffee farms and the settlement of displaced farming families by giving them the opportunity to earn an income from coffee production. The project will organize the settlement pattern, provide farmers with the required resources and tools, provide agro-technical expertise and support in the commercialisation of coffee with the guidance and assistance of INCA technicians. Institutional support will assure sustainability of essential support services. The project will furthermore contribute to developing concepts that might be adapted to other coffee growing areas in Angola as well as other coffee producing countries facing a comparable challenge.
Estimated Total Cost:	Total: US\$ 7.99 million Credit line fund: US\$ 350,000 (commercialisation of coffee) Investment loan fund: US\$ 2.66 million (rehabilitation, renovation of coffee)
Financing from the Fund:	Grants: US\$ 4.98 million
Counterpart Contributions:	Grant: US\$ 1.52 million
Other Sources of Cofinancing:	Credit line fund: US\$ 350.000 Investment loan fund US\$ 2.66 million Credits should be provided on soft terms (intermediate concessional loan). Based on projected bank charges of 5% for credit administration loan funds should be
Project Executing Agency:	

provided with an interest rate of 5%.

Counterpart contributions: US\$ 776,100

Grant: US\$ 2.70 million

Sources to be determined; potential candidates include the European Commission, UNDP

Instituto Nacional de Café de Angola (INCA)

Supervisory Body:

Collaborating Institutions:

Objective and scope of the Project:

International Coffee Organization

Ministerio de Agricultura e Desenvolvimento Rural (MINADER)  
Departamento Nacional de Ordenamento Rural (DENOR)

Government of the Province Kwanza Sul  
Ministerio de Assentamento e Reinserção Social (MINARS)

Instituto de Reintegração Socio-Profissional para Ex-Militares (IRSEM)  
OIKOS Cooperação e Desenvolvimento or other NGO

Banco de Poupance e Crédito BPC or Banco de Comercio e Industria BCI  
International Consulting Agency or Company

**Main objective:** To increase the return to and welfare of farming families and displaced people in the municipality of Amboim (Kwanza Sul) and adjacent areas through reactivating of coffee production and increasing the use of manpower.

The poverty of displaced people and small scale farmers will be alleviated on a sustainable basis, through improved crop husbandry techniques, optimised use of agricultural inputs and encouraging farmers' participation in the commercialisation of coffee.

The main objective of the pilot project will be attained by implementing the following **components:**

1. Production (rehabilitation) of coffee. Nurseries will be established and seedlings produced. Planting density will be increased and improved crop husbandry techniques applied through

optimised use of agricultural inputs. Estimated starting  
Yields are expected to reach about date:

350 kg/ha green coffee in year 3. Further increases to about 600 kg/ha are projected for rehabilitated plots. Renovated plantations should produce about 800 kg/ha from year 7 onwards.

2. Commercialisation of coffee.

Farmers will be assisted in strengthening grassroots organisations, in applying quality improvement measures and in establishing direct commercial relationships with exporters. A credit component will provide the required finance for the operations. One farming organisation will receive a new hulling facility.

3. Settlement of displaced farming families.

1,000 displaced families will be settled and will receive basic tools and equipment to establish housing and work in agriculture. On abandoned coffee plantations they will be given land to grow 2 ha of coffee and 1.5 ha of food crops. During the first few months activities will be supported with food in exchange for work.

4. Support services.  
All essential agricultural support services such as extension, research and rural finance will largely be re-established. Training of staff and the provision of adequate equipment will be the major activities. A fiduciary fund will be established to support investment and production and marketing operations.
  5. Institutional support.  
The technical capacity of the personnel Project management will assure the efficacious application of resources as well as the project's continuous accompaniment, monitoring and evaluation. This can provide the basis for reproducing valuable experience and institutions involved in the project will be further developed to assure sustainable support in the long term. Additionally adequate equipment will be provided.
  6. International technical assistance.  
Long and short-term technical assistance will be provided within the scope of project management and specific subject areas identified by the project.
  7. Project management.  
and identification of obstacles to avoid in subsequent phases or other interested countries.
- to be determined.