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**Improving coffee quality in East and  
Central Africa through enhanced processing  
practices (Rwanda and Ethiopia)**

**Project progress report as at June 2005**

## **Background**

The attached document contains extracts from the progress report on “Improving coffee quality in East and Central Africa through enhanced processing practices (Rwanda and Ethiopia)” and covers the period from January to June 2005. A copy of the full progress report is available to Members on request.

## **Action**

The Council is requested to note this report.

# **Improving coffee quality in East and Central Africa through enhanced processing practices (Rwanda and Ethiopia)**

## **CFC/ICO/22**

### **Project Progress Report January – June 2005**

**Submitted by:** CAB *International* – Africa Regional Centre (Nairobi)

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## PROGRESS REPORT

### I. Project Summary:

Title: Improving coffee quality in East and Central Africa through enhanced processing practices (Rwanda and Ethiopia)

Number: CFC/ICO/22

PEA: CAB *International*-Africa Regional Centre.

Participating countries: Rwanda (OCIR-CAFÉ) and Ethiopia (MoARD). [Findings will be extended to Democratic Republic of Congo (ONC) and Burundi (OCIBU)].

Starting date: July 2004

Completion date: June 2007

Financing:

Total Project Cost US\$ 2,937,029

of which,

CFC Financing US\$ 2,029,224

Illycaffè (Co-financing) US\$ 122,195

Counterpart contributions US\$ 785,610

### II. Period covered by this report:

From: January 2005

To: June 2005

#### Periods covered by previous reports:

From: July 2004

To: December 2004

### III. Status of Project Implementation

Planned activities	Targets set	Present status	Remarks
<b>Component I: Semi-washed coffee processing using small-scale coffee washing stations (SSCWS)</b>			
<b>Activity 1.1</b>			
Conduct baseline surveys of coffee processing and information on current coffee processing costs	Information on type and cost of processing coffee acquired.	Questionnaire developed and pre-tested. Surveys undertaken in both countries.	Target fully realised.
<b>Activity 1.2</b>			
Identify and select suitable areas and farmer groups/ associations for washing stations	Up to one hundred appropriate sites selected using laid down criteria.	Twenty-five sites identified each in Ale Didu, Goma, Yeki and Sheko Woredas in Ethiopia and five sites in Gasura, Shyorongi, Bugarura, Ntongwe and Musambira in Rwanda.	Target fully realised.
<b>Activity 1.3</b>			
Determine select, purchase and install machinery and equipment for SSCWS	All project machinery and equipment purchased by June 2005.	Purchase of equipment delayed by elaborate Government procurement procedures. Vehicles not bought due to changed Government policies. Some materials tendered for. Motorcycles, computers and printers already purchased in both countries. The 5 coffee pulpers have also been procured in Rwanda.	Activity on-going.
<b>Activity 1.4</b>			
Train owner/operator in installation, correct use and maintenance of SSCWS	Train farmers/operators on proper use of SSCWS for production of high quality coffee	Although SSCWS not installed, one set sourced and used for training in all 4 woredas in Ethiopia, and a conventional CWS used for training in Rwanda.	Activity on-going.

<b>Component II: Sun-drying systems for natural coffee</b>			
<b>Activity 2.1</b>			
Identify and select suitable areas and farmer groups/ associations for validating improved sun drying system	Four hundred appropriate sites in Ethiopia selected using laid down criteria.	One hundred sites identified each in Ale Didu, Goma, Yeki and Sheko woredas.	Target fully realised.
<b>Activity 2.2</b>			
Determine select, purchase and install equipment for sun-drying	All project equipment purchased by June 2005.	Purchase of equipment delayed by elaborate Government procurement procedures. Vehicles not bought due to changed Government policies. Some materials tendered for. Motorcycles, computers and printers already purchased in both countries.	Activity on-going, delayed due to slow government procurement procedures.
<b>Activity 2.3</b>			
Train farmer groups/managers in correct use and maintenance of improved sun-drying equipment	Train farmers/managers on proper use and maintenance of improved sun-drying equipment for production of high quality coffee.	Although sun-drying equipment not installed, one set used for training in all 4 woredas in Ethiopia.	Activity on-going.
<b>Component III: Promotion and Dissemination</b>			
<b>Activity 3.1</b>			
Raise awareness of the potential benefits of producing quality coffee	Project well known nationally and quality coffee appreciated.	Project was popularised at Dissemination Workshop and EAFCA Conference held in Livingstone, Zambia, at Ethiopia Coffee Network meetings held in Addis Ababa, Ethiopia and Rwanda National Agricultural Show in Kigali, Rwanda.	Activity on-going.

<b>Component IV: Project co-ordination, supervision and monitoring</b>			
<b>Activity 4.1</b>			
Organise and attend inauguration project Workshop	Workshop well organised and attended.	Over 57 stakeholders attended successful Workshop in Addis Ababa opened by Minister MoARD. Workshop proceedings written and circulated to PIAs, CFC, ICO and Illycaffè.	Target fully realised.
<b>Activity 4.2</b>			
Establish and implement effective communication channels between PIA and PEA	Effective communication channels between PIA and PEA operational immediately.	Several visits made to Ethiopia and Rwanda by PEA and regular contacts between PEA and PIA made by email, telephone and fax.	Activity on-going.
<b>Activity 4.3</b>			
Establish and implement administrative and accounting procedures and train in the same	Administrative and accounting procedures established by time of inauguration workshop and strengthened thereafter.	Through regular contacts, the PIA started learning the CFC administrative and accounting procedures. Visits made to 2 countries by PEA.	Activity on-going.
<b>Activity 4.4</b>			
Develop detailed workplans and budgets	Workplans and budget for July 2004- December 2005 compiled by CABI-ARC and approved by CFC.	Workplan and budget discussed and agreed at Inauguration Workshop and forwarded to and approved by CFC.	Target fully realised.
<b>Activity 4.5</b>			
Provide technical support to PIAs and coordinate project	Project running smoothly.	PEA contracted Mr. Mitiku Mekonnen as Coffee Field Coordinator based in Ethiopia. PEA assisted in procurement of materials and provided services of Farmer Participatory Liaison and Training specialist and Financial Consultant.	Activity on-going.

<b>Activity 4.6</b>			
Establish and implement effective monitoring and evaluation processes.	Effective monitoring and evaluation processes developed and made aware to the PIAs as well.	National Project Steering Committees (composed of representatives from Government, private sector, farmers groups) met in Rwanda.	Target not fully met. NPSC meeting in Ethiopia postponed to second half of reporting period.
<b>Activity 4.7</b>			
Prepare regular reports	Reports are compiled and submitted to CFC as stated in the Project Implementation Agreement.	The second progress report was written in June 2005.	Target fully realised.

## IV. PEA's Assessment of Project Progress & Prospects:

### IV.1 Assessment of Technical Progress:

#### IV.1.1 COMPONENT I: Semi-washed coffee processing using small-scale coffee washing stations (SSCWS)

##### ***Activity 1.1 – Conduct baseline surveys of coffee processing and information on current coffee processing costs:***

The baseline surveys initiated in the previous reporting period were progressed and finalised, using questionnaires which were refined after being pre-tested in the two respective countries.

Dr Richard Musebe (Financial Consultant) visited Ethiopia between 11<sup>th</sup> and 23<sup>rd</sup> April. Together with the National Coordinator (Mr Yehasab Aschalew) they visited the selected four woredas (Districts), namely Goma, Alle Didu (in Oromiya Region) as well as Yeki and Sheko (in the Southern Region). The selection of the woredas was based on prevalence of coffee processing problems. Coffee quality in the selected woredas is low due to poor processing attributed to lack of technical know-how, and limited processing facilities. To facilitate the survey, two enumerators in each of the woreda were trained on how to undertake the survey. The training included self-introduction and description of purpose of the survey, addressing the respondent, questioning skills, recording the answers, collecting reliable information and editing of the questionnaires. After visiting some farmers with Dr. Musebe and perfecting the survey methodology, the enumerators were left with other questionnaires to complete the survey. A total of 50 farmers who pulp their coffee cherries (semi-washed or pulped coffee) and 50 who dry them (sun-dried coffee) were interviewed in each woreda giving 100 farmers in each woreda. Thus, 400 farmers were interviewed in all the woredas.

Similar surveys were conducted in Rwanda where they were initiated by Dr. Musebe between 14<sup>th</sup> and 24<sup>th</sup> February, together with staff from OCIR-CAFÉ. The questionnaires developed earlier were first pre-tested and refined before being used for baseline survey. Like in Ethiopia, the survey was continued and finalised by two enumerators in each of the 5 districts. These enumerators were fully involved in the pre-testing of the questionnaire to ensure that they could competently undertake the survey. After pre-testing the questionnaires, each of the enumerators interviewed several farmers under supervision. Five districts and five farmer groups were selected for the SSCWS based on the project criteria. The selection was conducted in a participatory manner involving all the stakeholders. The sites are located in the following districts, Gasura (Kibuye Province), Shyorongi (Kigali Rural Province), Bugarura (Ruhengeri Province), Ntongwe and Musambira (Gitarama Province). Fifty farmers were interviewed in each district. It was found that all the farmers interviewed pulped their coffee before drying.

Information on household characteristics, coffee production, processing, existence of organised farmer groups and current marketing systems was also collected in both countries. The data collected was entered into the computer and analysed. A report is being prepared.

##### ***Activity 1.2 – Identify and select suitable areas and farmer groups/associations for washing stations:***

Ideal sites for the location of coffee pulpers and/or drying beds in each country were selected during the above-mentioned surveys. The selection criteria used were a) access to water, b) supply of coffee, c) availability of a suitable group to own/manage the hand pulpers and or drying beds and d) absence of coffee washing stations.



In Ethiopia, 25 farmers or farmer groups were selected for the location of the pulper and drying beds (pulped coffee) and another 100 for the drying beds (sun-dried coffee) in each of the four Woredas. The farmers expressed their interest to participate in the project as well as providing the timber for the construction of the coffee drying beds.

For the pulp coffee, twenty or twenty-five raised drying beds will be constructed where each pulper is located. Farms in wet woredas (Ale Didu and Sheko) will have five beds per pulper to ensure complete drying of the parchment, while those in dry woredas (Goma and Yeki) will have 4 beds per pulper. These beds will serve five (4 or 5 beds each) farmers where each pulper will be located, giving a total of 500 farmers. For the sun-dried coffee, six beds will be constructed at each of the 400-selected sites/farmers. Therefore, there will be 900 farmers collaborating directly in the project in Ethiopia.

In Rwanda, fifty coffee drying beds will be constructed at each of the sites where the pulpers will be located. Each bed will be shared between 10 farmers, requiring careful organisation to ensure that parchment can be traced to individual farmers or sites. There will therefore be 2500 farmers collaborating directly in the project in Rwanda.

#### **IV.1.2 COMPONENT III: Promotion and Dissemination**

##### ***Activity 3.1 – Raise awareness of the potential benefits of producing quality coffee:***

The National Coordinators from Ethiopia and Rwanda as well as the Technical Advisor and Financial Controller attended a workshop held on the 2<sup>nd</sup> of March 2005 in Livingstone, Zambia. Over 30 participants from other CFC-funded projects in Africa as well as representatives from CAB International, CFC, Inter-Africa Coffee Organisation (IACO), the private sector (Acclaim Africa Ltd, Fairview Coffee Estates, Kenya) and Eastern African Fine Coffees Association (EAFCA) were in attendance. The objectives of the workshop were to enable members of the collaborating institutions to

- report on their recent project findings
- exchange ideas on their respective projects
- disseminate outputs from their projects

This served as an excellent forum for popularising the project and quality coffee. The National Coordinators from both Ethiopia and Rwanda made lively presentations on achievements in their respective countries. A representative from ONC in DRC, who is budgeted to visit Rwanda once the washing stations are operational, was also present.

This workshop was timed to precede the EAFCA 2<sup>nd</sup> Conference and Exhibition (3-5<sup>th</sup> March 2005) at the same venue. This provided a further excellent opportunity for the Project members to exchange ideas and also interact with the coffee post-harvest stakeholders (millers, traders, policy makers, etc.), especially those dealing in quality coffee. The Technical Advisor made a presentation at one of the Plenary Sessions on the role of proper drying in producing quality coffee. Over 370 participants attended the Conference and Exhibition.

The Technical Advisor attended the Ethiopian Coffee Network (EtCOFNET) on 3<sup>rd</sup> February. This nascent network, supported by Oxfam and EU offices in Addis Ababa, and to which CABI-ARC is a member, is a platform for all coffee stakeholders in Ethiopia and a forum for co-ordination. EtCOFNET's aim is to increase incomes and welfare for farmers by improving communications with information sharing and exchange. The main objectives are to: Co-ordinate development activities, avoid duplication and create synergies, and to collate views of farmer groups and regional institutions and harmonise these with policies of the government as well as international organizations. I also took the opportunity to announce CABI's

advertisement for a field-based coordinator for the Quality Coffee Project, as well as the existence and objectives of the ten-country member Coffee Research Network of ASARECA.

The Rwanda National Agricultural Show was organized in Kigali from 21<sup>st</sup> to 26<sup>th</sup> June. One of the coffee pulpers (Penagos) was displayed at the OCIR CAFÉ stand alongside a conventional one, and the advantages of the former (use of less water, more environment friendly, more portable, etc.) and how the project aims to purchase and deliver these to farmers were explained to the show goers, which included the Minister for Agriculture.

#### **IV.2 Assessment of Resource Utilisation:**

Overall expenditure during the reporting period is above the total budget by US\$ 1,805.90. The main reason contributing to this over-expenditure is the procurement of machinery & equipment. These were budgeted for in 2004 but procurement delayed due to the slow government tendering procedures in both Ethiopia and Rwanda. However, installations of these equipment have still not been done in both Rwanda and Ethiopia. We are yet to make payments for the remaining 70% of equipment costs in Ethiopia.

There have been delays in surrendering financial returns and reports to the PEA, making it difficult for the PEA to submit the consolidated annual report to CFC and ICO in time.

Please refer to Annex 1 below for more details on expenditure by category.

#### **IV.3 Assessment of Project Co-ordination and Management:**

The extremely slow process of procuring project equipment and materials made coordinating the project extremely challenging. The Government procurement procedures, both in Ethiopia and Rwanda, are too elaborate and bureaucratic. This lead to delays in the complete implementation of some project activities, since the equipment/materials are needed for transport, installation, training, etc. These delays also necessitated several trips to the two countries by the Technical Advisor, trips which could be minimised if the National Coordinators took a more proactive role and engaged their respective governments more appropriately.

National Coordinators are encouraged to attend to problems more promptly and contact the PEA whenever necessary.

Due to other commitments by staff from some collaborating institutions, some project activities have commenced later than were planned.

(See also Component IV above)

#### **IV.4 Social and Environmental Effects of Project Implementation:**

Although it is early to assess these, increased returns from the sale of higher quality coffee is expected to improve the income of the coffee farmers. No adverse effects to the environment is envisaged.

#### **IV.5 Forward Planning of Project Implementation:**

Purchases, delivery, installation of the SSCWS should be completed at the selected sites in both countries, once the bureaucracies are overcome. This will be followed by training of

farmers, extensionists and/or managers during the coffee harvest period on how to operate and manage these washing and drying stations, as well as on wet and dry-processing of coffee.

We lost the coffee-harvesting season in Rwanda due to delays in procurement of equipment/materials but we hope to utilise the harvesting seasons in Ethiopia in 2005 and be able to produce the first batch of high quality coffee and have these evaluated by liquorers and exporters.

A market survey to identify appropriate marketing channels for coffee produced by the project in Ethiopia and Rwanda will be undertaken.

National Steering Committee meetings and National Workshops will also be organised.

Materials for training farmers/extensionists as well as popularising production of high quality coffee will be produced.

Overall coordination of the project will continue including providing technical and administrative backstopping. A review mission to the two countries by CFC, ICO and CABI will be undertaken in early 2006. Progress made in the project in 2005 as well as the workplans and budgets for 2006 will be discussed and agreed upon at the Annual Regional Project Workshop in Kigali, Rwanda. Representatives from Burundi and DRC will also be invited.

## **V. Conclusions and Recommendations:**

Delays in procurement of equipment/materials due to slow Government procurement procedures delayed implementation of certain activities, and there is need for more efforts to be put in making sure that further delays are minimised. However, the baseline surveys were undertaken as planned and some training activities implemented even before procurement of equipment/materials.

