



International Coffee Organization
Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

ICC 95-5

21 April 2006
Original: English

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International Coffee Council
Ninety-fifth Session
22 – 25 May 2006
London, England

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

**Project progress report
(January – December 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 December 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 – December 2005

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

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PROGRESS REPORT

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

Period covered by this report:

From: January 2005 to: December 2005

Periods covered by previous reports:

From: July 2004 to: December 2004
From: January 2005 to: June 2005

V PEA's Assessment of Project Progress and Prospects:

V.1 Assessment of Technical Progress:

V.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 11th and 23rd April. Together with the National Coordinator (Mr. Yehasab Aschalew), they visited the selected four woredas (Districts), namely Goma, Ale 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 14th and 24th 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 has been 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 through frequent visits and discussions with relevant stakeholders in the project location, including 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-five raised drying beds (shared equally between 5 farmers) were constructed where each of the 100 pulpers is located, giving a total of 500 farmers. For the sun-dried coffee, six beds were 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.

Activity 1.3 Determine select, purchase and install machinery and equipment for SSCWS:

CABI-ARC contacted UNDP's Inter-Agency Procurement Services Office (UNDP/IAPSO and website www.IAPSO.org, a UN affiliated, not-for-profit organisation) in July 2004 and requested for quotations for four models of 4-wheel drive vehicles, to be delivered in Addis Ababa and Kigali. These quotations were forwarded to the National Coordinators for consideration alongside those from local suppliers.

In Ethiopia, a Tender Committee, composed by the Procurement and Property Administration Department of the Ministry of Agriculture and Rural Development is charged with the procurement of the project equipment and machinery.

Following a tender for the purchase of a vehicle, two motorcycles and 100 hand-held coffee pulpers and accessories floated in October and opened in November, and evaluated in December 2004, the motorcycles were purchased. A computer and printer have also been bought.

In Rwanda, a technical study on the construction of the coffee washing stations at five locations including making recommendations on the materials to be procured was tendered for and awarded to Mr. Christian Kaningu in February. A report was submitted to the National Coordinator in May. Following the recommendations of this report a Tender for the construction of the 5 Washing stations was floated in May and awarded in June to three companies, i.e. ASM (Ntongwe and Shyorongi sites), ETECCO (Bugarura and Musambira sites) and ECOFOGE (Kibuye Town site). Construction work at all sites should commence in the second half of this reporting period.

Activity 1.4 Train owner/operator in installation, correct use and maintenance of SSCWS

The purchases and delivery of the SSCWS machinery and equipment to the project locations has almost been finalised. Installation of the same has also been done in most of the sites enabling the use of the equipment/materials in training of farmers and other stakeholders on coffee processing.

However, training was initiated even before completion of the installation of all the equipment and materials at all the sites. The Technical Advisor and Mr. Gigi Micheli (Illycaffè) travelled to Ethiopia between 19th May and 1st June to participate in the training exercise. Together with Mr. Yehasab Aschalew, Mr. Tezera Bekele and Mekonnen Desta (MoARD), Mr. Gutama Itana (Oromiya Agricultural Bureau) and Mr. Mitiku Mekonnen (Field Based Coffee Coordinator, CABI) held discussions with Hagbes Pvt Ltd who agreed to provide equipment and materials enough to set up one SSCWS. These included a pump, tanks, pipes, hand-held coffee pulper, chicken wire, plastic net, plastic sheet and jute sheet. These materials were transported and installed at a particular site in a woreda, used for training, dismantled and transported to another woreda for a similar training exercise. The different components of the SSCWS, how to install them and how they work were explained to the farmers and extension staff. The trainings were conducted after the objectives of the project were explained to the heads of the zonal and woreda Agricultural officers in their respective offices. Goma, Ale didu, Yeki and Sheko woredas were visited and different numbers of farmers and development agents trained (Table I).

Table I: List of participants trained on coffee processing at different woredas in May and June

Participants	Woreda			
	Goma	Ale didu	Yeki	Sheko
Farmers	111	169	148	200
Development agents	6	17	11	12
Resource persons	5	4	4	4
Total	122	190	163	216

Table II: List of participants trained on coffee processing at different woredas in October and November

Participants	Woreda				Total
	Goma	Ale didu	Yeki	Sheko	
Farmers	207	198	195	175	775
Development agents	25	8	9	19	61
Resource persons	2	6	3	4	15
Total	234	212	207	198	851

The Farmer Association/Liaison expert (Mr. Martin Kimani) travelled to Rwanda between 18 and 22 April to train farmers and coffee extensionists on the components and working of CWS. Four farmers and one coffee extensionist from each of the 5 sites where the SSCWS will be located convened at Masaka, near Kigali where there is a conventional CWS. Operation features of such a conventional CWS, vis a vis those of a SSCWS (Penagos Int.) were explained to the participants. Emphasis was placed on the advantages of using SSCWS to produce quality coffee while conserving the environment. The proper drying of pulped coffee on raised beds (instead of the ground) was also demonstrated. A second visit by Mr. Kimani to Rwanda was suspended due to the late installation of the equipment/materials.

Activity 1.5 Monitor and evaluate cost and efficacy of SSCWS

This activity was suspended due to the delays in the procurement of equipment, which made it impossible to process coffee in this reporting period.

Activity 1.6 Evaluate cup and green coffee quality by liquorers and exporters

Some coffee was processed in Ethiopia using the project SSCWS. Sixteen samples of coffee from the four woredas were sent to the Coffee Liquoring Unit of Ethiopia. Assessment of the cup and green coffee quality of these coffees will be undertaken in January 2006.

No coffee was processed in Rwanda, where the harvesting season is from March.

Activity 1.7 Identify appropriate marketing channels for SSCWS coffee

In Ethiopia, the 900 farmers participating in the project in four woredas were able to use the purchased coffee processing equipment and managed to produce the following quantities of coffee:

Woreda	Pulped coffee/parchment (kg)	Sun-dried coffee (kg)	Total (kg)
Sheko	29,000	40,000	69,000
Aledidu	35,000	40,000	75,000
Gomma	42,000	37,000	79,000
Yeki	15,000	23,000	38,000
Total	121,000	140,000	261,000

Whether the coffee should be sold through the auction, or exported by the exporters (private or cooperatives unions) after buying it from the farmers, was thoroughly discussed at the National Steering Committee meeting on 15th December. It was agreed that the coffee be sold directly to exporters (either private or cooperative union) without necessarily being obliged to go through the auction.

V.1.3 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 2nd 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.

V.1.4 COMPONENT IV: Project co-ordination, supervision and monitoring

Activity 4.2 Establish and implement effective communication channels between PIA and PEA:

The PEA has maintained regular communication with the PIAs in Ethiopia and Rwanda especially through email but also telephone and physical visits. Visits were made as follows

1-6 February, Ethiopia: Held discussions with the National Project Coordinator Mr. Assefa Tigneh who was resigning from the Ministry and his successor in the project Mr. Yehasab Aschalew. Tried to facilitate purchase of project equipment/materials through the procedures of the Government's Tendering Board which are very long and intricate. Correction of technical specifications in the tender were discussed and rectified. The Technical Advisor's attempts to see the Minister for a clarification and also seek an exemption from the ban or for a Government vehicle to be assigned to the project were not successful as the Minister was away.

Activity 4.3 Establish and implement administrative and accounting procedures and train in the same:

The PEA explained effective administrative and accounting procedures to the PIA both before, during and after the Inauguration and Annual Planning workshops held in Addis Ababa and Kigali, respectively. These have now been established within the PIA systems, although this is a continuous process. Several visits were made to the two countries (see Activity 4.2) by the Technical Advisor and Financial Controller to ensure that PIA staff followed administrative procedures on reporting and the CFC Financial Procedures on requesting and accounting for project funds.

Activity 4.4 Develop detailed workplans and budgets:

Detailed workplans and budgets for the period July 2004 to December 2005 for both Rwanda and Ethiopia were participatorily discussed and agreed upon during the Inauguration Workshop in September 2004 in Addis Ababa. The workplans and budgets for the period January – December 2006 were also discussed and agreed upon during the Annual Regional Planning Workshop held in Kigali in October (see below).

Activity 4.5 Provide technical support to PIAs and coordinate project:

To increase the technical support offered to the PIA's the PEA advertised for, and engaged a Field Based Coffee Coordinator who will be based in Ethiopia. He is Mr. Mitiku Mekonnen, who holds an MSc degree in Coffee Processing and has over 15 years experience in the same field. Mr. Mekonnen will oversee project activities in Ethiopia and will also travel to Rwanda in the same capacity. He has provided a lot of technical support in Ethiopia including assisting in conducting surveys, installing and managing SSCWS equipment, training farmers/managers on the use and maintenance of the SSCWS. Mr. Mitiku also assists in the testing the green – and cup – quality of produced coffee, identifying appropriate markets for quality coffee produced by these processing stations, promoting the quality coffee produced and preparing detailed technical and financial progress reports.

V.2. Assessment of Resource Utilisation:

Overall expenditure during the reporting period is above the total budget by US\$401,269.59. 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, the supply and installations of this equipment is currently underway in both Rwanda and Ethiopia. Full payment has been made for the supply and installation of equipment in Rwanda, indicating a net budget overrun of nearly US\$46k for Rwanda. This budget overrun is critical and must be looked into as it is bound to affect subsequent years funding and activities. 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.

V.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 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. They should endeavour to understand the budgets better to appreciate expenditure limitations.

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

The Project Steering Committee meetings were held as indicated in the workplans but were less focussed on resolving problems encountered.

There have been several changes during the reporting period. In Ethiopia the National Project Coordinator, Mr. Assefa Tigneh was replaced by Mr. Yehasab Aschalew. New State Ministers in the MoARD were appointed. In Rwanda the PIA, OCIR-CAFÉ was moved from the Ministry of Agriculture (whose Minister was also changed) to the Ministry of Commerce, Industry, Investment Promotion, Tourism and Co-operatives (whose Minister was also changed). These changes also made coordination more challenging as the project staff always had to establish a close working relation with every new office bearer.

V.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. The adoption of the ecopulpers which use less water is expected to minimise environmental pollution in the project locations. No adverse effects to the environment is envisaged.

V.5. Forward Planning of Project Implementation:

Having purchased the necessary equipment for the SSCWS, installations of the same should be completed at the selected sites in both countries, once the bureaucracies are overcome. The continuous process of training of farmers, extensionists and/or managers on how to operate and manage these SSCWS will follow.

Once installed the cost of running the SSCWS will be evaluated, as will the quality (cup and green) of the coffee the stations will produce.

A market survey to identify better marketing channels for coffee produced by the project in Ethiopia and Rwanda will continue.

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

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 by the PEA. A review mission to the two countries by CFC, ICO and CABI will be undertaken in first half of 2006. Progress made in the project in 2006 as well as the workplans and budgets for 2007 will be discussed and agreed upon at the Annual Regional Project Workshop in Addis Ababa, Ethiopia.

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. Coffee is harvested once a year and not taking advantage of this brief harvest season leads to a loss of an entire year. However, the baseline surveys were undertaken as planned and some trainings activities implemented even before procurement of equipment/materials.

The Project Steering Committees were constituted as forums for discussing progress in the project and especially addressing constraints encountered. These constraints should be spelled out more clearly to the committee, discussed openly and detailed minutes compiled and circulated to PEA.

The Technical Advisor has spent disproportionately more time in the collaborating countries in attempting to progress project activities, especially in assisting in complying with government regulations. The disposing of the project vehicle in Rwanda after changes in Government policies is one such unfortunate example. Better understanding of Government rules and regulations by the National Coordinators and timely relaying of the same information to the PEA could minimise delays caused by this lack of information.