



# ENHANCING THE COMPETITIVENESS OF FINE AFRICAN COFFEES PROGRAM PROGRESS REPORT

1<sup>st</sup> JULY –DECEMBER 2009



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## **Introduction**

The Eastern Fine Coffees Association (EAFCA) was awarded a grant totaled 300,000USDs on the 27th July 2009 for the implementation of activities geared towards the enhancement of the competitiveness of fine African coffees, under the Competitiveness and Trade Expansion (COMPETE) Program Partnership Fund.

With a wide geographical scope of 10 countries within Africa, a paid up membership of approximately 159 and a fully functional administrative base, EAFCA has been able to carry out over 70% of the total grant activities titled ECOFAC-Enhancing the Competitiveness of Fine African Coffees.

The ECOFAC program has a three pronged approach with five objectives in order to address the existing challenges within the coffee value chain to ensure improved competitiveness of these coffees. These are:

1. Quality Improvement
2. Institutional strengthening
3. Trade and market expansion.

The broader objectives of the project activity were:

- Quality and product enhancement.
- Trade and market expansion
- Market linkages and business relationships
- Domestic consumption
- Institutional strengthening

The beneficiaries of the program have included coffee traders, coffee growing communities and other EAFCA stakeholders.

### Summary of Program activities & Outputs

OBJECTIVE	ACTIVITY	RESULTS	TARGETS	% level of achievement
<b>1. Quality &amp; Product Enhancement</b>	i) Taste of harvest training and competition events	- 5 trainings have been held in Rwanda, Burundi, Tanzania, Malawi & Zambia.	<ul style="list-style-type: none"> <li>▪ Hold at least 8 trainings in member countries by January 31<sup>st</sup> 2010</li> </ul>	<b>63%</b>
	ii) Africa Coffee Quality Institute (ACQI)	<ul style="list-style-type: none"> <li>- Technical consultative meeting held on the set up of the institute.</li> <li>- *PRM course designed, rolled out &amp; consultative process on finalization &amp; ongoing.</li> <li>- KYC course training rolled out in Uganda with newly published training manuals.</li> <li>- Coffee laboratory designed &amp; construction done.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Certification and accreditation of institute by December 2009</li> <li>▪ Consultations, course design and development of 2 courses by January 2010</li> <li>▪ Institute set up &amp; roll out of 2 existing courses by January 2010</li> </ul>	<b>65%</b>
<b>2. Market linkages and business relationships</b>	i) Media and PR and advertising the AFCCE	<ul style="list-style-type: none"> <li>- Advertisement placed in the East African papers &amp; the coffee Quarterly magazine.</li> <li>- High profile dinner held in Uganda to mark 10 years of existence &amp; officially launch the 7th AFCC&amp;E conference.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote the AFCC&amp;E in at least 2 international magazines, appoint a regional media organization and negotiate tasks to be implemented by January 31<sup>st</sup> 2010</li> </ul>	<b>100%</b>
<b>3. Trade and market expansion</b>	i) Attend & Exhibit at the SCAA international meeting	- Deposit made on the African Mega Booth.	<ul style="list-style-type: none"> <li>▪ Have an African Mega Booth at the SCAA April 2010 in Anaheim California, pay for the deposit by June 2009 and the balance in January 2010</li> </ul>	<b>30%</b>
<b>4. Domestic consumption</b>	i) Hold Tanzania National Barista training & championship	- Training of Baristas in Tanzania ongoing.	<ul style="list-style-type: none"> <li>▪ Register with WBC for sanctioning of TNBC by October 2009</li> <li>▪ Train at least 40 baristas in Tanzania by December 2009 and hold 1 National barista championship by December 2009</li> </ul>	<b>10%</b>
<b>5. Institutional strengthening</b>	a) (i) EAFCA Staff capacity & team building program	<ul style="list-style-type: none"> <li>- Strategic planning workshop held in Mombasa with representation of the EAFCA board &amp; stakeholders.</li> <li>- Effective team building carried out in Mombasa with the entire</li> </ul>	<ul style="list-style-type: none"> <li>▪ carry out 3 day team building activity with EAFCA board and staff by September 2009</li> </ul>	<b>100%</b>

		EAFC staff.		
	ii) Women in coffee capacity building programs	-4 pilot countries identified as Tanzania, Uganda, Rwanda & Ethiopia. -Documentary filming done in 3 countries so far. -Roundtable meeting convened in partnership with IWCA.	<ul style="list-style-type: none"> <li>▪ Start preparatory process in 4 identified pilot countries by August 2009</li> <li>▪ Filming and production of documentary by January 2010</li> <li>▪ Convene a round-table meeting with EAFCA representatives and International Women In Coffee representative by November 2009</li> </ul>	<b>70%</b>
	b) EAFCA Internal Human Resource Development	---Activity disapproved under COMPETE grant	<ul style="list-style-type: none"> <li>▪ Strengthen Finance and Operations Departments by July 2009 through human resource mobilization and training.</li> </ul>	-

## Detailed program reporting:

### 1. Quality & Product Enhancement.

#### A) Africa Coffee Quality Institute.

The EAFCA Coffee Quality Institute comprises of the coffee laboratory and the training section. The coffee laboratory has been designed and developed through a series of consultative meetings with local coffee experts and Ted Lingle-Coffee Quality Institute to fit suitably in the former garage on the rented EAFCA premises. The room has been transformed to contain a small roasting room as the extension and a laboratory in the adjacent space. At the moment the latter room is fitted with cupboards with adequate storage space and plumbing to hold the major coffee equipment. The floors have been tiled, windows were enlarged to ensure a sufficient stream of ultraviolet light into the rooms a prerequisite for coffee handling and firmly secured with strong burglar proofing.

In partnership with the Africa Coffee Academy and several consultations with relevant experts appropriate programs are being designed and developed. The development of the appropriate organizational structure to man the center of excellence is underway. We have successfully identified a voluntary steering committee for the center scheduled seat on the 9<sup>th</sup> January 2010 at the EAFCA secretariat and names are below:

EAFCA has also managed to roll out one existing course known as the **Know Your Cup Program** with the use of expertly designed training manuals. This training program is geared towards empowering the coffee farming communities with skills to grow good quality coffee in good quantities.



#### 1) The Know Your Cup training program.

The Know Your Cup program was initially developed to enhance market access of African coffees. In collaboration with the Swedish Chamber of commerce, EAFCA developed the program targeted at small holder farmers to empower them with skills on improving the coffee quality and increasing the overall yields with a substantial positive impact on the farmers' livelihoods.

Through the developed program training material now compiled into the Know Your Cup farmers' handbook and trainers manual, EAFCA has been able to expand the outreach of the program utilizing the existing manuals under the COMPETE partnership.



On the 4<sup>th</sup> December 2009, a team of EAFCA staff and two consultants convened the first Know Your Cup trainings under the COMPETE grant for 4 days in the field working with Bukonzo Joint Cooperative in Kasese District. The district is synonymous with coffee growing communities majorly composed of small holder farmers with limited knowledge on good agricultural practices therefore the training was invaluable to the community.

With 30 trainers fitted in a small room at the top of a mountain in Kyarumba Sub -County the training commenced empowering the team with training capacity skills so that they will be able to deliver the training on subsequent visits.

On the second day of the training the compound of the cooperative was filled with over 100 farmers excited to receive the training team. For the next two days the farmers were trained through a local translator on the following:

- Basic production and processing practices that influences the quality of coffee.
- Definitions what specialty/fine coffee is and the importance of coffee quality control to market access.
- Illustrations of the advantages of good farming practices in coffee production at farm level.
- Practical steps in the analysis of the different tastes of coffees when prepared with, for example, ripe and over-fermented coffees and its implications to the market.
- Practical cupping sessions and impart practical techniques for periodically tasting coffee and the best practices to achieve the best cup for the market.
- Training in the assessment of the cup quality and relationship to the market demands.
- Basic practical coffee roasting and cupping sessions with the farmers as they relate to the quality.

**The training workshop was closed on the 8<sup>th</sup> December 2009 with the following requests submitted by the farmers and the EAFCA partner-Bukonzo joint cooperative.**

- i) Translation of training materials to the local language to ease consumption with ongoing trainings.
- ii) A need to train the communities on how to address the gender disparities at community level to ensure active participation of households in coffee growing which would in turn increase the yields at district level.
- iii) Further trainings for the trainers of trainers so that they can be well positioned to continue with the trainings even in the absence of EAFCA.
- iv) Linkages to local markets to increase the benefit of the farming communities rather than the existing low returns because of the tier level at which they are placed in the coffee value chain.
- v) Development of communication platforms such as local radio and print media to spread the gospel on the skills received and the need for women and men to work together in order to rise in the hierarchy of the coffee value chain as well as live better lives.

## **B) Coffee price risk management trainings.**

EAFCA in partnership with COMPETE-USAID and the World Bank Commodity risk management group developed the coffee price risk training materials targeted small and medium sized enterprises that traded coffee in the African region. The training specifically empowers the traders with an understanding of price risk, skills to mitigate it within their businesses and showcases best practices from the other regions on practical applications.

On 12<sup>th</sup> -16<sup>th</sup> October 2009 masters trainers were trained comprehensively at the EAFCA secretariat by the World Bank consultants: Roy Parizat and Bernabe Snber. These included Rachel Nampinga, Robert Nsibirwa, Dick Wadada, Edgar kamara and Ishak Lukenge.



This was followed by the Training of Trainers workshop 19<sup>th</sup>-23<sup>rd</sup> October 2009 tasked with assisting the Master Trainers when the training is rolled out in the member countries in the future. Participants were awarded with certificates of recognition and later celebrated the achievement with a small reception at the secretariat.



A press conference was scheduled on the 23<sup>rd</sup> October 2009 with Roy Parizat, Leslie Omari (Chairman EAFCA Board) and Susan McGee (COMPETE communications specialist) had a panel discussion on the why the risk management training, the conception of the institute and the partnership between COMPETE and EAFCA on the same. The conference was attended by several press representatives and publications made in various print media on the training, the institute and the significance of the COMPETE funded activity to the coffee industry in Africa. A press release on the première training under the auspices of the training center was also

submitted to the print media houses.

**Further recommendations on the program:**

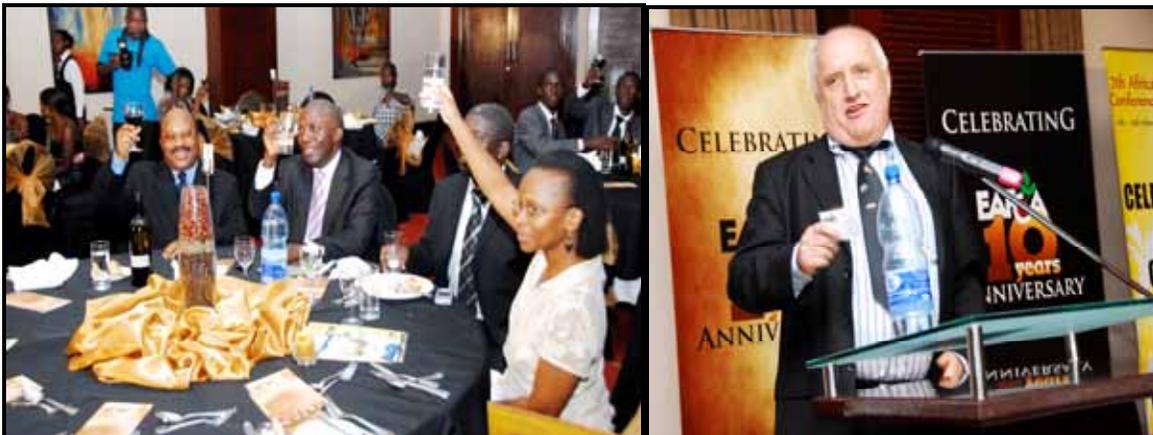
- More training to take place in the member countries.
- Publishing of the training materials for dissemination whilst training ie trainers manual and users' handbook.
- Involvement of other stakeholders eg banks and investment funds for an understanding in the coffee trade and the risk management strategies.

**2) Market Linkages & Business relationships.**

**i) Media PR & Advertising of the 7<sup>th</sup> AFCC&E.**

On the 8<sup>th</sup> September 2009 EAFCA kick started celebrations for the achievement of success thus far and officially launched the 7<sup>th</sup> AFCC&E at Kampala Serena Hotel in Uganda. With over 150 high profile guests from institutions with the East African region, the Kenyan chapter chairman Etienne Delbar launched the conference in the presence of other board members. With a colorful celebratory atmosphere EAFCA was reintroduced to the guests and media companies scrambled to capture the officiating ceremony.

Earlier in the day Philip Gitao and Etienne Delbar held a press conference launching the coffee conference and discussions on EAFCA.



**5) Institutional Strengthening**

**a) EAFCA staff capacity & Team building.**

The EAFCA staff comprising of the Executive Director and the rest of the team attended a 3 day training in Mombasa from the 11<sup>th</sup>-13<sup>th</sup> September 2009. XBRL was contracted to with the team to break invisible barriers, understand each other and streamline the management structure with the existing personality traits.

The team worked together to learn and accomplish team led tasks unraveling the hidden strengths with the team members.

### **Training outcome**

The training program / session involving 12 members of staff reviewed the basic concepts and dynamics of and undertook hands on review of the theoretical implications of working as a team through synchronised team / group activities geared towards enforcing team play, its characteristics, and thus identifying the different team member styles with the team, over the two days. Concepts covered included the following 1) Types of teams, 2) Team norms, 3) The stages of team development, 4) The characteristics of a highly effective team, 5) Trust / relationship model as it affects a team, 6) Team shaping factors, 7) Resolving conflicts, 8) SWOT Analysis of the EAFCA team, 9) Developing a team action plan. The sessions, involved the review and deployment of standard teambuilding activities, alongside a simulation of a demo company based on a case study of a small service firm

### **Recommendations**

It is recommended that EAFCA put in place a phased platform for the practical transfer / use of the team building principles deployed during the session, including designing a monitoring and evaluation matrix to get the right mix and fit of the required types of personnel that will power the strategic plan going forward.

In this direction, the deployment of the platform over a given period will assist the association utilise the right skill / person characters in pushing the association agenda, and creating the right matrix for further growth, as staff with the right team characteristics can and will be identified, and where gaps exist, new staff with the right and required skill and team harmony will and can be hired.

Repeated annual training would be ideal to enhance team cohesion and synergise the individual capacities to man the association.

### **b) Strategic planning workshop (9<sup>th</sup>-10<sup>th</sup> September 2009.)**

The board members converged at the Serena beach hotel and Spa in Mombasa Kenya on the 9th -10th September 2009 and participated in an intensive strategic planning meeting with EAFCA staff and officials from EAFCA's strategic partners. They reviewed the strategic draft plan for 2009-2013 and made recommendations on the way forward as EAFCA develops new strategies to continue its efforts to develop the regional coffee industry. The workshop was facilitated in close partnership with COMESA and USAID funded COMPETE .one of the significant outcomes was the adoption of EAFCA's new vision and mission. This was a by product of EAFCA new focus and orientation towards budding issues, it seeks to address such as climate change and women in coffee.

The new approved vision states “*To be the Worlds leading origin of fine coffees*” and the mission: *To promote the production, consumption and trade of African fine coffees.*

### **b) Women in coffee capacity building programs.**

The gender dimension of the coffee industry is an interesting paradox yet to be fully developed considering that in majority of African countries ,*Coffee is a mans crop!!*.However with the small holder farmers mainly dominating the producing group and women being salient drivers of the coffee industry there was a need to establish the gender differences, develop interventions on the eradication of the discrimination and bias affording both parties equitable rewards for the input labor rather than the existing injustice with women bearing the burden of farming, processing and men carelessly spending the sales returns.

Therefore an increase in coffee quality and yields required an analysis of household dynamics with the need to empower the women to voice out their concerns and access equal opportunities that the coffee

industry promoted to encourage commitment to the crop thus an overall boost in the coffees quality as well as quantities giving Africa yet another competitive edge in the global coffee market.

With the background on women's ability to lead and be agents of change, the filming of a documentary titled: sisters in coffee –*Breaking barriers and overcoming champions* was birthed. With the stories of women involved at different stages of the coffee value chain in selected pilot countries i.e. Rwanda, Tanzania, Ethiopia and Uganda, EAFCA has gathered stories of challenges ,strengths and strategies of the



### **Bottlenecks in implementation.**

- Introduction of new staff who received orientation and training whilst implementing the grant activities. This led to a few hitches as the team traversed up the learning curve. However the programs have been successful and the team now ready to go forward.
- Price fluctuations heavily impinged by the exchange rate fluctuations led to changes in anticipated program costs.
- A lean program management structure therefore requiring partnership with external technical experts. This has been countered by building close relations with the relevant experts.
- With changing dynamics in the coffee industry and the swift development of the IT industry there is need to build further capacity of the team to enable them to embrace the changing business environment. Trainings specific for the management team would ensure an apt ability to work with new ideas and innovations, learning from best practices from around the world.
- Working with outdated and aged software has derailed the capturing and management of program data .A replacement of the usually pricey equipment to would ideally enhance the membership services, business processes and reduce time spent on tasks.
- Salient indirect program management costs incurred during the implementation of the grant activities which strain the projected annual administration budget such as high communication costs.

### **Conclusion**

The ECOFAC program will be completely implemented at the end of February 2010.