



IMPROVING THE SUSTAINABILITY AND INCLUSIVENESS OF THE ETHIOPIAN COFFEE VALUE CHAIN TROUGH PRIVATE AND PUBLIC PARTNERSHIP





Ethiopia is the largest producer of coffee
in Sub-Saharan Africa
green coffee represented
More than 35 per cent
of total exported
earnings





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INDUSTRIAL DEVELOPMENT ORGANIZATION

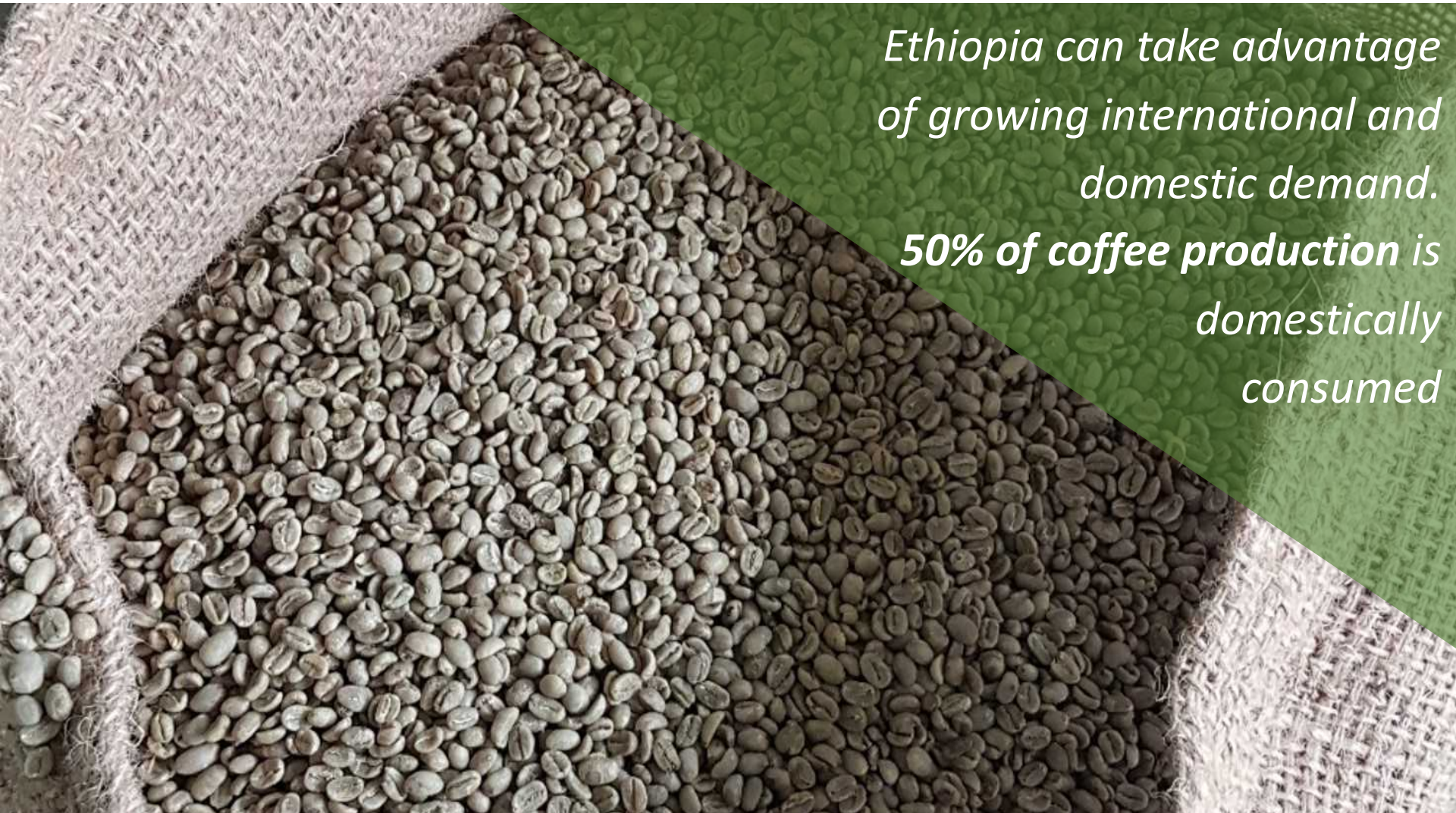


SUSTAINABLE DEVELOPMENT GOAL 9
INDUSTRY, INNOVATION AND INFRASTRUCTURE



*In Ethiopia, about
20 million people
live from coffee
production and
processing*





*Ethiopia can take advantage
of growing international and
domestic demand.
**50% of coffee production is
domestically
consumed***





CHALLENGES AMONG WHICH:

- Insufficient processors capacity and unsustainable agronomic practices.
- Value Chain inefficiency: poor processing, poor infrastructure and high transport costs.
- Limited skilled workforce unable to meet local private sector requirements.
- Poor coordination among the stakeholders.
- No presence of a single responsible Institution.
- Limited vertical integration of the coffee value chain.
- Smallholder farmers own 0,5 hectares. Poor cooperative management capacity.
- Improvement in international recognition of the Ethiopian coffee needed.



Affecting coffee production and coffee quality. This result in farmers lower income and less incentive to produce more and to invest in their farms, for producing high-quality coffee, moving to khat and other crops instead.





THE PROJECT: LUNCHEDED AT EXPO 2015

PROJECT OBJECTIVE: *To increase the income of smallholder farmers deriving from sustainable production, processing and marketing of the Ethiopian coffee.*





THE PROJECT AREAS

	ALETA WONDO (SNNP Regional State)	DELO MENA (Oromia Regional State)
Coffee production	Garden coffee, hand picked	Wild coffee, hand picked
Type of coffee	Mainly washed coffee	Mainly natural coffee
Altitude (AMSL)	From 1800 m to 2000 m	From 1300m to 1600m
Fertilizer	Organic fertilizer only	No fertilizer allowed
Harvesting season	October – January	September – December
Target Union	Sidama Coffee Farmers Cooperative Union	Burka Yadot Farmers Cooperative Union
Target Cooperatives	9 primary cooperatives 19700 smallholder farmers	12 primary cooperatives 2100 smallholder farmers

THREE LEVELS OF INTERVENTION





AT COFFEE GROWING AREAS LEVEL



Supporting the cooperatives in Aleta Wondo (SNNPR) and Delo Mena (Oromia Region)

- **Capacity building for farmers** (best coffee agronomic practices) and **cooperatives** (social and environmental sustainability, cooperative and financial management)
- Creation of **21 Input Provision Centres** (15 already built)
- **Renovation of old cooperative's coffee washing machineries** so to increase coffee quality while enhancing efficiency environmental sustainability
- Establishment of new **Coffee Drying Centres (CDC)** for natural forest coffee to increase production quality and ensure coffee traceability
- Creation of **nursery sites** for the production of high yield and disease-resistant coffee varieties (to be distributed to farmers)





AT VALUE CHAIN LEVEL



- Supporting Farmers' Cooperative Unions (Sidama Coffee Farmers' Cooperatives Union - **SCFCU** - and Burka Yadot Farmers' Cooperative Union - **BYFCU**) in adding value to the coffee produced in Ethiopia:
 - Development of a **business plan** for the Unions
 - Supporting Unions in the development of a **communication strategy** (logo, website, social media)
 - Supporting **SCFCU** in developing and building **roasting facilities**, and **BYFCU** in establishing direct coffee export channel
 - Assisting the Unions in developing a new and comprehensive business model (coffee tourism, honey value chain, etc.)





AT INSTITUTIONAL LEVEL



- **Capacity building** (International study tour to the main coffee exporting and importing countries)
- Recruitment of national and international experts to develop **business plan** and comprehensive **communication strategy** for the Ethiopian coffee and Tea Authority (ECTA)
- Creation of **national branding** and **marketing strategy** for the Ethiopian coffee
- Establishment of **Coffee Training Center (CTC)** in Addis Ababa within the premises of ECTA in partnership with **illy café** and based on the model of **Univerita del café**. The CTC will enable Ethiopian coffee stakeholders to improve their knowledge and skills (e.g cupping, roasting and packaging, brewing, marketing, etc)





MASTER

Every year, the Ernesto Illy Foundation offers a **full scholarship** for a young Ethiopian to attend the **Master in Coffee Economics and Science** in the University of Coffee (Trieste, Italy)



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del CAFFÈ

www.unicaffe.com

Since the beginning of the partnership with UNIDO,
Ernesto Illy Foundation fully sponsored

8 students

that have attended the Master and are successfully working in Ethiopia for improving
the Ethiopian Coffee sector.





Ethiopian coffee value chain analysis conducted and recommendations provided to the GoE e.g. the establishment of the Ethiopian Coffee Authority





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In Aleta Wondo
About 18,000
farmers
Received
training





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252 demo-plots
380,000 coffee seedling
3 Input Provision Centres
240,439 shade trees
9 wet mills
renovated





Pilot water recirculation system: reduce water consumption by 50%

Organic fertilizer production: pulp separator allows wet mills workers to easily collect coffee pulp to produce organic fertilizer





In Delo Mena
More than 2411 farmers
received Agronomy
best practice
training





12 Input provision centres
10 Coffee Drying Centres
1230 Drying beds
12 coffee temporary storages
5 motorbikes



**After three year of intervention
at agronomic level farmers
were able to gain a price about
30% higher
because of the
improved quality
(Delo Mena)**





Thank you for your attention!

